

Hitachi's History of Transformation (From Fiscal 2006)

Targeting the achievement of the goals outlined in the 2018 Mid-term Management Plan as well as further growth in the years ahead, Hitachi will work to accelerate its transformation into a company that is a leader in global markets and strive to increase corporate value.

Transformation of Business Portfolio

Fiscal 2006 – Fiscal 2009

Strengthening Initiatives

- Made Clarion a consolidated subsidiary
- Established joint venture with GE in nuclear power generation systems business
- Made Hitachi Kokusai Electric a consolidated subsidiary
- Made Hitachi Koki a consolidated subsidiary
- Made five listed companies* wholly owned consolidated subsidiaries

* Hitachi Information Systems, Hitachi Software Engineering, Hitachi Systems & Services, Hitachi Plant Technologies, and Hitachi Maxell

Advancing Partnerships / Rebuilding Initiatives

- Sold precision small motor business to Nidec Corporation
- Withdrew from consumer PC business
- Transferred semiconductor manufacturing subsidiary in Singapore to a semiconductor foundry

Fiscal 2010 – Fiscal 2012: 2012 Mid-term Management Plan

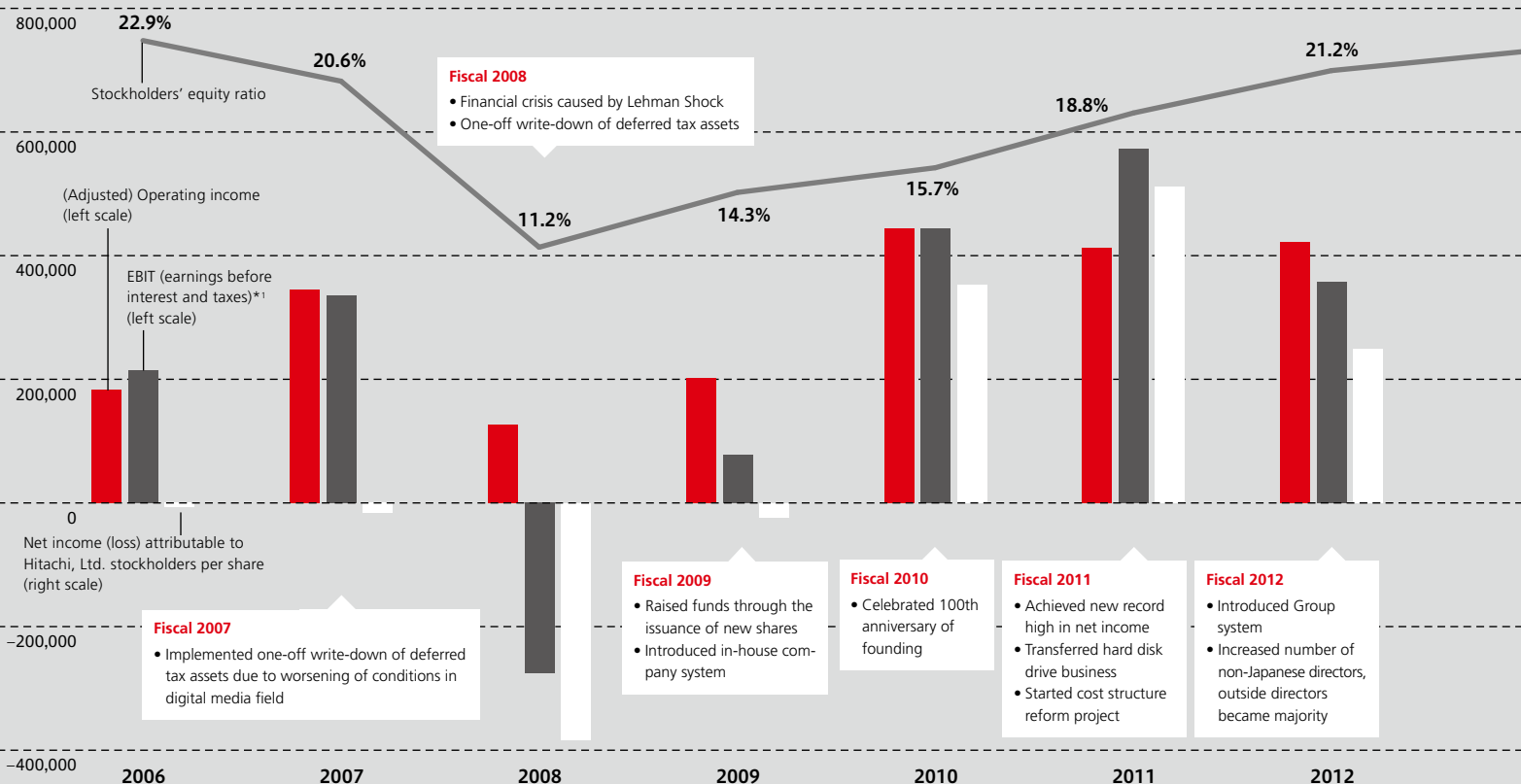
Strengthening Initiatives

- Acquired BlueArc, a network storage solution business in the United States
- Acquired a nuclear energy company in the United Kingdom

Advancing Partnerships / Rebuilding Initiatives

- Transferred plasma display panel plant to Solar Frontier K.K.
- Integrated Renesas Technology, an equity method company in the semiconductor business, with NEC Electronics Corporation
- Transferred business in large LCD panels for TVs to Panasonic Corporation
- Casio Hitachi Mobile Communications, an equity method company in the mobile phone business, integrated mobile phone operations with NEC Corporation
- Established joint venture in the hydroelectric power generation systems business with Mitsubishi Electric Corporation and Mitsubishi Heavy Industries, Ltd.
- Transferred hard disk drive business to Western Digital Corporation
- Integrated small and medium-sized LCD business with Japan Display Inc.
- Stopped in-house production of flat-panel TVs

(Millions of yen)



*1 EBIT is presented as income before income taxes less interest income plus interest charges.

*2 Manufacturing, Services and Others

Note: Figures are U.S. GAAP, IFRS was introduced from fiscal 2014.

Fiscal 2013 – Fiscal 2015: 2015 Mid-term Management Plan

Fiscal 2016 – Fiscal 2018: 2018 Mid-term Management Plan

Strengthening Initiatives

- Absorbed Hitachi Plant Technologies
- Hitachi Metals and Hitachi Cable were merged
- Made Hitachi Medical a wholly owned subsidiary
- Acquired Prizm Payment Services, a provider of payment services to financial institutions in India
- Built a strategic partnership with ABB in the high-voltage direct current power transmission business in Japan
- Hitachi Data Systems acquired Pentaho Corporation, a big-data analytics software company in the United States
- Acquired the signaling and rolling stock operations of Finmeccanica S.p.A.

Advancing Partnerships / Rebuilding Initiatives

- Transferred printed circuit board production equipment business to an investment fund
- Established joint venture with Mitsubishi Heavy Industries, Ltd. in thermal power generation systems business
- Relisted Hitachi Maxell shares
- Discontinued production of semiconductors for information & telecommunications equipment
- Established a joint venture with Johnson Controls, Inc. in the air-conditioning systems business

Advancing Partnerships / Rebuilding Initiatives

- Transfer of a portion of stockholding in Hitachi Transport System to SG Holdings
- Agreement to transfer a portion of stockholding in Hitachi Capital to Mitsubishi UFJ Financial Group and Mitsubishi UFJ Lease & Finance

