

**FOR IMMEDIATE RELEASE**

## **Commencement of Feasibility Study on Development and Operation of an Industrial Park in Cambodia**

**Tokyo, November 19, 2014** – Hitachi, Ltd. (TSE: 6501, “Hitachi”) today announced that it will commence a feasibility study on the implementation of a business to develop and operate the Phnom Penh South Special Economic Zone (tentative name), a new industrial park in Kandal Province, Cambodia. Hitachi today entered into a memorandum of understanding (MOU) with the three companies with which it will jointly conduct this feasibility study: Forval Corporation (“Forval”), Japan Development Institute Ltd. (“JDI”), and Heng Development Co., Ltd. (“Heng Development”), a local Cambodian real estate company\*<sup>1</sup>. Based on this MOU, the four companies will conduct, by June 2015, a feasibility study on marketing, basic design, business plan and other aspects, and conduct a commercial viability assessment based on the results of the study. If a decision is made to proceed with the business, Hitachi plans to start construction of the industrial park in July 2015, and complete it in approximately one year. The industrial park is planned to be approved by the Cambodian government as a Special Economic Zone, and will thus be granted legal and administrative incentives such as tax breaks.

In recent years, Southeast Asia has seen an influx of global companies into the region in step with economic expansion, population growth and other trends. Moves to build, upgrade and expand logistics and production sites by these companies are gathering momentum. Notably, Cambodia is attracting growing interest from companies seeking to enter Southeast Asia markets, based on several factors. The country is adjacent to Thailand and Vietnam, where large numbers of companies have already made progress. Cambodia also gives companies access to a moderate-quality labor force at lower wages than in neighboring countries.

Accordingly, Hitachi has decided to commence a feasibility study of an industrial park development and operation business in Cambodia. The study will look at a site proposed for the development of the industrial park that is located around 40 minutes by car from central Phnom Penh, the Cambodian capital. The site is near national roads and beltways, and offers good access to Bangkok and Ho Chi Minh City. Hitachi expects the tenants of the industrial park to be companies from various Asian countries, as well as Japanese companies. Plans call for the industrial park’s first-phase development block to cover an area of approximately 1 million square meters, with expansion to be considered thereafter up to approximately 3 million square meters.

Hitachi will serve as the leader of the entire study in a coordinator role, along with formulating business plans and conducting marketing activities. Forval, a consultant that helps Japanese companies seeking to enter global markets, will conduct marketing activities centered on medium-sized enterprises interested in moving into Cambodia. JDI, a development consultant for emerging countries, is tasked with preparing a master plan for construction, leveraging its development track record in other special economic zones in Cambodia. Heng Development, a Cambodian real estate company, will provide local information, apply for local permits and licenses and perform other related tasks, as a local partner.

If a decision is made to develop and operate the industrial park after the feasibility study, Hitachi plans to start construction of the industrial park in July 2015, and complete it in approximately one year. Hitachi will provide the industrial park with reliable equipment and services that enable tenant companies to focus on their main business. To this end, Hitachi will leverage the Hitachi Group's components and systems for plants and factories, as well as its solutions and expertise in EPC<sup>\*2</sup>, maintenance and operation services.

In April 2014, Hitachi established Hitachi Infrastructure Systems (Asia), Pte. Ltd. as the Southeast Asian regional supervisory company for its Infrastructure Systems Business, and is strengthening business activities closely tied to customers and the region. Going forward, Hitachi will push ahead with the feasibility study in cooperation with the three other companies, with a view to realizing the industrial park development and operation business. In so doing, Hitachi aims to help global companies establish a foothold in Cambodia, as it strengthens and expands its business further in Southeast Asia.

\*1 JDI has been selected by the Ministry of the Economy, Trade and Industry (METI) for the International Feasibility Studies on "Smart Community" and will continue with this project in cooperation with METI.

\*2 EPC: Engineering, Procurement, and Construction

### **About Hitachi, Ltd.**

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, delivers innovations that answer society's challenges with our talented team and proven experience in global markets. The company's consolidated revenues for fiscal 2013 (ended March 31, 2014) totaled 9,616 billion yen (\$93.4 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 materials & components, automotive systems, healthcare and others. 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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