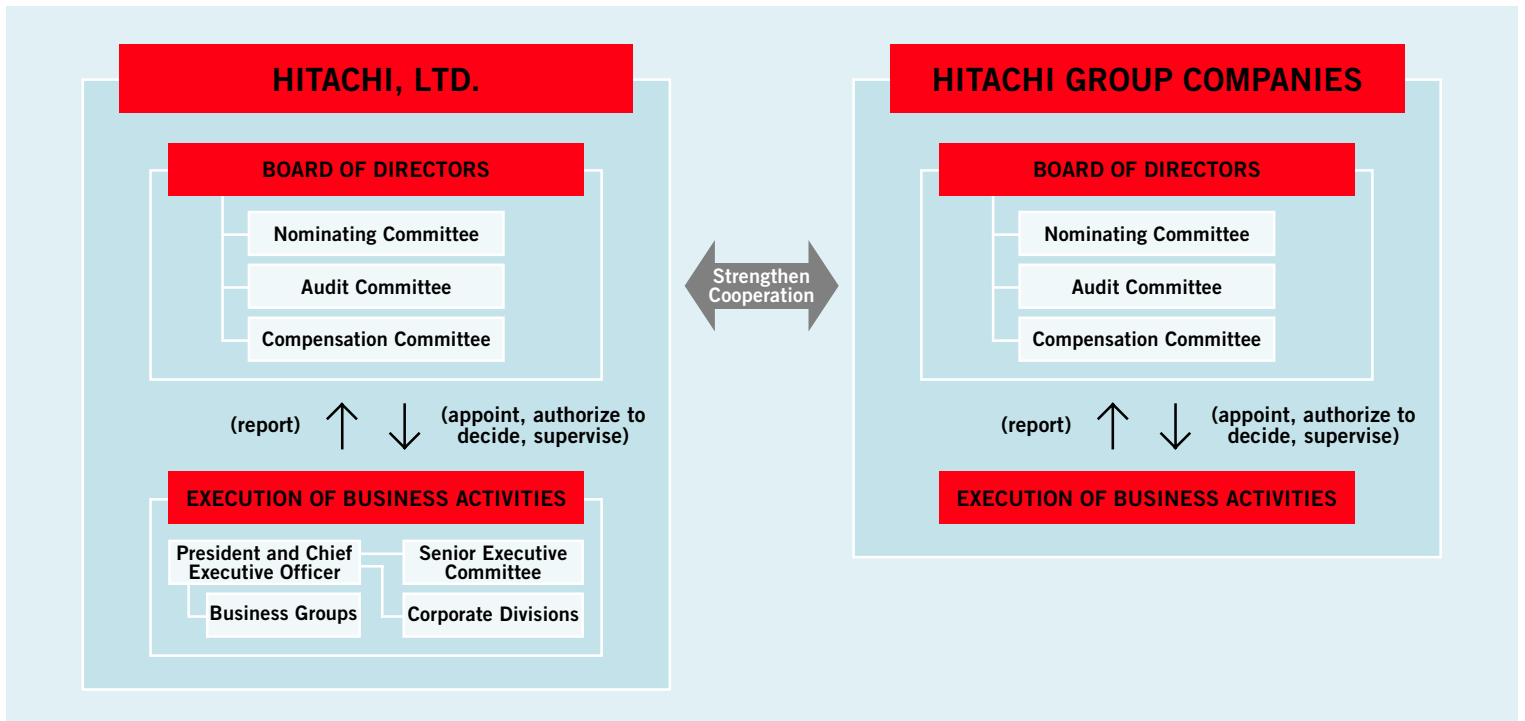


## CORPORATE GOVERNANCE



In June 2003, Hitachi strengthened its corporate governance by adopting the Committee System, an option for management systems that was made possible by the revised Japanese Commercial Code. This new management system creates an agile framework for the execution of core strategies contained in “i.e.HITACHI Plan II,” medium-term management plan. At the same time, the addition of four outside directors to the Board of Directors will make management of Hitachi highly transparent.

### Facilitating Faster Management

The Committee System clearly distinguishes between supervision and execution. Under the system, the Board of Directors is responsible for management oversight, while executive officers are responsible for execution of business operations. Vested with greater decision-making authority, executive officers will initiate bold and speedy business reorganizations and strategic investments.

### Highly Transparent Management

The Board of Directors is made up of 13 directors, four of whom are from outside Hitachi. Three directors serve concurrently as executive officers. Chairman of the Board, Tsutomu Kanai, however, does not serve concurrently as an executive officer. Outside directors were chosen for their work experience and will play a major role in deciding fundamental management policies and executing management oversight. In accordance with the Commercial Code of Japan, a Nominating Committee, Audit Committee and Compensation Committee were also established within the Board of Directors, with outside directors representing the

majority of members of each committee. Although positioned within the Board of Directors, the Nominating Committee decides on proposals to the General Meeting of Shareholders for the appointment and dismissal of directors, the Audit Committee decides on proposals to the General Meeting of Shareholders for the appointment and dismissal of independent auditors, and their decisions about proposals can not be reversed by the Board of Directors. The Compensation Committee has sole discretion about deciding remuneration for directors and executive officers.

