

## V. Brand Management

### 1. Brand Management

Based on the recognition that its founders' spirits "harmony," "sincerity" and "pioneering spirit" constitute the Hitachi Brand's basic principles, Hitachi has gained its customers' trust with its sincere attitude toward work. As the business environment changes with the trends toward consolidated management, globalization and more emphasis on intangible assets, Hitachi Group has regarded the Hitachi Brand, its common asset, as an important management resource supporting its competitiveness. Moreover, since April 2000 it has vigorously promoted brand management to reinforce the Hitachi Brand.

#### 1.1 Hitachi's Brand Platform and Corporate Statement

The Hitachi Brand is a significant promise that delivers Hitachi Group's corporate strategy and social mission as well as specific corporate activities correctly to all the stakeholders. "Hitachi Brand Platform" clarifies what each and all of Hitachi employees working under the Hitachi Brand think and promise, and how they take an action. "Hitachi Brand Platform" consists of 3 pillars: "Brand Vision," "Brand Mission" and "Brand Value." (See Fig. 5.1)

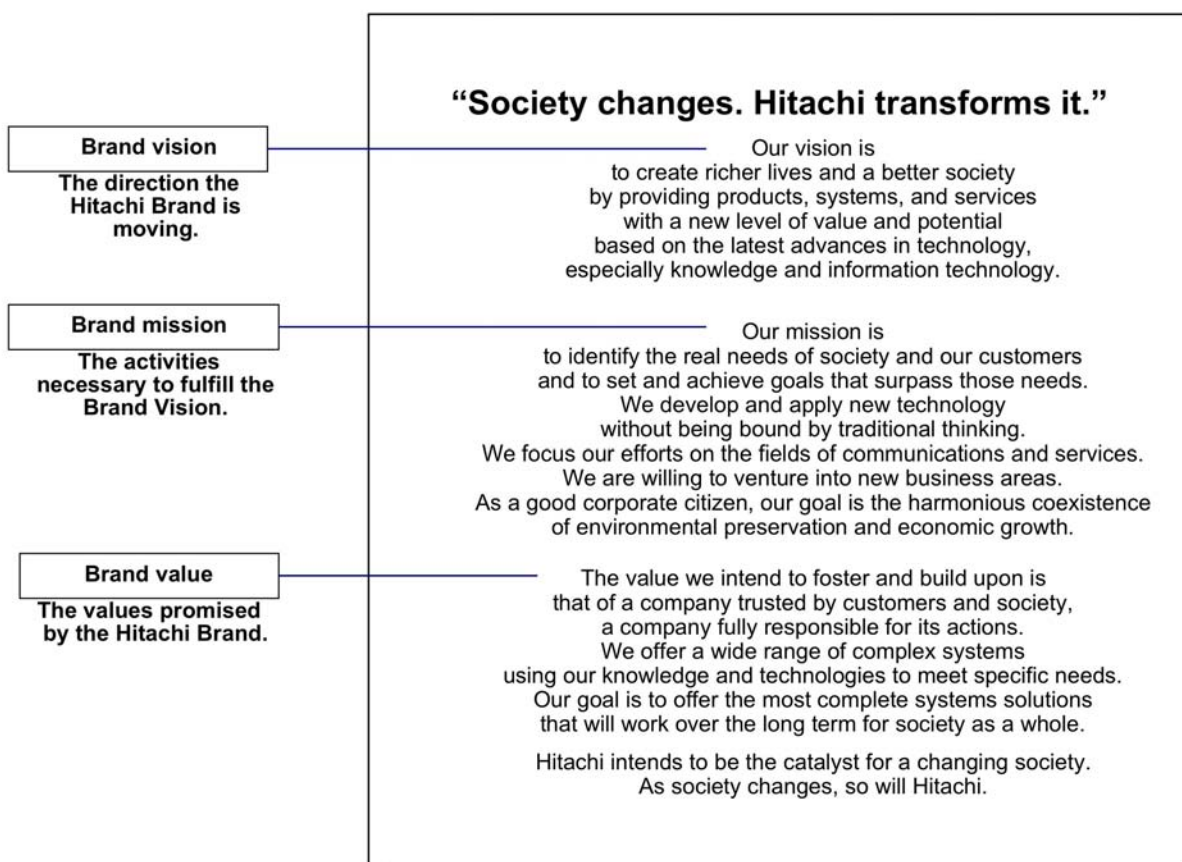


Fig. 5.1 Hitachi Brand Platform

The corporate statement “Inspire the Next” which consolidates and describes the essence of Hitachi Brand Platform has the meaning that “to keep infusing a new breath of life to the next era.” By not having any word after the term “Next,” it implies various ideas such as era, society, idea, product, system and solution. One of the aims of the corporate statement is to think and share the terms after Next with our stakeholders.

## 1.2 Hitachi’s Basic Design Element

To deliver Hitachi’s corporate images and brand images integrally and continuously, Hitachi has established the Hitachi Group Identification Standards. The basic elements of the Hitachi Brand are as follows.

- Hitachi Mark:

The mark symbolizing Hitachi which is used as the family crest.



- Hitachi Logo:

The basic element used most commonly as a symbol of the Hitachi Brand which accumulates brand value and is used on all products and services supplied by Hitachi.

**HITACHI**

- CS (Corporate Statement) Logo:

The element combining the Hitachi Logo and the Corporate Statement. This logo acts to communicate both the company’s brand value, and its determination to move ahead for changes, throughout the company and also to the outside world. The red stroke on top right (Inspire Flash) symbolizes Hitachi’s attitude for further growth, its firm determination toward the new era and its aspiration to keep infusing a new breath of life to the next era.

