

News Release

FOR IMMEDIATE RELEASE

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Agreement on Joint Research on Electric Power field with Energy Company LESTO and Kaunas University of Technology in Lithuania

-- First tangible result of collaboration aimed at achieving electric network reliability --

Tokyo, Japan, September 4, 2014 --- Hitachi, Ltd. (TSE:6501) today announced an agreement on joint research into electric power field with AB LESTO, (LESTO), the electricity distribution company in the Republic of Lithuania and Kaunas University of Technology (KTU), one of Lithuania's leading universities.

In October 2013, Hitachi reached an agreement with Lithuanian energy company Lietuvos Energija (LE) to undertake extensive collaboration in the energy sector. Since then, the partners have been discussing the potential for a variety of collaborative activities aimed at achieving an optimal energy mix in Lithuania, including integrated heat and power generation systems, smart grid and smart network technology, and other innovative energy technologies. This new agreement is the first tangible result of this collaboration.

With the aim of making major improvements in distribution efficiency utilizing the existing distribution system infrastructure, Hitachi intends to work with LESTO and KTU on joint research using the latest high-temperature transmission lines*, which are capable of considerably increasing network capacity using cables of the same diameter and weight as those currently used in Lithuania. These lines will be installed at KTU where they will undergo testing using LESTO equipment and KTU research facilities. LESTO and KTU will perform load test the cables by operating them at up to 1,000 A, collecting and evaluating data on parameters such as thermal expansion and corona discharge** characteristics. They will work with Hitachi to analyze the results and investigate the issues associated with actual deployment.

Mr. Aidas Ignatavičius, Chairman and CEO of LESTO, commented on the agreement, saying, "We are pleased that business and science would work for the common purposes to seek for opportunities how to increase LESTO's electric network capacity and improve its reliability." Koji Tanaka, Executive Vice President of Hitachi, Ltd., said, "I hope this agreement will provide opportunities to make a genuine contribution to social infrastructure in Lithuania in a variety of sectors."

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Hitachi intends to work closely with the Lithuania office of its European subsidiary, Hitachi Europe, to investigate a wide range of potential business opportunities in the Baltic countries.

*: High-temperature transmission lines: Gap Cable.

**: Corona discharge: A phenomenon that occurs when the transmission line voltage is very high, whereby a partial breakdown of insulation occurs in the surrounding air, most commonly in the vicinity of the insulators that connect the transmission line to the tower.

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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