

Hitachi Outline 2016–2017



THE FUTURE IS OPEN TO SUGGESTIONS

Hitachi Social Innovation



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Message from Top Management



Hitachi: An Innovation Partner for the IoT Era

The state of the world is in constant flux. Each day brings new political, economic, and environmental changes, and the issues facing our customers and societies as a whole grow ever more diverse and complex. The field of business and people’s lifestyles are also seeing dramatic shifts as the impact of IoT (the Internet of things) and computerization continue to gain momentum.

Anticipating these changes, in May 2016 Hitachi moved to become an Innovation Partner for the IoT Era with its new 2018 Mid-term Management Plan. In this plan, we focus our efforts in four business domains—power and energy; industry, distribution, and water; urban; and finance, public, and healthcare. We have launched a market-driven business structure comprising three layers: the “front” businesses that interface directly with customers as they develop and provide services; the “platform” that enables quick, efficient provision of those services; and the globally competitive “products” we bring to market.

In line with our Corporate Credo—contributing to society through the development of superior, original technology and products—we engage in the Social Innovation Business on a global basis, putting our IT and control and operational technologies to use in the advanced social infrastructure systems we provide to create a future where people can live safer, richer lives. Moving forward, we will take our Social Innovation Business to a more advanced phase with enhanced digital technologies to accelerate “collaborative creation,” tackling shared issues and crafting solutions together with our customers and partners.

It is precisely because this is an era of great change that Hitachi is dedicating itself to working smarter and faster, creating new value for customers and enhancing people’s quality of life. In this way we will pursue growth as a company and sustainable development for society as a whole.

T. Higashihara
Toshiaki Higashihara
President & CEO

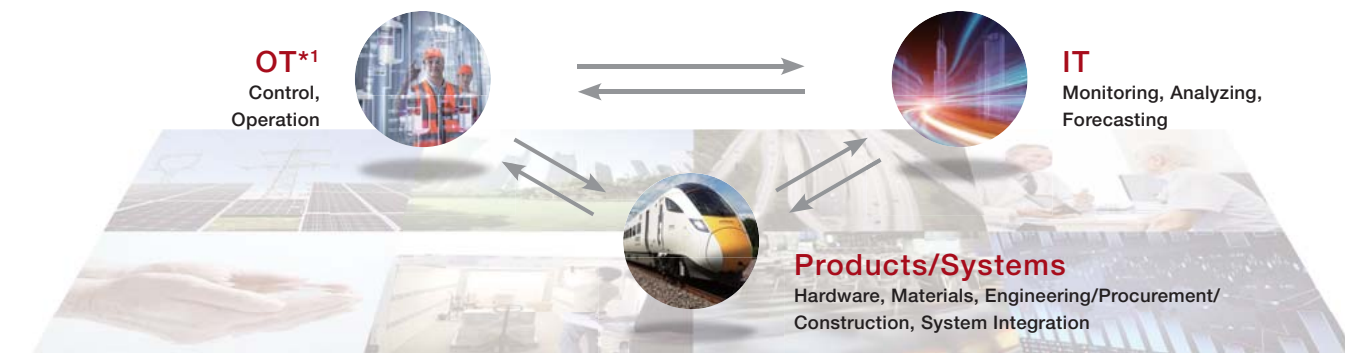
Our Challenges

Building the Future Through Collaborative Creation with Customers

A New Business Plan to Make Hitachi an Innovation Partner for the IoT Era

Hitachi's Strengths

Delivering innovations to customers and society through fusion of OT, IT, and products/systems



*1 OT: Operational Technology.

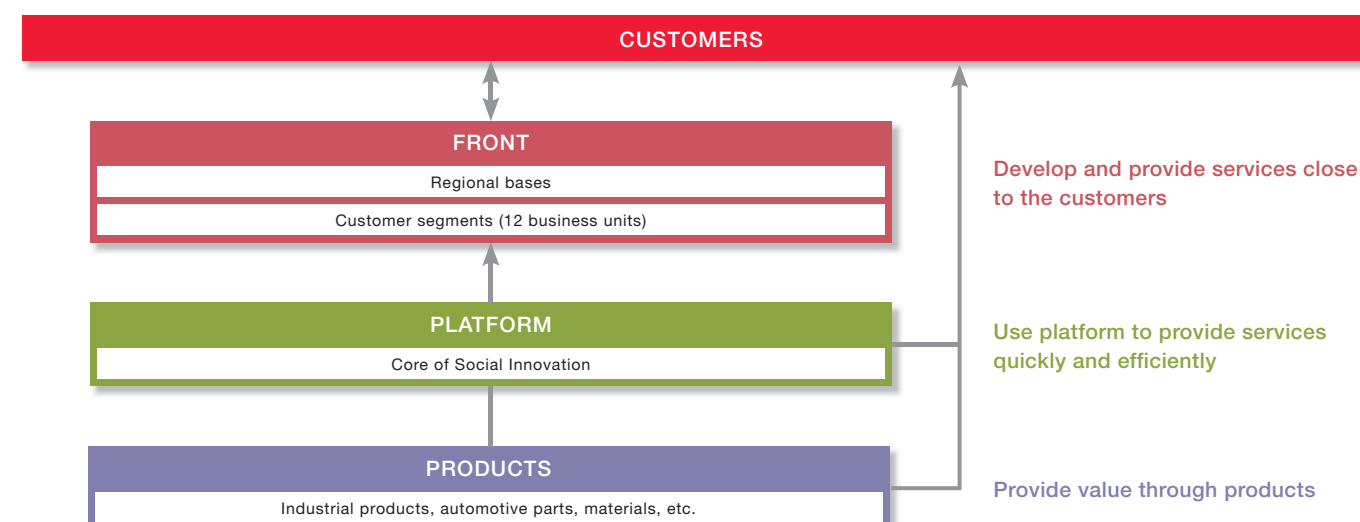
2018 Mid-term Management Plan Targets

	Fiscal 2015 Results	Fiscal 2018 Targets*1
Consolidated revenue	10,034.3 billion yen	10,000.0 billion yen
Adjusted operating income ratio	6.3%	Over 8%
EBIT ratio	5.3%	Over 8%
Net income attributable to Hitachi, Ltd. stockholders	172.1 billion yen	Over 400.0 billion yen

