

FOR IMMEDIATE RELEASE

Strengthening the Development and Establishment of IoT Platforms for the Expansion of the Digital Solutions Business

Tokyo, Japan, April 14, 2016 --- Hitachi, Ltd. (TSE:6501, "Hitachi") today announced that it is planning to strengthen the development and establishment of IoT(Internet of Things) platforms as part of efforts to expand the digital solutions business. The Services & Platforms Business Unit(BU), whose global headquarter is newly established in the United States, will invest a total of 100 billion yen in this initiative over the three year period from FY2016 to FY2018. In this way, Hitachi will contribute to growth and the resolution of issues for customers through IoT platforms that combine Operational Technology(OT)* and Information Technology(IT), which represent Hitachi's strengths.

Recently, a number of social issues have come to light, including environmental problems, urbanization, and the aging population. As the global economy becomes increasingly unpredictable, the issues and concerns facing companies and executives are becoming increasingly difficult and complex, raising calls for quick and sustainable solutions. Trends of the IoT and digitalization are accelerating, as the use of Internet allows people to be connected with a wide range of devices, and insight obtained through the analysis of big data brings about dramatic changes in business and the way people live.

In this backdrop, Hitachi has led these global trends by promoting the Social Innovation Business, using OT and IT to provide advanced infrastructure systems. Leveraging these strengths, in order to further strengthen the digital solutions business that supports growth, it has initiated a new market-driven business structure comprising three layers: 12 Front BUs that provide services close to the customers, the Services & Platforms BU, and the Industrial Products BU, which supports services with highly competitive components.

The Services & Platforms BU offers powerful backup for the creation of innovations in the front lines, by providing the Front BUs with IoT platforms.

The IoT platforms being developed and established by the Services & Platforms BU are composed of a series of software that form the core of digital solutions, created through the fusion of IT (e.g., analytics, AI and security) and OT obtained through experiences in railway control, plant control, etc. By combining Hitachi's strengths and expertise with the expertise of partners and customers, these open platforms will enable customers facing diverse issues to formulate solutions quickly and flexibly, and with a minimum of customization.

Hitachi will now establish a global HQ for the Services & Platforms BU in Santa Clara, California. Keiji Kojima, who holds concurrent positions as Senior Vice President and Executive Officer, and CEO of the Services & Platforms BU, will lead the global team being formed at bases in North America, Europe, Japan, and other regions.

Jack Domme, who holds concurrent positions as Vice President and Executive Officer, and Chief Executives for the Americas, will make a presentation about Hitachi's IoT business strategy at IoT World being held at Santa Clara, California on May 10th.

IoT World URL: <https://iotworldevent.com/speaker/jack-domme/>

* Operational Technology: Technology to control the operation of industrial components, plants, social infrastructure equipment, etc. A word used in contrast to "IT".

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, delivers innovations that answer society's challenges with our talented team and proven experience in global markets. The company's consolidated revenues for fiscal 2014 (ended March 31, 2015) totaled 9,761 billion yen (\$81.3 billion). Hitachi is focusing more than ever on the Social Innovation Business, which includes power & infrastructure systems, information & telecommunication systems, construction machinery, high functional materials & components, automotive systems, healthcare and others. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

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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.
