

News Release

FOR IMMEDIATE RELEASE

**Hitachi Announces
Merger of Hitachi Consumer Marketing and Hitachi Appliances
to Handle Home Appliance and A/C Businesses**

Lifestyle solution company to be kicked off to provide richer lifestyles for customers

Tokyo, October 1, 2018 --- Hitachi, Ltd. (TSE:6501, “Hitachi”) announced today that as of April 1, 2019, a new company will be established to provide solutions that offer richer lifestyles for customers. The new company will be formed through a merger of Hitachi Consumer Marketing, Inc. (“Hitachi Consumer Marketing”), which has been involved in sales and service for home appliances and air conditioners, and Hitachi Appliances, Inc. (“Hitachi Appliances”), which has handled design and manufacturing. As the lifestyles of customers throughout the world become increasingly diverse due to changes in social structures and the development of digitalization, the kickoff of this new company will bring about an evolution into a business entity that can respond quickly to changes, in order to provide valuable products and services. It will strive to become a lifestyle solution company that improves Quality of Life for people throughout the world, by resolving lifestyle issues close to the customers.

In its 2018 Mid-term Management Plan, and as part of its efforts to become an innovation partner in the IoT era, Hitachi has positioned “Power/Energy,” “Industry/ Distribution/Water,” “Urban,” and “Finance/Social/Healthcare” as its four focus business domains, and is promoting the Social Innovation Business – which strives to resolve issues for customers and for society as a whole – on a global scale. Positioned in the “Urban” domain, and based on the business slogan “360° Happiness,” the new company will utilize digital technologies to offer services that improve Quality of Life and achieve further growth in the products business. In order to respond to diversifying customer lifestyles, by providing products and services, it will deliver solutions to customers’ issues quickly, and in a one-stop format.

Following is an outline of the form that the new company is expected to take.

1. Listen closely to the voices of customers, and respond quickly and accurately to lifestyle issues

By integrating the value chain, from product planning through to design, manufacturing, sales, and after-sales service, the new company will reflect the voices of customers throughout the world more quickly and accurately in products and services, and provide solutions to customers' lifestyle issues.

2. Create new solutions that leverage the Hitachi Group's strengths

The company will create new lifestyle solutions by combining its own products and services with the Hitachi Group's IT, OT, and products. In addition, using the Lumada, it will undertake active measures in new business fields such as "Smart home" and "Smart City."

3. Establish an energetic corporate culture comprising diverse human resources

The new company will bring unprecedented value to customers' lifestyles based on fresh and innovative ideas by combining diverse human resources from Hitachi Consumer Marketing and Hitachi Appliances, and by establishing a corporate culture that is overflowing with energy and where each and every employee can demonstrate his or her full potential.

As a Hitachi Group company handling the Smart Life & Ecofriendly Systems business, which is closest to people's everyday lives, the new company will strive to expand the Social Innovation Business on a global scale.

Outline of merged company: Hitachi Consumer Marketing, Inc. [as of March 31, 2018]

Corporate Name	Hitachi Consumer Marketing, Inc.
Principal Office	Minato Ward, Tokyo
Outline of Business	Sales, engineering, and maintenance services involving home appliances, lighting, and residential fixtures and devices
Established	April 1, 2003
Representative	President: Toshiaki Sudo
Capital	3 billion yen
Number of Employees	Approx. 3,000 (consolidated)
Main Shareholders and Shareholding Ratios	Hitachi, Ltd.: 100%

Outline of merged company: Hitachi Appliances, Inc. [as of March 31, 2018]

Corporate Name	Hitachi Appliances, Inc.
Principal Office	Minato Ward, Tokyo
Outline of Business	Development, manufacture, and sales of kitchen and home appliances, lighting, and residential fixtures and devices, as well as sales and maintenance services for freezing and air-conditioning devices
Established	April 1, 2006
Representative	President: Toshiaki Tokunaga
Capital	20 billion yen
Number of Employees	Approx. 8,300 (consolidated)
Main Shareholders and Shareholding Ratios	Hitachi, Ltd.: 100%

Outline of the new company* [April 1, 2019 (tentative)]

Corporate Name	To be announced
Principal Office	Minato Ward, Tokyo
Outline of Business	Development, manufacture, sales, engineering, and maintenance services involving home appliances, lighting, and residential fixtures and devices, as well as sales and maintenance services for freezing and air-conditioning devices
Capital	20 billion yen
Number of Employees	Approx. 11,300 (consolidated)
Main Shareholders and Shareholding Ratios	Hitachi, Ltd.: 100%

* Items related to the new company other than those noted above are undetermined.

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, delivers innovations that answer society's challenges, combining its operational technology, information technology, and products/systems. The company's consolidated revenues for fiscal 2017 (ended March 31, 2018) totaled 9,368.6 billion yen (\$88.4 billion). The Hitachi Group is an innovation partner for the IoT era, and it has approximately 307,000 employees worldwide. Through collaborative creation with customers, Hitachi is deploying Social Innovation Business using digital technologies in a broad range of sectors, including Power/Energy, Industry/Distribution/Water, Urban Development, and Finance/Social Infrastructure/Healthcare. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

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