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Hitachi America, Ltd: Recipient of the
2007 North American Variable Speed Drives
Excellence in Technology & Product Value of the Year Award



From left to right: Sandeep Maheshwari, Frost & Sullivan, Vice President Automation & Electronics; Hiroshi Fujii, Deputy Division Manager, Drive Systems, Hitachi Industrial Equipment Systems and Kevin Tory, Senior Sales Manager, Industrial Drives, Hitachi America, Ltd.

“Partnering with clients to create innovative growth strategies”

2007 North American Variable Speed Drives Excellence in Technology & Product Value of the Year Award

Award Description

The Frost & Sullivan Award for the Excellence in Technology and Product Value in the variable speed drives market is presented to the company, which has demonstrated excellence in the fields of technology and has evident customer confidence in terms of loyalty and service. The Award recognizes the company's commitment to continuously evolve and remain a leading participant in the drives market by adopting technologies and providing products that offer better value to customers. The varied services that the company offers and the benefits that the clients receive through its efforts are important measuring tools that set the company apart for this Award. In addition, the recipient company has demonstrated flexibility in tailoring its product offerings to suit customer businesses.

Research Methodology

To choose the recipient of this Award, the analyst team tracks companies in the drives industry and benchmarks them with respect to competitor revenue and market share within the industry. The selection process includes interviewing market participants and secondary research proprietary data sources. The data obtained is then compared and ranked for determining relative positions, and the company that secures the highest rating in terms of the criteria established, is awarded the number one industry ranking.

Measurement Criteria

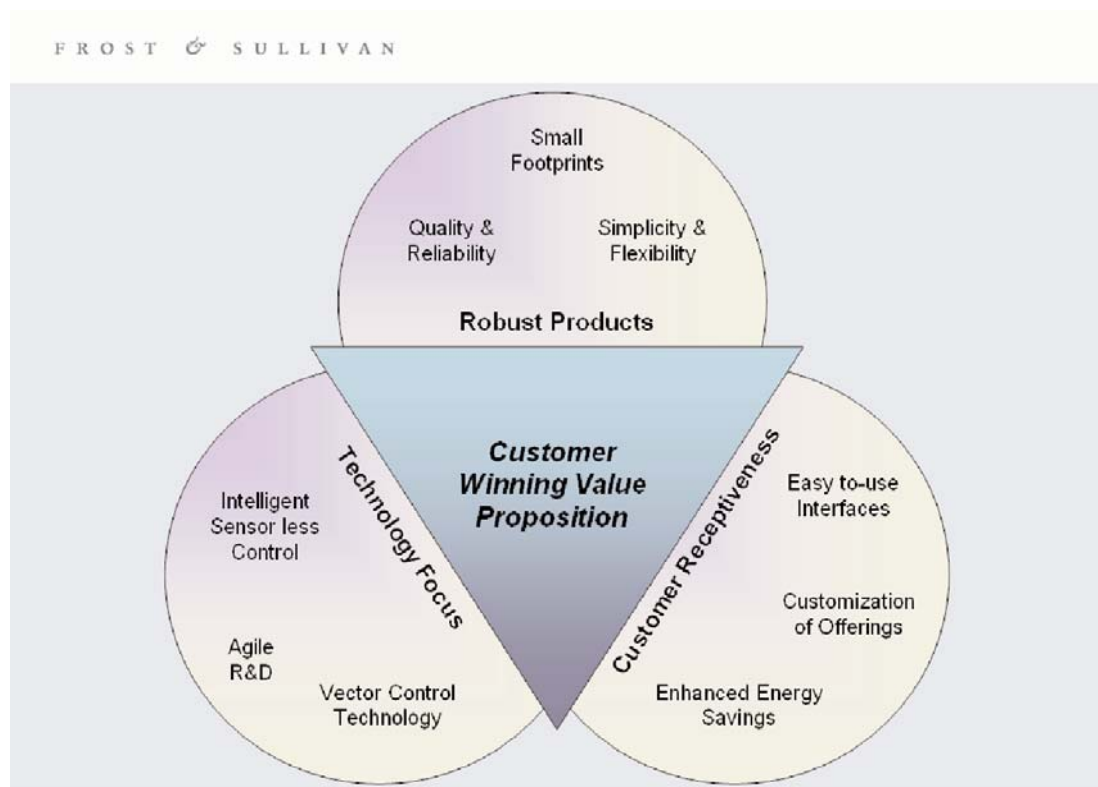
In addition to the methodology described above, there are specific criteria used in determining the final ranking of competitors in this industry. The recipient of this Award has excelled based on one or more of the following criteria:

- The company's completely unique product range and its specific value addition to the customers through these product offerings
- Technological innovation and leadership
- Significance of the product(s) and its competitive advantage in the industry
- Product innovation and its acceptance in the marketplace
- R&D expenditures
- Maximizing profitability and minimizing the ownership costs to customers
- Quality and reliability of products
- Responsiveness to customer needs with improvement in customer satisfaction level and the ability to deliver value enhancing solutions to customers
- Ability to keep abreast with technology development in the market and pioneering technological innovation and leadership
- Providing value addition for an existing product



The 2007 Frost & Sullivan Award for the Excellence in Technology and Product Value in the variable speed drives market is presented to Hitachi America. The company has received this award for demonstrating an unmatched

ability to pioneer vector control technology and build solutions that have enabled its customers to achieve operational excellence. Hitachi's relentless efforts on the technology front have resulted in a robust product line, which has enabled customers to minimize costs and maximize profitability.



