

FOR IMMEDIATE RELEASE

**Hitachi Announces the Merger of
Hitachi Information & Communication Engineering
and Hitachi Computer Peripherals**

– Establishment of One of Japan's Largest ICT System Engineering Operating Companies –

Tokyo, October 1, 2012 – Hitachi, Ltd. (TSE: 6501) today announced that its subsidiaries Hitachi Information & Communication Engineering and Hitachi Computer Peripherals, which comprise its Information & Telecommunication Systems Company, agreed to merge on April 1, 2013.

Hitachi Information & Communication Engineering and Hitachi Computer Peripherals fulfill core roles as engineering operating companies in the platform business of Hitachi's Information & Telecommunication Systems Company. The two companies mainly provide product design, development, manufacturing, evaluation and verification and related solutions, with Hitachi Information & Communication Engineering focusing mainly on servers and communications network equipment, and Hitachi Computer Peripherals focusing on storage products. Through this merger, the two companies will hone their design and development capabilities by achieving a dynamic development structure through the centralization and sharing of development resources such as equipment design, LSI design and embedded software. Leveraging these enhancement capabilities, both companies will work to expand the platform business and sharpen their competitiveness globally.

In recent years, the business environment surrounding IT has experienced drastic changes driven by trends such as the heightened importance of integrated platforms that seek to integrate servers, storage and operating systems to reduce the burden of systems integration, operation and management and the heightend importance of much faster and more highly reliable network systems. Other trends are the emergence of new service platforms such as cloud computing. Furthermore, needs related to IT systems are becoming increasingly diverse due to such factors as the globalization of business and the growing complexity of business models.

Hitachi is globally developing the Social Innovation Business, which provides advanced social infrastructure linked by IT, with the aim of driving further growth. As part of this, Hitachi is working to strengthen the Information & Telecommunication

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Systems business as one of the core operation of the Social Innovation Business. In the Information & Telecommunication Systems business, Hitachi has positioned three areas as core business fields: highly reliable cloud computing services, smart information and Big Data. On April 1, 2012, Hitachi integrated and reorganized divisions related to servers, storage, and communications networks, as well as cloud business, with the view to providing integrated platform solutions supporting the three core business fields. Through these measures, Hitachi is building a platform business structure that can rapidly address changes in the IT environment and diversifying needs ahead of competitors.

Hitachi is conducting the merger of Hitachi Information & Communication Engineering and Hitachi Computer Peripherals as part of these measures to strengthen business, and believes that the merger will further enhance the organizational structure of the Information & Telecommunications Systems business and contribute to expansion of the platform business. Going forward, the new company will fuse the two companies' strengths, namely their core technologies and know-how, with the aim of becoming the No.1 engineering operating company in the information & telecommunication systems field.

Overview of the Merging Companies

As of March 31, 2012

Company	Hitachi Information & Communication Engineering, Ltd.	Hitachi Computer Peripherals Co., Ltd.
Businesses	<ul style="list-style-type: none"> ● Embedded system engineering business ● ICT solution business ● Manufacturing support services business 	<ul style="list-style-type: none"> ● Storage-related engineering business ● Storage-related product/solutions business ● Image/equipment-related business
Established	September 21, 1965 (Started operating as Hitachi Information & Communication Engineering from October 1, 2006)	November 1, 1973 (Started operating as Hitachi Computer Peripherals from March 1, 1982)
Headquarters	Nishi-ku, Yokohama-shi, Kanagawa	Nakai-machi, Ashigarakami-gun, Kanagawa
Representative	Minoru Kosuge, President	Hidefumi Masuzaki, President
Capital Stock	1,000 million yen	400 million yen
Employees	2,702	841
Shareholder (Shareholding)	Hitachi, Ltd. (79%) Hitachi Systems, Ltd. (21%)	Hitachi, Ltd. (100%)

Overview of Merged Company⁽¹⁾

As of April 1, 2013 (Planned)

Headquarters	Nishi-ku, Yokohama-shi, Kanagawa
Businesses	<ul style="list-style-type: none">● Development, design, manufacturing, sale and repair of products related to ICT systems such as servers, storage and networks● Development, design, manufacturing and sale of ICT equipment, ICT systems, software, and production facilities and equipment, and provision of ancillary services, etc.
Capital Stock	1,000 million yen
Employees	Approximately 3,600

(1) All matters related to the new company other than the foregoing are currently under consideration.

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 320,000 employees worldwide. Fiscal 2011 (ended March 31, 2012) consolidated revenues totaled 9,665 billion yen (\$117.8 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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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.
