The Value Creation Process

Outcomes

- Diversification and globalization of human capital
  - Ratio of female managers: 9.8%
  - Ratio of non-Japanese executive and corporate officers: 17.6%
  - Ratio of female executive and corporate officers: 12.2%
  - Digital talent: Increase of 32,000 persons

- Increase competitive superiority to expand business
  - Lumada business revenues: 1.6 trillion yen
  - Lumada overseas revenue ratio: 47%
  - Expand the use of Lumada in-house
  - Application cases for internal IT services: 305 cases
  - Number of published patent applications: approx. 11,000

- Reducing environmental burden (vs. fiscal 2010)
  - Reduction in CO₂ emissions from products and services: 37%
  - Reduction rate in water use per unit: 36%
  - Reduction rate in waste and valuables generation per unit: 18%
  - Reduction rate in chemical atmospheric emissions per unit: 35%

- Core free cash flows: 290.0 billion yen
- Total dividends: 120.9 billion yen
- Total shareholder return: +120.9% (past five years)

Input

- Manufactured capital
  - Capital expenditure: 388.7 billion yen
  - Manufacturing bases: approx. 470
- Human capital
  - Number of employees: 368,247
  - Overseas employee ratio: 57%
  - Investment in education per employee: 57,700 yen
- Intellectual capital
  - R&D investments: 317.3 billion yen
  - R&D staff: 2,550
  - Customer co-creation centers: 19
- Social and relationship capital
  - Lumada Alliance
    - Program partners: approx. 50 companies
  - Investments in cumulative startups: 17 companies
  - Funding for social contribution activities: 1.9 billion yen
- Efficient use of resources
  - Total energy input: 62.9 PJ
  - Raw material input: 3,235 kt
  - Total water input: 25.61 million m³
  - Total chemical substances handled: 61 kt
- Natural capital

Financial capital

- Hitachi, Ltd. stockholders' equity: 4,341.8 billion yen
- Interest-bearing debt: 3,126.7 billion yen
- Growth investment: 1,000 billion yen

Mid-term Management Plan 2024 - Vision

Support People’s Quality of Life with Data and Technology that Fosters a Sustainable Society

Planetary Boundaries

Protect the earth while maintaining social infrastructure

Society

Three Growth Drivers

- Realizing Co-creation
  - Leverage competitive advantages
    - Green Energy & Mobility
    - Digital Systems & Services
    - Connective Industries
  - Hitachi Astemo
  - Lumada
    - Program partners: approx. 50 companies
    - Investments in cumulative startups: 17 companies
    - Funding for social contribution activities: 1.9 billion yen
  - IT, OT, Products
  - Core free cash flows: 290.0 billion yen
  - Total dividends: 120.9 billion yen
  - Total shareholder return: +120.9% (past five years)

Wellbeing

A society where every individual is comfortable and active

People

Mission

Contribute to society through the development of superior, original technology and products.

Materiality

- Environment
  - Integrity in management
- Resilience
  - Enhancing quality of life
- Security & Safety
  - Diversity, equity, and inclusion
- Corporate governance
- Risk management

*Number of employees, R&D staff and customer co-creation centers are as of end of fiscal 2020; manufacturing bases are as of April 2021.