

**FOR IMMEDIATE RELEASE**

**Cooperation Agreement Signed with Russia's Federal Grid Company  
Extensive collaborative technology trials and demonstration projects for  
power transmission and distribution to be undertaken in Russia**

Tokyo, April 19, 2012 --- Hitachi, Ltd. (HYSE:HIT / TSE:6501) today announced the signing of a cooperation agreement on collaboration in the electric power industry with Federal Grid Company of Unified Energy System (FGC UES, Chairman: Oleg Budargin) of the Russian Federation (Russia). Hitachi intends to work with FGC UES to contribute to future new energy and infrastructure businesses in Russia by planning and implementing a wide range of collaborative technology trials and demonstration projects for power transmission and distribution, including improving energy efficiency at EMS<sup>(1)</sup>, load dispatch, and other sites; remote monitoring and diagnosis of substations; and improving the stability and reliability of large power grids.

The cooperation agreement was signed with the aim of establishing long-term collaboration on science and technology in the electric power industry. Hitachi intends to work with FGC UES in a range of areas relating to power transmission and distribution networks, including the design and construction of grids and the development of advanced equipment and systems for grid operation. Specific projects will include the two companies working together in the electric power industry on the development of innovative systems that fuse IT with electric power infrastructure, with collaboration to include technical trials and demonstration projects at FGC UES substations involving remote monitoring systems for power system equipment and the system management of information and control networks. Collaborative work at FGC UES research sites will include the trialing of grid stabilization systems and the running of demonstration projects in a wide range of fields, including building energy efficiency and the introduction of EMSs, renewable energy, storage batteries, electric vehicles, and other equipment.

The agreement will also promote the opening up of new market opportunities in the power systems business sector with active exchange of information on engineering, regulatory compliance, technical support and certification, and other topics relating to new equipment and systems likely to be more widely adopted in Russia in the future (including GISs<sup>(2)</sup>, amorphous transformers,

STATCOMs<sup>(\*)3</sup>, HVDC<sup>(\*)4</sup>, EMSs, and DMSs<sup>(\*)5</sup>).

Hitachi took over the electrical conversion and distribution business of Japan AE Power Systems Corporation on April 1, 2012 and established a new electric power distribution business division. In addition to creating new value through the fusing of IT and power systems infrastructure, this has given Hitachi the capability to deliver everything from power generation to smart grids. For the future, Hitachi intends to draw on these strengths to expand its business globally.

\*1 EMS: An abbreviation of "energy management system." A system for ensuring a reliable supply of electric power through optimal control of the supply and demand balance.

\*2 GIS: An abbreviation of "gas insulated switch." A device used at substations that houses switches and cabling at high density in a sealed container filled with SF<sub>6</sub> gas.

\*3 STATCOM: An abbreviation of "static synchronous compensator." A device that uses semiconductor switches to help ensure a reliable power supply and improved power quality.

\*4 HVDC: An abbreviation of "high voltage direct current." A power transmission technology involving the conversion of three-phase alternating current (AC) to direct current. Over long distances, HVDC has lower electric power losses than conventional AC transmission.

\*5 DMS: An abbreviation of "distribution management system." A system for monitoring and control of electric power distribution systems to achieve a rapid recovery after outages or other faults.

#### ■ Profile of Federal Grid Company of Unified Energy System (FGC UES)

(1)	Name	Federal Grid Company of Unified Energy System
(2)	Representative	Oleg Budargin (Chairman of the Management Board)
(3)	Headquarters	5A, Akademika Chelomeya str., Moscow, Russia, 117630 Telephone: +7-495-710-93-33
(4)	Established	June 25, 2002
(5)	Business activities	Electric power transmission, investment, and maintenance, etc.
(6)	Employees	22,000 (at end of 2010)
(7)	Capital	764,162 M RUR (approximately 2,086.2 billion yen) <sup>(*)</sup>

\*At an exchange rate of 2.73 yen per ruble (rate on April 16, 2012)

#### 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 and 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>.

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