

For immediate release
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**Hitachi, Toshiba and Matsushita
Agree to Establish a TV LCD Panel Joint Venture**

Tokyo, August 31, 2004 --- Hitachi, Ltd. (NYSE:HIT / TSE: 6501, “Hitachi”), Toshiba Corporation (TSE: 6502, “Toshiba”) and Matsushita Electric Industrial Co., Ltd. (NYSE: MC / TSE: 6752, “Matsushita”) today reached a basic agreement to jointly establish a company(the “JV”) to manufacture and sell LCD panels for flat-panel TVs. Plans call for the joint venture to commence operations in January 2005.

The JV will build an amorphous TFT LCD panel production line at the Mobara facility of Hitachi Displays, Ltd. (“Hitachi Displays”), Hitachi’s wholly owned subsidiary. Scheduled to begin mass production in the second quarter of the year ending March 31, 2007(fiscal 2006), the JV will expand production capacity in stages, ultimately reaching the equivalent of 2.5 million 32-inch TV LCD panels a year by the second half of fiscal 2008. The expected capital investment for establishing this facility is 110.0 billion yen. While Hitachi Displays, Toshiba and Matsushita own majority shares, the JV plans to solicit investments from other companies involved in the manufacture of LCD panels, including device makers and material suppliers.

Sales are growing for flat-panel TVs, which combine a high-quality picture and large screen with a space-saving profile. Worldwide demand for LCD TVs was approximately 3.0 million units in 2003 and is estimated to expand fivefold by 2006. Furthermore, in order to meet increasing consumer demand for high-definition picture quality, TV manufacturers targeting the high-end market segment seek to differentiate their products not just with proprietary image processing technologies, but also by using LCD panels with outstanding picture quality. Reflecting this, mergers and acquisitions and strategic alliances in the LCD panel field, along with other developments in

the industry, are resulting in fierce competition worldwide, fueling a growing need for TV manufacturers to ensure a stable supply of high-quality panels at low prices.

Against this backdrop, Hitachi, Toshiba and Matsushita have decided to establish a JV to manufacture LCD panels using Hitachi Displays' world-leading IPS* mode system technology. Boasting a wide viewing angle and outstanding color reproduction, these panels bring out the best in high-resolution content, such as digital TV broadcasts. The JV will provide the three companies with a reliable supply of LCD panels that are ideal for TVs and that will bolster the competitiveness of their respective LCD TV businesses in the high-end market. The JV, with Hitachi, Toshiba and Matsushita as its major customers, will operate a stable, capital-efficient production line mass producing IPS-mode LCD panels, which provide outstanding picture quality at lower cost. Close collaboration with the JV is expected to achieve synergies in Hitachi, Toshiba and Matsushita's respective production of finished products, allowing them to achieve LCD TVs that are even more competitive in terms of performance and price.

* IPS Mode System Technology

In-Plane-Switching (IPS) mode system, is a type of TFT LCD display technology. IPS is distinguished by a wide 170-degree viewing angle, both horizontally and vertically, along with minimal gray-scale inversion and viewing-angle dependency, reproducing lifelike images, which is made possible because the liquid crystal molecules can rotate while remaining parallel to the substrate when a voltage is applied, yielding perfect orientation of the crystals. The advanced super(AS) -IPS mode system for use in televisions, large-screen monitors and other applications achieves an approximate 30% improvement in the aperture ratio over conventional IPS technology. Furthermore, AS-IPS realizes a higher level of brightness and reproduces colors more realistically thanks to high-purity color filters and other proprietary technologies.

Outline of the JV

Company name:	To be announced
Management:	To be announced
Projected capital:	60-70 billion yen
Ownership :	Hitachi Displays 30-35 billion yen (50%); Toshiba 15 billion yen (21-25%); Matsushita 15 billion yen (21-25%); other companies 0-5 billion yen (0-8% projected)
Location:	Mobara, Chiba Prefecture, Japan
Business:	Manufacture, design, sales and related maintenance and services of amorphous TFT LCD panels
Capital investment:	Approx. 110 billion yen
Products:	Amorphous TFT LCD panels for TVs 23-inches and above
Production capacity:	Equivalent of 2.5 million 32-inch units per year (Maximum output scheduled to be realized in second half of fiscal 2008)

About Hitachi, Ltd.

Hitachi, Ltd.(TSE:6501/NYSE:HIT), headquartered in Tokyo, Japan, is a leading global electronics company, with approximately 326,000 employees worldwide. Fiscal 2003 (ended March 31, 2004), consolidated sales totaled 8,632.4 billion yen (U.S.\$81.4 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 Toshiba Corporation

Toshiba Corporation channels wide-ranging capabilities in information and communications systems, electronic components, consumer products and power systems into development and innovation in advanced components, products and systems, including LCDs and LCD TVs. Toshiba has 161,000 employees worldwide and annual sales of over U.S.\$50 billion. Visit Toshiba's web site at www.toshiba.co.jp/index.htm.

About Matsushita Electric Industrial Co., Ltd. (Panasonic)

Matsushita Electric Industrial Co., Ltd., best known for its Panasonic brand name, is a worldwide leader in the development and manufacture of electronic products for a wide range of consumer, business, and industrial needs. Based in Osaka, Japan, Matsushita recorded consolidated net sales of U.S.\$71.92 billion for the year ended March 31, 2004. Matsushita's shares are listed on the Tokyo, Osaka, Nagoya, New York (NYSE:MC), Euronext Amsterdam and Frankfurt stock exchanges. For more information on Matsushita and its Panasonic brand, visit the Matsushita's website at <http://www.panasonic.co.jp/global/top.html>.

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.