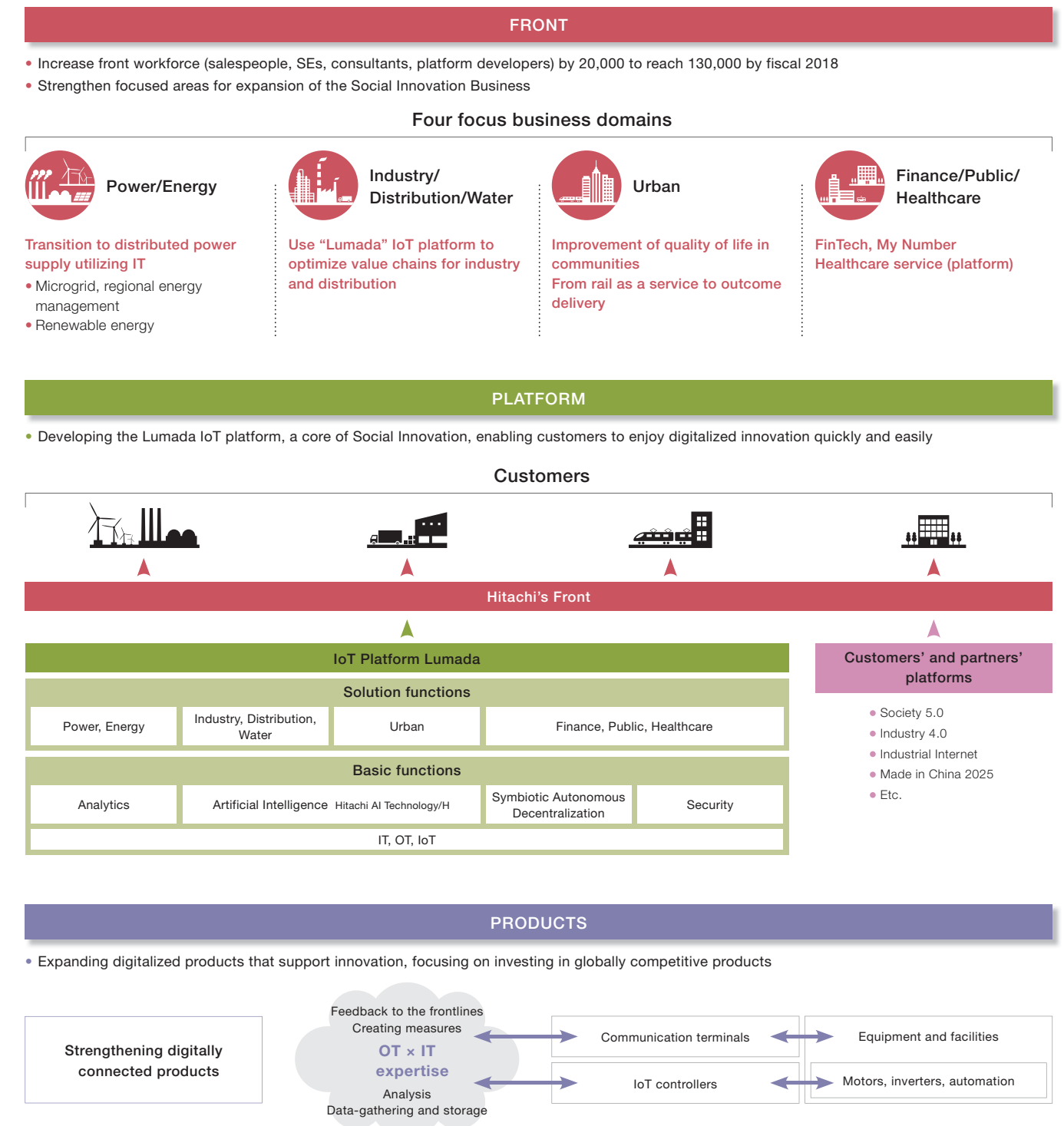
*1 Foreign exchange rate assumption: 110 yen/dollar, 120 yen/euro.

Accelerating the Social Innovation Business

The front delivers Hitachi's technologies and expertise to customers as services



Under the 2018 Mid-term Management Plan, Hitachi will accelerate collaborative creation with customers and partners through the advanced Social Innovation Business, with a focus on the trend toward digitalization that is significantly changing society and industry. Leveraging three strengths—operational technology, IT, and products/systems—we deliver innovations to society and customers.



Creating Value for Society Through Railways

Hitachi's Newton Aycliffe plant, where the new Class 800 trains are being manufactured for the Intercity Express Programme.

Interest is rising in railway infrastructure as a way to deal with the social issues that accompany global warming and increasing urbanization. Hitachi is now expanding its global railway system business using the considerable technological expertise it has developed over many years.

Meeting the Railway Systems Needs of Today's Society

There is now great interest in the role that railway systems can play in dealing with the various social issues caused by global warming and population growth. As the economies of developing nations rapidly grow, their populations concentrate in cities, causing serious problems like traffic congestion and air pollution and increasing the need for environmentally friendly railway transport. Meanwhile, existing transport infrastructure in developed nations has deteriorated and is in urgent need of renovation to meet current requirements.

Previously, Hitachi focused mainly on manufacturing rolling stock and electrical products, but in recent years it has expanded its business to

provide a comprehensive range of services for running railways, such as operation management systems and maintenance services.

The European Rail Industry Association, UNIFE has estimated that the global railway-related market will grow from 13.2 trillion yen (2014–16) to 14.6 trillion yen (2017–19). We anticipate significant growth for the railway operations segment of our business. In 2015 Hitachi acquired two Italian companies—Ansaldo Breda, a rolling stock manufacturer, and Ansaldo STS, a transportation system technology company—thereby enhancing its signaling and railway operation businesses, as well as its turnkey solutions, with an expanded product portfolio.

A Global Company with Comprehensive Offerings

With the acquisition of the two Italian companies, Hitachi has become one of only a few players in the global railway industry that offers a full lineup including rolling stock and systems. As well as various achievements in the global market to date, most famously demonstrated by the Shinkansen bullet train, Hitachi has an industry-leading track record for safety in operation management systems and in rolling stock. Hitachi has placed particular emphasis on environmental considerations, reducing noise pollution and making increasing use of recycled materials, and is a market leader in bimodal and hybrid systems that switch between electric and diesel operation. Hitachi

is also developing technology for using big data to improve the efficiency and safety of railway logistics.

