

Berufliche Vorsorge  
Prévoyance professionnelle  
Occupational pension

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SHORT ANNUAL REPORT 2022

# Hitachi Group Pension Fund

## Disappointing year on the financial markets

In the year under review, the financial markets were affected by a series of global events, ranging from the Corona pandemic to the invasion of Ukraine by Russian troops, rising energy prices, ongoing supply chain issues, soaring global inflation and higher key interest rates. This resulted in substantially lower equity valuations, while bond valuations dropped in response to interest rate hikes. As a consequence, the Pension Fund's investment return in 2022 was significantly negative at -9.76%.

### Interest on savings capital in 2022 and 2023

In 2022, the savings capital was subject to an interest rate of 3.25% (1.0% BVG interest rate + 1.0% additional interest to compensate for the lower conversion rate + 1.25% special interest paid by the Fund in

favour of the members). The Fund was accumulated in the year 2021 with assets earned from the excellent annual result.

In 2023, the savings capital will be subject to a 1.75% interest rate.

### Pensions

According to a resolution passed by the Board of Trustees, current pensions were not adjusted as of 1 January 2023.

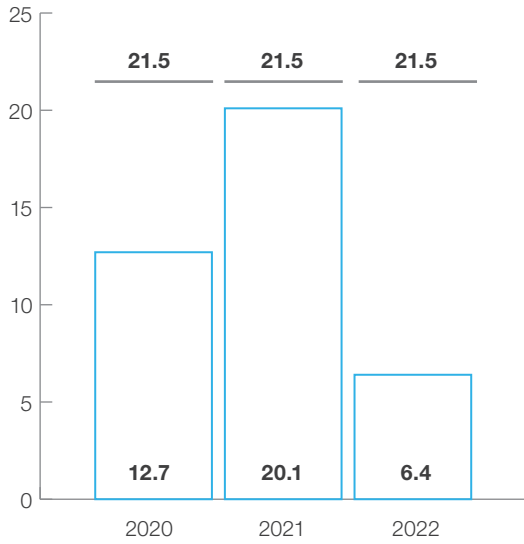
KEY FIGURES	2022	2021
Capital investments and participations in CHF	614 655 634	661 079 073
Income (+) / expenditure (-) surplus in CHF	-72 340 573	45 689 503
Employer contributions in CHF	25 925 229	25 618 610
Employee contributions in CHF	18 344 406	18 056 085
Pension benefits in CHF	2 403 510	1 389 270
Capital benefits in CHF	9 138 000	7 346 042
Return on capital investments in %	-9.76	10.38
Coverage ratio in %	106.4	120.1
Fluctuation reserve in % <sup>1)</sup>	6.4	20.1
Target fluctuation reserve in % <sup>1)</sup>	21.5	21.5

MEMBERSHIP	2022	2021
Members	2 820	2 770
Pensioners	84	49
<b>Total</b>	<b>2 904</b>	<b>2 819</b>

BENEFITS	2022	2021
Pension increase in CHF	-	-
One-time bonus for pensioners in CHF	-	-
Conversion rate at 65 in %	5.25	5.45
Interest on savings capital in %	3.25	2.00
Actuarial interest rate	1.75	1.75

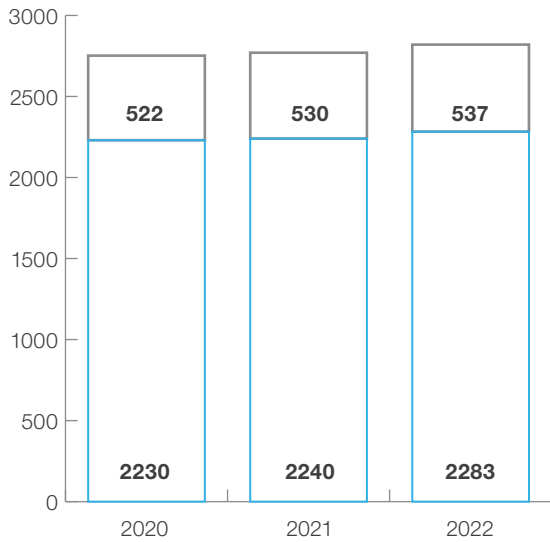
<sup>1)</sup> As a percentage of pension liabilities (savings and coverage capital) and actuarial reserves

