



Management Approach

Activities

Performance Data

Hitachi and Society

Creating value to fulfill our Corporate Credo—contributing to society through the development of superior, original technology and products—has underpinned our business development for more than a century. Hitachi's R&D program focuses on products and services that help to resolve social issues.

Hitachi Group Profile

Company Profile (as of March 31, 2016)

Corporate name	Hitachi, Ltd.
Incorporated	February 1, 1920 (founded in 1910)
Head office	1-6-6 Marunouchi, Chiyoda-ku, Tokyo 100-8280, Japan
Representative	Toshiaki Higashihara Representative Executive Officer, President, and CEO
Capital	458.79 billion yen
Number of employees	37,353 (unconsolidated basis) 335,244 (consolidated basis)
Number of consolidated subsidiaries (including variable interest entities)	1,056 (Japan: 262, outside of Japan: 794)
Number of equity-method affiliates	249

Consolidated Financial Highlights for Fiscal 2015, Based on the International Financial Reporting Standards (IFRS)

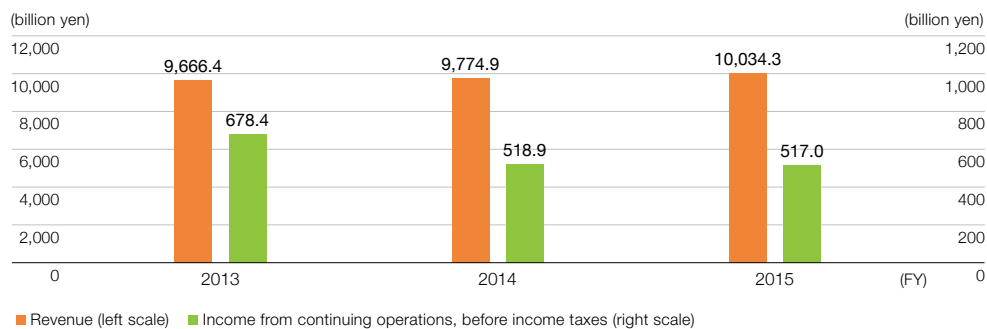
Revenue	10,034.3 billion yen	(up 3%, year on year)
EBIT*1	531.0 billion yen	(down 1%)
Income from continuing operations, before income taxes	517.0 billion yen	(unchanged)
Capital expenditure*2	528.5 billion yen	(up 23%)
R&D expenditure	333.7 billion yen	(unchanged)
Total assets	12,551.0 billion yen	
Overseas production as percentage of revenue	26%	

*1 EBIT: Income from continuing operations before income tax, less interest income, plus interest charges.

*2 Since fiscal 2015, the amount of investment in leased assets that fall under the heading of finance and leases included in conventional capital expenditure are deducted from capital expenditure for disclosure.

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

Revenue and Income from Continuing Operations, Before Income Taxes





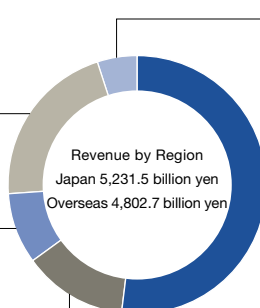
Management Approach

Activities

Performance Data

Revenue and Ratio by Region (Consolidated for fiscal 2015, based on IFRS)

Asia	2,112.3 billion yen (21%)	Number of Companies: 399	Number of Employees: 95,496
Europe	951.1 billion yen (9%)	Number of Companies: 194	Number of Employees: 19,984
North America	1,280.3 billion yen (13%)	Number of Companies: 112	Number of Employees: 21,026



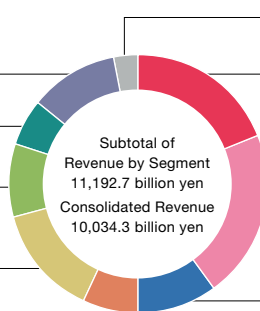
Other Areas	459.0 billion yen (5%)	Number of Companies: 89	Number of Employees: 10,802
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Japan	5,231.5 billion yen (52%)	Number of Companies: 263*1	Number of Employees: 187,936
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*1 Including Hitachi, Ltd. and 262 consolidated subsidiaries in Japan.

Revenue and Ratio by Segment (Consolidated for fiscal 2015, based on IFRS)

Others (Logistics and Other Services)	1,252.7 billion yen (11%)
Smart Life & Ecofriendly Systems	681.0 billion yen (6%)
Automotive Systems	1,001.1 billion yen (9%)
High Functional Materials & Components	1,564.0 billion yen (14%)
Construction Machinery	758.3 billion yen (7%)



Financial Services	365.3 billion yen (3%)
Information & Telecommunication Systems	2,109.3 billion yen (19%)
Social Infrastructure & Industrial Systems	2,333.1 billion yen (21%)
Electronic Systems & Equipment	1,127.6 billion yen (10%)

Notes:

- Since April 1, 2015, Power Systems has been integrated into Social Infrastructure & Industrial Systems.
- Hitachi Transport Systems, Ltd. included in Other became an equity-method affiliate of Hitachi, Ltd. as of May 19, 2016.
- Hitachi Capital Corporation, which consists of Financial Services, is scheduled to become an equity-method affiliate of Hitachi, Ltd. in October 2016, pending regulatory approval.

