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## Contacts:

Japan: Fuyuki Kitahara  
Toyo Denki Seizo K.K.  
+81-3-3535-0633  
contact@toyodenki.co.jp

Japan: Katsunori Shimokawara  
Hitachi, Ltd.  
+81-3-5208-9324  
katsunori.shimokawara.zs  
@hitachi.com

U.S.: Mickey Takeuchi  
Hitachi America, Ltd.  
+1-914-333-2987  
Masayuki.Takeuchi@hal.hitachi.com

**Toyo Denki Seizo and Hitachi Agree on Strategic Alliance in Electrical Components for Rolling Stock in Overseas Markets**

Tokyo, October 25, 2010 --- Toyo Denki Seizo K.K. (TSE: 6505, “Toyo Denki Seizo”) and Hitachi, Ltd. (NYSE: HIT / TSE: 6501, “Hitachi”) today announced that they have entered into an agreement on strategic alliance in electrical components for rolling stock in overseas markets. Toyo Denki Seizo and Hitachi aim to strengthen their global competitiveness and expand their business outreach through this strategic alliance. The two companies will cooperate in projects outside Japan by sharing system integration work as well as by supplying each other’s products in which they have strengths. In order to strengthen their cooperative relationship, Toyo Denki Seizo and Hitachi will hold equity shares of each other.

**1. Background and Overview of Strategic Alliance**

The market for infrastructure such as power systems and railway systems is expected to expand, particularly so in emerging countries and regions. In developed countries and regions which already have a certain level of such infrastructure, there is increasing demand for upgrades using advanced information and telecommunication systems technology.

Railways are winning increasing recognition as mass transportation systems with less environmental impact, or so-called “green mobility”. As a result, many regions around the world including Europe, Asia, Middle East and Americas are increasingly seeking to build new railway systems, extend existing ones or upgrade them for higher speed. In particular, the demand for electrical components such as drive systems, with their major contribution to improved efficiency and reliability, is expected to grow not only for new construction of railway systems but also for extensions and upgrades.

Toyo Denki Seizo and Hitachi each possess cutting-edge technology and expertise in electrical components for rolling stock (drive systems including converters/inverters, and

auxiliary power supply) and related systems. Through their long history and relationship with railway operators in Japan, they have earned a high level of trust both domestically and overseas for their drive systems. While Toyo Denki Seizo excels in DC control and drive systems and mechanical equipment such as pantographs and driving gear units, Hitachi has strengths in AC control and drive systems for high-speed rail.

This strategic alliance announced today was agreed based on the companies' proven track records in order to meet the growing market needs with greater strength and capability. Toyo Denki Seizo and Hitachi plan to leverage their resources in systems integration and to supply products to each other for projects outside Japan. The two companies will look into joint product design and development as well. Furthermore, through joint sourcing and development for projects outside Japan, Toyo Denki Seizo and Hitachi aim to strengthen their competitiveness and further expand their overseas businesses.

## 2. Purchase of Equity Shares

As part of the strategic alliance announced today, Toyo Denki Seizo and Hitachi will purchase and hold each other's equity shares as follows.

### (1) Purchase of Hitachi's Shares by Toyo Denki Seizo

Toyo Denki Seizo will purchase shares of Hitachi through stock exchanges, with the aim of acquiring 2,100,000 shares (representing approximately 0.046% of total issued shares). An outline of the share purchase is as follows .

(1) Purchase period	October 26, 2010 to March 31, 2011
(2) No. of shares to be purchased	2,100,000 shares of common stock
(3) Purchase price	Market price
(4) Purchase method	Purchase on stock exchanges

### (2) Purchase of Toyo Denki Seizo's Shares by Hitachi

Hitachi will purchase through a private placement 2,100,000 shares of treasury stock held by Toyo Denki Seizo (representing approximately 4.5% of total issued shares). An outline of the share purchase is as follows.

(1) Payment date	November 11, 2010
(2) No. of shares to be purchased	2,100,000 shares of common stock
(3) Purchase price	340 yen per share (Total payment 714 million yen)*
(4) Purchase method	Private placement

Note: \*The amount to be paid shall be based on the closing price of Toyo Denki Seizo's shares on October 22, 2010, the nearest trading day to the board of directors' resolution regarding the private placement of shares.

### 3. Overview of the Companies

Company	Toyo Denki Seizo K.K.	Hitachi, Ltd.
Representative	Hiroshi Tsuchida, President	Hiroaki Nakanishi, Representative Executive Officer and President
Head office	2-9-2 Kyobashi, Chuo-ku, Tokyo 104-0031	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8280
Establishment date	June 20, 1918	February 1, 1920 (Founded 1910)
Main businesses	<p>Transportation Systems Manufacturing, sales and related construction for electrical equipment used in rail vehicles, magnetic levitation vehicles (high speed surface transport or HSST) systems, light rail vehicles (LRV), alternative rail vehicles and special purpose vehicles, as well as electric storage systems for railway applications.</p> <p>Industrial Systems Manufacturing, sales and related construction services for motors, inverters, testing equipment, water supply and sanitation equipment systems, power generating equipment, alternative power generating systems and in-wheel motors.</p> <p>Information Systems Manufacturing, sales and related construction services for automatic commuter ticket vending machines, onboard ticket vending machines, smart card vending machines, remote monitoring systems and information systems equipment.</p>	<p>Development, manufacture and sales of products and provision of services across 11 segments: Information &amp; Telecommunication Systems, Power Systems, Social Infrastructure &amp; Industrial Systems, Electronic Systems &amp; Equipment, Construction Machinery, High Functional Materials &amp; Components, Automotive Systems, Components &amp; Devices, Digital Media &amp; Consumer Products, Financial Services, Others (Consolidated)</p>
No. of employees	1,073 (As of May 31, 2010) (Consolidated) 700 (As of May 31, 2010) (Unconsolidated)	359,746 (As of March 31, 2010) (Consolidated) 31,065 (As of March 31, 2010) (Unconsolidated)
Capital	4,482 million yen (As of May 31, 2010)	408,813 million yen (As of June 30, 2010)
Revenues	35,429 million yen (Year ended May 2010) (Consolidated) 29,960 million yen (Year ended May 2010) (Unconsolidated)	8,968,546 million yen (Year ended March 2010) (Consolidated) 1,938,810 million yen (Year ended March 2010) (Unconsolidated)

**About Toyo Denki Seizo K.K.**

Toyo Denki Seizo K.K. (TSE: 6505), headquartered in Tokyo, Japan, engages in three main areas of business-transportation systems, industrial systems and information systems. In the field of transportation systems, Toyo Denki Seizo is a leading manufacturer of electrical equipment for rail vehicles. In the industrial sector, Toyo Denki Seizo mainly supplies motors, inverters and other electrical equipment used in industrial machinery. In the field of information systems, the company develops and manufactures station operating equipment and remote monitoring systems. Toyo Denki Seizo is strongly committed to addressing global warming and promoting recycling by developing and manufacturing energy-efficient products. For more information on Toyo Denki Seizo, please visit the company's website at <http://www.toyodenki.co.jp>.

**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>.