

**Shin-Kobe Electric Machinery, Hitachi and Maxell Establish
Joint Venture Company “Hitachi Vehicle Energy”**

Tokyo, June 30, 2004 ---Shin-Kobe Electric Machinery Co., Ltd. (TSE:6934 / “Shin-Kobe Electric Machinery”), Hitachi, Ltd. (NYSE:HIT / TSE:6501 / “Hitachi”) and Hitachi Maxell, Ltd. (TSE:6810 / “Maxell”) today announced that they have agreed and concluded joint contract to establish a joint venture company “Hitachi Vehicle Energy, Ltd.” to market, develop and manufacture rechargeable lithium-ion batteries for hybrid electric vehicles (‘HEV’) and other applications. Hitachi Vehicle Energy will start the business on July 1, 2004.

Shin-Kobe Electric Machinery and Hitachi announced on March 26, 2004 that they had started discussions toward establishing a joint venture company between Hitachi and Shin-Kobe Electric Machinery. Since that time, Maxell’s experience and results in rechargeable lithium-ion batteries has prompted the addition of Maxell to the joint venture and the company’s prompt start-up.

In recent years, the development and commercialization of HEV and fuel cell electric vehicles (‘FCEV’) have gathered momentum on a global scale with the dual goals of helping preserve the environment and improving fuel economy. HEVs are driven by both a conventional engine and electric motor while FCEVs are powered by electrical energy released from a chemical reaction between hydrogen and oxygen. While nickel metal-hydride rechargeable batteries are currently employed as the main power source in HEVs, there are high expectations for lithium-ion rechargeable batteries, which have a higher energy density and power output. Because these batteries can be made more compact and lightweight than the former type of battery, hopes are high that they may be widely used in HEV, FCEV and industrial applications.

The establishment of a joint venture would enable Hitachi, Shin-Kobe Electric Machinery and Maxell to capitalize fully on the strengths of the three companies in the rechargeable lithium-ion battery field to meet full-scale expansion in demand for these batteries. With the new company facilitating more efficient and quicker marketing, development and production than before, the aim is to build a business framework that achieves greater investment efficiency and speeds the pace of development through the concentration of development resources, while raising cost competitiveness and production efficiency.

About Hitachi Vehicle Energy

- Company name: Hitachi Vehicle Energy, Ltd.
- President: Yuzo Sakata (currently Director & Senior Chiefengineer Saitama Factory, Shin-Kobe Electric Machinery Co., Ltd.)
- Capital stock: 1.5 billion Yen (Shin-Kobe Electric Machinery 43.7%, Hitachi 36.7%, Maxell 19.6%)
- Start Business: July 1, 2004 (tentative) (Establishment: June 25, 2004)
- Head office location: Ibaraki, Japan
- Business: marketing, development and manufacturing of rechargeable lithium-ion batteries for hybrid electric vehicles and others applications
- Number of employees: approximately 75 (As of July 1, 2004)

About Hitachi, Ltd.

Hitachi, Ltd. (NYSE:HIT/TSE:6501), headquartered in Tokyo, Japan, is a leading global electronics company, with approximately 326,000 employees worldwide. Fiscal 2003 (ended March 31, 2004) consolidated sales totaled 8,632.4 billion yen (\$81.4 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 Web site at <http://www.hitachi.com>.

About Shin-Kobe Electric Machinery Co., Ltd.

Shin-Kobe Electric Machinery Co., Ltd. (TSE:6934) headquartered in Tokyo, Japan is a leading manufacturer of lead acid storage batteries and plastic products etc with approximately 1,100 employees. Fiscal 2003 (ended March 31, 2004) consolidated sales totaled 51.5 billion yen (US\$430 million). The Company offers a wide range of batteries for car manufactures and its after market, golf carts, printed circuit boards for electronics, molded plastics for vehicles. For more information on Shin-Kobe Electric Machinery Co., Ltd, please visit the company's Web site at <http://www.shinkobe-denki.co.jp>.

About Hitachi Maxell, Ltd.

Hitachi Maxell, Ltd. (TSE:6810), headquartered in Tokyo, Japan is a leading manufacturer of information storage media and batteries with approximately 5,000 employees worldwide. Fiscal 2003 (ended March 31, 2004) consolidated sales totaled 212.7 billion yen (US\$2,013 million). The Company offers a wide range of computer tapes, optical media, lithium-ion rechargeable batteries for mobile phone, alkaline batteries. For more information on Hitachi Maxell, Ltd., please visit the company's Web site at <http://www.maxell.co.jp/>.

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