



HITACHI
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Hitachi Plans Transfer of Its Semiconductor and Integrated Circuits Group's (SIC) Opto-Device Division to OpNext, Inc.

Eatontown, NJ June 11, 2002; Tokyo, JAPAN June 12, 2002– Hitachi, Ltd. (NYSE: HIT/TSE:6501) and OpNext, Inc., a global leader in high performance optical networking components, today announced that they have entered into detailed discussions to transfer Hitachi's opto-device division of SIC to OpNext. The transfer is anticipated to be effective October 1, 2002.

The transaction will cover the opto-device division of the SIC as well as the opto-electrical device development and manufacturing team and fabrication facilities from Hitachi Tohbu Semiconductors, Ltd.

SIC designs, manufactures and sells devices and modules for the access communication, fiber-optic backbone and metro markets, in addition to the information and industry markets. SIC has developed unique technologies in lasers, receivers, and packaging, including high-power lasers, and maintains low-cost mass production capabilities.

As a result of this transfer, OpNext will provide a higher level of service to its device users, while strengthening its market position and enhancing its current product portfolio consisting of transceivers, transmitters, receivers and laser diode modules. All of SIC's existing customers will be fully supported by OpNext after the merger.

"The transfer of the opto-device division and its technology offerings brings our customers proven, advanced IC technology that will be a perfect complement to our existing optical components business," said Harry Bosco, president and chief executive

officer of OpNext. "Along with our new division comes world-class expertise in system LSI as well as demonstrated competence in mass producing high quality optical devices. This merger is in line with Hitachi's strategic vision for OpNext to maximize the value of its technology assets and create a world-class customer focused organization."

About OpNext, Inc.

OpNext, Inc., is a global leader in high-performance optical networking components, including laser diode modules, transmitters and receivers, and optical transceivers. Formed from Hitachi Ltd.'s fiber optic components business unit, OpNext brings over 30 years experience to the design, development and manufacture of high-performance components that drive today's high-capacity optical networks. Opnext recently received the prestigious Cisco Technology Supplier of the Year Award, in recognition of its customer service. For additional information, see the OpNext Web Site at www.opnext.com.

About Hitachi

Hitachi, Ltd., headquartered in Tokyo, Japan, is a leading global electronics company, with approximately 320,000 employees worldwide. Fiscal 2001 (ended March 31, 2002) consolidated sales totaled 7,994 billion yen (\$60.1 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 Web site at <http://global.hitachi.com>.

About Tohbu Semiconductor, Ltd.

Company Name: Hitachi Tohbu Semiconductor, Ltd.
Address: 1-1 Nishi Yokotemachi, Takasaki City, Gunma Prefecture, Japan
Representative: President, Natsuki Kogiso
Established: February 1965
Capitalization: 1.28 billion yen (wholly owned subsidiary of Hitachi, Ltd.)
Employees: 1,321
Sales: 87 billion yen (ended March 31, 2002)
Business Activities: The development, design, manufacture, and sales of semiconductors, as well as electronic equipment including image recognition and environmental analysis
For more information on Tohbu Semiconductor, Ltd., <http://www.hitachi-tosemi.co.jp/>

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.
