

May 23, 2001

Matsushita and Hitachi Reach Agreement on Strategic Alliance

TOKYO, Japan May 23, 2001 -- Matsushita Electric Industrial Co., Ltd. (*NYSE: MC*) and Hitachi, Ltd. (*NYSE: HIT*) today announced that the two companies have agreed to enter into a wide-ranging strategic partnership that will bring together the strengths of both companies in information services, home appliances, and other related business areas.

Through this agreement, Matsushita Electric and Hitachi will actively work together to develop products and services for increasingly important areas such as the IC card solutions business and other information service sectors; planning and development of home network appliance systems based on the "ECHONET*" system; and joint development of key components in the area of home appliances.

***E**nergy **C**onservation and **H**omecare **N**etwork

IC Card Solutions

As our world increasingly transforms itself into an information networked society, services that utilize these networks as backbones of our daily activities continue to expand at a rapid pace. Fully realizing the challenges and opportunities ahead, the two companies together will develop and provide total solutions based on integrated circuit (IC) cards – from planning and development to production and delivery of service applications that exploit the vast potential of these cards. This collaboration will generate products and services utilizing Hitachi's strength in financial systems such as validation and settlement systems and Matsushita Electric's strength in the B-to-C systems necessary for optimally integrating the individual network components.

Home Network Appliances

The two companies also intend to collaborate in tapping into the rapid expansion of home network systems linking home appliances with social infrastructures. The advanced implementations of energy efficient, and ecology-minded measures these systems can bring offer unparalleled opportunities for both greater product benefits and user convenience. Some areas of cooperation between the companies include R&D

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related to an ECHONET-based networking concept that aims to help establish a de facto standard for home networking systems; development of networked home energy conservation systems; and other related value-added products and services, including the establishment of a joint-venture company this year. The companies also plan a joint R&D program for new home network appliances that support the new IPv6* addressing scheme.

*IPv6: A next-generation Internet communications system that will replace the IPv4 system currently in use. IPv6 was developed to overcome the shortage of IP addresses, a problem created by the explosive growth of the Internet.

White Goods Incorporating New Environmental Technologies

To form the appliance culture of the future, Matsushita Electric and Hitachi will also collaborate on R&D that will focus on creating products and technologies that, in terms of both energy-efficiency and recyclability, go beyond any existing today. The innovations in environmental technologies emerging from these efforts aim to help create de facto standards whose priority is the protection of the global environment. Some of these technologies may include joint development of next-generation drive systems for electrical appliances, as well as globally based joint development and purchasing systems relating to components and materials for improving cost efficiency and product competitiveness. Divisional executives from each company will hold discussions on a regular basis to promote speedy implementation in these areas of cooperation.

Following their collaboration in the areas of information services and home appliances, the two companies will also study the possibility of cooperation in the digital AV business and production engineering areas that will make full use of advanced IT technologies. Such efforts will combine Matsushita's "digital manufacturing" system with Hitachi's Engineering for Electronics Design and Manufacturing Service (EDMS) .

About Matsushita Electric Industrial Co., Ltd.

Matsushita Electric Industrial Co., Ltd., best known for its Panasonic, National, Technics, and Quasar brand names, is a worldwide leader in the development and manufacture of electronics products for a wide range of consumer, business, and industrial needs. Based in Osaka, Japan, the company recorded consolidated sales of US\$61.45 billion for the fiscal year ended March 31, 2001. In addition to the Tokyo and other Japanese

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stock exchanges, Matsushita's shares are listed on the Amsterdam, Dusseldorf, Frankfurt, New York, Pacific, and Paris stock exchanges. For more information, visit the Matsushita web site at <http://www.panasonic.co.jp/global/top.html>

About Hitachi, Ltd.

Hitachi, Ltd., headquartered in Tokyo, Japan, is one of the world's leading global electronics companies, with fiscal 2000 (ended March 31, 2001) consolidated sales of 8,417 billion yen (\$67.9 billion*). The company manufactures and markets a wide range of products, including computers, semiconductors, consumer products, and power and industrial equipment. For more information on Hitachi, Ltd., please visit Hitachi's web site at <http://global.hitachi.com>

* At an exchange rate of 124 yen to the dollar.