

FOR IMMEDIATE RELEASE

Hitachi to Transfer Shares in Hitachi Security Service to ALSOK

*Aims to combine the strengths and expertise of both companies,
and improve competitiveness in the security field*

Tokyo, Japan, December 6, 2016 --- Hitachi, Ltd. (TSE:6501, "Hitachi") and SOHGO SECURITY SERVICES CO., LTD. (TSE:2331, "ALSOK") announced today that they have completed a contract involving the transfer of 90% of Hitachi's ordinary shares in Hitachi Security Service Co., Ltd. ("Hitachi Security Service"), a consolidated subsidiary of Hitachi, to ALSOK.

Recently, in keeping with technological progress, there has been a diversification in needs related to "safety and peace of mind" in people's daily lives, and in the infrastructures that support those lifestyles. The scope of the security business is expanding, from the realm of homes and offices, as in the past, to include all aspects of social infrastructures, including power plants and other public facilities, railways and other transportation facilities, hospitals, and social welfare facilities. The scope of this business is expected to expand even further in the future.

In this backdrop, Hitachi and ALSOK have reached an agreement to transfer 90% of Hitachi's ordinary shares in Hitachi Security Service to ALSOK. As a result, Hitachi Security Service will become a consolidated subsidiary of ALSOK. The two companies will further expand this business by combining the Hitachi Security Service's know-how in around-the-clock and mechanical security, which has been cultivated mainly at Hitachi's facilities, with ALSOK's strengths as a leading company in this industry, including a robust business structure that enables security staff to be dispatched quickly to any location in Japan, 24 hours a day, 365 days a year.

By sharing the business platforms that both companies have cultivated, for example in the form of their customer bases, manpower resources, and know-how, ALSOK and Hitachi Security Service will provide even higher added value services, and will contribute to achieving safety and peace of mind throughout society, in response to increasingly diverse needs.

This transfer of shares will not have a significant effect on the consolidated business performance of either Hitachi or ALSOK.

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1. Outline of SOHGO SECURITY SERVICES CO., LTD.

(1) Name	SOHGO SECURITY SERVICES CO., LTD.
(2) Representative	President and Representative Director, and Chief Operating Officer: Yukiyasu Aoyama
(3) Head Office	1-6-6 Motoakasaka, Minato-ku, Tokyo
(4) Established	July 16, 1965
(5) Outline of Business	Security Services, General Property Management and Fire Protection Services, Long-term Care and Other Services
(6) End of Accounting Period	March 31
(7) Revenues	381.8 billion yen (Fiscal Year Ended March 31, 2016)
(8) Employees	31,446 (as of March 31, 2016)
(9) Capital	18.675 billion yen (as of March 31, 2016)
(10) Major Shareholders	SOHGO CORPORATION: 7.24% Saitama Machinery Co., Ltd.: 5.17% Employees Shareholding Association: 4.75% (as of March 31, 2016)

2. Outline of Hitachi Security Services Co., Ltd.

(1) Name	Hitachi Security Service Co., Ltd.
(2) Representative	President and Director: Tadashi Miyahara
(3) Head Office	3 Neribeicho, Chiyoda-ku, Tokyo
(4) Established	February 21, 1997
(5) Outline of Business	Security Services
(6) End of Accounting Period	March 31
(7) Revenues	8.14 billion yen (Fiscal Year Ended March 31, 2016)
(8) Employees	1,203 (as of March 31, 2016)
(9) Capital	0.1 billion yen (as of March 31, 2016)
(10) Shareholders	Hitachi, Ltd.: 2,000 shares (100%) (as of March 31, 2016)

3. Schedule

Execution of the share purchase agreement	December 6, 2016
Effective date of transfer of shares	February 1, 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.