Hitachi is using these strengths to focus not just on specific services—like rolling stock systems, signaling, and traffic management—but also a full range of turnkey railway-system solutions including transport systems and Operations and Maintenance (O&M). In fiscal 2014, O&M accounted for 1% of railway-related revenue, but Hitachi's aim is to increase O&M and turnkey combined to 24% of the 640 billion yen in revenue targeted for fiscal 2018.

Railway Business in the United Kingdom

In Britain, where aging railway infrastructure is in serious need of modernization, Hitachi is enjoying growing business. The company's train car manufacturing is being hailed as a way to reinvigorate railway-related industry in the birthplace of modern rail.

Meeting Needs in the Birthplace of Railway

Much of the United Kingdom's railway infrastructure dates back to the nineteenth century. This infrastructure is now deteriorating and in urgent need of modernization. Meanwhile, the British Department for Transport is currently implementing the Intercity Express Programme (IEP), which will replace aged rolling stock on main lines.

In October 2004, Hitachi was chosen as preferred bidder, and in the following year received the order for 29 Class 395 trains, with a total of 174 carriages, to run on the 109-km high-speed link between London and the Channel Tunnel. The first trains entered service in 2009. The successful completion of this project around half a year ahead of schedule was a huge boost to Hitachi's business in the United Kingdom. In 2007, Hitachi established the Ashford

Train Maintenance Centre in southeast England.

In July 2012, Hitachi officially signed a comprehensive contract with the U.K. Department for Transport, which was moving forward with the IEP, including maintenance services to be provided for 27.5 years. In September 2015, Hitachi opened a train manufacturing and assembly plant in Newton Aycliffe, in northeast England's Durham County, to produce rolling stock for the IEP. The plant is only a few hundred meters from the historic Heighington Station on the Stockton and Darlington Railway, the first publicly operated steam train line in the world. The revival of railway manufacture in a place with such importance to the history of rail has produced great expectations in the United Kingdom.

Hitachi's Pioneering Spirit at Work in the United Kingdom

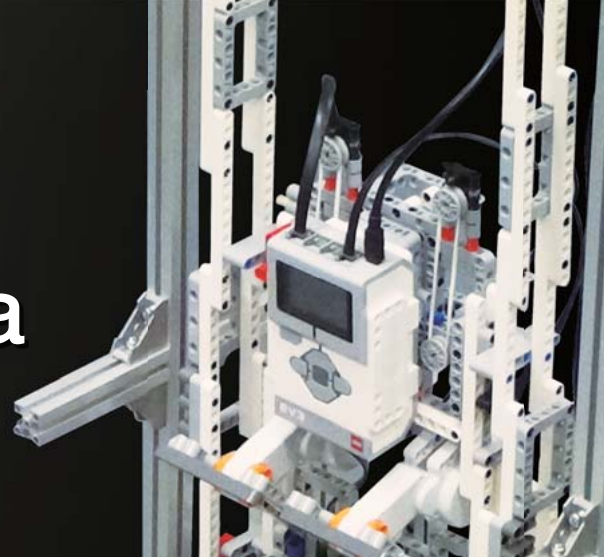
As part of the IEP, Hitachi received an order for 122 trains and 866 cars, of which 110 trains will be produced at the Newton Aycliffe plant. The 43,000 m² plant has a production capacity of 40 cars a month and, as the company's European manufacturing operation, plays an important role in the global strategy of Hitachi's railway system business.

At the new plant Hitachi places special emphasis on two things in particular: dedication to the spirit of craftsmanship and the training of staff with solid technical skills. There has been much interest in the region regarding the local recruitment of staff. The plant received 16,000 job applications in 2015, far more than the number of jobs available. To date, the plant has hired 550 people, selecting them according

to the Hitachi founding concepts of harmony, sincerity, and pioneering spirit and prioritizing values over technical skills.

In order to manufacture rolling stock in the United Kingdom with the same assurance of quality as in Japan, and to make that process easily comprehensible to U.K. staff, Hitachi is systematizing procedures and the technical skills of experienced employees in Japan and recording those skills in use. Additional measures to transfer skills to U.K. employees include sending plant staff to Japan for training at Hitachi's Kasado Works and dispatching Japanese workers from the Kasado Works to the Newton Aycliffe plant to share their knowledge there.

Hitachi's AI Opening a New Era



▶ An experiment in which Hitachi-developed AI learns to make a swing go higher. While learning itself how to pump to make the height increase, the AI came up with techniques that a human would not have invented.

Hitachi AI Technology/H

Hitachi's artificial intelligence technology, Hitachi AI Technology/H, is generating new economic growth with versatility that makes it applicable to diverse industries even in a rapidly changing, unpredictable age.

AI for Continuing Economic Growth

Recent years have seen an increase and diversification of data types and formats, thanks to the rapid spread of cloud computing, mobile devices, and social media, along with the development of new sensor technologies to capture this data.

In previous analyses conducted by human specialists, it was becoming increasingly difficult to test hypotheses through exhaustive sifting of this vast amount of data. As these data-driven results became more inaccessible, it gave rise to social problems, such as a digital divide that was directly linked to an income divide.

In response to these changes, Hitachi developed technology to use and apply this "big data," and in 2012

launched a full-scale big data analysis service. We have relationships with a wide range of customers in the electric power, manufacturing, retail, finance, transportation, and water industries, and are making efforts to link infrastructure and products using the Internet of things (IoT) and other means. In 2016, we began providing the Lumada IoT platform, developed as a core for social innovation. One of its basic functions is Hitachi AI Technology/H, or simply "H" hereafter.

Now that Hitachi's H has been put to practical use in various industrial fields, we are building on our findings to improve the future, based on past data, and successfully deriving methods to deal with unknown problems.

