

**Hitachi to Commence Tender Offer for the Shares etc. of its Subsidiary,  
Hitachi Plant Technologies**

Tokyo, July 28, 2009—Hitachi, Ltd. (NYSE: HIT/TSE: 6501/“Hitachi”) today announced that it has decided to acquire the common stock and stock acquisition rights of Hitachi Plant Technologies, Ltd. (Masaharu Sumikawa, President and Chief Executive Officer/TSE: 1970), by way of a tender offer (the “Tender Offer”).

**1. Purpose of the Tender Offer**

**(1) Outline of the Tender Offer**

Hitachi currently holds 68.88% of Hitachi Plant Technologies’ issued shares, including indirect shareholdings of 0.74%, and thus accounts for Hitachi Plant Technologies as a consolidated subsidiary. Hitachi intends to acquire all of the issued shares of Hitachi Plant Technologies, the stock acquisition rights that were issued pursuant to the resolutions adopted at the Hitachi Plant Technologies Ordinary General Meeting of Shareholders held on June 29, 2005, and the Hitachi Plant Technologies Board of Directors’ meeting held on July 25, 2005, and the stock acquisition rights (the “3rd Stock Acquisition Rights”) that were issued pursuant to the resolution adopted at the Hitachi Plant Technologies Board of Directors’ meeting held on November 27, 2006 (the “FY2006 Stock Acquisition Rights”; collectively the “Stock Acquisition Rights” together with the “3rd Stock Acquisition Rights”) (exclusive of its treasury stock) in order to make Hitachi Plant Technologies a wholly owned subsidiary through the Tender Offer. The Tender Offer does not set maximum and minimum limits to the number of shares to be purchased.

According to Hitachi Plant Technologies, Hitachi Plant Technologies resolved to approve the Tender Offer, to recommend that the shareholders of Hitachi Plant Technologies subscribe to the Tender Offer and to leave the decision whether to subscribe to the Tender Offer regarding the Stock Acquisition Rights up to the discretion of the holders of the Stock Acquisition Rights at a meeting of its Board of Directors held today.

## **(2) Decision-Making Process of the Tender Offer, and Management Policy after the Tender Offer**

The Hitachi Group, which consists of Hitachi Ltd., its subsidiaries and affiliated companies, conducts a wide range of business activities, from the development, production and sales of offerings to the provision of relevant services in seven business segments: Information & Telecommunication Systems; Electronic Devices; Power & Industrial Systems; Digital Media & Consumer Products; High Functional Materials & Components; Logistics, Services & Others; and Financial Services.

In the severe economic environment of the worldwide structural recession that has been continuing since the second half of the previous fiscal year, the Hitachi Group must urgently optimize the allocation of the entire Group's resources and accelerate the restructuring of the business portfolio to secure a foundation for future growth.

In particular, the market for the social and industrial infrastructure business, which includes power, transportation, roads, water and other public systems, as well as production facilities for the manufacturing industry, is expected to grow, especially in developing countries. Even in developed countries and regions that have already built a certain degree of social and industrial infrastructures, there is growing demand for renovation of social and industrial infrastructures, supported by advanced information and telecommunication systems. In addition, it is essential to build social infrastructures going forward that minimize the impact on the global environment. Therefore, with its extensive track record in the conventional fields of both social infrastructure and information & telecommunication systems, as well as environmental-related businesses, the Hitachi Group intends to utilize that experience, expertise and technological capabilities to concentrate on the "social innovation business" that integrates the social infrastructure business with the information & telecommunication systems business.

Hitachi Plant Technologies was launched in April 2006 through the merger of Hitachi Plant Engineering & Construction Co., Ltd., Hitachi Kiden Kogyo, Ltd., Hitachi Industries Co., Ltd., and part of Hitachi, Ltd.'s Industrial Systems Group, to consolidate these companies' strengths in engineering, MONOZUKURI (manufacturing) and construction, with the aim of creating a global company responsible for social and industrial infrastructure. Since its establishment, Hitachi Plant Technologies has been engaged in the development, design, manufacturing, sales, servicing and construction of social infrastructure systems, industrial systems, air-conditioning systems and energy systems as its main businesses, and has achieved steady growth through efforts to expand global market share and to enhance earnings strength.

Within the social innovation business that the Hitachi Group is emphasizing, the areas closely tied to Hitachi Plant Technologies include water cycle systems such as water production, waste water treatment, water recycling and water supply; air-conditioning systems including eco-conscious data centers; transportation systems; power systems including nuclear power plants, high-efficiency coal-fired power plants and smart grids (next-generation power networks); and industrial systems including the building of large-scale and comprehensive infrastructures and the construction of industrial plants. All of these areas are targeted at global markets and have many large-scale projects at the national, regional and municipal levels, making it necessary to operate in an intensively competitive environment against global players. Among these large-scale projects, market growth can be expected in overseas projects, while it is indispensable to strengthen both strategic marketing capabilities and ability to assemble systems, in order to achieve a high level of stable earnings while providing highly reliable social infrastructures.

Going forward, Hitachi will respond to the growing need for new construction and renovation of social infrastructures in all regions around the world while providing safe and highly reliable social infrastructures. In order to do so, Hitachi is bolstering its ability to construct large-scale social and industrial information and telecommunication systems by organically fusing information and telecommunication systems with power and industrial systems, and strengthening its comprehensive marketing and solution capabilities in its core product lines, primarily in power and industrial systems. Meeting customer needs in an integrated and flexible manner will be an essential element for accelerating growth and increasing earnings strength.

Against this backdrop, from around April 2009 Hitachi and Hitachi Plant Technologies began discussing and investigating various measures to enhance the enterprise value of both companies. The resulting conclusion reached by both companies was for Hitachi to make Hitachi Plant Technologies a wholly owned subsidiary. By establishing a more stable capital relationship, Hitachi Plant Technologies will further strengthen its ties to the Hitachi Group and work with the Hitachi Group in the areas it has pursued to date and that are also important to the social innovation business being emphasized by the Hitachi Group, including water cycle systems, air-conditioning systems, transportation systems, power systems and industrial systems. Integrating the management of Hitachi Plant Technologies with the Hitachi Group will not only increase Hitachi Plant Technologies' enterprise value, but is also seen being very beneficial in increasing the overall enterprise value of the Hitachi Group.

Specifically, having Hitachi Plant Technologies' management integrated with Hitachi will enable Hitachi Plant Technologies to make maximum use of the Hitachi Group's brand strength, capital strength and research infrastructure. This will reinforce the Hitachi Plant Technologies' key components that functionalize various plants and its

ability to assemble subsystems, strengthen the Hitachi Group's core businesses and organically combine these elements for further enhancing their ability to provide total solutions, thereby allowing the Hitachi Group and Hitachi Plant Technologies to work more closely together. Hitachi believes this will make it possible to create further synergies in the following diverse fields:

**Water cycle systems:** Provide total solutions to the water issues that are becoming increasingly serious on a global scale, by supplying equipment and systems and managing and maintaining facilities. (Middle and Near East, Southeast Asia, etc.)

**Air-conditioning systems:** Provide solutions for energy savings at data centers, featuring monitoring and control technologies for IT equipment, including servers, which face the growing problem of increasing heat generation and a rapid increase in power consumption due to high density of servers etc., as well as air-conditioning equipment, including local cooling units for direct cooling of servers; and various environment control technologies, including clean rooms. (Europe, China, etc.)

**Transportation systems:** Provide one-stop solutions overseas, from supplying railway vehicles to laying track and building assembly, inspection and repair facilities. (Europe, the United States, Southeast Asia, etc.)

