

FOR IMMEDIATE RELEASE

**First overseas operation and maintenance service of pumping station
ordered in Egypt**

TOKYO, Japan, August 23, 2005 --- Hitachi, Ltd. (NYSE:HIT / TSE:6501) today announced Hitachi Operation & Maintenance-Egypt, S.A.E (HOME), a joint venture company in Egypt of Hitachi, Ltd., Industrial System Group's (Hitachi), signed an Operation and Maintenance contract on June 19, 2005 with the Mechanical and Electrical Department of the Ministry of Water Resources and Irrigation, the Arab Republic of Egypt. The contract is for the operation and maintenance of the Mubarak pumping station, which is under the administration of the aforementioned department, and training of the station's technical staff. The value of the contract, which is for 4 years, is approximately JPY 1.8 billion. This contract was celebrated by the ministers, high officials of the ministries, Japanese Embassy and all attendees at the ceremony held in Cairo on August 22, 2005.

Hitachi Group has a track record of supplying numerous pumping station facilities domestically and abroad, and also offers operation and maintenance services. This order will take advantage of Hitachi's operation and maintenance service technology, and marks the first overseas implementation of comprehensive contracting.

This pumping station is located on the West bank of Lake Nasser, upstream of the Nile River in Southern Egypt. By pumping water from Lake Nasser to the Toshka desert region in the Northwest, this station contributes to the greening of the desert, promotion of agriculture, and reclamation of new residential areas. Completed in May 2004 by a consortium of Hitachi and several other companies, it is one of the world's largest pumping stations with a water supply capacity of 334 tons / sec.

HOME was founded in November 2004 as a joint venture of Hitachi and the leading Egyptian maintenance company ICAT. It currently provides comprehensive operation and maintenance contracting, primarily for Egypt's water supply / sewage / irrigation plants. In the future, HOME plans to expand the scope of its business to comprehensive maintenance contracting for electric power plant, machinery and building facilities.

- more -

Hereafter too, the Hitachi will actively participate in overseas corporate infrastructure design, and contribute to society as a total solution partner for large-scale pump and motor supply, as well as comprehensive operation and maintenance contracting.

About HOME

Name : Hitachi Operation & Maintenance-Egypt, S.A.E
Location : Egypt / Administrative Headquarters / Cairo
On-site Headquarters / Toshka
Founded : November 8, 2004
Capital : 4 million Egyptian pounds (approx. 72 million yen)
Investment : Hitachi Ltd. 51%, ICAT 49%
Representative : Chairman / Mohamed Moussa
Managing director / Seiichi Ishikawa
Business Details : Operation, maintenance and training services for irrigation /
drainage pumping facilities, water supply and sewage facilities,
and power generation facilities

About Hitachi, Ltd.

Hitachi, Ltd., (NYSE: HIT / TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 347,000 employees worldwide. Fiscal 2004 (ended March 31, 2005) consolidated sales totaled 9,027.0 billion yen (\$84.4 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>

###

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.
