

FOR IMMEDIATE RELEASE

Hitachi Engineering and Hitachi Engineering & Services' Nuclear Power Businesses will be separated and integrated with Hitachi

TOKYO, January 30, 2003—Hitachi, Ltd. (TSE: 6501, NYSE: HIT, Hitachi) today announced that at a meeting of its Board of Directors held on January 30, 2003, a decision was made to assume control over the nuclear power related business activities of Hitachi Engineering Co., Ltd. (Hitachi Engineering) and Hitachi Engineering & Services Co., Ltd. (Hitachi Engineering & Services) through a corporate split as of April 1, 2003.

1. Purpose of the Corporate Split

As a means to allow Hitachi to take responsibility for the nuclear power business activities of the Hitachi Group and improve related inspection and oversight functions, the main nuclear power related business activities, including engineering, quality control, and services formerly handled by Hitachi Engineering and Hitachi Engineering & Services (hereinafter, business activities to be transferred), will be transferred to Hitachi.

2. Outline of the Corporate Split

(1) Schedule

Approval of the corporate split agreement by Board of Directors: January 30, 2003

Agreement signing: January 30, 2003

Date of the corporate split: April 1, 2003

Registration of the corporate split: April 1, 2003

(2) Method

1. Plan for corporate split

Hitachi will be the assuming company and Hitachi Engineering and Hitachi Engineering & Services will be the transfer companies in a "simple corporate split" under the Commercial Code of Japan.

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2. Reason for adoption of the method

To integrate the main nuclear power related business activities handled by Hitachi Engineering and Hitachi Engineering & Services into one unit within Hitachi.

(3) Stock allocation

Because Hitachi Engineering and Hitachi Engineering & Services are fully owned subsidiaries of Hitachi, Hitachi will not issue any shares in connection with this transaction.

(4) Increase in paid-in capital

The retained earnings for Hitachi will increase as a result of this transaction. This has been calculated by subtracting the total amount of liabilities transferred from the total amount of assets transferred.

(5) Cash distribution as a result of corporate split

There will be no cash distribution in relation to the corporate split.

(6) Rights and obligations transferred to the assuming company

Hitachi shall acquire and assume assets, debts and material contractual statuses regarding business activities to be transferred.

(7) Anticipated fulfillment of obligations

Hitachi judges that any obligation of Hitachi, Hitachi Engineering, and Hitachi Engineering & Services to become due on or after the date of the corporate split will possibly be fulfilled.

(8) Directors newly appointed to the assuming company

None.

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3. Profile of the Companies Included in the Corporate Split (As of March 31, 2002)

Name	Hitachi, Ltd. (Assuming company)	Hitachi Engineering Co., Ltd. (Separating company)	Hitachi Engineering & Services Co., Ltd. (Separating company)
Business activities	Development, manufacture, sales, and service of information electronics, power and industrial systems, home electronics, material, others	Engineering of electric power generation facilities, information control systems for industrial use, telecommunications systems, microcomputer applications, nondestructive inspection & related devices	Equipment for electric power & industrial systems; production, marketing, maintenance, construction and service of information and control systems
Established	February 1, 1920 (Originally formed in 1910)	April 1, 1957	April 20, 1960
Head office location	Tokyo, Chiyoda-ku, Kanda-Surugadai 4-6	Ibaraki Prefecture, Hitachi City, Saiwai-cho 3-2-1	Ibaraki Prefecture, Hitachi City, Saiwai-cho 3-2-2
President	Etsuhiko Shoyama, President and Director	Ichiro Nagata President and Director	Katsuya Yanai President
Paid-in capital	282,032 million yen	1,650 million yen	1,950 million yen
Shares of common stock issued and outstanding	3,338,481,041	3,300,000	3,900,000
Shareholders' equity	1,364,585 million yen	9,971 million yen	17,450 million yen
Total assets	3,923,144 million yen	44,697 million yen	69,990 million yen
End of fiscal year	March 31	March 31	March 31
Number of employees	48,590	2,117	2,231
Principal customers	Public-sector manufacturing and non-manufacturing industries as well as government agencies both domestic and overseas	Hitachi, Ltd., Hitachi Group companies, domestic manufacturers, private non-manufacturing companies, etc.	Hitachi, Ltd., Hitachi Group companies, domestic manufacturers, private non-manufacturing companies, etc.
Major shareholders	Japan Trustee Services Bank, Ltd. 5.27% The Chase Manhattan Bank N.A., London 4.50% State Street Bank and Trust Company 4.04%	Hitachi, Ltd. 100%	Hitachi, Ltd. 93.16% Hitachi Engineering Co., Ltd. 6.84% Major shareholders changed January 30, 2003. Hitachi, Ltd. 100%
Primary transaction banks (As of April 1, 2002)	UFJ Bank Limited The Industrial Bank of Japan, Limited The Dai-Ichi Kangyo Bank, Limited The Fuji Bank, Limited	The Juyo Bank, Ltd. The Dai-Ichi Kangyo Bank, Limited Toho Bank Co., Ltd. The Higashi-Nippon Bank, Ltd. The Fuji Bank, Limited The Norinchukin Bank	The Dai-Ichi Kangyo Bank, Limited The Juyo Bank, Ltd. The Fuji Bank, Limited Toho Bank Co., Ltd.
Intercorporate relations	Capital	Hitachi owns shares of Hitachi Engineering and Hitachi Engineering & Services.	
	Human resources	Employees to be dispatched from Hitachi to Hitachi Engineering: 18 Employees already transferred from Hitachi to Hitachi Engineering: 185 Employees to be dispatched from Hitachi to Hitachi Engineering & Services: 79 Employees already transferred from Hitachi to Hitachi Engineering & Services: 214	
	Transactions	Purchasing and servicing of products related to electric power and electrical machinery business, provision of service	

