

Hitachi to Establish Projection TV Picture Tube Manufacturing Company in China

TOKYO, May 17, 2001 --- Hitachi, Ltd. (TSE: 6501) today announced that it is to establish a company in China to manufacture picture tubes for projection TVs. The new company, named Shenzhen Hitachi Displays, Co., Ltd., will be located in the city of Shenzhen, Guangdong Province. The company will have a capitalization of \$16 million, and will involve a total investment of some \$29 million.

Factors such as the increasing demand for high-picture-quality, large-screen TVs and the increasing popularity of DVD are expected to spur the growth of the projection TV market in the U.S. and in Asia, especially China.

Hitachi has the largest share of the market for projection TV picture tubes. The new manufacturing facility in China will enable Hitachi to increase its production capacity, strengthen its price-competitiveness and respond to the rapid expansion of this market sector that is expected to take place in China.

Outline of the New Company

Company Name:	Shenzhen Hitachi Displays, Co., Ltd.
Location:	Shenzhen Longguang Grand Industrial Zone, Shenzhen, China
Establishment:	Scheduled for June 2001
Chairman:	Fumiaki Yonai
General Manager:	Masao Taniguchi
Capital:	US\$16 million
Capital ratio:	Hitachi Group companies: 70%, Shenzhen SEG Hitachi Color Display Devices Co., Ltd. (China): 30%
Investment:	Approximately US\$29 million
Business:	Manufacture of picture tubes for projection TVs
Start of production:	Scheduled for July 2002
Production capacity:	1.3 million units a year in fiscal 2004 (each projection TV uses one set of three picture tubes)
Employees:	around 370 in fiscal 2004

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