

HITACHI, LTD. PRESIDENT ETSUHIKO SHOYAMA REVIEWS COMPANY PERFORMANCE AND OUTLOOK

*-- Globalization, Management Reforms and Application of Information
Technology to Company's Vast Array of Businesses to Set the Stage for Future
Growth --*

NEW YORK, NY, July 10, 2001 -- Etsuhiko Shoyama, president and director of Hitachi, Ltd. (TSE:6501/NYSE:HIT), Japan's largest electrical/electronics manufacturer, today said that the company's strong focus on globalization, extensive management reforms and the application of information technology to its vast array of businesses are major factors that will help the company enhance shareholder value and set the stage for future growth.

In an address to financial analysts in New York today, Mr. Shoyama elaborated on progress the company has made as part of its "i.e.HITACHI Plan," the company's medium-term business plan that sets out goals to be achieved as part of a major transformation aimed at greatly increasing Hitachi's corporate value. The plan was first introduced in late 1999. He said, "management reforms have dramatically facilitated more speedy and decentralized decision-making. Eighty percent of decisions that would previously have been made at the corporate level are now made by Group CEOs. We estimate that our efforts to reform businesses contributed 24 billion yen directly to operating income in fiscal 2000. In fiscal 2002, we expect our reforms to contribute at least 70 billion yen. Moving forward, we will continue using alliances, joint ventures, acquisitions, disposals and other measures to reform businesses."

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Mr. Shoyama cited four additional actions, under a “Corporate Innovation Initiative” (CII) that will be implemented in this fiscal year designed to drive further progress at the corporate level.

“One element of CII is our Procurement Renewal Project. Through centralized Net-based purchasing, revisions to Hitachi Group procurement specifications and methods, and other actions, we will reduce materials purchasing costs by roughly 600 billion yen, or 20%, over two years. The second element of CII is “Project C,” our cash flow improvement project. By March 2003 we aim to reduce by 25% the time it took us to turn over inventory plus accounts receivable in fiscal 2000. Successful execution of Project C will contribute an additional one trillion yen to cash flows over two years. This cash will be used to repay five hundred billion yen in debt, thereby strengthening our balance sheet.

“The third element of CII,” said Mr. Shoyama, “is our globalization strategy. Our long-term goal is to grow overseas sales to account for fifty percent of consolidated net sales, from the current thirty one percent. North America and Europe are our main focus. China, as a market, and as a production center too, is growing in importance for us. Hitachi will invest aggressively in China with the view to sharply expand sales and production.

“Under Project A, the fourth element of CII, we will concentrate on growing systems and service areas where we are highly competitive. Systems and services targeted under Project A account for eight percent of current operating income. We plan to elevate this figure to twenty-five percent in fiscal 2002. We will grow sales and profits in fields in which we have a competitive edge,” Mr. Shoyama said.

Concluding his remarks, Mr. Shoyama said, "To prevail against global mega-competition and generate the earnings expected of us by shareholders, we must exercise strong management resolve in unifying business units. Information Technology will continue to penetrate all business areas in the twenty-first century. This will create a management environment in which we can more strongly exhibit synergies between business units. Drastic change of laws in Japan is also enabling us to make use of a wider range of measures for restructuring. We intend to take full advantage of this. We will not hesitate to create change and to do the things that only Hitachi can. I am convinced of the potential to create entirely new business models. "

About Hitachi

Hitachi, Ltd., headquartered in Tokyo, Japan, is one of the world's leading global electronics companies, with fiscal 2000 (ended March 31, 2001) consolidated sales of 8,417 billion yen (\$67.9 billion*). The company manufactures and markets a wide range of products, including computers, semiconductors, consumer products and power and industrial equipment. For more information on Hitachi, Ltd., please visit Hitachi's Web site at <http://global.hitachi.com>.

*At an exchange rate of 124 yen to the dollar.

About Hitachi's Presentation

The audio presentation of Mr. Shoyama will be available by phone beginning at 1:00 p.m. until about 1:20 p.m., Eastern Daylight time. The toll free number is 800.982.3654 or local 703.871.3021. The Confirmation Number is 5107063.

A replay is available for approximately one week following the presentation beginning at 4:00 p.m. Eastern Daylight time on July 10. The toll free number is 888.266.2081 and local number at 703.925.2533. The pass code is 5107063.

Statements in this document contain forward-looking statements which reflect management's current views with respect to certain future events and financial performance. Words such as "anticipate," "believe," "expect," "estimate," "intend," "plan," "project" and similar expressions which indicate future events and trends identify forward-looking statements. Actual results may differ materially from those projected or implied in the forward-looking statements and from historical trends. Further, certain forward-looking statements are based upon assumptions of future events which may not prove to be accurate.

Factors that could cause actual results to differ materially from those projected or implied in any forward-looking statements include, but are not limited to, rapid technological change,

particularly in the Information Systems & Electronics segment; uncertainty as to Hitachi's ability to continue to develop products and to market products that incorporate new technology on a timely and cost-effective basis and achieve market acceptance; fluctuations in product demand and industry capacity, particularly in the Information Systems & Electronics segment and the Consumer Products segment; fluctuations in rates of exchange for the yen and other currencies in which Hitachi makes significant sales or in which Hitachi's assets and liabilities are denominated, particularly between the yen and the U.S. dollar; uncertainty as to Hitachi's access to liquidity or long-term financing, particularly in the context of restrictions or availability of credit prevailing in Japan; uncertainty as to Hitachi's ability to implement measures to reduce the potential negative impact of fluctuations in product demand and/or exchange rates; general economic conditions and the regulatory and trade environment of Hitachi's major markets, particularly, the United States, Japan and elsewhere in Asia, including, without limitation, continued stagnation or deterioration of the Japanese or other East Asian economies, or direct or indirect restriction by other nations of imports; uncertainty as to Hitachi's access to, or protection for, certain intellectual property rights, particularly those related to electronics and data processing technologies; Hitachi's dependence on alliances with other corporations in designing or developing certain products; and the market prices of equity securities in Japan, declines in which may result in write-downs of equity securities Hitachi holds.

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