

FOR IMMEDIATE RELEASE

Hitachi Announces to Discontinue the Manufacture of Semiconductors for Information and Telecommunication Hardwares

Tokyo, December 7, 2012 – Hitachi, Ltd. (TSE: 6501) today announced the decision to discontinue the manufacture of semiconductors for information and telecommunication hardwares. This step is being taken to optimally allocate management resources to better enhance the competitiveness of Hitachi's Information & Telecommunication Systems business. Specifically, Hitachi will terminate the manufacture of semiconductor integrated circuits currently performed by the Micro Device Division under the Information & Telecommunication Systems Company on March 31, 2014.

Going forward, a variety of steps will be taken to bolster the global competitiveness of the Information & Telecommunication Systems business. One aspect of this will be to promote business and pursue greater management rationalization by specializing in the development, design and quality assurance of LSIs primarily for Hitachi Group products, including information and telecommunication hardwares. Another will be to optimally allocate production-related human resources and other management resources throughout the Hitachi Group.

Hitachi first established the Device Development Center in 1975, with the aim of developing semiconductor integrated circuits for information and telecommunication hardwares. In 2004, the center was incorporated under the Micro Device Division as part of organizational reforms. Since then, the center has been engaged in the design, development, manufacture and sale of semiconductor integrated circuits for the Hitachi Group and external customers utilized in information and telecommunication hardwares, as well as for application in the measurement, medical and industrial equipment fields.

The semiconductor industry has seen an increasingly horizontal division of labor in terms of development, design and manufacturing in recent years. The same holds true for Hitachi, which has pushed ahead with the external outsourcing of production of certain products alongside efforts to curb manufacturing costs and boost production efficiency in a bid to maintain and enhance business competitiveness. It was in this climate that the decision was made to terminate and outsource externally

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the manufacture of semiconductor integrated circuits presently performed under the Micro Device Division. The intent of this move is to optimally allocate management resources to bolster the competitiveness of the entire Information & Telecommunication Systems business. Going forward, Hitachi will promote a business specializing in the development, design and quality assurance of LSIs primarily for Hitachi Group products, including information and telecommunication hardwares. In parallel, production-related human resources and other management resources will be optimally allocated throughout the Hitachi Group. Details regarding the reassignment of human resources will be examined in the process of moving forward with this decision.

Hitachi is striving for growth via the global development of its Social Innovation Business, providing advanced social infrastructure underpinned by IT. Information & Telecommunication Systems is being fortified as one of Hitachi's core businesses. The current production decision will enable Hitachi to accelerate steps to make the Information & Telecommunication Systems business more globally competitive.

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 320,000 employees worldwide. Fiscal 2011 (ended March 31, 2012) consolidated revenues totalled 9,665 billion yen (\$117.8 billion). Hitachi is focusing more than ever on the Social Innovation Business, which includes information and telecommunication systems, power systems, industrial, transportation and urban development systems, as well as the sophisticated materials and key devices that support them. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

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Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.
