

FOR IMMEDIATE RELEASE

**Hitachi to Post Extraordinary Items on Unconsolidated Basis
for the First Half of Fiscal 2006**

TOKYO, Japan, October 12, 2006 --- Hitachi, Ltd. (NYSE:HIT/TSE:6501) today announced that it plans to post certain extraordinary items on an unconsolidated basis for the first half of fiscal 2006, ended September 30, 2006.

Hitachi plans to post extraordinary gains of approximately 17.8 billion yen from the sale of investments in securities as a part of the Company's asset management policy.

Hitachi will post an extraordinary loss of approximately 64.8 billion yen in restructuring charges as an allowance for doubtful receivables relating to an advance to subsidiary experiencing a downturn in business performance.

Also, Hitachi will post an extraordinary loss of approximately 12.5 billion yen in impairment losses on certain subsidiary and affiliated company shares and investments.

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>.

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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.
