

News Release

FOR IMMEDIATE RELEASE

Ongoing Discussion on the projects of Mitsubishi Hitachi Power Systems, Ltd. in the Republic of South Africa

Tokyo, February 8, 2017 --- Hitachi, Ltd. (TSE:6501, "Hitachi") commented on the captioned matter as follows.

Hitachi has been discussing with Mitsubishi Heavy Industries, Ltd. ("MHI") a transfer price adjustment regarding certain boiler construction projects ("Projects") in the Republic of South Africa that involves Mitsubishi Hitachi Power Systems, Ltd., the joint venture company that integrated the respective thermal power generation system businesses of MHI and Hitachi, and such discussion is still ongoing. Hitachi hereby explains in this press release the status on the discussion.

On March 31, 2016, MHI requested Hitachi to pay ZAR 48,200 million (approximately ¥379.0 billion when ZAR 1 = ¥7.87) as a portion of transfer price adjustment, etc. Hitachi replied to MHI on April 6, 2016 that the request lacked legal grounds under any agreement and thus Hitachi cannot accept it.

On January 31, 2017, MHI increased the amount above and requested Hitachi to pay ZAR 89,700 million (approximately ¥763.4 billion when ZAR 1 = ¥8.51). While Hitachi cannot accept the request since it lacks legal grounds under any agreement as well as the request of March 2016 does, Hitachi intends to continue further discussion with MHI.

Hitachi has prepared its accounting properly based on reasonable estimates, in light of how the discussion regarding the Projects has been going on.

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 2015 (ended March 31, 2016) totaled 10,034.3 billion yen (\$88.8 billion). The Hitachi Group is a global leader in the Social Innovation Business, and it has approximately 335,000 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>.

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