

Hitachi and UMC Electronics Reach a Basic Agreement on Collaboration for Strengthening Manufacturing

Tokyo, April 3, 2018 --- Hitachi, Ltd. (TSE:6501, “Hitachi”) and UMC Electronics Co., Ltd. (TSE:6615 “UMC Electronics”) today announced that the companies reached a basic agreement on collaboration for strengthening manufacturing in the IT product field, including server, storage, network equipment. Under this agreement, UMC Electronics will acquire stocks of Hitachi Information & Telecommunication Manufacturing, Ltd. (“HITM”), a wholly owned subsidiary of Hitachi, as well as the manufacturing assets of the related manufacturing bases owned by Hitachi. In the future, Hitachi and UMC Electronics will expand this business to collaborate on the development of a new market.

Hitachi has promoted strengthening the manufacturing structure and has provided high-quality and highly-reliable IT products for its customers. By merging its capabilities with UMC Electronics’s manufacturing capabilities acquired through volume operation while continuously utilizing the manufacturing technologies, know-how and manufacturing bases that Hitachi has owned over the years, Hitachi will domestically and internationally provide a wide range of customers with high-quality and cost-competitive Hitachi-brand products as in the past, aiming for further contributions to the Social Innovation Business.

UMC Electronics is the contract manufacturer which produces electronically controlled equipment for a hybrid vehicle’s power supply system utilized at the largest Japanese automobile company for the first time. As cutting-edge EMS*, it delivers a variety of products to major companies in a wide range of industries, including automotive, industrial equipment and office automation systems. As a result of this collaboration, UMC Electronics will promote manufacturing on a systems level, enabling the manufacturing, function test and shipping of large-sized systems as a completed product, in addition to electronically controlled equipment embedded in a mounting board or aluminum die casting. Under the collaboration, UMC Electronics by continuing to manufacture and provide high-quality Hitachi products and will aim to acquire new business and expand our manufacturing capacity in Japan.

In the future, by merging high-quality manufacturing capabilities for a wide range of customers in Japan and overseas, cost competitiveness acquired through volume

operation and speedy manufacturing capabilities, from parts procurement to manufacturing and shipping systems, and by establishing a new competitive manufacturing business model, Hitachi and UMC Electronics will aim for further global growth, including the data center market in which demand is rapidly expanding following IoT trends and digitalization, such as autonomous driving, robotics control and Fintech.

* EMS: Electronics Manufacturing Service

1. Outline of stocks to be acquired by UMC Electronics Co., Ltd.

Total number of	1 st Phase: 851 stocks (85.1%), 2 nd Phase: 119 stocks(11.9%)
Date of acquisition	1 st Phase: July 2018(planned), 2 nd Phase: April 2021(planned)

2. Assets to be acquired by UMC Electronics Co., Ltd.

Applicable assets	<ul style="list-style-type: none">•Stocks of Hitachi Information & Telecommunication Manufacturing, Ltd.•Manufacturing facilities of Kanagawa and Koriyama Site owned by Hitachi.Building and real estate of Kanagawa Site owned by Hitachi.
-------------------	--

3. Outline of Hitachi Information & Telecommunication Manufacturing, Ltd. (as of April 1, 2018)

Trade name	Hitachi Information & Telecommunication Manufacturing, Ltd.
Representative	President and Representative Director Koji Saito
Capital	50 million yen
Address of headquarters	1 Horiyamashita, Hadano, Kanagawa pre. Japan
Date of foundation	February 21 ,1996
Business description	Printed Circuit Board Assembly of IT platform related products Final Assembly & Test of IT platform related products Mounting Design of Printed Circuit Board of IT platform related products and others
Stock holder	Hitachi, Ltd. holds 100% of the stocks

4. Outline of UMC Electronics Co., Ltd.

Trade name	UMC Electronics Co., Ltd.
Representative	Representative Director President and CEO Shigeki Uchiyama
Capital	1,334 million yen
Address of headquarters	721 Kawarabuki, Ageo, Saitama pre. Japan
Date of foundation	January 5, 1968
Sales amount	111,915 million yen Fiscal 2016 (ended March 31, 2017)
Number of employees	11,593 (as of March 31,2017)
Business description	Electronics systems contract manufacturer and a leading EMS services supplier to Automotive, Industrial systems, Office automation systems, Information & Communication systems and Consumer appliances customers.

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, delivers innovations that answer society's challenges. The company's consolidated revenues for fiscal 2016 (ended March 31, 2017) totaled 9,162.2 billion yen (\$81.8 billion). The Hitachi Group is a global leader in the Social Innovation Business, and it has approximately 304,000 employees worldwide. Through collaborative creation, Hitachi is providing solutions to customers in a broad range of sectors, including Power / Energy, Industry / Distribution / Water, Urban Development, and Finance / Government & Public / Healthcare. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

About UMC ELECTRONICS Co., Ltd.

UMC Electronics Co., Ltd. (TSE: 6615), headquartered in Saitama, Japan, is a leading contract manufacturer to Automotive, Industrial and Office automation customers. The company's consolidated revenues for fiscal 2016 (ended March 31, 2017) totaled 111,915 million yen. UMC Electronics has factories in China, Vietnam, Thailand and Mexico as well as in Japan. The company develops and produces autonomous manufacturing systems by itself to produce the products with stringent automotive standards and it has approximately 11,600 employees worldwide. For more information on UMC Electronics, please visit the company's website at http://www.umc.co.jp/?ml_lang=en