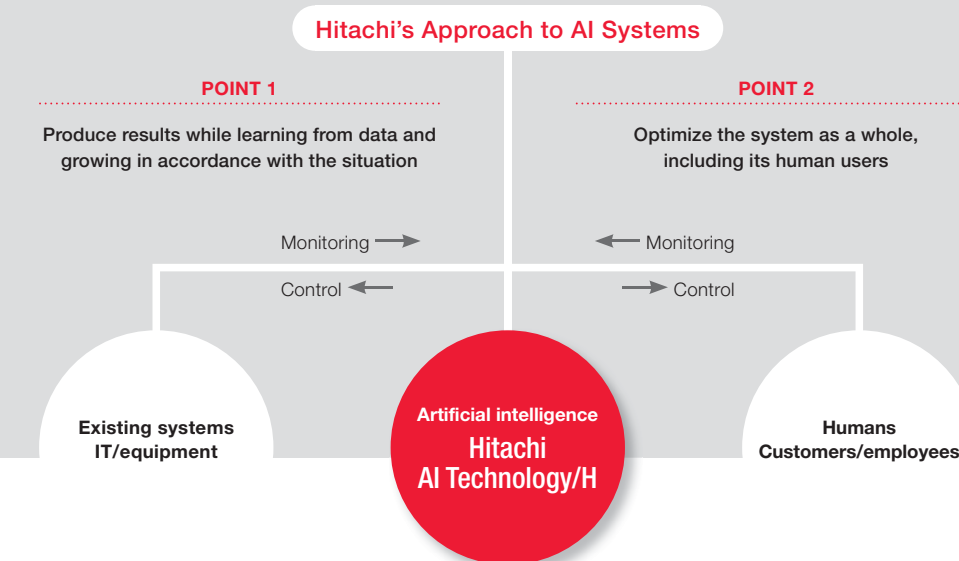
Hitachi AI Helping People Work Together

The major characteristic of H is its versatility. Most new technology has a history of being invented first for a specific purpose, later spreading throughout more of industry and society as it is generalized. At Hitachi, our prediction that AI will certainly reach an age of generalization has led us to pursue a more versatile AI implementation from the very beginning.

H has three further characteristics.

1. Human users define and input the outcome to be achieved.
2. There is no need to define a specific method to solve the problem or application in question.
3. H can be applied to existing systems.

For example, when the goal of "increasing sales" is input into H, it analyzes enormous quantities of past data and "thinks" on its own to derive the best method to achieve this. Since it can be added to existing systems, installation costs are also kept down. It is still humans, however, that define the goal for H and implement the measures it recommends. Hitachi H is a system in which humans and AI learn together through data to raise productivity.



Example of AI Development

Versatile Hitachi AI Technology/H can respond to a wide range of work content, and is already producing results in many different industrial sectors.

Versatile Technology for Application in Diverse Fields

Hitachi provides a wide range of services, from construction of electric power facilities, railroads, and other large-scale social infrastructure to manufacture of general household products. The accumulation of business data in these diverse fields worked to our advantage in the development of H. With the same AI software, H provides comprehensive improvement strategies for businesses in completely different industries. Our record to date includes 57 cases in 14 fields, including retail, logistics, industrial plants, finance, transportation, and manufacturing.

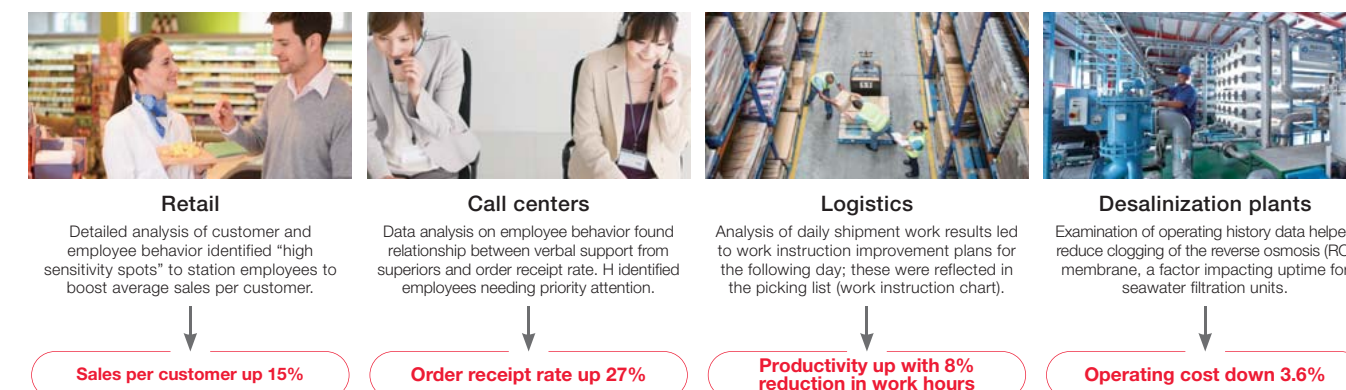
Hitachi has since 2004 been researching and developing technology to objectively measure human behavior. Through our analysis of huge volumes of behavioral data, we have found that people who work in organizations featuring behavioral diversity have

high levels of happiness, and that groups with high levels of organizational happiness have high productivity. In other words, employees' happiness is closely related to their organization's activity and should be considered to strongly affect productivity. Hitachi has quantified this as a unique index: "organizational activation." In June 2016, we kicked off a demonstration experiment using H to offer advice to 600 sales and marketing division employees in the Hitachi Group in order to effectively increase happiness. The aim is to raise productivity by providing the organization with fresh energy tied to increased individual happiness.

With AI, Hitachi pursues optimization of overall systems, including the humans that operate them, and is accelerating its Social Innovation Business.

Application Examples of Hitachi AI Technology/H

Just one AI software package has enabled versatile improvement in fields from retail, logistics, and industrial plants to finance, transportation, and manufacturing



Hitachi's Initiatives in Building a Sustainable Society

Contributing to the Resolution of Social Issues Through the Social Innovation Business

The development of Hitachi's operations has been supported by value creation based on our Corporate Credo of contributing to society through the development of superior, original technology and products. Building on this tradition, we are contributing to the resolution of social issues through our Social Innovation Business, which combines advanced IT with infrastructure technologies developed over many years.

We value collaborative creation with our stakeholders, giving importance to dialogue,

ascertaining the social issues confronting us, and thinking together about ways to resolve them. We respect diversity and emphasize the development of global human capital to create new issue-resolving innovations.

