

News Release

FOR IMMEDIATE RELEASE

Hitachi establishes "Hitachi Kobe Laboratory" in the KOBE Biomedical Innovation Cluster

Accelerating open innovation to realize practical regenerative medicine

Tokyo, April 3, 2017 --- Hitachi, Ltd. (TSE: 6501, Hitachi) today announced the establishment of the "Hitachi Kobe Laboratory" on 1st April. The new research and development base is located within the KOBE Biomedical Innovation Cluster (KBIC) in the Kobe Center for Medical Innovation and will commence full-scale operation from July this year. In addition to pursuing research and development focusing on automated cell culturing technology for regenerative medicinal use, "Hitachi Kobe Laboratory" will also work with customers and partners in verification for clinical applications. Hitachi is targeting the early realization of practical regenerative medicine by further accelerating research and product development through open innovation at KBIC.

Regenerative medicine is gaining attention as a new form of treatment that will open the way to radical cures for intractable diseases. Patient-derived induced-pluripotent stem (iPS) cells currently used in transplant treatment (autograft) is expected to enter a new phase with the commencement of clinical trials in 2017 using iPS cells derived from cell stocks (allograft). With increasing expectations for the availability of regenerative medicine, there is a growing need for technology that can produce cells that meet safety and efficacy standards at a reasonable cost. To address this challenge, Hitachi has actively promoted open innovation with the support of government projects⁽¹⁾ to develop highly sterile completely closed automatic cell culturing technology. In addition, the Hitachi Group has provided cell manufacturing facilities, equipment and related products to customers in the fields of regenerative medicine and healthcare.

The opening of the Hitachi Kobe Laboratory within KBIC represents a strategic decision by Hitachi to further accelerate research and product development for regenerative medicine beginning with automated cell culturing technology. KBIC is Japan's largest biomedical cluster with more than 330 companies, organizations, research institutes and highly specialized hospitals; an integrated hub for industry-academia-government collaboration to facilitate research and clinical testing through to commercialization. Hitachi Chemical Company, Ltd. which has entered the

business of developing cell production processes and contract-based cell manufacturing for regenerative medicine, has also establish an office nearby to gain a deeper understanding of customer needs and to promote collaborative creation. Hitachi will leverage the advantages of KBIC to work with both internal and external partners to create new value in the fields of regenerative medicine and healthcare.

- (1) New Energy and Industrial Technology Development Organization (NEDO) “Basic Technology Research Promotion Project”, Cabinet Office “Funding Program for World-Leading Innovative R&D on Science and Technology (FIRST)”, Ministry of Education, Culture, Sports, Science and Technology “Creation of Innovation Centers for Advanced Interdisciplinary Research Areas Program”, Japan Agency for Medical Research and Development (AMED) “Project Focused on Developing Key Evaluation Technology: Evaluation for Industrialization in the Field of Regenerative Medicine”, among others.

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, delivers innovations that answer society's challenges. The company's consolidated revenues for fiscal 2015 (ended March 31, 2016) totaled 10,034.3 billion yen (\$88.8 billion). The Hitachi Group is a global leader in the Social Innovation Business, and it has approximately 335,000 employees worldwide. Through collaborative creation, Hitachi is providing solutions to customers in a broad range of sectors, including Power / Energy, Industry / Distribution / Water, Urban Development, and Finance / Government & Public / Healthcare. 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.