**Fluctuation reserve**



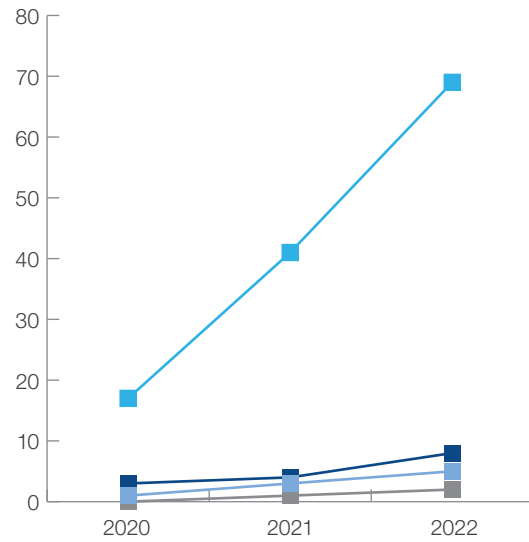
- Target fluctuation reserve
- Fluctuation reserve

**Breakdown active members (by number)**



- Active members (women)
- Active members (men)

**Breakdown of pensioners (by number)**



- Children's/orphan's pensions
- Disability pensions
- Spouse's pensions
- Retirement pensions

<b>BALANCE SHEET</b>	<b>31.12.2022 CHF</b>	<b>31.12.2021 CHF</b>
<b>Assets</b>		
Capital investments and participations	614 655 634	661 079 073
Other assets	2 628 030	2 712 679
<b>Total assets</b>	<b>617 283 665</b>	<b>663 791 752</b>
<b>Liabilities</b>		
Liabilities and accruals	13 610 098	15 969 837
Active members' liabilities (savings capital)	472 928 966	461 015 808
Pensioners' liabilities (coverage capital)	43 330 412	27 078 791
Actuarial reserves	51 275 311	51 247 866
Fluctuation reserve	36 138 877	108 479 451
<b>Total liabilities</b>	<b>617 283 665</b>	<b>663 791 752</b>
<b>OPERATING ACCOUNT</b>		
Regulatory contributions	44 269 635	43 674 695
Vested benefits, purchase, one-time payments	21 744 533	29 633 072
<b>Inflow from contributions and entry benefits</b>	<b>66 014 167</b>	<b>73 307 768</b>
Retirement, survivors' and disability benefits	-11 541 510	-8 735 312
Termination benefits	-30 671 388	-30 898 098
Advance withdrawals for home ownership / divorce	-2 650 360	-2 747 749
<b>Outflow for benefits and withdrawals</b>	<b>-44 863 258</b>	<b>-42 381 159</b>
Increase (-) / decrease (+) in pension liabilities, actuarial and contribution reserves	-28 192 224	-44 353 648
Security fund contributions	-170 033	-240 451
<b>Net result from insurance activities</b>	<b>-7 211 348</b>	<b>-13 667 491</b>
Net result from investment of assets	-64 192 829	60 273 764
Other income	71 241	87 256
Administration expenses	-1 007 638	-1 004 026
Increase (-) / decrease (+) in fluctuation reserve	72 340 573	-45 689 503
<b>Income (+) / expenditure surplus (-)</b>	<b>0</b>	<b>0</b>



## Official bodies

### Board of Trustees

#### Employer representatives

(Term of office 1.7.2020–30.6.2024)  
 Ron Steijn (Chairman)  
 Christoph Käubler  
 Katharina Ohlhoff  
 Rafaela Vogt

