

FOR IMMEDIATE RELEASE

Large Power Transformer Order from US Power Utility

Tokyo, February 3, 2015 --- Hitachi, Ltd. (TSE: 6501 / “Hitachi”) today announced that its North American sales company for power transmission and distribution equipment, Hitachi HVB, Inc. (“HVB” / Headquarters: USA), has received an order of five transformers from Grand River Dam Authority (GRDA^{*1}), an Oklahoma power utility in the USA.

The transformers are to be manufactured by Hitachi Fortune Transformer, Inc. (“HFT” / Headquarters: Taiwan), a joint venture established by Hitachi and Fortune Electric Co., Ltd. of Taiwan (“Fortune Electric” / Headquarters: Taiwan), where a new factory has been under construction.

The international market for transformers is expected to increase from the current level of about \$7 billion (USD) to approximately \$10 billion (USD) by 2020^{*2} driven by the growth in distributed generation sources that use renewable energy such as wind or photovoltaic power, as well as by economic growth and population increases. Looking at developed nations such as the USA in particular, the value of power transformers market in the USA is expected to grow from its current level of about \$2 billion to around \$2.6 billion in 2020^{*2} due to the replacement needs of the aging equipment.

HVB received this order as a result of participating in a tender to supply transformers for the GRDA’s newest generating facility, due to be completed in May 2017. This combined cycle natural gas facility will utilize advanced design turbine-generators, to be supplied by the United States-based subsidiary of Mitsubishi Hitachi Power Systems. Overall thermal efficiency will exceed 60%, and upon completion the facility has the potential to be the most efficient in the United States. This important project has drawn considerable attention from both electric industry and government, and a groundbreaking ceremony was conducted on January 23rd. This Order includes the manufacture of two 265MVA GSUs^{*3} and two 415MVA GSUs by HFT, and the manufacture of one 35MVA RAT^{*4} by Fortune Electric, Hitachi’s joint venture partner in HFT. The transformers are due to be delivered in 2016.

HFT was founded in December 2013 to expand Hitachi’s transformer business into the global market. Construction of a transformer production facility at the Taichung Port Free Trade Zone in Taichung City, Taiwan got underway in April 2014 and production is due to commence in April of this year.

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In the future, Hitachi will continue to contribute to the reliable supply of electric power throughout the world by engineering and manufacturing of electrical equipment, and by participating in all aspects of transmission and distribution equipment, from manufacturing to sales and maintenance.

*1 A non-profit power utility, GRDA was originally established in Oklahoma, USA in 1935 as a State Agency to construct a dam on the Grand River and operate hydro power units. GRDA has been the major supplier of electric power throughout the state of Oklahoma since it commenced operation in 1986 of a thermal power plant, now known as the Grand River Energy Center (GREC). GRDA has a total supply capacity of 1,730 MW and a workforce of 500.

*2 Source: GlobalData Transmission Equipment Details

*3 GSU: Generator step-up unit

*4 RAT: Reserve Auxiliary Transformer

Profile of Hitachi HVB, Inc.

Item	Description
Company Name	Hitachi HVB, Inc.
Location	7250 McGinnis Ferry Rd. Suwanee, GA 30024 U.S.A.
Founded	March, 1977
Management	Ken Badaracco
Employees	Approximately 125(as of December 2014)
Business activities	Supply of electrical equipment including dead tank high-voltage circuit breakers, gas-insulated switchgear, transformers, and generator main circuit breakers
Shareholders	Hitachi, Ltd. 100%

Profile of Hitachi Fortune Transformer, Inc.

Item	Description
Company name	Hitachi Fortune Transformer, Inc.
Location	Port of Taichung Free Trade Zone, Taichung
Founded	December, 2013
Management	CEO: Masaki Matsumoto
Employees	Approximately 200 (estimate for 2020)
Business activities	Design, manufacturing, inspection, sales, installation, and after-sales service for oil-filled transformers
Shareholders	Hitachi, Ltd.: 60%, Fortune Electric Co., Ltd.: 40%

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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Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.
