

Hitachi, Ltd. to Make UNISIA JECS CORPORATION a Wholly Owned Subsidiary
Share exchange will consolidate management, strengthening automotive products business

TOKYO, Japan, April 18, 2002 -- Hitachi, Ltd. (TSE: 6501, NYSE: HIT, "Hitachi") and UNISIA JECS CORPORATION (TSE: 7275, "UNISIA JECS") today announced that in accordance with a memorandum of understanding signed by their respective boards of directors, Hitachi, Ltd. will make UNISIA JECS a wholly owned subsidiary through an exchange of shares. The transaction is being made to strengthen the companies' automotive products businesses.

Hitachi currently holds 16.7% of UNISIA JECS ' equity. Integrating their operations will enable the two companies to implement speedy and effective development of the business, further strengthening their competitiveness in the growing automotive products business.

The share exchange agreement will be concluded towards the end of May 2002, and, upon approval at Unisia Jecs' ordinary general meeting of shareholders, which is scheduled to take place in late June, the share exchange transaction is expected to take place on October 1, 2002. Also on October 1, UNISIA JECS will change its corporate name to Hitachi-Unisia Automotive, Ltd. As a result of the share exchange, shares of UNISIA JECS will be delisted as of September 25, 2002.

1. Gist of the agreement

The Hitachi Group's goal is to be a global supplier able to provide comprehensive solutions based on information systems services and social infrastructure systems. Hitachi is implementing a consolidated management policy that includes reorganization of businesses, alliances, mergers and acquisitions. This will ensure that subsidiaries engaged in core hardware and other business areas essential to this goal, are wholly-owned members of the Hitachi Group.

The purpose of making UNISIA JECS a wholly owned subsidiary is to further expand the automotive products business. This encompasses solutions for enhancing comfortable and convenient life, and ecologically green solutions, where the Hitachi Group has set its strategic targets.

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With UNISIA JECS as a wholly owned subsidiary, the Hitachi Group can combine technology related to basic automotive functions, such as braking and steering, with Hitachi's motor actuator and engine control technology and cutting-edge IT and electronics technologies, which is needed to enter the ubiquitous information society. In areas ranging from fuel cells, electric automobiles, hybrid cars and other environmentally-friendly power-train technologies to integrated vehicle control and telematics services, advanced technologies will be indispensable to automobiles in the ubiquitous information society. This transaction will make it possible for the Hitachi Group to meet the future needs of the automotive industry in its quest for new technologies that combine mechatronics, electronics and IT.

The Hitachi Group will also use this transaction as an opportunity to further strengthen the automotive parts business through its R&D and financial capabilities, personnel deployment and automotive business.

2. The advantages of making UNISIA JECS a wholly owned automotive-parts subsidiary

Engine control equipment, electric vehicle drive systems, on-board information devices (electronic toll collection (ETC) systems and vehicle information and communication systems (VICS)) and electrical equipment for vehicles are just some of the automotive product areas in which the Hitachi Group is involved. In recent years, the group has been expanding operations in a number of other important sectors. These include electric power-trains and low-emission engines, which relate to the environment, adaptive cruise control systems; electric brakes, which relate to safety and driving comfort; and information-related products, such as car navigation and telematics systems.

A broad-based development of operations is under way, covering the car navigation and telematics business of Xanavi Informatics Corporation (which became a wholly-owned subsidiary in December 2000) to the Semiconductor & Integrated Circuits Group's automotive semiconductor business, as well as materials, functional parts, infrastructures and solutions of many other business groups and affiliated companies.

UNISIA JECS manufactures automotive systems and components that underpin every area of basic vehicle function: engine, drive train, suspension, steering and brakes. It has advanced technology for combining mechanical, hydraulic and electronic control systems, and application engineering to vehicles. In recent years, amid an increasing emphasis on environmental conservation and safety, UNISIA JECS has been expanding operations in the areas of Valve Timing Control systems (VTC), steering systems and brake systems.

In April 1999, Hitachi took an equity position in UNISIA JECS as part of an alliance between the two companies relating to vehicle control in an Intelligent Transport System (ITS). Since then, UNISIA JECS has been a valuable partner in the automotive parts business, working with Hitachi on the joint development and marketing of a number of products, including engine control equipment and the new area of adaptive cruise control systems.

