

**FOR IMMEDIATE RELEASE**

## **Hitachi to Invest \$1.25 bn AUD in Australian Social Innovation Business**

*Company to increase revenue to \$3.75 bn AUD by FY2020  
through Collaborative Creation with Australian partners*

**Sydney, Australia, December 1, 2016** --- Hitachi, Ltd. (TSE: 6501) has announced its commitment to invest \$1.25 billion AUD in its Australian Social Innovation business and forecasts to triple its FY2015 revenue total in Australia to reach \$3.75 billion AUD by FY2020 as a result of focusing on the growth of its mining, railway system, healthcare, security, and agriculture businesses. During a Keynote Speech delivered at the 'Hitachi Social Innovation Forum 2016 SYDNEY' at Sofitel Sydney Wentworth, Hitachi's President & CEO, Toshiaki Higashihara, addressed how Hitachi will contribute to resolving issues faced by Australian society and improving Australian's quality of life, through Social Innovation and leveraging digital technologies.

Hitachi identified three critical social issues currently faced in Australia as Hitachi's focus - urbanisation, a challenged healthcare system and primary industry. As a result of urbanisation due to the country's rapid population growth, Australia is experiencing problems such as inadequate transportation infrastructure and chronic traffic congestion. Add to this, an increased demand from its citizens for stronger security measures. Growing population and dated infrastructure is placing increasing pressure on the healthcare system, and changes in the primary industry's mining and agriculture sectors have given rise to the need for smart mining and agriculture technologies, including automation to help facilitate labor reduction in order to maintain competitiveness. This is set against the context of a wave of new technology innovations globally including the Internet of Things (IoT) and Industrie 4.0, with the Australian government accordingly focused on increasing security measures and announcing a new cyber security strategy in April 2016 with an allocated budget of \$230 million AUD over the next four years.

In order to resolve these issues, Hitachi will invest heavily to accelerate collaborative creation with Australian partners in the fields of mining, railways, healthcare, security, and agriculture, to create shared value, bringing about positive change to the lives of individuals and Australian society.

In its mining and agriculture business, Hitachi promote Proof of Concept and the provision of solutions which contribute to efficiency and deliver high added value. Hitachi Construction Machinery Co., Ltd. is in the process of acquiring Australian casting manufacturer Bradken Limited, a global brand with very strong distribution networks. This development, in combination with Hitachi's IoT and AI technology, will

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allow Hitachi to significantly differentiate itself from the competition in the service it is able to deliver to its customers. Hitachi's railway business is perfectly positioned to contribute to greater safety, flexibility, and efficiency in Australian transportation by collaborating with its partners to address their challenges. It is able to provide all train related technology, including traction systems, signal systems, and transport management systems in liaison with Ansaldo S.p.A., and Ansaldo STS S.p.A, which Hitachi acquired in 2015 to further expand the global footprint of its railway business.

A key area of focus for Hitachi's healthcare business is the future provision of particle beam therapy systems. Hitachi has already delivered these systems to more than 10 facilities around the world. Hitachi also leverages its expertise in IT and other areas to provide healthcare solutions using a wide range of digital technologies. In its security business, Hitachi provides a wide range of solutions including physical security in the form of video monitoring systems and finger vein authentication, as well as cyber security that supports the safe management of information assets.

Earlier this year in June, Hitachi established a new Research and Development (R&D) division in Sydney, Australia, with its core focus to create new business opportunities by promoting collaborative creation to Hitachi's Australian partners and leveraging the expertise of its mining, railways, healthcare, security, and agriculture businesses.

As part of its continued commitment to provide solutions, products and services in the Social Innovation business, Hitachi's goal is to become an innovation partner for the IoT era. In order to realise this goal, earlier this year Hitachi launched its IoT platform 'Lumada' which supports all aspects of Collaborative Creation with its customers and partners, from the sharing of ideas, analysis and visualisation of issues, right through to the design, testing, simulation of business models and ultimately the provision of services.

The "Hitachi Social Innovation Forum 2016 SYDNEY" is the first time Hitachi has held one of its flagship social innovation events in Australia. The goal of the forum, which is held annually in cities across the globe, is to further accelerate social innovation via collaborative creation with leading businesses and decision makers. In the midst of major changes in industry and society as a whole, the forums explore the application of new innovations in technology and business solutions in the era of the IoT, to address the key trends and challenges facing society.

Hitachi forecasts to triple its FY2015 revenue in Australia by FY2020, to \$3.75 billion AUD. The company plans to invest \$1.25 billion AUD in Australia over this period, with the outcome of creating a better tomorrow for Australians.

**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.

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