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Hitachi to Reorganize Headquarters to Promote Global Group Growth

Tokyo, September 19, 2013 --- Hitachi, Ltd. (TSE: 6501 / “Hitachi”) today announced plans to initiate headquarters reforms of Group Corporate divisions with planned completion by March 31, 2014. These structural reforms are aligned with Hitachi’s Smart Transformation Project, one of the key initiatives of the 2015 Mid-term Management Plan aimed at achieving increased global growth.

Specifically, Hitachi will redefine the roles and responsibilities of its Group Corporate divisions along functional lines and give them increased responsibility for formulating and implementing global growth strategies for the Hitachi Group, particularly as they relate to promoting Hitachi’s Social Innovation Business. With this strategic reorganization, Hitachi has clarified the required functions, responsibilities and accountability of headquarters. Organizationally, Hitachi will create a simpler, highly functional organization that focuses on strategy formulation and implementation, and on making proposals and providing support to executives. Along with this, Hitachi has also created new posts “Chief XXX (Area of Responsibility) Officer,” with these officers having primary responsibility for the new headquarters roles and functions. Hitachi has appointed executive officers to these positions to reinforce the importance and accountability for global business strategy.

In accordance with these moves, existing highly specialized headquarters’ service functions (business support functions) will be reorganized as Professional Services divisions apart from headquarters. Additionally, the Research & Development Group will be redefined from the perspective of clarifying its position in the value chain.

These reforms are being instituted to sharpen Hitachi's strategic focus and strengthen Hitachi's global management. The goal is to improve the efficiency and speed of fundamental tasks and business decision making through the Hitachi's Smart Transformation Project. The Hitachi Smart Transformation Project has been initiated with the goal of transforming Hitachi into a global major player.

At present, there are approximately 1,800 headquarters staff employees, excluding personnel in research and development divisions, contract roles and others. Plans call for this workforce to be decreased to approximately 600, excluding Professional Services divisions.

The following reorganization will be effective October 1, 2013, as the first stage of the corporate headquarters structural reforms.

1. Headquarters Functions

Headquarters will spearhead global management by focusing more on formulating and implementing high-level strategies, and making proposals and supporting management. Specifically, headquarters will consolidate (1) strategy planning, (2) finance, (3) human resources management, (4) legal affairs, corporate communications and CSR, (5) compliance and risk management, (6) IT strategy, (7) marketing and sales strategy, (8) SCM strategy (manufacturing, procurement, and quality assurance), and (9) R&D strategy. Accordingly, the existing 18 divisions and groups will be consolidated into 10 divisions and groups, excluding contract roles and others. The Research & Development Group will be separated from headquarters and be established as an independent division.

2. Professional Service Functions

The highly specialized service functions (business support functions) in headquarters at present will be consolidated into divisions responsible for providing Professional Services. Specifically, IT services, intellectual property management, training and other operations will be consolidated in order to facilitate efficient and speedy operations.

3. Chief XXX (Area of Responsibility) Officer

Hitachi will create the posts of “Chief XXX (Area of Responsibility) Officer” and appoint executive officers to these positions. These individuals will be responsible for their respective headquarters functions and roles.

Function and Role	Position Name	Executive Officer Name
Strategy planning	CSO (Chief Strategy Officer)	Toshikazu Nishino , Senior Vice President and Executive Officer
Finance	CFO (Chief Financial Officer)	Toyoaki Nakamura , Executive Vice President and Executive Officer
Human resources management	CHRO (Chief Human Resources Officer)	Naoki Mitarai , Vice President and Executive Officer
Legal affairs, corporate communications and CSR	General Counsel & Head of Corporate Communication	Toshiaki Kuzuoka , Senior Vice President and Executive Officer
Compliance and risk management	Head of Risk Management	Toshiaki Kuzuoka , Senior Vice President and Executive Officer
IT strategy	CIO (Chief Information Officer)	Shinjiro Iwata , Executive Vice President and Executive Officer
Marketing and sales strategy	CMO (Chief Marketing Officer)	Masahide Tanigaki , Senior Vice President and Executive Officer

SCM strategy (manufacturing, procurement, and quality assurance)	Head of MONOZUKURI & Quality Assurance	Nobuo Mochida , Executive Vice President and Executive Officer
	CPO (Chief Procurement Officer)	Shinichiro Omori , Vice President and Executive Officer
R&D strategy	CTO (Chief Technology Officer)	Shigeru Azuhata , Executive Vice President and Executive Officer