**Power systems:** Globally develop power plants by effectively allocating and managing personnel for local construction, promoting the use of modular construction methods and other rationalization expertise in construction. (Europe, the United States, Southeast Asia, West Asia, etc.)

**Industrial systems:** Increase the efficiency of design, engineering and construction works for the projects of building large-scale and comprehensive infrastructures and constructing industrial plants in developing countries. (Middle and Near East, China, etc.)

By working more closely together in these areas, Hitachi will be able to make products and systems commercially viable and bring them to market more quickly, and achieve additional Group synergies.

Even after making Hitachi Plant Technologies a wholly owned subsidiary, Hitachi intends to reinforce the businesses of Hitachi Plant Technologies by paying attention to its business features and the management that can fully utilize the operational and structural strengths.

**(3) Measures to Ensure the Fairness of the Tender Offer including Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest**

Hitachi principally took into consideration the following matters to ensure the fairness of the Tender Offer.

1) Acquisition of the valuation report on the equity value from an independent third-party appraiser

In determining the purchase price for the Tender Offer (the “Tender Offer Price”), Hitachi requested that Nomura Securities Co., Ltd.(“Nomura Securities”), a financial adviser as a third-party appraiser independent from Hitachi and Hitachi Plant Technologies, calculate the equity value of Hitachi Plant Technologies as one of the measures to ensure the fairness of the Tender Offer Price.

To calculate the equity value of Hitachi Plant Technologies, Nomura Securities used the average market share price method, the comparable company analysis method and the discounted cash flow method (the “DCF” method). Hitachi obtained the valuation report on the equity value of Hitachi Plant Technologies (the “Valuation Report”) from Nomura Securities today. (Hitachi did not obtain an opinion on the fairness of the valuation results of the Tender Offer Price, the so-called Fairness Opinion, from Nomura Securities.)

The range of valuations per share of common stock of Hitachi Plant Technologies calculated according to each method is as follows.

Average market share price method	¥376 to ¥474
Comparable company analysis method	¥284 to ¥503
DCF method	¥443 to ¥643

First, under the average market share price method, Nomura Securities judged the range per share of common stock to be ¥376 to ¥474 based on the closing price of Hitachi Plant Technologies’ common stock on the First Section of the Tokyo Stock Exchange on the record date of July 24, 2009, the average closing price for the most recent one week, for the most recent one month, for the most recent three months and for the most recent six months.

Secondly, under the comparable company analysis method, Nomura Securities judged the range per share of common stock to be ¥284 to ¥503, evaluating Hitachi Plant Technologies’ equity value by comparing share prices and financial indicators such as the profitability of listed companies engaged in relatively similar businesses to those of Hitachi Plant Technologies.

Finally, under the DCF method, Nomura Securities judged the range per share of common stock to be ¥443 to ¥643 after analyzing enterprise value and equity value by

discounting free cash flows Hitachi Plant Technologies is expected to generate in the future by a certain discount rate to arrive at a net present value. This analysis was based on Hitachi Plant Technologies' estimated future profits from the fiscal year ending March 31, 2010 and later, taking into consideration Hitachi Plant Technologies' business plans, an interview with the management of Hitachi Plant Technologies, recent business performance, public information disclosures and other contributing factors.

Hitachi took into account the valuation results received from Nomura Securities using each method in its Valuation Report as reference and comprehensively considered examples of premiums added as of determining tender offer prices in past examples of tender offers for shares by entities other than issuers; whether the Board of Directors of Hitachi Plant Technologies would accept the Tender Offer; the market share price trend of Hitachi Plant Technologies' common stock; the expected number of subscriptions to the Tender Offer; and other factors. Furthermore, taking into account the results of consultations and negotiations with Hitachi Plant Technologies, the final Tender Offer Price was determined at ¥610 per share of common stock by Hitachi's President and Chief Executive Officer today.

The Tender Offer Price per share of ¥610 represents a premium of 29.8% (rounded to the first decimal place) on the closing price of ¥470 of common stock of Hitachi Plant Technologies on the First Section of the Tokyo Stock Exchange on July 24, 2009. (\*) It also represents a premium of 32.3% (rounded to the first decimal place) on the simple average of ¥461 (rounded to the nearest yen) of the closing share prices of common stock of Hitachi Plant Technologies for the past one month (from June 25 to July 24, 2009), a premium of 33.2% (rounded to the first decimal place) on the simple average of ¥458 (rounded to the nearest yen) of the closing share prices of common stock of Hitachi Plant Technologies for the past three months (from April 27 to July 24, 2009), and a premium of 62.2% (rounded to the first decimal place) on the simple average of ¥376 (rounded to the nearest yen) of the closing share prices of common stock of Hitachi Plant Technologies for the past six months (from January 26 to July 24, 2009). (\*) The stock price of Hitachi Plant Technologies rose following a news report regarding the business restructuring of the Hitachi Group on July 27, 2009, which is the day before the day when the aforementioned decision was made by Hitachi's President and Chief Executive Officer. Considering this rise in the stock price, the premium was calculated using the stock price on July 24, 2009, a business day before July 27, 2009. The calculations of the respective premiums on the simple average of the closing share prices of common stock for the past one month, for the past three months and for the past six months were made in the same manner.

The Tender Offer covers the Stock Acquisition Rights, which were issued as stock options for directors, executive officers and employees of Hitachi Plant Technologies. The exercise conditions of the Stock Acquisition Rights require that, in principle, the

holder of the Stock Acquisition Rights shall be 1) a director, executive officer, corporate auditor or employee of Hitachi Plant Technologies or its subsidiary in the case of the 3rd Stock Acquisition Rights, and 2) a director, executive officer or employee of Hitachi Plant Technologies in the case of the FY2006 Stock Acquisition Rights, at the time the Stock Acquisition Rights are exercised. Since it is understood that Hitachi cannot exercise the Stock Acquisition Rights that Hitachi has purchased through the Tender Offer, the purchase price for the Stock Acquisition Rights has been set at ¥1 per stock acquisition right.

On the other hand, according to Hitachi Plant Technologies, Hitachi Plant Technologies requested that Mitsubishi UFJ Securities Co., Ltd. (“Mitsubishi UFJ Securities”), a financial adviser as a third-party appraiser independent of Hitachi and Hitachi Plant Technologies, evaluate and analyze the value of the common stock of Hitachi Plant Technologies (Mitsubishi UFJ Securities is not a related party of either Hitachi or Hitachi Plant Technologies.).

To collect and discuss the information that would be needed for the aforementioned analysis and evaluation, Mitsubishi UFJ Securities, a third-party appraiser, obtained information and received explanations from Hitachi Plant Technologies on the current status of its businesses, future profit plans and other matters. Mitsubishi UFJ Securities then evaluated and analyzed the equity value of Hitachi Plant Technologies based on the above information and filed preliminary data for equity value evaluation on July 27, 2009.

The methods used by Mitsubishi UFJ Securities to analyze the value of the common stock of Hitachi Plant Technologies are the market share price analysis, the comparable company analysis and the discounted cash flow analysis (the “DCF” analysis). The range of valuations per share of the common stock of Hitachi Plant Technologies using each of these methods is as follows.

Market Share Price Analysis: ¥376 to ¥461

Comparable Company Analysis: ¥450 to ¥631

DCF Analysis: ¥524 to ¥769

## 2) Legal advice from a law office

According to Hitachi Plant Technologies, Hitachi Plant Technologies obtained an opinion from Oka Myoga Kuroda Law Office, a legal adviser, on the legality of the procedures of the Tender Offer, guarantee of fairness, the procedures for avoiding any conflict of interest, the appropriateness of managerial judgment at a meeting of the Board of Directors of Hitachi Plant Technologies and other matters.

