

**FOR IMMEDIATE RELEASE**

## **Notification of Change of Subsidiary (Transfer of Shares)**

**Tokyo, Japan, May 13, 2016** --- Hitachi, Ltd. (TSE:6501; "Hitachi") today announced that it has executed an agreement regarding the transfer of common stocks of Hitachi Capital Corporation (President & CEO: Seiji Kawabe, "Hitachi Capital"), a consolidated subsidiary of Hitachi. Based on this agreement, a part of shares of Hitachi Capital common stocks owned by Hitachi will be transferred to Mitsubishi UFJ Financial Group, Inc. (President & Group CEO: Nobuyuki Hirano; "MUFG") and Mitsubishi UFJ Lease & Finance Co., Ltd. (President & CEO: Tadashi Shiraishi; "Mitsubishi UFJ Lease").

As a result of this transfer of shares, Hitachi's ownership ratio of voting rights for Hitachi Capital will be 33.4%, and Hitachi Capital will cease to be Hitachi's consolidated subsidiary and will be accounted as its equity-method associate.

### 1. Reasons for the transfer of shares

Hitachi Capital was established in 2000 through a merger between Hitachi Credit, which was founded in 1957 as the company offering monthly installment loan especially for sales of Hitachi's home appliances, and Hitachi Lease, which was created in 1968 as Japan's first manufacturer-affiliated leasing company. In collaboration with Hitachi Group companies, Hitachi Capital has been providing financial solutions in a broad range of fields, from information devices to the social infrastructure field, as well as having been actively expanding global business fields even beyond the scope of the Hitachi Group.

Through the partial transfer of Hitachi Capital common stocks owned by Hitachi to MUFG and Mitsubishi UFJ Lease, Hitachi Capital will enter a business alliance with those two companies, in order to strengthen finance functions at Hitachi Capital. Furthermore, in order to support the Japanese infrastructure industry, including Hitachi, from a finance perspective, Hitachi, Hitachi Capital, MUFG, Mitsubishi UFJ Lease and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (President & CEO: Takashi Oyamada) will work closely with to build an open financing platform led mainly by Hitachi Capital and Mitsubishi UFJ Lease. Hitachi Capital and Mitsubishi UFJ Lease will begin deliberations at an appropriate time in the future with a view toward further strengthening the relationship between the two companies, taking into account the possibility of a corporate merger.

Through this transfer of shares, Hitachi will improve its asset efficiency and accelerate the concentration of management resources in the Social Innovation Business, as well as using financing functions and proceeds from this transfer of shares to achieve even further growth.

- more -

2. Outline of the subsidiary transferred

(1) Name	Hitachi Capital Corporation												
(2) Head Office	3-1 Nishi Shimbashi 1-chome, Minato-ku, Tokyo												
(3) Representative	President & CEO: Seiji Kawabe												
(4) Outline of Business	Comprehensive leases												
(5) Capital (as of March 31, 2016)	9,983 million yen												
(6) Established	September 10, 1957												
(7) Main Shareholders and Shareholding (as of March 31, 2016)	<table border="0"> <tr> <td>Hitachi, Ltd.</td> <td style="text-align: right;">54.78%</td> </tr> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td> <td style="text-align: right;">4.85%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (Trust Account)</td> <td style="text-align: right;">3.73%</td> </tr> <tr> <td>Hitachi High-Technologies Corporation</td> <td style="text-align: right;">1.86%</td> </tr> <tr> <td>NORTHERN TRUST CO. (AVFC) RE15PCT TREATY ACCOUNT</td> <td style="text-align: right;">1.84%</td> </tr> </table>			Hitachi, Ltd.	54.78%	The Master Trust Bank of Japan, Ltd. (Trust Account)	4.85%	Japan Trustee Services Bank, Ltd. (Trust Account)	3.73%	Hitachi High-Technologies Corporation	1.86%	NORTHERN TRUST CO. (AVFC) RE15PCT TREATY ACCOUNT	1.84%
Hitachi, Ltd.	54.78%												
The Master Trust Bank of Japan, Ltd. (Trust Account)	4.85%												
Japan Trustee Services Bank, Ltd. (Trust Account)	3.73%												
Hitachi High-Technologies Corporation	1.86%												
NORTHERN TRUST CO. (AVFC) RE15PCT TREATY ACCOUNT	1.84%												
(8) Relationship between Hitachi and Hitachi Capital	Capital relationship	Hitachi owns 56.74% (1.96% indirect ownership) of the aggregate number of issued shares in Hitachi Capital.											
	Personnel relationship	One director and one executive officer at Hitachi have been appointed Directors at Hitachi Capital.											
	Transaction relationship	Hitachi Capital leases manufacturing equipment, industrial equipment, office equipment, etc. to Hitachi and engages in leasing and credit sales of Hitachi's business equipment, etc.											
	Status as related party	Hitachi Capital is a consolidated subsidiary of Hitachi, and so is considered its related party.											
(9) Consolidated financial conditions and business results for past three fiscal years (IFRS)													
Fiscal year-end	March 2014	March 2015	March 2016										
Total equity attributable to owners of the parent (million yen)	298,288	325,223	335,503										
Total assets (million yen)	2,619,108	2,952,471	3,081,201										
Equity per share attributable to owners of the parent (yen)	2,551.93	2,782.37	2,870.33										
Revenues (million yen)	342,675	356,291	365,354										
Profit before tax (million yen)	33,171	35,598	46,667										
Net income attributable to owners of the parent (million yen)	21,547	24,140	32,694										
Earnings per share attributable to owners of the parent (yen)	184.35	206.53	279.71										
Dividends per share (yen)	48.00	60.00	84.00										

