

**FOR IMMEDIATE RELEASE**

**Notification of Change in Number of Shares per One Unit,  
Share Consolidation, and Partial Amendments to  
the Articles of Incorporation**

**Tokyo, April 27, 2018** --- Hitachi, Ltd. (TSE:6501, “the Company”) announced that the Board of Directors today resolved to partially amend its Articles of Incorporation to change in the number of shares per one unit, and to propose the matter for share consolidation to the 149th Annual General Meeting of Shareholders of the Company to be held in June 2018 (the “Annual General Meeting of Shareholders”).

The Board of Directors plans to call for the Annual General Meeting of Shareholders in May 2018, including the agenda item on share consolidation.

**1. Change in the number of shares per one unit**

(1) Reasons for change

Based on the “Action Plan for Consolidating Trading Units,” Japanese Stock Exchanges promotes the standardization of trading units for common shares issued by at all listed domestic companies at 100 shares, in order to improve convenience for investors and other market participants and has set the deadline for the transition to the 100-share trading unit on October 1, 2018.

Following this decision, the Company decided to change the number of shares per one unit from 1,000 shares to 100 shares.

(2) Details of change

The number of shares per one unit stipulated in the Company’s Articles of Incorporation will be changed from 1,000 shares to 100 shares.

**2. Share consolidation**

(1) Purpose of consolidation

The Company decided to consolidate every five Hitachi shares into one share (the “share consolidation”) in order to adjust the investment unit (price of shares per one unit) following the change in the number of shares per one unit from 1,000 shares to 100 shares.

(2) Details of consolidation

- ① Class of shares to be consolidated: Common stock
- ② Consolidation ratio: On October 1, 2018, shares owned by shareholders recorded in the latest register of shareholders as of September 30, 2018, will be consolidated at the ratio of five (5) shares to one (1) share.

③ Number of shares reduced through consolidation

Total number of outstanding shares before share consolidation (as of March 31, 2018)	4,833,463,387 shares
Number of shares reduced through share consolidation	3,866,770,710 shares
Total number of outstanding shares after share consolidation	966,692,677 shares

Note: “Number of shares reduced through share consolidation” and “Total number of outstanding shares after share consolidation” are theoretically calculated based on “Total number of outstanding shares before share consolidation (as of March 31, 2018)” and the consolidation ratio of share consolidation, which may differ from actual figures.

- ④ Total shares authorized to be issued after consolidation: 2,000,000,000 shares (Total shares authorized to be issued before consolidation: 10,000,000,000 shares)

Pursuant to the articles of the Companies Act, it will be deemed that the Articles of Incorporation is amended as indicated above on the effective date of the share consolidation (October 1, 2018).

⑤ Number of shareholders reduced through consolidation

The shareholder composition based on the register of shareholders as of March 31, 2018 is as follows:

Number of shares held	Number of shareholders (Percentage of total)	Number of shares held (Percentage of total)
Less than 5 shares (1-4 shares)	2,112 (0.6%)	5,028 (0.1%)
5 or more shares	333,299 (99.4%)	4,833,458,359 (99.9%)
Total	335,411 (100.0%)	4,833,463,387 (100.0%)

Assuming the shareholders composition above, 2,112 shareholders who hold less than five shares (total number of shares held by those shareholders is 5,028 shares as of March 31, 2018) will lose their status as shareholders.

⑥ Handling of fractional shares less than one share

If any fractional shares less than one share arise as a result of the share consolidation, the Company will sell all such fractional shares and distribute the proceeds to the shareholders having fractional shares in proportion to their respective fractions.

(3) Conditions to consolidation

Subject to the approval of the Annual General Meeting of Shareholders, the share consolidation will take effect on October 1, 2018.

**3. Partial amendments to the Articles of Incorporation**

The Company's Articles of Incorporation will be amended as follows on October 1, 2018 with the change in the number of shares per one unit described in 1. and the share consolidation described in 2.

(Underlines indicates the amendments.)

Current Articles of Incorporation	Amendments to the Articles of Incorporation
<p>Article 6 (Total shares authorized to be issued)</p> <p>The total shares authorized to be issued by the Company shall be <u>10,000,000,000</u> shares.</p>	<p>Article 6 (Total shares authorized to be issued)</p> <p>The total shares authorized to be issued by the Company shall be <u>2,000,000,000</u> shares.</p>
<p>Article 7 (Number of shares per one unit)</p> <p>The number of shares per one unit of shares of the Company shall be <u>1,000</u> shares.</p>	<p>Article 7 (Number of shares per one unit)</p> <p>The number of shares per one unit of shares the Company shall be <u>100</u> shares.</p>

**4. Schedule (Planned)**

May 2018	Resolution of Board of Directors (Call for the Annual General Meeting of Shareholders)
June 2018	149th Annual General Meeting of Shareholders
October 1, 2018	Effective date of change in the number of shares per one unit, share consolidation, and partial amendments to Articles of Incorporation

(Reference)

As described above, while the effective date of the change in the number of shares per one unit and the share consolidation is scheduled to be October 1, 2018, trades of Hitachi shares by shareholders on each stock exchanges, on and after September 26, 2018, will be executed in 100-share trading unit and a share price based on the assumption that the changes as above being effective.