Key Business Segments for Social Contributions

The issues humanity faces are becoming global in nature: environmental problems like climate change and ecosystem degradation, as well as energy, water, resource, and food shortages, urban population growth, and the graying of societies. 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 address these issues and contribute to a sustainable society.

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.

Locations of our business operations:

Over **100** countries and regions

To contribute solutions to issues facing society and our customers, we provide IT solutions worldwide, particularly storage solutions supporting data utilization.

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



A Hitachi storage system.

Revenue	Adjusted operating income	EBIT
2,109.3 billion yen	141.3 billion yen	109.1 billion yen



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.

Ultrafast elevator speed: **1,200** m/min (72 km/h)
 In 2016, Hitachi is scheduled to deliver elevators traveling 1,200 meters per minute (72 kilometers per hour) for the CTF Finance Centre, 530 meters tall, under construction in Guangzhou, China.

● 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.



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

Revenue	Adjusted operating income	EBIT
2,333.1 billion yen	81.3 billion yen	29.1 billion yen

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.

MRI scanners shipped: **7,050**

As of the end of March 2016, Hitachi Medical Corporation (currently the Healthcare Business Unit, Hitachi, Ltd.)*1 had shipped MRI medical scanners to 87 countries. Through development of these scanners and other medical equipment, Hitachi contributes to realizing a safe and secure society in which people live healthy lives.

● 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 Medical Corporation, Hitachi Kokusai Electric Inc.



A proton beam cancer therapy system.

Revenue	Adjusted operating income	EBIT
1,127.6 billion yen	67.0 billion yen	64.3 billion yen

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 and excavation.

Overseas sales ratio: **69%**

This is the fiscal 2015 overseas sales ratio for construction machinery. Our hydraulic excavators, wheel loaders, and dump trucks are used at construction sites and mines around the world.

● Main Products and Services

Hydraulic Excavators, Wheel Loaders, Mining Machinery

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

Hitachi Construction Machinery Co., Ltd.



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

Revenue	Adjusted operating income	EBIT
758.3 billion yen	22.6 billion yen	25.8 billion yen



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.

World share of anode material for lithium ion batteries:

About **25%** (Hitachi estimation)

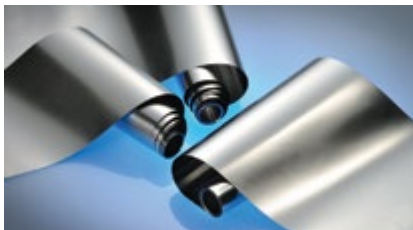
Hitachi Chemical's anode material for lithium ion batteries is an essential material for improving the quality of lithium ion batteries. In the market for eco-friendly automobiles, which are in increasing demand, we hold the top world share.

• 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.



An amorphous metal alloy from Hitachi Metals.

Revenue	Adjusted operating income	EBIT
1,564.0 billion yen	125.9 billion yen	153.5 billion yen

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.

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

Hitachi Automotive Systems aims for high levels of safety and fuel efficiency in developing electronics products. The electronics products share in fiscal 2014 placed Hitachi at the equivalent of third place among the top 10 global suppliers.

• 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.



Hitachi Automotive Systems' Stereo Camera.

Revenue	Adjusted operating income	EBIT
1,001.1 billion yen	61.9 billion yen	53.9 billion yen

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
Three Hitachi Appliances products—IH rice cookers, large-capacity refrigerators, and water pumps—won fiscal 2015 Energy Conservation Grand Prizes. This is the third consecutive year that three Hitachi Appliances products have been awarded.

• 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.



Hitachi Appliances' large-capacity "Vacuum Compartment" XG series refrigerator.

Revenue	Adjusted operating income	EBIT
681.0 billion yen	23.8 billion yen	41.9 billion yen



Management Approach

Activities

Performance Data

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%**

In Japan, Hitachi Transport System*2 has a rising eco-car ownership rate, including hybrid, natural gas, electric, and LPG vehicles, as well as nationally certified, low-emission gas and biofuel vehicles.

- **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., Hitachi Urban Investment, Ltd., Hitachi America, Ltd., Hitachi Asia Ltd., Hitachi (China), Ltd., Hitachi Europe Ltd., Hitachi India Pvt. Ltd.*3



Hitachi Transport System's Metropolitan East Distribution Center and a large truck.

Revenue	Adjusted operating income	EBIT
1,252.7 billion yen	52.5 billion yen	40.6 billion yen

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
Hitachi Capital finances and operates wind and solar power plants, providing Hitachi's combined strengths to find solutions that promote renewable energy use. We boosted power generated from renewable energy from 160 MW in fiscal 2012 to 320 MW in fiscal 2015.

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



Hitachi Capital's Hitachi Corporate Card.

Revenue	Adjusted operating income	EBIT
365.3 billion yen	45.2 billion yen	46.6 billion yen

*1 The trade name of Hitachi Medical Corporation was changed to Hitachi Healthcare Manufacturing, Ltd. as of April 1, 2016.
*2 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.
*3 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.