

23 October, 2003

Hitachi, Ltd.

Hitachi High-Technologies Corporation

Hitachi Electronics Engineering Co., Ltd.

Reorganization of Semiconductor related process manufacturing Systems Business

-- Hitachi High-Technologies Corporation to acquire Hitachi, Ltd. shares in
Hitachi Electronics Engineering Co., Ltd.--

Hitachi, Ltd. (President, Chief Executive Officer and Director, Etsuhiko Shoyama), Hitachi High-Technologies Corporation (President, Chief Executive Officer and Director, Masaaki Hayashi) and Hitachi Electronics Engineering Co., Ltd. (President and Director, Kunio Hasegawa) have announced that Hitachi High-Technologies will acquire all shares in Hitachi Electronics Engineering owned by Hitachi, Ltd. The acquisition, designed to strengthen the semiconductor related process manufacturing systems business of the Hitachi Group, is planned to take place in spring, 2004.

The Hitachi Group is pushing ahead with the restructuring of its business portfolio based on its medium-term management plan, the "i.e. Hitachi Plan II", a three-year plan ending in fiscal 2005 aimed at pushing through major reforms of its operating framework and focusing on highly profitable businesses. Hitachi, Ltd. is realigning its business portfolio by exiting and restructuring certain businesses and expanding targeted business domains.

The semiconductor production and inspection systems business is one of the company's core businesses under this plan. Until now, this business has

been divided within the Hitachi Group. Hitachi High-Technologies is engaged in production and marketing of semiconductor process manufacturing, inspection, and evaluation systems, while Hitachi Electronics Engineering has also been involved in the production and marketing of inspection systems for the semiconductor manufacturing process, with affiliated companies taking responsibility for service, etc. However, the need for greater flexibility in the current market environment has led to plans to integrate semiconductor manufacturing and inspection system-related management resources in an effort to strengthen the business structure and improve management efficiency of the Hitachi Group as a whole.

Hitachi Electronics Engineering will be renamed Hitachi High-Tech Electronics Engineering Co., Ltd. (tentative). As a member of the Hitachi High-Technologies group, the company will benefit from the synergy between the technological and sales capabilities of Hitachi High-Technologies and the product development expertise built up by Hitachi Electronics Engineering over many years, paving the way for the introduction of superior products onto the market and expansion of the group's business. Under the new organization, semiconductor testing and inspection systems, LCD manufacturing and inspection systems, and HD manufacturing and inspection systems etc. will be marketed as in-house products of the Hitachi High-Technologies group.

Regarding the four consolidated subsidiaries of Hitachi Electronics Engineering, a portion of operations will be reorganized into subsidiaries of Hitachi High-Technologies, while others will continue to provide manufacturing, sales and service support as Hitachi Electronics Engineering subsidiaries.

A thorough review of Hitachi Electronics Engineering operations will be conducted by an independent third party before the transfer of control takes place, to determine the time and means by which Hitachi Electronics

Engineering shares held by Hitachi, Ltd. will be transferred to Hitachi High-Technologies.

Overview of Hitachi Electronics Engineering

Company name: Hitachi Electronics Engineering Co., Ltd.

Representative: President and Director, Kunio Hasegawa

Main place of business: 16-3 Higashi 3-chome, Shibuya-ku, Tokyo

Date of establishment: February 11, 1965

Settlement of accounts: March 31 each year

Capital: 4 billion yen

Number of shares issued: 30 million

Share ownership: Hitachi, Ltd. (100%)

Sales: FY 2001 43.2 billion yen, FY 2002 42.2 billion yen (consolidated)

Net profit for the period: FY2001 - 15.3 billion yen, FY2002 3.3 billion yen (consolidated)

Total assets: 42.9 billion yen (consolidated, as of March 31, 2003)

Number of employees: 1,629 (consolidated, as of March 31, 2003)

Main business activities: Manufacturing, sales and service of semiconductor testing/inspection systems, LCD manufacturing/inspection systems, HD manufacturing/inspection systems etc.

Locations: Headquarters, Shonan Business Group, Saitama Business Group, Kansai Sales Office, Kyushu Sales Office

Consolidated subsidiaries: Hitachi D.E. Technology Co., Ltd., and 3 other companies

Overview of Hitachi High-Technologies

Company name: Hitachi High Technologies Corporation

Main place of business: 24-14 Nishi-Shimbashi 1-chome, Minato-ku, Tokyo

Representative: President, Chief Executive Officer and Director, Masaaki Hayashi

Code no.: 8036 (listed in Tokyo and Osaka Stock Exchange)

Capital: 7.9 billion yen

Number of employees: 8,187 (consolidated, as of March 31, 2003)

Sales: 778.2 billion yen (consolidated, as of March 31, 2003)

Main business activities: Production and marketing of Electronic Device Systems and Life Science products, Information Electronics, and Advanced Industrial Products

Projected effect of reorganization on Hitachi High-Technologies' consolidated performance

(unit: 100 million yen/year)

	year ending 3/31/2005	year ending 3/31/2006
Consolidated sales	400	410
Consolidated income before income taxes	5	10

Overview of Hitachi

Company name: Hitachi, Ltd.

Representative: President, Chief Executive Officer and Director, Etsuhiko Shoyama

Main place of business: 6, Kanda-Surugadai, 4-chome, Chiyoda-ku, Tokyo

Date of establishment: February 1, 1920 (Instigated in 1910)

Settlement of accounts: March 31 each year

Code no.: 6501 (listed in Tokyo, Osaka, Nagoya, Fukuoka, and Sapporo Stock Exchange)

HIT(listed in New York Stock Exchange)

Capital: 282.0 billion yen

Number of employees: 339,572 (consolidated, as of March 31, 2003)

Sales: 8,191.7 billion yen (consolidated, as of March 31, 2003)

Main business activities: Offering 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

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.