Hitachi's value creation is grounded on a relationship of trust with society, built through the sound relationship that each employee at the frontline of collaborative creation forms with stakeholders.

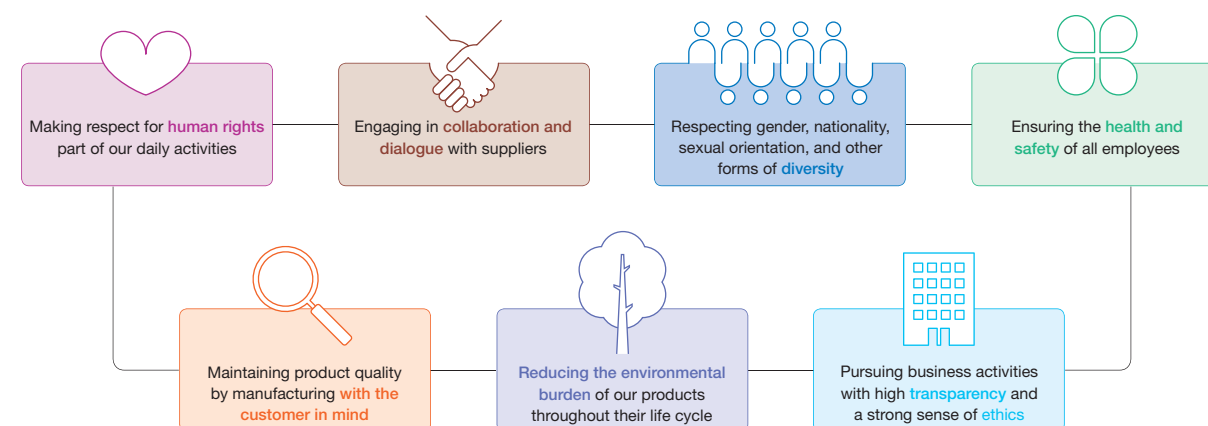
Conducting Socially Responsible Business Operations by Respecting Human Rights and Caring About the Environment

Social expectations of the business sector are rising as companies globalize their operations and become multinational entities. Hitachi is actively promoting CSR with an accurate awareness of the social impact of its business activities and its social responsibilities as a corporate citizen.

We create an environment where thought is given in daily operations to human rights and employee health and safety not just within the Group but

throughout the supply chain. To contribute to the resolution of environmental issues like climate change and resource depletion, moreover, we are working to reduce the environmental burden of our products throughout their life cycle. As a company with global operations, we are fulfilling our responsibilities to society from a broad perspective, such as by attaching importance to international rules and standards and strengthening governance to create a corporate culture with high transparency and ethical standards.

Hitachi's Main CSR Activities



Helping Resolve Environmental Issues Toward 2050

Achieving Hitachi's Environmental Vision Through the Social Innovation Business

As global warming, resource depletion, ecosystem destruction, and other environmental issues grow more serious, the international community is working together to tackle these problems, such as by adopting the Paris Agreement that includes a target to keep global warming to below 2°C. From an environmental-management perspective, Hitachi, which promotes the Social Innovation Business, has established the Environmental Vision and defined the kind of society we envision in the long term in contributing to the resolution of global environmental issues.

Environmental Vision

Hitachi will resolve environmental issues and achieve both a higher quality of life and a sustainable society through its Social Innovation Business in collaborative creation with its stakeholders.

Long-Term Environmental Targets: Hitachi Environmental Innovation 2050

Our Environmental Vision envisions a low-carbon society; a resource efficient society; a harmonized society with nature. To achieve such a sustainable society, we have newly established a set of long-term environmental targets called Hitachi Environmental Innovation 2050.

To create a low-carbon society, we aim to achieve 80% reductions in CO₂ emissions by fiscal 2050 across the value chain in line with ambitious targets set in the Paris Agreement. Toward that end, we will enhance the efficiency of our products and services, supply low-carbon energy, and develop innovative technologies and solutions.

To achieve a resource efficient society, we will do our utmost through our business operations, together with our customers and society, to help build a society that uses water and other resources efficiently. We will also improve our usage efficiency of water and other resources in our business operations by 50% by fiscal 2050.

To achieve a harmonized society with nature, we will strive to minimize Hitachi's impact on natural capital, which bestows the benefits of nature on humankind.

Hitachi Environmental Innovation 2050

Low-carbon society

Achieve 50% reductions in CO₂ emissions by fiscal 2030 and **80% reductions** by fiscal 2050 across the value chain (compared to fiscal 2010)

Resource efficient society

- **Build a society that uses water and other resources efficiently**
- **Achieve 50% improvement** in usage efficiency of water and other resources by fiscal 2050 (compared to fiscal 2010 in the Hitachi Group)

Harmonized society with nature

- **Minimize** the impact on natural capital



Providing New Value to Customers with Hitachi's Diverse Human Resources



Contributing to Society as a Good Global Corporate Citizen

Diversity as a Driver of Innovation

Human resources are key to Hitachi's ability to adapt to rapid social and environmental change and continue providing new value to customers. The values that human beings hold are increasingly diverse, requiring the company itself to reflect that diversity in order to continue creating new value for them.

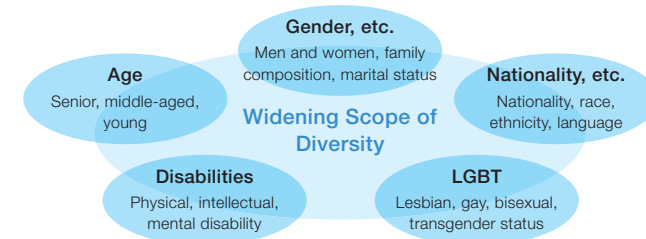
Hitachi respects the differences among people, such as their gender, nationality, career history, age, sexual orientation, and values, that make them unique individuals.

To ensure that this individuality is put to use in ways conducive to both the individual's and the company's sustainable growth, we promote a policy of diversity with the strong commitment of top management. Our aim is to promote diversity as part of our management strategy and become a company that makes full use of our diverse human capital.

