

**Press Release – FOR IMMEDIATE DISTRIBUTION**

***Casio Hitachi Mobile Communications to Merge with  
NEC's Mobile Terminal Unit***

**Tokyo, September 14, 2009** - NEC Corporation (NEC; TSE: 6701), Casio Computer Co., Ltd. (Casio; TSE: 6952), and Hitachi, Ltd. (Hitachi; TSE: 6501/NYSE: HIT) today announced an agreement to integrate their mobile terminal businesses in April 2010 through the establishment of a joint venture company.

**1. About the Business Integration**

NEC develops and manufactures mobile terminals for NTT DOCOMO, INC. and SoftBank Mobile Corp. that capitalize on the company's core competencies and incorporate wireless communications technologies such as W-CDMA (\*1) and LTE (\*2), Linux (\*3) platform development, low power consumption innovations and ultra-thin technologies.

In 2004, Casio and Hitachi jointly established Casio Hitachi Mobile Communications Co., Ltd. (CHMC) as a mobile terminal business company. CHMC capitalizes on image technologies from Casio's digital camera business, water/shock resistance technologies from Casio's wristwatch development and Hitachi's image processing technologies in order to provide mainly CDMA focused mobile handsets for KDDI Corporation and SoftBank Mobile Corp. in Japan as well as Verizon Wireless in the USA and LG Telecom in the Republic of Korea.

The new company will boast a competitive portfolio of products that draws strength from the complete integration of business functions between NEC's Mobile Terminal Operations Unit and CHMC, as well as merges the advanced technologies and product development experience of each company. Furthermore, NEC's IT/Network technology supported product development capabilities linked to service business for enterprises and consumers, combined with CHMC's consumer product technologies and planning strength, is expected to result in the creation of innovative synergies and the development of appealing new products, in addition to future growth that is anticipated from a range of new areas.

NEC, Casio and Hitachi will integrate their mobile terminal business in order to strengthen both domestic and international business while increasing competitive strength and capitalizing on each company's brand recognition through (1) achieving synergies in a variety of fields, including sales expansion, procurement and customer service, and (2) reinforcing product development by unifying technological assets, know-how and resources.

## **2. About the New Joint Venture Company**

Overview of the new joint venture company formed through the integration of NEC's Mobile Terminal Operations Unit with CHMC

Company Name: NEC CASIO Mobile Communications, Ltd.

Head Office: Kawasaki City, Kanagawa Prefecture, Japan (NEC Tamagawa plant)

Capital: 1 billion JPY (at start of the joint venture)  
Share: NEC: 66%, Casio: 17.34%, Hitachi: 16.66%  
Capital increase planned to take place by the end of June 2010  
Capital after increase: 5 billion JPY  
Share after capital increase: NEC: 70.74%, Casio: 20%, Hitachi: 9.26%

Number of Board Members:  
8 (NEC: 6, Casio: 2, representative director selected by NEC)

Consolidated Number of Employees:  
2,200 including NEC Saitama (non-consolidated: 1,300)

Established: April 2010 (planned)

Accounting Period: April to March

Business Summary: Mobile terminal product planning, development, production, sales and maintenance

## **3. Business Integration Procedure**

- 1) By the end of December 2009: NEC establishes a 100% subsidiary company
- 2) April 2010: The newly established subsidiary takes over NEC's mobile handset business through company split (\*4)
- 3) Same day as (2): The newly established company merges with CHMC (\*5)

Other terms and conditions relating to the merger of the newly established subsidiary with CHMC are currently under discussion. The details will be announced upon their conclusion.

(\*1) W-CDMA:

Wideband Code Division Multiple Access is a 3rd generation (3G) mobile phone communications system.

(\*2) LTE:

Long Term Evolution is a reference term for 3G and 3.9G technologies. These are next generation mobile phone data communications methods that further accelerate current HSDPA high speed communications standards.

(\*3) Linux:

Linux is a UNIX type free software operating system developed by Linus Torvalds. Linux has been adopted by computers and a range of technologies that include mobile phones.

