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**Hitachi to Establish a Global R&D Structure
from the Customer's Perspective**

*New Structure to Lead the Global Rollout
of the Social Innovation Business*

Tokyo, February 27, 2015 --- Hitachi, Ltd. ("Hitachi" / TSE:6501) today announced that as of April 1, it will reorganize the Group's current R&D structure. The present three laboratories in Japan (the Central Research Laboratory, the Hitachi Research Laboratory, and the Yokohama Research Laboratory), the Design Division, and overseas research bases will be reorganized into the Global Center for Social Innovation, the Center for Technology Innovation, and the Center for Exploratory Research. The goal of this reorganization is to promote R&D from the customer's perspective, on a global scale.

The newly established Global Center for Social Innovation is a frontline organization, and the researchers at four regional centers in Tokyo, North America, China and Europe will share issues and develop new solutions along with the customers through "collaborative creation". The Center for Technology Innovation will integrate the three research laboratories in Japan into one Center, which will be composed of nine centers grouped by each technology fields. The Center will strengthen technology platforms, fuse various technologies and to promote R&D for innovative products, all of which are needed in the solutions developed by the Center for Social Innovation. The Center for Exploratory Research will promote R&D targeting cutting-edge technologies from a long-term perspective, and it will strive to create technology platforms for the future.

Through this reorganization, Hitachi will establish a structure that promotes R&D from the customer's perspective; namely, the researchers at the frontline combine optimum cutting-edge technologies, and develop solutions to issues through collaborative creation with the customers. Furthermore, by aligning with various research institutes as "a global open laboratory," Hitachi will strengthen research activities on cutting-edge

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technologies that will be the technology platforms of the future. Through these measures, the new R&D structure will lead the global rollout of Social Innovation Business.

Since its founding in 1910, Hitachi has been involved in the world's most advanced research and development, based on the corporate philosophy of "Contributing to society through the development of superior, original technology and products." In 2011, it reorganized the existing structure of six corporate research laboratories into three research laboratories – the Central Research Laboratory, the Hitachi Research Laboratory, and the Yokohama Research Laboratory – and expanded R&D activities in core fields such as social infrastructures and IT. Hitachi has also been building a global R&D structure that will accelerate the Social Innovation Business by strengthening overseas R&D structures, such as establishing a new R&D base in India.

The society and our customers are facing complicated challenges, including issues concerning energy and environment, problems on food and water, and establishing transport and security system. In order to overcome these challenges, there has been a growing demand for collaborative creation aimed at identifying issues at close proximity to customers, and creating solutions to those issues jointly with the customers. Accordingly, as of April 1, Hitachi will reorganize toward a structure that promotes R&D from the customer's perspective, and will contribute to solving society's complicated challenges throughout the world.

The Global Center for Social Innovation is a frontline organization which will integrate the Design Division, overseas research bases and other elements of existing organizations, and develop solutions with the customers. Using its unique service design methods, the Center will increase the visibility of the issues, consider and create visions and solutions through collaboration with the customers. Utilizing the technology platforms and innovative products created at the Center for Technology Innovation, the Global Center for Social Innovation will implement measures ranging from the development of solution prototypes to verification tests at the customers' locations, and will lead the solution development from the frontline.

The Center for Technology Innovation will integrate Hitachi Research Laboratory, Yokohama Research Laboratory and a part of Central

Research Laboratory, and it will be composed of nine centers covering the following fields: mechanical, electronics, materials, information and telecommunications, controls, energy, production, systems, and healthcare. This Center will strengthen the technology platforms in the nine fields, and it will provide strong backup to develop new solutions through combining optimum technologies and creating innovative products.

The Center for Exploratory Research will focus on “solving society’s challenges in the future” as research themes, and will progress on cutting-edge R&D from a long term perspective. At the same time, it will collaborate with a variety of research institutes as a global open laboratory to create the seeds of the next Social Innovation Business. Hitachi has undertaken cutting-edge fundamental research in a variety of fields, including research in advanced functional materials through the development of an ultra-high-voltage electron microscope, research targeting cell culture technologies, and new paradigm computing technologies aimed at achieving smart society. Through this reorganization, Hitachi will enhance collaborations with universities and research institutes, further strengthening fundamental research through open innovations.

Hitachi will establish a global structure that promotes R&D from the customer’s perspective, and it will identify issues along with the customers. Through its Social Innovation Business that provides innovative solutions, Hitachi will contribute to solving complicated social challenges throughout the world.



Hitachi's New R&D Structure

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 2013 (ended March 31, 2014) totaled 9,616 billion yen (\$93.4 billion). Hitachi is focusing more than ever on the Social Innovation Business, which includes infrastructure systems, information & telecommunication systems, power systems, construction machinery, high functional materials & components, automotive systems, health care and others. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

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