With UNISIA JECS as a wholly owned subsidiary, the Hitachi Group can combine Hitachi's sensor-based information verification and advanced electronic control technologies with UNISIA JECS ' world-class brake and steering technologies and application engineering to vehicles. This will greatly enhance the group's competitiveness in such areas as electric brake products and adaptive cruise control systems.

In some areas such as engine control equipment where there is some overlap between the two companies' operations, it will be possible to increase efficiency by concentrating investment in development and centralizing production equipment, thus strengthening engineering capabilities and boosting cost-competitiveness.

As a leading presence in automotive areas relating to ecology, safety, driving comfort and information systems, the Hitachi Group will be able to develop and provide products that combine enhanced automotive functionality with convenience.

Looking to the future, to expand this area of operations and become more competitive, the two companies will focus on making effective use of their domestic and international networks, as well as on building an optimized business system, including through alliances inside and outside the Hitachi Group, that will enable them to provide solutions that meet customers' requirements.

3. Share Exchange Terms and Conditions

(1) Schedule (provisional)

April 18, 2002	Board of directors approves memorandum of understanding for share exchange
April 18, 2002	Signing of memorandum of understanding for share exchange
Late May, 2002	Board of directors to approve share exchange agreement
June 27, 2002	Shareholder approval of share exchange agreement (ordinary general meeting of shareholders of UNISIA JECS)
September 25, 2002	Delisting of UNISIA JECS from Tokyo Stock Exchange
October 1, 2002	Exchange of shares

In accordance with the provisions of Paragraph 1 of Article 358 of the Commercial Code of Japan, Hitachi shall perform the share exchange with UNISIA JECS without the approval of Hitachi's general meeting of shareholders.

(2) Ratio of Exchange

Hitachi requested Nomura Securities Co., Ltd. ("Nomura Securities"), UNISIA JECS requested Mizuho Securities Co., Ltd. ("Mizuho Securities") to calculate the ratio for the exchange of shares. The results of these calculations were referred to in discussions between the two companies, which agreed to the ratio shown below. The following ratio may be subject to change following discussions between the parties in the event that there should arise any significant change in the terms and conditions used to arrive at the ratio.

Company	Hitachi	UNISIA JECS
Share exchange ratio	1	0.197

Notes:

a) Share allocation ratio

There will be an allocation of 0.197 shares of Hitachi stock per share of UNISIA JECS stock. However, there will be no allocation of shares with respect to UNISIA JECS stock held by Hitachi.

b) Result, method and basis of calculation by third-party institution

Nomura Securities used the market price analysis to evaluate Hitachi, and the market price analysis, discounted cash flow (DCF) analysis and the comparable companies analysis to evaluate UNISIA JECS. The results were used as a basis for calculating the share exchange ratio.

Mizuho Securities used the market price analysis and the comparable companies analysis to evaluate Hitachi, and the market price analysis, the comparable companies analysis and discounted cash flow (DCF) analysis to evaluate UNISIA JECS. The results were used as a basis for calculating the share-exchange ratio.

c) Number of Hitachi shares to be issued for the exchange:

25,143,245 ordinary shares

d) Date from which the dividend on the new shares is calculated:

October 1, 2002

e) Hitachi may use its treasury stock in substitution for a part of Hitachi's shares to be issued for the exchanges.

4. Outline of Each Company

Trade Name	Hitachi, Ltd. (Parent)		UNISIA JECS CORPORATION (Subsidiary)
Business	Development, manufacture, sales and services of information electronics, power and industrial systems, home electronics, material and others.		Manufacture and sales of automotive parts, industrial machinery, electric machinery and others.
Date established	February 1, 1920 (Founded 1910)		May 1, 1956
Head Office	6, kanda-Surugadai 4-chome, Chiyoda-ku, Tokyo, Japan		1370 Onna Atsugi, Kanagawa Prefecture, Japan
President	Etsuhiko Shoyama President and Director		Kouichiro Tohda President and Director
Capital stock(*1)	281,755 million yen		12,900 million yen
Shares issued(*1)	3,337,934,819		153,165,687
Shareholders' equity(*1)	1,584,112 million yen		48,996 million yen
Total assets(*1)	3,783,804 million yen		155,895 million yen
End of fiscal year	March 31		March 31
Number of employees(*1)	54,281		3,852
Major customers	Manufacturing and sales companies in and outside Japan, and government agencies		Nissan Motor Co., Ltd. Fuji Heavy Industries Co., Ltd. JATCO Corporation, et al.
Major shareholders and shareholding ratios(*1)	Japan Trustee Services Bank, Ltd. 5.81% The Chase Manhattan Bank, N.A. London 3.99% Nippon Life Insurance Company 3.93%		Nissan Motor Co., Ltd. 25.3% Hitachi, Ltd. 16.7% Robert Bosch GmbH 10.1%
Main banks(*2)	Mizuho Corporate Bank, Ltd. UFJ Bank Limited		Mizuho Corporate Bank, Ltd. Mitsubishi Trust & Banking Corp. The Asahi Bank, Ltd. The Bank of Yokohama, Ltd.
Relations between the companies	Capital Exchange	Hitachi, Ltd. as the shareholder, holds 16.7% of UNISIA JECS' issued shares	
	Staff Exchange	Two of UNISIA JECS's employee, is temporary transfer from Hitachi. Three of UNISIA JECS's employee, is transfer domicile from Hitachi.	
	Business Exchange	Dealing of a product and parts	