3) Approval of all the directors attending the Board of Directors' meeting

Furthermore, according to Hitachi Plant Technologies, Hitachi Plant Technologies carefully deliberated on the terms and conditions of the Tender Offer, while referring to the above opinion, at a meeting of the Board of Directors held today, which was attended by seven Directors (including three outside Directors) out of the eight Directors (including four outside Directors). As a result, it has been concluded that the Tender Offer will contribute to the strengthening of Hitachi Plant Technologies' operating base and the restructuring and future development of its business structure, and that the conditions of the Tender Offer are reasonable, providing the shareholders of Hitachi Plant Technologies with an opportunity to sell their shares of Hitachi Plant Technologies at a reasonable price. Therefore a resolution to approve the Tender Offer, to recommend that the shareholders of Hitachi Plant Technologies subscribe to the Tender Offer and to leave the decision whether to subscribe to the Tender Offer regarding the Stock Acquisition Rights up to the discretion of the holders of the Stock Acquisition Rights was made by unanimous approval of the attending Directors. (Hitachi Plant Technologies did not obtain an opinion on fairness from a third-party appraiser, the so-called Fairness Opinion.)

Again, according to Hitachi Plant Technologies, Hiroaki Nakanishi, an outside Director of Hitachi Plant Technologies, concurrently serves as an Executive Officer of Hitachi and therefore took no part in the deliberation and resolution on the Tender Offer from the viewpoint of avoiding any conflict of interest.

4) Setting the Tender Offer Period at a relatively long period

By setting the Tender Offer Period at 33 business days, which is a relatively long period, Hitachi provides the shareholders of Hitachi Plant Technologies with the opportunity to fully reflect on the application for the Tender Offer, and ensures the fairness of the Tender Offer Price.

**(4) Policy on Matters including Organizational Restructuring after the Tender Offer (Matters concerning the so-called Two-Step Acquisition)**

As described in "(1) Outline of the Tender Offer" above, Hitachi aims to make Hitachi Plant Technologies a wholly owned subsidiary and intends to acquire all the issued shares of Hitachi Plant Technologies (exclusive of Hitachi Plant Technologies shares held by Hitachi) through the Tender Offer and a series of subsequent procedures.

If Hitachi cannot acquire all the issued shares of Hitachi Plant Technologies (exclusive of its treasury stock) through the Tender Offer, Hitachi aims to acquire all the issued shares of Hitachi Plant Technologies (exclusive of Hitachi Plant Technologies shares held by Hitachi) by way of a share exchange with Hitachi Plant Technologies so that Hitachi will become a wholly owning parent company and Hitachi Plant Technologies

will become a wholly owned subsidiary (the “Share Exchange”) after the Tender Offer. The Share Exchange intends to deliver Hitachi shares in compensation for the Hitachi Plant Technologies shares held by Hitachi Plant Technologies’ shareholders other than Hitachi. With the Share Exchange, all the Hitachi Plant Technologies shares (exclusive of Hitachi Plant Technologies shares held by Hitachi), including those that will not have been applied for the Tender Offer, will be wholly exchanged with Hitachi shares, and the shareholders of Hitachi Plant Technologies to whom one (1) or more Hitachi shares are allotted will become Hitachi’s shareholders. The Share Exchange is planned to be implemented through a simplified share exchange (*kani kabushiki kokan*), which is set forth in the main clause of Article 796, Paragraph 3 of the Companies Act, without approval at a General Meeting of Shareholders of Hitachi. Meanwhile, the Share Exchange may be implemented through a summary share exchange (*ryakushiki kabushiki kokan*), which is set forth in Article 784, Paragraph 1 of the Companies Act, without approval at a General Meeting of Shareholders of Hitachi Plant Technologies.

The share exchange ratio for the Share Exchange will be finally determined upon consultations between Hitachi and Hitachi Plant Technologies after the completion of the Tender Offer with due consideration of the interests of the respective shareholders of Hitachi and Hitachi Plant Technologies. In determining the compensation (Hitachi shares; provided, however, that if fractional shares less than one (1) share are to be allotted, sales price equivalent to such fractional shares will be distributed; the same shall apply hereinafter) to be received by the shareholders of Hitachi Plant Technologies through the Share Exchange, Hitachi Plant Technologies shares are expected to be evaluated to be equivalent in value to the purchase price for the Hitachi Plant Technologies shares of common stock in the Tender Offer.

Upon the Share Exchange, the shareholders of Hitachi Plant Technologies, which will become a wholly owned subsidiary of Hitachi, may request that Hitachi Plant Technologies purchase their shares in accordance with the procedures of the Companies Act and other applicable laws and regulations. In such a case, the purchase price would be determined in the last instance by a competent court.

The Share Exchange is scheduled to be implemented by around April 2010 at the latest.

Meanwhile, as described in “(1) Outline of the Tender Offer” above, Hitachi aims to make Hitachi Plant Technologies a wholly owned subsidiary and therefore intends to acquire all the Stock Acquisition Rights of Hitachi Plant Technologies through the Tender Offer. In the case that Hitachi cannot acquire all the Stock Acquisition Rights of Hitachi Plant Technologies through the Tender Offer, Hitachi may request that Hitachi

Plant Technologies take necessary procedures to extinguish the Stock Acquisition Rights and Hitachi Plant Technologies may take necessary procedures to extinguish the Stock Acquisition Rights in response to such request from Hitachi.

**(5) Likelihood of the Delisting of the Shares and the Reasons thereof**

As of the date hereof, the common stock of Hitachi Plant Technologies are listed on the First Section of the Tokyo Stock Exchange and the First Section of the Osaka Securities Exchange. As Hitachi has not set a maximum limit to the number of shares to be purchased in the Tender Offer, Hitachi Plant Technologies shares may be subject to delisting upon the fulfillment of certain predetermined procedures if the result of the Tender Offer falls under the respective delisting standards of the Tokyo Stock Exchange and the Osaka Securities Exchange. In addition, even if the delisting standards are not met upon completion of the Tender Offer, the shares of Hitachi Plant Technologies are likely to be delisted in accordance with the delisting standards because Hitachi intends to make Hitachi Plant Technologies a wholly owned subsidiary through the Share Exchange, as described above in “(4) Policy on Matters including Organizational Restructuring after the Tender Offer (Matters concerning the so-called Two-Step Acquisition)”. Trading of common stock of Hitachi Plant Technologies will become unavailable on the Tokyo Stock Exchange and the Osaka Securities Exchange after the delisting.

