

## **Hitachi to Strengthen Operating Framework in China**

Tokyo, February 28, 2003 --- Hitachi, Ltd. (NYSE:HIT / TSE:6501) today announced a restructuring of its operating framework in China, effective April 1, 2003. This move is being taken as part of Hitachi's globalization drive and in light of the importance the company attaches to China as one of the world's key markets.

With the accession of China to the World Trade Organization (WTO), more foreign companies are gradually being granted access to the country. In this new environment, a vital issue for Hitachi, as it seeks to expand business in China, is enhancing sales capabilities.

Up to now, Hitachi has conducted operations in China through Beijing-based Hitachi (China), Ltd. As the regional headquarters, this company has been responsible for investment and business development, as well as regional sales support for the Power & Industrial Systems Group and other Hitachi divisions. Meanwhile, Singapore-headquartered Hitachi Asia Ltd., through subsidiary Hitachi Asia (Hong Kong) Ltd., has handled the sale of semiconductors and other electronic devices, information and telecommunication systems, air-conditioning equipment and other Hitachi product lines.

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To create a framework more in tune with the local market, certain operations currently handled by Hitachi (China) will be transferred to Hitachi Asia (Hong Kong), thereby unifying sales capabilities. Operations to be transferred include business development and power, industrial, and information systems businesses. Furthermore, to provide improved support for the entire Greater China economic area, Hitachi plans to foster deeper cooperation between the Hitachi Taipei and Kaohsiung branches, and Hitachi Asia (Hong Kong), with a view to integrating management in the future. Both Taiwan branches are currently overseen by Hitachi Asia. Although there are plans to bolster Hitachi's presence in Shanghai, the company's principal business area in the country, and currently showing marked growth, Hong Kong will remain Hitachi's main base in Southern China and Beijing the center for social infrastructure systems-related operations.

Hitachi (China) will continue to function as a holding company, with corporate representative and regional administrative functions, and supporting the expansion of Hitachi Group business in China.

This restructuring will also see the names of Hitachi Asia (Hong Kong) and Hitachi (China) change to Hitachi China Ltd. and Hitachi (China) Investment Ltd., respectively.

In line with the restructuring, Hitachi Asia will refocus its activities on Southeast Asia, the Indian subcontinent and other areas. This company will also work to strengthen its sales capabilities and improve management efficiency by enhancing regional cooperation.

About Hitachi, Ltd.

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 yen (\$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 Web site at <http://global.hitachi.com>.

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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.

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