

**Four Companies Sign Memorandum of Understanding Regarding Integration of Small- and Medium-Sized Display Businesses**

**Tokyo, August 31, 2011** --- Innovation Network Corporation of Japan (“INCJ”), Hitachi, Ltd. (“Hitachi”), Sony Corporation (“Sony”) and Toshiba Corporation (“Toshiba”) announced today that they have signed a non-binding Memorandum of Understanding to integrate their small- and medium-sized display businesses, which are operated by subsidiaries of Hitachi, Sony and Toshiba, in a new company to be established and operated by INCJ (“NewCo”) as attached.

**About Hitachi, Ltd.**

Hitachi, Ltd., (NYSE: HIT / TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 360,000 employees worldwide. Fiscal 2010 (ended March 31, 2011) consolidated revenues totaled 9,315 billion yen (\$112.2 billion). Hitachi will focus more than ever on the Social Innovation Business, which includes information and telecommunication systems, power systems, environmental, industrial and transportation systems, and social and urban 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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## NEWS RELEASE

Innovation Network Corporation of Japan

Hitachi, Ltd.

Sony Corporation

Toshiba Corporation

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*- To establish a leading global company by integrating three companies' businesses -*

**TOKYO, August 31, 2011** – Innovation Network Corporation of Japan (“INCJ”), Hitachi, Ltd. (“Hitachi”), Sony Corporation (“Sony”) and Toshiba Corporation (“Toshiba”) announced today that they have signed a non-binding Memorandum of Understanding to integrate their small- and medium-sized display businesses, which are operated by subsidiaries of Hitachi, Sony and Toshiba, in a new company to be established and operated by INCJ (“NewCo”). INCJ, Hitachi, Sony and Toshiba are aiming to sign definitive and legally-binding agreements in the Autumn of 2011 and to complete the business integration in the Spring of 2012, subject to the receipt of any necessary government approvals.

All of the issued shares of subsidiaries of Hitachi, Sony and Toshiba engaged in the small- and medium-sized display business (i.e., Hitachi Displays, Ltd., Sony Mobile Display Corporation and Toshiba Mobile Display Co., Ltd., collectively referred to as the “Subject Subsidiaries”) and other assets are planned to be transferred to NewCo, and INCJ, as a public-private partnership that provides financial, technological and management support for next-generation businesses, plans to invest a total of 200 billion yen in NewCo in exchange for shares to be newly issued to INCJ by NewCo as a third-party allotment. Eventually, INCJ expects to hold 70% of the shares with voting rights of NewCo, while Hitachi, Sony and Toshiba each expect to hold 10% of such shares.

The global market of small- and medium-sized displays is expected to grow rapidly due to anticipated strong demand for high resolution, high value-added products, particularly for smartphones and tablet computers, and superior high resolution display technology, in which Japanese companies are world leaders, is key to competitiveness. Other small- and medium-sized display manufacturers have announced significant investment plans to try to capture this market, and appropriate measures are required in order to enhance

competitiveness.

NewCo is expected to utilize the world's best high value-added technologies of the Subject Subsidiaries and establish new production lines by utilizing capital, which will be provided by INCJ, in order to meet the market demand for high value-added products. In addition, by efficient use of existing production capabilities of the Subject Subsidiaries, NewCo aims to improve its cost competitiveness to solidify its position as a global leading company in the small- and medium-sized display market.

In order to maintain and enhance the world's best technologies, NewCo is also expected to invest in the world's most advanced research and development. This investment will focus on the development of high-potential next-generation technologies, including higher resolution and thinner Organic light-emitting diode ("OLED") displays, in an effort to drive forward the market as a whole.

NewCo's management will be newly hired, and INCJ is leading the selection process. Each of INCJ, Hitachi, Sony and Toshiba plans to appoint the outside directors of NewCo. Also, INCJ, Hitachi, Sony and Toshiba intend to provide NewCo with technical support, and NewCo will establish a strong governance framework and business infrastructure.

