

FOR IMMEDIATE RELEASE

**Flat-panel TV Business Improvements and Efforts to
Further Strengthen the Business**

Tokyo, February 5, 2008 --- Hitachi, Ltd. (NYSE:HIT / TSE:6501) is implementing new measures to further strengthen its flat-panel TV business, in line with current business strategy. These measures are designed to quickly improve its flat-panel TV business and establish a stable profit structure. Hitachi expects the flat-panel TV market will continue to expand, and considers flat-panel TVs a core product for the coming age of broadcasting and telecommunication convergence. Hitachi positions the flat-panel TV as a key business division because it allows the Hitachi Group to harness cutting-edge technologies to satisfy market needs faster than its competitors. This, in turn, will help boost Hitachi's brand value.

Flat-panel TVs are ready to undergo a dramatic change. Significant innovations in core technologies built into flat-panel TV products should result in products that are more energy-efficient and can be placed throughout the home. Hitachi has utilized collaborative creation with partners to make the panels used for its flat-panel TVs more sophisticated, and this and other efforts have helped strengthen the plasma and LCD panel businesses. To meet the needs of those customers who are always looking for increased value, improved aesthetic without sacrificing technological advanced feature sets, Hitachi plans to expand its line up of the ultra-thin LCD TVs that released in Japan in December 2007 and is working to bring next-generation ultra-thin eco-friendly plasma TVs, currently under development, to the market as quickly as possible. These measures should give a boost to the development and sales of high-end products.

Moreover, Hitachi is accelerating its efforts to improve its flat-panel TV business. For instance, the Company is working to increase marketability by strengthening channels that specialize in sales of high-end products with cutting-edge technology. At the same time, Hitachi is also taking measures to improve production capabilities and efficiencies and plans to improve external sales of plasma panels in order to increase revenues and improve the utilization rate of its production lines.

Details of Hitachi's management initiatives are explained further below.

1. Strengthen development and sales of high value-added products like ultra-thin TVs

Exhibitions at the 2008 International CES tradeshow, held in Las Vegas, Nevada, in January of this year, made clear the next trend in flat-panel TVs. Consumers are looking for higher resolution, so that they can enjoy breath taking picture quality, ultra-thin flat panel and wireless capabilities to TVs technology to benefit the viewing experience in the home. In addition, consumers are trending more towards Internet Protocol TV (IPTV)-compatible products that enable easy viewing of Internet sites on their television sets, as well as energy-efficient TVs that contribute to the environmental conservation.

By leveraging its superior research and development skills, Hitachi will be able to bring high-end flat-panel TVs to market faster than its competitors, thereby meeting the needs of those consumers who look for the latest trends in Television. One example of such high-end products is the ultra-thin flat-panel TVs that have wireless- capability and can be hung on a wall. The ability to be first to market will help secure a significant competitive edge for Hitachi.

Research has shown that consumers are demanding thinner TVs, so Hitachi is working to bring its next-generation ultra-thin plasma TV to market as quickly as possible. This plasma TV, at only less than 40mm thick, radiates prestige, luxury and boasts an impressive picture resolution. In addition, Hitachi plans to expand its line up of ultra-thin LCD TVs, which were released in Japan at the end of last year. These TVs are only 35mm thick, and were the first in Japan to enable wireless communication between tuner and panel. Moreover, going forward the company plans to release a LCD TV that is only 19mm thick. All of these efforts are designed to boost Hitachi's competitiveness. At the same time, the Company is accelerating its efforts to develop and bring to market high-end products. For instance, Hitachi is working on multi-function TVs that meet the needs of consumers in the coming age of broadcasting and telecommunication convergence, including a TV that allows viewers to watch video content via the Internet. Meanwhile, the Company is also working to develop panels with higher resolutions and lower power consumption.

2. Sales strategy upgrades, focused on channels that specialize in sales of high-end products

Hitachi is implementing a sales strategy to meet the needs of consumers who demand high-end products. Its efforts are based around channels, both in Japan and overseas, that specialize in sales of high-end products. At the same time, Hitachi is working to improve and enhance its sales network in priority overseas market.

In Japan, Hitachi is promoting the sales of ultra-thin flat-panel TVs via mass merchandisers, while also increasing sales via regional stores and business outlets.

The Company is also aiming to increase its market share in China by leveraging its plasma TVs, as well as its powerful brand image. The Chinese market is, of course, expected to see high growth going forward. In North America, Hitachi is strengthening partnerships with its regional retail customer base and stores that specialize in high-end audio/visual equipment. Whereas in Europe, Hitachi is strengthening partnerships with major mass merchandisers. The focus in North America and Europe respectively will allow each region to implement streamlined sales organization. Finally, Hitachi is prioritizing investments to the sales channel during this time of improving efficiencies to the sales organization. At the same time, the Company is working to reduce logistical costs by improving total supply chain management (TSCM).

3. Developing a new plasma panel that significantly enhances panel functionality and increase external sales of plasma panels

Hitachi is well along in developing next-generation ultra-thin plasma panels that can be hung on a wall, while also offering significant upgrades such as high contrast, brightness and reduced energy consumption. By leveraging the benefits of being the leader in this category, the Company can accelerate development, thus increasing its competitive advantage in the market for large plasma TVs. In addition, Hitachi is expanding its collaboration with partners in the areas of development, procurement, and production. This plus the consolidation of module manufacturers should improve the Company's cost competitiveness.

Moreover, Hitachi plans to increase external sales of plasma panels by selling progressive method plasma panels and modules that combine a plasma panel and a power source. These steps will enhance Hitachi's ability to meet increasing panel demand in places like Japan and China. In addition, Hitachi is expanding its collaboration with other companies in the areas of development, procurement, product design, and production. This will improve the Company's ability to develop and produce plasma panels while maintaining its cost competitiveness. Finally, Hitachi also plans to augment its LCD panel business through collaborative creation.

4. Pursuing efficiency gains

Hitachi plans to improve its cost competitiveness advantages in a variety of ways, including making sharp reductions in material costs, shortening workflow, and site optimization. In addition, the Company will increase the utilization rate of its production lines and cut inventory costs via TSCM in an effort to improve overall business efficiency. Finally, Hitachi will globally optimize the allocation of personnel to ensure best practices to further strengthen the flat panel TV business.

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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.