#### Employee representatives

(Term of office 1.7.2020–31.3.2024)  
 Jörg Lehmann (Vice Chairman)  
 Robert Fellmann  
 Jeannette Müller  
 Gabriel Salm, from 13.12.2022  
 Nathalie Thürwächter, until 31.10.2022

#### Investment Risk Committee (IRC)

(Term of office 1.1.–31.12.2022)  
 Jörg Lehmann (Chairman)  
 Katharina Ohlhoff (Vice Chairman)  
 Marco Bagutti (external consultant)  
 Ron Steijn  
 Michael J. Theurillat (external consultant)  
 Nathalie Thürwächter, until 31.10.2022

#### General management

**(Avidis Vorsorge AG)**  
 Katrin Wagner (General Manager)  
 Joachim Schrott (Dep. General Manager)

#### Occupational benefits expert

Christoph Plüss, Allvisa AG, Zurich

#### Auditor

PricewaterhouseCoopers Ltd., Zurich

#### Asset management

AFIAA Investment Foundation for International Real Estate Investments, Zurich  
 Avidis Investment Foundation and Avidis Investment Foundation 2, Zurich  
 Zurich investment foundation, Zurich

#### Investment consultant ALM study

Roger Baumann, c-alm AG, St. Gallen

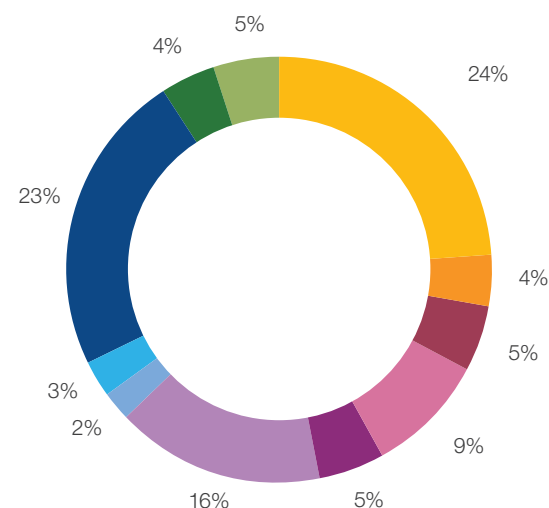
#### Supervisory authority

BVSA, BVG- und Stiftungsaufsicht Aargau, Aarau

#### Further information

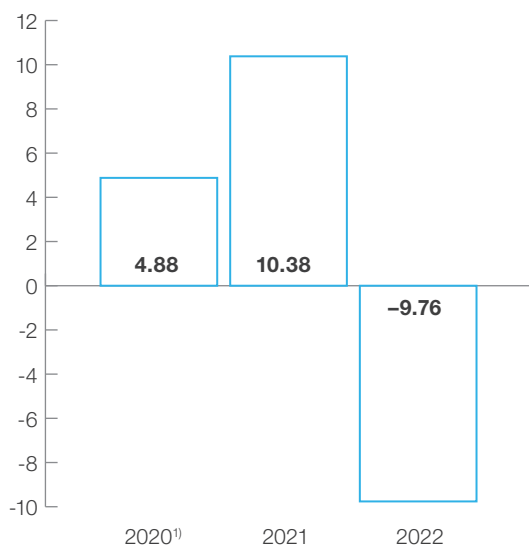
The full annual report is legally binding. It can be obtained at [www.hitachigroupvorsorge.ch](http://www.hitachigroupvorsorge.ch)