Throughout the Hitachi Group we promote HR management practices that maximize the strength we can draw from a diverse, highly engaged workforce transcending national and corporate boundaries.

With strong teamwork and broad experience in the global market, we work to meet the various needs of our stakeholders.

Expanding the Scope of Diversity Management



Step 1
Integration
Minorities integrated into existing organizational culture, systems, methods, customs

Step 2
Legal Compliance
Discrimination banned through force of law (Japan's Equal Employment Opportunity Act)

Step 3
Respect for Diversity
Companies, organizations educate staff about discrimination so differences are actively embraced, respected

Step 4
Competitive Advantage
Diversity promoted as management strategy
Evolution from respect for differences to organizational reform as part of strategy to forge varied strengths into competitive advantage

Deepening Diversity Management

Developing Frontline Staff to Advance the Social Innovation Business Worldwide

Hitachi recognizes the need to strengthen its people at the "front," who interface with customers, in order to advance its Social Innovation Business and accelerate its collaborative creation with those customers. These frontline staff members, who develop and provide solutions to customers in their capacity as salespeople, system engineers, or consultants, numbered 110,000 in fiscal 2015, a figure we plan to expand to 130,000 by fiscal 2018.

In particular, to foster the leaders who can

champion our Social Innovation Business around the world, we make use of globally shared leadership development programs. Here the focus is on giving young workers opportunities to gain valuable experience overseas. There are more than 80 programs in all, including those letting Hitachi employees work together with local people to resolve the issues affecting their societies. In this way, we are promoting training to give our people the skills and knowledge they need to provide true innovation to our customers.

Activities in Japan

Teaching Information Ethics



Hitachi, Ltd. provides lessons on information ethics aimed at junior high school students. This program makes them better understand various social issues and develops their ability to find out solutions by themselves.

Hitachi Science Seminar



Since 2011 Hitachi Group companies have conducted visiting classes to engage children with hands-on science experiments and projects that draw on the skills and know-how of our long *monozukuri* tradition.

Activities in North America

"The Hour of Code"



As a part of next-generation education activities, Hitachi Data Systems Corporation runs "The Hour of Code" seminars that use company strengths to provide computer science training to children under 15 years old.

Activities in Europe

Providing Nest Boxes for Birds



Clarion Hungary Electronics Kft. set up a total of 40 nest boxes made from recycled materials inside the company premises and 11 other areas, including nearby kindergartens and elementary schools.

Activities in Asia

The Hitachi Young Leaders Initiative



Since 1996 Hitachi, Ltd. and Hitachi Asia Ltd. have been running the Hitachi Young Leaders Initiative to provide four university students each from Japan and seven ASEAN countries with an opportunity to discuss and propose possible solutions to social issues in Asia through activities such as forums, group work, and field work.

Greening the Deserts of Inner Mongolia



In 2004, Hitachi Construction Machinery (Shanghai) Co., Ltd. started the Horqin Desert Greening Project creating the "Hitachi Construction Machinery Forest." In the first 10 years the project planted trees in a 100,000 m² area. In the second 10 years from 2014, the project plans to plant a 130,000 m² area.

Key Business Segments for Social Contributions

Information & Telecommunication Systems

Hitachi provides IT services that address customers' diverse needs by combining Hitachi's extensive expertise in a diverse range of business fields, including financial services, with advanced information technology. Our services cover the entire life cycle of systems, ranging from consulting to system integration, operation, maintenance, and other support.



▶ A storage system.

Locations of our business operations: ▶ Over **100** countries and regions

• Main Products and Services

Systems Integration, Consulting, Cloud Services, Servers, Storage, Software, Telecommunications & Networks, ATMs

• Principal Consolidated Subsidiaries (as of March 31, 2016)

Hitachi Information & Telecommunication Engineering, Ltd., Hitachi-Omron Terminal Solutions Corp., Hitachi Computer Products (America), Inc., Hitachi Computer Products (Europe) S.A.S., Hitachi Financial Equipment System (Shen Zhen) Co., Ltd., Hitachi Solutions, Ltd., Hitachi Systems, Ltd., Hitachi Consulting Corporation, Hitachi Data Systems Corporation, Hitachi Information & Telecommunication Systems Global Holding Corporation

Social Infrastructure & Industrial Systems

Hitachi provides infrastructure products and services that form the underpinning of people's daily lives and their communities, such as rolling stock and train management systems, power plants and transmission/distribution systems, elevators and escalators, and water treatment systems. In addition, it offers industrial equipment and energy-saving solutions that help reduce the environmental impact on our society. Hitachi leverages technological capabilities and products developed over many years to maximize the efficiency and reliability. Business operations are focused on industrial equipment and plants in the Asia region, railway systems in the United Kingdom, and elevators in China.



▶ Class 800 high-speed train cars for the Intercity Express Programme (UK).

Ultrafast elevator speed: ▶ **1,200** m/min (72 km/h)

• Main Products and Services

Industrial Machinery and Plants Solutions, Water Environment Solutions, Elevators, Escalators, Railway Systems, Nuclear, Wind, and Photovoltaic Power Generation Systems, Transmission & Distribution Systems, Digital Technology Service Solutions

• Principal Consolidated Subsidiaries (as of March 31, 2016)

Hitachi-GE Nuclear Energy, Ltd., Hitachi Industrial Equipment Systems Co., Ltd., Hitachi Elevator (China) Co., Ltd., Hitachi Building Systems Co., Ltd., Hitachi Industry & Control Solutions, Ltd., Hitachi Plant Construction, Ltd., Hitachi Plant Services Co., Ltd., Hitachi Power Solutions Co., Ltd., Hitachi Rail Europe, Ltd., Horizon Nuclear Power, Ltd.

Electronic Systems & Equipment

Drawing upon the Hitachi Group's advanced technologies, Hitachi provides systems that support the information society, including semiconductor manufacturing equipment, electronic component processing equipment, and broadcasting and wireless communications systems. Hitachi also produces medical and inspection systems that improve health as well as power tools. We conduct business operations in regions including North America, Europe, and Asia.



▶ A proton beam cancer therapy system.

