

FOR IMMEDIATE RELEASE

Notification Regarding Change of Sub-subsidiary through Acquisition of Shares by Subsidiary

Tokyo, May 12, 2017 --- Hitachi, Ltd. (TSE:6501; “Hitachi”) today announced that Bradken Limited (Chairman: Phillip Arnall, “Bradken”) has become a consolidated sub-subsidiary of Hitachi and a consolidated subsidiary of Hitachi Construction Machinery Co., Ltd. (President and Chief Executive Officer: Kotaro Hirano; “Hitachi Construction Machinery”), which is a consolidated subsidiary of Hitachi, on March 20, 2017 as a result of Bradken shareholders’ acceptance of the takeover offer for Bradken in Australia (the “Takeover Offer”).

For details of the Takeover Offer, please refer to the “Notice on Execution of Agreement with Regard to Acquisition of Share in Australian Corporation Bradken Limited and Scheduled Commencement of Share Takeover Offer for the Acquisition” dated October 3, 2016, the “Notice on Commencement of Share Takeover Offer for the Acquisition of Share in Australian Corporation Bradken Limited” dated November 1, 2016, the “Notice on Outcome of Share Takeover Offer for the Acquisition of Shares in Australian Corporation Bradken Limited and Change in Subsidiary” dated March 21, 2017 and the “Notice on Outcome of Share Takeover Offer for the Acquisition of Shares in Australian Corporation Bradken Limited) dated April 10, 2017 announced by Hitachi Construction Machinery.

1. Reasons for Change

Bradken has become a consolidated sub-subsidiary of Hitachi and a consolidated subsidiary of Hitachi Construction Machinery on March 20, 2017 following the Takeover Offer.

The purpose of the Takeover Offer, as stated in the “Notice on Execution of Agreement with Regard to Acquisition of Share in Australian Corporation Bradken Limited and Scheduled Commencement of Share Takeover Offer for the Acquisition” announced by Hitachi Construction Machinery dated October 3, 2016, is as follows :

“Demand for construction machinery and mining machinery has decelerated in China, Indonesia, the CIS, and other emerging countries and has stagnated in advanced countries, and the market climate continues to be austere. Faced with these conditions, the Company has promoted its “GROW TOGETHER 2016” Mid-term Management Plan and proactively sought to streamline management, including through establishing a global support framework, in order to flexibly adapt to changes in the operating environment.

In the future, the Company intends to pursue growth through alliances and acquisitions in its core business of manufacturing and distributing construction and mining equipment, together with the associated value chains. This will be combined with an ongoing focus on streamlining operations.

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Bradken's business is wide-ranging across the value chain globally. Its operations include a mining equipment business, a business for wear parts in mining, and a maintenance service business, as well as a manufacturing business of industrial products for mining and infrastructure. The Company believes that the acquisition of Bradken will complement and bolster the parts service business in the Company's mining business and expects further improvement in business income stability and profitability through mutual utilization of a global network."

2. Outline of Hitachi Construction Machinery

Name	Hitachi Construction Machinery Co., Ltd.
Head Office	16-1 Higashi Ueno 2-Chome, Taito-ku, Tokyo, Japan
Representative	Kotaro Hirano, President and Chief Executive Officer
Outline of Business	Manufacture, sales, rental and after sales service of construction machinery, transportation machinery, environment-related products, and other machines and devices.
Capital (as of March 31, 2017)	JPY 81,576.59 million

3. Outline of Bradken

Name	Bradken Limited		
Head Office	20 McIntosh Drive, Mayfield West, New South Wales, 2304, Australia		
Representative	Phillip Arnall, Chairman		
Outline of Business	Metal casting and manufacture and distribution services for metal casting products		
Capital (as of December 31, 2016)	AUD 653,215 thousand		
Year of establishment	1922		
Main Shareholders and Shareholding Ratios (as of October 3, 2016)	Litespeed Master Fund Ltd. : 12.9% Paradice Investment Management Pty. Ltd. : 7.8% Delta Partners, LP : 5.4%		
Relationship between Hitachi and Bradken	Capital relationship	None	
	Personnel relationship	None	
	Transaction relationship	None	
	Status as related party	None	
Financial conditions and business results of Bradken for past three fiscal years (unit: millions of AUD)			
Fiscal year-end	June 2014	June 2015	June 2016
Sales	1,138	968	821
EBITDA (adjusted) ^{*1}	173	136	108
EBITDA (unadjusted)	143	110	49
Net income (unadjusted)	21	(241)	(196)
Total assets	1,530	1,524	1,053
Net assets	730	539	336

*1: Impairment and restructuring expenses are excluded.

4. Number of Shares Acquired and Ownership Status of Shares Before and After Acquisition^{*2}

Number of shares owned before the acquisition (As of November 1, 2016)	0 share (Number of voting rights: 0) (Ownership ratio of voting rights: 0%)
Number of shares acquired (As of March 20, 2017)	115,547,578 shares (Number of voting rights: 115,547,578) (Ownership ratio of voting rights: 55.3%)
Number of shares owned after change (As of March 20, 2017)	115,547,578 shares (Number of voting rights: 115,547,578) (Ownership ratio of voting rights: 55.3% (voting rights owned indirectly: 55.3%))

*2: The number of shares owned was 193,741,575 (Number of voting rights: 193,741,575 (Ownership ratio of voting rights: 92.8% (voting rights owned indirectly: 92.8%)) as of April 10, 2017 as a result of the additional acquisition after March 20, 2017.

5. Date of Change

March 20, 2017

6. Outlook

In case that this acquisition of shares has a significant impact on Hitachi's consolidated business results for the year ending March 31, 2018, Hitachi will immediately announce it.

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;
- 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;
- 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;
- 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;
- credit conditions of Hitachi’s customers and suppliers;
- 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 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;
- increased commoditization of and intensifying price competition for products;
- 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 acquisitions of other companies, joint ventures and strategic alliances and the possibility of incurring related expenses;
- uncertainty as to the success of restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness;
- the potential for significant losses on Hitachi’s investments in equity-method associates and joint ventures;
- 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 cost structure overhaul;
- uncertainty as to Hitachi's ability to attract and retain skilled personnel;
- uncertainty as to Hitachi's access to, or ability to protect, certain intellectual property rights;
- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity-method associates and joint ventures 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 natural disasters such as earthquakes and tsunamis, the spread of infectious diseases, and geopolitical and social instability such as terrorism and conflict;
- 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; and
- uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its employee benefit-related costs.

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

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, delivers innovations that answer society's challenges. The company's consolidated revenues for fiscal 2016 (ended March 31, 2017) totaled 9,162.2 billion yen (\$81.8 billion). The Hitachi Group is a global leader in the Social Innovation Business, and it has approximately 304,000 employees worldwide. Through collaborative creation, Hitachi is providing solutions to customers in a broad range of sectors, including Power / Energy, Industry / Distribution / Water, Urban Development, and Finance / Government & Public / Healthcare. 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.
