

FOR IMMEDIATE RELEASE

**Hitachi Communication Technologies, Ltd. and Hitachi, Ltd. Complete Asset
Acquisition of U.S.'s Salira Optical Network Systems to Strengthen Development
of Optical Access Systems Business**

TOKYO, Japan, April 25, 2005 --- Hitachi Communication Technologies, Ltd. (President: Eiji Aoki) and Hitachi, Ltd. (NYSE:HIT/TSE:6501) today announced the April 1, 2005 closing of their joint acquisition of substantially all of the assets of U.S.-headquartered Salira Optical Network Systems, Inc., a leading developer and manufacturer of GE-PONs, in a move designed to strengthen the respective optical access systems businesses of Hitachi Communication Technologies and Hitachi.

Hitachi Communication Technologies and Hitachi have jointly established a subsidiary to hold the assets acquired from Salira Optical Network Systems, Inc. and will operate the new business under the name "Salira Systems, Inc.". Hitachi Communication Technologies and Hitachi expect to position Salira Systems, Inc. as one of the development bases for their global expansion of the optical access systems business. This acquisition is expected to strengthen Hitachi Communication Technologies' GE-PON development capabilities, and give impetus to the full-scale development of business in the global optical access markets where high growth is expected.

GE-PON (Gigabit Ethernet Passive Optical Network) is a system in which an optical splitter is used in an optical access network to branch out signals from a single optical fiber, thereby facilitating Gigabit Ethernet in the multiple homes of subscribers.

Salira Optical Network Systems was established in July 2000 and developed advanced optical access GE-PON products and carried out various laboratory trials and field tests jointly with major telecommunication carriers.

Hitachi Communication Technologies has positioned optical access systems as one of its core businesses since its establishment in October 2002. Hitachi Communication Technologies expects to benefit from the acquired optical access business know-how as well as the acquired business' ability to develop system products suited to needs in the global markets. It is expected that this will help improve the efficiency of GE-PON product development at Hitachi Communication Technologies.

Hitachi Communication Technologies and Hitachi expect the world optical access systems market to enter a full-scale expansion phase in 2006. To become world-leading suppliers in the optical access systems business, the two companies plan to drive the global development of business with GE-PON and other optical access products.

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 Hitachi Communication Technologies, Ltd.

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|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Business | Development and design, and manufacture of information and communication systems-related products and related sales and service in Japan and worldwide |
| (2) Headquarters | Shinagawa-ku, Tokyo, Japan |
| (3) Representative | Eiji Aoki, President and CEO |
| (4) Established | October 2002 |
| (5) No. of employees | 1,539 (as of March 2004) |
| (6) Net sales | 111.2 billion yen (year ended March 2004) |
| (7) Relationship to Hitachi, Ltd. | Hitachi Communication Technologies, Ltd. is a wholly-owned subsidiary of Hitachi, Ltd. |

[For Reference only]

About Salira Optical Network Systems, Inc.

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|---------------------------|-----------------------------------------------------|
| (1) Former Business | Marketing and product development related to GE-PON |
| (2) Former Headquarters | Santa Clara, California, U.S. |
| (3) Former Representative | Ross Lau, President and CEO |

(4) Established	July 2000
(5) No. of employees	33 (as of March 31, 2005)
(6) Net sales	US\$203,000 (year ended December 2004)

About Salira Systems, Inc.

(1) Business	Marketing and product development related to PON (passive optical networks)
(2) Headquarters	Santa Clara, California, U.S.
(3) Representative	Yoshihiko Miyano, Chairman
(4) No. of employees	24 (as of April 1, 2005)

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Factors that could cause actual results to differ materially from those projected or implied in any "forward-looking statement" and from historical trends include, but are not limited to, factors contained in Hitachi's periodic filings with the U.S. Securities and Exchange Commission and in other materials published by Hitachi.

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.