**(6) Matters concerning Material Agreement regarding the Application to the Tender Offer between the Tender Offeror and Shareholders of the Target Company**

Not applicable

## 2. Outline of the Tender Offer and Other Information

### (1) Outline of the Target Company

Corporate Name	Hitachi Plant Technologies, Ltd.	
Description of Businesses	Development, design, production, sale, service and construction relating to social infrastructure systems, industrial systems, air-conditioning systems and energy systems, etc.	
Date Established	June 10, 1929	
Head Office	5-2, Higashi-Ikebukuro 4-chome, Toshima-ku, Tokyo, Japan	
Name and Title of Representative	Masaharu Sumikawa, President and Chief Executive Officer	
Paid-in Capital	¥12 billion (As of March 31, 2009)	
Major Shareholders and Shareholdings	Hitachi, Ltd.	68.14%
	Japan Trustee Services Bank, Ltd.	2.94%
	Credit Suisse Securities Europe Limited (Standing proxy: Citibank Japan Ltd.)	1.64%
	Hitachi Plant Technologies Employees' Shareholding Association	0.91%
	Nippon Life Insurance Company	0.66%
	Mizuho Bank, Ltd.	0.60%
	The Master Trust Bank of Japan, Ltd.	0.58%
	Bank of New York JASDEC Non-Treaty Account (Standing proxy: Mizuho Corporate Bank, Ltd.)	0.46%
	SUMITOMO LIFE INSURANCE COMPANY	0.33%
	The Daiichi Mutual Life Insurance Company	0.33%
	(As of March 31, 2009)	
Relationships between the Tender Offeror and the Target Company	Capital Relationships	Hitachi holds 134,718,918 shares of Hitachi Plant Technologies, equivalent to a shareholding of 68.88% of the total number of issued shares, including indirect holdings of 0.74%. (As of March 31, 2009)
	Personnel Relationships	One Hitachi executive officer sits on Hitachi Plant Technologies' Board of Directors.
	Transaction Relationships	Hitachi purchases industrial machinery from Hitachi Plant Technologies, outsources plant construction and conducts fund transactions under the Hitachi Group's cash pooling system.
	Status as a Related Party	Hitachi Plant Technologies is a consolidated subsidiary of Hitachi, and therefore a Related Party of Hitachi.

**(2) Tender Offer Period**

**1) Initial Period of the Tender Offer in the Registration**

From Thursday, August 20, 2009 to Thursday, October 8, 2009 (both inclusive) (33 business days)

**2) Possibility of Extending the Above Period upon Request of the Target Company**

None

**(3) Tender Offer Price:**

- 1) ¥610 per share of common stock
- 2) ¥1 per right of 3rd Stock Acquisition Rights  
¥1 per right of FY2006 Stock Acquisition Rights

**(4) Basis of Calculation of the Tender Offer Price**

**1) Basis of Calculation**

(i) Common Stock

For reference in determining the Tender Offer Price, Hitachi requested that Nomura Securities, a financial adviser as a third-party appraiser independent from Hitachi and Hitachi Plant Technologies, calculate the equity value of Hitachi Plant Technologies. To calculate the equity value of Hitachi Plant Technologies, Nomura Securities used the average market share price method, the comparable company analysis method and the DCF method. Hitachi received the Valuation Report from Nomura Securities today. (Hitachi did not obtain an opinion on the fairness of the valuation results of the Tender Offer Price, the so-called Fairness Opinion, from Nomura Securities.) The range of valuations per share of common stock of Hitachi Plant Technologies calculated according to each method is as follows.

Average market share price method	¥376 to ¥474
Comparable company analysis method	¥284 to ¥503
DCF method	¥443 to ¥643

First, under the average market share price method, Nomura Securities judged the range per share of common stock to be ¥376 to ¥474 based on the closing price of Hitachi Plant Technologies' common stock on the First Section of the Tokyo Stock Exchange on the record date of July 24, 2009, the average closing price for the most recent one week, for the most recent one month, for the most recent three months and for the most recent six months.

Under the comparable company analysis method, Nomura Securities judged the range per share of common stock to be ¥284 to ¥503, evaluating Hitachi Plant Technologies'

equity value by comparing share prices and financial indicators such as the profitability of listed companies engaged in relatively similar businesses to those of Hitachi Plant Technologies.

Finally, under the DCF method, Nomura Securities judged the range per share of common stock to be ¥443 to ¥643 after analyzing enterprise value and equity value by discounting free cash flows Hitachi Plant Technologies is expected to generate in the future by a certain discount rate to arrive at a net present value. This analysis was based on Hitachi Plant Technologies' estimated future profits from the fiscal year ending March 31, 2010 and later, taking into consideration Hitachi Plant Technologies' business plans, a management interview conducted with Hitachi Plant Technologies, recent business performance, public information disclosures and other contributing factors.

Hitachi took into account the valuation results received from Nomura Securities using each method in its Valuation Report as reference and comprehensively considered examples of premiums added as of determining tender offer prices in past examples of tender offers for shares by entities other than issuers; whether the Board of Directors of Hitachi Plant Technologies would accept the Tender Offer; the market share price trend of Hitachi Plant Technologies' common stock; the expected number of subscriptions to the Tender Offer; and other factors. Furthermore, taking into account the results of consultations and negotiations with Hitachi Plant Technologies, the final Tender Offer Price was determined at ¥610 per share of common stock by Hitachi's President and Chief Executive Officer today.

The Tender Offer Price per share of ¥610 represents a premium of 29.8% (rounded to the first decimal place) on the closing price of ¥470 of common stock of Hitachi Plant Technologies on the First Section of the Tokyo Stock Exchange on July 24, 2009. (\*) It also represents a premium of 32.3% (rounded to the first decimal place) on the simple average of ¥461 (rounded to the nearest yen) of the closing share prices of common stock of Hitachi Plant Technologies for the past one month (from June 25 to July 24, 2009), a premium of 33.2% (rounded to the first decimal place) on the simple average of ¥458 (rounded to the nearest yen) of the closing share prices of common stock of Hitachi Plant Technologies for the past three months (from April 27 to July 24, 2009), and a premium of 62.2% (rounded to the first decimal place) on the simple average of ¥376 (rounded to the nearest yen) of the closing share prices of common stock of Hitachi Plant Technologies for the past six months (from January 26 to July 24, 2009). (\*) The stock price of Hitachi Plant Technologies rose following a news report regarding the business restructuring of the Hitachi Group on July 27, 2009, which is the day before the day when the aforementioned decision was made by Hitachi's President and Chief Executive Officer. Considering this rise in the stock price, the premium was calculated using the stock price on July 24, 2009, a business day before

July 27, 2009. The calculations of the respective premiums on the simple average of the closing share prices of common stock for the past one month, for the past three months and for the past six months were made in the same manner.

(ii) Stock Acquisition Rights

The Tender Offer covers the Stock Acquisition Rights, which were issued as stock options for directors, executive officers and employees of Hitachi Plant Technologies. The exercise conditions of the Stock Acquisition Rights require that, in principle, the holder of the Stock Acquisition Rights shall be 1) a director, executive officer, corporate auditor or employee of Hitachi Plant Technologies or its subsidiary in the case of the 3rd Stock Acquisition Rights, and 2) a director, executive officer or employee of Hitachi Plant Technologies in the case of the FY2006 Stock Acquisition Rights, at the time the Stock Acquisition Rights are exercised. Since it is understood that Hitachi cannot exercise the Stock Acquisition Rights that Hitachi has purchased through the Tender Offer, the purchase price for the Stock Acquisition Rights has been set at ¥1 per stock acquisition right.

**2) Background of the Valuation**

**(Background to the decision regarding the Tender Offer Price)**

Hitachi Plant Technologies is a consolidated subsidiary of Hitachi. Within the social innovation business that the Hitachi Group is emphasizing, the areas closely tied to Hitachi Plant Technologies include water cycle systems such as water production, waste water treatment, water recycling and water supply; air conditioning systems including environmentally friendly data centers; transportation systems; power systems including nuclear power plants, high-efficiency coal-fired power plants and smart grids (next-generation power networks); and industrial systems including the building of large-scale and comprehensive infrastructures and the construction of industrial plants. All of these areas are targeted at global markets and have many large-scale projects at the national, regional and municipal levels, making it necessary to operate in an intensively competitive environment against global players. Among these large-scale projects, market growth can be expected in overseas projects, while it is indispensable to strengthen both strategic marketing capabilities and ability to assemble systems, in order to achieve a high level of stable earnings while providing highly reliable social infrastructures.