Note1: As of March 31, 2002. However, (*1) is as of September 30, 2001, (*2) is as of April 1, 2002.

Note2: As of March 31, 2002, Hitachi's capital amounted to 282,032 million yen, and common stock issued amounted to 3,338,481,041 shares.

As of March 31, 2002, UNISIA JECS' capital amounted to 12,900 million yen, and common stock issued amounted to 153,165,687 shares.

5. Financial Results (for the most recent three years)

[Unconsolidated Financial Statements] (In million yen, except per share amounts)

	Hitachi, Ltd. (Parent)			UNISIA JECS CORPORATION (Subsidiary)		
	1999/3/31	2000/3/31	2001/3/31	1999/3/31	2000/3/31	2001/3/31
Fiscal year ended	1999/3/31	2000/3/31	2001/3/31	1999/3/31	2000/3/31	2001/3/31
Net sales	3,781,118	3,771,948	4,015,824	185,019	185,640	175,471
Operating income (loss)	(95,494)	40,865	98,577	(269)	(48)	2,501
Ordinary income (loss)	(114,920)	31,787	56,058	95	(3,510)	1,845
Net income (loss)	(175,534)	11,872	40,121	(1,168)	(13,965)	2,727
Net income (loss) per share (yen)	(52.59)	3.56	12.02	(7.63)	(91.18)	17.81
Annual dividends per share (yen)	5.50	6.00	11.00	2.50	-	2.50
Shareholders' equity per share (yen)	480.20	475.26	496.81	366.36	296.47	324.33

[Consolidated Financial Statements] (In million yen, except per share amounts)

	Hitachi, Ltd. (Parent)			UNISIA JECS CORPORATION (Subsidiary)		
	1999/3/31	2000/3/31	2001/3/31	1999/3/31	2000/3/31	2001/3/31
Fiscal year ended	1999/3/31	2000/3/31	2001/3/31	1999/3/31	2000/3/31	2001/3/31
Net sales	7,977,374	8,001,203	8,416,982	195,497	200,540	195,515
Operating income (loss)	(34,074)	174,364	342,312	135	266	3,774
Ordinary income (loss)	(221,174)	79,235	323,655	-	-	-
Income before minority interests	(318,834)	31,733	158,794	-	-	-
Ordinary income (loss)	-	-	-	475	(4,073)	2,588
Net income (loss)	(327,611)	16,922	104,380	(1,344)	(14,996)	2,630
Net income (loss) per share (yen)	(98.15)	5.07	31.27	(8.78)	(97.91)	17.18
Shareholders' equity per share (yen)	900.57	895.08	857.27	402.76	333.45	317.28

6. Changes after share exchanges

(1) Trade name, business, head-office location:

On October 1, UNISIA JECS will change its corporate name to Hitachi-Unisia Automotive, Ltd. There is no change of the business and a head-office location.

(2) Capital and Capital Reserve

It has not been decided whether there will be increase in Hitachi's capital and capital reserve.

(3) Change of the president of UNISIA JECS

Mr. Kouichiro Tohda, currently president of UNISA JECS, will step down and Mr. Katsukuni Hisano, currently senior vice president and director of Hitachi, will become president.

[Mr. Hisano will assume the presidency following the approval of the board of directors at a meeting convened following the ordinary general meeting of the shareholder of UNISIA JECS in June 27, 2002.]

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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.
