

FOR IMMEDIATE RELEASE

**Hitachi to Merge RO Membrane System Subsidiary
and Water Facilities Engineering Subsidiary in Singapore**

Strengthening the Water and Environmental Solutions Business
in Asia and island countries

Tokyo, Japan, March 18, 2016 --- Hitachi, Ltd. (TSE:6501, “Hitachi”) announced today that it has decided to merge Hitachi Aqua-Tech Engineering Pte. Ltd. (Managing Director: Tang Chay Wee; “Hitachi Aqua-Tech”), which handles the design, manufacturing, sales, and maintenance of reverse osmosis (RO) membrane systems, and Aqua Works and Engineering Pte. Ltd. (CEO: Terry Chang; “Aqua Works”), an engineering company that handles water related facilities for condominiums as well as commercial and public facilities. Hitachi Aqua-Tech, which is located in the Republic of Singapore, is a 100% owned subsidiary of Hitachi Infrastructure Systems (Asia) Pte. Ltd. (President: Masaaki Otake), Hitachi’s regional supervising company for the infrastructure systems business in Southeast Asia. Following the merger, which is scheduled to take place on April 1, 2016, Hitachi Aqua-Tech will be the surviving company.

The goal of this merger is to further strengthen the Water and Environmental Solutions Business targeting resorts, commercial facilities, and high-rise condominiums in Asia and island countries. In addition to strengthening comprehensive proposal capabilities by combining Hitachi Aqua-Tech’s RO membrane systems with Aqua Works’ water landscape facilities and further expanding new project opportunities through both companies’ customer bases, Hitachi will strive to increase management efficiency through the aggregation of management resources. After the merger, in 2018, Hitachi Aqua-Tech will aim for annual revenues of approximately 38 million Singapore dollars (approx. 3 billion yen) in Asia and island countries, with a particular focus on Singapore and the Maldives.

Currently, amid demands for the effective use of limited water resources, RO membrane systems are used as a core product in seawater desalinization systems for securing drinking water, and water treatment systems that enable consumer and commercial wastewater to be reused, for example as industrial water. At resorts and in emerging countries in Asia, Hitachi expects to see an increase in demand for RO membrane systems, and also for landscape facilities that use water, such as fountains and pools.

In the midst of these trends, the Hitachi Group acquired Hitachi Aqua-Tech, which has an extensive track record of RO membrane system sales in Singapore and the

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Maldives, in January 2009, and acquired Aqua Works, which has delivered numerous landscape facilities using water (e.g., fountains and pools), mainly in Singapore, in January 2015, and has been promoting the centralized operation of these two companies through the mutual use of products and resources. Now, by merging these two companies, it will generate even further synergistic effects, and strengthen the Water and Environmental Solutions Business targeting resorts, commercial facilities, and high-rise condominiums in Asia and island countries.

The Hitachi Group has positioned the Water and Environmental Solutions Business as a core field in the context of the Social Innovation Business. It will continue to strengthen collaborations with customers and partner companies, and will leverage the Hitachi Group's comprehensive capabilities to strengthen and expand the global rollout of the Water and Environmental Solutions Business.

■Outline of Hitachi Aqua-Tech (as of April 1, 2016)

Company name	Hitachi Aqua-Tech Engineering Pte. Ltd.
Head Office	Singapore
Outline of business operations	- Design, manufacture, sales, and maintenance of RO membrane systems - Design, engineering, construction, and maintenance of landscape facilities using water (e.g., fountains and pools) for commercial facilities and condominiums
Managing Director	Tang Chay Wee
Established	1977
Shareholders	Hitachi Infrastructure Systems (Asia) Pte. Ltd.: 100%
Capital	Approx. 2 million Singapore dollars
Sales	Approx. 31 million Singapore dollars (approx. 2.5 billion yen) (forecast for FY2015)
Number of employees	Approx. 150

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, delivers innovations that answer society's challenges with our talented team and proven experience in global markets. The company's consolidated revenues for fiscal 2014 (ended March 31, 2015) totaled 9,761 billion yen (\$81.3 billion). Hitachi is focusing more than ever on the Social Innovation Business, which includes power & infrastructure systems, information & telecommunication systems, construction machinery, high functional materials & components, automotive systems, healthcare and others. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

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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.
