

Hitachi's History of Transformation (From Fiscal 2007)

Before Fiscal 2009

Financial Crisis Registered Biggest-Ever Annual Loss

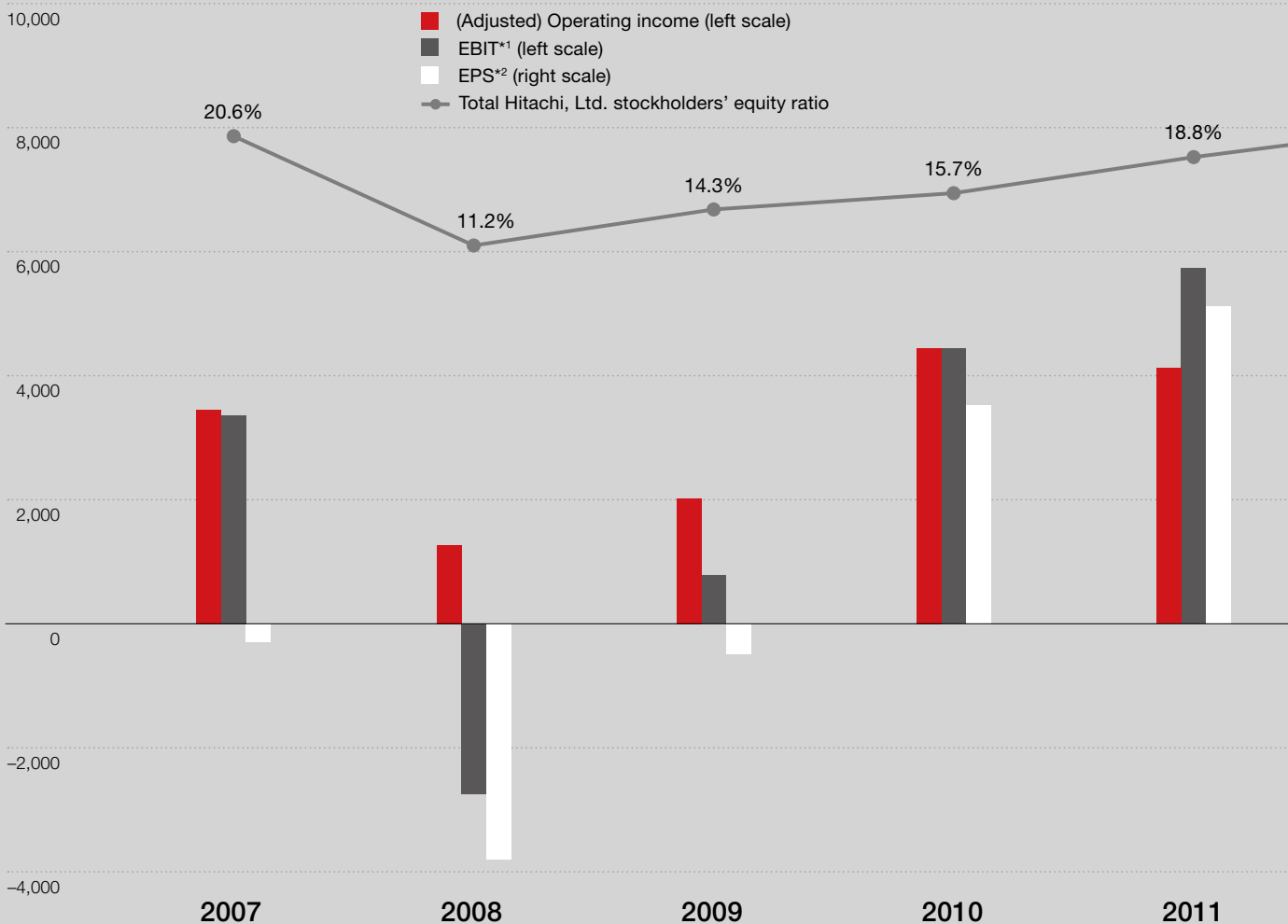
- Made five listed companies* wholly owned consolidated subsidiaries
* Hitachi Information Systems, Hitachi Software Engineering, Hitachi Systems & Services, Hitachi Plant Technologies, and Hitachi Maxell
- Withdrew from consumer PC business
- Raised funds through the issuance of new shares
- Introduced in-house company system

2012 Mid-term Management Plan

Achieved Stable Management Base

- Transferred businesses in LCD panels and hard disk drives
- Stopped in-house production of flat-panel TVs
- Started Hitachi Smart Transformation Project to reform cost structure
- Increased number of non-Japanese directors, independent outside directors became majority

(Billions of yen)



*1 Earnings before interest and taxes: Income (loss) from continuing operations before income tax, less interest income, plus interest charges.

*2 Earnings per share.

*3 Figures are US GAAP through fiscal 2012, with IFRS being introduced in fiscal 2013.

2015 Mid-term Management Plan

Achieved Growth and Reform

- Achieved new record high in adjusted operating income and EBIT
- Achieved new record high in operating cash flow margin (for Manufacturing, Services and Others.)
- Established joint venture with Mitsubishi Heavy Industries, Ltd. in thermal power generation systems business
- Hitachi Data Systems Corporation acquired Pentaho Corporation, a big-data analytics software company in the United States
- Established a joint venture with Johnson Controls Inc. in the air-conditioning systems business
- Acquired the signaling and rolling stock operations of Finmeccanica S.p.A. (now Leonardo S.p.A.)

2018 Mid-term Management Plan

Becoming an Innovation Partner for the IoT Era

① Accelerating the Social Innovation Business

- Strengthen four focus business domains
- Launch Lumada IoT platform and reinforce in-house implementation structure
- Strengthen Hitachi's Front functions
- Expand product and digital solutions business in North America through customer channels obtained through Sullair acquisition

② Strengthening the Management Base

- Accelerate decision making through the introduction of the business unit (BU) system
- Close or streamline low profitability businesses
- Review the capitalization policies of such Group companies as Hitachi Transport System, Ltd., Hitachi Capital Corporation, and Hitachi Koki Co., Ltd.

