

**FOR IMMEDIATE RELEASE**

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**Hitachi Electronics Services and Hitachi Information Systems to Merge**  
Strengthening Structure for One-Stop Solutions to Support Entire IT Life Cycle

**Tokyo, Japan, March 28, 2011** – Hitachi, Ltd. (NYSE:HIT / TSE:6501) today announced that two companies within its Information & Telecommunication Systems Company – Hitachi Electronics Services Co., Ltd. (“HES”) and Hitachi Information Systems, Ltd. (“Hitachi Joho”) – have agreed to merge effective October 1, 2011, and will be rebranded as “Hitachi Systems, Ltd.” (provisional name, “the new company”). By consolidating their management resources, the two companies will leverage their combined strengths to reinforce the structure for providing one-stop solutions to support the entire IT life cycle, ranging from consulting for systems installation to operation and maintenance.

The IT environment has undergone major changes in recent years, including the appearance of cloud computing and other new service platforms, as well as advances in network technologies. In addition, the IT systems needs of customers are diversifying as businesses globalize and business models become more complex.

To respond to these changes, Hitachi has been strengthening its information and telecommunication systems business, which is a core competency within Hitachi. The information and telecommunications sector is a key component of Hitachi’s Social Innovation Business, and this move also supports Hitachi’s focus on expanding its Social Innovation Business. In February 2010, Hitachi Software Engineering Co., Ltd. (“Hitachi Software”), Hitachi Systems & Services, Ltd. (“Hitachi Systems”), and Hitachi Joho were made wholly owned subsidiaries, and in October Hitachi Software and Hitachi Systems were merged to create Hitachi Solutions, Ltd. Through these measures, Hitachi has strengthened its business structure by concentrating management resources, to respond to changes in the IT environment and the diversification of customer needs. This merger of HES and Hitachi Joho is intended to further strengthen the information and telecommunication systems business.

HES has 320 domestic service sites, and the company is highly regarded for its high-quality IT management and maintenance services that are closely tied to customers in the field and platform business solutions, which utilize the company's support capabilities. At the same time, Hitachi Joho has a wealth of experience and expertise in the proposal, design, and construction of operational systems, especially for local governments and the manufacturing and distributions industries. It also has a proven track record at the data centers it currently operates throughout Japan.

Through this merger, the new company will concentrate the management resources developed by both companies over their histories to strengthen the structure for providing one-stop solutions that are tailored to customers in all regions throughout Japan, and add value to Hitachi's systems operation and maintenance services. The new company will also reinforce the foundation for the cloud computing business, primarily through the data center services business, while at the same time further expanding the domestic business that is backed by roughly 50 years of experience at both companies, and strengthening the global business by providing support to Japanese companies as they expand overseas.

**1. Overview of the Merging Companies**

As of December 31, 2010

(1) Company	Hitachi Electronics Services Co., Ltd.	Hitachi Information Systems, Ltd.
(2) Business	Integrated support services and solutions for info- and communication systems (Software Development, Information & Telecommunications Equipment Sales, System Operation & Maintenance)	<ul style="list-style-type: none"> <li>·System Operation</li> <li>·System Integration</li> <li>·Equipment &amp; Supplies Sales</li> </ul>
(3) Established	October 1, 1962	June 15, 1959
(4) Representative	Tsugio Momose, President and Chief Executive Officer	Iwao Hara, President and Chief Executive Officer
(5) Capital stock	6,000 million yen	13,162 million yen
(6) Employees	8,204 (consolidated)	7,704 (consolidated)
(7) Fiscal year-end	March 31	March 31
(8) Shareholder (Shareholding)	Hitachi, Ltd. (100%)	Hitachi, Ltd. (100%)

**2. Overview of Merged Company**

As of October 1, 2011 (Planned)

(1) Company	Hitachi Systems, Ltd.
(2) Businesses	<ul style="list-style-type: none"> <li>• System Integration</li> <li>• System Operation, Monitoring, Maintenance</li> <li>• Network Service</li> <li>• Information Equipment &amp; Software Sales, Development</li> </ul>
(3) Representative	Naoya Takahashi, President and Chief Executive Officer
(4) Capital stock	19,162million yen (Planned)
(5) Employees	Approx. 16,000 (consolidated)
(6) Fiscal year-end	March 31
(7) Shareholder (Shareholding)	Hitachi, Ltd. (100%)

Hitachi's Information & Telecommunication Systems Company, which includes Hitachi Densa and Hitachi Joho, will also support the reconstruction efforts of customers that suffered damage from the recent earthquake in northeastern Japan through cloud computing and various other IT solutions.

**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 2009 (ended March 31, 2010) consolidated revenues totaled 8,968 billion yen (\$96.4 billion). Hitachi will focus more than ever on the "Social Innovation Business," which includes information & 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 Electronics Services Co., Ltd.**

Hitachi Electronics Services was established in 1962 as the company responsible for maintaining the Hitachi Group's computers and information systems. Today, the company is a one-stop "integrated support services and solutions" company for the entire information systems life cycle, from planning and procurement to design and construction, installation, operation, and maintenance.

The Hitachi Electronics Services Group has approximately 8,200 employees, with 320 service sites throughout Japan and nine overseas. With a track record built up over half

a century, particularly in operation and maintenance services, and an advanced infrastructure via Hitachi Solution Support Centers, the Group provides customers with optimal solutions in addition to 24-hour, 365-day protection for their information systems. For more information on Hitachi Electronics Services, please visit the company's website at <http://www.hitachi-densa.co.jp/english>

**About Hitachi Information Systems, Ltd.**

Hitachi Information Systems is a leading provider of integrated IT services to various industries, including systems integration using a wide range of enterprise packages, network services to support those systems, and system operations via a nationwide network of data centers. Using its industry specialization and operational expertise developed over many years, the company develops and provides virtualization solutions, cloud computing, and other services that accurately address customers' needs. The company is also pursuing global development, primarily through operations in Asia, to strengthen its support structure for customers' global expansion. For more information on Hitachi Information Systems, please visit the company's website at <http://www.hitachijoho.com/eng/company>

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