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**Hitachi and SFO Technologies agree  
to form Indian Joint Venture Company  
for Control Systems of Thermal Power Business**

**Tokyo, Japan and Kochi, India, September 27, 2011**— Hitachi, Ltd. (President: Hiroaki Nakanishi, NYSE: HIT / TSE: 6501, “Hitachi”) and SFO Technologies Pvt. Ltd., a NeST Group Company (Managing Director: N. Jehangir, “SFO Technologies”), today announced that they have agreed to establish a joint venture in the field of advanced control systems for thermal power plants. The joint venture company, Hitachi NeST Control Systems Pvt. Ltd. is scheduled to be established in October 2011 and to be based in Bangalore, India. Hitachi India Pvt. Ltd., a wholly owned subsidiary of Hitachi and SFO Technologies will own the joint venture’s shares 70% and 30%, respectively.

Based on this agreement, Hitachi and SFO Technologies will promote to expand their control systems businesses in India. This will be achieved by converging the strengths of each company—Hitachi’s leading edge control technologies, advanced manufacturing technologies, wealth of experience and expertise in plant control systems and SFO Technologies’ 10 years experienced control systems and its highly skilled employees, as well as its nationwide sales and service network in India. Hitachi NeST Control Systems Pvt. Ltd. is targeting sales of approximately 1.5 billion Indian Rupees (2.6 billion yen) in the fiscal year ending in March 2015.

The market for information and control systems for social infrastructure is expected to grow in step with economic development in India. Power is a critical infrastructure on which socio-economic development of the country depends. India is expected to add 200 GW in the next 10 years. Major portion of the investment would be in thermal power plants especially in large sized supercritical units. Hitachi has made significant investments in India, including BGR Energy Systems Limited, to manufacture super-critical turbines, generators and boilers in Chennai.

Against this backdrop, Hitachi and SFO Technologies will form a Joint Venture to provide engineering, manufacturing, commissioning and after-service advanced control systems for thermal power plants. This Joint Venture is aimed to capitalize these opportunities and talent that Indian market will provide. Hitachi has been using SFO Technologies' engineering services in thermal power control systems field for the last 10 years for projects both inside and outside India. In the Joint Venture, Hitachi will bring in advanced control technology for thermal power plants. SFO Technologies will merge its existing 10 years experienced control systems division with the new joint venture company and offer its manufacturing space and expertise in Bangalore for localizing the technology in India.

Hitachi is focusing on accelerating the global development of the Social Innovation Business, which is made up of social infrastructure supported by highly reliable and highly efficient information and telecommunications technology. Hitachi has identified India as a fifth key management area for further business expansion in India. Hitachi has decided to establish this Hitachi NeST Control Systems Pvt. Ltd., a joint venture with SFO Technologies, to build up control system engineering capability, starting with thermal power control systems.

SFO Technologies also recognizes energy as an important growing market segment in India and is focused on enlarging its portfolio of products and services for this sector. Through this joint venture with Hitachi, SFO Technologies hopes to strengthen its control and automation offerings to meet the growing demand in India.

■ Outline of joint venture company

Company Name	Hitachi NeST Control Systems Pvt. Ltd.
Address	Bangalore, India
Business areas	Information and Control Systems for Thermal Power Plant
Year/month of establishment	October, 2011 (scheduled)
Capital	300 million Indian Rupees (approximately 510million yen)
Equity (%)	Hitachi India Pvt. Ltd.70%, SFO Technologies Pvt. Ltd.30%

\*: At the exchange rate of 1.71yen per Indian Rupee.

**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 2010 (ended March 31, 2011) consolidated revenues totaled 9,315 billion yen (\$112.2 billion). Hitachi will focus more than ever on the Social Innovation Business, which includes information and telecommunication systems, power systems, environmental, industrial and transportation systems, and social and urban systems, as well as the sophisticated material and key devices that support them. For more information on Hitachi, please visit the company website at <http://www.hitachi.com>

**About SFO Technologies Pvt. Ltd.**

SFO, the flagship company of NeST Group is one of the leading engineering, software and manufacturing services company headquartered in Kochi with operations at Kochi, Trivandrum and Bangalore with over 4,000 employees. SFO is the ELICINA award winner as the largest exporter and the best R&D center in India. SFO provides its products and services to its worldwide customers in healthcare, industrial, energy, communication and transportation sector. SFO has been actively engaged for the past 10+ years in providing hardware and software solutions to process control industry with special focus in power generation, transmission and distribution. For more information on SFO and NeST Group, please visit the company website at <http://www.nestgroup.net>