In the aggressive competitive market, companies are beginning to realize that competitive advantage comes through innovation. Thus, with innovation being a key differentiator, Hitachi has shown an outstanding ability in transforming its process and product knowledge into newer solutions and technologies that have enabled its global customers to leverage their overall efficiency. Customers have recognized the company for its excellence in providing robust products, which are a hallmark of innovation. This is vindicated by its radical new 'Intelligent Sensorless Vector Control' introduced in the SJ200 Series of inverters that overcomes the complicated auto-tuning process to achieve optimal performance. Customers acknowledge SJ200 for providing them with unparalleled simplicity and flexibility.

The changing and unpredictable marketplace necessitates the manufacturer to have a greater flexibility in its products and offerings. With the increasing fragmentation and customization of offerings, the manufacturers place great emphasis on having wider product ranges. Hitachi, through its ability in product innovation, has demonstrated diligence in integrating various technologies into value-enhancing solutions for customers. While demonstrating a strong allegiance in exceeding customer expectations, the company has introduced a wide array of value-enhancing solutions. Customers are highly satisfied with its solutions that solve problems across several industry verticals.

Research & development (R&D) has become a strategic and competitive tool for companies to gain market share. With the drives market being globally driven by technology and innovation, manufacturers face immense challenges in keeping up with the technology. From the manufacturers' point of view, the economic lifetime of a particular product is around four to five years. It requires a continuous effort in the product development to bring out products that are of high economic value to the customers. Hitachi is focusing to change its flexible business model into a keen

customer-focused R&D culture across geographic boundaries. It has a major credibility of introducing innovations that are of immense practical and economical value to its global customers. A case in point is, the SJ300-EL series of inverters. The company's futuristic thinking has resulted in specialized fully tunable sigmoid acceleration and deceleration function for elevator controls. The stability of the product to operate with a high-gain setting during stopping or slowing operations, and low-gain output at high-speed steady running condition is highly commendable.

With energy costs increasing, the need for energy conservation has become paramount. The end users of electric motors are aware of the fact that they need to save electric energy to reduce operating costs and thus improve profit margins. This forces drives manufacturers to offer better energy savings to the customers. Hitachi has a strategic vision to continue investing on new product offerings that bring better energy savings to its global customer base. An example of this effort is the L300P and HiPASS series of inverters. Customers testify these drives have brought them better control, enhanced energy savings, and guaranteed uptime.

Hitachi has always been considered as a highly customer-receptive company worldwide. The 'HiSAVE VFD Energy Savings Estimator' is an effort in this direction, which helps users to estimate the electric energy cost savings that would be realized by installing a drive. The end users are looking forward to a simple and flexible network solution that is easy to expand to meet the needs of the developing business. Hitachi has consistently shown an ability to understand customer needs and has introduced all its products with an easy-to-use Ethernet interface.

Drives are becoming simpler and smaller in size. Most of the products available in the market have a 'plug and play' option which eases the process of installation. Drive manufacturers have realized the importance of reducing the footprint. Hitachi has shown an aptitude to look beyond the immediate and demonstrate a strong commitment toward exceeding customer expectations. The new and full-featured L200 Series micro variable speed drives have enhanced flexibility and one of the smallest footprints available in the industry. Customer acceptance for L200 series is very high due to its easy-to-use and maintain features.

Integral to these achievements is Hitachi's distinct competence in translating its extensive processes knowledge and vertical industry expertise into products that deliver superior customer value at a reduced cost of ownership. This has enabled its customers to improve their overall efficiency. The company's products are centered around helping customers achieve operational excellence. Hitachi has shown a strong emphasis in offering a wide array of value-enhancing solutions by pioneering vector control technological innovations. In recognition of its ongoing commitment to excellence in technology, Frost & Sullivan is proud to present Hitachi America with the 2007 Frost & Sullivan Award for the Excellence in Technology and Product Value in the variable speed drives market.

About Frost & Sullivan

Frost & Sullivan, a global growth consulting company founded in 1961, partners with clients to create value through innovative growth strategies. The foundation of this partnership approach is our Growth Partnership Services platform, whereby we provide industry research, marketing strategies, consulting and training to our clients to help grow their business. A key benefit that Frost & Sullivan brings to its clients is a global perspective on a broad range of industries, markets, technologies, econometrics, and demographics. With a client list that includes Global 1000 companies, emerging companies, as well as the investment community, Frost & Sullivan has evolved into one of the premier growth consulting companies in the world.

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