Going forward, Hitachi will respond to the growing need for new construction and renovation of social infrastructures in all regions around the world while providing safe and highly reliable social infrastructures. In order to do so, Hitachi is bolstering its ability to construct large-scale social and industrial information and telecommunication

systems by organically fusing information and telecommunication systems with power and industrial systems, and strengthening its comprehensive marketing and solution capabilities in its core product lines, primarily in power and industrial systems.

Meeting customer needs in an integrated and flexible manner will be an essential element for accelerating growth and increasing earnings strength.

Against this backdrop, from around April 2009 Hitachi and Hitachi Plant Technologies began discussing and investigating various measures to enhance the enterprise value of both companies. The resulting conclusion reached by both companies was for Hitachi to make Hitachi Plant Technologies a wholly owned subsidiary. By establishing a more stable capital relationship, Hitachi Plant Technologies will further strengthen its ties to the Hitachi Group and work with the Hitachi Group in the areas it has pursued to date and that are also important to the Social Innovation Business being emphasized by the Hitachi Group, including water cycle systems, air conditioning systems, transportation systems, power systems and industrial systems. Integrating the management of Hitachi Plant Technologies with Hitachi will not only increase Hitachi Plant Technologies' enterprise value, but is also seen as being very beneficial in increasing the overall enterprise value of the Hitachi Group. Consequently, Hitachi decided to conduct the Tender Offer, and determined the Tender Offer Price resulting from the following backgrounds.

(i) Common Stock

(a) Name of the Third Party from Which Hitachi Obtained Valuations

In determining the Tender Offer Price, Hitachi, around May 2009, requested Nomura Securities as a financial adviser which is a third-party appraiser independent from Hitachi and Hitachi Plant Technologies, calculate the equity value of Hitachi Plant Technologies. Hitachi received the Valuation Report on the equity value of Hitachi Plant Technologies from Nomura Securities today. (Hitachi did not obtain an opinion on the fairness of the Tender Offer Price, the so-called Fairness Opinion, from Nomura Securities.)

(b) Outline of the Valuation Report

To calculate the equity value of Hitachi Plant Technologies, Nomura Securities used the average market share price method, the comparable company analysis method and the DCF method. The range of valuations per share of common stock of Hitachi Plant Technologies calculated according to each method is as follows.

Average market share price method	¥376 to ¥474
Comparable company analysis method	¥284 to ¥503
DCF method	¥443 to ¥643

(c) Process for Determining the Tender Offer Price Based on the Valuation Report

Hitachi took into account the valuation results received from Nomura Securities using each method in its Valuation Report as reference and comprehensively considered examples of premiums added as of determining tender offer prices in past examples of tender offers for shares by entities other than issuers; whether the Board of Directors of Hitachi Plant Technologies would accept the Tender Offer; the market share price trend of Hitachi Plant Technologies' common stock; the expected number of subscriptions to the Tender Offer; and other factors. Furthermore, taking into account the results of consultations and negotiations with Hitachi Plant Technologies, the final Tender Offer Price was determined at ¥610 per share of common stock by Hitachi's President and Chief Executive Officer today.

(ii) Stock Acquisition Rights

The Tender Offer covers the Stock Acquisition Rights, which were issued as stock options for directors, executive officers and employees of Hitachi Plant Technologies. The exercise conditions of the Stock Acquisition Rights require that, in principle, the holder of the Stock Acquisition Rights shall be 1) a director, executive officer, corporate auditor or employee of Hitachi Plant Technologies or its subsidiary in the case of the 3rd Stock Acquisition Rights, and 2) a director, executive officer or employee of Hitachi Plant Technologies in the case of the FY2006 Stock Acquisition Rights, at the time the Stock Acquisition Rights are exercised. Since it is understood that Hitachi cannot exercise the Stock Acquisition Rights that Hitachi has purchased through the Tender Offer, the purchase price for the Stock Acquisition Rights has been set at ¥1 per stock acquisition right by Hitachi's President and Chief Executive Officer today.

(Measures to Ensure the Fairness of the Tender Offer including Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest)

Hitachi principally took into consideration the following matters to ensure the fairness of the Tender Offer.

(a) Acquisition of the valuation report on the equity value from an independent third-party appraiser

To ensure the fairness of the Tender Offer Price, in determining the Tender Offer Price, Hitachi requested Nomura Securities, a financial adviser as a third-party appraiser independent from Hitachi and Hitachi Plant Technologies, calculate the equity value of Hitachi Plant Technologies.

To calculate the equity value of Hitachi Plant Technologies, Nomura Securities used the average market share price method, the comparable company analysis method and

the DCF method. Hitachi received the Valuation Report on the equity value of Hitachi Plant Technologies from Nomura Securities today. (Hitachi did not obtain an opinion on the fairness of the valuation results of the Tender Offer Price, the so-called Fairness Opinion, from Nomura Securities.)

Hitachi took into account the valuation results received from Nomura Securities using each method in its Valuation Report as a reference and comprehensively considered examples of premiums added as of determining tender offer prices in past examples of tender offers for shares by entities other than issuers; whether the Board of Directors of Hitachi Plant Technologies would accept the Tender Offer; the market share price trend of Hitachi Plant Technologies' common stock; the expected number of subscriptions to the Tender Offer; and other factors. Furthermore, taking into account the results of consultations and negotiations with Hitachi Plant Technologies, the final Tender Offer Price was determined at ¥610 per share of common stock by Hitachi's President and Chief Executive Officer today.

On the other hand, according to Hitachi Plant Technologies, Hitachi Plant Technologies requested that Mitsubishi UFJ Securities, a financial adviser as a third-party appraiser independent of Hitachi and Hitachi Plant Technologies, evaluate and analyze the value of the common stock of Hitachi Plant Technologies (Mitsubishi UFJ Securities is not a related party of either Hitachi or Hitachi Plant Technologies.). To collect and discuss the information that would be needed for the aforementioned analysis and evaluation, Mitsubishi UFJ Securities, a third-party appraiser, obtained information and received explanations from Hitachi Plant Technologies on the current status of its businesses, future profit plans and other matters. Mitsubishi UFJ Securities then evaluated and analyzed the equity value of Hitachi Plant Technologies based on the above information and filed preliminary data for equity value evaluation on July 27, 2009.

The methods used by Mitsubishi UFJ Securities to analyze the value of the common stock of Hitachi Plant Technologies are the market share price method, the comparable company analysis method and the DCF method. The range of valuations per share of the common stock of Hitachi Plant Technologies using each of these methods is as follows.

Market Share Price Analysis: ¥376 to ¥461

Comparable Company Analysis: ¥450 to ¥631

DCF Analysis: ¥524 to ¥769

(b) Legal advice from a law office

According to Hitachi Plant Technologies, Hitachi Plant Technologies obtained an opinion from Oka Myoga Kuroda Law Office, a legal adviser, on the legality of the procedures of the Tender Offer, guarantee of fairness, the procedures for avoiding any conflict of interest, the appropriateness of managerial judgment at a meeting of the Board of Directors of Hitachi Plant Technologies and other matters.

