

FOR IMMEDIATE RELEASE

## Hitachi Announces Changes in the Method of the Reorganization of Hitachi Medical and Hitachi Aloka Medical and the Execution of Absorption-type Company Split Agreement

**Tokyo, January 13, 2016** --- Hitachi, Ltd. (TSE:6501, “Hitachi”), Hitachi Medical Corporation (“Hitachi Medical”), and Hitachi Aloka Medical, Ltd. (“Hitachi Aloka Medical”) announced on July 21, 2015, that a decision had been made regarding the absorption-type merger of Hitachi Medical and Hitachi Aloka Medical by Hitachi, and the establishment of a manufacturing subsidiary, as part of efforts to strengthen the healthcare business. After that, as a result of further consideration on the optimum business operation structure, etc., they today agreed to transfer non-manufacturing divisions (e.g., sales and planning divisions; the “Divisions to Be Transferred”) from Hitachi Medical and Hitachi Aloka Medical to Hitachi through an absorption-type company split (the “Company Split) and to conduct an absorption-type merger of Hitachi Aloka Medical by Hitachi Medical after the Company Split. They also today executed an absorption-type company split agreement (the “Absorption-type Company Split Agreement”).

Certain disclosures and details have been omitted as this transaction is an absorption-type company split transferring businesses from wholly-owned subsidiaries to Hitachi.

### 1. Outline of the Company Split

#### (1) Schedule

Execution of Company Split Agreement	January 13, 2016
Scheduled Company Split Date (Effective Date)	April 1, 2016 (Planned)

\*The absorption-type company split is deemed to be a simple absorption-type company split for Hitachi pursuant to Article 796, Paragraph 2 of the Companies Act of Japan. Furthermore, it is deemed to be a short-form absorption-type company split for Hitachi Medical and Hitachi Aloka Medical pursuant to Article 784, Paragraph 1 of the Companies Act of Japan. Therefore, Hitachi, Hitachi Medical and Hitachi Aloka Medical do not plan to convene shareholders’ meetings to obtain approval for the Absorption-type Company Split Agreement.

#### (2) Company Split Method

This is an absorption-type company split in which Hitachi Medical and Hitachi Aloka Medical are the transferring companies and Hitachi is the successor company.

**(3) Details of Allotments Related to the Company Split**

Hitachi will not allot shares or other assets to Hitachi Medical and Hitachi Aloka Medical as consideration for the Company Split.

**(4) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights of the Accompanying the Company Split**

Hitachi Medical and Hitachi Aloka Medical have not issued any stock acquisition rights or bonds with stock acquisition rights.

**(5) Capitalization Increases Accompanying the Company Split**

There will be no increase in Hitachi's capitalization as a result of the absorption-type company split.

**(6) Rights and Obligations Assumed by the Successor Company as a Result of the Company Split**

Hitachi will succeed to all rights and obligations of Hitachi Medical and Hitachi Aloka Medical to the extent stipulated in the Absorption-type Company Split Agreement, including assets, intellectual property, payables and receivables, statuses under contracts and labor agreements with Hitachi Medical's and Hitachi Aloka Medical's employees.

**(7) Prospect on Fulfillment of Obligations**

It is judged that there should be no concern about fulfilling all obligations that should be borne by Hitachi.

**2. Profile of the Parties of the Company Split**

**(1) Successor Company**

(1) Name	Hitachi, Ltd.
(2) Head office	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo
(3) Representative	Toshiaki Higashihara, President & COO
(4) Business	Development, manufacture and sales of products and provision of services across 9 segments; Information & Telecommunication Systems, Social Infrastructure & Industrial Systems, Electronic Systems & Equipment, Construction Machinery, High Functional Materials & Components, Automotive Systems, Smart Life & Ecofriendly Systems, Others (Logistics and Other services) and Financial Services.

(5) Capital	458,790 million yen										
(6) Established	February 1, 1920										
(7) Total number of issued shares	4,833,463,387 shares										
(8) Fiscal year-end	March										
(9) Major shareholders and shareholding (As of March 31, 2015)	<table> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td> <td>6.24%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (Trust Account)</td> <td>4.57%</td> </tr> <tr> <td>Hitachi Employees' Shareholding Association</td> <td>2.07%</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td>1.93%</td> </tr> <tr> <td>NATS CUMCO</td> <td>1.74%</td> </tr> </table>	The Master Trust Bank of Japan, Ltd. (Trust Account)	6.24%	Japan Trustee Services Bank, Ltd. (Trust Account)	4.57%	Hitachi Employees' Shareholding Association	2.07%	Nippon Life Insurance Company	1.93%	NATS CUMCO	1.74%
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Hitachi Employees' Shareholding Association	2.07%										
Nippon Life Insurance Company	1.93%										
NATS CUMCO	1.74%										
(10) Financial Conditions and Business Results for the Most Recent Fiscal Year (Consolidated/ IFRS) (Millions of yen unless otherwise specified)											
Total Hitachi, Ltd. Stockholders' equity	2,942,281										
Total assets	12,433,727										
Total Hitachi, Ltd. Stockholders' equity per share (yen)	609.35										
Revenues	9,774,930										
Income from continuing operations, before income taxes	518,994										
Net income attributable to Hitachi, Ltd. Stockholders	217,482										
Earnings per share attributable to Hitachi, Ltd. stockholders (Basic) (yen)	45.04										

