

FOR IMMEDIATE RELEASE

**A New Research Facility in Kokubunji
based on the Concept of “Collaboration Forest”**

To accelerate collaborative creation-style research supporting “Social Innovation Business”



Completion image

Tokyo, June 28, 2016 --- Hitachi, Ltd. (TSE:6501; “Hitachi”) today announced that it will establish a new research building, “*Kyoso-to*”, within the grounds of the Central Research Laboratory located in Kokubunji, to accelerate the collaborative creation-style research which supports Hitachi’s Social Innovation Business. The Central Research Laboratory, nestled in the natural environment of the Musashino area, will be designed as a center to enhance collaborative creation between customers and Hitachi. The *Kyoso-to* will be equipped with cutting-edge research facilities as well as a large convention hall accommodating 300 people to promote collaborative creation with customers worldwide. Construction will start in September 2017 and is expected to be completed in March 2019.

To contribute to achieving an even safer and more comfortable society worldwide, Hitachi has been pursuing Social Innovation Business that combines the company’s wealth of experience and knowledge in infrastructure business and advanced information technology. A collaborative creation-style approach where solutions to challenges are investigated and created with customers and partners, as well as open innovation, are being taken to deliver the optimal solution to challenges in society through the creation of new value using digital technology.

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The Research and Development Group led the change towards a collaborative creation-oriented organization in a realignment in April 2015 by establishing three organizations: (a) the Global Center for Social Innovation that develops solutions together with customers, (b) the Center for Technology Innovation that develops the technology platforms necessary for solution development, and (c) the Center for Exploratory Research that takes a long term perspective to create Social Innovation Business for the future.*¹ In October of the same year, a facility was opened in Akasaka, Tokyo to explore and discover business opportunities, create new business concepts and consider business models together with customers.*² In April 2016, the business divisions of Hitachi adopted a market-specific business structure with enhanced front-line functions to accelerate collaborative creation with customers.*³

The purpose of *Kyoso-to* will be to promote technology-based collaborative creation activities, and will provide cutting-edge research equipment to enable rapid prototype development in accordance with customer needs. Further, a convention hall housing 300 people for international conferences and workshops, and dedicated space for collaborative creation in research and development, are also being planned to promote collaborative creation with customers worldwide.

Hitachi will continue to accelerate open innovation as it pursues research and development to support the Hitachi “2018 Mid-term Management Plan.”

Outline of construction project (plan)

Location:	Central Research Laboratory, Hitachi, Ltd. (Higashi-koigakubo 1-280, Kokubunji-shi, Tokyo, Japan)
Height of building:	26.5m (4 floors above ground)
Total floor space:	approx. 17,000m ²
Building area:	approx. 7,000m ²

*1 Hitachi, Ltd. News Release (February 27 2015):

Hitachi to Establish a Global R&D Structure from the Customer's Perspective
<http://www.hitachi.com/New/cnews/month/2015/02/150227.html>

*2 Hitachi, Ltd. News Release (October 15 2015):

Hitachi Establishes NEXPERIENCE for Accelerating Social Innovation Business
<http://www.hitachi.com/New/cnews/month/2015/10/151015.html>

*3 Hitachi, Ltd. News Release (February 3 2016):

Hitachi to Make a Transition to a Market-Specific Business Structure with Strengthened Front-Line Functions
<http://www.hitachi.com/New/cnews/month/2016/02/160203a.html>

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, delivers innovations that answer society's challenges. The company's consolidated revenues for fiscal 2015 (ended March 31, 2016) totaled 10,034.3 billion yen (\$88.8 billion). The Hitachi Group is a global leader in the Social Innovation Business, and it has approximately 335,000 employees worldwide. Through collaborative creation, Hitachi is providing solutions to customers in a broad range of sectors, including Power / Energy, Industry / Distribution / Water, Urban Development, and Finance / Government & Public / Healthcare. 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.
