This diversified Japanese multinational, with US$110 billion in assets, is the world’s third largest technological company.

Hitachi makes construction equipment used at the Salit Quarry in an Israeli settlement near Ramallah, in the occupied West Bank. Gravel from the quarry is sold wholesale to Israel’s ReadyMix Industries, which supplies construction materials for Israel’s separation wall, checkpoints and other infrastructure in the West Bank, owned by Cemex. (See p.18.)

Hitachi also has a wholly-owned subsidiary in Israel called Hitachi Data Systems. In 2002, its manager, Amikam Magen, said Israel was an “emerging market in the storage, information security and communications sectors” and that Hitachi was “looking to invest in these sectors through Vertex Management Israel [VMI]. VMI, he said, “finds relevant opportunities for direct investments by, or cooperation agreements” with Hitachi.

News that Hitachi had appointed VMI “as its investment representative in Israel” was reported by Harel-Hertz Investment House, which promotes “business activities between Japan and Israel.” Its 2002 report noted that Hitachi would invest “[US]$6-11 million a year in Israeli start-ups, and might invest more if opportunities arise.” Hitachi, it said, had already put about US$12 million in Israeli firms.

VMI manages several funds for Vertex Venture Capital (VVC), in which Hitachi has invested US$43 million. VVC finances many Israeli high-tech, start-up firms, including those serving the “homeland security” and military markets. (See pp.50-52.)

Hitachi has also invested in, and partnered with, high-tech Israeli companies that provide products and services for military, police and intelligence agencies in Israel and elsewhere.

**Voltaire Ltd.**

In 2002, Hitachi invested US$2 million in Israel’s Voltaire, which produces “switching solutions as part of a powerful [Hewlett-Packard] HP clustered supercomputer for advanced weapons system design research...at Wright-Patterson Air Force Base in Ohio.” Two of Voltaire’s largest customers are HP and Oracle, which both supply Israel’s military. (See HP, pp.36-37, and Oracle in table, “CPI Investments,” p.53.)

**Magic Software Enterprises**

In 2005, an Israeli newspaper, *Globes*, reported that “Hitachi Software Engineering will market Magic Software Enterprises’ integration tools.” In 2010, Magic was contracted to “upgrade and maintain” the core IT system for Israel’s Military Police. This “large, multi-year project” gave Israel’s military police “real-time status reporting and a full picture of nation-wide operations.”

**XACCT Technologies**

Hitachi has partnered with XACCT since 2002. Founded by “alumni of Israel’s defense technology unit,” XACCT provides “network data management solutions for global communications service providers.” In particular, it is a leading producer of software used in the “collection, filtering, correlation and formatting of voice, data, content or commerce usage information” from “wireline carriers, mobile operators, cable operators, and managed services providers.”

In “Big Brother – Real-Time Behavioral Monitoring,” Dion Wiggins, CEO of *Asia Online*, warned that “XACCT’s technology reveals some startling implications and opportunities for abuse.” He noted that when XACCT cofounder and VP of Technology, Eran Wagner, was asked if his company was helping the FBI gather vast amounts of data, he said: “We provide them with a weapon; they could abuse the use of the weapon, but it’s up to them.” XACCT was acquired for US$30 million in 2004 by Amdocs. (See pp.5-6.)

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