### Group Management Strategy

Hitachi's 18 publicly owned Group companies are also adopting the Committee System in June 2003. Accompanying this move, Hitachi directors and executive officers serve concurrently as directors and committee members at Group companies. Hitachi has also set up a Group Management Committee. This will establish a strategically integrated management system for the Group and greatly strengthen management oversight of Group companies.

## BOARD OF DIRECTORS

(As of June 25, 2003)



Tsutomu Kanai



Etsuhiko Shoyama



Yoshiki Yagi



Yoshiro Kuwata



Shigemichi Matsuka



Kotaro Muneoka



Ginko Sato



Hiromichi Seya



Akira Chihaya



Toshiro Nishimura



Hiroshi Kuwahara



Takashi Kawamura



Masayoshi Hanabusa

**CHAIRMAN OF THE BOARD** Tsutomu Kanai<sup>(1)(3)</sup>

### DIRECTORS

- \* Etsuhiko Shoyama<sup>(1)(3)</sup> *Representative Executive Officer  
President, Chief Executive Officer and Director*
- \* Yoshiki Yagi *Representative Executive Officer  
Executive Vice President, Executive Officer and Director*
- \* Yoshiro Kuwata *Representative Executive Officer  
Executive Vice President, Executive Officer and Director*
- Shigemichi Matsuka<sup>(2)</sup>**
- Kotaro Muneoka<sup>(2)</sup>**
- Ginko Sato<sup>(1)(2)</sup>** *President, Japan Association for the Advancement of Working Women*
- Hiromichi Seya<sup>(1)(2)(3)</sup>** *Chairman of the Board, Asahi Glass Co., Ltd.*
- Akira Chihaya<sup>(3)</sup>** *Representative Director and Chairman of the Board of Directors,  
Nippon Steel Corporation*
- Toshiro Nishimura<sup>(1)(2)(3)</sup>** *Senior Partner of Nishimura & Partners*
- Hiroshi Kuwahara**
- Takashi Kawamura**
- Masayoshi Hanabusa**

\* Denotes directors who serve concurrently as executive officers.

Numbers in parentheses beside names show committee membership: <sup>(1)</sup>Nominating Committee, <sup>(2)</sup>Audit Committee, and <sup>(3)</sup>Compensation Committee. Italicized numbers in bold type show committee chairmen.

## EXECUTIVE OFFICERS



Etsuhiko Shoyama



Yoshiki Yagi



Yoshiro Kuwata



Kazuo Kumagai



Katsukuni Hisano



Takao Matsui



Isao Ono



Masaharu Sumikawa



Michiharu Nakamura



Hiromi Kuwahara

### REPRESENTATIVE EXECUTIVE OFFICER PRESIDENT, CHIEF EXECUTIVE OFFICER AND DIRECTOR

**Etsuhiko Shoyama**

### REPRESENTATIVE EXECUTIVE OFFICERS EXECUTIVE VICE PRESIDENTS, EXECUTIVE OFFICERS AND DIRECTORS

**Yoshiki Yagi** *Finance and Corporate Auditing*

**Yoshiro Kuwata** *Business Development and Global Business*

### REPRESENTATIVE EXECUTIVE OFFICERS EXECUTIVE VICE PRESIDENTS AND EXECUTIVE OFFICERS

**Kazuo Kumagai** *Legal Matters, Corporate Communications and Sales Operations*

**Katsukuni Hisano** *Automotive Systems Business*

### SENIOR VICE PRESIDENTS AND EXECUTIVE OFFICERS

**Takao Matsui** *Corporate Marketing and Sales Operations*

**Isao Ono** *Information & Telecommunication Systems Business*

**Masaharu Sumikawa** *Power & Industrial Systems Business and Production Engineering*

**Michiharu Nakamura** *Research & Development and New Businesses*

**Hiromi Kuwahara** *Corporate Strategy and Human Resources*

### VICE PRESIDENTS AND EXECUTIVE OFFICERS

**Minoru Tsukada** *Sales Operations (Kansai Area)*

**Yoshito Tsunoda** *Urban Planning and Development Systems Business*

**Hiroaki Nakanishi** *Global Business*

**Tadahiko Ishigaki** *Corporate Marketing*

**Shozo Saito** *Power Systems Business*

**Manabu Shinomoto** *Platform and Network Systems Business*

**Takuya Tajima** *Social and Industrial Infrastructure Systems Business*

**Takashi Hatchoji** *Legal Matters, Corporate Communications and Corporate Auditing*

**Kazuo Furukawa** *Information & Telecommunication Systems Business*

### EXECUTIVE OFFICERS

**Makoto Ebata** *Group Management*

**Yasuo Sakuta** *Intellectual Property*

**Takao Suzuki** *Sales Operations (Chugoku Area)*

**Koichiro Nishikawa** *Business Development*

**Tsugio Momose** *Digital Media Business*

**Kazuhiro Mori** *Sales Operations (Chubu Area)*

**Iwao Hara** *Human Resources*

**Takashi Miyoshi** *Finance*

**Taiji Hasegawa** *Automotive Systems Business*

**Masahiro Hayashi** *System Solutions Business*