

FOR IMMEDIATE RELEASE

Hitachi and Hitachi Power Europe Announce Agreement with BGR Energy Systems to Establish Joint Ventures for Design, Manufacture, Installation and Commissioning of Steam Turbines/Generators and Boilers for Super Critical Thermal Power Generation

Tokyo, August 6, 2010 --- Hitachi, Ltd. (NYSE:HIT / TSE:6501) and Hitachi Power Europe GmbH, a Hitachi subsidiary, today announced they reached an agreement to establish two joint ventures with BGR Energy Systems Limited, a leading EPC Company for Power Plants. The joint ventures will design, manufacture, sell and service steam turbines/generators and boilers, respectively, for super critical^{*1} thermal power generation in approximately 660 MW to 1,000 MW (Megawatt) range. The establishment of these joint ventures will put in place a framework for the integrated provision of steam turbines, generators and boilers in India, augmenting capacity of power generation equipment and facilitating growth of power generation capacity.

As power demand rises in India in line with its rapid economic growth, the power generation is expected to increase significantly in the next few decades. In order to meet this demand, India is expected to see the construction of thermal power plants capable of generating 15 GW (Gigawatt) per annum of electricity. India is thus poised to become a major market rivaled only by China.

The Hitachi Group has a strong track record supplying many steam turbines and generators as well as boilers for thermal power generation around the world, and has built up sophisticated technologies and expertise in the process. Hitachi Power Europe, which is based in Germany, is on account of its references one of the market and technology leaders in energy plant construction. BGR Energy Systems is a leading EPC^{*2} Contractor and is a manufacturer of power equipment. It is actively developing its EPC business for integrating the construction of power plants. Hitachi and BGR Energy Systems reached today's agreement based on a shared vision for the Indian market, which is expected to grow further going forward. The Hitachi

Group's aim is to earnestly develop an integrated steam turbine, generator and boiler business mainly for coal-fired thermal power generation. BGR Energy Systems, for its part, aims to strengthen market position and product and price competitiveness through technology transfers from world leaders to drive further business expansion.

Based on today's agreement, Hitachi and Hitachi Power Europe will establish manufacturing and sales joint ventures for steam turbines and generators, and boilers, respectively. The steam turbine and generator joint venture will be named BGR Turbines Company Private Limited, with BGR Energy Systems and Hitachi taking 74% and 26% stakes, respectively. The boiler joint venture is to be called BGR Boilers Company Private Limited, with BGR Energy Systems and Hitachi Power Europe, owning shares of 70% and 30%, respectively. BGR Turbines and BGR Boilers are both to be established in August 2010 and they will together invest approximately 50.0 billion yen to construct new manufacturing facilities in Tamil Nadu. Both manufacturing facilities should commence production in 2012. Output will be ramped up in stages, with the facilities eventually able to manufacture steam turbines, generators and boilers for producing 3 GW of electricity per annum. The goal is for BGR Turbines and BGR Boilers to generate revenues of around 100 billion yen combined in fiscal 2017.

BGR Turbines and BGR Boilers will introduce Hitachi's advanced design and manufacturing technologies so that they can produce highly efficient and reliable thermal power generating equipment. And based on BGR Energy Systems' extensive track record in the integrated construction of plants, they will actively develop the steam turbine, generator and boiler business in India, thereby contributing to stable electricity supplies in the country.

*1 Super critical: Boiler steam pressure at least 22.1MPa (Approx. 218 atm) and steam temperature exceeding 374.1°C. In thermal power generation, generating efficiency can be increased by increasing the steam pressure and temperature inside boilers.

*2 EPC: Engineering, Procurement and Construction

About BGR Turbines (Planned)

1. Company: BGR Turbines Company Private Limited
2. Representative: To be decided
3. Location: Tamil Nadu., India
4. Establishment: August 2010
5. Businesses: Design, manufacture, inspection, installation, trial operation, sale and service of steam turbines, generators and their parts and components for thermal power generation.
6. Employees: Approx. 1,200 (From fiscal 2017)
7. Capital: US\$33.20 million (Approx. 2.8 billion yen)
(BGR Energy Systems Limited (74%), Hitachi, Ltd. (26%)) (First year/March 2011)
8. Capital Investment: US\$ 450 million (Approx. 39 billion yen)

About BGR Boilers (Planned)

1. Company: BGR Boilers Company Private Limited
2. Representative: To be decided
3. Location: Tamil Nadu., India
4. Establishment: August 2010
5. Businesses: Design, manufacture, inspection, installation, trial operation, sale and service of boilers and their parts and components for thermal power generation.
6. Employees: Approx. 2,100 (From fiscal 2017)
7. Capital: 10.40 million euro (Approx. 1.1 billion yen)
(BGR Energy Systems Limited (70%), Hitachi Power Europe GmbH (30%))
(First year/March 2011)
8. Capital Investment: 100 million euro (Approx. 11 billion yen)

About BGR Energy Systems

1. Company: BGR Energy Systems Limited
 2. Representative: B. G. Raghupathy, Chairman & Managing Director
 3. Headquarters: Chennai, India
 4. Establishment: February 1985
 5. Businesses: Manufacture, installation, sale and service of equipment for power generation, environmental fields, air conditioning, oil and gas facilities, social infrastructure, etc.
 6. Employees: Approx. 1,750 (June 30, 2010)
 7. Capital: 720.0 million rupees (Approx. 1.4 billion yen)
 8. Sales: Approx. 30.7 billion rupees (Approx. 58.3 billion yen, year ended March 2010)
- For more information about the company please visit www.bgrcorp.com

About Hitachi Power Europe GmbH

Hitachi Power Europe GmbH (HPE), a subsidiary of Hitachi, Ltd., designs and constructs fossil fuel-fired power plants and, with its references, is one of the market and technology leaders. The energy plant constructor also supplies key components such as utility steam generators, environmental technology equipment, turbines and pulverizers. The company has been based in Duisburg (Germany) since 2007 and has a workforce (including associated companies and manufacturing facilities) numbering approximately 2,000. Within the Hitachi Group, Hitachi Power Europe is responsible for the markets in Europe, Africa, Russia (incl. Belarus) and India. For more information about the company please visit www.hitachi-power.com

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.
