

FOR IMMEDIATE RELEASE

Hitachi Expands its Air Conditioning Business under New Company “Hitachi Air Conditioning Europe SAS”

--Integrated business operation will include sales, manufacturing and services to improve customer experience--

MILAN, Italy, March 27, 2012 – Hitachi, Ltd. (NYSE:HIT / TSE:6501) today announced that it will establish a new company in Europe to incorporate all activities for air conditioning products, including sales, manufacture and service operations across the European market as of 1 April 2012. The new company will be called “Hitachi Air Conditioning Europe SAS”.

Hitachi and Hitachi Appliances, Inc., which operates the air conditioning business in the Hitachi Group, will reorganise the air conditioning business in Europe to strengthen its operation base in this market. This is based on Hitachi’s global strategies and is aimed at furthering global growth for the company, which is focusing on its Social Innovation Business.

Previously, Hitachi’s air conditioning business operated as two separate entities in Europe with manufacturing based in Barcelona⁽¹⁾, and sales, marketing and other operations run from the central office in Velizy, Paris⁽²⁾ with additional sales offices covering major European territories. The new Hitachi Air Conditioning Europe company will comprise these different operations under one management and leadership team, providing a very stable platform from which to grow Hitachi’s market penetration and share across a wide spectrum of products. Being able to adapt quickly to the needs and requirements of its partners and customers as well as to events, trends and market movements is a key driver behind the new organisation.

Kenichi Munakata, President of the newly formed Hitachi Air Conditioning Europe SAS, stated: “The creation of Hitachi’s new company in Europe is proof of the singular vision guiding our air conditioning business globally. For Europe,

⁽¹⁾ This company is known as Hitachi Air Conditioning Products Europe, S.A.

⁽²⁾ This business is known as Hitachi Europe Ltd.’s Air Conditioning and Refrigeration Group.

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it represents a considerable investment and highlights our commitment to the European market as a whole. Whilst the operations will not change from a geographical standpoint, this unification of our businesses will deliver further benefits to ultimately leverage the economies of scale and scope that such a change will deliver.”

David Oldroyd, Vice President and Managing Director of Hitachi Air Conditioning Europe SAS, said: “Moving to the new business structure will bring great benefits not only for our own organisation, but especially for our partners, distributors and customers. The change will enable Hitachi to be the leading support organisation, strengthening localised product development and production. In order to develop new and exciting products, we are looking forward to strengthening our product development team in Europe.”

Hitachi and Hitachi Appliances are conducting similar strategic reorganisations in its Indian and Chinese air conditioning business, pursuing a strategy of globalising its operation through localisation.

▪ **Outline of the new company Group**

Company Name	Hitachi Air Conditioning Europe SAS
Trading from	1 April 2012
Headquarter	Velizy-Villacoublay (78140), 18 rue Grange Dame Rose, France
Further Offices	5 offices in France, 2 offices in Italy, 2 offices in Spain, UK, Germany, Russia, Ireland
Manufacturing	Hitachi Air Conditioning Products Europe, S.A. (Barcelona, Spain)
Capital	7.8 million Euro
Number of Employees	424

These offices are supported by distributors in all other European countries.

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 totalled 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>.

About Hitachi Appliances, Inc.

Hitachi Appliances, Inc., headquartered in Tokyo, was established in April 1, 2006, through the merger of Hitachi Air Conditioning Systems Co., Ltd. and Hitachi Home & Life Solutions, Inc.

Its consolidated sales as on March 31, 2011 totalled 502 billion Yen. The company develops the the "Lifestyle Zone Solutions Business" for tomorrow's air conditioning, all-electric housing and home appliances.

For more information on Hitachi Appliances, please visit the company's Web site at <http://www.hitachi-ap.com/index.html>

About Hitachi Europe Ltd.

Hitachi Europe Ltd., is a wholly owned subsidiary of Hitachi, Ltd., Japan. Headquartered in Maidenhead, UK, it has operations in 11 countries across Europe, the Middle East and Africa and employs approximately 460 people.

Hitachi Europe comprises of nine business areas: rail systems; power and industrial systems; information systems; digital media and consumer products; display products; industrial components and equipment; air conditioning and refrigeration systems; manufacturing systems; and procurement and sourcing. Hitachi Europe also has three Research and Development laboratories and a design centre. For more information about the company, please visit <http://www.hitachi.eu>.

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.
