

HITACHI CREATES NEW STRUCTURE FOR EUROPEAN OPERATIONS

26 February 2002, Maidenhead, UK - Effective from 1st April 2002, Hitachi Home Electronics (Europe) Ltd. (HHEE) will cease to trade as a legal entity and its two business groups will be integrated into Hitachi Europe Ltd. (HEL). HHEE's two business groups – Digital Media Group (Plasma TVs and monitors, LCD projectors and monitors, DVD Cameras, etc.) and Consumer Products Group (room air conditioning, floor care, white goods etc.) - will operate alongside HEL's existing business groups.

The Digital Media Group is re-focusing its business on digital technology, with the core product focus being on Plasma TVs and monitors, LCD projectors and DVD cameras. This comprehensive range of products offer capabilities for applications in both the home and business environments, reflecting the continuing convergence of these two markets and a direct response to global technological changes and consumer demand. This product realignment will also be coupled with a greater emphasis on providing customers not only with the latest technology and products but also systems solutions.

The Consumer Products Group will enable the business to expand sales of Hitachi household appliances across Europe. Particular focus will be on the room air conditioning business, where Hitachi will gain synergy from integrating its existing business groups, which provide packaged air conditioning products. This will ensure greater market share in key countries such as Spain and Greece.

These two newly focused business groups will ensure that the Hitachi brand is effectively promoted across key European markets. Furthermore, Hitachi in Europe will benefit from the design excellence provided by Hitachi Europe's Design Centre* headquartered in Milan.

Hitachi will now be well placed to meet the future demands in the home and digital media markets in the UK and continental Europe, by focusing on new and emerging technologies.

This reflects Hitachi's global strategy, to concentrate on higher value products, both from existing and new product ranges. A key feature of the globalisation strategy is to increase sales outside Japan to 50% of turnover. In addition, Hitachi aims to increase the number of locally hired senior executives.

This new structure also forms part of a new global initiative by Hitachi where businesses outside Japan will in future be co-ordinated by its four regional business entities: Europe, America, Asia and China.

This increasingly integrated global structure will result in closer partnerships between Hitachi in Europe and Japan, ensuring that Hitachi continues to meet the current and future needs of its European customers, further ensuring its long-term success.

Mr. Tsukada, Managing Director of Hitachi Europe Ltd. comments, "As well as reflecting Hitachi's global strategy to concentrate on higher value products, our new organisation has been designed to enable us to continue serving our customers to the highest standard. The creation of this new structure will be achieved seamlessly and will not cause any disruption to our business."

About Hitachi Europe Ltd.

Hitachi Europe Ltd., is a wholly owned subsidiary of Hitachi, Ltd., Japan. Headquartered in Maidenhead, UK, it has operations in 11 countries and employs over 650 people across Europe, the Middle East and Africa. As a 'Best Solutions Partner' Hitachi Europe tailors its services and Solutions to meet the specific needs of its customers. Hitachi Europe comprises eight key business areas: power and industrial systems; information systems; high performance computing; electronic components; automotive; air-conditioning and refrigeration systems; procurement and sourcing; and corporate technology group (research & development). For more information about Hitachi Europe Ltd., please visit <http://www.hitachi-eu.com>.

About Hitachi Home Electronics (Europe) Ltd.

Hitachi Home Electronics (Europe) Ltd. is a wholly owned subsidiary of Hitachi Europe Ltd. It has operations throughout Europe which provide sales, marketing and technical support for a range of leading edge products for the home and business environment including Plasma Displays, DVD camcorders and LCD Projectors. Please visit our website at <http://www.hitachi-consumer-eu.com>.

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>.

*Hitachi Europe's Design Centre (HDCE) founded in 1989 as a strategic satellite of Design Division Japan. HDCE is providing design solutions for present and future environments, setting up necessary research topics and is collaborating on global design projects.

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