## (2) Transferring Companies

	Transferring Company 1	Transferring Company 2
(1) Name	Hitachi Medical Corporation	Hitachi Aloka Medical, Ltd.
(2) Head office	4-14-1, Soto-Kanda, Chiyoda-ku, Tokyo	6-22-1, Mure, Mitaka-shi, Tokyo

(3) Representative	Akio Yamamoto, President	Yukitoshi Kiyomura, President
(4) Business	Development, manufacturing, sales and installation and maintenance services of Medical Systems and Information Systems	Manufacturing and sales of Medical Electronic Systems, General Analysis Systems, Medical Analysis Systems
(5) Capital	13,884 million yen	6,465 million yen
(6) Established	May 9, 1949	January 20, 1950
(7) Total number of issued shares	38,795,425 shares	27,355,375 shares
(8) Fiscal year-end	March	March
(9) Major shareholders and shareholding (As of March 31, 2015)	Hitachi, Ltd. 100%	Hitachi Medical Corporation 100%
(10) Financial Conditions and Business Results for the Most Recent Fiscal Year (Unconsolidated/ J-GAAP) (Millions of yen unless otherwise specified)		
Net assets	40,125	53,239
Total assets	108,082	68,622
Net assets per share (yen)	1,034.29	1,946.21
Revenues	83,298	57,027
Operating income	(4,163)	5,305
Ordinary income	(1,759)	5,775
Net income	(1,043)	3,621
Net income per share (yen)	(26.89)	132.39

### 3. Overview of Divisions to Be Transferred or Split

#### (1) Business in Divisions to Be Transferred or Split

Hitachi Medical's and Hitachi Aloka Medical's non-manufacturing divisions

#### (2) Business Results of Divisions to Be Transferred or Split (Total for Two Transferring Companies (Unconsolidated))

Revenues: JPY 140, 214 million (Year ended March 31, 2015)

**(3) Assets and Liabilities to Be Transferred or Split (Forecast for the end of March, 2016)**

(Millions of yen)

Classification	Details	Amount
Assets to be transferred	Parts of cash and deposit, other liquid assets related to the Divisions to Be Transferred, real estate assets, movable assets, intangible fixed assets, investment securities, capital investments, and other investment assets	174,700
Liabilities to be transferred	Liabilities related to the Divisions to Be Transferred	84,300
Net amount	-	90,400

**4. Status of Successor Company After the Company Split**

There will be no change in Hitachi's company name, head office location, representative's position or name, business activities, capital or fiscal year due to the Company Split.

**5. Status of Transferring Companies After the Company Split**

After the Company Split, as of April 1, 2016, an absorption-type merger will be executed, with Hitachi Medical as the surviving company and Hitachi Aloka Medical as the absorbed company. The profile of Hitachi Medical after the merger is as follows.

(1) Name	Hitachi Healthcare Manufacturing, Ltd.
(2) Head office	2-1 Shintoyofuta, Kashiwa-shi, Chiba
(3) Representative	Not yet determined
(4) Business	Manufacturing of Medical Systems, Medical Analysis Systems, General Analysis Systems and Medical Information Systems
(5) Capital	JPY 100 million
(6) Business sites	6 sites (Kashiwa-shi, Mobara-shi in Chiba, Oume-shi, Kokubunji-shi, Mitaka-shi in Tokyo, Iruma-shi in Saitama)
(7) Employees	Approximately 500 (Planned)
(8) Major shareholders and shareholding	Hitachi, Ltd. 100%

## 6. Outlook

The Company Split will have minor impact on the consolidated operating results of Hitachi.

(Reference)

Consolidated Business Forecasts for the Year Ending March 31, 2016 (announced on October 28, 2015) and Consolidated Operating Results for the Previous Fiscal Year

(Millions of yen)

	Revenues	Income from continuing operations, before income taxes	Net income	Net Income attributable to Hitachi, Ltd. Stockholders
Consolidated Business Forecasts for Fiscal 2015 (Year Ending March 31, 2016)	9,950,000	600,000	450,000	310,000
Consolidated Operating Results for Fiscal 2014 (Year Ended March 31, 2015)	9,774,930	518,994	343,418	217,482

### **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>.

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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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