

Hitachi Group in Europe: Business and Strategy update

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Business Update in Europe

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Hitachi's Mission: "*contribute to society through the development of superior technology and products*"

- Growth of the Social Innovation Business
- emphasis on market-orientated approach in the world's growing markets
- Collaborative creation & profitability focused innovations

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Business Update in Europe

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- European turnover growth by over 30% over the last year and from 7 to 10% of total Group consolidated turnover in three years

Billion of Yen

	Fiscal 2006 FY	Ratio	Fiscal 2007 FY	Ratio	Change
Japan	2,820.3	69%	2,995.4	67%	100%
Outside Japan	1,950.6	41%	2,284.9	43%	117%
Asia	891.2	19%	1,028.2	19%	115%
North America	514.2	11%	520.1	10%	101%
Europe	380.3	8%	506.9	10%	133%
Other Areas	164.7	3%	229.6	4%	139%
Total	4,170.9	100%	5,380.4	100%	111%



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Strategic update

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- Accelerate growth through **expansion into new markets**, particularly targeting the social and environmental sectors
 - South Africa, CEE, Russia
- Hitachi is strong in **energy saving and pollution-reduction technologies**, and we see these as a driver of our future business
 - Hybrid train
- More **creative innovation** with European partner, community
 - Testing CO₂ capture

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NEWS RELEASE

Date: Jan. 2008 (Hitachi Ltd. Tokyo)

Hitachi Power Europe and local subsidiary to build six utility steam generators in South Africa

Dubai, UAE, 11 November 2007 Hitachi Power Europe (HPE) and its subsidiary Hitachi Power (Pty) Ltd have secured an order worth 1.5 billion USD for six 300MW steam generators for the South African nuclear power plant in Koeberg.



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e-on Hitachi Electrabel

Joint press release
Electrabel, E.ON Power and Hitachi Power Europe to build and operate a facility for testing CO₂ capture

Hitachi, E.ON Power and Electrabel (a subsidiary of E.ON Energy Group) have signed a joint venture agreement to build and operate a facility for testing CO₂ capture. The joint venture is the world's first of its kind. The facility will be used to test the performance of different systems for CO₂ capture from the plant. The main aim of the project is the development of a technology that can be used in industrial plants.

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Seeking group synergies

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Hitachi's management has called for **“a rigorous focus on a global, group wide, market oriented approach”** using operational synergies to create value and improve profitability.

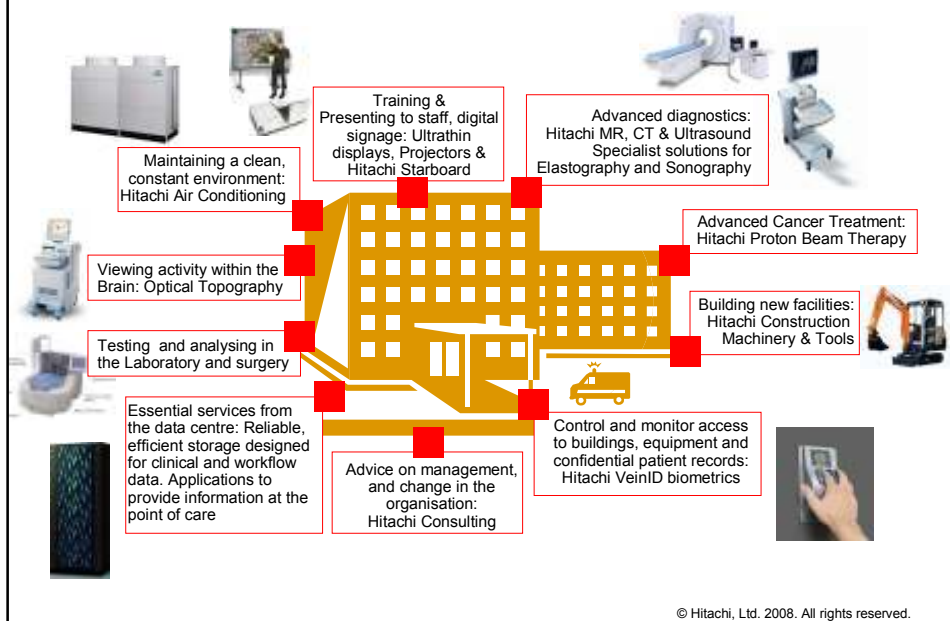
Health has been identified as an area:

- Which is showing strong growth driven by the needs of the ageing society
- Where the Hitachi group can offer a broad range of products and solutions.



Hitachi's experience covers many areas of Health

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Hitachi's solutions address the key challenges in healthcare



- Improving the quality of care
 - Innovative diagnostic techniques
 - Improving clinical workflow
 - Quickly & reliably bringing data to the point of care
- Ensuring regulatory compliance
- Managing cost as demand increases while funding remains tight.



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PARIS 21-23 MAY '08



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