

Hitachi and National Grid Saudi Arabia signed Technical Collaboration Agreement



Signing Ceremony

Tokyo, September 2, 2015 --- Hitachi, Ltd. (TSE: 6501 / “Hitachi”) and National Grid SA (“National Grid”), the operator of the national power transmission grid in the Kingdom of Saudi Arabia, today announced an agreement for technical collaboration in the areas of electricity infrastructure development relevant to products for the nation’s substations. Based on the agreement, Hitachi will jointly evolve with National Grid the standardization of products for substations and provide training appertaining to products to National Grid’s engineers. Hitachi is the first company in Japan for signing such agreement with National Grid.

The rapid growth in demand for electric power in Saudi Arabia against a background of population and economic growth has created an urgent need for additional transmission lines and other power transmission infrastructure. As the largest nation in the Middle East in terms of both its economy and population, Saudi Arabia is expected to increase the number of its transmission substations from the current total of about 720 up to 900 by 2020*¹. Saudi Arabia accounts for approximately 40% of the Middle East market for gas-insulated switchgear, essential equipment in substations, with ongoing growth in demand anticipated as the population continues to rise.

Hitachi has long had a close relationship with the Juffali Group Company Walid Ahmad Juffali Company Limited (“WJCO”). By partnering with WJCO to establish Hitachi T&D Systems Saudi Arabia Ltd. (“HTDSA”), a joint venture for gas-insulated switchgear and other power distribution equipment established in March 2015 in Jeddah, Hitachi intends to combine its technical capabilities with WJCO’s strong market presence to supply highly reliable equipment and services in Saudi Arabia. Through HTDSA, and based on this collaboration agreement, Hitachi intends to propose ways in which National Grid can standardize its rules for engineering and design, and other activities of maintenance and preventive maintenance associated with products such as switchgear and transformers that are used in substations. The two organizations also plan to share knowledge, experience, and technology through measures that include training and technical exchanges with local engineers. The aim is to utilize the excellent technology and experience of Hitachi to contribute to infrastructure construction and human resource development in the electricity distribution sector in Saudi Arabia by building a long-term cooperative relationship with National Grid.

National Grid operates all of Saudi Arabia’s high-voltage and extra high-voltage transmission lines, and is working on projects aimed at increasing operational efficiency and at the installation and development of new transmission lines, substations, and other infrastructure. National Grid works to regularly improve and develop transmission networks(110 - 380) KV and 500/ 600 KV DC in all sectors of the Saudi Electricity Company. The Company aims to raise the readiness of the network and ensure the continuity of its reliability. Also, the Company gives great importance to the pilgrimage season each year, working to avoid any electrical interruptions in the holy sites that could affect pilgrims. This is achieved by advanced planning of the maintenance and forecasting workloads in addition to processing and fully preparing for any emergency well in advance.

Based on this agreement, Hitachi and National Grid will contribute to the reliable and secure supply of electric power in Saudi Arabia through the development of technology for high-voltage transmission lines and human resource development.

*1 Source: GlobalData

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>.

About National Grid SA

In the beginning of 2012, the National Grid SA, a limited liability company wholly owned by the Saudi Electricity Company was established and launched. Its tasks and responsibilities include electricity transmission in the Kingdom of Saudi Arabia and the operation, control, and maintenance of the electrical grid. During that year, two more business lines were introduced: Engineering and Projects Management, and Supply Chain business lines.

About Hitachi T&D Systems Saudi Arabia Ltd. (HTDSA)

Hitachi T&D Systems Saudi Arabia Ltd. is a joint venture company between Hitachi, Ltd. and Walid Ahmad Juffali Company Limited in Transmission & Distribution equipment and systems based in Jeddah, Saudi Arabia established on March 29, 2015. HTDSA is focusing on selling gas-insulated switchgear and transformers, as well as handling the entire process at substations from engineering through to procurement, construction, maintenance, and other related operations. HTDSA will locally assemble gas-insulated switchgears that are needed in Saudi Arabia in the future. For more information on HTDSA, please visit the company's website at <http://www.hitachi.com/products/power/TandD/location/index.html#plink09>

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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.
