

FOR IMMEDIATE RELEASE

**Hitachi Plant Technologies and El Seif Group Agreed to Establish
Joint Venture in Saudi Arabia in Social and Industrial Infrastructure
Construction and Engineering Business**

Tokyo, October 9th, 2012 -- Hitachi Plant Technologies, Ltd. ("Hitachi Plant Technologies"), a wholly-owned subsidiary of Hitachi, Ltd. (TSE:6501, "Hitachi"), and the Musaed El Seif & Sons Co., Ltd. ("MES"), which is a construction business general management company under the umbrella of the El Seif Group of Saudi Arabia, and El Seif Engineering Contracting Co., Ltd. ("ESEC"), a leading general contracting company, have agreed to establish a joint venture focusing on providing construction and engineering business in the social and industrial infrastructure fields. The signing ceremony was held on October 8th, 2012.

Plans call for the joint venture to be established in January 2013 under the name "Hitachi Plant Saudi Arabia, Ltd." (provisional name). Hitachi Plant Technologies will be a 50% investor in the company, with MES investing 25% and ESEC the remaining 25%.

With the world's largest reserves and production of crude oil, Saudi Arabia has in recent years been actively investing in infrastructure for urban and industrial development. Given this background, the joint venture to be established will draw on synergies of the Hitachi Group and the El Seif Group to expand their engineering, equipment delivery, installation, and maintenance services in the areas of air conditioning, plumbing and electrical facilities for building of commercial, residential, railroads and airports etc.; water treatment systems, (desalination plants and wastewater treatment and recycling plants etc.); industrial plants and factories (electric power generation and transformer plants, as well as oil, gas, and chemical plants etc.). Moreover, the joint venture will serve as a platform for expanding the Social Innovation Business of the Hitachi Group in Saudi Arabia.

Hitachi's three focuses in its Social Innovation Business are "Global," "Environment" and "Fusion." The Company is accelerating the worldwide development of its Social Innovation Business, which provides social infrastructure with leading-edge IT. Hitachi Plant Technologies, the Hitachi subsidiary that serves as the core of these businesses, is experienced in the engineering, manufacturing, sales, service, and construction in the social and industrial infrastructure domains. In March 2012, Hitachi Plant Technologies partnered with ESEC to win the contract of air conditioning, plumbing and electrical facilities for the Jeddah Station building on the high-speed rail line linking Mecca and Medina, and for the Tabuk Hotel. In June 2011, Hitachi Plant Technologies

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was the first Japanese company to sign a corporate procurement agreement (CPA) with the Saudi Arabian Oil Company (the Saudi national oil company), to supply and service compressors for oil and gas plants. And in June 2012, the Hitachi Saihati Engineering Services Co., Ltd. was established as an industrial equipment maintenance services company.

The El Seif Group is a leading Saudi Arabian corporate group that has under its umbrella a variety of companies involved primarily in construction of social and industrial infrastructure. The El Seif Group boasts a track record of having delivered some of the largest projects in Saudi Arabia.

The establishment of the joint venture will enable the fusion of the general contracting capabilities, brand power and sales strength of the El Seif Group in Saudi Arabia, with Hitachi Plant Technologies' broad array of sophisticated products, systems, and services in the social and industrial infrastructure fields including air conditioning, plumbing and electrical facilities, along with the Hitachi Group's ability to provide total solutions. Building on these strengths, the Hitachi Group and the El Seif Group will expand their ability to provide solutions in response to Saudi Arabia's burgeoning demand for infrastructure development, and they will contribute to the development of the country.

■ Outline of Planned Joint Venture Company

Company Name	Hitachi Plant Saudi Arabia, Ltd. (provisional name)
Location	Riyadh, Saudi Arabia
Business Areas	Engineering, equipment delivery, installation, and maintenance services in the areas of air conditioning, plumbing and electrical facilities for building of commercial, residential, railroads and airports etc.; water treatment systems, (desalination plants and wastewater treatment and recycling plants etc.); industrial plants and factories (electric power generation and transformer plants, as well as oil, gas, and chemical plants etc.)
Representative	TBD
Established	January 2013
Capital	26 million Saudi riyals (approximately ¥539 million) *
Equity (%)	Hitachi Plant Technologies: 50%; MES: 25%; ESEC: 25%
Employees	46 (at time of establishment)

* Converted at the rate of 1 Saudi riyal = ¥20.73.

■ Outline of partner companies

[Hitachi Plant Technologies]

Company Name	Hitachi Plant Technologies, Ltd.
Business Areas	Development, engineering, manufacturing, sales, service, and construction of industrial machinery systems, environmental systems, industrial systems, energy systems
Location	4-5-2 Higashi-Ikebukuro, Toshima-ku, Tokyo 170-8466
Established	1929
Capital	¥12 billion
Shareholders	Hitachi, Ltd. (100%)
Representative	President and Representative Director: Toshiaki Higashihara
Sales	¥334.3 billion (FY2011, consolidated)
Employees	Approximately 6,500 employees (end of FY2011, consolidated)

[MES]

Company Name	Musaed El Seif & Sons Co., Ltd.
Business Areas	All types of construction business general management
Location	Riyadh, Saudi Arabia
Established	1977
Capital	20 million Saudi riyals (approximately ¥415 million)*)
Shareholders	Khalid Al Seif, Faisal Al Seif, Mohamed Al Seif, others
Representative	Chairman & Managing Director: Khalid Al Seif
Sales	50 million Saudi riyals (approximately ¥1.04 billion)* (FY2011)
Employees	200 employees (end of FY2011)

[ESEC]

Company Name	El Seif Engineering Contracting Co., Ltd.
Business Areas	All types of social and industrial infrastructure construction management, engineering, construction, etc.
Location	Riyadh, Saudi Arabia
Established	1975
Capital	110 million Saudi riyals (approximately ¥2.28 billion)*
Shareholders	El Seif Group Co., Ltd. (100%)
Representative	Chairman: Khalid Al Seif
Sales	5.73 billion Saudi riyals (approximately ¥118.78 billion)* (FY2011)
Employees	15,000 employees (end of FY2011)

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 320,000 employees worldwide. Fiscal 2011 (ended March 31, 2012) consolidated revenues totaled 9,665 billion yen (\$117.8 billion). Hitachi is focusing more than ever on the Social Innovation Business, which includes information and telecommunication systems, power systems, industrial, transportation and urban development 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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