

Hitachi Completes Transfer of Hard Disk Drive Business to Western Digital

Tokyo, March 9, 2012 --- Hitachi, Ltd. (NYSE:HIT / TSE:6501, "Hitachi") announced that it has completed its transfer of Hitachi's Hard Disk Drive (HDD) business to Western Digital Corporation (NYSE: WDC, "WD"), effective March 8, 2012 (U.S.time).

Hitachi transferred all shares of Hitachi Global Storage Technologies ("Hitachi GST")'s holding company, Viviti Technologies Ltd. ("Viviti") to WD for \$3.9 billion in cash and 25 million shares of WD common stock valued at approximately \$0.9 billion, which totaled to value of approximately \$4.8 billion.

Hitachi now owns approximately 10 percent of WD shares outstanding and has a right to designate two individuals to the board of directors of WD. Steve Milligan, President and Chief Executive Officer of Hitachi GST, will join WD's senior management team as president.

1. Outline of Company Whose Shares to Be Transferred

- 1) Corporate name : Viviti Technologies Ltd.
- 2) Headquarters : Singapore ⁽¹⁾
⁽¹⁾ Hitachi GST's headquarters is located at San Jose, California, U.S.A.
- 3) Name and Title of Representative : Steve Milligan, President & CEO
- 4) Description of Businesses : Development, manufacture and sale of HDDs
- 5) Date Established : October 5, 2010
- 6) Paid-in capital : US\$2,029 million (As of December 31, 2011)
- 7) Major Shareholder and Shareholdings : Hitachi 100% (As of December 31, 2011)
- 8) Sales : US\$5,773 million (460.8 billion yen) (January-December 2011)
- 9) Relationships with Hitachi
 - Capital Relationships : Hitachi holds all issued shares of Viviti.
 - Personnel Relationships : A total of five persons from Hitachi, including one Executive Officer serve as Directors at Viviti.
 - Transaction Relationships : Hitachi procures HDDs from Hitachi GST. Hitachi conducts fund transactions with Hitachi GST under the Hitachi Group's cash pooling system.

10) Three-Year Summary of Business Performance and Financial Condition;

Period recorded for Hitachi's consolidated accounting purpose		FY 2009	FY 2010	FY 2011
Shipment Period		Jan.2009 to Dec.2009	Jan.2010 to Dec.2010	Jan.2011 to Dec.2011
Revenue	Billions of yen	451.7	526.8	460.8
	Millions of U.S. \$	4,821	6,003	5,773
Operating income	Billions of yen	9.2	57.2	36.8
	Millions of U.S. \$	106	645	464
Total shareholder's equity	Millions of U.S. \$	596	1,244	1,678
Total assets	Millions of U.S. \$	3,067	3,657	3,420

2. Outline of Company Who Acquired the Transferred Shares

- 1) Corporate name : Western Digital Corporation
- 2) Headquarters : Irvine, California, U.S.A.
- 3) Name and Title of Representative : John F. Coyne, President & CEO
- 4) Description of Businesses : Development, manufacture and sale of HDDs
- 5) Date Established : April 23, 1970
- 6) Paid-in capital : US\$1,093 million (As of July 1, 2011)
- 7) Major Shareholders and Shareholdings : Tradewinds Global Investors, LLC 6.9%
THE VANGUARD GROUP, INC. 5.8%
(As of December 31, 2011)
- 8) Total shareholder's equity : US\$5,488 million (As of July 1, 2011)
- 9) Total assets : US\$8,118 million (As of July 1, 2011)
- 10) Sales : US\$9,526 million (July 2010-June 2011)
- 11) Relationships with Hitachi
 - Capital Relationships : Not applicable
 - Personnel Relationships : Not applicable
 - Transaction Relationships : Hitachi procures HDDs from WD.

3. Status of Shareholdings Before and After the Transfer

Number of shares (shareholding ratio) before transfer :

WD 0(0%), Hitachi 88,418,001(100%)

Number of shares (shareholding ratio) after transfer :

WD 88,418,001(100%) Hitachi 0(0%)

4. Transfer Price

US\$3.9 billion and 25 million shares of WD stock valued at approximately \$0.9 billion

5. Date of Share Transfer

March 8, 2012 (U.S. time)

6. Effect of this Transaction on the Business Results of Hitachi

Hitachi will post gain on the sale of securities of 191.0 billion yen ⁽²⁾ for the year ending March 31, 2012 on consolidated basis due to this transfer.

On non-consolidated basis, Hitachi will record 262.9 billion yen ⁽²⁾ of extraordinary gain on the sale of subsidiary shares.

