

Notice of Conclusion of Corporate Split Agreements and Merger Agreement

Tokyo, Japan, December 25, 2001 -- Hitachi, Ltd. (NYSE: HIT / TSE: 6501) today announced the conclusion of a corporate split agreement with Hitachi Taga Electronics Co., Ltd. and Hitachi Tochigi Technology Co., Ltd. to establish Hitachi Home & Life Solutions, Inc., a new consumer products company. In addition, Hitachi also has concluded a corporate split agreement with Hitachi Service & Engineering (EAST), Ltd. Hitachi Service & Engineering (EAST), Ltd., Hitachi Service & Engineering (West) Ltd., Hitachi Drive Systems, Ltd. and Hitachi Nakajo Technology, Ltd. have signed a merger agreement. At the same time as the split and merger on April 1, 2002, Hitachi Service & Engineering (EAST), Ltd. will undergo a change of the company name to Hitachi Industrial Equipment Systems Co., Ltd.

About Hitachi Home & Life Solutions, Inc.

Business: Development, manufacture and sales of consumer products and peripheral systems

President and Director: Kunio Sebata

Capital: 25 billion yen (100% owned by Hitachi, Ltd.)

Split-off date: April 1, 2002

Head Office: Tokyo, Japan

Major production bases: Ibaraki Prefecture and Tochigi Prefecture

Employees: Approximately 18,000 (at time of split-off)

Sales: About 560 billion yen (Fiscal year ending March 31, 2002)

About 600 billion yen (Fiscal year ending March 31, 2004)

About Hitachi Industrial Equipment Systems Co., Ltd.

Business: Manufacture, sales, system solution and service solution of industrial components and equipment

President and Director: Kiyohiko Shiiki

Capital: 9 billion yen (100% owned by Hitachi, Ltd.)

Split-off date: April 1, 2002

Head Office: Chiba-city, Japan

Major production bases: Chiba Prefecture, Niigata Prefecture and Shizuoka Prefecture

Employees: Approximately 4,800 (at time of split-off)

Sales: About 145 billion yen (Fiscal year ending March 31, 2002)

About 158 billion yen (Fiscal year ending March 31, 2004)

About Hitachi

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>.

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

###