

**FOR IMMEDIATE RELEASE**

**Hitachi Announces Reduction of Capital Reserve and Earned Surplus Reserve**

Tokyo, May 12, 2009 --- Hitachi, Ltd. (NYSE:HIT / TSE:6501) today announced that its Board of Directors has decided to submit a proposal for reduction of the capital reserve and the earned surplus reserve to its Ordinary General Meeting of Shareholders to be held on June 23, 2009.

**1. Purpose of reduction of capital reserve and earned surplus reserve**

In order to enable the implementation of flexible capital strategy in the future, it is proposed that the capital reserve and the earned surplus reserve be reduced and that the reduced amounts be allocated to “other capital surplus” and “other retained earnings”, respectively, in the unconsolidated balance sheet of Hitachi, Ltd. pursuant to Article 448, Paragraph 1 of the Companies Act of Japan.

**2. Amount of reduction of capital reserve and earned surplus reserve**

Full amount of the capital reserve of JPY 270,763,047,887 at March 31, 2009 will be reduced and allocated to “other capital surplus”. In addition, full amount of the earned surplus reserve of JPY 70,438,513,591 at March 31, 2009 will be reduced and allocated to “other retained earnings”.

**3. Schedule for reduction of capital reserve and earned surplus reserve**

May 12, 2009	Resolution at the Board of Directors
June 23, 2009 (planned)	Resolution at Ordinary General Meeting of Shareholders
July 24, 2009 (planned)	Deadline for submission of creditor objections
July 31, 2009 (planned)	Effective date of reduction

**4. Outlook**

The matter described above will have no effect on Hitachi’s operating results.

**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>.

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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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