

FOR IMMEDIATE RELEASE

Hitachi Announces Realignment of Car Information Systems Business Through Corporate Split

Tokyo, December 6, 2012 – Hitachi, Ltd. (TSE: 6501, “Hitachi”) and Hitachi Automotive Systems, Ltd. (“Hitachi Automotive Systems”) today announced that the two companies have agreed to transfer the operations of the Car Information Systems (“CIS”)*¹ Division of Hitachi Automotive Systems to the Information & Telecommunication Systems Company of Hitachi on April 1, 2013.

The purpose of the transfer is to drive expansion and growth of the Hitachi Group’s CIS business and optimize the business structure in this field. Specifically, Hitachi will take over CIS design, development, sales and other functions via an absorption-type corporate split. Certain disclosures and details have been omitted as the corporate split is an absorption-type split where Hitachi will take over the business of a wholly owned subsidiary.

*¹ Car Information Systems(CIS): The system for realizing a new automotive society for the next generation combining ICT (Information & Communication Technology) services and solutions, and car information systems incorporated with in-car information terminals such as car navigation systems.

1. Purpose of Corporate Split

In recent years, information services utilizing broadband networks have attracted considerable attention for the convenience they provide. Against this backdrop, there are heightened expectations for improvements in in-car information services. Currently, CIS provides efficient services that make driving more convenient and comfortable. These services are made possible by linking in-car terminals with information centers via networks. For example, CIS provides drivers with constant updates on information that is constantly changing, such as the latest road map data, as well as traffic congestion data. Other services include electric vehicle (EV) driving support, such as information about EV battery conditions and recharging facilities, as well as telematics services using cloud computing. CIS strives to provide these services in close coordination with the platforms and services offered by Hitachi’s Information & Telecommunication Systems Company. Heightened demand for smart cities and other factors have created a need for CIS to develop collaborative services with infrastructure systems going forward. To this end, CIS must further strengthen coordination between its car information services and Hitachi’s platforms and services.

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Hitachi is concentrating on the Social Innovation Business, which aims to provide IT-enhanced social infrastructure on a global basis. In this context, the Information & Telecommunication Systems Company is promoting big data related businesses to generate new value and create business by utilizing the immense amount of data generated by various devices. At the same time, Hitachi is also promoting the smart information business, which will help to build a secure, safe and comfortable society by combining control and operation technologies in the social infrastructure field with advanced IT. Through the transfer of CIS within the Hitachi Group, Hitachi aims to enhance the competitiveness of car information device products, while driving expansion in big data, smart information and other businesses. Going forward, the Hitachi Group will work to establish a dominant position in the automotive ICT market, while striving to link automobiles with Central Energy Management Systems (CEMS) and Home Energy Management Systems (HEMS). In so doing, Hitachi aims to provide the markets with new solutions and services that answer the diverse needs that will arise in the coming era of smart cities.

2. Outline of the Corporate Split

(1) Corporate Split Schedule

Execution of Corporate Split Agreement	February 2013 (Tentative)
Scheduled Corporate Split Date (Effective Date)	April 1, 2013 (Tentative)

* The corporate split is deemed to be a simple absorption-type corporate split pursuant to Article 796, Paragraph 3 and Article 784, Paragraph 3 of the Companies Act of Japan. Therefore, Hitachi and Hitachi Automotive Systems do not plan to convene shareholders' meetings to obtain approval for the corporate split agreement.

(2) Corporate Split Method

This is an absorption-type split in which Hitachi Automotive Systems is the transferring company and Hitachi is the successor company.

(3) Others

Other details on the corporate split will be announced when they are determined.

