

FOR IMMEDIATE RELEASE

Hitachi Announces New Initiatives to Strengthen Flat-panel TV Business

Tokyo, September 18, 2008 --- Hitachi, Ltd. (NYSE:HIT / TSE:6501) today announced the implementation of new business reinforcement initiatives in a bid to quickly improve the performance of its flat-panel TV business. These strategic initiatives are part of management reforms designed to establish a stable profit structure.

In addition to accelerating its increased focus in the flat-panel TV and plasma display panel (PDP) and liquid crystal display (LCD) panel for TV business with Matsushita Electric Industrial Co., Ltd. (NYSE: MC / TSE: 6752, "Matsushita"), Hitachi will increase its efforts to add even higher value to flat-panel TVs, including plasma TVs, such as development of Internet-enabled TVs for the coming age of broadcasting and telecommunications convergence. Additionally, Hitachi will strengthen its competitiveness by accelerating ongoing measures, two of which are reducing costs and building a sales framework focused on high-value-added TV models. Specific business reinforcement initiatives include the following.

Currently, everything in regard to plasma TVs ranging from the manufacturing of panels to TV sets has been handled within the Hitachi Group. Recognizing fierce competition in the flat-panel TV market, Hitachi will revamp part of its panel development and production system in order to continue supplying high-value-added, competitive plasma TVs while expanding its lineup. Specifically, Hitachi will begin sourcing glass panel components, which have until now been manufactured by panel manufacturing subsidiary Hitachi Plasma Display Limited ("Hitachi Plasma"), from Matsushita.

Furthermore, Hitachi will look to deepen its cooperative relationship with Matsushita, by working together on the development of high-value-added plasma display panels and flat-panel TVs that are thinner, more energy-efficient and have other distinctive characteristics. Hitachi plans to begin procuring glass panel components for TV models in the fiscal year ending March 31, 2010. The plasma TVs will be sold under Hitachi brand, which is distinctive for full high definition and built-in HDDs (including iVDRs), lower power consumption and other features.

Regarding LCD TVs, Hitachi will continue procuring panels from IPS Alpha Technology, Ltd., in which Hitachi has invested along with Matsushita and others. These TVs will be among the thinnest in the world and boast world-class picture resolution.

Hitachi also intends to enhance value-added services for TVs, including services that allow users to view video content whenever they want via a Hitachi's original portal site.

Hitachi expects the flat-panel TV business to continue as a growth product for the coming age of broadcasting and telecommunications convergence. Hitachi has positioned flat-panel TVs as a key business division where it can raise brand value by harnessing the Hitachi Group's cutting-edge technologies to set the pace ahead of the competition in proposing a new generation of TVs. With services already available via the Internet that allow streamed video and other content to be viewed on TVs and other developments, Hitachi sees the development of TVs for the digital convergence era as an urgent issue. That's why Hitachi is launching new initiatives, including strengthening business through collaborative creation with other companies. These initiatives are expected accelerate the development and commercialization of flat-panel TVs that meet the needs of consumers who are constantly seeking new value.

While Hitachi will source glass panel components from outside the Group following today's decision, Hitachi Plasma will continue to manufacture panel modules. Simultaneously, Hitachi plans to utilize Hitachi Plasma as a production subsidiary for manufacturing other Hitachi Group products which are expected to achieve strong continued growth.

Today's decision is expected to result in the booking of impairment losses of approximately 40 billion yen on glass panel components manufacturing facilities at Hitachi Plasma and etc. However, at this point, Hitachi has not revised its consolidated financial forecast for the first half ending September 30, 2008.

On February 5, 2008, Hitachi announced measures to improve and strengthen its flat-panel TV business. Following that announcement, Hitachi has focused its efforts around marketing channels, both in Japan and overseas, which specialize in sales of high-end products and has also worked to strengthen its sales network in priority overseas markets. The new measures announced today are expected to accelerate these efforts to strengthen the flat-panel TV business.

Cautionary Statement

Certain statements found in this document may constitute “forward-looking statements” as defined in the U.S. Private Securities Litigation Reform Act of 1995. Such “forward-looking statements” reflect management’s current views with respect to certain future events and financial performance and include any statement that does not directly relate to any historical or current fact. Words such as “anticipate,” “believe,” “expect,” “estimate,” “forecast,” “intend,” “plan,” “project” and similar expressions which indicate future events and trends may identify “forward-looking statements.” Such statements are based on currently available information and are subject to various risks and uncertainties that could cause actual results to differ materially from those projected or implied in the “forward-looking statements” and from historical trends. Certain “forward-looking statements” are based upon current assumptions of future events which may not prove to be accurate. Undue reliance should not be placed on “forward-looking statements,” as such statements speak only as of the date of this document.

Factors that could cause actual results to differ materially from those projected or implied in any “forward-looking statement” and from historical trends include, but are not limited to:

- increased commoditization of information technology products and digital media related products and intensifying price competition for such products, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products segment;
- fluctuations in product demand and industry capacity, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products segment;
- uncertainty as to Hitachi’s ability to continue to develop and market products that incorporate new technology on a timely and cost-effective basis and to achieve market acceptance for such products;
- rapid technological innovation, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products segment;
- exchange rate fluctuation for the yen and other currencies in which Hitachi makes significant sales or in which Hitachi’s assets and liabilities are denominated, particularly against the U.S. dollar and the euro;
- increases in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum and synthetic resins;
- uncertainty as to Hitachi’s ability to implement measures to reduce the potential negative impact of fluctuations in product demand, exchange rate fluctuation and/or increases in the price of raw materials;
- general socio-economic and political conditions and the regulatory and trade environment of Hitachi’s major markets, particularly Japan, Asia, the United States and Europe, including, without limitation, a return to stagnation or a deterioration of the Japanese economy, direct or indirect restrictions by other nations on imports, or differences in commercial and business customs including, without limitation, contract terms and conditions and labor relations;
- uncertainty as to Hitachi’s access to, or ability to protect, certain intellectual property rights, particularly those related to electronics and data processing technologies;
- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity method affiliates have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- uncertainty as to the success of restructuring efforts to improve management efficiency and to strengthen competitiveness;
- uncertainty as to the success of alliances upon which Hitachi depends, some of which Hitachi may not control, with other corporations in the design and development of certain key products;
- uncertainty as to Hitachi’s ability to access, or access on favorable terms, liquidity or long-term financing; and
- uncertainty as to general market price levels for equity securities in Japan, declines in which may require Hitachi to write down equity securities it holds.

The factors listed above are not all-inclusive and are in addition to other factors contained in Hitachi's periodic filings with the U.S. Securities and Exchange Commission and in other materials published by Hitachi.

About Hitachi, Ltd.

Hitachi, Ltd., (NYSE: HIT / TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 390,000 employees worldwide. Fiscal 2007 (ended March 31, 2008) consolidated revenues totaled 11,226 billion yen (\$112.3 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, logistics and financial services. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

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.