"This is a landmark project for INCJ in our mission to make impactful, long-term and hands-on investments to grow next-generation businesses worldwide in the spirit of open innovation," said Kimikazu Noumi, President and CEO of INCJ. "The new company will become a leading small- and medium-sized display manufacturer, and by pooling compelling technological know-how, will be positioned to win in a competitive and lucrative global growth market that has a real impact on the quality of people's everyday lives."

"By integrating each partner company's wealth of display expertise and know-how, I am confident the new company will become a driving force for technological innovation and new growth in the rapidly expanding small- and medium- sized display market. I believe it will perform a vital role in ensuring the stable supply of high quality display devices that further enhance the user experience in the growing field of smartphones and tablet computers," said Howard Stringer, Chairman, CEO and President, Representative Corporate Executive Officer of Sony Corporation.

"I have every confidence that this integration of three highly capable manufacturers of small- and medium-sized displays and their leading-edge technologies, along with the infusion of capital from INCJ, will create a highly competitive company. Toshiba will provide full support for the new company as it seeks to win leadership in the global market," said Norio Sasaki, Director, Representative Executive Officer, President and Chief Executive Officer of Toshiba

Corporation.

"The new company, which integrates the three companies' technology, experience and resource, possess the necessary capabilities to offer high value-added products to meet customer needs, through the development of cutting-edge display technologies. I believe the new company will fully satisfy customers to succeed and to become a leading company in the global market." concluded Hiroaki Nakanishi, President of Hitachi, Ltd.

#### **Outline of the NewCo (Planned):**

Name: Japan Display K.K.  
Shares with voting rights: INCJ 70%, Hitachi 10%, Sony 10%, Toshiba 10%

#### **About Innovation Network Corporation of Japan (INCJ)**

INCJ was established in July 2009 as a public-private partnership that provides financial, technological and management support for next-generation businesses. INCJ specifically supports those projects that combine technologies and varied know-how across industries and materialize open innovation.

INCJ has the capacity to invest up to 900 billion yen (approx US\$ 12 billion).

To date, INCJ has invested approximately 120 billion yen. INCJ is actively reviewing various investment opportunities in areas of environment, energy, electronics, IT, bio-technology and infrastructure such as water supply.

#### **About the Subject Subsidiaries**

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

Founded: October 1, 2002  
Address of Head Office: Chiyoda-ku, Tokyo  
Sales: 150.8 Billion Yen (in the fiscal year ended March 31, 2011)  
Capital: 35.2 Billion Yen (as of the end of March 2011)  
Major Shareholders and Shareholding Ratio: Hitachi 75% (as of the end of March 2011)  
Representatives: Yoshiyuki Imoto  
Employees: Approximately 2,600 (as of the end of March 2011)  
Business: Development, design, production and sales of Small/mid-sized TFT LCDs and related products  
Production base: Mobarashi, Chiba

##### **About Sony Mobile Display Corporation**

Founded: October 22, 1997  
Address of Head Office: Higashiura, Chita-gun, Aichi  
Sales: 141.2 Billion Yen (in the fiscal year ended March 31,2011)

Capital: 23.1 Billion Yen (as of the end of March 2011)  
Major Shareholders and Shareholding Ratio: Sony 100% (as of the end of March 2011)  
Representatives: Shuji Aruga  
Employees: Approximately 2,200 (as of the end of June 2011)  
Business: Development, design, production and sales of small/mid-sized LCD devices and OLED display devices  
Production base: Higashiura TEC (Head office) - Higashiura, Chita-gun, Aichi  
Tottori TEC – Tottori-shi, Tottori

**About Toshiba Mobile Display Co., Ltd.**

Founded: April 1, 2002  
Address of Head Office: Fukaya-shi, Saitama  
Sales: 209.6 Billion Yen (in the fiscal year ended March 31,2011)  
Capital: 10 Billion Yen  
Major Shareholders and Shareholding Ratio: Toshiba Group 100% (as of the end of March 2011)  
Representatives: Masahiko Fukakushi  
Employees: Approximately 2,200 (as of the end of March 2011)  
Business: Development, production & sales of low temperature poly-silicon TFT LCDs and amorphous poly-silicon TFT LCDs  
Production base: Headquarters Office – Fukaya-shi, Saitama  
Ishikawa Works - Kawakita-cho, Nomi-gun, Ishikawa

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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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