

Policy for Shares of NITTO DENKO CORPORATION

Tokyo, July 7, 2003---Hitachi, Ltd. (TSE:6501 NYSE:HIT) today announced its decision to sell shares of NITTO DENKO CORPORATION ("NITTO DENKO") that are owned by subsidiary Chuo Shoji, Ltd. A portion of this company' s NITTO DENKO shares will be retained.

Under the Medium-Term Business Plan "i.e. Hitachi Plan II" that began in fiscal 2003, Hitachi is enacting substantial structural reforms in all areas of business. These reforms involve the determination of ties between strategic businesses and other activities. Measures will result in the withdrawal from businesses that account for about 20% of consolidated sales so that Hitachi can focus on achieving growth in strategic businesses.

In order to implement the business portfolio realignment and secure sufficient funds for implementing its business strategy, Hitachi has decided to sell shares of NITTO DENKO that are owned by subsidiary Chuo Shoji, Ltd. Hitachi plans to sell the shares in a manner that minimizes the effect of the transaction on the stock market. Although NITTO DENKO will no longer be an equity-method affiliate of Hitachi as a result of the sale, the two companies will continue to maintain a relationship as business partners.

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.
