

# Hitachi, The Most Trusted Partner in China

Hitachi, Ltd.  
Etsuhiko Shoyama  
President and Chief Executive Officer

Opening

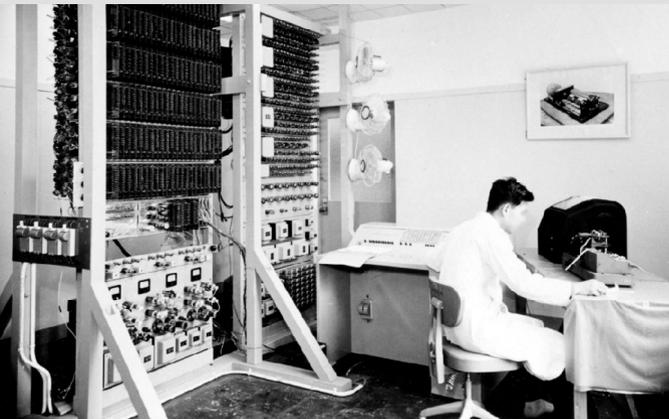
Corporate Philosophy



1910 Founded



Display a Pioneering Spirit Based on Harmony and Sincerity



Advanced Technologies and Trust

Contribute to Society through Technology

Hitachi's Corporate Philosophy Since 1910

## Contents

1. Our Businesses
2. Business Targets in China
3. Strategies for Target Businesses
4. Strategies for Achieving Our Goals