3. Profile of the Parties of the Corporate Split

	Successor Company	Transferring Company
(1) Name	Hitachi, Ltd.	Hitachi Automotive Systems, Ltd.
(2) Head office	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo	2-1, Otemachi 2-chome, Chiyoda-ku, Tokyo
(3) Representative	Hiroaki Nakanishi, President	Kunihiko Ohnuma, President & CEO
(4) Business	Development, manufacture and sales of products and provision of services across 10 segments: Information & Telecommunication Systems, Power Systems, Social Infrastructure & Industrial Systems, Electronic Systems & Equipment, Construction Machinery, High Functional Materials & Components, Automotive Systems, Digital Media & Consumer Products, Financial Services, Others	Development, manufacture and sales of automotive components, transportation related components, industrial machines and systems, etc., and provision of related services
(5) Capital	439,262 million yen (As of September 30, 2012)	15,000 million yen (As of September 30, 2012)
(6) Established	February 1, 1920	July 1, 2009
(7) Number of issued shares	4,710,258,483 (As of September 30, 2012)	300,000 (As of September 30, 2012)
(8) Fiscal year end	March 31	March 31
(9) Major shareholders and shareholding	<ul style="list-style-type: none"> • The Master Trust Bank of Japan, Ltd. (Trust Account) 6.86% • Japan Trustee Services Bank, Ltd. (Trust Account) 6.42% • SSBT OD05 OMNIBUS ACCOUNT – TREATY CLIENTS 2.77% • Hitachi Employees' Shareholding Association 2.63% • State Street Bank and Trust Company 505224 2.44% (As of September 30, 2012)	Hitachi, Ltd. 100%
(10) Business Results and Financial Status for the Most Recent Fiscal Year (Millions of yen unless otherwise specified)		
Net assets	2,773,995 (Consolidated)	93,141 (Unconsolidated)
Total assets	9,418,526 (Consolidated)	265,186 (Unconsolidated)
Net assets per share (yen) ^{*1}	382.26 (Consolidated)	310,471.23 (Unconsolidated)
Revenues	9,665,883 (Consolidated)	406,069 (Unconsolidated)
Operating income	412,280 (Consolidated)	12,820 (Unconsolidated)
Ordinary income ^{*2}	557,730 (Consolidated)	18,732 (Unconsolidated)
Net income	347,179 (Consolidated)	26,634 (Unconsolidated)

Net income per share (yen)	76.81 (Consolidated)	88,780.86 (Unconsolidated)
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*1 Since Hitachi has been adopting U.S. accounting standards, this figure represents stockholders' equity per share.

*2 Since Hitachi has been adopting U.S. accounting standards, this figure represents income before income taxes.

4. Overview of the Business to Be Transferred

(1) Businesses of the Business to Be Transferred

Car information systems business for automotives such as the telematics business

(2) Other details concerning the business to be transferred will be announced as they are decided.

5. Status of Hitachi After the Corporate Split

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

6. Outlook

The corporate split will have no impact on the consolidated operating results of Hitachi.

(Reference) Consolidated Business Forecasts for the Year Ending March 31, 2013 (announced on October 30, 2012) and Consolidated Operating Results for the Previous Fiscal Year

(Millions of yen)

	Revenues	Operating Income	Income Before Income Taxes	Net Income Attributable to Hitachi, Ltd. Stockholders
Consolidated Business Forecasts for Fiscal 2012 (Year ending March 31, 2013)	9,000,000	480,000	400,000	200,000
Consolidated Operating Results for Fiscal 2011 (Year ended March 31, 2012)	9,665,883	412,280	557,730	347,179

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;
- the potential for significant losses on Hitachi’s investments in equity method affiliates;
- increased commoditization of information technology products and digital media-related products and intensifying price competition for such products, particularly in the Digital Media & Consumer Products segments;
- 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;
- rapid technological innovation;
- 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;
- 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;
- 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 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 affiliates 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 earthquakes, tsunamis or other natural disasters;
- 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, is a leading global electronics company with approximately 320,000 employees worldwide. Fiscal 2011 (ended March 31, 2012) consolidated revenues totalled 9,665 billion yen (\$117.8 billion). Hitachi is focusing more than ever on the Social Innovation Business, which includes information and telecommunication systems, power systems, industrial, transportation and urban development 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 Automotive Systems, Ltd.

Hitachi Automotive Systems, Ltd. is a wholly owned subsidiary of Hitachi, Ltd., headquartered in Tokyo, Japan. The company is engaged in the development, manufacture, sales and services of automotive components, transportation related components, industrial machines and systems, and offers a wide range of automotive systems including engine management systems, electric power train systems, drive control systems and car information systems. For more information, please visit the company's website at <http://www.hitachi-automotive.co.jp/en/>.

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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.