(c) Approval of all the directors attending the Board of Directors meeting

Furthermore, according to Hitachi Plant Technologies, Hitachi Plant Technologies carefully deliberated on the terms and conditions of the Tender Offer, while referring to the above opinion, at a meeting of the Board of Directors held today, which was attended by seven Directors (including three outside Directors) out of the eight Directors (including four outside Directors). As a result, it has been concluded that the Tender Offer will contribute to the strengthening of Hitachi Plant Technologies' operating base and the restructuring and future development of its business structure, and that the conditions of the Tender Offer are reasonable, providing the shareholders of Hitachi Plant Technologies with an opportunity to sell their shares of Hitachi Plant Technologies at a reasonable price. Therefore a resolution to approve the Tender Offer, to recommend that the shareholders of Hitachi Plant Technologies subscribe to the Tender Offer and to leave the decision whether to subscribe to the Tender Offer regarding the Stock Acquisition Rights up to the discretion of the holders of the Stock Acquisition Rights was made by unanimous approval of the attending Directors. (Hitachi Plant Technologies did not obtain an opinion on fairness from a third-party appraiser, the so-called Fairness Opinion.)

Again, according to Hitachi Plant Technologies, Hiroaki Nakanishi, an outside Director of Hitachi Plant Technologies, concurrently serves as an Executive Officer of Hitachi and therefore took no part in the deliberation and resolution on the Tender Offer from the viewpoint of avoiding any conflict of interest.

(d) Setting the Tender Offer Period at a relatively long period

By setting the Tender Offer Period at 33 business days, which is a relatively long period, Hitachi provides the shareholders of Hitachi Plant Technologies with the opportunity to fully reflect on the application for the Tender Offer and ensures the fairness of the Tender Offer Price.

### 3) Relationship with the Appraiser

Nomura Securities is not a Related Party of Hitachi.

#### (5) Number of Shares to Be Purchased

Number of Shares to Be Purchased	Minimum Number of Shares to Be Purchased	Maximum Number of Shares to Be Purchased
63,121,235 shares	— shares	— shares

Notes:

1. As the maximum and minimum limits to the number of shares to be purchased through the Tender Offer are not set, all of the tendered shares will be purchased.
2. Less-than-one-unit shares (*tangen-miman-kabushiki*) are also eligible for the Tender Offer. In addition, Hitachi Plant Technologies may purchase its own shares during the Tender Offer Period, pursuant to applicable laws and regulations, if shareholders owning less-than-one-unit shares exercise their right to request purchase of their shares in accordance with the relevant provisions of the Companies Act.
3. Hitachi does not intend to acquire treasury stock held by Hitachi Plant Technologies through the Tender Offer.
4. The maximum number of shares of Hitachi Plant Technologies to be acquired by Hitachi through the Tender Offer (in terms of shares) is stated in the “Number of Shares to be Purchased.” This number indicates the Hitachi Plant Technologies shares (63,121,235 shares) that are to be obtained by deducting the total of the number of shares held by Hitachi as of the date hereof (133,276,584 shares) and the number of shares of treasury stock held by Hitachi Plant Technologies as of March 31, 2009 (1,056,079 shares), from the sum of the total number of issued shares of Hitachi Plant Technologies as of March 31, 2009 (195,590,898 shares), which are stated in the securities report of the 114th term filed by Hitachi Plant Technologies on June 24, 2009, and the number of Hitachi Plant Technologies shares (1,863,000 shares), which is stated in said report as the objective being subject to the Stock Acquisition Rights that existed as of March 31, 2009 (inclusive of the shares having been issued or transferred as a result of the exercise of the Stock Acquisition Rights on and after March 31, 2009, by the date hereof).
5. Although the Stock Acquisition Rights may be exercised by the end of the Tender Offer Period, the shares of Hitachi Plant Technologies issued or transferred as a result of such exercise of rights are also eligible for the Tender Offer.

#### (6) Changes in the Shareholdings due to the Tender Offer

Number of voting rights represented by shares held by the Tender Offeror immediately before the Tender Offer	133,276 units	(Shareholdings immediately before the Tender Offer: 69.07%)
Number of voting rights represented by shares held by Special Related Parties immediately before the Tender Offer	780 units	(Shareholdings immediately before the Tender Offer: 0.40%)
Number of voting rights represented by shares to be purchased by the Tender Offer	63,121 units	(Shareholdings after the Tender Offer: 100.00%)
Total number of voting rights held by all the shareholders in the Target Company	192,965 units	

Notes:

1. The “Shareholdings immediately before the Tender Offer” was calculated using the “Total number of voting rights held by all the shareholders in the Target Company” as the denominator.
2. The “Number of voting rights represented by shares held by Special Related Parties immediately before the Tender Offer” represents the total of voting rights relating to shares held by respective Special Related Parties as identified by Hitachi as of the date hereof. Provided, however, that such Special Related Parties shall exclude those to be excluded from

the category of Special Related Parties in accordance with Article 3, Paragraph 2, Item 1 of the Cabinet Office Ordinance regarding Disclosure of Tender Offers for Shares, etc., by Entities Other than Issuers (Ministry of Finance Ordinance No. 38 of 1990; including amendment thereof; the “Ordinance”) in calculating the shareholdings, as set forth in the respective items of Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Law (Law No. 25 of 1948; including amendment thereof; the “Law”).

3. The “Number of voting rights represented by shares to be purchased by the Tender Offer” indicates the number of voting rights relating to the number of shares to be purchased in the Tender Offer (63,121,235 shares).
4. Because the shares held by respective Special Related Parties (exclusive of its treasury stock held by Hitachi Plant Technologies being a Special Related Party) are also subject to the Tender Offer, the “Number of voting rights represented by shares held by Special Related Parties immediately before the Tender Offer” is not included in the numerator in the calculation of “Shareholdings after the Tender Offer.”
5. The “Total number of voting rights held by all the shareholders in the Target Company” (1,000 shares represent the number of shares per unit (*tangen*)) indicates the number of voting rights of all the shareholders of Hitachi Plant Technologies as of March 31, 2009, which is stated in the securities report of the 114th term filed by Hitachi Plant Technologies on June 24, 2009. Because Hitachi has not set the maximum limit to the number of shares to be purchased in the Tender Offer, and all the shares issued by Hitachi Plant Technologies (exclusive of treasury stock held by Hitachi Plant Technologies but inclusive of Hitachi Plant Technologies shares that may be issued or transferred as a result of the Stock Acquisition Rights exercised by the last date of the Tender Offer Period) and the Stock Acquisition Rights are subject to the Tender Offer, the “Shareholdings after the Tender Offer” was calculated using the number of voting rights (196,397 units) for the number of shares of Hitachi Plant Technologies (196,397,819 shares)—which corresponds to the number obtained by adding the number of Hitachi Plant Technologies shares subject to the Stock Acquisition Rights as of March 31, 2009 as stated in said securities report (inclusive of the shares of Hitachi Plant Technologies issued or transferred as a result of the Stock Acquisition Rights exercised by today after March 31, 2009) (1,863,000 shares) to the total number of issued shares of Hitachi Plant Technologies as of March 31, 2009 stated in said securities report (195,590,898 shares) and subtracting the number of shares of treasury stock held by Hitachi Plant Technologies as of March 31, 2009 as stated in said securities report (1,056,079 shares) —as the denominator.
6. The figures in the “Shareholdings immediately before the Tender Offer” and the “Shareholdings after the Tender Offer” were rounded to two decimal places.

**(7) Tender Offer Cost: ¥38,504 million**

Note: The Tender Offer Cost is calculated by multiplying 63,121,235 shares by the Tender Offer Price per share of ¥610, based on the assumption that all of the tendered shares are common stock.

