

Order from ESKOM for EUR 2 billion**Hitachi Power Europe and local subsidiary to
build six utility steam generators in South Africa**

Duisburg/Johannesburg 13 November 2007 Hitachi Power Europe GmbH (HPE) and its subsidiary Hitachi Power Africa (Pty) Ltd have received an order valued at some EUR 2 billion (ZAR20 billion) from ESKOM, the South African Electricity Utility. HPE is to supply six coal-fired utility steam generators for the ESKOM Medupi Power Station. The scope of supply includes the design, installation and startup of the utility steam generators. The generators each with a capacity of about 800 MW will be going on line one after the other within 3 years from 2011. When commissioned the steam generators will be the most modern in South Africa. Compared to the efficiency of Eskom's existing power plant fleet, the efficiency of the new units will be considerable higher.

Klaus-Dieter Rennert, Board Member and Chief Operating Officer of Hitachi Power Europe (HPE), the parent company of Hitachi Power Africa (HPA), said during the signing ceremony: "We are very pleased to have been awarded the Medupi contract, which by international standards is a substantial order. It confirms Hitachi Power's position as a leading supplier of high quality, efficient and reliable supercritical boiler technology. To support Eskom in the challenges which it is facing, we have committed to substantial investment in developing local engineering, manufacturing and artisan skills capacities. This will be our contribution to the overall sustained success of Eskom's capacity expansion programme." HPE and HPA have made every effort to maximise local content, and have committed to invest in new manufacturing facilities, construction equipment, artisan training centres, and to bring about know-how transfer on a structured and sustainable basis.

Construction work on the six power plant units will begin mid 2008, and steel erection work is scheduled to start in the first half of 2009. Many of the utility steam generator components will be engineered and manufactured in South Africa. To this end, HPE has entered into a number of strategic partnerships with best available and reputable component suppliers and engineering companies in South Africa. HPE and HPA will now intensify and extend these alliances.

In concrete terms, HPE has started with the extension, development and qualification of manufacturing capacities. At the same time, diverse instructional training and qualification steps for the workforce of partner companies and suppliers are being started. "Our commitment in South Africa is one for the long term", stresses Chief Operating Officer Rennert. "We also look upon these considerable investments in people and machines for the ESKOM capacity expansion program as a contribution generally towards the development of South African society. Approximately 60% of the order will be executed locally, which will be a boost for the local power plant sector." In the peak more than 2000 people will be involved from Hitachi side in engineering and manufacturing/construction of Medupi in South Africa. Setting up a broad based value added supply chain in South Africa enables HPE and HPA to be a valuable partner for future challenges for example in the field of environmental protection measures.

Hitachi Power Europe is the leading supplier for both bituminous and lignite coal fired boilers in the range of 780 – 1,100MWel. HPE tendered a Supercritical Tower Type Benson Boiler for Medupi, which has a proven record of reliability and an efficient thermal cycle with flexible operation. This means that a wide range of coals with diverse ash characteristics can be fired without difficulty.

The order from Eskom provides Hitachi Group the opportunity to extend its global strategy, which focusses on business areas in which Hitachi can demonstrate its strength in social innovation. This consists of social

infrastructure, industrial infrastructure, life infrastructure and information infrastructure businesses. Apart from power plants this means for example modern railway systems, products for telecommunication or safe and economic friendly data storage solutions or sophisticated finger vein authentication technology. Hitachi will endeavor to maximize the synergies with the infrastructure technology/products business that underpin social innovation business operations. This should be a win-win situation for both South Africa society and Hitachi.

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About Hitachi

Hitachi, Ltd., (NYSE: HIT / TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 384,000 employees worldwide. Fiscal 2006 (ended March 31, 2007) consolidated revenues totaled 10,247 billion yen (\$86.8 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>

About Hitachi Power Europe

Hitachi Power Europe GmbH both plans and builds key components for fossil fuel-fired power plants, such as pulverizers, environmental engineering systems, utility steam generators and turbines. Turnkey power plants are also included in the range of supplies. The company is rapidly expanding thanks to the pronounced demand worldwide for economical and environmentally friendly power plants and the company's strong technological position. For more information on Hitachi Power Europe, please visit the company's website at <http://www.hitachi-power.com.com>