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**Cooperation Agreement Signed with Russian Grids for
Modernization and Stabilization of Transmission and Distribution
Network**

--First Project: Transmission and Distribution Network in Republic of Buryatia--

Tokyo, June 20, 2013 --- Hitachi, Ltd. (TSE:6501) today announced that it has signed a scientific and technological cooperation agreement (“cooperation agreement”) with Russian electric power transmission and distribution company Russian Grids for technical cooperation on the modernization and stabilization of electric power distribution infrastructure. As a first project, Hitachi will work with Russian Grids on investigating specific measures aimed at enhancing the efficiency and reliability of transmission and distribution networks in the Republic of Buryatia, one of the republics of the Russian Federation. This project includes the study of substation equipment upgrades, improvements to the energy efficiency of substation buildings, and installations of grid stabilization systems designed to support renewable energy. The cooperation agreement was signed today at the Saint Petersburg International Economic Forum 2013, hosted by President Vladimir Putin of the Russian Federation.

In the Russian Federation, modernization of the electric power transmission and distribution infrastructure, which covers a wide geographical area of the federation, is one of the top priorities, and robust demand for upgrade work is anticipated. In April 2012, Hitachi signed an agreement on collaboration in the electric power industry with Federal Grid Company of Unified Energy System⁽¹⁾, and has been engaged in ongoing discussions on the potential use of advanced equipment and solution technologies that can enhance processes for the design, engineering, installation, and operation of the Russian Federation’s electric power transmission infrastructure.

Note: (1) In 2012, the former MRSK (IDGC: Interregional Distribution Grid Company) Holding changed its name to Russian Grids, and as of June 2013, the Federal Grid Company of Unified Energy System is a subsidiary of Russian Grids.

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Hitachi signed this cooperation agreement with Russian Grids in order to conduct investigations into the installation of equipment and other systems that can enhance the efficiency and reliability of the extensive electric power transmission and distribution networks in Russia, constructed and operated by Russian Grids. By September 2013, Hitachi's initial intention is to use this cooperation agreement as the basis for proposing specific measures for the Republic of Buryatia, including a transportation hub located on the south-east side of Lake Baikal in Southern Siberia. These measures include substation upgrades with the latest equipment and systems to improve the efficiency of electric power transmission and distribution, installation of energy management systems to improve the energy efficiency of electrical conversion facilities, and grid stabilization and battery systems designed to support the adoption of renewable energy.

As a systems integrator, Hitachi can build complete power distribution infrastructure that combines both equipment and information technology (IT), covering everything from electrical conversion, monitoring and control systems, power electronics and other equipment through systems used for distribution, direct current (DC) transmission, grid stabilization, electrical storage, and very-high voltage. From major power plants to institutional consumers, Hitachi can act as a single supplier for electric power distribution infrastructure which supports technologies such as smart grids and installations of large amounts of renewable energy or battery systems.

In addition to Japan's excellent technologies and products, Hitachi intends to continue contributing to building friendly relations between Japan and Russia.

Profile of Russian Grids

Item	Description
Name	Open Joint Stock Company Russian Grids
Representative	Oleg Mikhailovich Budargin, General Director
Headquarters	26 Ulansky Lane Bldg. 1, Moscow, Russian Federation
Established	July 2008
Business Activities	Construction and operation of the national grid and inter-regional networks for electric power in the Russian Federation
Employees	Approximately 189,000 (at the end of 2012)
Capital	Approximately 59,322 million rubles (at the end of March 2013)

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 326,000 employees worldwide. The company's consolidated revenues for fiscal 2012 (ended March 31, 2013) totaled 9,041 billion yen (\$96.1 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 material & components, automotive systems and others.

For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

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