**Attachments**

(Reference) Q&A regarding change in the number of shares per one unit and share consolidation

**Q&A regarding change in share unit number and share consolidation**

**Q1. What are the change in the number of shares per one unit and share consolidation?**

A1. The “change in the number of shares per one unit” is to change the number of shares representing a voting right at the meeting of Shareholders, and the trading unit traded on stock exchanges. Hitachi will change the number of shares per one unit from 1,000 shares to 100 shares. The “share consolidation” refers to consolidating multiple shares into a smaller number of shares. Hitachi will consolidate every five Hitachi shares into one share.

**Q2. What is the purpose of change in the number of shares per one unit and share consolidation?**

A2. Based on the “Action Plan for Consolidating Trading Units,” Japanese Stock Exchanges promotes the standardization of trading units for common shares issued by at all listed domestic companies at 100 shares, in order to improve convenience for investors and other market participants and has set the deadline for the transition to the 100-share trading unit on October 1, 2018. Following this decision, the Company decided to change the number of shares per one unit from 1,000 shares to 100 shares. Along with that, the Company decided to consolidate every five Hitachi shares into one share in order to adjust the investment unit (price of one trading unit)

**Q3. How will the number of shares and voting rights be affected?**

A3. The number of shares held by each shareholder after the share consolidation will be the number of shares obtained by multiplying the number of shares recorded in the latest register of shareholders as of September 30, 2018 by one-fifth (rounded down to the nearest whole share). The number of voting rights will be one voting right per 100 shares after the share consolidation. Specifically, the number of shares held and voting rights before and after the effective date of the change in the number of shares per one unit and the share consolidation, October 1, 2018 (planned), are as follows.

	Before Effective Date		After Effective Date		
	Number of Shares Held	Number of Voting Rights	Number of Shares Held	Number of Voting Rights	Fractional Shares
Example 1	2,000 shares	2	400 shares	4	None
Example 2	1,500 shares	1	300 shares	3	None
Example 3	1,030 shares	1	206 shares	2	None
Example 4	777 shares	None	155 shares	1	0.4 shares
Example 5	4 shares	None	None	None	0.8 shares

Notes:

- (1) In Examples 1, 2, and 3, as the shareholders hold no fractional shares, no procedures are required in relation to fractional shares.
- (2) In Examples 3 and 4, the shareholder holds shares constituting less than one unit of shares (after the changes come into effect, 6 shares in Example 3 and 55 shares in Example 4), and may, at its request, use the system for selling or purchasing shares constituting less than one share unit in the same way as before.
- (3) In Examples 4 and 5, Hitachi will sell fractional shares that arise (0.4 shares in Example 4 and 0.8 shares in Example 5), and distribute the proceeds to the shareholders having fractional shares in proportion to their respective fractions.
- (4) In Example 5, the shareholder ceases to hold share after the share consolidation, and therefore loses his/her status as a shareholder.

Q4. Is there any way to ensure that fractional shares arise?

A4. By requesting sale or purchase of shares constituting less than one unit of shares prior to the share consolidation coming into effect, it is possible to avoid having fractional shares after the share consolidation. Your securities dealer will take requests for sale or purchase of shares constituting less than one unit of shares. For shareholders without an account with a securities company, please inquire with the administrator of the shareholder registry indicated at the end of this document.

Q5. The number of shares held will decrease as the result of the share consolidation.

Will this affect asset value?

A5. Although the number of shares held by a shareholder will be one-fifth after the share consolidation, Hitachi's assets and capital will remain unchanged after the share consolidation. This means, aside from fluctuations in share market price and other factors, in theory, there will be no change to the asset value of shareholders' shares. This is because, after the share consolidation, there will be a fivefold increase in the amount of net assets per share.

Q6. The number of shares held will decrease as the result of the share consolidation.

Will this affect dividends?

A6. Although the number of shares held by shareholders will be one-fifth after the share consolidation, Hitachi will set dividend per share after the effective date of the share consolidation taking into account the conversion ratio of five shares to one share. Thus, aside from financial performance or other factors, total dividends of each shareholder after the share consolidation will not be affected. However, dividends will not be paid on the fractional shares resulting from the share consolidation.

Q7. Please give us more detailed schedule.

A7. The schedule is as follows.

June 2018	149th Annual General Meeting of Shareholders
September 25, 2018	Last day of trading based on the 1,000 share unit
September 26, 2018	First day of trading based on the 100 share unit
October 1, 2018*	Effective date of change in the number of shares per one unit, share consolidation, and change in the total shares authorized to be issued
November 2018*	Sending out notification of share consolidation to shareholders
November 2018*	Beginning of payment of proceeds from sale fractional shares

\*These events are scheduled to take place if the agenda item on share consolidation is approved at the Annual General Meeting of Shareholders in June 2018.

Q8. Are there any procedures that shareholders must take?

A8. No special procedures are required.

[Contact information for inquiries]

If you have any questions regarding the change in the number of shares per one unit or the share consolidation, please contact either your securities dealer or the Shareholder Register Administrator indicated below.

Shareholder Register Administrator	Tokyo Securities Transfer Agent Co., Ltd.
Head Office	〒101-0054
(administrative office)	3-11 Kanda Nishiki-cho, Chiyoda Ward, Tokyo
Mailing address	〒168-8522
	2-8-4 Izumi, Suginami Ward, Tokyo
	Tokyo Securities Transfer Agent Co., Ltd.; Admin Center
Telephone inquiries	0120-25-6501 (toll free number from Japan)
	Reception hours: Monday-Friday, 9:00 - 17:00 (excluding national holidays and New Year's holiday)

### **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.

### **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>.

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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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