

Contact: Hitachi, Ltd.
LG CNS Co., Ltd.

LG CNS and HITACHI Agreed to Jointly Develop a Information System for University

--Jointly develop a management-oriented educational affairs information system to be sold by Hitachi--

TOKYO Japan, October 29, 2002 – Hitachi, Ltd., (NYSE: HIT/TSE:6501 hereinafter abbreviated as Hitachi) and LG CNS Co., Ltd. (hereinafter abbreviated as LG CNS) today announced that they have agreed to jointly develop a web-based and management-oriented educational affairs information system for the Japanese market. This system will be available from June 2003 and Hitachi will sell it.

This system is a first iteration in comprehensive cooperation of reinforcing their business activities involving the provision of information system solutions to universities on which both companies agreed in January 2002.

The system to be developed on this occasion will support the decision-making of university managers by adding the functions of totaling and analyzing the information related to management that is currently scattered across campus information systems. This information can then be used to construct a Web database that can act as a management index in addition to being useful in the processes of application, registration and reference regarding school registers, courses, grades among other functions. With the adoption of a Web-based system, dedicated software is no longer necessary on a client PC and it is usable anywhere. This means that introduction costs can be reduced and convenience for the managers, staff, teachers and students can be improved. In the future, it will be linked up with other systems such as accounting and library systems so as to extend its usefulness in supporting broad determinations and decisions on policies related to university management and operation.

The management environments surrounding universities in Japan and Korea are

becoming more difficult due to the decreasing birth rate in both countries and the prolonged depression in Japan. In addition, the optimal form of a university is changing due to rapid advances in the IT field. In Japan, the IT Strategic Headquarters stated in the "e-Japan Priority Policy Plan - 2002" in relation to "active promotion of the university reform" that the universities would gain and improve their international competitiveness, actively engage in unique researches and become intellectual bases for local industries and lifetime learning. Because of this situation, utilization of IT has become an urgent necessity in order to facilitate sharing of information in and out of the campus and to allow prompt decision-making. Accordingly, there is a demand for early implementation of a strategic system with more emphasis on a managerial viewpoint.

LG CNS is an integrated IT solution enterprise and is the core of the LG Group in Korea. It provides consulting and system integration and system management services centering on the public sector. In particular, 'Comprehensive Information Solution URP (University Resource Planning) for Universities*' has the lion's share of the Korean market and is also marketed overseas. In the future, further expansion of the business will be promoted by making full use of the know-how and solutions of Hitachi.

* URP is the name of the ERP (Enterprise Resource Planning) solution that LG CNS provides to universities.

Hitachi has a proven business record over the years in providing the systems and know-how for information system solutions for universities including educational research, libraries and office work. As Hitachi thinks that integrated management of the information systems on campus is important in order to support strategic university management, Hitachi will unfurl an integrated IT solution business centering on the jointly developed management-oriented educational affairs information system from now on.

On the basis of the collaboration between the two companies, they will be able to improve the efficiency and speed of product development, allowing them to provide innovative business solutions responsive to the changing market. In addition, while jointly promoting the business, the international potential of the operation centering on Asia will be a major focus.

Advantages of the proposed system are as follows.

[Major advantages]

1. Reduced introduction costs and improved convenience by adopting a Web-based system

It is possible to conduct application, registration and reference regarding school registers, courses, grades and so on by using the Web browser on the client PC. As it is usable from any place, introduction costs can be reduced and convenience for the users can be improved.

2. Supports the decision-making of managers by making a database of the management indexes

It totals and analyzes the information related to management scattered across the information systems on campus and makes a database of it in the form of a management index. It thereby becomes possible to make broad determinations and decisions on policies affecting university management and operation.

3. Supports broad determinations and decisions on policies on university management and operation by linking it up with other systems

It is possible to sort out management indexes to achieve data coordination among the systems by linking it up with other systems such as accounting and library systems. It thereby allows determinations and decisions on policies on management and operation from the viewpoint of the entire university rather than from each department or organization so that management efficiency can be improved.

* Sales target: 100 or more universities by 2005

* Assumed system price: From 30 million yen (prices differ depending on the size of the university and functions to be adopted.)

* Delivery: June 2003

* Contents of the agreement on comprehensive cooperation
(executed on January 28, 2002)

LG CNS and Hitachi will reinforce their respective business activities in the provision of information system solutions to universities by assisting each other through making their respective know-how and other advantages available to the other party.

1. Implementing joint marketing, joint development and operational support in both countries

Implement joint marketing and joint development and cooperate in operational aspects in localization work matching with the other country regarding the products and services mutually provided.

2. Reviewing together the possibility of a joint venture in other countries

Review the possibility of a joint venture to market the information system to universities in other countries including China and nations in Southeast Asia.

Corporate profile of LG CNS Co., Ltd.

1	name	LG CNS Co., Ltd.
2	2 Location (head office)	Prime Tower, #10-1, Hoehyun-dong, 2-ga, Jung-gu, Seoul, 100-630, Korea
3	Business activities	IT consulting, IT system integration, IT system management, etc.
4	Year of foundation	1987
5	Representative	Representative Director & President: Oh Hae-jin
6	Number of employees	5,500
7	URL	http://www.lgcns.com

* The delivery, price and so on in this press release are subject to change without prior notice.

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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.
