How to Use This Report

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Editorial Policy

Basic Concept

We are continuously improving our CSR activities and have identified nine key themes for our CSR management framework: (1) recognition of social responsibility, (2) corporate governance, (3) human rights, (4) labor practices, (5) environment, (6) fair operating practices, (7) customers (consumer issues), (8) community involvement and development, and (9) review and improvement of CSR activities.

With reference to these nine key themes, the Hitachi Sustainability Report 2018 details the social and environmental issues that are vital to the sustainability of our operations and society, presenting our stance and the activities undertaken in fiscal 2017.

Inasmuch as the report is a tool with which we engage with our stakeholders through honest and transparent disclosures of information, it contains our basic policies, promotion systems, key performance indicators, and specific measures for our CSR initiatives in line with the disclosure requirements of the GRI Sustainability Reporting Standards (GRI Standards).

What This Report Covers (Boundary of Reporting)

| Period: | The main period covered is fiscal 2017 (April 1, 2017, to March 31, 2018) |
| Companies: | 1,287 companies, namely Hitachi, Ltd. and 1,286 consolidated subsidiaries (including 407 equity-method associates and joint ventures) |
| Boundary of Data: | Financial data: 1,287 companies, namely Hitachi, Ltd. and 1,286 consolidated subsidiaries (including 407 equity-method associates and joint ventures) |
| Social data: | Boundary of data indicated under each indicator |
| Environmental data: | 880 companies, namely Hitachi, Ltd. and 879 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. |

Reporting Cycle: Published every year as an annual report

Date Published: October 2018

Notes:

• The data for each fiscal year are the results according to the boundary of data in that fiscal year.
• The base fiscal year data has been revised to match the boundary of data for fiscal 2017.
Disclosure of Financial and Non-Financial Information

Hitachi, following closely the deliberations of the European Union (EU) and the International Integrated Reporting Council (IIRC) about non-financial disclosure, presents information to match the needs of stakeholders reading this report.

Since the 2016 edition, the Hitachi Integrated Report has presented both financial and non-financial information showing how Hitachi is striving to create value. The Hitachi Sustainability Report continues to serve as a comprehensive tool providing detailed non-financial information.

Independent Assurance

To enhance the credibility of this report, we have engaged KPMG AZSA Sustainability Co., Ltd. to provide assurance on environmental and social performance indicators. This assurance was carried out in accordance with the International Standard on Assurance Engagement (ISAE) 3000 and 3410. Performance indicators for fiscal 2017 that have been assured are marked with ✔ in the report.

Financial and Non-Financial Information Reports on Hitachi’s Value Creation

Financial Information Reports

Note: Information about Hitachi, Ltd. is also disclosed in the Annual Securities Report and the Report on the 149th Business Term.

Non-Financial Information Reports

The Hitachi Sustainability Report 2018 provides non-financial information to investors, auditors, and CSR experts in an easily searchable, interactive PDF format (A4, 137 pages).

The CSR website contains not only the contents of this report but also news releases to provide up-to-date information to our diverse stakeholders.