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Hitachi Announces to Establish Hitachi Global Center for Innovative Analytics to Accelerate Global Expansion of Big Data-Related Businesses

Hitachi Laboratories and Business Units in the Americas, Europe and Asia to Create Innovative Big Data Solutions in Collaboration with Customers

Tokyo, June 6, 2013 --- Hitachi, Ltd. (TSE: 6501) today announced that it has established the Hitachi Global Center for Innovative Analytics (HGC-IA) to globally provide customers innovative solutions that leverage the power of big data. Linking Hitachi operating units and local researchers and engineers located in the U.S., the U.K., Japan and other regions around the globe, HGC-IA will leverage the company's world-class research, business consulting, information technologies and services to collaborate with its global customers to co-innovate, develop and apply end-to-end big data solutions. HGC-IA is going to also recruit talents in overseas.

Hitachi's clients are experiencing exponential data growth generated by businesses, humans and machines. This data can provide valuable insights for organizations in business sectors such as distribution, health care, financial services, government and social infrastructures such as energy, water treatment and transportation.

On April 1, 2012, Hitachi established the "Smart Business Innovation Laboratory" in the Information and Telecommunication Systems Company. This laboratory consists of data analytics masters, big data scientists focused on services and started to provide the Data Analytics Meister Service that helps customers create new business value from big data in June, 2012. The laboratory has worked on many initiatives in Japan and other regions around the world. For example, the laboratory developed analytics technologies in the retail sector to capture and analyze logistics and related sales with customer and employee movements enabling dramatically improved store management. The second example is in the insurance sector where non-life insurance companies can leverage the analysis of driving record data to provide the most suitable auto insurance policies according to a customer's driving behavior. The last example is in transportation where Hitachi is providing big data analytics for preventative maintenance for rail cars based on analysis of data from railway facilities.

Hitachi has built a robust, global research and development foundation to support Hitachi's big data business. As part of this foundation, Hitachi established the Big Data Research Laboratory in the U.S. on April 1, 2013, which consists of big data specialists in data analytics, marketing and research.

The HGC-IA will coordinate and integrate activities across Hitachi, Hitachi Consulting and Hitachi Data Systems to extend big data research and development into the business and IT environments of global clients. The HGC-IA will also coordinate and integrate activities between the U.S. Big Data Research Laboratory, the Europe Big Data Research Laboratory with the focus of health care (established in the U.K. on June 1, 2013) and other related research organizations. Initially, these Hitachi business units and laboratories will provide integrated big data resources including human resources, technology and solutions on a global basis to effectively meet the expanding needs of Hitachi's worldwide customers.

HGC-IA has begun operations with a staff of approximately 300 members and plans to increase to 500 members globally over the next two years. By strengthening its core big data business and applying new big data technologies and know-how for its global customers in related areas such as its cloud-based technologies and services, Hitachi aims to increase its revenues from big data related businesses to 150 billion yen (approximately 1.5 billion U.S. dollars) in fiscal 2015.

HGC-IA's Main Focus Fields

The HGC-IA will provide opportunities for Hitachi to co-innovate with customers and partners to create value through advanced data analytics to develop innovations to meet customers' challenges such as productivity improvement, cost reduction and sales increase in several vertical industries.

1. Health Care

Companies operating in the health care industry today are dealing with the significant challenge of improving the quality of medical care for patients in the face of rising medical care costs often associated with an aging society. HGC-IA will develop new solutions and services designed to improve patient care, organizational efficiency and reduce costs. These solutions and services will identify, ingest, manage and analyze large volumes of medical information in association with health care organizations around the world including the National Health Service in Greater Manchester, U.K.

2. Communications and Media

Large amounts of unstructured data such as rich media from pictures and video are being created, sent and stored in the Communications and Media industry. The HGC-IA will develop solutions and services that will help companies in this industry store, manage, search and analyze this data and use it more effectively and cost-efficiently.

3. Energy

In recent years, organizations have become more focused on incorporating new technologies associated with renewable energy, electric vehicles (EVs) in a move to reduce CO₂ emissions, conserve energy and reduce costs. By fusing information and communications with control technologies, HGC-IA will develop solutions to improve the efficiency of power transmission and distribution.

4. Transportation

Urbanization in many countries is prompting demand for means of transport that are friendlier to the environment in terms of cutting CO₂ emissions. HGC-IA will create solutions for operating safe and reliable railways by providing proactive and efficient maintenance services for railway equipment using big data.

5. Mining

In Australia, South America and other countries and regions around the world that produce mineral resources, greater operational efficiency is required to cope with the fluctuations in prices of natural resources such as coal and copper. HGC-IA will develop solutions that will analyze data generated by equipment used in mine development to improve end-to-end operations.

6. Others

HGC-IA will globally promote the use of big data in social innovation fields such as oil and gas and water, and enterprise fields such as logistics, manufacturing, and business intelligence, as well as the deployment of Hitachi's distinctive technologies, including the Business Microscope, behavior measurement system.

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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