### Investment strategy in %

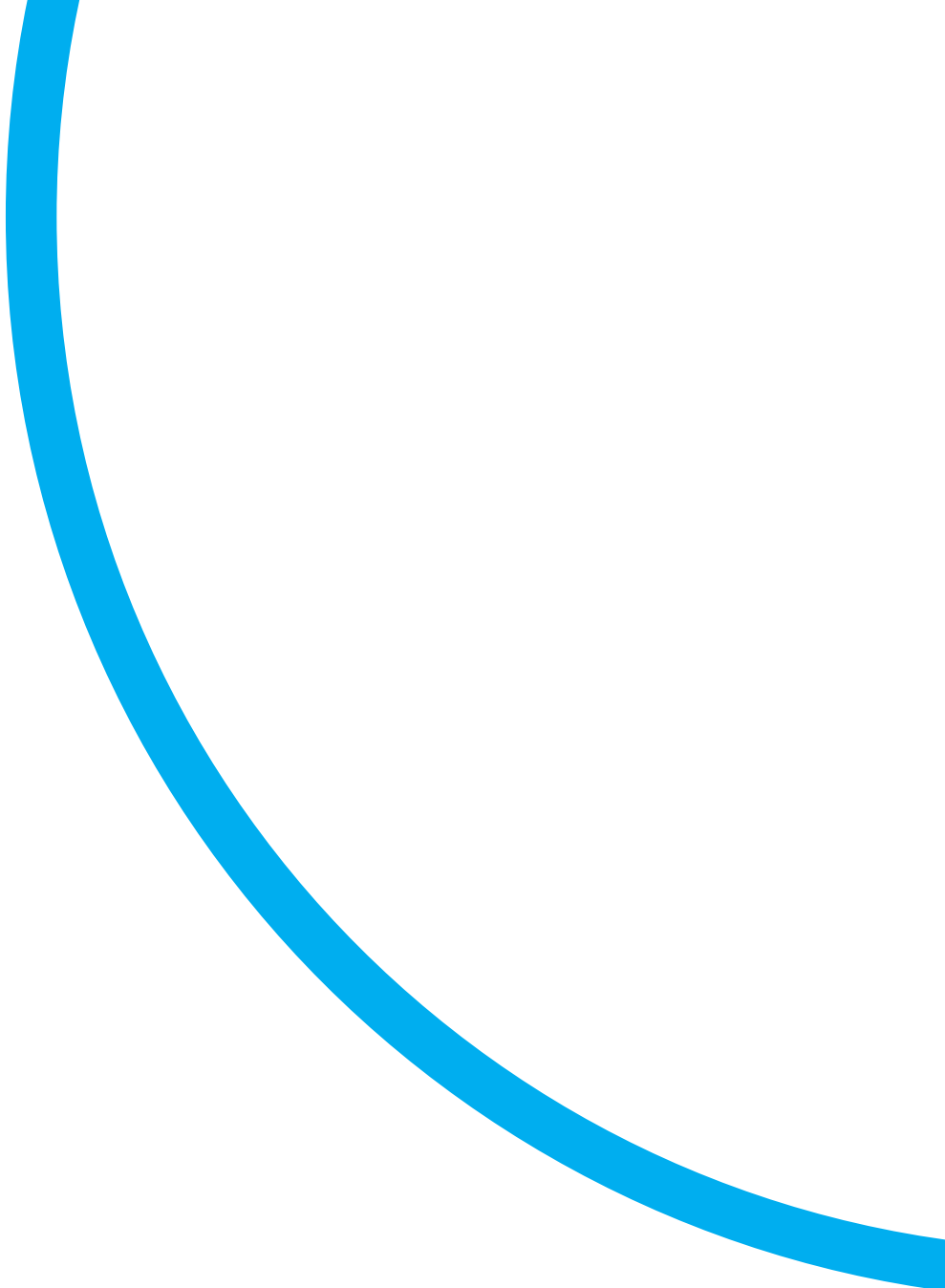


- Domestic bonds CHF
- Foreign currency gov. bonds hedged
- Foreign currency corp. bonds hedged
- Swiss equities
- Foreign equities
- Foreign ESG equities hedged
- Small cap equities
- Emerging markets equities
- Swiss real estate
- Foreign real estate hedged
- Private equity

### Return on capital investments



<sup>1)</sup> for the period 1.7.2020–31.12.2020



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