

FOR IMMEDIATE RELEASE

**Hitachi was Awarded an Order of Propulsion System for the Sydney Network**

Tokyo, December 18, 2006 --- Hitachi, Ltd. (TSE: 6501 / “Hitachi”) and Hitachi Australia Pty Ltd.(Managing Director: Yutaka Sugihara) together with the Australian train manufacturer, EDI Rail, today announced that they concluded a contract with Reliance Rail for 78 eight-car double deck sets and two spare carriages (626 cars) for the Sydney train operator, RailCorp. In a joint venture arrangement, EDI Rail will be responsible for the car body and bogie, and Hitachi will be in charge of the propulsion system on behalf of Reliance Rail. The new fleet will be introduced to the network by 2013, and will be replacing 498 non air-conditioned carriages.

This project is a Public Private Partnership (PPP), where a special purpose company (Reliance Rail Pty Ltd) has been established by private companies for the execution of the project, making use of the private fund and know-how. Reliance Rail will finance the project, along with designing, manufacturing and maintaining the fleet for operation on RailCorp’s Sydney suburban network. This project has already drawn much attention as Australia’s biggest Public Private Partnership Project.

Hitachi has already won the Channel Train Rail Link high speed train project in the UK, a contract for 29 train-sets (174 cars) that concluded in 2005. Other recent overseas contracts include the Dubai monorail system (2006) and substation for Taiwan (2006). Hitachi will continue its challenge for further expansion of its global railway business.

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**About Hitachi Ltd.**

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.

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