

**FOR IMMEDIATE RELEASE**

**Hitachi and Hitachi Kokusai Electric to Bolster Collaboration in the  
Network-based Security Video Surveillance System Business**

- Developing Surveillance Systems That Satisfy Diverse Needs While Reinforcing Cost Competitiveness -

Tokyo, February, 19, 2009---Hitachi, Ltd.(NYSE:HIT/TSE:6501) and Hitachi Kokusai Electric Inc.(TSE:6756), today announced that they will bolster collaboration in the network-based security video surveillance system business in as one initiative in strengthening collaboration across both companies' businesses. Specifically, the two companies will standardize the communications protocols of their respective security devices, such as network-based security cameras and recorders. This standardization will facilitate the creation of network-based security video surveillance systems that satisfy various needs. Both companies will also consider the standardization of certain components, in addition to efforts to reinforce cost competitiveness through joint component purchasing. Furthermore, future collaboration will cover the development of high-value-added systems that make use of cutting-edge technologies. Examples include the development of software that enables both companies' surveillance system devices for room access control and other systems to be easily interconnected, as well as human tracking systems using video recognition technology.

In recent years, rising public awareness of the need for greater security has spawned many more opportunities to deploy surveillance systems in a myriad of contexts. In particular, the market for network-based surveillance cameras is expanding rapidly worldwide, as these systems offer outstanding features in terms of facilitating the remote operation of security cameras and offering easy scalability when adding search screens and security cameras.

Hitachi and Hitachi Kokusai Electric command a high share of the Japanese markets for network-based surveillance cameras. The two companies are leveraging their respective system-building strengths to develop a surveillance system business that makes use of security cameras.

Both companies will bolster collaboration in the network-based security surveillance systems business as one initiative in strengthening collaboration across their businesses. Specifically, the two companies will standardize the communications protocols of their respective security devices such as network-based security cameras and recorders. This standardization will facilitate the creation of network-based security video surveillance systems that satisfy many different customer needs. Both companies will also consider the standardization of certain components, while working to reinforce cost competitiveness primarily by jointly purchasing components and utilizing one another's procurement channels. Furthermore, future collaboration will cover the development of high-value-added systems that make use of cutting-edge technologies. Examples include the development of software that enables both companies' surveillance system devices for room access control and other systems to be easily interconnected, as well as human tracking systems using video recognition technology.

Hitachi believes that a broader range of technologies will be needed when looking to the future convergence of communications and broadcasting technologies. For this reason, Hitachi aims to achieve innovation by combining its abilities to build advanced, large-scale systems and to develop software with Hitachi Kokusai Electric's expertise in wireless digital communications technologies, video processing technologies and broadcasting and video systems businesses. To this end, Hitachi has commenced a tender offer for Hitachi Kokusai Electric's shares from January 2009 with the aim of making the company a Hitachi subsidiary.

Hitachi and Hitachi Kokusai Electric remain committed to providing network-based security video surveillance systems that bring about a safe society through advanced security technologies.

**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:

- increased commoditization of information technology products and digital media related products and intensifying price competition for such products, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products segment;
- fluctuations in product demand and industry capacity, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products segment;
- 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, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products segment;
- exchange rate fluctuation 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;
- increases in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum and synthetic resins;
- uncertainty as to Hitachi’s ability to implement measures to reduce the potential negative impact of fluctuations in product demand, exchange rate fluctuation and/or increases in the price of raw materials;
- 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, a return to stagnation or a deterioration of the Japanese economy, 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 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;
- uncertainty as to the success of restructuring efforts to improve management efficiency and to strengthen competitiveness;
- 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 ability to access, or access on favorable terms, liquidity or long-term financing; and
- uncertainty as to general market price levels for equity securities in Japan, declines in which may require Hitachi to write down equity securities it holds.

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.

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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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