

Mitsubishi Electric and Hitachi Announce Small-scale Elevator and Hydraulic Elevator R&D and Manufacturing Tie-up

TOKYO, Japan, March 20, 2002—Mitsubishi Electric Corporation and Hitachi, Ltd. (NYSE: HIT) today announced that they have agreed to a tie-up in the area of small-scale elevators (which have a capacity of up to 4 people) and hydraulic elevators. Accordingly, in addition to joint development, both companies will make the best use of jointly commissioned manufacturing.

In addition to forming a joint development partnership, small-scale elevator manufacturing will be commissioned to Mitsubishi Hitachi Home Elevator Corporation, a joint venture established by the two companies in October 2000, and hydraulic elevator manufacturing will be entrusted to Uchihara Electric Co., Ltd., an affiliate of Hitachi, Ltd.

Mitsubishi Electric and Hitachi plan to begin joint development of small-scale and hydraulic elevators in April 2002 and commissioned manufacturing in October 2002.

Although the market for small-scale elevators is small, there is a steady demand for high-quality, but low cost products mainly for low-rise buildings.

The market for hydraulic elevators has been shrinking in recent years due to increasing sales of machine-room-less elevators. However, it is expected that a steady demand will remain in areas where machine-room-less elevators cannot be used.

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Both Mitsubishi Electric and Hitachi are top manufacturers in the Japanese domestic elevator market and offer a variety of products in the areas of high-speed elevators for high-rise buildings and new machine-room-less elevators. Both companies have built strong customer relationships based on their R&D, production technologies and reliability, and strong their nationwide service networks.

In addition, in the home elevator business, Mitsubishi Electric and Hitachi established Mitsubishi Hitachi Home Elevator Corporation in October 2000 and through the combination of their technologies, expedited new product development time and improved production efficiency.

Through this tie-up, the two companies will be able to eliminate redundancies in R&D costs and improve product capacity in the area of small-scale elevators and hydraulic elevators. In addition, the development resources of both companies will be leveraged to develop cutting-edge technologies and key products, thereby significantly strengthening technology and new product development for emerging fields.

Mitsubishi Hitachi Home Elevator Corporation

1. Established: October 1, 2000
2. Headquarters: 38 Kaededai, Mino-shi, Gifu Prefecture
3. Capital: ¥600 million; Controlling shareholders: Mitsubishi Electric Corporation 50% and Hitachi, Ltd. 50%
4. Representative: President and Representative Director, Koichi Hanaki
5. No. of Employees: Approximately 165
6. Net Sales: Approximately ¥6.5 billion (2001 estimate)
7. Business Activities: Development, manufacture, installation and marketing of home elevators; and development, manufacture and marketing of other elevator-related parts

Uchihara Electric Co., Ltd.

1. Established: November 27, 1963
2. Headquarters: 1186 Kobayashi, Uchihara-cho, Ibaraki-gun, Ibaraki Prefecture
3. Capital: ¥90 million; Controlling shareholders: Hitachi, Ltd. 20% and Others 80%
4. Representative: President and Representative Director, Goro Shimada
5. No. of Employees: Approximately 330
6. Net Sales: Approximately ¥7 billion (2001 estimate)
7. Business Activities: Manufacture of hydraulic elevators, maintenance parts and electronic devices, such as elevator indicators (90% of business is related to Hitachi, Ltd. elevators.)

About Mitsubishi Electric Corporation

With over 80 years of experience in providing reliable, high-quality products to both corporate clients and general consumers all over the world, Mitsubishi Electric Corporation (FTSE: 6503q.l) is a recognized world leader in the manufacture, marketing and sales of electrical and electronic equipment used in information processing and communications, space development and satellite communications, consumer electronics, industrial technology, energy, transportation and construction. The company has operations in 34 countries and recorded consolidated group sales of over US\$33BN in the year ended March 31, 2001. Additional information on Mitsubishi Electric is available at www.mitsubishielectric.com.

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.

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