

FOR IMMEDIATE RELEASE

**Hitachi Announces the Establishment of a company in the Czech Republic for
Flat-panel TV Assembly**

Tokyo, October 2, 2006 --- Hitachi, Ltd. (TSE: 6501/NYSE: HIT) today announced that it has decided to form a manufacturing plant in the Czech Republic to meet the expansion of demand for flat-panel TVs (plasma and LCD TVs) in Europe. A new company "Hitachi Home Electronics (Czech), s.r.o." will establish the plant in the Triangle FPD City, which is approximately 80 km northwest of Prague in the Usti region of the Czech Republic. Initial production in the company will be expected in summer 2007.

The increasing demand for large-scale flat-panel TVs in Europe is estimated to result in 20 million sets being sold in 2008 due to the robust spread of digital broadcasting according to Hitachi market estimates. Hitachi decided to establish a flat-panel TV manufacturing plant in Europe to increase the company's total production capacity. Setting up a manufacturing plant in Europe will allow the company to achieve reduced production costs through optimised supply chain management, logistical efficiencies and a stable and consistent supply of product for the European marketplace for more effective customer acquisition.

The new company will assemble flat-panel TVs and produce plasma panel modules. In addition, close cooperation with the LCD module plant IPS Alpha Technology Europe, s. r. o. *, which will be located next to the new Hitachi facility, will facilitate production efficiencies. It will enable production of both plasma and LCD panel modules in adjacent facilities and benefit from the inherent synergy between Hitachi group companies. Furthermore, Hitachi will establish a design and R&D division in the new company to meet local requirements, such as digital broadcasting and strengthen its development capabilities in cooperation with the R&D division of Hitachi Europe.

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Mr. Makoto Ebata, CEO of Ubiquitous Platform Systems, Hitachi, Ltd., commented, "We are very excited by the potential of this new company to meet the growing demand amongst European consumers for high quality flat-panel TVs. This is a major commitment for Hitachi and we look forward to beginning production in a little over a year. As a leading player in the global consumer electronics market Hitachi brings a wealth of knowledge and expertise that we believe will yield benefits to the region as a whole."

Sir Stephen Gomersall, Chief Executive for Europe, Hitachi Europe Ltd. commented, "We are delighted to be establishing our new company in the Czech Republic where we have received a very warm welcome. Hitachi has a first class reputation for manufacturing high quality TVs and we are committed to building on this for expand our market share throughout Europe."

■ Outline of European Production Facility

1. Company name: Hitachi Home Electronics (Czech), s.r.o.
2. Location: Triangle FPD City , Usti region, Czech Republic
3. Representative: John Conlon
4. Start of operations: Summer 2007
5. Production items: Flat-panel TVs (Plasma and LCD TVs), Plasma panel module
6. Production capacity: Flat-panel TVs (Plasma and LCD TVs) 80,000 monthly units
Plasma panel module 100,000 monthly units
7. Employees: About 1,500 persons (2007 forecast)

Hitachi, Ltd., (NYSE: HIT / TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 356,000 employees worldwide. Fiscal 2005 (ended March 31, 2006) consolidated sales totaled 9,464 billion yen (\$80.9 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>.

* New plant of IPS Alpha Technology, Ltd., joint venture company of Hitachi, Matsushita Electric Industrial Co., Ltd. and Toshiba Corporation

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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.
