

FOR IMMEDIATE RELEASE

**Hitachi and Omron Announce Joint Venture Details
For Hitachi-Omron Terminal Solutions, Corp.**

Tokyo, May 11, 2004 --- Hitachi, Ltd. (NYSE:HIT / TSE: 6501) and Omron Corporation (TSE / OSE: 6645) today decided the outline of a joint venture for combining their ATM and other information equipment businesses. Today's decision is based on an agreement between the two companies that was reached on January 26, 2004.

The new company, to start operations on October 1, 2004, will be called Hitachi-Omron Terminal Solutions, Corp. and will be responsible for the planning, development, manufacture and sales of ATMs and other self-service machines, terminal systems and other information equipment as well as for the modules and solutions businesses.

Aiming for a globally competitive position, in an information equipment market expected to see growth during the ubiquitous era, the new company will fulfill broad customer needs by providing optimal solutions based on recognition and handling technologies for cash, cards, passbooks, forms, etc. and other human interface technologies that enable simple operation for customers and end-users.

Reorganization Overview

1. Company Name: Hitachi-Omron Terminal Solutions, Corp.

2. Overview of Corporate Separation:

(1) Schedule for the corporate separation

May 11, 2004	Approval by executive officers of corporate separation agreement (Hitachi)
	Approval by directors of corporate separation agreement (Omron)
	Conclusion of corporate separation agreement
June 24, 2004	Approval of corporate separation agreement by shareholders (Omron, planned)
October 1, 2004	Date of corporate separation (tentative)
	Registration of corporate separation (tentative)

(2) Method used for corporate separation

a) Method used for corporate separation

Hitachi and Omron will transfer their business units to a new company jointly established by them through a joint corporate separation. Hitachi will conduct a simple corporate separation in accordance with Article 374-6 of the Commercial Code of Japan.

b) Reason for using this method

Hitachi and Omron have agreed to jointly establish a company with the aims of increasing the efficiency of information equipment and module development, stabilizing the information equipment and module businesses, and bolstering business activities in Japan and overseas, including the solutions business. The method was chosen to ensure a smooth transition of business activities to the new company.

(3) Stock allocation

a) Allocation ratio

To ensure that the allocation ratio is fair and appropriate, Hitachi and Omron each asked third parties to examine the value of their respective business to be separated. Based on discussions by the two companies concerning the results of these examinations, Hitachi and Omron agreed on a ratio of 55:45.

b) Stock allocation

Hitachi will receive 55,000 shares of common stock to be issued by the new company.

Omron will receive 45,000 shares of common stock to be issued by the new company.

c) Basis for calculations, calculation method and results of third-party calculations

The third parties analyzed the shareholder value on a consolidated basis of the two companies' businesses that are to be separated, and calculated the allocation ratio based on a comprehensive consideration of the results of applying the discounted cash flow method, peer company comparisons and other methods. This process was conducted based on an examination of various documents regarding separation that were provided by the two parties as well as discussions with the two parties.

(4) Payments

There will be no payments with regard to the allocation of shares.

(5) Rights and obligations transferred to the new company

Hitachi and Omron will transfer to the new company all property, intellectual property rights, debtors and creditors and rights and obligations related to contractual status of the businesses to be separated.

(6) Outlook for fulfillment of financial obligations

Hitachi and Omron have judged that all obligations to be assumed by each company will be fulfilled.

(7) Newly appointed directors of the new company

Chairman of the Board	Kunihiro Kamiya (General Manager, E-Solutions Division of Hitachi's Information & Telecommunication Systems)
President & CEO	Akihiko Otani (Senior Managing Officer of Omron, President of Financial Systems Business Company)
Director and Vice President	Tetsuji Shimojou (General Manager, Mechatronics Systems Division of Hitachi's Information & Telecommunication Systems)
Director	Tadao Tateisi (Senior Managing Director of Omron)
Director	Masahiro Hayashi (Executive Officer, Chief Executive Officer of Hitachi's Information & Telecommunication Systems)
Auditor	Kazunori Tsukamoto (Assistant to President and Director of Hitachi Asahi Electronics Co., Ltd.)
Auditor	Tsutomu Ozako (Corporate Auditor of Omron)

Auditor

Toshitake Hasunuma
(Senior Manager, Finance Management Office of
Hitachi's Information & Telecommunication Systems)

3. Profiles of Hitachi, Omron and Hitachi-Omron Terminal Solutions, Corp.

(as of March 31, 2004, provisional data as of establishment for new company)

