

**FOR IMMEDIATE RELEASE**

**Hitachi Announces the “New Globalization Plan”**

*- - Hitachi strengthens regional strategies by selecting 11 regions <sup>(a)</sup>  
with a focus on the Asian Belt Zone <sup>(b)</sup>,  
and by adding India as a fifth key management area <sup>(c)</sup> - -*

**Tokyo, Japan, June 8, 2011** — Hitachi, Ltd. (NYSE:HIT / TSE:6501) today announced the “New Globalization Plan” comprising measures within the entire Hitachi Group, in order to accelerate growth strategy of the Social Innovation Business, which provides social infrastructures supported by highly efficient and highly reliable information and telecommunications technology. The plan identifies 11 key regions, with a particular focus on the Asian Belt Zone, South America, and Central/Eastern Europe, where are expected to see increased demand for the Social Innovation Business, which Hitachi is currently focusing its business resources. Based on the status of markets, competition, and the Hitachi Group’s business in each country, the plan is formed as the foundations of regional strategies within the Hitachi Group.

Hitachi positioned the Republic of India, where dramatic growth demonstrated as a fifth key management area outside of Japan, alongside China, Southeast Asia, Europe, and the Americas. Hitachi India Pvt. Ltd. will lead other Hitachi Group entities in India in strengthening structures to enable even faster business rollout based on a local perspective.

In the “New Globalization Plan,” engineering functions and external relations will be enhanced to respond to the increasing demand for “Packaged Infrastructure Business” in these key regions, including proposals that involve multiple business fields, and services ranging from maintenance and operation to financing. Up until the implementation of the plan, each in-house and Group companies have been responsible for core elements of individual projects such as risk management and building strategic partnerships. By creating locally led structures that can be utilized across the entire Hitachi Group, it will be possible to increase the Group’s proposal capabilities in each region and to secure an even greater number of business opportunities.

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Activities on the Globalization Project will be undertaken in close correlation to measures already underway, including the Global Procurement Expansion Project, reinforcement of locally-led global R&D and the activities of the Hitachi Research Institute, Ltd. (President: Minoru Tsukada), and the Global Human Capital Management Strategy. The goal of these activities is to increase the ratio of overseas consolidated revenues to more than 50% in fiscal 2012, the year ending March 31, 2013.

### **Main elements of the “New Globalization Plan”**

Following is an outline of the main measures to be implemented across the Hitachi Group:

#### **1. Activities in key regions**

In key regions, Hitachi will strengthen business development functions, overseas sales capability and technology/engineering functions, and at the same time will establish new bases and increase local staff in key regions in order to promote strategic partnerships that will form the business foundations based on local needs. By creating regional strategies and conducting marketing with close ties to each country and region, and by strengthening local external relations activities, Hitachi will exploit new business opportunities using a locally led approach, and will develop its ability to undertake projects in keeping with local conditions. For example, on complex, large-scale social infrastructure projects, Hitachi will approach customers from the initial stages, and will prepare quotations more quickly and with a higher degree of accuracy. In this way, Hitachi will accelerate its business operations in keeping with the speed of market trends and the unique requirements in each of the key regions, thereby increasing its competitiveness in the respective markets.

India, which up to now has been supervised by Hitachi Asia Ltd. (the regional Head Quarters for Asia), will be re-positioned as an independent management area with Hitachi India acting as the Hitachi Group’s Regional Head Quarters, in order to strengthen the functions that will enable business to be conducted more by its own. Specifically, Hitachi India’s responsibilities and authority in the context of business operations will be expanded, and the company’s staff will be increased, mainly in the Corporate Division. This new structure will enable more detailed responses to the laws and business customs that are unique to India. Furthermore, by supporting the smooth rollout of business at Hitachi Group

companies – for example, by sharing accumulated expertise among the Hitachi Group companies in India – Hitachi will respond more quickly to customer needs. Since it first began Indian business operation in the 1930s, Hitachi has been involved in a variety of business activities, including the manufacture and sales of air conditioning equipments and construction machinery. In 2010, Hitachi established BGR Turbines Company Pvt. Ltd. and BGR Boilers Company Pvt. Ltd. as joint ventures with a local company, and has been working to expand the thermal power business in India. In the Information & Telecommunication Systems business field, Hitachi is expanding its bases in India, for example by establishing new companies and acquiring existing companies, in order to strengthen offshore functions in the IT consulting business. In 2009, Hitachi established a new storage solutions business office, to respond to the increasing demand in this IT field. In January 2011, a branch of the Hitachi Research Institute opened in Delhi, and a new R&D base for the Information & Telecommunication Systems business field is scheduled to open in Bangalore by March 2012. Hitachi is thus making preparations to respond efficiently to the unique local needs in India, which continues to demonstrate a high rate of growth. The Group is also rolling out activities from a medium to long-term perspective, for example by participating in Smart City verification field tests assembled by the Japanese government.

Hitachi's plan is to expand its business by enhancing structures with a focus on Hitachi India based on the experience and organizations cultivated through Hitachi's past operations with close ties to this region. The plan calls for consolidated sales growth up to approximately 200 billion yen in the next few fiscal years within the Hitachi Group in India, which sales for fiscal 2010 were approximately 90 billion yen.

## **2. Activities in the Corporate Division**

In the Corporate Division, a new Government & External Relations Division was established within Hitachi, Ltd. on April 1 to enhance international affairs by strengthening relationships with government agencies, international agencies, and industry organizations in Japan and overseas, and a Risk Management & Overseas Project Support Office was put in place within Hitachi, Ltd.'s International Strategy Division to provide support in the rollout of various businesses overseas. Furthermore, the Overseas Project Finance Division, which was established on February 1 to promote business development, including financing, conducts business development and creates strategies

including investment and financing plans for social infrastructure projects, gathers and analyzes information, and undertakes negotiations with financial institutions and other outside parties.

By promoting the “New Globalization Plan” and various other global measures, Hitachi will quickly seize new business opportunities around the world, and will expand the Social Innovation Business in the global markets by providing comprehensive solutions that meet the needs of various countries and regions.

#### Notes

- (a) 11 regions: Arab Republic of Egypt, Central and Eastern Europe, Federative of Republic of Brazil, Kingdom of Saudi Arabia, People's Republic of China, Republic of India, Republic of Indonesia, Republic of South Africa, Republic of Turkey, Russia, Socialist Republic of Vietnam
- (b) Asian Belt Zone: Comprises 24 countries and regions along the Asian Continental coast running from Japan to the Arabian Peninsula, including the People's Republic of China, ASEAN countries, India, and the Middle East.
- (c) In the past, the structure comprised four regions: China, Asia, Europe, and the Americas. This structure will be expanded to include six regions: Japan, China, Southeast Asia, India, Europe, and the Americas.

#### **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>.

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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.

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