# 01 Our Businesses



# 01 Realizing Comfortable Lifestyles and a Prosperous Society

Customers



Society



Business Partners



Value

Trust

## The Best Solutions Partner

Provide best solutions for customers

Foster cordial relations with society

Build win-win relationships with business partners

Advanced technologies

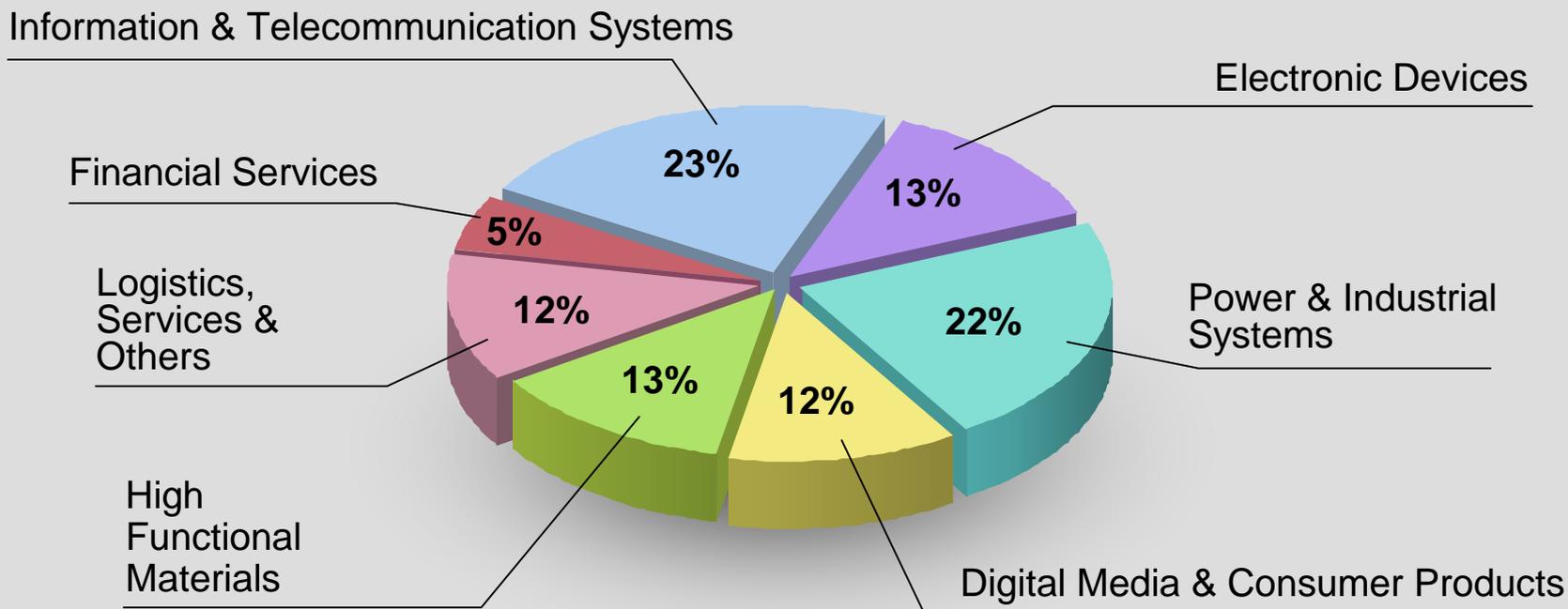
Fast decision-making

Talented human resources

Worldwide brand power

Social contribution

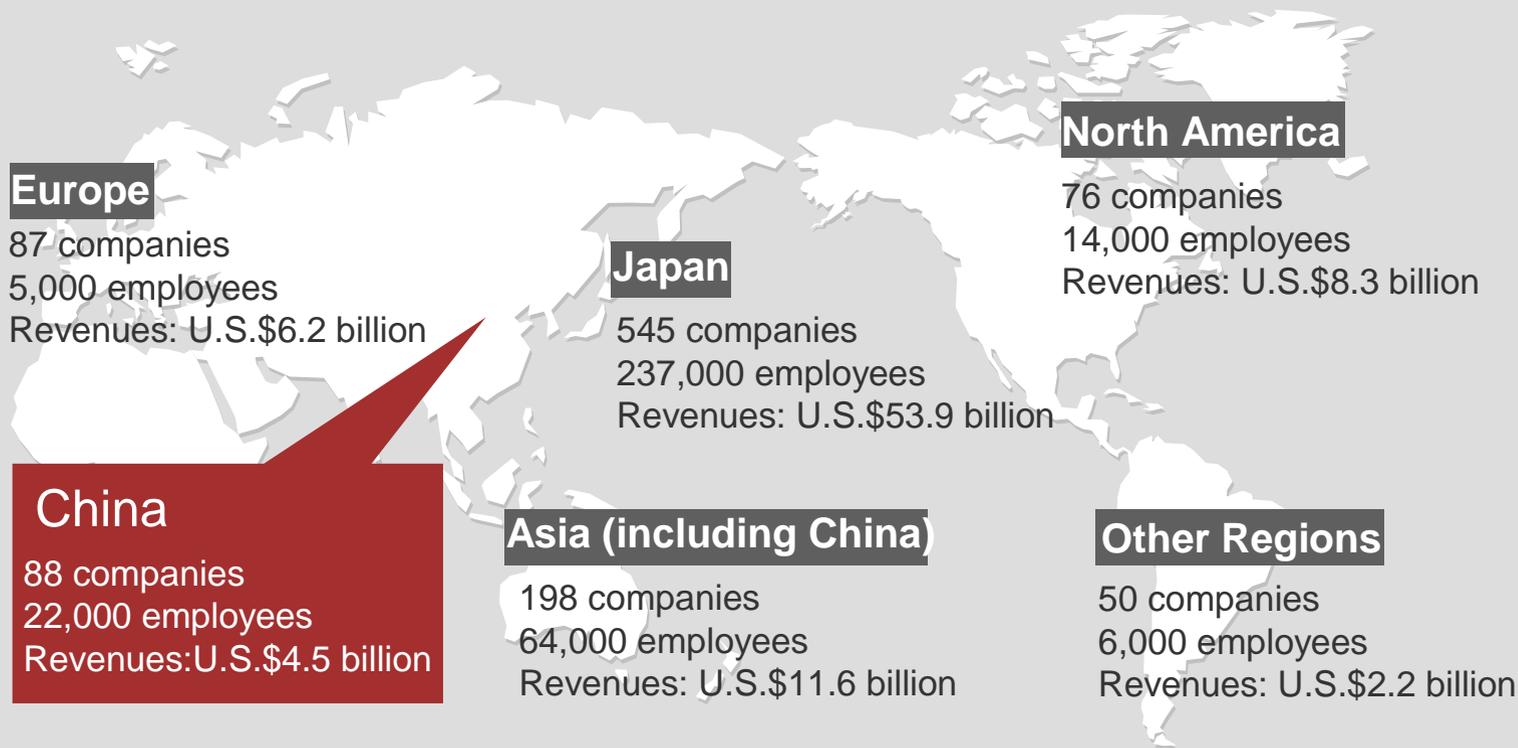
# 01 Hitachi's Wide-Ranging Business Spheres