Name	Hitachi, Ltd.	Omron Corporation	Hitachi-Omron Terminal Solutions, Corp.
Business content	Development, manufacture, sale and services for information and communications systems, power and industrial systems, digital media and consumer products.	Development, manufacture, sale and services for factory automation systems, control equipment, electronic components, financial systems, social systems, transportation systems, and PC peripheral products.	Planning, development, design, manufacture, sale and services for ATMs and other information equipment
Established	February 1, 1920 (Instigated in 1910)	May 19, 1948 (Instigated in 1933)	October 1, 2004 (tentative)
Head office location	4-6, Kanda-Surugadai, Chiyoda-ku, Tokyo	801, Tsuchido-cho, Shiokoji, Horikawa, Shimogyo-ku, Kyoto	Ohsaki New City, Bldg. No.3, 1-6-3 Ohsaki, Shinagawa-ku, Tokyo
President	Etsuhiko Shoyama President and Chief Executive Officer	Hisao Sakuta Representative Director and Chief Executive Officer	Akihiko Otani President & CEO
Capital stock	¥282,032 million	¥64,082 million	¥8,500 million
Number of shares held (shares)	3,368,124,876	249,109,236	100,000
Shareholders' equity	¥1,373,379 million	¥203,387 million	¥43,200 million (Note)
Total assets	¥3,708,385 million	¥383,894 million	¥51,400 million (Note)
Settlement term	March 31	March 31	March 31
Number of employees (unconsolidated basis)	36,582	5,047	1,440 (tentative)
Principal customers	Public sector Manufacturing and non-manufacturing industries as well as government agencies both domestic and overseas	Public sector Manufacturing and non-manufacturing industries as well as government agencies both domestic and overseas	Public sector Manufacturing and non-manufacturing industries as well as government agencies both domestic and overseas, Hitachi, Ltd., and Omron Corporation
Major shareholders and holdings	The Master Trust Bank of Japan, Ltd. 5.02% Japan Trustee Services Bank, Ltd. 6.07% NATS CUMCO 6.00%	Japan Trustee Services Bank, Ltd. 9.36% The Master Trust Bank of Japan, Ltd. 8.94% State Street Bank and Trust Company 3.65%	Hitachi, Ltd. 55.0% Omron Corporation 45.0%
Primary transaction banks	Mizuho Corporate Bank, Ltd. UFJ Bank Ltd. Mizuho Trust & Banking Co., Ltd. Others	The Bank of Tokyo-Mitsubishi, Ltd. Sumitomo Mitsui Banking Corp. The Bank of Kyoto, Ltd. Others	To be decided
Significant relationships	Capital	Hitachi and Omron Hitachi are the owners of the new company	
	Human resources	Hitachi plans to transfer 1,020 of its employees to the new company Omron plans to transfer 420 of its employees to the new company	
	Transactions	The new company will sell products to Hitachi, Hitachi Group companies, Omron Group companies as well as offer maintenance services on an outsourcing basis	

Note: Computed based on the assets and liabilities to be transferred (tentative) under 5. (2).

4. Financial Results (for the most recent three years)

(million yen)

Fiscal year ended	Hitachi, Ltd. (Separating company)			Omron Corporation (Separating company)		
	2002/3/31	2003/3/31	2004/3/31	2002/3/31	2003/3/31	2004/3/31
Net sales	3,522,299	3,112,411	2,488,873	347,223	350,459	351,075
Operating income (loss)	(84,742)	53,741	7,548	(2,149)	8,166	9,787
Ordinary income (loss)	(81,663)	52,014	20,183	(2,186)	6,815	13,065
Net income (loss)	(252,641)	28,289	40,111	(8,840)	(10,291)	6,273
Net income (loss) per share (yen)	(75.69)	8.38	12.14	(35.59)	(41.61)	25.46
Dividend per share (yen)	3.00	6.00	8.00	13.00	10.00	20.00
Shareholders' equity per share (yen)	408.79	408.26	416.43	911.14	811.99	849.76

5. Business operations to be separated

(1) Description of business operations to be separated

Hitachi, Ltd.

Development, design and manufacture of ATMs and other information equipment for domestic and overseas markets of the Mechatronics Systems Division, overseas sales of same handled by the Information & Telecommunication Systems and activities related to these operations.

Omron Corporation

Development, design, manufacture, sales, and service operations for information equipment in Japan and overseas of the Financial Systems Business Company, and activities related to these operations

(2) Assets and liabilities to be transferred (tentative) (As of March 31, 2004)

Hitachi, Ltd.

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	24.2 billion yen	Current liabilities	5.1 billion yen
Fixed assets		Long-term liabilities	

Omron Corporation

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	27.2 billion yen	Current liabilities	3.0 billion yen
Fixed assets		Long-term liabilities	

6. Status of Companies Following Corporate Separation

(1) There will be no changes in the names, business activities (except for the businesses

to be separated), head offices or CEOs of Hitachi or Omron. Moreover, this transaction will not reduce the paid-in capital of the two companies.

(2) Impact on operating results

The corporate separations will have a negligible impact on the consolidated and non-consolidated operating results of Hitachi and Omron for the fiscal year ending March 31, 2005.

About Hitachi, Ltd.

Hitachi, Ltd. (NYSE:HIT / TSE: 6501), 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 Omron Corporation

Headquartered in Kyoto, Japan, OMRON Corporation is a global leader in the field of automation. Established in 1933 and headed by President and CEO Hisao Sakuta, Omron has more than 23,000 employees in over 35 countries working to provide products and services to customers in a variety of fields including industrial automation, electronic components, social systems (ticket gate machines, ticket vending machines, cash dispensers, and traffic control), and healthcare. The company is divided into five regions and head offices are in Japan (Kyoto), Asia Pacific (Singapore), China (Shanghai), Europe (Amsterdam) and US (Chicago). For more information, visit Omron's Web site at <http://www.omron.com>

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.
