

News Release

FOR IMMEDIATE RELEASE

Hitachi to Reorganize IP Telephony-related Products Business for Information & Telecommunication Systems Company

Tokyo, December 2, 2013 – Hitachi, Ltd. (TSE: 6501, “Hitachi”) today announced its plans to reorganize the IP telephony^{*1}-related products business within the Hitachi Group, with aim of strengthening the products, centered on private branch exchanges (PBXs). Specifically, design, development and manufacturing functions for Hitachi IP telephony-related products will be transferred to Hitachi Information & Telecommunication Engineering, Ltd. (“Hitachi Information & Telecommunication Engineering”) by the end of March 2014. Furthermore, sales functions targeting Hitachi partner companies will be transferred^{*2} to Hitachi Systems, Ltd. (“Hitachi Systems”). At the same time, Hitachi Communication Networks, Ltd. (“Hitachi Communication Networks”), which sells, installs and provides maintenance services for IP telephony-related products will become a subsidiary of Hitachi Systems, Ltd. to consolidate sales functions. Hitachi will continue to provide solutions utilizing IP telephony-related products, particularly for large-scale systems.

Hitachi Information & Telecommunication Engineering performs a core role as an engineering operating company in the platform business of Hitachi’s Information & Telecommunication Systems Business. It is mainly engaged in the design and development of servers, storage products, and communications networking devices as well as provides related solutions. Through this business transfer, design and development capabilities will be enhanced by achieving a dynamic development structure through the centralization and sharing of development resources for IP telephony-related products. This should in turn enhance product competitiveness.

Hitachi Systems is a core company of Hitachi’s Information & Telecommunication Systems Business. It provides one-stop services covering the entire IT lifecycle, extending from system consulting to integration, installation, operation and maintenance. In addition to selling IP telephony-related products, the company has an extensive track record in service fields related to network services and other areas. The transfer of sales functions and consolidation of Hitachi Communication Networks announced today is intended to enhance the system for providing one-stop services related to IP telephony, and at the same time to promote the provision of new services that combine related services of each company.

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Hitachi is targeting further growth through global expansion of its Social Innovation Business. To this end, Hitachi is strengthening the Information & Telecommunication Systems business as a core operation of the Social Innovation Business. In particular, Hitachi is working on a Group-wide basis to create structures for providing platforms and solutions that can quickly respond to changes in the market environment and diversifying needs. Hitachi aims to increase competitiveness in IP telephony-related products and expand related solutions businesses in the Information & Telecommunication Systems Business through the restructuring announced today.

*1 IP telephony: Internal telephone system for corporations that uses PBX, business phone and other products.

*2 Direct sales functions were transferred from Hitachi to Hitachi Systems in April 2012.

About Hitachi Information & Telecommunication Engineering

As of April 1, 2013

Company	Hitachi Information & Telecommunication Engineering, Ltd.
Headquarters	Nishi-ku, Yokohama-shi, Kanagawa
Businesses	<ul style="list-style-type: none"> ● Development, design, manufacturing, sale and repair of products related to ICT systems such as servers, storage and networks ● Development, design, manufacturing and sale of ICT equipment, ICT systems, software, and production facilities and equipment, and provision of ancillary services, etc.
Established	September 21, 1965
Representative	Minoru Kosuge, President and Chief Executive Officer
Capital Stock	1,000 million yen
Employees	3,540
Shareholder (Shareholding)	Hitachi, Ltd. (100%)

About Hitachi Systems

As of March 31, 2013

Company	Hitachi Systems, Ltd.
Headquarters	Shinagawa-ku, Tokyo
Businesses	<ul style="list-style-type: none"> ● System integration business ● System operation, monitoring, and maintenance business ● Network service business ● Sale and development of information-related equipment and software
Established	October 1, 1962
Representative	Naoya Takahashi, President and Chief Executive Officer
Capital Stock	19,162 million yen
Employees	10,851
Shareholder (Shareholding)	Hitachi, Ltd. (100%)

About Hitachi Communication Networks

As of March 31, 2013

Company	Hitachi Communication Networks, Ltd.
Headquarters	Ota-ku, Tokyo
Businesses	<ul style="list-style-type: none">● Sale, installation and maintenance of electrical, electronic and communications equipment● Development and sale of systems for computers and communications equipment● Development and sale of information processing equipment software
Established	December 1, 1965
Representative	Satoshi Kawamata, President
Capital Stock	121 million yen
Employees	250
Shareholder (Shareholding)	Hitachi, Ltd. (100%)

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 326,000 employees worldwide. The company's consolidated revenues for fiscal 2012 (ended March 31, 2013) totaled 9,041 billion yen (\$96.1 billion). Hitachi is focusing more than ever on the Social Innovation Business, which includes infrastructure systems, information & telecommunication systems, power systems, construction machinery, high functional material & components, automotive systems and others.

For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

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