

FOR IMMEDIATE RELEASE

Hitachi and Mitsubishi Heavy Industries to Share Basic Nuclear Technologies

TOKYO, Japan, February 20, 2002 --- Hitachi, Ltd. (NYSE:HIT/TSE: 6501) and Mitsubishi Heavy Industries, Ltd. (TSE: 7011) today announced an agreement to collaborate regarding basic subordinate nuclear technologies, such as common technologies for boiling water reactors (BWRs) and pressurized water reactors (PWRs) . The agreement calls for the two companies to initiate collaboration in the area of existing engineering technologies for piping and auxiliary components, production, construction and maintenance services that are common to Hitachi's BWRs and Mitsubishi's PWRs, as well in the area of innovative reactor technology development where Hitachi and Mitsubishi expect synergy in the future. Areas excluded in this agreement are nuclear steam supply systems and components of BWRs and PWRs coming under Hitachi's partnership with General Electric, and Mitsubishi's partnership with Westinghouse. Hitachi and Mitsubishi will continue to maintain these existing alliances unchanged.

Aside from the significant contribution made by nuclear power to Japan's energy security and stable power supply, nuclear power also offers a source of clean energy that effectively can help achieve climate change targets while conserving limited natural resources.

Having anticipated a steady rise in worldwide energy demand, the nuclear industry is also expected to develop innovative nuclear reactors that go beyond the bounds of existing light-water reactor concepts to bring the utmost safety and economy in providing a stable source of energy compatible with the earth's environment.

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In light of this outlook for the future of the nuclear power business, the agreement aims at efficient sharing and making the best of each company's technologies, facilities and other engineering resources. At the initial stage, the two companies will concentrate on potential collaboration in the area of maintenance services and innovative reactor technology development. In parallel, the two companies will ramp up technology exchange to identify possible areas for mutual subcontracting each other in engineering for piping and auxiliary components, production, and construction.

Ever since setting up a nuclear power division in the former Hitachi Works (currently the Hitachi Administrative Division) in 1956, Hitachi has continuously contributed to Japanese nuclear reactor and nuclear power plant construction technologies – and has long been acknowledged as a world leader in BWR technology. Hitachi was the main contractor for the construction of Japan's first completely domestically engineered nuclear power plant, the Chugoku Power Co.'s Shimane Nuclear Power Plant Unit No.1 that went into its operation in 1974. It also played a major role with Japan's power companies in the development of the ABWR (advanced boiling water reactor), a technology that represents latest improvements on the BWR in terms of economy, safety, performance, amount of waste generated, and other key aspects.

Since stepping into the center of the nuclear power operations as the entire Mitsubishi Group in 1955, Mitsubishi Heavy Industries has built 23 PWR power plants in Japan, including Japan's first PWR, the Kansai Electric Power Co.'s Mihama Nuclear Power Plant unit No. 1 that started its operation in 1970. It has also been a leader of the development of the APWR (advanced pressurized water reactor). Mitsubishi Heavy Industries is further involved in a broad range of nuclear power technologies, including fuel reprocessing and new reactor technologies.

The agreement does not include any intention to integrate the two companies' businesses, to form any joint venture, nor to license any technology. The purpose of this agreement is for the companies to continue providing nuclear power plants and services that measure up to the world's most stringent standards for reliability and to continue playing a role in sustainable energy supply.

Technical terms

BWR (Boiling Water Reactor):

Steam generated in the nuclear reactor is sent directly to the turbine for generating electricity.

PWR (Pressurized Water Reactor)

High-temperature water from the nuclear reactor is transferred to a steam generator that uses the heat to generate steam that is sent to the turbine for generating electricity.

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.

About Mitsubishi Heavy Industries

Mitsubishi Heavy Industries, Ltd., headquartered in Tokyo, Japan, is one of the world's leading global heavy machinery manufacturers, with fiscal 2000 (ended March 31, 2001) consolidated sales of 3,045 billion yen (\$24.5 billion). Its diverse line-up of products and services encompasses shipbuilding, steel structures, power plants, chemical plants, steel plants, environmental equipment, machinery for industrial and general use, aircraft, space rocketry and air-conditioning systems.

For more information, please visit <http://www.mhi.co.jp>