

# Hitachi Social Innovation is POWERING GOOD

The challenges we face as a society are unprecedented,  
but so are the opportunities.  
Together, let's start powering good.  
Let's call on our heritage, our spirit of collaboration  
and our technology to do better for generations to come.

## Contents

■ About the Hitachi Group	1
Business of the Hitachi Group	
The Hitachi Group Identity and Social Innovation Business	
Growth History	
■ The Hitachi Group Value Creation Story	10
CEO Message	
Independent Director Dialogue	
Value Creation Process	
Capital Utilization and Value Creation	
Value Creation Story	
■ The Hitachi Group's Growth Strategy	29
History of Management Reforms and Hitachi's Mid-term Management Plans	
Outline of the 2021 Mid-term Management Plan	
Capital Allocation Strategy	
Financial and Capital Strategy	
Accelerate Innovation	
Environmental Vision and the Decarbonization Business	
Strengthen Lumada	
Story of Value Creation by Sector	
■ A Business Foundation that Supports Sustainable Growth	64
Addressing Risks and Opportunities	
Promoting Information Security	
Occupational Health and Safety, Employee Health	
Value Chain Responsibilities	
Compliance	
Quality Assurance	
Climate-Related Information Disclosure	
Corporate Governance	
Management System	
■ Data Section	87
10-Year Financial Data	
Segment Highlights	
Operating and Financial Review	
Consolidated Statement of Financial Position	
Consolidated Statement of Profit or Loss	
Consolidated Statement of Comprehensive Income	
Consolidated Statement of Changes in Equity	
Consolidated Statement of Cash Flows	
5-Year Non-Financial Data	
Hitachi Group Business Operation Framework	
Keywords to Understand Hitachi Value Creation	
Corporate Data /Stock Information	

## Hitachi Integrated Report 2019 Editorial Policy

### Editorial Policy

While preparing the 2019 edition of the Report, we concentrated on explaining Hitachi's vision moving forward, as well as the competitive advantages, strategies and business foundation we will utilize to achieve this vision, while also looking back on Hitachi's progress up until fiscal 2018 and discussing the results and challenges of related measures.

We placed a particular emphasis on including easily understandable explanations regarding Hitachi's goals of co-creation with customers and society to raise social, environmental and economic value, as well as achieve a sustainable society. These objectives are primarily aimed at accomplishing Hitachi's vision of becoming a global leader in the Social Innovation Business, one of the central themes of its 2021 Mid-term Management Plan, which began in fiscal 2019.

When editing this Report, we ensured that it conforms to the International Integrated Reporting Council's (IIRC's) International Integrated Reporting Framework and the Ministry of Economy, Trade and Industry's Guidance for Collaborative Value Creation.

### About Cover Page

Hitachi is working to improve the quality of people's lives by utilizing its many strengths, including some of the latest digital technology, within a wide range of business domains, primarily including social infrastructure, e.g., IT services, energy-related businesses, industrial systems and railway systems. The cover of this report portrays several examples of Hitachi businesses that contribute to people's lives.



### Boundary of Reporting

Period:	April 1, 2018 to March 31, 2019 (some activities detailed herein occurred after April 2019)
Companies:	Hitachi, Ltd., and its domestic consolidated subsidiaries
Boundary of Data:	
Social data:	Boundary of data indicated under each indicator
Environmental data:	804 companies, namely Hitachi, Ltd., and 803 consolidated subsidiaries
	However, for environmental performance data associated with Hitachi's business operations, Hitachi, Ltd., and consolidated subsidiaries whose environmental load comprises 90% of the total (based on Hitachi calculations) are included.
Accounting Standard:	Unless otherwise noted, this report is prepared in accordance with U.S. GAAP through fiscal 2013 and with the International Financial Reporting Standards (IFRS) from fiscal 2014.

### Inquiries Regarding the Integrated Report

#### JAPAN

Hitachi, Ltd.  
6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8280  
TEL: +81-3-3258-1111 E-mail: ir.info.hq@hitachi.com

#### U.S.A.

Hitachi America, Ltd.  
50 Prospect Avenue, Tarrytown, NY 10591  
TEL: +1-914-333-2994

#### U.K.

Hitachi Europe Ltd.  
Whitebrook Park, Lower Cookham Road, Maidenhead, Berkshire SL6 8YA  
TEL: +44-1628-585384

#### Investor Relations

<https://www.hitachi.co.jp/IR/> (Japanese)  
<https://www.hitachi.com/IR-e/> (English)

#### Sustainability

<https://www.hitachi.co.jp/sustainability/> (Japanese)  
<https://www.hitachi.com/sustainability/> (English)

#### Disclaimer Regarding Forward-looking Statements

Certain statements regarding the future of the Company set forth in this Report may constitute "forward-looking statements," such as "plan," "forecast," "target," and "strategy." Although forward-looking statements contained in this report are based upon what the Company has determined to be reasonable assumptions at the time of disclosure, actual performance and other results may differ materially from those anticipated in such statements. For the major factors regarding these differences, please see "Addressing Risks and Opportunities" on page 65 of this Report.