

# News Release

**FOR IMMEDIATE RELEASE**

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**Commencing Operation at Hitachi Saudi Arabia, Ltd.**

*Strengthen Business Support Functions as a Representative of  
the Hitachi Group in Saudi Arabia*

**Tokyo, October 5, 2015** --- Hitachi, Ltd. (TSE: 6501, “Hitachi”) today announced that it commenced operation of Hitachi Saudi Arabia, Ltd. (“Hitachi Saudi Arabia”) with the aim of expanding the Hitachi Group’s business in Saudi Arabia. Hitachi Saudi Arabia was established as a result of a merger combining Hitachi’s Riyadh Branch with Hitachi Plant Saudi Arabia, Ltd.

As a representative of the Hitachi Group in Saudi Arabia, Hitachi Saudi Arabia will contribute to further development and the realization of a sustainable society in Saudi Arabia by strengthening the Group’s sales and marketing functions and working in collaboration with a wide range of customers in the infrastructure and other fields. At the same time, it will help accelerate measures for globalizing Hitachi’s Social Innovation Business.

Hitachi focuses on developing its Social Innovation Business in the global market as set forth in its 2015 Mid-term Management Plan, with an eye to raising the overseas sales ratio of the business to 50% by fiscal 2015. The Middle Eastern Gulf States have maintained GDP growth of 3 to 5% on the back of abundant stocks of natural resources. Saudi Arabia, in particular, is the largest market in the region. The country is making large-scale investments for conserving energy, securing water resources, and developing transportation infrastructure, as well as in telecommunications infrastructure and the healthcare fields.

Most recently, Hitachi and Toray Industries, Inc. concluded a memorandum of understanding (MOU) for testing a “Mega-ton Water System,” a large-scale, high-efficiency seawater desalination system, with Saline Water Conversion Corporation, a Saudi government-owned seawater desalination company, and Abunayyan Trading Company Limited, another water- and energy-related company also in Saudi Arabia. In February 2014, Hitachi joined hands with MEED, an influential

media organization covering the Middle East and North African regions, to host the Hitachi Social Innovation Forum in an aim to expand business and deepen collaboration with local companies and customers in Saudi Arabia and neighboring regions. The forum introduced the Hitachi Group's sophisticated and advanced products, systems and technologies in the field of industrial and IT solutions, energy, mobility, healthcare, and water treatment.

Hitachi's activities in Saudi Arabia dates back to 1966, when the company launched a business dealing in general industrial machinery, power generators, and other equipment in the country. The Hitachi's representative office was opened in Riyadh in 1978. Today, Hitachi has joint ventures with local Saudi companies include Hitachi Saihati Engineering Services Co., Ltd., which provides maintenance for mainly compressors and industrial machinery, and Hitachi T&D Systems Saudi Arabia Ltd., which conducts business in power distribution mainly through the provision of gas-insulated switchgear. Three other Hitachi Group companies also have business bases in Saudi Arabia. In all, the Hitachi Group has six bases in Saudi Arabia with a staff of approximately 550 employees, including Hitachi Saudi Arabia.

Through expansion of the Social Innovation Business, the Hitachi Group will contribute to Saudi Arabia's development and the creation of a sustainable society.

#### **Overview of Hitachi Saudi Arabia**

Name	Hitachi Saudi Arabia, Ltd.
Location	Riyadh, Kingdom of Saudi Arabia
Representative	Kazunori Fujiwara, President & Managing Director
Business Activities	Business support for the Hitachi Group, sales and marketing, construction contracting, facilities maintenance, and other business activities in Saudi Arabia
Establishment	October 4 , 2015
Capital	26 million Saudi riyal (approx. 832 million yen)*
No. of Employees	321

\* Calculated based on an exchange rate of 1 Saudi riyal = 32 yen

**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 2014 (ended March 31, 2015) totaled 9,761 billion yen (\$81.3 billion). Hitachi is focusing more than ever on the Social Innovation Business, which includes power & infrastructure systems, information & telecommunication 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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