3. Outline of the company purchasing the shares

	Purchasing company 1	Purchasing company 2
(1) Name	Mitsubishi UFJ Financial Group, Inc.	Mitsubishi UFJ Lease & Finance Co., Ltd.
(2) Head Office	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	5-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
(3) Representative	President & Group CEO: Nobuyuki Hirano	President & CEO: Tadashi Shiraishi
(4) Outline of Business	Managing the affairs of its subsidiaries within the group and the business of the group as a whole along with all relevant ancillary business.	Lease Installment sales various types of financing International business
(5) Capital (as of March 31, 2016)	2,141,513 million yen	33,196 million yen
(6) Established	April 2, 2001	April 12, 1971
(7) Consolidated Net Assets (as of December 31, 2015)	17,239,626 million yen	648,610 million yen
(8) Consolidated Total Assets (as of December 31, 2015)	295,777,179 million yen	5,083,547 million yen
(9) Main Shareholders and Shareholding (as of September 30, 2015)	Japan Trustee Services Bank, Ltd. (Trust Account) 5.00% The Master Trust Bank of Japan, Ltd. (Trust Account) 4.12% THE BANK OF NEW YORK MELLON SA/NV 10 1.82% STATE STREET BANK AND TRUST COMPANY 1.51% THE BANK OF NEW YORK MELLON AS DEPOSITARY BANK FOR DR HOLDERS 1.36%	Mitsubishi Corporation 20.00% Mitsubishi UFJ Financial Group, Inc. 13.43% The Bank of Tokyo-Mitsubishi UFJ, Ltd. 6.08% Japan Trustee Services Bank, Ltd. (Trust Account) 4.29% Meiji Yasuda Life Insurance Company 3.44%
(10) Relationship between Hitachi and MUFG / Mitsubishi UFJ Lease		
Capital relationship	None	None
Personnel relationship	None	None
Transaction relationship	None	None
Status as related party	N/A	N/A

4. Number of transferred shares, transfer price, and status of shareholding before and after transfer

(1) Number of shares owned before transfer	70,825,624 shares (including indirectly owned shares) Number of voting rights: 708,256 (including rights attributable to indirectly owned shares) (Ratio of voting rights owned: 60.6 %)(*1)
(2) Number of transferred shares	31,793,824 shares (Number of voting rights: 317,938)
(3) Transfer price	108.1billion yen
(4) Number of shares owned after transfer	39,031,800 shares (*2) (Number of voting rights: 390,318) (Ratio of voting rights owned: 33.4%)(*1)

\*Notes: 1. The ratio of voting rights owned is based on the number of total voting rights of Hitachi Capital (1,168,627) as of December 31, 2015.

2. Indirectly owned shares will be transferred to Hitachi before the transfer of shares.

5. Schedule

Execution of the share purchase agreement	May 13, 2016
Effective date of transfer of shares	August, 2016 (Planned)

6. Outlook

As a result of this transfer of shares, Hitachi plans to post an extraordinary gain of 98.7 billion yen on gain on sale of affiliated companies' common stock in the unconsolidated statements of operations for the three months ending September 30, 2016. In case that this transfer of shares has a significant impact on the consolidated business results for the year ending March 31, 2017, Hitachi will immediately announce it.

**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, including, without limitation, the information, electronics, automotive, construction and financial sectors;
- 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, particularly against the U.S. dollar and the euro;

- 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;
- 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;
- 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 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;
- 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;
- increased commoditization of and intensifying price competition for products;
- 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;
- uncertainty as to the success of cost reduction measures;
- 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 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 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 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 potential for significant losses on Hitachi's investments in equity-method associates and joint ventures;
- 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;
- uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its significant employee benefit-related costs; and

- uncertainty as to Hitachi's ability to attract and retain skilled personnel.
- The factors listed above are not all-inclusive and are in addition to other factors contained in other materials published by Hitachi.

**About Hitachi, Ltd.**

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, delivers innovations that answer society's challenges with our talented team and proven experience in global markets. The company's consolidated revenues for fiscal 2014 (ended March 31, 2015) totaled 9,761 billion yen (\$81.3 billion). Hitachi is focusing more than ever on the Social Innovation Business, which includes power & infrastructure systems, information & telecommunication systems, construction machinery, high functional materials & components, automotive systems, healthcare and others. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

###

---

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.

---