Hitachi currently examines consolidated basis business forecasts, taking into consideration this effect and other factors. Hitachi will promptly announce any revision to its business forecasts when it is necessary.

⁽²⁾ Gain on the sale of securities and extraordinary gain on the sale of subsidiary shares may be amended by applying the terms of price adjustments.

About Hitachi, Ltd.

Hitachi, Ltd., (NYSE: HIT / TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 360,000 employees worldwide. Fiscal 2010 (ended March 31, 2011) consolidated revenues totaled 9,315 billion yen (\$112.2 billion). Hitachi will focus more than ever on the Social Innovation Business, which includes information and telecommunication systems, power systems, environmental, industrial and transportation systems, and social and urban systems, as well as the sophisticated materials and key devices that support them. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

Hitachi, Ltd. Cautionary Statement

Certain statements found in this document may constitute "forward-looking statements" as defined in the U.S. Private Securities Litigation Reform Act of 1995. Such "forward-looking statements" reflect management's current views with respect to certain future events and financial performance and include any statement that does not directly relate to any historical or current fact. Words such as "anticipate," "believe," "expect," "estimate," "forecast," "intend," "plan," "project" and similar expressions which indicate future events and trends may identify "forward-looking statements." Such statements are based on currently available information and are subject to various risks and uncertainties that could cause actual results to differ materially from those projected or implied in the "forward-looking statements" and from historical trends.

Certain “forward-looking statements” are based upon current assumptions of future events which may not prove to be accurate. Undue reliance should not be placed on “forward-looking statements,” as such statements speak only as of the date of this document.

Factors that could cause actual results to differ materially from those projected or implied in any “forward-looking statement” and from historical trends include, but are not limited to:

- economic conditions, including consumer spending and plant and equipment investment in Hitachi’s major markets, particularly Japan, Asia, the United States and Europe, as well as levels of demand in the major industrial sectors Hitachi serves, including, without limitation, the information, electronics, automotive, construction and financial sectors;
- exchange rate fluctuations of the yen against other currencies in which Hitachi makes significant sales or in which Hitachi’s assets and liabilities are denominated, particularly against the U.S. dollar and the euro;
- uncertainty as to Hitachi’s ability to access, or access on favorable terms, liquidity or long-term financing;
- uncertainty as to general market price levels for equity securities in Japan, declines in which may require Hitachi to write down equity securities that it holds;
- the potential for significant losses on Hitachi’s investments in equity method affiliates;
- increased commoditization of information technology products and digital media-related products and intensifying price competition for such products, particularly in the Components & Devices and the Digital Media & Consumer Products segments;
- uncertainty as to Hitachi’s ability to continue to develop and market products that incorporate new technologies on a timely and cost-effective basis and to achieve market acceptance for such products;
- rapid technological innovation;
- the possibility of cost fluctuations during the lifetime of, or cancellation of, long-term contracts for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- fluctuations in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum, synthetic resins, rare metals and rare-earth minerals, or shortages of materials, parts and components;
- fluctuations in product demand and industry capacity;
- uncertainty as to Hitachi’s ability to implement measures to reduce the potential negative impact of fluctuations in product demand, exchange rates and/or price of raw materials or shortages of materials, parts and components;
- uncertainty as to Hitachi’s ability to achieve the anticipated benefits of its strategy to strengthen its Social Innovation Business;
- uncertainty as to the success of restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness and other cost reduction measures;
- general socioeconomic and political conditions and the regulatory and trade environment of countries where Hitachi conducts business, particularly Japan, Asia, the United States and Europe, including, without limitation, direct or indirect restrictions by other nations on imports and differences in commercial and business customs including, without limitation, contract terms and conditions and labor relations;
- uncertainty as to the success of alliances upon which Hitachi depends, some of which Hitachi may not control, with other corporations in the design and development of certain key products;
- uncertainty as to Hitachi’s access to, or ability to protect, certain intellectual property rights, particularly those related to electronics and data processing technologies;

- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity method affiliates have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- the possibility of disruption of Hitachi's operations in Japan by earthquakes, tsunamis or other natural disasters, including the possibility of continuing adverse effects on Hitachi's operations as a result of the earthquake and tsunami that struck northeastern Japan on March 11, 2011;
- uncertainty as to Hitachi's ability to maintain the integrity of its information systems, as well as Hitachi's ability to protect its confidential information or that of its customers;
- uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its significant employee benefit-related costs; and
- uncertainty as to Hitachi's ability to attract and retain skilled personnel.

The factors listed above are not all-inclusive and are in addition to other factors contained in Hitachi's periodic filings with the U.S. Securities and Exchange Commission and in other materials published by Hitachi.

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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.