FY03 Consolidated Revenues U.S.\$82.2 billion

U.S.\$1=105 Japanese yen

# 01 Hitachi's Businesses Span the Globe



Consolidated subsidiaries: 956/No. of employees: 326,000

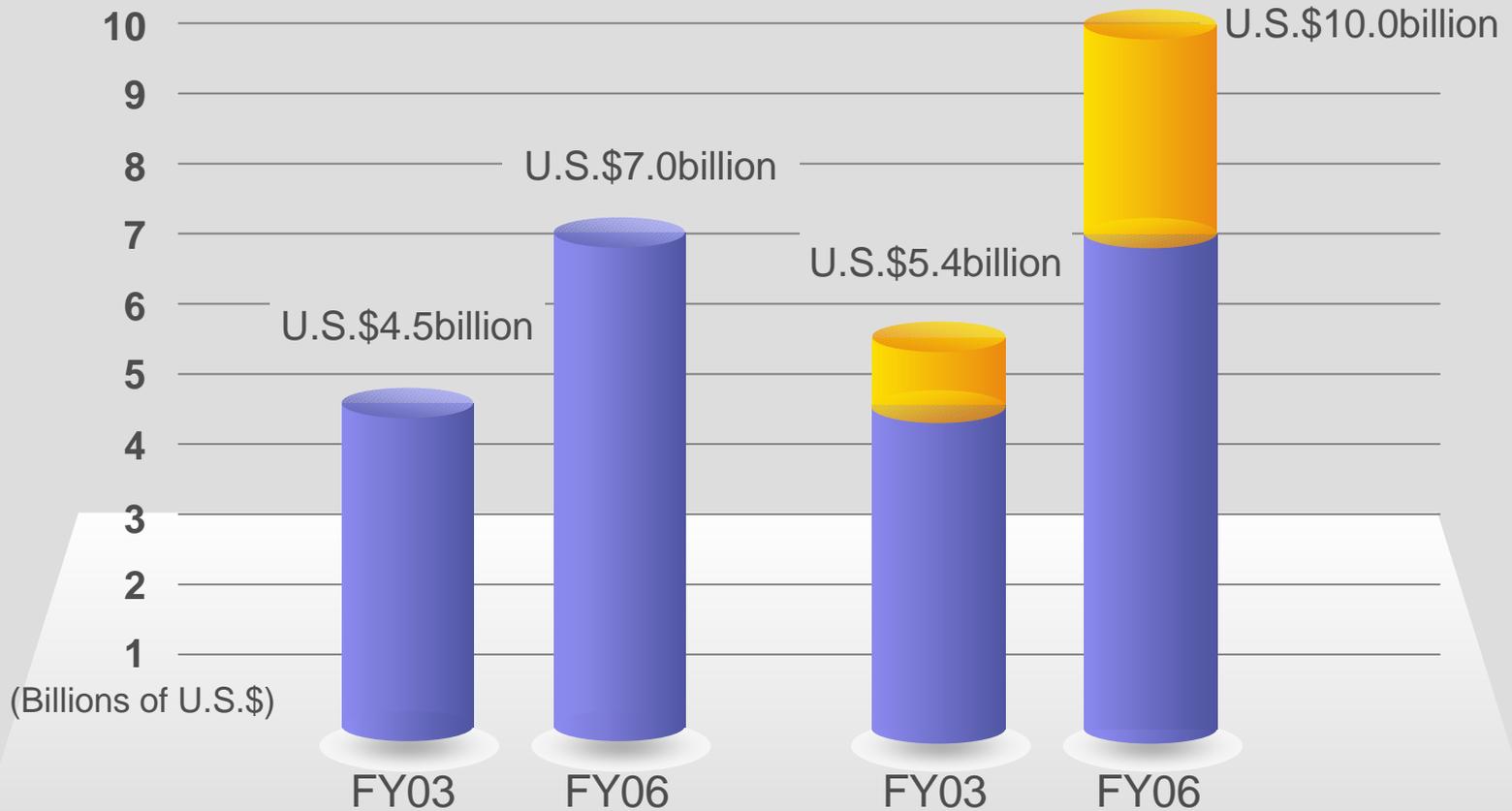
U.S.\$1=105 Japanese yen

## 02 Targets in China



# 02 Expanding Business Further