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Contacts:

Japan: Masayoshi Yamaji
Hitachi, Ltd.
+81-3-5208-9324
masayoshi.yamaji.ca@hitachi.com

Hitachi Agrees to Participate “Sino-Singapore Guangzhou Knowledge City” As the First Japanese Company

Tokyo, January 21, 2011 --- Hitachi, Ltd. (NYSE:HIT / TSE:6501) and Hitachi (China) Ltd. today announced that they have agreed to cooperate with the Knowledge City Administration Committee (“KCAC”) and Singbridge International Singapore Pte. Ltd. (“Singbridge”) in the sustainable development of a next-generation “Sino-Singapore Guangzhou Knowledge City (“Guangzhou Knowledge City”)” in the suburbs of Guangzhou city in Guangdong province, People's Republic of China (“China”). KCAC is the parent organization promoting the development of Guangzhou Knowledge City, operating under the Guangzhou municipal government (Guangzhou city, Guangdong province, China), and Singbridge is a Singapore government-affiliated investment company. Hitachi is the first Japanese company to participate in the Guangzhou Knowledge City development project.

The agreement for the construction of Guangzhou Knowledge City as a next-generation city was made between the governments of Guangdong province, China and Singapore in February 2009, and KCAC and Singbridge are taking the lead in the planning and management of the project.

The project is based on the concept of creating new businesses with the aim of promoting business cycles and continuous development by inviting global companies with expertise in environmental and other cutting-edge technologies in areas including research and development, creative industries, education, healthcare, information technology, biotechnology, and new energies, and gathering together leading experts in these fields. The city is to be built on a 123 square kilometer site in Luogang District, approximately 35 kilometers from central Guangzhou, and when completed is expected to be a next-generation city with a population of roughly 500,000 people by around 2030.

Under the Memorandum of understanding Hitachi will be the first Japanese company to participate in the project. Hitachi plans to establish the Hitachi Smart City R&D Center for China in the Guangzho Knowledge City. This center will focus on various solutions for Smart City including energy management, renewable energy, common IT platforms and innovative smart transportation solutions, amongst others. Hitachi will conduct feasibility study to develop a detailed plan to be executed. Under the Memorandum of understanding, Hitachi to receive support from KCAC and Singbridge regarding the establishment of R&D center and, its R&D activities.

Looking ahead, Hitachi intends to position this R&D center as its research and development base for providing the latest technologies, products, and systems for the planning of Smart Cities in China, thereby contributing to the creation of green cities that are secure, safe and comfortable.

Over the years, the Hitachi Group has developed technologies and expertise in the fields of social infrastructure, information & telecommunication, and information & control. By establishing this local R&D base using these technologies and expertise, the Group hopes to develop more advanced technologies, products and systems, and provide a variety of solutions to Guangzhou Knowledge City, thereby not only constructing a Smart City, but also making a major contribution to the realization of the Guangzhou Knowledge City concept.

Hitachi is accelerating its global development of a “Social Innovation Business” that uses information & telecommunication systems technologies to provide advanced social infrastructure, with a management focus on the three areas of “Global,” “Fusion,” and “Environment.” In particular, it is emphasizing the Asian Belt Zone⁽¹⁾, where markets continue to grow and increased interest is being seen in the areas of environmental preservation and the creation of social infrastructure. Hitachi is aggressively developing and expanding its business of cultivating cutting-edge technologies and solutions in areas including electrical power, water treatment, security, and urban transportation in the Asian Belt Zone. Current activities include provision of Smart City-related technologies to the “Sino-Singapore Tianjin Eco-City” in the suburbs of Tianjin, China, and cooperation for the construction of Smart City including water treatment and home appliance recycling in Dalian, China which is being promoted through an alliance with China’s National Development and Reform Commission in the areas of resource recycling and low-carbon economies.

(1) The Asian Belt Zone consists of countries and areas, totalled 24, such as but not limited to China, ASEAN countries, India, Middle Eastern countries and other countries located within the territory.

The Hitachi Group in China

The Hitachi Group has been operating in China since the 1970s. China is one of the Hitachi Group’s most important markets, with 134 Group enterprises and approximately 53,000 employees currently in China (as of March 31, 2010). Hitachi Group revenues in China were ¥991.6 billion (approximately US\$10.7 billion) in FY2009 (April 1, 2009 to March 31, 2010), comprising approximately 11% of the Hitachi Group’s total revenues worldwide. The Hitachi Group will continue to actively develop its “Social Innovation Business” for information & telecommunication systems, power systems, and social infrastructure & industrial systems, etc. in China, contributing to the social development and environmental protection in China.

About Hitachi, Ltd.

Hitachi, Ltd. (NYSE: HIT / TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 360,000 employees worldwide. Fiscal 2009 (ended March 31, 2010) consolidated revenues totaled 8,968 billion yen (\$96.4 billion). Hitachi will focus more than ever on the “Social Innovation Business,” which includes information & telecommunication systems, power systems, environmental, industrial and transportation systems, and social and urban systems, as well as the sophisticated materials and key devices that support them. For more information on Hitachi, please visit the company’s website at <http://www.hitachi.com>.