FOR IMMEDIATE RELEASE

Hitachi Subsidiary Issues Emission Index Linked Note

TOKYO, Japan, February 27, 2006 --- Hitachi, Ltd. (NYSE:HIT/TSE:6501) has announced that finance subsidiary Hitachi International Treasury Ltd. today issued a Medium Term Note(MTN) linked to emission index traded in Europe. Developed in conjunction with Nomura Singapore Limited, a Singapore-based company belonging to the Nomura Securities Group, this is the first such note ever issued. The note is structured* so that its redemption price is linked to changes in the emission index. Therefore, if emission index at redemption is higher than when the note was issued, the redemption price will be higher than the issue price, and vice versa.

This is a trial note issue. One aim is to explore the potential for procuring funds at low interest rates by using the emergence of a market for trading emission index. Another goal is acquiring expertise in this market.

*The Calculation Agent is Societe Generale Securities.

The Hitachi Group is working in many ways to prevent global warming. In fiscal 2004, the group invested approximately 5.0 billion yen in energy conservation measures, reducing CO_2 and other greenhouse gas emissions by 260,000 kiloliters (crude oil equivalent). To reduce CO_2 emissions, which are regarded as a major cause of global warming, the Hitachi Group is active on various fronts. Measures include lowering fuel consumption by changing temperature settings in air-conditioning systems, as well as by upgrading heating units and using heat from new co-generation systems.

However, emissions of CO_2 are to some degree unavoidable during the production of electronic components used in the expanding digital consumer electronics and computer equipment markets. Given also that more-stringent environmental regulations are expected over the longer term to prevent global warming, Hitachi believes that there will be an increasing need to hedge exposure to environmental costs such as CO_2 emissions.

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Emission trading schemes limit the emission volumes of pollutants by country or business site. Countries or sites exceeding these limits can purchase unused allowances from other countries and business sites. The December 1997 Kyoto Protocol regards carbon dioxide emission trading as one mechanism for lowering greenhouse gases on a global scale. Prices in the already established European market for emission trading, which initially were 10 euros per tonne of CO_2, topped 25 euros per tonne at the end of January 2006, pointing to a steady increase in market activity. Looking ahead, companies will probably be able to hedge risks using various financial techniques. Today's announcement of the issuance of an emission index linked note is a step in this direction.

Hitachi began hedging crude oil price risk using financial derivatives in June 2004. It intends to continue trying financial techniques to hedge various anticipated business risks.

About Hitachi, Ltd.

Hitachi, Ltd., (NYSE: HIT/ TSE: 6501), 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.
