

**FOR IMMEDIATE RELEASE**

**Notification of Amendment to Basic Agreement pertaining to  
Tender Offer for Shares of Subsidiary**

**Tokyo, Japan, November 24, 2017** --- Hitachi, Ltd. (TSE: 6501, "Hitachi") announced in its press release dated April 26, 2017 titled "Notification of Execution of Basic Agreement pertaining to Tender Offer for Shares of Subsidiary" and its press release dated October 11, 2017 titled "Notification of Commencement of Tender Offer for Shares of Subsidiary" ("Hitachi's October 11 Press Release") that HKE Holdings G.K. (Executor: William Janetschek, "HKE") has commenced a tender offer for common shares of Hitachi Kokusai Electric Inc. (President and Chief Executive Officer: Kaichiro Sakuma, "Hitachi Kokusai"), which is a consolidated subsidiary of Hitachi, from October 12, 2017 (the "Tender Offer"). Hitachi today announced that for changing the purchase price per share in the Tender Offer (the "Tender Offer Price") to 3,132 yen (2,900 yen before the change) and the amount of the preferred equity investment to be paid by Hitachi to HKE to 15.0 billion yen (13.0 billion yen before the change), it has executed, with HKE and HVJ Holdings Inc. (Representative Director and President: Tatsuo Kimura, "HVJ"), a memorandum of understanding (the "Additional Amendment Memorandum") to further amend the Basic Agreement executed on April 26, 2017 (as amended under the Amendment Memorandum (defined in Hitachi's October 11 Press Release), the "Original Basic Agreement") regarding the Transactions (defined in Hitachi's October 11 Press Release), which includes the Tender Offer.

According to the "Amendment to the Terms of the Tender Offer for the Shares of Hitachi Kokusai Electric Inc.(Securities Code 6756)" announced by HKE ("HKE's November 24 Press Release"), HKE decided today to extend the tender offer period until December 8, 2017, making the total duration of the tender offer period 40 business days, and to change the Tender Offer Price per share from 2,900 yen to 3,132 yen ("Modification of the Terms of Purchase").

We hereby announce that the Transactions, including the Tender Offer, and the amendments made under the Additional Amendment Memorandum have been agreed after multiple discussions and negotiations among Hitachi, Hitachi Kokusai, HKE and HVJ, and that Hitachi intends to execute the Transactions in accordance with the Original Basic Agreement, the Amendment Memorandum, and the Additional Amendment Memorandum.

For matters such as the background leading to the decision by HKE to make the Modification of the Terms of Purchase and the background after October 12, 2017, and

- more -

the schedule pertaining to the Transactions, please refer to HKE's November 24 Press Release and the "Announcement of Opinion regarding the Tender Offer for the Shares of Hitachi Kokusai Electric Inc. by HKE Holdings G.K. after Amending Tender Offer Terms and Conditions" announced today by Hitachi Kokusai.

As Hitachi announced in Hitachi's October 11 Press Release, in the case that all of the Shares to be Sold by Hitachi (defined in Hitachi's October 11 Press Release) are sold as a result of the Transactions, it plans to post an extraordinary gain of approximately 69.0 billion yen in gains on sale of affiliated companies' common shares in unconsolidated statement of operations for the fiscal year ending March 31, 2019 (April 1, 2018–March 31, 2019).

### **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>.

### **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;
- 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 attract and retain skilled personnel;
- 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 access to, or ability to protect, certain intellectual property;
- 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.

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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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