

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

Billions of Euro

	Fiscal 2006 FY	Ratio	Fiscal 2007 FY	Ratio	Change
Japan	2,820.3	69%	2,995.4	57%	104%
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%	5,280.4	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

October 2008

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

Düsseldorf, November 11 November 2008 Hitachi Power Europe (HPE) and its subsidiary Hitachi Power Africa (HPA) have received an order from Eskom for six BWR 2 Steam Generator Units from the South African nuclear utility, HPE is to supply the units.



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e-on Hitachi Electrolux

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

Hitachi, E.ON Power and Electrolux announce a joint venture to build and operate a facility for testing CO₂ capture. The joint venture is the first of its kind in Europe. The facility will be used to test the capture of CO₂ from the power plant. The main aim of the project is the development of a technology for CO₂ capture from power 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.

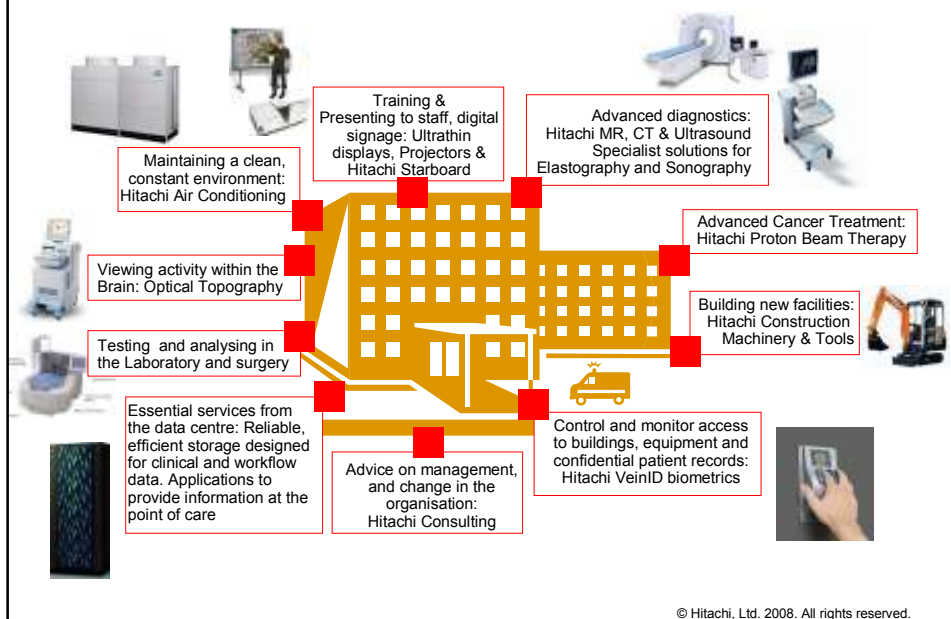
Health has been identified as an area:

- 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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