

January 17, 2019

Toshiaki Higashihara
President & CEO
Hitachi, Ltd.

Remarks on Suspension of UK Nuclear Power Stations Construction Project at the Meeting for Media, Investors & Analysts (Summary)

I would like to report that at the Board of Directors meeting held today we decided to suspend the titled project (“Horizon Project”).

Since Hitachi acquired Horizon Nuclear Power Limited in 2012, we have been stepping utmost efforts to supply clean energy which does not emit CO2 by constructing nuclear power stations with two units of ABWR*1 which complies with the UK regulations and cost requirement, based on the reactor which has an extensive construction and operation track record in Japan.

In 2017, ABWR for UK was technologically certified by receiving GDA*2 approval from the UK regulatory authority. Following that, in 2018, we have officially started discussions with the UK Government over the financial structure. We are extremely grateful for the UK Government’s various supports and proposals and the Japanese Government’s cooperation during this time.

However, Hitachi has decided to suspend the Horizon Project from the viewpoint of its economic rationality as a private enterprise, as it is now clear that more time is needed to develop a financial structure for the Horizon Project .

Through the various initiatives implemented to date, Hitachi as a whole has gained the strength to steadily generate profits. We are making our best effort to achieve the 8% adjusted operating income ratio target under the 2018 Mid-Term Management Plan. At present, we expect a positive net income attributable to Hitachi, Ltd. stockholders even after recording the latest costs and our continued financial soundness is also ensured.

Hitachi will continue accelerating initiatives for further growth.

*1 Advanced Boiling Water Reactor

*2 Generic Design Assessment

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