

**FOR IMMEDIATE RELEASE**

**Hitachi and Shin-Kobe Electric Machinery Considering Joint Venture for  
HEV Rechargeable Lithium-Ion Batteries**

Tokyo, March 26, 2004 ---Hitachi, Ltd. (NYSE:HIT / TSE:6501) and Shin-Kobe Electric Machinery Co., Ltd. (TSE:6934) today announced that they have started discussions toward establishing a joint venture company to market, develop and manufacture rechargeable lithium-ion batteries for hybrid electric vehicles ('HEV'). The new company would be established in fiscal 2004.

In recent years, the development and commercialization of HEV and fuel cell electric vehicles ('FCEV') have gathered momentum on a global scale with the dual goals of helping preserve the environment and improving fuel economy. HEV are driven by both a conventional engine and electric motor while FCEV are powered by electrical energy released from a chemical reaction between hydrogen and oxygen. While nickel metal-hydride rechargeable batteries are currently employed as the main power source in HEV, high hopes are harbored for lithium-ion rechargeable batteries, which have a higher energy density and power output. Because these batteries can be made more compact and lightweight than the former type of battery, hopes are high that they may be widely used in HEV, FCEV and industrial applications.

Hitachi and Shin-Kobe Electric Machinery have been jointly developing rechargeable lithium-ion batteries with considerable success. In 2000, they led the world in commercializing products for HEV, and followed up this achievement in 2003 with another world first by mass producing a rechargeable lithium-ion battery for electric scooters. Having already produced motors, inverters, controllers and other key devices for HEV as well, Hitachi can offer a complete HEV system lineup, including rechargeable lithium-ion batteries.

The establishment of a joint venture would enable Hitachi and Shin-Kobe Electric Machinery to capitalize fully on the strengths of both companies in the rechargeable lithium-ion battery field to meet full-scale expansion in demand for these batteries. With the new company facilitating more efficient and quicker marketing, development and production than before, the aim is to build a business framework that achieves greater investment efficiency and speeds the pace of development through the concentration of development resources, while raising cost competitiveness and production efficiency.

Plans call for the proposed joint venture to build a pilot line this fall to improve the ability to supply advanced mass produced items.

The exact structure and other aspects of the new company are to be determined through ongoing discussions between Hitachi and Shin-Kobe Electric Machinery.

**About Hitachi, Ltd.**

Hitachi, Ltd. (NYSE: HIT), headquartered in Tokyo, Japan, is a leading global electronics company, with approximately 340,000 employees worldwide. Fiscal 2002 (ended March 31, 2003) consolidated sales totaled 8,191.7 billion yen (\$68.3 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://www.hitachi.com>.

**About Shin-Kobe Electric Machinery Co., Ltd.**

Shin-Kobe Electric Machinery Co., Ltd headquartered in Tokyo, Japan is a leading manufacturer of lead acid storage batteries and plastic products etc with approximately 1,100 employees. Fiscal 2002 (ended March 31, 2003) consolidated sales totaled 53.5 billion yen (US\$450 million). The Company offers a wide range of batteries for car manufactures and its after market, golf carts, printed circuit boards for electronics, molded plastics for vehicles. For more information on Shin-Kobe Electric Machinery Co., Ltd, please visit the company's Web site at <http://www.shinkobe-denki.co.jp>.

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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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