

FOR IMMEDIATE RELEASE

## Hitachi Concludes Absorption-type Company Split Agreement Related to Air Conditioning Systems Business in Japan

**Tokyo, January 30, 2014** --- Hitachi, Ltd. (TSE: 6501, "Hitachi") on November 25, 2013 announced that it had decided to transfer and integrate the air conditioning systems construction business, etc. in Japan ("Business to Be Transferred") of Hitachi into a wholly-owned subsidiary Hitachi Plant Services Co., Ltd. ("Hitachi Plant Services") through a company split ("Company Split") on April 1, 2014. The purpose of the restructuring is to strengthen and expand the infrastructure systems business.

Today, Hitachi concluded an absorption-type company split agreement relating to the Company Split ("Absorption-type Company Split Agreement"). Having signed this agreement, Hitachi has also announced matters that were undecided in the news release issued on November 25, 2013, as follows. Changes to that news release are underlined.

### 1. Outline of the Company Split

#### (1) Company Split Schedule

Conclusion of Absorption-type Company Split Agreement	<u>January 30, 2014</u>
Scheduled Company Split Date (Effective Date)	April 1, 2014 (Tentative)

(Note) The company split is deemed to be a simple absorption-type company split, pursuant to Article 784, Paragraph 3 of the Companies Act of Japan. Therefore, Hitachi does not plan to convene a shareholders' meeting to obtain approval for the company split agreement.

#### (2) Company Split Method

This is an absorption-type company split in which Hitachi is the transferring company and Hitachi Plant Services is the successor company.

#### (3) Details of Allotments Related to the Company Split

Hitachi Plant Services will allot one share of common stock to Hitachi on April 1, 2014.

#### (4) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights Accompanying the Company Split

Hitachi has no outstanding stock acquisition rights or bonds with stock acquisition rights.

**(5) Capitalization Changes Accompanying the Company Split**

The company split will result in no change in capitalization of Hitachi.

**(6) Succession of Rights and Obligations**

Hitachi Plant Services will succeed to all rights and obligations of Hitachi relating only to the Business to Be Transferred, including assets, claims and obligations, the contractual status, approvals and licenses, and labor agreements, as stipulated by the Absorption-type Company Split Agreement.

**(7) Outlook on Performance of Obligations**

Obligations of Hitachi Plant Services becoming due after the effective date of the company split are anticipated to be duly performed.

**2. Overview of the Business to Be Transferred**

**(1) Business of the Business to Be Transferred**

Detailed design and construction of air conditioning systems in Japan, and manufacturing and sales of related equipment.

**(2) Business Results of Business to Be Split (Unconsolidated)**

Revenues: 47,243 million yen (Year ended March 31, 2013)

**(3) Assets and Liabilities to Be Split (As of April 1, 2014)**

(Millions of yen)

Category	Details	Amount
Assets to be split	Accounts receivable, inventory, etc.	28,838
Liabilities to be split	Accounts payable, advances received, etc.	21,964
Net Amount	—	6,874

**3. Status of Succeeding Company After the Company Split**

(1) Name	<u>Hitachi Plant Services Co., Ltd. (Tentative)</u>
(2) Head Office	1-1, Higashi-Ikebukuro 3-Chome, Toshima-ku, Tokyo
(3) Representative	(Not yet determined)
(4) Business	<u>Design</u> , construction, maintenance management, service and maintenance, of air conditioning and water treatment facilities
(5) Capital	<u>30.0 billion yen</u>
(6) Fiscal year-end	March 31

#### **4. Status of Hitachi After the Company Split**

There will be no change in the company name, head office location, representative's position or name, business activities, capital or fiscal year of Hitachi due to the company split.

As described in the January 8, 2014 press release titled "Hitachi Announces Changes of Top Management," Hitachi will change its President effective April 1, 2014, in accordance with a resolution passed by a meeting of the Board of Directors held on that day.

#### **About Hitachi, Ltd.**

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 326,000 employees worldwide. The company's consolidated revenues for fiscal 2012 (ended March 31, 2013) totaled 9,041 billion yen (\$96.1 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 material & components, automotive systems and others.

For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

### **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 segment;
- 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;
- uncertainty as to the success of cost reduction measures;

- 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.

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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.

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