in China

■ Consolidated revenues ■ Revenues of equity-method affiliates



U.S.\$1=105 Japanese yen

# 02 Investing for Business Expansion

Investments from FY01 to FY03: U.S.\$1 billion

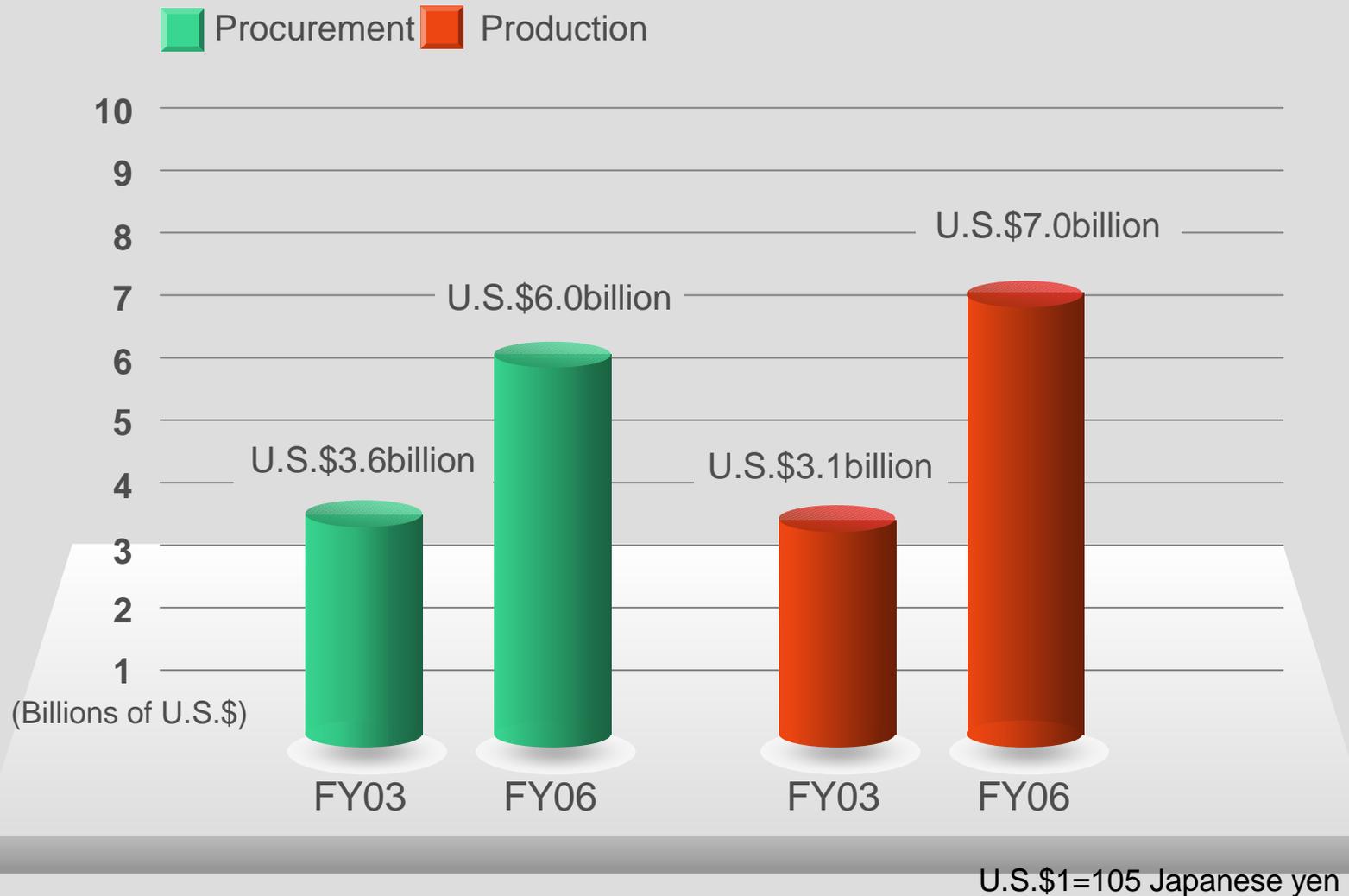
Investments planned over the next 3 years: at least U.S.\$1 billion

