

FOR IMMEDIATE RELEASE

**Hitachi Software Engineering and Hitachi Systems & Services to Merge
To Strengthen Systems Solutions Business as Hitachi Solutions, Ltd.**

Tokyo, February 24, 2010 --- Hitachi, Ltd. (NYSE:HIT / TSE:6501) today announced that two group companies that are part of the Information & Telecommunication Systems Company—Hitachi Software Engineering Co., Ltd. and Hitachi Systems & Services, Ltd.—have agreed to merge on October 1, 2010 to form Hitachi Solutions, Ltd. The primary goal for this merger is to strengthen marketplace competitiveness by enhancing systems solutions-providing capabilities through the harnessing of both companies' management resources.

In recent years, the IT market has seemingly undergone change on a daily basis in an effort to provide diversified customer information system needs. This is highlighted by more customers opting to accessing online rather than owning their own systems. Business globalization is another dynamic shaping the marketplace. As a result, it is now increasingly important to provide one-stop services ranging from new service platforms, such as cloud computing, and systems consulting, to system building, operation and maintenance.

Against this backdrop, Hitachi introduced an in-house company system on October 1, 2009 and launched the Information & Telecommunication Systems Company under which it placed four companies, namely Hitachi Software Engineering, Hitachi Systems & Services, Hitachi Information Systems, Ltd. and Hitachi Electronics Services Co., Ltd., as well as their respective consolidated companies. This in-house company has been strengthening its business framework so as to provide valuable one-stop services throughout the entire lifecycle of IT systems, extending from system proposals to system construction, operation and maintenance, in order to cater flexibly to the needs of clients, including those with global business operations.

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Hitachi Software Engineering has garnered or received recognition from customers for its ability to develop large-scale systems as well as packaged products based on platform technologies. Hitachi Systems & Services, meanwhile, boasts a storehouse of experience and expertise in the proposal, design and construction of administrative systems for customers.

The merger announced today will combine both companies' strengths, giving the new company a wider range of business know-how and experience in all business sectors. This should enable the ability to provide more powerful systems solutions than before as it seeks to raise its standing in the marketplace.

Moving forward, Hitachi, Ltd. and the new company will work as one to develop large-scale systems, mainly in the financial-sector and public-sector, and provide highly reliable services spanning the entire lifecycle of systems. The new company also aims to offer system integration services that provide a detailed response to address customer needs for mid-sized systems, particularly in the manufacturing and services sectors. This will be achieved by leveraging Hitachi Software Engineering's and Hitachi Systems & Services' systems integration capabilities, project management capabilities, including expertise in utilizing overseas developers, and knowledge of various types of businesses and administrative processes.

Moreover, both companies' various project and services platforms will be effectively utilized in the Social Innovation Business, which is a key focus of the Hitachi Group. Leveraging the highly skilled developers of both companies is expected to also accelerate development of new products and systems as well as contribute to expansion of these businesses.

The Information & Telecommunication Systems Company will step up activities in terms of global business and the Social Innovation Business through a more efficient business structure resulting from this merger.

1. Overview of the Merging Companies

As of December 31, 2009

(1) Company	Hitachi Software Engineering Co., Ltd.	Hitachi Systems & Services, Ltd.
(2) Business	Development and sale of computer software, sale of information processing equipment	<ul style="list-style-type: none"> • Systems integration and systems services businesses • Package software business • Sale of information processing equipment
(3) Established	September 21, 1970	September 21, 1978
(4) Headquarters	Shinagawa-ku, Tokyo	Minato-ku, Tokyo
(5) Representative	Isao Ono, Representative Executive Officer, President and CEO	Masahiro Hayashi, President and Chief Executive Officer
(6) Capital stock	34,182 million yen	4,190 million yen
(7) Employees	5,441	4,690
(8) Fiscal year-end	March 31	March 31
(9) Shareholder (Shareholding)	Hitachi, Ltd. (100% as of February 1, 2010; voting rights basis)	Hitachi, Ltd. (100% as of February 1, 2010; voting rights basis)

2. Overview of Merged Company

As of October 1, 2010 (Planned)

(1) Company	Hitachi Solutions, Ltd.
(2) Businesses	Software and services business, information processing equipment business
(3) Headquarters	4-12-7, Higashi Shinagawa, Shinagawa-ku, Tokyo
(4) Representative	Chairman of the Board Isao Ono Representative Director and President Masahiro Hayashi Representative Director and Executive Vice President Shinji Moroshima
(5) Capital stock	38,372 million yen (Planned)
(6) Employees	Approx. 10,000
(7) Fiscal year-end	March 31
(8) Shareholder (Shareholding)	Hitachi, Ltd. (100%)

(Note) Capital is to be increased at the time of the merger.

About Hitachi, Ltd.

Hitachi, Ltd., (NYSE: HIT / TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 400,000 employees worldwide. Fiscal 2008 (ended March 31, 2009) consolidated revenues totaled 10,000 billion yen (\$102.0 billion). The company offers a wide range of systems, products and services in market sectors including information systems, electronic devices, power and industrial systems, consumer products, materials, logistics and financial services. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

Hitachi Software Engineering Co. Ltd. <http://hitachisoft.jp/english/>

Founded in 1970 as the first software development company in the Hitachi Group, Hitachi Software Engineering Co.Ltd., is now among the leading IT service companies in the industry and employs over 7,000 people worldwide. With sales of over 165 billion yen in FY 2008, HitachiSoft provides mainly basic software for large-scale systems and networks for government agencies as well as the financial, insurance, and securities industries, expanding into the fields including PaaS, GIS, Embedded Software, and Interactive Whiteboard "StarBoard".

Hitachi Systems & Services

Hitachi Systems & Services, Ltd. was established in 1978 in the Hitachi Group and is now one of the largest providers of systems integration services with more than 4,000 systems engineers and approximately 5,000 total employees in Japan. With our unique know-how, proven track record, and human capital we offer one-stop solutions of the highest value for clients in a wide range of industries spanning the process of consulting, system design and implementation, operation and on-going maintenance. We are proud to have established strong partnerships with more than 90 advanced IT enterprises from around the world. For more information on Hitachi Systems & Services, please visit the company's website at <http://www.hitachi-system.co.jp/>.(Japanese only)

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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.
