



PRESS RELEASE

Hitachi and NEC Establish Joint Venture Company “ALAXALA Networks”
Specializing in Backbone Routers/Switches

Tokyo, October 1st 2004- Hitachi, Ltd. (Hitachi) and NEC Corporation (NEC) today announced the establishment of a new joint venture company, ALAXALA Networks Corporation (ALAXALA), which specializes in the business of backbone routers/switches for networks of telecommunications carriers, government/public sectors and large corporations based on the agreement signed on June 25th 2004. The business of ALAXALA covers from development, design, manufacturing, sales/marketing to maintenance and services.

Under the recent expansion of the broadband network market, there are emerging business opportunities in establishing new Internet Protocol network service infrastructure among telecom operators and service providers. The trend is also seen on a global scale. IP network is becoming one of the most important social infrastructures as well as the indispensable business infrastructure for corporate/business activities in the information society.

ALAXALA has established its corporate philosophy as “Offering safe and secure network to people in the world and contributing to the realization of rich and abundant information society.” ALAXALA advocates “guaranteed network” as a concept to fully support information life-lines, and under the concept, the company design, manufacture, sell, and offer maintenance services of backbone routers/switches for the networks. ALAXALA inherits state-of-the-art technologies of Hitachi and NEC as core competence and plans to introduce competitive and unique products to the market in a timely manner.

Today, ALAXALA starts sales of its backbone router/switch “AX series” to its business partners. Hitachi and NEC will strongly promote system integration offerings of ALAXALA products with necessary networking equipment and servers.

■Profile of ALAXLA

Name	ALAXALA Networks Corporation
President	Hiroyuki Wada
Capital	5.5 billion yen (Hitachi : 60%、 NEC : 40%)
Start of Business	October 1 st , 2004
Number of Employee	320
Address	Kawasaki-city, Kanagawa Prefecture
Business	Development, manufacturing, sales, maintenance of Routers/Switches
Product	Backbone router/switch (AX series)

< 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 (\$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 NEC Corporation >

NEC Corporation (NASDAQ: NIPNY) (FTSE: 6701q.l) is one of the world's leading providers of Internet, broadband network and enterprise business solutions dedicated to meeting the specialized needs of its diverse and global base of customers. Ranked as one of the world's top patent-producing companies, NEC delivers tailored solutions in the key fields of computer, networking and electron devices, by integrating its technical strengths in IT and Networks, and by providing advanced semiconductor solutions through NEC Electronics Corporation. The NEC Group employs more than 140,000 people worldwide and had net sales of 4,906 billion yen (approx. \$47 billion) in the fiscal year ended March 2004. For additional information, please visit the NEC home page at: <http://www.nec.com>.

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.