<Example>



U.S.\$1=105 Japanese yen

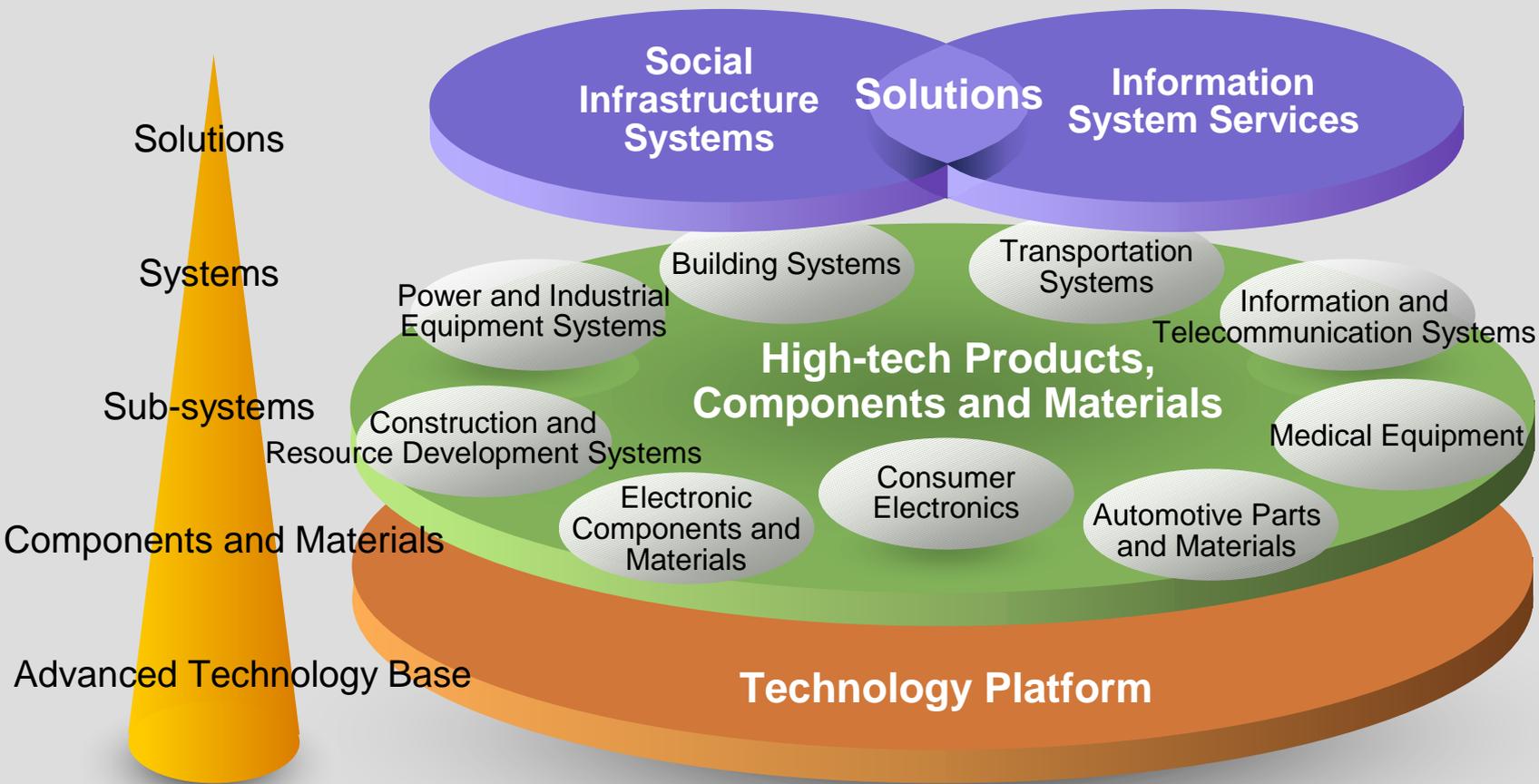
# 02 Expanding Procurement and Production to Strengthen Businesses



