

FOR IMMEDIATE RELEASE

Hitachi and Panasonic Strengthen Plasma TV Business Partnership

Tokyo, May 24, 2007 --- Hitachi, Ltd. (TSE: 6501/NYSE: HIT) and Matsushita Electric Industrial Co., Ltd. (TSE: 6752/NYSE: MC), best known for its Panasonic brand products, today announced that they have agreed to strengthen their partnership in the plasma TV business. Under the agreement, the two companies will supply each other with plasma display panels.

In February 2005, Hitachi and Panasonic agreed to move forward with a wide-ranging partnership in the plasma TV business, in the areas of R&D, production, marketing, and intellectual property (*1). The agreement announced today is focused on strengthening the partnership by deepening the cooperation to include the cross-supply of 103-inch and 85-inch plasma panels.

The move to digital and high-definition TV broadcasting is generating a rapid increase in the share of the TV market accounted for by flat-panel TVs. Moreover, as the core device and main display in the era of convergence between broadcasting and telecommunications, the range of new applications for flat-panel TVs continues to grow. Thus, the shift to large screens is expected to generate major growth. At the same time,

in order to cope with falling prices and maintain a competitive advantage in the global market, it is necessary to achieve an even higher level of business efficiency. This includes providing a more comprehensive lineup that reflects the shift to large-screen products, drastically cutting costs and improving development efficiency.

Against this backdrop, Hitachi and Panasonic agreed to further their collaboration with respect to the cross-supply of large screen size plasma display panels.

Cross-supply of plasma display panels

- Panasonic will start to supply Hitachi with 103-inch plasma panels in fiscal 2007.
- Hitachi will start to supply Panasonic with 85-inch plasma panels in fiscal 2008.

Even measured by the standards of the flat-panel TV market, which continues to expand at a rapid pace, large-screen plasma TVs are growing at a spectacular rate. Through this partnership agreement, the two companies will strengthen their flat-panel TV business operations by supplying each other with panels and other components and by sharing development assets, and will thereby provide the market with more attractive products.

In its management policy announced last November to promote collaborative creation and profits, Hitachi emphasizes the collaborative creation with partners to create new value.

Panasonic positions flat-panel TV business as one of its strategic businesses for growth as set forth in its “GP3” three-year business plan effective through March 2010.

Hitachi and Panasonic will use the strengthening of its flat-panel TV business, achieved through the new agreement, to provide its customers with new value, such as by expanding and enhancing its lineup of flat-panel TV products.

Looking ahead, Hitachi and Panasonic will work to further strengthen their cooperative relationship in the plasma TV business, while contributing to the global development of the flat-panel TV market, led by plasma TVs.

*1. Hitachi Plasma Patent Licensing Co., Ltd. is a company in which Hitachi and Panasonic have a joint investment that was established on July 1, 2006, to form a stable licensing arrangement between Hitachi and Panasonic and manage their joint developments.

About Hitachi, Ltd.

Hitachi, Ltd., (NYSE: HIT / TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 384,000 employees worldwide. Fiscal 2006 (ended March 31, 2007) consolidated revenues totaled 10,247 billion yen (\$86.8 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 website at <http://www.hitachi.com>.

About Matsushita Electric Industrial Co., Ltd. (Panasonic)

Best known for its Panasonic brand name, Matsushita Electric Industrial Co., Ltd. is a worldwide leader in the development and manufacture of electronic products for a wide range of consumer, business, and industrial needs. Based in Osaka, Japan, the Company recorded consolidated net sales of US\$77.19 billion for the year ended March 31, 2007. The Company's shares are listed on the Tokyo, Osaka, Nagoya and New York (NYSE:MC) stock exchanges. For more information on the Company and the Panasonic brand, visit the Company's website at <http://panasonic.net/>.

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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.