MRI scanners shipped: ▶ **7,050**

• Main Products and Services

Semiconductor Manufacturing Equipment, Test and Measurement Equipment, Advanced Industrial Products, Medical Electronics Equipment, Power Tools

• Principal Consolidated Subsidiaries (as of March 31, 2016)

Hitachi High-Technologies Corporation, Hitachi Koki Co., Ltd., Hitachi Kokusai Electric Inc., Hitachi Medical Corporation*

*1 The trade name of Hitachi Medical Corporation was changed to Hitachi Healthcare Manufacturing, Ltd. as of April 1, 2016.

As a global corporate citizen, Hitachi engages in business worldwide in social infrastructure and many other fields, thereby creating both economic and social value in order to contribute to a sustainable society.

Construction Machinery

Hitachi provides integrated solutions globally, ranging from the sale of hydraulic excavators and other construction machinery to services and maintenance. Leveraging decades of expertise with these technologies and know-how, Hitachi offers solutions that address the needs of a broad range of industries, including civil engineering and construction, building and structural demolition, and mining.



▶ Hitachi Construction Machinery's ultralarge hydraulic excavator and dump truck for use in mining.

Overseas sales ratio: ▶ **69**%

• Main Products and Services

Hydraulic Excavators, Wheel Loaders, Mining Machinery

• Principal Consolidated Subsidiaries (as of March 31, 2016)

Hitachi Construction Machinery Co., Ltd.

High Functional Materials & Components

Hitachi draws upon its wealth of technologies and expertise to provide various materials and products that support advanced functions, as well as a host of diverse products in fields ranging from IT to consumer electronics and automobiles. These materials and products include semiconductor and display materials, advanced performance materials, synthetic resin products, specialty steels, magnetic materials, casting components, and wires and cables. We conduct business operations in regions including Asia, North America, and Europe.



▶ An amorphous metal alloy from Hitachi Metals.

World share of anode material for lithium ion batteries: ▶ About **25**% (Hitachi estimation)

• Main Products and Services

Semiconductor and Display Related Materials, Circuit Boards and Materials, Automotive Parts (Molded Plastics, etc.), Energy Storage Devices, Specialty Steels, Magnetic Materials and Components, Casting Components, Wires and Cables

• Principal Consolidated Subsidiaries (as of March 31, 2016)

Hitachi Chemical Company, Ltd., Hitachi Metals, Ltd.

Automotive Systems

Hitachi is working on mobility technology innovations for electronic and motorized automotive parts in the areas of the environment, safety, and information to contribute to the creation of safe and comfortable automobiles with ultra-low fuel consumption. We are conducting business operations globally.



▶ Hitachi Automotive Systems' Stereo Camera.

Ratio of automotive electronics products: ▶ **47**%

• Main Products and Services

Engine Management Systems, Electric Powertrain Systems, Drive Control Systems, Car Information Systems

• Principal Consolidated Subsidiaries (as of March 31, 2016)

Clarion Co., Ltd., Hitachi Automotive Systems, Ltd., Hitachi Automotive Systems Americas, Inc.

Smart Life & Ecofriendly Systems

Hitachi delivers new values and lifestyle innovations to society and people all over the world by providing home appliances, lighting and housing equipment, and refrigerating and air-conditioning solutions. Hitachi also helps reduce the environmental impact on our society through the development of more energy-efficient products. We conduct business operations in regions including China, Asia, and the Middle East.

Grand Prize winners: **3** kinds of products for 3 consecutive years

- Main Products and Services
Home Appliances, Lighting and Housing Equipment, Refrigerating and Air-Conditioning Products
- Principal Consolidated Subsidiaries (as of March 31, 2016)
Hitachi Appliances, Inc., Hitachi Consumer Marketing, Inc., Hitachi Consumer Products (Thailand), Ltd.



Others (Logistics and Other Services)

Hitachi is active in the logistics sector, including system logistics, transport and installation of heavy products and precision machinery, and international air and sea freight transportation, as well as the manufacture and sales of information storage medium and batteries, and real estate. We conduct business operations in regions including North America, Europe, and Asia.

Eco-car ownership rate: **90**%

- Main Products and Services
Logistics, Optical Disk Drives, Property Management
- Principal Consolidated Subsidiaries (as of March 31, 2016)
Hitachi-LG Data Storage, Inc., Hitachi Life, Ltd., Hitachi Transport System, Ltd.,^{*1} Hitachi Urban Investment, Ltd., Hitachi America, Ltd., Hitachi Asia Ltd., Hitachi (China), Ltd., Hitachi Europe Ltd., Hitachi India Pvt. Ltd.^{*2}

^{*1} Hitachi Transport System, Ltd. became an equity-method affiliate of Hitachi with the transfer of some of the shares held by Hitachi in that company.
^{*2} Hitachi America, Ltd., Hitachi Asia Ltd., Hitachi (China), Ltd., Hitachi Europe Ltd., and Hitachi India Pvt. Ltd. are the Hitachi Group's regional headquarters for the Americas, Asia, China, Europe, and India, respectively, and they sell the Hitachi Group's products.

Financial Services

We offer solutions integrating diverse functions including leasing, loans, rentals, credit cards, and securitization as well as payment and collection agency services, insurance services, trust services, and outsourcing. We provide these solutions to customers in five key areas: Japan, Europe, the Americas, China, and ASEAN.

Power generated in renewable projects: **200**% growth

- Main Products and Services
Leasing, Loan Guarantees
- Principal Consolidated Subsidiaries (as of March 31, 2016)
Hitachi Capital Corporation^{*1}

^{*1} Hitachi Capital Corporation will become an equity-method affiliate of Hitachi in October 2016.

