

FOR IMMEDIATE RELEASE

**Hitachi to Establish Global Structure for the Social Innovation Business
with Goal to Increase Ratio of Overseas Sales to More than 50%**

Will Appoint Chief Executives Responsible for Local Business in Four Global Regions

Tokyo, February 4, 2015 - Hitachi, Ltd. (TSE:6501, "Hitachi") today announced that it will appoint Chief Executives, who will function as representatives of the Hitachi Group in interactions with regional companies and customers, in four global regions - the Americas, China, Asia / Pacific, and Europe / Russia / Middle East and other areas ("EMEA·CIS"). This change is being made to accelerate Hitachi's growth in the global market and will take effect on April 1, 2015. In addition to creating regional growth strategies, promoting localization, and effectively utilizing management resources, the Chief Executives will have authority to make investments in new business areas where growth is expected and will be accountable for achieving positive returns on these investments. The Chief Executives will implement a transition to an "autonomous decentralized global management" structure in which each region leads its business autonomously. Hitachi will expand its Social Innovation Business on a global scale, in order to reach the goals set forth in its 2015 Mid-term Management Plan, which will enter its final year in FY2015, and to achieve further growth in 2016 and beyond.

In its 2015 Mid-term Management Plan, a three-year management plan that concludes at the end of FY2015, Hitachi set a goal of achieving an overseas sales ratio of more than 50%, while expanding business in the global market for the Social Innovation Business. In its global plan for regional management, the company created regional strategies for India in December 2012 and for China in June 2014. In addition, it has been rolling out new business strategies by combining the resources of the entire Hitachi Group as outlined in the plan. In April 2014, Hitachi appointed a Global CEO in London, U.K. to supervise global strategies for its Rail Systems Business, and it created structures to enable rapid decision-making close to its customers. Hitachi has also been promoting aggressive sales activities targeting railway projects currently being planned in each region.

In order to resolve a variety of global issues that are becoming increasingly complex and borderless, the Chief Executives will need to act as “control towers,” developing and building solutions to issues along with Hitachi customers through “collaborative creation.” In addition to the global strategies that have been implemented up to now, Hitachi will strengthen the “autonomous decentralized global management” structure in which regional management is conducted autonomously. In each region, the Chief Executive will have authority to make investments in the Social Innovation Business, where growth is expected, and will be responsible for recovering those investments and for regional profits and losses.

In the Americas where economic growth is expected, Mr. Jack Domme, currently CEO of Hitachi Data Systems Corporation, will be appointed Chief Executive for the Americas. Mr. Domme will leverage his expertise to roll out new solutions using big data analytics in a variety of industries, including energy, communications, finance, and healthcare. He will anticipate technology trends in the United States, where cutting edge technologies, particularly those related to Big Data, are emerging - with a particular focus on Silicon Valley - and will build effective business models to further expand Hitachi’s business throughout the Americas.

In China, where stable, sustainable growth is expected, Mr. Kenichi Kokubo will continue as Chief Executive for China. Mr. Kokubo will execute strategies in keeping with the goals of achieving a low-carbon society and expanding internal demand in preparation for the “new urbanization” currently being promoted by the Chinese government. Specifically, he will strengthen the building facility management solutions business, including security and energy management, using the elevator business, where Hitachi holds top class market share in China, as the base. He will also strive to expand business by promoting financial solutions using the ATM business as a base and by promoting solutions targeting the healthcare industry, where Hitachi hopes to provide services throughout the entire care cycle, from prevention to screening, treatment, and prognosis.

In the Asia-Pacific region, where social infrastructure-related demand is very strong, Mr. Ichiro Iino will be appointed Chief Executive for the Asia-Pacific. Mr. Iino will promote solutions targeting the healthcare industry through collaborations with local partners in Singapore, India, and other countries in that region, and he will promote new financial solutions targeting Japanese banks that are expanding operations in Asia.

In Europe / Russia / Middle East and other areas (“EMEA·CIS”), which is expected to see demand for upgrades in social infrastructures and market expansion in the healthcare field, Mr. Klaus Dieter Rennert will continue to serve as Chief Executive for EMEA·CIS. Mr. Rennert will roll out the solutions business aimed at increasing efficiency in production and supply chains, based on activities surrounding “Industrie4.0” (the fourth Industrial Revolution in Germany). He will expand business by applying Hitachi’s concept of “symbiotic autonomous decentralization,” which aims to improve the quality of people’s lives by linking individual systems such as energy and healthcare and striving to achieve overall optimization.

In these four regions - the Americas, China, Asia/Pacific, and Europe / Russia / Middle East and other areas (“EMEA·CIS”) - the Chief Executives will act as “control towers,” securing key accounts and providing services and solutions that leverage the strengths of the Hitachi Group. They will implement Hitachi’s strategy of “autonomous decentralized global management”, which puts responsibility for regional business operations more solidly in the hands of each individual region.

At the same time, Hitachi will promote uniform global operations to enable the efficient use of management resources, in areas such as R&D, procurement, brand strategies, the use of human resources, accounting systems, and thorough compliance. In this way, the Hitachi Group will provide innovations at the highest level, and establish governance as a global company.

Following is an outline of the Social Innovation Business fields in each region where growth is expected, and where the Chief Executives will have authority to make investments as well as responsibility for overall profits and losses.

■ Examples of Social Innovation Business areas currently being targeted in each region:

Global Region	Countries/Regions covered	Chief Executive	Examples of Social Innovation Business areas currently being targeted
The Americas	North, Central, and South America	Jack Domme (Vice President and Executive Officer) [New appointment] *	(1) Solutions targeting the energy industry (e.g., oil and gas, etc.) (2) Solutions targeting the communications industry (3) Solutions targeting the healthcare industry (4) Business analytics solutions (5) Connected cars (6) Security solutions
China	China	Kenichi Kokubo (Vice President and Executive Officer)	(1) Urban planning / development and building facility management solutions (2) Financial solutions (3) Solutions targeting the healthcare industry (4) Solutions targeting smart logistics and e-commerce
Asia/Pacific	ASEAN India Oceania Korea	Ichiro Iino [New appointment] *	(1) Solutions targeting the healthcare industry (2) Collaborative solutions with developers and conglomerates, and home appliance business targeting the B2B market (3) Financial solutions
Europe / Russia / Middle East and other areas ("EMEA·CIS")	Europe Russia·CIS Middle East Turkey Africa	Klaus Dieter Rennert	(1) Production / SCM solutions (2) Solutions targeting the healthcare industry (3) Solutions aimed at increasing energy efficiency

* New appointment scheduled for April 1, 2015

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Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.
