

FOR IMMEDIATE RELEASE

**Reinforcing Corporate Governance
Hitachi, Ltd. and Major Group Companies Adopt Committee System**

Tokyo, January 30, 2003 --- Hitachi, Ltd. (TSE:6501/ NYSE:HIT) and 18 publicly-held group companies, comprising a total of 19 companies (note), will radically alter their corporate governance structure by adopting the Committee System in June 2003. This move is being made in accordance with recent revisions to Japan's Commercial Code.

As the basis for becoming more competitive, the Hitachi Group is taking radical measures to focus resources on carefully selected businesses, become an even more global organization and launch strategic new businesses. By reinforcing corporate governance based on this new structure, Hitachi is building an agile management system that can effectively implement its core strategies. In addition, outside directors will join Hitachi's Board to provide oversight, allowing Hitachi to conduct management in a manner that is fair and transparent from an external perspective.

To steadily achieve the goals of the management strategies outlined in "i.e.HITACHI Plan II", major Hitachi Group companies will simultaneously adopt the Committee System. This move will produce a new group-wide framework with a stronger sense of unity that will facilitate "strategically integrated management."

Hitachi will carefully review the details regarding the role of Board of Directors meetings in respect to companies that adopt the Committee System, so as to fully apply the advantages of the new corporate governance structure.

[Purposes of Shift to New Corporate Governance Structure]

(1) Dramatic improvement in speed of management — The delegation of considerable decision-making authority to individuals whose executive business activities will make possible bold and speedy business reorganizations and strategic investments.

(2) More transparent management practices — The following four individuals, whose areas of expertise are in corporate management, administration and legal affairs, will become Hitachi directors. These directors will provide objective opinions from an independent perspective regarding Hitachi’s management with the aim of ensuring highly transparent management with a strong commitment to compliance.

(Outside Directors)

Ginko Sato (President, Japan Association for the Advancement of Working Women)

Hiromichi Seya (Chairman of the Board, Asahi Glass Co., Ltd.)

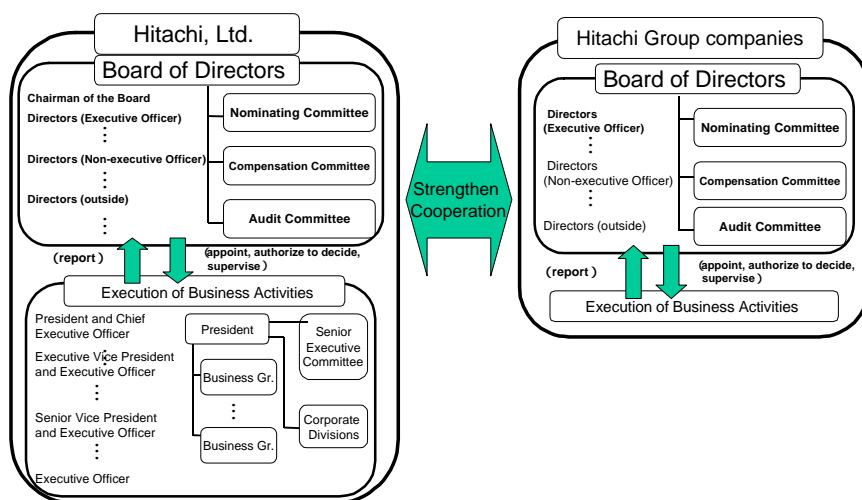
Akira Chihaya (Representative Director and President, Nippon Steel Corporation)

Toshiro Nishimura (Senior Partner of Nishimura & Partners)

(3) Serve as part of the publicly-held group companies’ management strategy — The Hitachi Group is working to establish a unified management system and upgrade supervisory functions for group companies. Specifically, certain group companies’ directors will for the first time be represented on Hitachi’s Board of Directors, and Hitachi directors and executive officers will be represented on the boards of group companies as outside directors. This will greatly strengthen the oversight system for the entire group.

(4) Global management—While preserving the strengths of its existing corporate governance structure, Hitachi will adopt a corporate governance format that is easily understood by institutional investors based in the U.S. and Europe, its customers and other parties, to foster greater trust in its governance, and thus speed up the pace of global business development.

Reinforce Group Management and Introduce New Corporate Governance Framework



Note: Hitachi Group companies that will adopt the Committee System:

Hitachi, Ltd. (TSE:6501/Etsuhiko Shoyama, President and Director)
Hitachi Cable, Ltd. (TSE:5812/Seiji Hara, President and Director)
Hitachi Capital Corporation (TSE:8586/Kaichi Murata, President and Director)
Hitachi Chemical Co., Ltd. (TSE:4217/Isao Uchigasaki, President and Director)
Shin-Kobe Electric Machinery Co., Ltd. (TSE:6934/ Hiromu Miyajima, President and Director)
Hitachi Powdered Metals Co., Ltd. (TSE:5944/ Yoshio Hirano, President and Director)
Hitachi Construction Machinery Co., Ltd. (TSE:6305/Ryuichi Seguchi, President and Director)
Hitachi High-Technologies Corporation (TSE:8036/ Yoshiro Kuwata, President and Director)
Hitachi Information Systems, Ltd. (TSE:9741/ Akisuke Takasu, President and Director)
Hitachi Kiden Kogyo, Ltd. (TSE:6354/Kakichi Fukui, President and Director)
Hitachi Maxell, Ltd. (TSE:6810/Norio Akai, President and Director)
Hitachi Medical Corporation (TSE:6910/Hiroshi Inomata, President and Director)
Hitachi Metals, Ltd. (TSE:5486/Michihiro Honda, President and Director)
Hitachi Mobile Co., Ltd. (TSE:9429/Yoshiteru Miki, President and Director)
Hitachi Plant Engineering & Construction Co., Ltd. (TSE:1970/Kunio Hamada, President and Director)
Hitachi Software Engineering Co., Ltd. (TSE:9694/ Hiroyuki Kanekiyo, President and Director)
Hitachi Transport System, Ltd. (TSE:9086/ Eiji Fukushi, President and Director)
Japan Servo Co., Ltd. (TSE:6585/ Noboru Horie, President and Director)
Hitachi Kokusai Electric Inc. (TSE:6756/Makoto Endo, President and Director)

About Hitachi

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.