# 03 Strategies for Target Businesses



# 03 Advanced Technological Capabilities and Hitachi's Collective Strengths Spanning a Broad Range of Business Spheres



# 03 Measures for Bolstering Businesses in the Chinese Market

1

## Strengthen Businesses through Partnering

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Power and industrial equipment systems/ building systems/ transportation systems

2

## Actively Advance into Growth Markets

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Information and telecommunication systems/ medical systems

3

## Build a Cutting-Edge Brand through a Lineup of Cutting-Edge Digital Products

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Consumer electronics

4

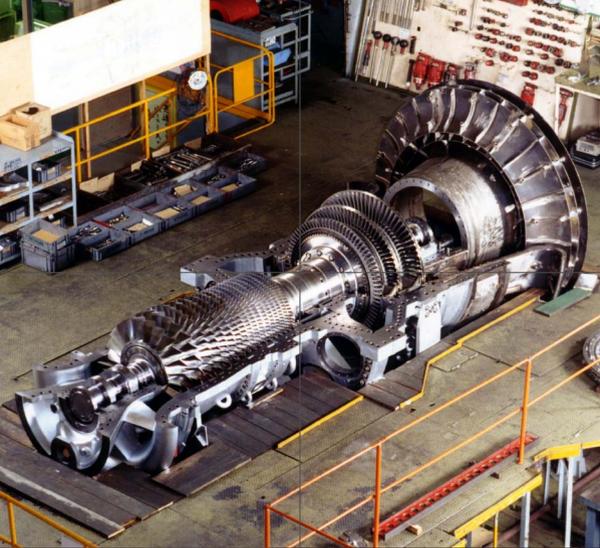
## Contribute to China's Economic Development by Leveraging Hitachi's Collective Strengths

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Construction and resource development systems/ automotive systems and materials/ components and materials for information electronics and digital consumer electronics

1

Strengthen Businesses Through Partnering  
— Prospering Together —



## Power and Industrial Equipment Systems

Develop collaborative relationships with Chinese partners  
Leverage technological capabilities such as in coal-fired power generator, power control, water treatment and industrial equipment to address energy conservation and reducing environmental impact

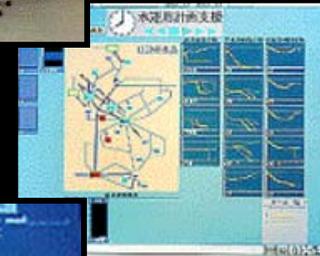


# Energy Conservation and Environmental Solutions

Contribute to the creation of an environment that supports sustainable development



Centralized monitoring and control



Water management support



Water quality management support



Power control technology

- Security and safety
- Comfort and convenience
- Reduced environmental impact



## Building Systems

Provide elevators and escalators, IT condominiums systems and large centrifugal chillers matched to market needs

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# Creating Highly Attractive Living Spaces

Supporting secure and convenient individual lifestyles



- Ubiquitous information systems
- Security and safety
- Comfort and convenience



IT Condominium Systems  
- Centralized management  
- Individual authentication systems  
- Remote control technologies

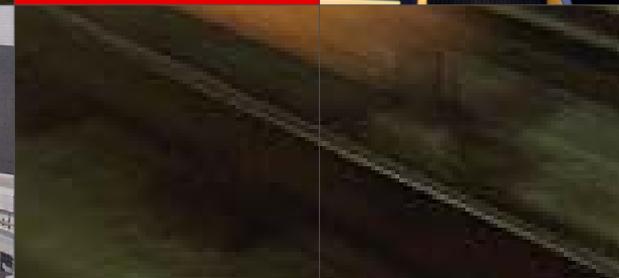


Entertaining visual information systems



## Transportation Systems

Contribute to the advancement of transportation systems in China including bullet trains, monorails, subways and railways, and railway management systems based on railway technologies and road information and control technologies.



