

FOR IMMEDIATE RELEASE

Hitachi Chemical, Hitachi, Sumitomo Electric to Establish Joint Venture for Epoxy Resin Molded Products Used in Gas insulated Switchgear and Power Transmission Cable Accessories

Tokyo and Osaka, March 3, 2014 - Hitachi Chemical Co., Ltd. ("Hitachi Chemical" /TSE:4217), Hitachi, Ltd. ("Hitachi"/TSE:6501) and Sumitomo Electric Industries, Ltd. ("Sumitomo Electric"/TSE:5802) today announced that they have reached an agreement to arrange the business succession of the epoxy resin molded products business of Hitachi Cable Mec-Tech, Ltd., a subsidiary of Hitachi Metals, Ltd., to a joint venture to be established by Hitachi Chemical, Hitachi and Sumitomo Electric, "Hitachi Chemical Sumiden Power Products, Ltd." (tentative name), on April 1, 2014. The equity shares in the new company will be Hitachi Group 60% (Hitachi Chemical 51%, Hitachi 9%) and Sumitomo Electric 40%. Its main business will be the manufacture of epoxy resin molded products for gas insulated switchgear and power transmission cables, which are indispensable to power transmission and distribution infrastructure.

Epoxy resin offers a wide range of characteristics that can be varied by the combination of the primary material and hardener. It is easy to use due to its low toxicity and low flammability, emits virtually no volatile substances, and offers excellent insulation properties along with heat, water, chemical and weather resistance. These properties have led to its use in a wide range of fields including advanced technologies such as electrical and electronic parts as well as aerospace planes, along with automobiles, ships, civil engineering and furniture.

Epoxy resin molded products are used as core components particularly in accessories for gas insulated switchgear and power transmission cable accessories because of their high dielectric strength, mechanical strength and durability, and their ability to realize high dimensional precision. Furthermore, preparation of highly efficient power distribution networks has become essential following the construction of power plants in emerging economies, while reconstruction of aging power transmission and distribution networks is also

proceeding in advanced countries. Against this backdrop, high quality gas insulated switchgear and power transmission cable accessories that offer long-term stable performance have become increasingly important due to their essential role in network construction.

To answer this demand, Hitachi Chemical, which is responsible for the high functional materials business within the Hitachi Group, including epoxy resin molded products for electrical insulation; Hitachi, which manufactures the switchgear that is the core product in the transmission and distribution business; and Sumitomo Electric, which manufactures power transmission cables and accessories for these cables through J-Power Systems Corporation will receive the transfer of the epoxy resin molded products business from Hitachi Cable Mec-Tech, Ltd. on April 1, 2014 and will further enhance the quality of and expand the business for epoxy resin molded products used in gas insulated switchgear and power transmission cable accessories. Specifically, the three companies will succeed to the business by having the epoxy resin molded products business transferred from Hitachi Cable Mec-Tech to a preparatory company established by Hitachi Metals, then receiving transfers of the shares of the preparatory company from Hitachi Metals.

Going forward, the three companies will also pursue new possibilities for epoxy resin by collaborating on the development of new material technologies that will increase the functionality and quality of the epoxy resin molded products.

About Hitachi Chemical Co., Ltd.

Hitachi Chemical Co., Ltd. (TSE:4217) is a chemical company headquartered in Tokyo, Japan with 17,732 employees. The Group reported consolidated net sales of 464,655 million yen for its fiscal year 2012 ended March 31, 2013. Hitachi Chemical offers materials and components under functional materials segment and advanced components and systems segment and is proud to achieve No.1 market share in many products.

For more information about Hitachi Chemical, please visit

<http://www.hitachi-chem.co.jp/english/index.html>

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>.

About Sumitomo Electric Industries, Ltd.

Sumitomo Electric Industries, Ltd. produces a wide range of products from optical fibers, cables and components to electronic devices and automotive parts. Through effective research and diversification, Sumitomo Electric has become one of the world's leading companies in information and communication technology. The company operates in more than 30 countries, employing 200,000 people. Sumitomo Electric reported group net sales of \$23 billion for the fiscal year ended March 2013. For more information, visit <http://global-sei.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.