**HITACHI**  
Inspire the Next

## 1.3 Brand Value Enhancement Measures

Because brand value is enhanced by activities of each employee, Hitachi has provided training programs and educational tools to improve the awareness toward brands among employees of Hitachi Group companies. The brand image of a company is formed with accumulation of various experiences of the stakeholders. That is why Hitachi must be able to provide consistent brand experiences that match with the Hitachi’s Brand message. The following measures are taken to brand management.

### 1.3.1 Promotion of Web Management

Hitachi’s website contains various information to be given to the stakeholders. Playing the role of the inquiry counter, sales, and customer services, the Website constitutes a place for comprehensive brand experience. To further improve the Website, Hitachi has developed a website governance system, and guidelines relating to visual expression and usability promoting such Web management creating business opportunities. (See Fig. 5.2)

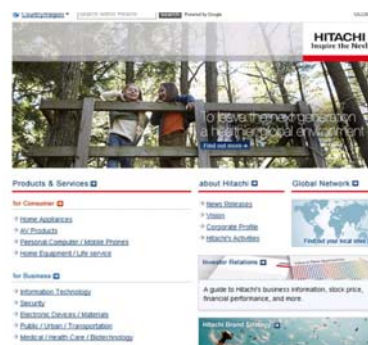


Fig. 5.2 Top Page of Hitachi Global Website

### 1.3.2 Environmental Campaigns

In addition to various advertising and promotion activities in and outside Japan, Hitachi Group has continuously carried out campaigns to improve awareness toward the Hitachi Brand. Since its public announcement of “Environmental Vision 2025” featuring “prevention of global warming,” “recycling and reuse of resources” and “protection of ecology system” in December 2007, Hitachi Group has promoted a wide range of Hitachi’s environment innovation products, implemented environment

campaigns, and launched environmental activities' websites, etc. (See Fig. 5.3)

### 1.3.3 Improvement of Brand Images Among Youths

As a part of science and technology educational program for junior high and high school students, Hitachi Group has organized seminars to improve its brand images among university students and other young population. It has also promoted recruiting activities for competent staff and good relationship with future stakeholders.

## 2. Anti-counterfeit Measures

The Hitachi Group has actively taken measures against counterfeit goods (e.g., home appliances, electronic components, automotive components, construction equipment components, and electric power tools) in China and other Asian countries, the Middle East, and Africa. In China where counterfeit goods are especially rampant, Hitachi has vigorously promoted raids and other effective measures in cooperation with local affiliates to regain the sales of genuine products.

Hitachi has also lobbied Chinese authorities through industrial associations, such as supporting visits by the International Intellectual Property Protection Forum (IIPPF) to China. After requirements for criminal charges in intellectual property infringement cases were relaxed in December 2004, infringers tended to try to avoid court charges by minimizing the number of goods that can be seized at raids. Also, administrative penalties do not have

much deterrent effect so that repeated offenses are common. So, Hitachi has conducted raids against manufacturers that infringe more than one brand, in cooperation with other companies, to seek criminal charges.

With respect to the fraudulent company name registration that includes the trademark of “日立” and “HITACHI” in Hong Kong, even if a court orders the cancellation of a fraudulent registration, the cancellation procedures are very difficult to complete under Hong Kong's corporate registration system. So, in coordination with other companies, Hitachi has asked the Japanese Ministry of Economy, Trade and Industry for assistance, and the Japanese government has held several discussion meetings with the Hong Kong government since November 2005 to request a revision of Hong Kong's relevant legal system and operations. As a result, the Hong Kong government has announced its law amendment plan.

As more counterfeit goods enter international trade, Hitachi is pursuing measures aimed at both exporting countries (mainly China) and export destinations. Such measures include: parallel investigation in the Middle East and China, seizure at the Customs of countries in the Middle East, raids in each country, and uncovering counterfeit networks based on information collected from raids and seizures. To do so, Hitachi has actively collaborated and exchanged information with relevant authorities. Further, in recent years, Internet-based infringements are on the rise, and in response to that Hitachi is vigorously taking countermeasures in light of new laws and regulations.

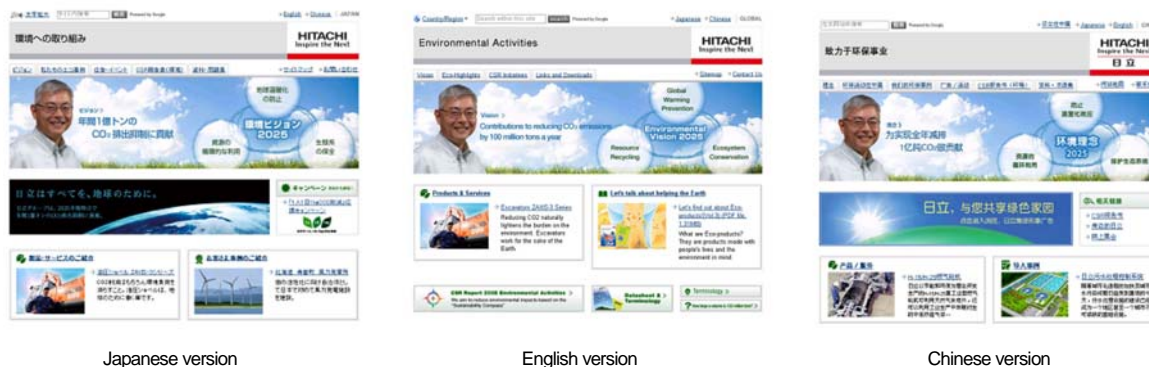


Fig. 5.3 Hitachi Environmental Activities' Websites