

# Hitachi's History of Transformation

(Fiscal 2005 – Fiscal 2014)

In fiscal 2014, ended March 31, 2015, Hitachi achieved record-high operating income for the second consecutive year. Targeting the achievement of the goals outlined in the 2015 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 will strive to increase corporate value.

## Transformation of Business Portfolio

### Fiscal 2005 – 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

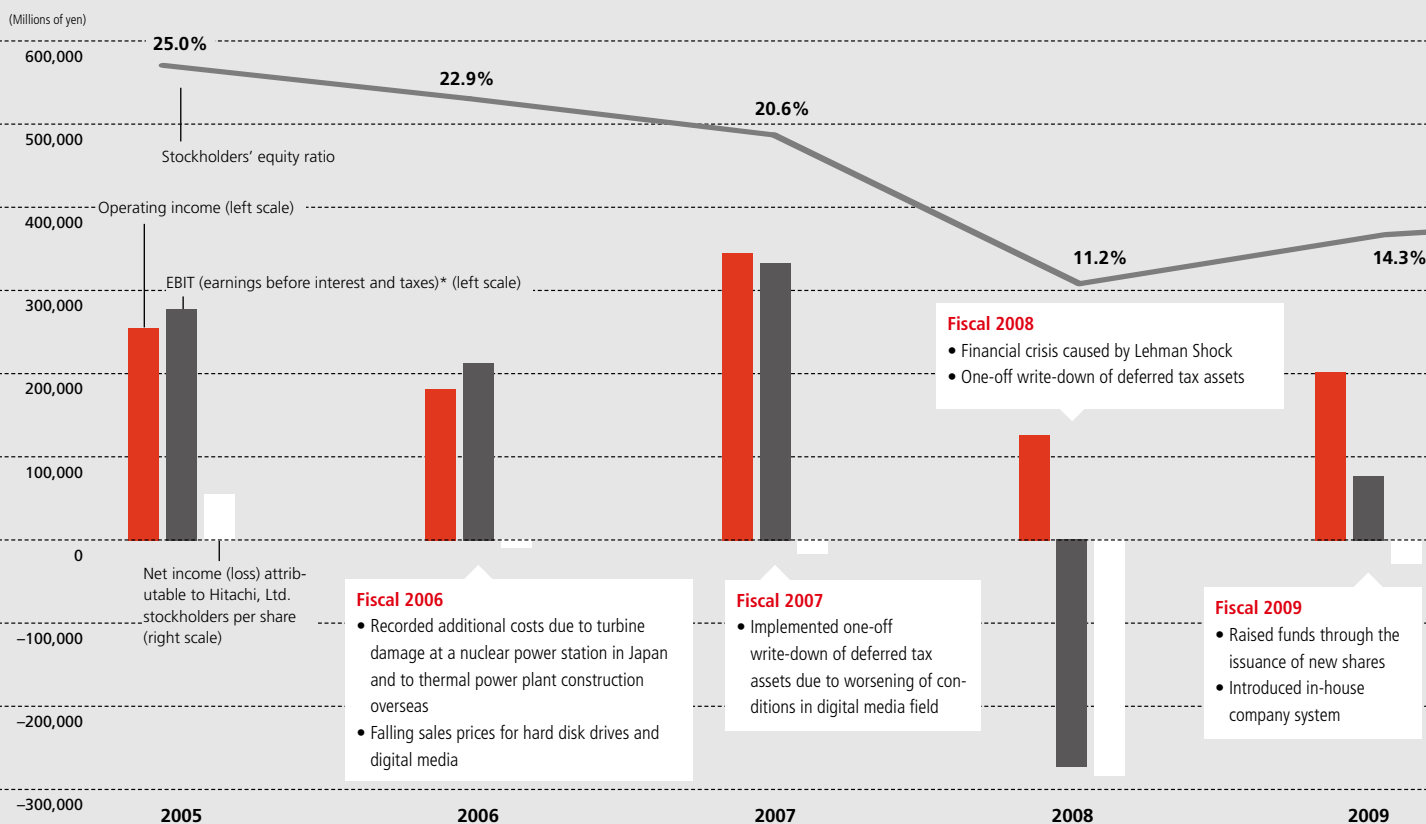
#### Rebuilding Initiatives

- 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

#### Strengthening Initiatives

- Established joint venture in the hydroelectric power generation systems business with Mitsubishi Electric Corporation and Mitsubishi Heavy Industries, Ltd.
- Acquired BlueArc, a network storage solution business in the United States
- Dissolved joint venture in the transmission and distribution systems business
- Acquired a nuclear energy company in the United Kingdom



\* EBIT is presented as income before income taxes less interest income plus interest charges.  
Note: All figures are based on U.S. GAAP.

## Fiscal 2013 – Fiscal 2014

### 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
- 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

### Strengthening Initiatives

- Absorbed Hitachi Plant Technologies
- Hitachi Metals and Hitachi Cable were merged
- Established joint venture with Mitsubishi Heavy Industries, Ltd. in thermal power generation systems business
- Made Hitachi Medical a wholly owned subsidiary
- Acquired Prizm Payment Services, a provider of payment services to financial institutions in India
- Signed a basic agreement to establish a joint venture with Johnson Controls, Inc. in the air-conditioning systems business
- Built a strategic partnership with ABB in the high-voltage direct current power transmission business in Japan

- Hitachi Data Systems reached agreement to acquire Pentaho Corporation, a big-data analytics software company in the United States
- Agreed to acquire the signalling and rolling stock operations of Finmeccanica S.p.A.

### Rebuilding Initiatives

- Transferred printed circuit board production equipment business to an investment fund
- Relisted Hitachi Maxell shares
- Discontinued production of semiconductors for information & telecommunications equipment

