

FOR IMMEDIATE RELEASE

**Conclusion of Formal Contract Between Hitachi and Canon Related to
Comprehensive LCD Panel Business Alliance**

Tokyo, February 27, 2008 --- Hitachi, Ltd. (NYSE: HIT / TSE: 6501, "Hitachi") and Canon Inc. (NYSE: CAJ / TSE: 7751, "Canon") today announced the conclusion of a formal contract related to a comprehensive liquid crystal display (LCD) panel business alliance. This follows the signing of a basic agreement among Hitachi, Canon and Matsushita Electric Industrial Co., Ltd. (NYSE: MC / TSE: 6752, "Matsushita") regarding this alliance on December 25, 2007. Hitachi, and Matsushita announced a formal contract on February 15 concerning the same comprehensive alliance.

Under the terms of this agreement, Canon will acquire a 24.9% stake in Hitachi Displays, Ltd. ("Hitachi Displays"), a wholly owned Hitachi subsidiary that makes small and medium-sized LCD panels, from Hitachi by March 31, 2008, for approximately 43.2 billion yen, pending regulatory approval. The acquisition price was agreed upon based on an evaluation of Hitachi Displays' value, including a 50% shareholders' equity stake in IPS Alpha Technology, Ltd. owned by Hitachi Displays. As the next step, Canon plans to acquire*¹ Hitachi Displays' shares owned by Hitachi and Matsushita*² and to make Hitachi Displays a Canon subsidiary. Meanwhile, Hitachi will consider the continued holding of up to 10% of Hitachi Displays' shares.

*1 Under the formal contract signed between Hitachi and Matsushita on February 15, 2008, Matsushita will acquire a 24.9% stake in Hitachi Displays from Hitachi by March 31, 2008, pending regulatory approval.

*2 Hitachi and Matsushita have agreed that Matsushita's planned 24.9% stake in Hitachi Displays to be owned by Matsushita will be transferred to Hitachi or a third party including Canon in the future.

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1. Outline of Hitachi Displays

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|---------------------|---|
| 1) Company name | Hitachi Displays, Ltd. |
| 2) President | Yoshiyuki Imoto |
| 3) Headquarter | Kanda Neribeicho 3, Chiyoda-ku, Tokyo, Japan |
| 4) Established | October 1, 2002 |
| 5) Main businesses | Design, manufacture, and sales of small and medium-sized LCD panels and related products, as well as maintenance and services |
| 6) Fiscal year-end | March 31 |
| 7) No. of employees | 11,974 (as of March 31, 2007, Consolidated) |
| 8) Capital | 35,274.5 million yen |
| 9) Ownership | Hitachi 100% |
| 10) Sales | 200.3 billion yen (FY 2006, Consolidated) |

2. Effect on business results

Hitachi is currently analyzing the likely impact on its earnings, and will make an announcement when details are available.

There will be no material impact on Canon's earnings in the fiscal year ending December 31, 2008.

About Hitachi, Ltd.

Hitachi, Ltd., (NYSE: HIT / TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 384,000 employees worldwide. Fiscal 2006 (ended March 31, 2007) consolidated revenues totaled 10,247 billion yen (\$86.8 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 website at <http://www.hitachi.com>.

About Canon Inc.

Canon Inc. (NYSE: CAJ), headquartered in Tokyo, Japan, is a leader in the fields of professional and consumer imaging equipment and information systems. Canon's extensive range of products includes copying machines, inkjet and laser beam printers, cameras, video equipment, medical equipment and semiconductor-manufacturing equipment. With over 131,000 employees worldwide, Canon has manufacturing and marketing subsidiaries in Japan, the Americas, Europe, Asia and Oceania; and a global R&D network with companies based in the United States, Europe, Asia and Australia. Canon's consolidated net sales for fiscal 2007 (ended December 31, 2007) totalled \$39.3 billion (at an exchange rate of ¥114 = US\$1). Visit the Canon Inc. website at: www.canon.com

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.
