

Hitachi Announces “2015 Mid-term Management Plan”

Tokyo, May 16, 2013 --- Hitachi, Ltd. (TSE:6501) today announced that it has formulated a management plan “2015 Mid-term Management Plan” to promote achieving growth and Hitachi’s transformation driven by Social Innovation Business. Summary of “2015 Mid-term Management Plan” are below.

1. FY2015 Target

(1) Management Target

	FY2015 Target ^{*1}	Average of FY2010-2012
Revenues	10 trillion yen	9,340.9 billion yen
EBIT ^{*2} (Operating income) ratio	Over 7%(Over 7%)	4.9%(4.6%)
Net income attributable to Hitachi, Ltd. stockholders	Over 350 billion yen	253.7 billion yen
Net income attributable to Hitachi, Ltd. stockholders per share	Over 70 yen	55 yen
Manufacturing, services & others Total Hitachi, Ltd. stockholders’ equity ratio	Over 30%	As of March 31, 2013 23.2%

*1 Assumed exchange rate: 90 yen to the U.S. dollar, 115 yen to the euro

*2 EBIT: Earnings before Interest and Taxes

(2) Service revenue ratio, Overseas revenue ratio, Headcounts

	FY2015 Target ^{*1}	FY2012 Results
Service revenue ratio (Including systems solutions)	Over 40%	30%
Overseas revenue ratio	Over 50%	41%
Japan Headcount	200k	208k
Overseas Headcount	150k	118k

(3) Achievement, Estimated effect of Hitachi Smart Transformation Project

FY2011 Results	FY2012 Results	FY2013 Forecast	FY2011-15 total
35.0 billion yen	75.0 billion yen	100.0 billion yen	400.0 billion yen

2. Summary of 2015 Mid-term Management Plan

(1) 2015 Mid-term Management Plan Management Focus

- a. Innovation : Strengthen service businesses that maximize the utilization of IT and bring about innovation
- b. Global : Deliver Innovation to Customers and Society globally
- c. Transformation : Transform Hitachi - To deliver innovation by standardized and speedy operation

(2) Hitachi's Vision and 2015 Mid-term Management Plan

a. Hitachi's Vision

Hitachi delivers innovations that answer society's challenges.

With our talented team and proven experience in global markets, we can inspire the world

b. 2015 Mid-term Management Plan for Realizing Hitachi's Vision

Social Innovation Business

Identify issues from customer perspectives and work on solutions together with customers, as "One Hitachi"

Realize innovations by providing solutions that combine products, services and highly sophisticated IT (Cloud)

Elements of Hitachi's Solutions

- Services : Deliver solution to our customers from maintenance operation and outsourcing to management support
- Service Platform on the Cloud : Create solution through analysis and evaluation of collected data using cutting-edge IT
- Products : Provide base of solution with broader systems expertise and technologies

(3) Global Expansion of the Social Innovation Business

a. Accelerating Social Innovation Business

- Innovation through cloud-based services

- Service platform on the Cloud : Support formulate management initiatives by utilizing business intelligence obtained through collection, storage, analization and evaluation of information
- Services : Expansion of the service business scope from equipment maintenance services and outsourcing and operating services to management support services

b. Growth in the Global Market

- Strengthen capabilities for comprehending customers' issues and providing solutions
 - Expand sales, consulting, marketing and engineering functions in each area
- Delivering solutions and services
 - Strengthen project management, plant construction and service provision by utilizing cloud service
- Main countries and regions for offering solutions
 - North America, Brazil, U.K. and Eastern Europe, Sub-Saharan and South Africa, India and ASEAN, China, Australia, Japan
- Provide optimum solutions that meet regional needs
 - Energy, Transport, Water and Natural resources, Big data (IT), City management, Healthcare, Logistics, Finance

c. R&D: Key Driver for Global Growth

- Expand the Social Innovation Business globally
 - Leveraging R&D capability and global network --
 - Closely tied to customers locally providing R&D capabilities
 - Develop the world-class cutting-edge R&D with combining systems, products and IT on the Cloud
 - Promote open innovation with customers and business partners for contributing to solve customers' issues

(4) Promoting Transformation

a. Operation and Global Talent

- Global Operation : Global Shift and Business Reform
 - Rebuild SCM^{*3} for operation efficiency and quick response to market
- *3 SCM: Supply Chain Management
- Leverage business intelligence (BI) capability
 - Optimize working capital and balance sheet leveraging financial expertise for Hitachi's transformation
- Global Talent : Leverage Global Talent to lead business
 - Global Grading system
 - Assignment through global job rotation
 - Appoint leaders from global talent pool

b. Accelerate the Hitachi Smart Transformation Project and establish global operation standard