# Transportation That Brings Out the Vitality of Cities

Helping ease worsening traffic congestion

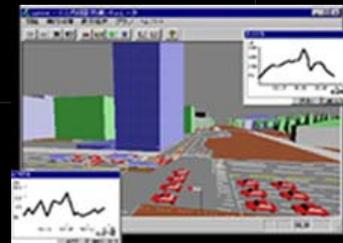
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**Bullet trains**



**City traffic systems**



**Traffic simulators**  
(Evaluate effect of traffic lights, etc.)



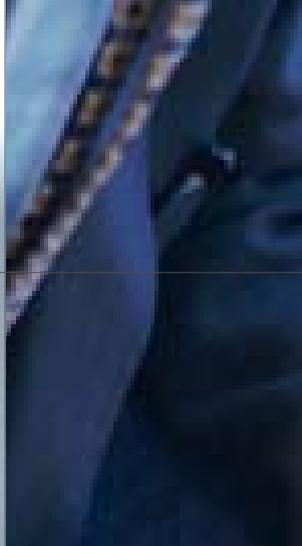
**VICS**  
(Vehicle Information and Control Systems)

- Bullet trains, monorails, subways, etc.
- Railway management systems
- Reduced environmental impact
- Security and safety

2

Actively Advance into Growth Markets

— Accelerating Growth —



## Information and Telecommunication Systems

Contribute to the development of an advanced information-based society in China through the provision of highly reliable and high performance information and telecommunication systems, including storage, communication networks and ATMs



# Information and Telecommunication Lifelines

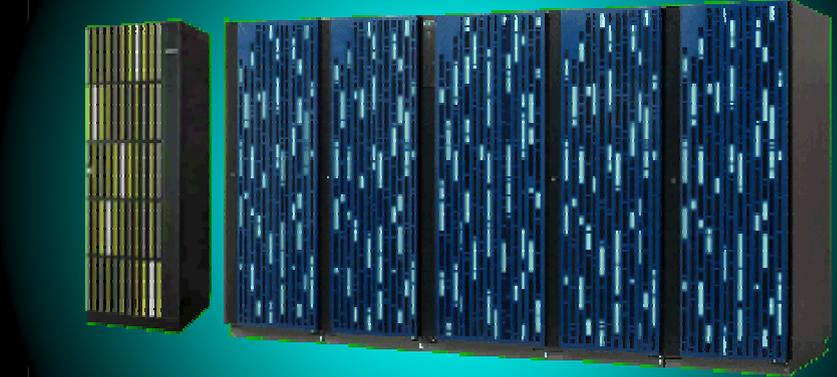
Aiming to be a leader in information lifelines, especially storage systems



- Storage systems that store
- Servers that think
- Networks that communicate



Provide highly reliable information and communication infrastructure supporting safe, worry-free and wholesome businesses, lifestyles and communities



Servers

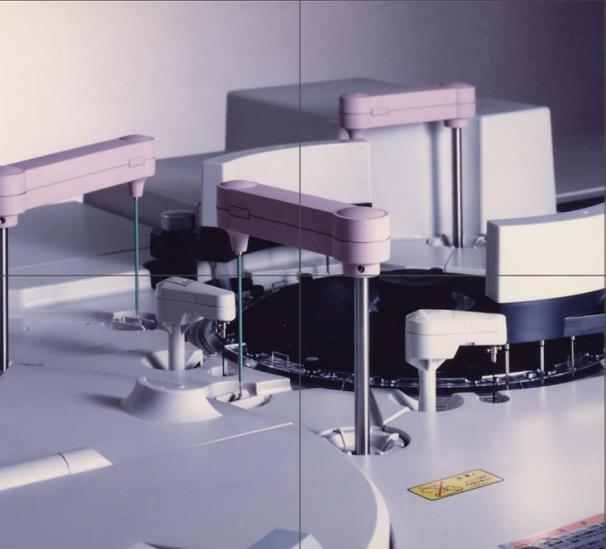
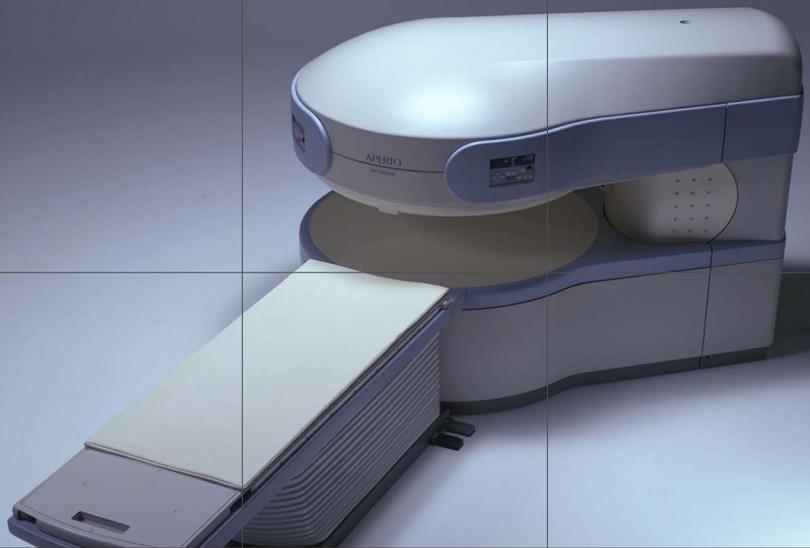
Storage systems