**(8) Method of Settlement**

**1) Name and Location of Head Office of Securities Companies/Banks, etc., in Charge of Settlement**

Nomura Securities Co., Ltd.

9-1, Nihonbashi 1-chome, Chuo-ku, Tokyo

JOINVEST Securities Co., Ltd. (Sub-Agent)

15-1, Konan 2-chome, Minato-ku, Tokyo

**2) Commencement Date of Settlement**

Friday, October 16, 2009

### **3) Method of Settlement**

With respect to tendering shareholders through the Tender Offer Agent, upon expiration of the Tender Offer Period, Hitachi will, without delay, send notice of the Tender Offer purchases to the addresses of tendering shareholders (in the case of a foreign resident who does not hold a working account with the Tender Offer Agent (including the case of an institutional shareholder), to the address of its standing proxy). With respect to tendering shareholders through JOINVEST Securities Co., Ltd., the Sub-Agent, the notice will be delivered in accordance with the method described on the Sub-Agent's website (<https://www.joinvest.jp/>).

Purchases will be made in cash. Payment for purchased shares will be made by means of remittance, etc., in accordance with the instructions of tendering shareholders. (Fees may be incurred for remitting payment.)

### **4) Method of Returning Shares**

In the event that Hitachi does not purchase all of the tendered shares in accordance with the conditions mentioned in “2) Conditions of Withdrawal of Tender Offer, Details thereof and Method of Disclosing the Withdrawal” of “(9) Other Conditions and Methods of the Tender Offer” below, Hitachi will return shares by recovering the record to the status immediately before the shares were tendered, soon after the commencement date of settlement (if the Tender Offer is withdrawn, the date of withdrawal). (If shares are to be transferred to an account of a tendering shareholder at another securities company, etc., please provide instructions to that effect.) Hitachi will return the 3rd Stock Acquisition Rights and the FY2006 Stock Acquisition Rights by delivering the certificates of stock acquisition rights submitted when subscribing to the 3rd Stock Acquisition Rights; and the “documents indicating the information contained in the registers of stock acquisition rights”, “contracts for allotment of stock acquisition rights” and the documents required to request for the name transfer of the registers of stock acquisition rights subject to the completion of the Tender Offer submitted when subscribing to the FY2006 Stock Acquisition Rights, respectively, or by mailing those materials to the addresses of the tendering shareholders as per their instructions.

### **(9) Other Conditions and Methods of the Tender Offer**

#### **1) Conditions and Details in Each Item of Article 27-13, Paragraph 4 of the Law**

As the maximum and minimum limits to the number of shares to be purchased through the Tender Offer are not set, Hitachi will purchase all of the tendered shares.

## **2) Conditions of Withdrawal of the Tender Offer, Details thereof and Method of Disclosing the Withdrawal**

Upon the occurrence of any event falling under the provisions of Article 14, Paragraph 1, Items 1.1 through 1.9 and 1.12 through 1.18, Item 2, Items 3.1 through 3.8, Item 4, Item 5 and Article 14, Paragraph 2, Items 3 through 6 of the Enforcement Regulations of the Financial Instruments and Exchange Law (Regulation No. 321 of 1965; including amendment thereof; the “Enforcement Regulations”), Hitachi may withdraw the Tender Offer. If Hitachi decides to withdraw the Tender Offer, Hitachi will make a public notice electronically, and publish a notice in the *Nihon Keizai Shimbun*. Provided, however, that if it is difficult to make such a public notice by the end of the Tender Offer Period, Hitachi will make an announcement as provided for in Article 20 of the Ordinance and thereafter give notice without delay.

## **3) Conditions for Reducing the Tender Offer Price, Details thereof and Method of Disclosing the Reduction**

If Hitachi Plant Technologies takes any actions provided for in Article 13, Paragraph 1 of the Enforcement Regulations during the Tender Offer Period in accordance with the provisions of Article 27-6, Paragraph 1, Item 1 of the Law, the Tender Offer Price may be reduced in accordance with the provisions of Article 19, Paragraph 1 of the Ordinance. If Hitachi decides to reduce the Tender Offer Price, Hitachi will make a public notice electronically, and publish a notice in the *Nihon Keizai Shimbun*. Provided, however, that if it is difficult to make such a public notice by the end of the Tender Offer Period, Hitachi will make an announcement as provided for in Article 20 of the Ordinance and thereafter give notice without delay. If the Tender Offer Price is reduced, the shares tendered before the public notice will also be purchased at the reduced Tender Offer Price.

## **4) Matters concerning Tendering Shareholders’ Rights to Cancel Agreements**

Any tendering shareholder may cancel agreements relating to the Tender Offer at any time during the Tender Offer Period. If tendering shareholders who tendered through the Tender Offer Agent intend to cancel agreements relating to the Tender Offer, they should deliver or send a Cancellation Statement for Tender Offer Agreement (the “Cancellation Statement”) along with the tender offer application acceptance receipt to the head office or nationwide branch offices of the Tender Offer Agent who accepted the application, by 3:30 p.m. on the last day of the Tender Offer Period. Provided, however, that the Cancellation Statement sent by tendering shareholders, must reach the said offices by no later than 3:30 p.m. on the last day of the Tender Offer Period. If tendering shareholders who tendered through JOINVEST Securities Co., Ltd., the Sub-Agent, intend to cancel agreements relating to the Tender Offer, they must complete the cancellation procedures by 3:30 p.m. on the last day of the Tender Offer

Period in accordance with the instructions on the Sub-Agent's website (<https://www.joinvest.jp/>).

The agents with the authority to receive a Cancellation Statement:

Nomura Securities Co., Ltd.

9-1, Nihonbashi 1-chome, Chuo-ku, Tokyo

(other nationwide branch offices in Japan)

JOINVEST Securities Co., Ltd. (Sub-Agent)

15-1, Konan 2-chome, Minato-ku, Tokyo

Hitachi will not make any claim for damages or the payment of penalties to a tendering shareholder if a tendering shareholder cancels an agreement. In addition, Hitachi will bear the costs of returning tendered shares.

#### **5) Method of Disclosure if Conditions, etc., of the Tender Offer are Changed**

If Hitachi decides to change the Tender Offer conditions, etc., Hitachi will make a public notice electronically, and publish a notice in the *Nihon Keizai Shimbun* detailing the changes. Provided, however, that it is difficult to make such a public notice by the end of the Tender Offer Period, Hitachi will make an announcement as provided for in Article 20 of the Ordinance and thereafter give notice without delay. If Tender Offer conditions, etc., are changed, shares tendered before the public notice will also be purchased under the amended conditions.

#### **6) Method of Disclosure When Submitting an Amendment Statement**

If an Amendment Statement is filed with the Director of the Kanto Local Finance Bureau in Japan, Hitachi will immediately announce details from the Amendment Statement that relate to the contents of the public notice of the commencement of the Tender Offer, in accordance with the manner prescribed by Article 20 of the Ordinance. The Tender Offeror will also immediately change the Tender Offer Explanatory Statement and deliver the amended document to tendering shareholders who have already received the Tender Offer Explanatory Statement. However, if the changes are only minor in nature, Hitachi will prepare a document stating the reasons for such amendments, the items that have been amended and the details, and deliver said document to tendering shareholders.

#### **7) Method of Disclosing Tender Offer Results**

The Tender Offeror will publicly announce the results of the Tender Offer the day after the last day of the Tender Offer Period, in accordance with the provisions of Article 9-4 of the Enforcement Regulations and of Article 30-2 of the Ordinance.

