

FOR IMMEDIATE RELEASE

Hitachi to Realign Small Air Compressor Business by Corporate Division

Tokyo, November 28, 2008 --- Hitachi, Ltd. (NYSE:HIT / TSE:6501, Hitachi) today announced that it has reached an agreement with Hitachi Industrial Equipment Systems Co., Ltd., which is a wholly-owned company of Hitachi to transfer its small air compressor business to Hitachi Industrial Equipment Systems on April 1, 2009. This agreement is aimed at optimizing Hitachi Group's business structure, expanding and growing the compressor business. Specifically, Hitachi will split and transfer its design and manufacturing activities as well as associated divisions relating to small compressors which are currently carried out by Hitachi's Automotive Systems Group to Hitachi Industrial Equipment Systems.

Air compressors are one of the core products in Hitachi's industrial components and equipment business and are used in a diverse range of applications. These include providing the compressed air needed for spraying paint and other coatings, powering dental drills and blowing away metal fragments during machine processing. In small air compressors, the Hitachi Group commands a leading share in the Japanese market in both lubricated and oil-free products, which are sold under the BEBICON® brand. Heretofore in the Hitachi Group, small air compressors have been designed and manufactured by the former TOKICO LTD., which merged with Hitachi in October 2004, and sold by Hitachi Industrial Equipment Systems, which also provides services.

The Hitachi Group is presently pushing ahead with management reforms based on a corporate strategy "collaborative creation and profits," with the goal of establishing a stable, high-profit structure that consistently generates high profits. This will be achieved through a rigorous focus on a market-oriented approach and profit creation. The decision to realign the small air

compressor business so as to integrate design, manufacturing, sales and services in one entity is geared toward not only effectively utilizing the Hitachi Group's business and human resources, but also at establishing a structure capable of quickly responding to market needs for these products.

The integration of small air compressor business organizations will enable the Hitachi Group to cater to diversifying market needs by supplying unrivaled products in terms of their performance, usability, compactness and other qualities. The ultimate aim is to maintain the Group's leading market share in Japan and capture a higher share in overseas markets.

-BEBICON® is a registered trademark of Hitachi Industrial Equipment Systems.

1. Overview of the Corporate split

(1) Schedule

Late February, 2009 Entering into Corporate Split Agreement

April 1, 2009 Effective Date of Corporate Split

- This corporate split is deemed to be a simplified corporate separation pursuant to Article 784, Paragraph 3 of the Company Law of Japan. Therefore, Hitachi does not plan to convene a shareholders' meeting to seek approval for the corporate split agreement.

(2) Method of Corporate Split

This will be an absorption-type corporate split where Hitachi is the transferring company and Hitachi Industrial Equipment Systems is the successor company.

(3) Other

Details will be disclosed as soon as they are determined.

2. Profile of the Parties of the Corporate Split

Name	Hitachi, Ltd	Hitachi Industrial Equipment Systems Co., Ltd.
Business	Development, Manufacture and sale of information systems, electronic devices, power and industrial systems, consumer products	Manufacture, sales and servicing of industrial components and equipment
Established	February 1, 1920	April 1, 2002
Head Office	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo	3, Kanda Neribei-cho, Chiyoda-ku, Tokyo
President	Kazuo Furukawa	Kiyohiko Shiiki
Capital	JPY 282.0 billion	JPY 9.0 billion
Shares outstanding	3,368,126,056	4,325,500
Stockholder's equity	JPY 2,170.6 billion (consolidated base)	JPY 35.0 billion
Total assets	JPY 10,530.8 billion (consolidated base)	JPY 79.7 billion
Fiscal year end	March 31	March 31
Number of employees	389,752 (consolidated base)	2,611
Main shareholders and their holdings	NATS CUMCO 9.20% State Street Bank and Trust Company 7.77% The Master Trust Bank of Japan, Ltd. 6.20%	Hitachi, Ltd. 100%

(March 31, 2008)

3. Business Operation to be Transferred to Hitachi Industrial Equipment Systems Co., Ltd.

- Business : Small air compressors design and manufacture
- Sales : JPY 8.3 billion
- Number of employees : 193 (March 31, 2008)
- Asset and liabilities to be transferred to Hitachi Industrial Equipment Systems Co., Ltd.

(March 31, 2008)

Item	Book value
Asset	JPY 4.3 billion
Liabilities	JPY 2.3 billion

4. Status of Hitachi Following Corporate Split

- (1) There will be no change in the name, business activities, head office or President of Hitachi.
- (2) The corporate split will have negligible impact on Hitachi's consolidated operating result.

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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