

FOR IMMEDIATE RELEASE

Hitachi Announces Progress of “2012 Mid-term Management Plan”

Tokyo, May 10, 2012 --- Hitachi, Ltd. (TSE:6501) today announced a progress of its management plan “2012 Mid-term Management Plan” to promote "Growth Driven by Social Innovation Business" & "Solid Financial Base". Summary of progress are below.

Key Message of Today’s Announcement

- (1) In FY2012, which is the final year of the Mid-term Management Plan, the company expects to meet goals; such as operating income (ratio), net earnings attributable to Hitachi, Ltd., the D/E ratio, and the shareholders' equity ratio.
(Revenues are expected to fall below original targets due in part to the small-to medium-sized display business, etc.)
- (2) The company will continue to promote management measures aimed at achieving growth in the global market with a focus on the Social Innovation Business.
- (3) Through the continued execution of growth strategies, cost structure reforms, and business model innovations, Hitachi will strive to become a global major player that responds to global needs through the Social Innovation Business.

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1. Progress Overview

(1) FY2011 Results, FY2012 Forecasts and Targets

	FY2011 Results	FY2012 Forecast ^(*1)	FY2012 Target ^(*2)
Revenues	9,665.8 billion yen	9,100.0 billion yen	10,000 billion yen
Operating income (ratio)	412.2 billion yen (4.3%)	(5.3%)	(Over 5%)
Net income attributable to Hitachi, Ltd.	347.1 billion yen	200.0 billion yen	Consistently generate at least 200 billion yen
D/E ratio ^(*3)	0.86 times (Manufacturing, Services and Others: 0.56 times)	0.80 times (Manufacturing, Services and Others: 0.50 times)	0.8 times or below
Total Hitachi, Ltd. Stockholders' equity ratio	18.8% (Manufacturing, Services and Others: 20.5%)	20.0% (Manufacturing, Services and Others: 22.0%)	20%

*1 As of June 9, 2011 (includes impact of HDD business transfer).

Exchange ratio: 80 yen to the U.S. dollar and 110 yen to the euro.

*2 Exchange ratio: 75 yen to the U.S. dollar and 100 yen to the euro.

*3 Including non-controlling interests, and also including liabilities associated with the consolidation of securitized entities.

2. Outlook of the overseas sales ratio

(1) Overseas sales ratio:

FY2010 results: 41%^(*4) → FY2012 forecast: 43%

(2) Staff composition

	FY2010 Results ^(*4)	FY2012 Forecast
Head count in Japan	212k	212k
Head count overseas (overseas ratio)	100k (32%)	125k (37%)
Total Head count	312k	337k

*4 Includes impacts of transfer of small- to medium-sized display business and HDD business

3. Global Expansion for the Social Innovation Business

(1) Establish 5-Group Structure

- 1) Reform management structures using market needs as the starting point
 - Create new businesses and technologies from a customer perspective
 - Anticipate changes in the market and the competition

- 2) Create new businesses through the fusion of IT and social infrastructures
 - Business proposals for growth regions and industries
 - Create new businesses, including new services
- (2) Expand the Social Innovation Business
 - 1) Global expansion for the smart city business with demonstration models
 - 2) Global growth in response to market needs in Infrastructure Systems Field
 - 3) Global business expansion through the usage of Big Data technologies in Information & Telecommunication Systems Field
 - 4) Accelerate global expansion of business in Power Systems Field

4. Strengthening the Management Base and Global Growth Strategies

- (1) Strengthening the management base
 - 1) Implement cost structure reforms
 - Execute “the Hitachi Smart Transformation Project”
 - 2) Strengthen the financial position
 - Improve profitability and strengthen the financial position
 - Focus management resources
- (2) Global Growth Strategies
 - 1) Expand investments targeting key regions
 - Globalize corporate functions and implement the “China Business Strategy 2015”
 - Expand business in the ASEAN region, which is a new key target region for Hitachi, and start up business in Myanmar
 - 2) Optimum and borderless use for human resources to increase efficiency
 - Develop Global Human Resources Strategies
 - Start Global Management Development Program, staffing / training / job rotation in FY2012
 - 3) Strengthening global governance
 - Responding to globalized management and strengthening supervisory functions
 - 4) Value Creation and CSR
 - Promote contributions to the environment and regional social contribution activities
 - Emphasize respect for human rights and promote dialogues with stakeholders