**(10) Date of Public Notice of Commencement of the Tender Offer**

Thursday, August 20, 2009

**(11) Tender Offer Agent**

Nomura Securities Co., Ltd.

9-1, Nihonbashi 1-chome, Chuo-ku, Tokyo

To delegate a part of its duties, the Tender Offer Agent has appointed the following company as a Sub-Agent:

JOINVEST Securities Co., Ltd. (Sub-Agent)

15-1, Konan 2-chome, Minato-ku, Tokyo

**3. Management Policy and Outlook after the Tender Offer**

**(1) Management Policy after the Tender Offer**

Refer to “1. Purpose of the Tender Offer” with regard to the management policy after the Tender Offer.

**(2) Outlook for Future Business Performance after the Tender Offer**

The expected impact of the Tender Offer on the Hitachi Group’s business results will be announced as soon as it is determined.

**4. Other Information**

**(1) Agreement between the Tender Offeror and the Target Company and/or Its Directors**

According to Hitachi Plant Technologies, Hitachi Plant Technologies resolved to approve the Tender Offer, to recommend that the shareholders of Hitachi Plant Technologies subscribe to the Tender Offer and to leave the decision whether to subscribe to the Tender Offer regarding the Stock Acquisition Rights up to the discretion of the holders of the Stock Acquisition Rights at a meeting of its Board of Directors held today, which was attended by seven Directors (including three outside Directors) out of the eight Directors (including four outside Directors). The resolution was made by unanimous approval of the attending Directors.

Refer to “(2) Decision-Making Process of the Tender Offer, and Management Policy after the Tender Offer” and “(3) Measures to Ensure the Fairness of the Tender Offer including Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” of “1. Purpose of the Tender Offer” with regard to the “Decision-Making Process of the Tender Offer” and “Details of Measures to Avoid Conflicts of Interest.”

**(2) Other Information Considered Necessary for Helping Investors Decide  
Whether to Subscribe to the Tender Offer**

Hitachi Plant Technologies publicly announced its closing of accounts information for the first quarter of the 115th fiscal term at the Tokyo Stock Exchange and the Osaka Securities Exchange today. A summary of Hitachi Plant Technologies' consolidated operating results and other financial information based on this release is provided below. The summary of this disclosed information is an excerpt of the announcement released by Hitachi Plant Technologies, and Hitachi is not in a position to independently verify the precision and truthfulness thereof and has not verified it, in effect.

**1) Operating Results (millions of yen)**

Accounting Period	First Quarter of 115th Business Period (From April 1, 2009 to June 30, 2009)
Net sales	64,424
Cost of sales	57,391
Selling, general and administrative expenses	8,593
Non-operating income	207
Non-operating expenses	174
Net income (loss)	(901)

Note: Net sales exclude consumption tax, etc.

**2) Data per Share (yen)**

Accounting Period	First Quarter of 115th Business Period (From April 1, 2009 to June 30, 2009)
Net income (loss) per share	(4.63)
Dividend per share	-
Net assets per share	505.40

### 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 investments in Hitachi’s major markets, particularly Japan, Asia, the United States and Europe, as well as levels of demand in the major industrial sectors which Hitachi serves, including, without limitation, the information, electronics, automotive, construction and financial sectors;
- fluctuations in product demand and industry capacity, particularly in the Information & Telecommunication Systems segment, the Electronic Devices segment and the Digital Media & Consumer Products segment;
- increased commoditization of information technology products and digital media related products and intensifying price competition for such products, particularly in the Information & Telecommunication Systems segment, the Electronic Devices segment and the Digital Media & Consumer Products segment;
- uncertainty as to Hitachi’s ability to continue to develop and market products that incorporate new technology on a timely and cost-effective basis and to achieve market acceptance for such products;
- rapid technological innovation, particularly in the Information & Telecommunication Systems segment, the Electronic Devices segment and the Digital Media & Consumer Products segment;
- exchange rate fluctuation for the yen and 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;
- fluctuations in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum and synthetic resins;
- uncertainty as to Hitachi’s ability to implement measures to reduce the potential negative impact of fluctuations in product demand, exchange rate and/or price of raw materials;
- general socio-economic and political conditions and the regulatory and trade environment of Hitachi’s major markets, particularly Japan, Asia, the United States and Europe, including, without limitation, direct or indirect restrictions by other nations on imports, or differences in commercial and business customs including, without limitation, contract terms and conditions and labor relations;
- 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;
- uncertainty as to the success of restructuring efforts to improve management efficiency and to strengthen competitiveness;
- 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 ability to access, or access on favorable terms, liquidity or long-term financing; and
- uncertainty as to general market price levels for equity securities in Japan, declines in which may require Hitachi to write down equity securities it holds.

The factors listed above are not all-inclusive and are in addition to other factors contained in Hitachi's periodic filings with the U.S. Securities and Exchange Commission and in other materials published by Hitachi.

**Other Cautionary Matters**

- In accordance with the provisions of Article 167, Paragraph 3 of the Financial Instruments and Exchange Law and Article 30 of its Enforcement Regulations, anyone having read this news release is considered a primary recipient of information from the viewpoint of insider trading regulations. Hitachi accordingly urges you to exercise due care as you may be prohibited from purchasing the shares of Hitachi Plant Technologies before 12 hours have passed from the time of this announcement. If you are held liable under criminal, civil, or administrative laws for making such a prohibited purchase, Hitachi notes that it will assume no responsibility whatsoever.
- This news release is to announce the Tender Offer and has not been prepared for the purpose of soliciting an offer to sell shares. If shareholders wish to make an offer to sell their shares, they should first read the Explanatory Document for the Tender Offer and make their own decision. This news release does not constitute, nor form part of, any offer or invitation to buy, sell, exchange or otherwise dispose of, or issue, or any solicitation of any offer to sell or issue, exchange or otherwise dispose of, buy or subscribe for, any securities. In addition, this news release does not constitute, or form part of, any offer or invitation to sell, or any solicitation of any offer to purchase any securities in any jurisdiction, nor shall it (or any part of it) or the fact of its distribution form the basis of or be relied on in connection with any agreement thereof.
- The Tender Offer is targeted at the common stock of Hitachi Plant Technologies, a company incorporated in Japan. The Tender Offer is to be conducted in compliance with the procedures and information disclosure standards prescribed in the Financial Instruments and Exchange Law of Japan. These procedures and standards are not necessarily the same as the procedures and information disclosure standards in the United States. In particular, Section 13(e) and Section 14(d) of the U.S. Securities and Exchange Act of 1934 and the regulations stipulated thereunder are not applicable to the Tender Offer and the Tender Offer does not conform to those procedures and standards. Not all financial information included in this news release is in conformity with the U.S. GAAP. Further, as Hitachi is a company incorporated outside the U.S. and most officers of Hitachi are residents outside the U.S., it may be impossible to exercise rights and claims that may be asserted under the securities-related laws of the U.S. There is also a chance that it may be difficult to institute proceedings in a court outside the U.S. against a company outside the U.S. or its officers based on a violation of the securities-related laws of the U.S. Additionally, there is no guarantee that it would be possible to make a company outside the U.S. and its subsidiary or affiliate subject to the jurisdiction of a U.S. court.
- Some countries or regions may impose restrictions on the announcement, issue or distribution of this news release. In such cases, please take note of such restrictions and comply with them. In countries or regions where the implementation of the Tender Offer is illegal, even upon receiving this news release, such receipt shall not constitute a solicitation of an offer to sell or an offer to buy shares relating to the Tender Offer and shall be deemed a distribution of materials for informative purposes only.

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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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