

Hitachi and Hitachi Industrial Equipment Systems Sign Corporate Split Agreement

TOKYO, February 17, 2009 --- Hitachi, Ltd. (NYSE:HIT/TSE:6501) and Hitachi Industrial Equipment Systems Co., Ltd. have today signed a Corporate Split Agreement regarding the transfer of the small air compressor business on which both companies basically agreed on November 28, 2008.

This move will transfer Hitachi's small air compressor business to Hitachi Industrial Equipment Systems as of April 1, 2009, with the aim of optimizing the Hitachi Group's business structure and driving further expansion and growth in the compressor business.

Overview of the Corporate Split

(1) Corporate Split Schedule

February 17, 2009	Entering into Corporate Split Agreement
April 1, 2009	Effective Date of Corporate Split ("Corporate Split Date")

- This corporate split is deemed to be a simplified corporate separation pursuant to Article 784, Paragraph 3 of the Company Law of Japan. Therefore, Hitachi does not plan to convene a shareholders' meeting to seek approval for the corporate split agreement.

(2) Method of Corporate Split

This will be an absorption-type corporate split where Hitachi is the company transferring the small air compressor business and Hitachi Industrial Equipment Systems, which is a wholly owned subsidiary of Hitachi, is the successor company.

(3) Decrease in Capital and Capital Reserves of Hitachi Owing to Corporate Split

The corporate split will not cause any decrease in Hitachi's capital or capital reserves.

(4) Treatment of Hitachi Stock Acquisition Rights and Bonds with Stock Acquisition Rights

On the occasion of the corporate split, persons holding Hitachi's stock acquisition rights will not be granted Hitachi Industrial Equipment Systems's stock acquisitions rights in place thereof.

(5) Rights and Obligations Transferred to Hitachi Industrial Equipment Systems

Hitachi will transfer to Hitachi Industrial Equipment Systems all assets, liabilities and contractual status in contracts relating to the businesses to be separated as of the day prior to the Corporate Split Date.

(6) Outlook for Fulfillment of Financial Obligations

Hitachi and Hitachi Industrial Equipment Systems have concluded that they have the capability to fulfill the obligations of the respective companies whose maturity date comes on and after the Corporate Split Date.

(Note) Please see Hitachi's news release on November 28, 2008 titled "Hitachi to Realign Small Air Compressor Business by Corporate Division" for the profile of the business operation to be transferred etc.

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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.