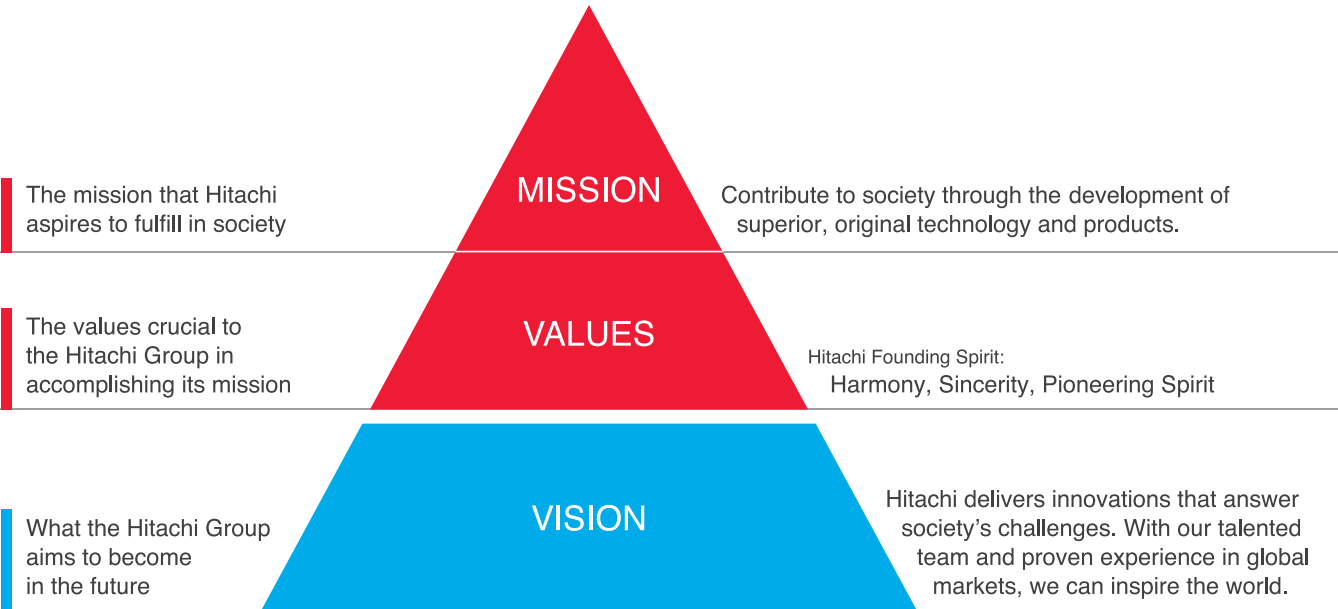


Corporate name	Hitachi, Ltd.
Incorporated	February 1, 1920 (founded in 1910)
Headquarters	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8280, Japan Phone: +81-3-3258-1111
Representative	Toshiaki Higashihara Representative Executive Officer, President & CEO
Capital	458.7 billion yen (as of March 31, 2016)
Revenue	1,859.6 billion yen (for the fiscal year ended March 31, 2016)
Consolidated revenue	10,034.3 billion yen (for the fiscal year ended March 31, 2016)
Number of employees	37,353 (as of March 31, 2016)
Consolidated number of employees	335,244 (as of March 31, 2016)

Note: Hitachi's consolidated financial statement is prepared based on the International Financial Reporting Standards (IFRS).

Hitachi Group Identity

Throughout its 100 year history, the Hitachi Group has passed on its Mission and its Values to generations of employees and external stakeholders. The Vision has been created based on the Mission and the Values. It is an expression of what the Hitachi Group aims to become in the future.



Contributing to Society with Hitachi Technologies

1910–

1961–

1981–

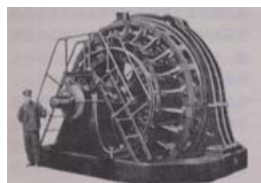
2001–

1910 Company formed. Completed 5-horsepower induction motor

1916 Completed a 10,000-horsepower (7,355-kW) water turbine—the largest in Japan at the time—for delivery to a power plant

1924 Completed Japan's first large-scale DC electric locomotive

1931 Completed 6,000-kW rotary converter



1942 Completed HU-2, Japan's first commercial electron microscope

1949 Completed first U05 power excavator

1957 Completed digital parametron-based computer, HIPAC Mk-1



1959 Completed HITAC301, a transistor-based digital computer

1961 Developed fully automatic washing machine

1968 Developed an ultra-high-speed hybrid LSI

1969 Completed online banking system

1970 Developed computer-aided traffic control system for the Shinkansen (bullet train)

1974 Completed Japan's first 470,000-kW nuclear power station

1975 Completed large M-series computer system



1976 Succeeded in world's first optical transmission system field test

1978 Completed world's first field emission electron microscope with record-breaking high resolution

1983 Completed S-810, the first supercomputer produced in Japan

1984 Started mass production of 256-kbit DRAMs



1985 Developed CAD/CAE system with ultra-high resolution color display



1988 Developed quadrupedal robot

1993 Developed Shinkansen (bullet train) with maximum service speed of 270 km/h

1995 Developed Super TFT LCD module featuring ultra-wide viewing angles

1997 Developed the DNA sequencer

2000 Developed a 52.5-Gbit/in² perpendicular magnetic recording method

2002 Developed a 0.3-mm square contactless IC chip, the world's smallest

2003 Developed high-speed, highly accurate, compact finger vein authentication technology

2007 Developed EMIEW 2, a small and lightweight interactive robot



2008 Developed highly efficient rare-metal-less compact motor technology

2009 Built a prototype 3-kV-class SiC diode

2010 Developed rare-metal recycling technology

2011 Approval granted for domestic production of a proton beam therapy (PBT) system using spot scanning



2015 Developed Hitachi AI Technology/H and launched solutions business using advanced AI technologies

Hitachi Websites and Reports



Hitachi Global Website
www.hitachi.com/

The range of information available on our website includes IR- and CSR-related corporate information, as well as information about Hitachi Group products and services.



Social Innovation Hub
social-innovation.hitachi/en/

This website presents information on the Social Innovation Business activities the Hitachi Group engages in around the world. Find information in 11 languages on our projects, events, special campaigns, and more, tied in closely with our social media channels.



Hitachi Brand Channel
www.youtube.com/user/HitachiBrandChannel/

Hitachi has its own official YouTube channel. The videos carried here profile Hitachi's Social Innovation Business and other activities, including CSR, corporate history and culture, and PR work.



Hitachi Integrated Report 2016
www.hitachi.com/IR-e/library/integrated/2016/

Starting in 2016, the *Hitachi Integrated Report* presents both financial and non-financial information to illustrate how Hitachi is striving to create value.



Hitachi Sustainability Report 2016
www.hitachi.com/csr/download/

The *Hitachi Sustainability Report*, which presents non-financial information with an emphasis on comprehensiveness and searchability, is available.



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