

FOR IMMEDIATE RELEASE

Notification of Change in Capital Relationship between Hitachi and Hitachi Maxell

Tokyo, March 21, 2017 --- Hitachi, Ltd. (TSE: 6501, “Hitachi”) and Hitachi Maxell, Ltd. (TSE: 6810, “Hitachi Maxell”) today announced that there will be a change in the capital relationship between the two companies, associated with the partial transfer of Hitachi Maxell shares owned by Hitachi (the “share transfer”).

1. Outline of change in capital relationship

(1) Purpose

Hitachi has endeavored to improve asset efficiency and create cash as part of its efforts to promote growth by focusing on the Social Innovation Business. Meanwhile, since being listed on the Tokyo Stock Exchange on March 18, 2014, Hitachi Maxell has been focusing on its core fields related to human lifestyles (three core fields: automotive, home life & infrastructure, and health & beauty care), under a transparent and independent management structure, and has been implementing measures aimed at actively increasing the enterprise value, for example through M&As and business restructuring strengthen the management base.

Hitachi has been gradually selling off its owned shares in Hitachi Maxell to facilitate Hitachi Maxell’s management independence. This time, the two companies have decided to change their capital relationship and Hitachi transfers a part of its owned shares in Hitachi Maxell, as outlined below, in view of management efficiency for both companies and benefits for the shareholders.

(2) Outline of the share transfer

- a. Number of shares to be transferred: 7,800,000
(Ratio of owned voting rights: 14.76%)
- b. Transfer date: March 22, 2017
- c. Acquirer of shares: SMBC Nikko Securities Inc.

2. Relationship between Hitachi and Hitachi Maxell after change in capital relationship

As a result of the share transfer, Hitachi’s percentage ownership in Hitachi Maxell voting rights will become 14.76%, and Hitachi Maxell will no longer be an equity method company in Hitachi’s consolidated financial accounting. As of October 1, 2017, Hitachi Maxell will change its corporate name to “Maxell Holdings, Ltd. (Tentative name)” as a

token of its management independence, as put forward in its basic policies.

Even after the share transfer, Hitachi and Hitachi Maxell will keep their collaborative relationship in business fields such as energy storage system and automotive businesses, and in certain areas of R&D.

With the change in capital relationship and the transition to a holding company structure as announced on March 17, 2017, Hitachi Maxell will execute a variety of growth strategies supported by accelerated decision-making, including further growth in its three core fields, collaborations with a variety of companies, incorporation of outside resources through the execution of M&As, and enhancing brand strength.

3. Effects on business performance resulting from the change in capital relationship

The impact on Hitachi's consolidated financial results for the fiscal year ending March 2017 will be minimal. There will be no impact on Hitachi Maxell's consolidated financial results for the fiscal year ending March 2017.

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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.
