

October 31,2005

Hitachi Establishes 'Hitachi Global Solutions Center' in India

Alliance with Global IT companies to bolster global solution businesses

Tokyo, Japan, October 31 2005 --- Hitachi, Ltd. (NYSE: HIT / TSE: 6501) today announced it has formed a strategic alliance with Intelligroup (HQ: New Jersey, U.S, CEO: Vikram Gulati) and with Satyam Computer Services (HQ: Secunderabad, India CEO: B.Ramalinga Raju) establishing the Hitachi Global Solutions Center (Hitachi GSC) in their respective development centers to begin operations on November 1st. The Hitachi GSC will act as the main hub expanding the global outsourcing capabilities of Hitachi and other Hitachi solution providers, helping to provide cost-effective, high-quality services.

In recent years, the globalization of Japanese companies has become the driving force for establishing optimal operations with the global use of IT. And customers' demands for global and seamless solution capabilities spanning from systems development to operations are rapidly increasing. Hitachi has strategically positioned its centers in India to provide customers ideal global outsourcing services with excellent technical skills, English proficiency and multinational (multi-regional) project management. In August, the governments of both Japan and India established the India-Japan ICT Forum, which is expected to drive the expansion of interaction between the two countries.

Hitachi has steadily built its global solutions business to meet the growing needs of its global customers, and strengthened global solution businesses worldwide. In 2000, Hitachi established Hitachi Consulting Corporation (HQ: Dallas, Texas, President: Michael Travis) in the United States for IT solution business. Hitachi Consulting is continuously expanding its business through the merger and acquisition of SI companies and consulting firms. In China, Hitachi established Hitachi Information Systems (Shanghai) Ltd. (HQ: Shanghai, China, Executive Director: Yoshiyuki Kishii) in 2002 to provide IT solutions to the Japanese subsidiaries. As for the offshore software product development, Hitachi has more than ten years of relationship with Indian partners. In addition, Hitachi is also expanding relationship with Chinese partners in the area of applications program development.

Hitachi GSC will serve the role of the hub for delivering global solution businesses with a core of outsourcing services leveraging partners' resources. Hitachi GSC will provide comprehensive IT services such as application software development, support and maintenance, and operation services offering with a good blend of offshore and onsite support. Hitachi GSC begins operation with about 200 people supporting Japanese companies (customers of Hitachi, Ltd.) and U.S companies (customers of Hitachi Consulting & Hitachi America) globally, with plans to grow its capacity to 1,000 people in next two years. Hitachi will operate Hitachi GSC in collaboration with Hitachi India Ltd.

In the future, Hitachi will expand global solution business of ERP, application development and AMO (Application Management Outsourcing) leveraging Hitachi GSC.

<Appendix>

■ Summary of Hitachi Global Solutions Center

(1) Hitachi Global Solutions Center in Bangalore

Establishment: Nov. 1, 2005

Place: Bangalore, India (Located in Satyam's development center)

Staff: approx. 100 people at the commencement

Services: application development, maintenance and operation support, etc.

(2) Hitachi Global Solutions Center in Hyderabad

Establishment: Nov. 1, 2005

Place: Hyderabad, India (Located in Intelligroup's development center)

Staff: approx. 100 people at the commencement

Services: implementation and maintenance of ERP package software

Partners (in alphabetical order)

■ About Intelligroup

Company: Intelligroup Inc.

Establishment: 1987

Headquarter: New Jersey

Description of business: development of ERP package software and outsourcing, etc.

CEO and President: Vikram Gulati

Employee: 1,800+

Revenue: US \$129 million (Year ended December 2004)

■ About Satyam

Company: Satyam Computer Services Ltd.

Establishment: 1987

Headquarter: Secunderabad, India

Description of business: development and deployment of application programs and software, BPO, etc.

Executive Director: B.Ramalinga Raju

Employee: 22,000

Revenue: US \$789 million (Year ended March 2005)

About Hitachi, Ltd.

Hitachi, Ltd., (TSE: 6501 / NYSE:HIT), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 347,000 employees worldwide. Fiscal 2004 (ended March 31, 2005) consolidated sales totaled 9,027.0 billion yen (\$84.4 billion). The company offers a wide range of systems, products and services in market sectors including information systems, electronic devices, power and industrial systems, consumer products, materials and financial services. 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.
