

FOR IMMEDIATE RELEASE

**INTERCITY EXPRESS PROGRAMME FINANCIAL CLOSE PAVES WAY FOR
HITACHI INVESTMENT IN RAIL MANUFACTURING AND ASSEMBLY PLANT**

London and Tokyo, July 25, 2012 – Hitachi, Ltd. (TSE: 6501, “Hitachi”) today announced that the Department for Transport and Agility Trains (the bidding consortium Hitachi formed with its partner John Laing) have reached financial close for the Intercity Express Programme (IEP).

As part of the IEP, Agility Trains’ main supplier Hitachi will provide, service and maintain a total of 596 rail carriages destined to run on the East Coast Main Line and the Great Western Main Line to replace the ageing fleet of Intercity trains. The new rolling stock will include electric and bi-mode trains with increased capacity compared to the current fleet, providing more comfortable, highly reliable trains for UK passengers. In order to fulfill the demanding requirements for dependability and availability of the trains, Hitachi will construct a number of new, state-of-the-art maintenance depots in Bristol, Swansea, west London and Doncaster, and upgrade a number of depots throughout the UK.

The contract announcement paves the way for the investment by Hitachi to build a rolling stock manufacturing and assembly plant in the UK. Hitachi’s preferred site for the plant is in Newton Aycliffe, County Durham, and negotiations with the developer are in the final stages. The factory is set to create 200 jobs in the construction phase and will be built over the course of two years, going into full production in 2016. The facility is planned to be capable of producing up to 35 vehicles per month and employing up to 730 people, including a UK Research and Development facility.

Hiroaki Nakanishi, Representative Executive Officer and President of Hitachi, Ltd. said: “I am extremely pleased that after a long period of negotiations, we have been able to complete the formal contract for this project. This represents an extremely important step on Hitachi's path toward global growth through Social Innovation Business. I would like to express my deep respect for the efforts of those representatives of the British government who invested so much energy into

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negotiations over a long period of time to ensure that this project could be realised, and at the same time, I would like to convey my most sincere thanks to members of the Japanese government and all those involved who offered invaluable support as well. Hitachi will do its utmost to provide highly reliable, comfortable, and environmentally friendly services to passengers, and to contribute to employment and the growth and development of British society by establishing a new manufacturing base equipped with the world's most advanced production facilities.”

Keith Jordan, Managing Director of Hitachi Rail Europe said: “Having reached financial close on the Intercity Express Programme is a major milestone for Hitachi and enables us to go ahead with our strategic investment in a state-of-the-art rolling stock factory in the UK. Over the last months, we have worked closely with the developer for our preferred site in Newton Aycliffe, and our plans are very mature.

“Earlier this year, we appointed a plant manager to oversee the construction of our plant and to eventually run the factory once it is operational. He is engaging with the local supply chain as well as local universities and training providers to ensure that local people will have the best opportunities when we start recruiting staff and selecting our suppliers.”

The state-of-the-art Hitachi Super Express Trains will provide a significant increase in capacity on both routes to adapt to growth in passenger numbers. With a considerable reduction in weight per seat when compared to the trains currently running on the line, the fleet of trains will use less energy to deliver improved journey times.

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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.