(\*4) The details of NEC's company split will be announced as soon as they have been determined.

(\*5) The effects that the merger will have on Casio's business will be announced as soon as they have been determined.

\* Product names, company names, etc. used herein are trademarks or registered trademarks of their respective company.

### Overview of CHMC (The to-be-transferred Casio subsidiary company)

Company Name: Casio Hitachi Mobile Communications Co., Ltd.  
Established: April 1, 2004  
Business Summary: Cellular phone product development, design, production, procurement, quality control, sales and maintenance  
Head Office: Higashiyamato City, Tokyo, Japan  
CEO: Tateki Ohishi  
Capital: 3 billion JPY (share: Casio: 51%, Hitachi: 49%)  
Number of  
Employees: 506 (as of March 2009)  
Accounting Period: April to March  
Number of  
Shares Issued: 60,000  
Three-Year Summary of Business Performance and Financial Condition:

(millions of yen)

Fiscal Term	March 2007	March 2008	March 2009
Total assets	65,791	62,761	61,063
Net assets	15,499	15,400	2,864
Net assets per share (in yen)	258,323	256,662	47,733
Net sales	159,308	156,571	156,750
Operating income	5,184	1,068	959
Ordinary income	4,511	(366)	63
Net income	3,126	(100)	(12,536)
Net income per share (in yen)	52,106	(1,661)	(208,929)
Dividends per share (in yen)	-	-	-

CHMC, presently a consolidated subsidiary of Casio, will become an equity-method affiliate with Casio holding a 20% stake in the new joint venture company as a result of its merger with the newly established NEC subsidiary and capital increase.

### **Cautionary Statement**

This material contains forward-looking statements that necessarily depend on currently available information and/or assumptions based on the companies' judgments. A variety of factors could cause actual results to differ materially from those in the forward-looking statements.

### **About NEC Corporation**

NEC Corporation is one of the world's leading providers of Internet, broadband network and enterprise business solutions dedicated to meeting the specialized needs of a diversified global base of customers. NEC delivers tailored solutions in the key fields of computer, networking and electron devices, by integrating its technical strengths in IT and Networks, and by providing advanced semiconductor solutions through NEC Electronics Corporation. The NEC Group employs more than 140,000 people worldwide. For additional information, please visit the NEC website at: <http://www.nec.com>.

### **About Casio Computer Co., Ltd.**

Casio Computer Co., Ltd. is one of the world's leading manufacturers of consumer electronics products and business equipment solutions. Since its establishment in 1957, Casio has strived to realize its corporate creed of "creativity and contribution" through the introduction of innovative and imaginative products. Today, Casio's offerings include timepieces, digital cameras, cellular phones, electronic dictionaries, calculators, musical instruments, system equipment, and electronic components such as LCDs. The Casio Group employs more than 12,000 people worldwide, shipping over 100 million products per year, with net sales of 518 billion yen (approx US\$5,286 million) in the fiscal year ended March 2009. News and product information from Casio is available at <http://world.casio.com/>

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

Hitachi, Ltd., (NYSE: HIT / TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 400,000 employees worldwide. Fiscal 2008 (ended March 31, 2009) consolidated revenues totaled 10,000 billion yen (\$102.0 billion). The company offers a wide range of systems, products and services in market sectors including information systems, electronic devices, power and industrial systems, consumer products, materials, logistics and financial services. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

### **Casio Hitachi Mobile Communications Co., Ltd.**

Casio Hitachi Mobile Communications Co., Ltd. was established on April 1, 2004 in a joint venture between Casio Computer Co., Ltd., and Hitachi, Ltd. The company brings together the many highly competitive technological assets possessed by Casio and Hitachi to provide customers with highly innovative and reliable mobile phone products packed with cutting-edge technologies. Since the merger, the firm's operations have been streamlined and integrated for maximum focus on its core competencies, faster and more efficient development, and a robust production system. Today, Casio Hitachi Mobile Communications provides innovative mobile devices for four major wireless providers in Japan, South Korea and U.S.A. For more information, go to <http://ch-mobile.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.

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