

Hitachi and Nippon Sanso Reached Agreement on Transfer of Hitachi's Air Separation Plants Business

Tokyo, Japan, December 25, 2002 -- Hitachi, Ltd. (TSE: 6501) and Nippon Sanso Corporation (TSE: 4091) today announced that they have reached a basic agreement under which Hitachi will transfer its business of air separation plants to Nippon Sanso, effective April 1, 2003. Following a period of due diligence, Hitachi and Nippon Sanso will sign the transfer contract. Hitachi's air separation plants operation will begin operating under Nippon Sanso effective on April 1, 2003.

The air separation plants are used in such industries as steel, chemicals and semiconductor manufacturing, which are large consumers of industrial gases including, oxygen and nitrogen. Recently, the plant sales operation has combined with the gas sales operation as a total solution to its various users.

Hitachi's air separation plants business includes development, manufacture, sales and maintenance services as part of industrial plant businesses. The company made the decision to transfer the business to Nippon Sanso as part of its strategy to advance the structural reform of its operations.

Nippon Sanso's major focus is on expanding and developing its air plant business, concentrating on industrial gases. With the integration of Hitachi's air separation plant operations, Nippon Sanso seeks to better enhance its cost competitiveness, leading to a significant improvement in the services offered not only in its air separation plant business but also the industrial gas business as a whole.

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>.

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About Nippon Sanso

Since its founding in 1910, Nippon Sanso has grown into a market leader in the field of industrial gases in Japan. Today Nippon Sanso is not only the largest manufacturer of industrial gases in the country, but also a leader in a wide range of other industries such as plant construction, machinery manufacturing.

The company continues to develop innovative products and systems based on its proprietary technologies. Thus Nippon Sanso has positioned itself as a company that provides “creative support for your 21st century.”

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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.