5. As a Global Major Player

- (1) Execute growth strategies: Focus on key businesses and regions
- (2) Cost structure reforms: Execute the Hitachi Smart Transformation Project
- (3) Business model innovations: Organize structure to compete
in the global arena
- (4) Human Resources strategies: Optimum and global use for human resources
- (5) A company that grows with the region: Make social contributions
and demonstrate respect for diversity

Cautionary Statement

Certain statements found in this document may constitute “forward-looking statements” as defined in the U.S. Private Securities Litigation Reform Act of 1995. Such “forward-looking statements” reflect management’s current views with respect to certain future events and financial performance and include any statement that does not directly relate to any historical or current fact. Words such as “anticipate,” “believe,” “expect,” “estimate,” “forecast,” “intend,” “plan,” “project” and similar expressions which indicate future events and trends may identify “forward-looking statements.” Such statements are based on currently available information and are subject to various risks and uncertainties that could cause actual results to differ materially from those projected or implied in the “forward-looking statements” and from historical trends. Certain “forward-looking statements” are based upon current assumptions of future events which may not prove to be accurate. Undue reliance should not be placed on “forward-looking statements,” as such statements speak only as of the date of this document.

Factors that could cause actual results to differ materially from those projected or implied in any “forward-looking statement” and from historical trends include, but are not limited to:

- economic conditions, including consumer spending and plant and equipment investment in Hitachi’s major markets, particularly Japan, Asia, the United States and Europe, as well as levels of demand in the major industrial sectors Hitachi serves, including, without limitation, the information, electronics, automotive, construction and financial sectors;
- exchange rate fluctuations of the yen against other currencies in which Hitachi makes significant sales or in which Hitachi’s assets and liabilities are denominated, particularly against the U.S. dollar and the euro;
- uncertainty as to Hitachi’s ability to access, or access on favorable terms, liquidity or long-term financing;
- uncertainty as to general market price levels for equity securities, declines in which may require Hitachi to write down equity securities that it holds;
- the potential for significant losses on Hitachi’s investments in equity method affiliates;
- increased commoditization of information technology products and digital media-related products and intensifying price competition for such products, particularly in the Digital Media & Consumer Products segments;
- uncertainty as to Hitachi’s ability to continue to develop and market products that incorporate new technologies on a timely and cost-effective basis and to achieve market acceptance for such products;
- rapid technological innovation;
- the possibility of cost fluctuations during the lifetime of, or cancellation of, long-term contracts for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- fluctuations in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum, synthetic resins, rare metals and rare-earth minerals, or shortages of materials, parts and components;
- fluctuations in product demand and industry capacity;
- uncertainty as to Hitachi’s ability to implement measures to reduce the potential negative impact of fluctuations in product demand, exchange rates and/or price of raw materials or shortages of materials, parts and components;
- uncertainty as to Hitachi’s ability to achieve the anticipated benefits of its strategy to strengthen its Social Innovation Business;
- uncertainty as to the success of restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness and other cost reduction measures;

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- general socioeconomic and political conditions and the regulatory and trade environment of countries where Hitachi conducts business, particularly Japan, Asia, the United States and Europe, including, without limitation, direct or indirect restrictions by other nations on imports and differences in commercial and business customs including, without limitation, contract terms and conditions and labor relations;
- uncertainty as to the success of alliances upon which Hitachi depends, some of which Hitachi may not control, with other corporations in the design and development of certain key products;
- uncertainty as to Hitachi's access to, or ability to protect, certain intellectual property rights, particularly those related to electronics and data processing technologies;
- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity method affiliates have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- the possibility of disruption of Hitachi's operations by earthquakes, tsunamis or other natural disasters;
- uncertainty as to Hitachi's ability to maintain the integrity of its information systems, as well as Hitachi's ability to protect its confidential information or that of its customers;
- uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its significant employee benefit-related costs; and
- uncertainty as to Hitachi's ability to attract and retain skilled personnel.

The factors listed above are not all-inclusive and are in addition to other factors contained in other materials published by Hitachi.

ABOUT HITACHI

Hitachi, Ltd., (TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 320,000 employees worldwide. Fiscal 2011 (ended March 31, 2012) consolidated revenues totaled 9,665 billion yen (\$117.8 billion). Hitachi will focus more than ever on the Social Innovation Business, which includes information and telecommunication systems, power systems, environmental, industrial and transportation systems, and social and urban systems, as well as the sophisticated materials and key devices that support them. 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.