Broadband and mobile networks



MUST



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**Medical Systems**  
Contributing to advances in medicine through  
the development of a comprehensive diagnostic  
and testing equipment business

DIAGNOSTIC



3

Building a Cutting-Edge Brand through  
Cutting-Edge Digital Products  
— Building Admired Brand —



**Consumer Electronics**

Aiming to build an admired brand by launching new products based on the keyword "cutting-edge"



4

Contribute to China's Economic Development  
by Leveraging Hitachi's Collective Strengths  
— Displaying Our Collective Strengths —

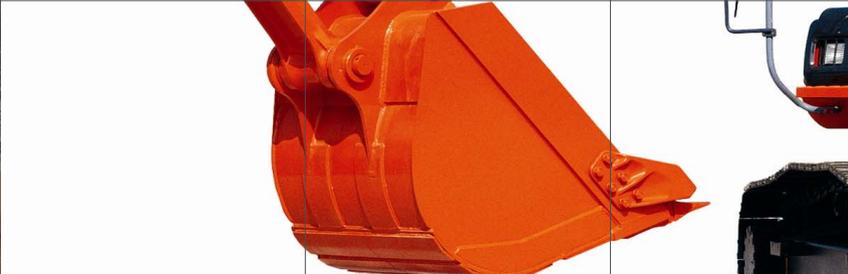


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## Construction and Resource Development Systems

Building safe and comfortable living environments by providing cutting-edge construction and resource development systems



## Automotive Systems and Materials

Expanding production, sales, engineering and support systems in China and strengthening the aftermarket business





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## Components and Materials for Information Electronics and Digital Consumer Electronics

Contribute to building the Chinese digital society

# 04 Strategies for Achieving Our Goals



## Strategies for Achieving Our Goals



- Advanced Technologies
- Talented Human Resources
- Social Contribution
- Brand Power
- Fast Decision-Making

# **04 Strategies for Achieving Our Goals**

## **Advanced Technologies**



## Actively Apply China's Intellectual Capital to Enhance Hitachi's Collective Strengths in Terms of Knowledge

Advanced research

Medical and Biotechnology  
(Collaboration with Fudan University)

Next-generation networks

(Collaboration with Tsinghua University)

Electronics Components

(Collaboration with Shanghai Jiao Tong University)  
etc.

Bolster the R&D framework in China

Make the China R&D Center an independent company

Establish a center for the development of escalators and elevators in Asia

Assemble a team of 1,000 researchers in China

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**04 Strategies for Achieving Our Goals**

**Talented Human Resources**



## Actively Utilize People Versed in Chinese Culture and Society

Actively recruit Chinese staff through  
Hitachi Group recruitment activities

Support the development of key Chinese  
staff

Provide opportunities for appealing work  
and to display individual abilities

Develop a human resources strategy led by  
the regional headquarters

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**04 Strategies for Achieving Our Goals**

**Social Contribution**



## Enhance Social Contribution Activity to Help Develop Society in Both China and Japan

Launch the Hitachi Fellowship Program for Chinese Researchers  
Invite researchers from Chinese think tanks to research institutions in Japan

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**04 Strategies for Achieving Our Goals**

**Brand Power**

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## Establish a Reliable and Cutting-Edge Brand

An Exhibition Assembling Hitachi's Cutting-Edge Technologies

Hold the "Hitachi Exhibition—China 2004"

Strengthen Communication With Chinese Society



**04 Strategies for Achieving Our Goals**

# **Fast Decision-Making**

## Hitachi— A Company With a Part to Play in China

Build a business framework for maximizing customer satisfaction

Strengthen the regional headquarters system

Develop a business strategy spearheaded locally



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