

FOR IMMEDIATE RELEASE

Strengthening the Battery Business with a Focus on Lithium-ion Batteries

Promoting the large-scale industrial battery business, with a view toward Smart Grids

Tokyo, June 17, 2010 --- Hitachi, Ltd. (NYSE:HIT/TSE:6501, hereinafter Hitachi) today announced that its strategy for strengthening the battery business which includes batteries for hybrid and electric vehicles and railcars. On April 1, Hitachi established the Battery Systems Company as a new in-house company to further strengthen the battery business with a focus on the steadily growing lithium-ion battery market. Hitachi will promote the Battery Solution Business, which includes systems for maintaining optimum control of battery recharging and discharging in large-scale industrial applications such as construction machinery and uninterruptible power supply (UPS), as well as smart grids and other future applications. This business will also include maintenance and other services related to the above applications. Battery Systems Company will aim for revenues of 250 billion yen in fiscal 2014 in the battery business, with a particular focus on lithium-ion batteries.

In recent years, lithium-ion batteries – a key device in the context of environmental measures – have gained attention as lightweight, compact, high-energy-density secondary batteries that deliver the same performance as nickel metal-hydrate batteries in a package that is about half the size and weight, and about one-third the size and weight of equivalent lead acid batteries. Currently, the lithium-ion battery market focuses on consumer product applications, including mobile phones, notebook PCs, and digital cameras, but the market for these batteries is expected to continue growing in the future, with a focus on environment-friendly vehicles such as hybrid and electric vehicles and electric scooters, as well as construction machinery and other industrial applications. With new applications arising in UPS, smart grids, and other fields, the lithium-ion battery market is expected to grow to a scale of about 4 trillion yen in 2018.

Based on these market trends, on April 1 of this year, Hitachi established the “Battery Systems Company,” a new in-house company comprised of two existing companies – Hitachi Maxell, Ltd. and Hitachi Vehicle Energy, Ltd. – to further strengthen the battery business with a focus on the steadily growing lithium-ion battery market.

Under the leadership of the Battery Systems Company, Hitachi will expand its business targeting the sales of battery cells, and at the same time will promote the rollout of the Battery Solution business, which includes systems for maintaining optimum control of battery recharging and discharging, as well as maintenance and other related services. In battery recharging/discharging control systems, Hitachi will utilize the control technologies cultivated within the Hitachi Group in a variety of business fields. At the same time, it will collaborate with Shin-Kobe Electric Machinery Co., Ltd., a group company currently involved in the lead rechargeable battery and lithium-ion battery businesses, in promoting batteries for large-scale industrial applications.

In May of this year, as part of efforts to strengthen the industrial battery business, Hitachi initiated a Group-wide development project with a view toward “smart cities,” and began development of cells and control platforms that can be used in common in a wide range of industrial applications. This project will be conducted over a period of three years, with a total investment of 5 billion yen.

By unifying production, procurement, and other activities, Hitachi will promote optimization of business structures throughout the Hitachi Group in a wide range of battery business fields, from consumer products to large-scale industrial batteries.

Through the Battery Solution Business, Hitachi will support the Social Innovation Business in diverse fields including Green Mobility and new energy.

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:

- economic conditions, including consumer spending and plant and equipment investments in Hitachi’s major markets, particularly Japan, Asia, the United States and Europe, as well as levels of demand in the major industrial sectors which Hitachi serves, including, without limitation, the information, electronics, automotive, construction and financial sectors;
- exchange rate fluctuations 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;

- uncertainty as to Hitachi's ability to access, or access on favorable terms, liquidity or long-term financing;
- uncertainty as to general market price levels for equity securities in Japan, declines in which may require Hitachi to write down equity securities that it holds;
- the potential for significant losses on Hitachi's investments in equity method affiliates;
- increased commoditization of information technology products and digital media-related products and intensifying price competition for such products, particularly in the Components & Devices and the Digital Media & Consumer Products segments;
- 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;
- the possibility of cost fluctuations during the lifetime of or cancellation of long-term contracts, for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- fluctuations in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum and synthetic resins;
- fluctuations in product demand and industry capacity;
- uncertainty as to Hitachi's ability to implement measures to reduce the potential negative impact of fluctuations in product demand, exchange rates and/or price of raw materials;
- uncertainty as to Hitachi's ability to achieve the anticipated benefits of its strategy to strengthen its Social Innovation Business;
- uncertainty as to the success of restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness and other cost reduction measures;
- 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, 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 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 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;
- the possibility of disruption of Hitachi's operations in Japan by earthquakes or other natural disasters;
- uncertainty as to Hitachi's ability to maintain the integrity of its information systems, as well as Hitachi's ability to protect its confidential information and that of its customers;
- uncertainty as to the accuracy of key assumptions Hitachi uses to value its significant employee benefit related costs; and
- uncertainty as to Hitachi's ability to attract and retain skilled personnel.

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 360,000 employees worldwide. Fiscal 2009 (ended March 31, 2010) consolidated revenues totaled 8,968 billion yen (\$96.4 billion). Hitachi will focus more than ever on the Social Innovation Business, which includes information and telecommunication systems, power systems, environmental, industrial and transportation systems, and social and urban systems, as well as the sophisticated materials and key devices that support them. 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.