- 2015 Mid-term Management Plan: Continue focus on reforming operating structure and on-going measures
- Main measures
 - Simplify the group structure (eliminate waste by clarifying roles)
 - Expand global usage of shared services
 - Global standardization and integration of IT & operational systems

c. Employ Six Group structure

- Transform to Market Driven Structure

Market	Group
Manufacturer, Public sector, Urban Infrastructure, Transportation	Infrastructure Systems
Financial, Public, Industry, Retail, Telecommunication	Information & Telecommunication Systems
Power Producer, Power transmission and distributor	Power Systems
Construction, Mining	Construction Machinery
Machinery, Electric Components	High Functional Material & Components
Automotive	Automotive Systems

d. Accelerate Transformation of Business Portfolio

- Strengthening the Social Innovation Business through business expansion and selection & concentration

e. Thermal Power Generation Systems Business Integration

- Thermal power systems business as a Global Leading Business
- Accelerate transformation to a global leading business through the integration with Mitsubishi Heavy Industries, Ltd.
 - The JV to be global top
 - Hitachi's power business synergized with the JV

(5) As a Global Major Player

Accelerating Transformation as a Global Major Player

- Serving the World with Our Social Innovation Business
SOCIAL INNOVATION - IT'S OUR FUTURE

Cautionary Statement

Certain statements found in this document may constitute “forward-looking statements” as defined in the U.S. Private Securities Litigation Reform Act of 1995. Such “forward-looking statements” reflect management’s current views with respect to certain future events and financial performance and include any statement that does not directly relate to any historical or current fact. Words such as “anticipate,” “believe,” “expect,” “estimate,” “forecast,” “intend,” “plan,” “project” and similar expressions which indicate future events and trends may identify “forward-looking statements.” Such statements are based on currently available information and are subject to various risks and uncertainties that could cause actual results to differ materially from those projected or implied in the “forward-looking statements” and from historical trends. Certain “forward-looking statements” are based upon current assumptions of future events which may not prove to be accurate. Undue reliance should not be placed on “forward-looking statements,” as such statements speak only as of the date of this document.

Factors that could cause actual results to differ materially from those projected or implied in any “forward-looking statement” and from historical trends include, but are not limited to:

- economic conditions, including consumer spending and plant and equipment investment in Hitachi’s major markets, particularly Japan, Asia, the United States and Europe, as well as levels of demand in the major industrial sectors Hitachi serves, including, without limitation, the information, electronics, automotive, construction and financial sectors;
- exchange rate fluctuations of the yen against other currencies in which Hitachi makes significant sales or in which Hitachi’s assets and liabilities are denominated, particularly against the U.S. dollar and the euro;
- uncertainty as to Hitachi’s ability to access, or access on favorable terms, liquidity or long-term financing;
- uncertainty as to general market price levels for equity securities, declines in which may require Hitachi to write down equity securities that it holds;
- the potential for significant losses on Hitachi’s investments in equity method affiliates;
- increased commoditization of information technology products and digital media-related products and intensifying price competition for such products, particularly in the Digital Media & Consumer Products segments;
- uncertainty as to Hitachi’s ability to continue to develop and market products that incorporate new technologies on a timely and cost-effective basis and to achieve market acceptance for such products;
- rapid technological innovation;
- the possibility of cost fluctuations during the lifetime of, or cancellation of, long-term contracts for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- fluctuations in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum, synthetic resins, rare metals and rare-earth minerals, or shortages of materials, parts and components;
- fluctuations in product demand and industry capacity;
- uncertainty as to Hitachi’s ability to implement measures to reduce the potential negative impact of fluctuations in product demand, exchange rates and/or price of raw materials or shortages of materials, parts and components;
- uncertainty as to Hitachi’s ability to achieve the anticipated benefits of its strategy to strengthen its Social Innovation Business;
- uncertainty as to the success of restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness;
- uncertainty as to the success of cost reduction measures;
- general socioeconomic and political conditions and the regulatory and trade environment of countries where Hitachi conducts business, particularly Japan, Asia, the United States and Europe, including, without limitation, direct or indirect restrictions by other nations on imports and

differences in commercial and business customs including, without limitation, contract terms and conditions and labor relations;

- uncertainty as to the success of alliances upon which Hitachi depends, some of which Hitachi may not control, with other corporations in the design and development of certain key products;
- uncertainty as to Hitachi's access to, or ability to protect, certain intellectual property rights, particularly those related to electronics and data processing technologies;
- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity method affiliates have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- the possibility of disruption of Hitachi's operations by earthquakes, tsunamis or other natural disasters;
- uncertainty as to Hitachi's ability to maintain the integrity of its information systems, as well as Hitachi's ability to protect its confidential information or that of its customers;
- uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its significant employee benefit-related costs; and
- uncertainty as to Hitachi's ability to attract and retain skilled personnel.

The factors listed above are not all-inclusive and are in addition to other factors contained in other materials published by Hitachi.

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 326,000 employees worldwide. Fiscal 2012 (ended March 31, 2013) consolidated revenues totaled 9,041 billion yen (\$96.1 billion). Hitachi is focusing more than ever on the Social Innovation Business, which includes information and telecommunication systems, power systems, industrial, transportation and urban development systems, as well as the sophisticated materials and key devices that support them.

For more information on Hitachi, please visit the company's website at

<http://www.hitachi.com>.

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Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.
