



**FOR IMMEDIATE RELEASE**

## **LG Electronics and Hitachi to Form Joint Venture in Water Business**

**Seoul and Tokyo, July 11, 2011** --- LG Electronics Inc. (066570:KS "LGE"), and Hitachi Plant Technologies Ltd. ("Hitachi Plant Technologies") have agreed to establish a joint venture in the water business.

LGE, Hitachi Ltd. (TSE:6501/NYSE:HIT "Hitachi"), and Hitachi Plant Technologies will combine LGE's strength in marketing, planning and manufacturing technology with the Hitachi Group's technological and engineering strengths in water treatment systems and information control systems, to expand in the water business.

The joint venture company, LG-Hitachi Water Solutions Co., Ltd. is scheduled to be established in October 2011, with LGE providing 51% of the capital and Hitachi Plant Technologies 49%. The new company will initially focus on manufacturing and sales of water treatment equipment, EPC<sup>\*1</sup> for water treatment systems and O&M<sup>\*2</sup> for water treatment facilities, centered mainly on wastewater treatment facilities and drinking water and sewage treatment facilities in Korea, and research and development of water treatment technology. The joint venture will also plan for future expansion in the water business in other countries.

Freshwater resources around the world vary greatly from region to region. Water resources are limited, and their supply is expected to come under pressure on an international scale due to population growth, economic growth, global warming, urbanization, and water environment pollution. As a result, concern about future water shortages is mounting. The decision to enter into the joint venture reflects LGE's desire to make use of the Hitachi Group's extensive experience and know-how in order to enter the water business, which is expected to expand around the world. The Hitachi Group's seeks to further expand in the water-business and will benefit from LGE's marketing strength and sales channels in Korea and LGE's high-level standardization and mass manufacturing technology in water treatment equipment and systems.

LGE's water business, which started with domestic water purifiers, has recently extended into development of various types of membranes. The company intends to leverage these core technologies to achieve further expansion and development of a total water business.

The Hitachi Group has been involved in the water business for almost one century, and has excellent sales results both at home and abroad. The Group established a Water Environment Solutions Division on June 1, 2010, which will operate under the direct supervision of the president of Hitachi, to develop and propose overall business strategies for growth in this field. The Hitachi Group positions its water business as an area of growth with potential for social innovation business. The Group's objective is to bring to emerging nations in Asia, the Middle East and other areas comprehensive solutions based on sophisticated technology, experience and expertise in advanced water circulation systems, particularly membrane and biological treatment systems that employ information technology. The Hitachi Group is striving to expand its overall water business operations to reach sales of 200 billion yen in the fiscal year 2015.

■ Outline of joint venture company

Company Name	LG-Hitachi Water Solutions Co., Ltd.
Address	Seoul, Korea
Business areas	Manufacturing and sales of water treatment machinery; EPC <sup>*1</sup> for water treatment systems; O&M <sup>*2</sup> for water treatment facilities; research and development of water treatment technology.
Representative	Not decided (LGE will name CEO and Hitachi Plant Technologies will name COO.)
Year/month of establishment	October, 2011 (scheduled)
Capital	18 billion won (approximately 1.4 billion yen) <sup>*3</sup>
Equity (%)	LGE: 51%; Hitachi Plant Technologies: 49%.

\*1 EPC: Engineering, Procurement and Construction

\*2 O&M: Operation and Maintenance

\*3 Calculated at the rate 1 won = 0.076 yen

**About LG Electronics Inc.**

LG Electronics, Inc. is a global leader and technology innovator in consumer electronics, mobile communications and home appliances, employing more than 93,000 people working in over 120 operations around the world. With 2010 global sales of KRW 55.8 trillion (USD 48.2 billion), LGE comprises four business units - Home Entertainment, Mobile Communications, Home Appliance, and Air Conditioning & Energy Solutions. LGE is one of the world's leading producers of flat panel TVs, mobile devices, air conditioners, washing machines and refrigerators.

**About Hitachi Plant Technologies, Ltd.**

Hitachi Plant Technologies, Ltd. — Supporting Infrastructure with Environmental and Energy-Saving Technologies — is a member of the Hitachi Group. Harnessing its engineering capabilities, *monozukuri* (manufacturing) skills and project expertise, Hitachi Plant Technologies offers total solutions for social and industrial infrastructures.

The core businesses of our group mainly comprise Social Infrastructure Systems, Industrial Systems, Energy Systems and Air Conditioning Systems. For more information on Hitachi Plant Technologies, please visit the company's website at <http://www.hitachi-pt.com>.

**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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