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

Before Fiscal 2009

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted Operating Income (Billions of yen)</th>
<th>EBIT† (Billions of yen)</th>
<th>EPS§ (Yen per share)</th>
<th>Total Hitachi, Ltd. Stockholders’ Equity Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>8,000</td>
<td>20.6%</td>
<td>11.2%</td>
<td>20.6%</td>
</tr>
<tr>
<td>2008</td>
<td>6,000</td>
<td>14.3%</td>
<td>15.7%</td>
<td>18.8%</td>
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<tr>
<td>2009</td>
<td>4,000</td>
<td>18.8%</td>
<td>21.2%</td>
<td></td>
</tr>
</tbody>
</table>

*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.

2012 2013 2014 2015 2016 (FY)

IFRS*(3)

Advancing Global Sustainability

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