

HIMD and Wharton School to Team Up to Provide Executive Management Program for High-Potential Middle Managers

TOKYO, Japan, August 9, 2005 --- Hitachi, Ltd. (NYSE:HIT/TSE:6501) today announced that its subsidiary, Hitachi Institute of Management Development (HIMD), and The Wharton School of University of Pennsylvania (Wharton), will jointly offer an executive development program in Tokyo this October targeted at up-and-coming management candidates from global companies headquartered in the Pacific Rim, representing various industries.

As the world's first collegiate business school, Wharton has produced great business leaders worldwide and has earned a global reputation for its innovative curriculum with emphasis on global content. HIMD, meanwhile, has been active for more than 40 years as the first corporate executive development organization in Japan. Wharton and HIMD have decided to join forces to develop and deliver a two-week global management development program based on their expertise and experience in executive education.

The Pacific Rim, a vast area that encompasses East Asian countries including Japan, South Korea and China as well as the U.S. and other countries, is becoming increasingly influential in the world economy as a growth center. Global companies operating in this region have a particular need for business leaders with an acute global business mindset who can promote new businesses as well as to take the lead in corporate restructuring and corporate innovation.

Responding to such need, HIMD and Wharton will jointly offer a training program with the aim of nurturing executives who can lead global companies. The program will provide the following benefits:

- (1) Provide core perspectives, knowledge and skills in strategy, marketing, leadership, and diversity management required of executives of global companies.
- (2) Gain a hands-on understanding of what it takes to lead a global company through using the learning from the first half of the program in a management simulation called HIMAX in the latter part of the program.
- (3) Provide support system for building and maintaining the personal networks which are essential for future leaders of a global company from an early stage in their careers.

Program participants will be high-potential managers mainly of multinational companies based in the Pacific Rim, who are expected to become leaders of such companies in the future. Participants are expected to have a basic knowledge of strategy, marketing and other management subjects and to have experience in applying such knowledge in business situations. The program aims to raise understanding of these items to a management level in order to provide participants with perspectives, knowledge and skills necessary to lead and manage in a multinational company.

The Tokyo-based program will be taught and facilitated by faculty involved in global leader development programs at Wharton as well as HIMD's instructors who are in charge of the management development program for the Hitachi Group.

The program is to be conducted entirely in English. A five-day optional intensive language training course will be provided for participants who have some concerns about their English ability.

About the HIMAX Management Simulation

A management simulation developed by HIMD, HIMAX (standing for HIMD Management Exercise) allows participants to experience various decision-making processes such as business strategy, marketing, finance and accounting through the management of a virtual company via a PC network. This experiential learning opportunity places emphasis on understanding the link between the crafting of strategy and hard numbers in a corporate revitalization scenario based on international accounting standards.

About Hitachi Institute of Management Development (HIMD)

The Hitachi Institute of Management Development (HIMD) was established in 1961 in commemoration of the 50th anniversary of Hitachi, Ltd. Since then, HIMD has been highly regarded in Japan as the first management school operated by a private company aimed at fostering managers for the next generation. In 1973, HIMD became an independent institution jointly supported by Hitachi group companies. The purpose of this change was to reinforce HIMD's role as a facilitator of "knowledge sharing" and "information exchange." In addition, in order to respond to the increasing need for business training, the Suijin Training Center was opened in 1975. At this center, special skills training for managers and training for all levels of employees is provided. In 2003, Hitachi, Ltd. transferred its training functions, including marketing, international business, and language training to HIMD. HIMD now provides its services not only to Hitachi Group companies, but also to many external companies.

About The Wharton School of the University of Pennsylvania

University of Pennsylvania, one of the eight ivy-league institutions in the US, was founded by Benjamin Franklin in 1740 as the nation's first university. Wharton School, one of its professional schools, was established in 1881 as the first collegiate business school. Consisted of 4 divisions, namely, undergraduate, graduate and doctorate programs and executive education, Wharton now is one of the world's largest business schools in terms of the number of programs, students and faculty. It is recognized around the world for its innovative curriculum, its emphasis on globalization as well as its academic strengths across every major discipline and at every level of management education. Wharton consistently ranks high in business school ranking administered by major US and European media.

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.
