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FOR IMMEDIATE RELEASE

Transmashholding and Hitachi to Produce Traction Inverters in Russia

May 21, 2018 – Moscow: Today JSC Transmashholding (“Transmashholding”) and Hitachi, Ltd. (TSE:6501, “Hitachi”) have signed an agreement to localize production of traction inverters for passenger rail transport in Russian Federation.

The agreement was signed by Kirill Lipa, CEO of Transmashholding, and Kiyoshi Nakata, Deputy COO Rolling Stock of Railway Systems Business Unit, Hitachi.

Per conditions of the agreement, a Transmashholding-Hitachi joint venture (“JV”) will use manufacturing capacities of OJSC Metrowagonmash (“Metrowagonmash”), a subsidiary of Transmashholding, to manufacture high-performance traction inverters in Russian Federation. Transmashholding will own 51% of the JV authorized capital of 375 million RUB, Hitachi will own 49%.

The JV will have an annual production capacity of 200 traction systems. It will carry out the design as well as manufacturing, assembly, testing, sale, repair and maintenance service of the products. This will make high-performance, high-quality traction inverters available throughout the Russian market, as well as the CIS and European markets.

Transmashholding commands an extensive distribution network in Russia and other CIS countries, and has wide experience in supplying and maintaining rolling stock.

Hitachi provides efficient and reliable electric components for Metrowagonmash’s projects in Sofia (Bulgaria), St. Petersburg (Russia) and Budapest (Hungary).

Statement from Kirill Lipa, General Director, JSC Transmashholding.

Transmashholding and Hitachi developed a strong and mutually beneficial relationship working on joint projects. The establishment of a joint venture is a logical step to further improve this relationship. We expect products of the JV to be in high demand.

Statement from Kiyoshi Nakata, Deputy COO Rolling Stock of Railway Systems Business Unit, Hitachi, Ltd.

We are delighted to sign the agreement for the JV with Transmashholding. We hope that this JV will lead to further expansion of our Railway Systems Business and the improvement of Hitachi presence in Russia as well as CIS countries.

Outline of the Joint Venture Company

Company name	“TMH Traction Systems” Limited Liability Company
Location	Mytishchi, Moscow Region, Russian Federation
Establishment	June, 2018 (tentative)
Capital	375 million rubles (tentative)
Investment ratio	JSC Transmashholding 51% Hitachi, Ltd. 49%
Representative	To be appointed by Hitachi
Business	Design, manufacturing, assembly, testing, sale, repair and maintenance service of electrical components for passenger transport

For your Reference:

JSC Transmashholding

- *Produces metro cars, EMUs and DMUs, passenger carriages, locomotives, freight cars and diesel power plants, as well as locomotive, marine and stationary diesel engines*
- *Performs repairs and maintenance of the rolling stock*
- *Is No. 1 in CIS countries in terms of rolling stock sales volume*
- *Ranks among the largest world manufacturers*
- *Is the only one manufacturer in CIS countries producing rolling stock in an “arctic version”*
- *The rolling stock produced by the Company has been operated in all climatic regions worldwide.*

Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, delivers innovations that answer society’s challenges, combining its operational technology, information technology, and products/systems. The company’s consolidated revenues for fiscal 2017 (ended March 31, 2018) totaled 9,368.6 billion yen (\$88.4 billion). The Hitachi Group is an innovation partner for the IoT era, and it has approximately 307,000 employees worldwide. Through collaborative creation with customers, Hitachi is deploying Social Innovation Business using digital technologies in a broad range of sectors, including Power/Energy, Industry/Distribution/Water, Urban Development, and Finance/Social Infrastructure/Healthcare. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

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