

## **FOR IMMEDIATE RELEASE**

### **Establishment of Consumer Business Group and Digital Appliance Research Center to Strengthen Management of Consumer Business**

Tokyo, July 12, 2004 ---Hitachi, Ltd. (NYSE:HIT / TSE:6501 / 'Hitachi') today announced plans to establish the Consumer Business Group October 1, 2004 in a move to manage the Hitachi Group's consumer business in an even more integrated manner. The consumer business is presently the responsibility of Hitachi's Ubiquitous Platform Systems and Hitachi Home & Life Solutions, Inc. ('Hitachi H&L'). General manager of the new division will be Kazuhiro Tachibana, a Hitachi Vice President and Executive Officer, while Tadahiko Ishigaki, President and Director of Hitachi H&L, has been appointed deputy general manager. Mr. Tachibana will continue to serve as President & Chief Executive Officer of the Ubiquitous Platform Systems and Mr. Ishigaki as President and Director of Hitachi H&L.

The Consumer Business Group will devise unified business strategies and run operations as the central body for coordinating all aspects of the Hitachi Group's consumer business. It will be made up of four divisions: the Strategic Business Planning Division, which will formulate strategy for the consumer business as a whole; the Strategic Business Development Division, which will develop new strategic products; the B2B Sales Division, which will plan and support B2B sales and other operations; and the International Sales Division, which will oversee activities outside Japan.

The Consumer Business Group will collaborate with the Hitachi Group Headquarters, which was established in April this year, as well as establish strong ties with Hitachi Group companies involved in the consumer business. The goal is to create a consumer business rooted in strengths unique to Hitachi.

Hitachi has also announced plans to bolster its R&D system for expanding its digital consumer electronics business globally. In specific terms, Hitachi will establish the Digital Appliance Research Center to consolidate all related research divisions in the Research & Development Group. This center will promote advanced research in the field of digital consumer electronics with research themes including high picture quality and image processing technologies, content archiving and search technologies and home networking technology.

Several trends have dramatically reshaped the consumer products market in recent years. These include the growth in demand for digital consumer electronics such as flat-screen TVs and DVD recorders and high-value-added home appliances such as IH cooking appliances and washer-dryers with enhanced energy, environmental and safety features, as well as increasing polarization between consumers' preference for luxury goods and run-of-the-mill products.

Regarding the consumer product market an important venue for providing "New Era Lifeline Support Solutions," Hitachi is positioning the consumer business as a key business alongside the information & telecommunication systems and automotive systems businesses. Based on this stance, Hitachi established in February this year the Consumer Business Strategy Division for the purpose of exploring various alternatives for making Hitachi a winner in the consumer products field as the ubiquitous era unfolds.

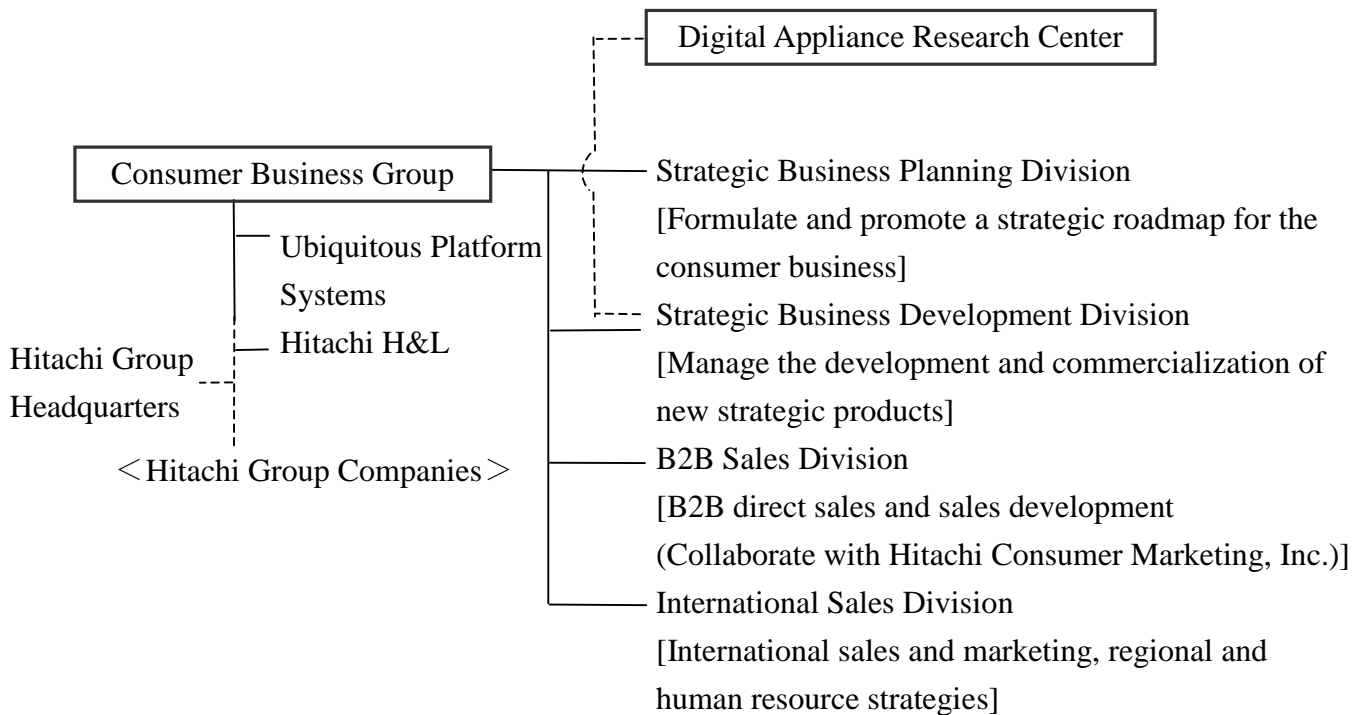
The Consumer Business Group will naturally cooperate with Hitachi's Ubiquitous Platform Systems, Hitachi H&L and other Group companies responsible for finished products. But it will also collaborate with the Hitachi Group Headquarters so as to formulate strategies to take full advantage of all of the Hitachi Group's management resources, including those of businesses such as Hitachi Global Storage Technologies,

Hitachi Displays, Ltd., and Fujitsu Hitachi Plasma Display Limited that produce key components. Another aim is to capture synergies from the integrated management of the digital consumer electronics and home appliances businesses, grow strong businesses through a tighter focus on business domains, and strengthen sales activities in Japan and overseas.

Hitachi believes that strengthening the consumer business in this way will be instrumental to raising the value of the Hitachi brand globally.

Due to the establishment of the Consumer Business Group, the Consumer Business Strategy Division will be dissolved on September 30, 2004.

<New Operational Structure of the Consumer Business as of October 1, 2004> (Note)



Note: All names of new organizations are tentative.

About Hitachi, Ltd.

Hitachi, Ltd. (NYSE:HIT / TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company, with approximately 326,000 employees worldwide. Fiscal 2003 (ended March 31, 2004) consolidated sales totaled 8,632.4 billion yen (\$81.4 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://www.hitachi.com>

About Hitachi Home & Life Solutions

Hitachi Home & Life Solutions, Inc., headquartered in Tokyo, is a leading home appliances company, which was separated from Hitachi, Ltd. on April 1, 2002. Its consolidated sales as on March 31, 2003 totaled 492 billion Yen. The company develops, manufactures and sells home appliances such as room air conditioners, refrigerators, and washing machines and also markets consumer electronics.

For more information on Hitachi Home & Life Solutions, please visit the company's Web site at <http://www.hitachi-hl.com/english/index.html>

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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.

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