*1. Hitachi received the shares of Hitachi Engineering & Services held by Hitachi Engineering on January 30, 2003 (266,667 shares, 6.84% of total shares issued).

*2. The Dai-Ichi Kangyo Bank, Limited, The Fuji Bank, Limited, and The Industrial Bank of Japan, Limited, merged to form Mizuho Bank, Ltd., and Mizuho Corporate Bank, Ltd.

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Performance for the Past Three Fiscal Years (Broken down by company)

(Millions of yen, except where otherwise indicated)

Fiscal year ended	Hitachi, Ltd. (Assuming company)			Hitachi Engineering Co., Ltd. (Separating company)			Hitachi Engineering & Services Co., Ltd. (Separating company)		
	March 31, 2000	March 31, 2001	March 31, 2002	March 31, 2000	March 31, 2001	March 31, 2002	March 31, 2000	March 31, 2001	March 31, 2002
Net sales	3,771,948	4,015,824	3,522,299	59,582	63,656	69,298	102,176	107,479	106,847
Operating income (loss)	40,865	98,577	(84,742)	544	782	553	1,303	3,026	3,350
Ordinary income (loss)	31,787	56,058	(81,663)	529	790	657	1,015	3,033	3,631
Net income (loss)	11,872	40,121	(252,641)	188	437	(531)	537	1,688	364
Net income (loss) per share (yen)	3.56	12.02	(75.69)	57.09	132.56	(160.98)	137.86	432.90	93.36
Dividends per share (yen)	6.00	11.00	3.00	75.00	75.00	75.00	75.00	75.00	384.50
Shareholders' equity per share (yen)	475.26	496.81	408.79	3,211.30	3,264.01	3,021.57	4,107.77	4,461.53	4,474.44

4. Description of the Business to Be Transferred to Hitachi

(1) Nuclear power business of Hitachi Engineering and Hitachi Engineering & Services

- Integration of engineering businesses

Hitachi will assume responsibility for management, planning, permit-related work, and engineering activities related to such work as design, planning and evaluation for joint projects between Hitachi and Hitachi Engineering.

- Integration of quality control businesses

Hitachi will assume responsibility for inspection and testing formerly handled jointly by Hitachi, Hitachi Engineering, and Hitachi Engineering & Services as well as nondestructive testing work jointly handled by Hitachi and Hitachi Engineering.

- Integration of service businesses

Hitachi will assume responsibility for construction planning and supervision work formerly handled jointly by Hitachi and Hitachi Engineering & Services as well as radiation management work jointly handled by Hitachi and Hitachi Engineering.

(2) Performance of the businesses to be separated for the most recent fiscal year

(Millions of yen)

	Hitachi Engineering Co., Ltd. Nuclear Div. (Separating company) (a)	Hitachi Engineering & Services Co., Ltd. Nuclear Div. (Separating company) (b)	Hitachi, Ltd. (Assuming company) (c)	(a + b) / c
Net sales	Approximately 9,050	Approximately 7,170	3,522,299	0.5%

(3) Assets and liabilities to be transferred (As of September 30, 2002 with adjustments)

Hitachi Engineering; Assets: Approximately 2,300 millions of yen, Debts: Approximately 1,600 millions of yen.

Hitachi Engineering & Services; Assets: Approximately 1,400 millions of yen, Debts: Approximately 1,000 millions of yen.

(more)

5. Hitachi's Status after the Corporate Split

No changes will be made to the company names, business contents, or head office location of Hitachi following the corporate split. Paid-in capital will not decrease due to this corporate split. Impact on the performance of Hitachi will not be material.

About Hitachi

Hitachi, Ltd., headquartered in Tokyo, Japan, is a leading global electronics company, with approximately 320,000 employees worldwide. Fiscal 2001 (ended March 31, 2002) consolidated sales totaled ¥7,994 billion (\$60.1 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://global.hitachi.com>

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.
