

**FOR IMMEDIATE RELEASE**

**Hitachi to Increase Share in Fujitsu Hitachi Plasma Display  
-- Acquiring stock and plasma technology patents from Fujitsu --**

TOKYO, Japan, February 2, 2005 --- Hitachi, Ltd. (NYSE:HIT/TSE:6501) today announced that it has reached an agreement with Fujitsu Limited (TSE: 6702) regarding acquisition of Fujitsu Hitachi Plasma Display Limited (FHP) stock owned by Fujitsu. The move, aimed at strengthening Hitachi's position in the plasma display panel (PDP) business, also involves the transfer to Hitachi of Fujitsu's PDP technology patents at the end of March 2005. Once Hitachi and Fujitsu have provided financial assistance for eliminating FHP's excessive debt by the end of March, the transfer of stock is to move forward quickly from April and, by adding 30.1% of FHP's issued shares to Hitachi's holdings, will make FHP a consolidated subsidiary of Hitachi.

The tighter tie between Hitachi and FHP will enable the companies to implement a still more unified business strategy. Already the leading supplier in the plasma TV market, Hitachi continues to enhance its market presence by aggressive introduction of higher resolution large-screen TVs in response to the worldwide trend toward digital broadcasting. As a manufacturer specializing in PDPs, FHP is committed to maintaining and advancing its status as the market's prime mover by supplying leading-edge high-resolution, large-screen panels geared to set maker requirements to an increasing number of manufacturers. No immediate change will be made in FHP's name or management after the company becomes a Hitachi subsidiary.

- more -

Hitachi established its leading position in plasma TVs through a vigorous market pioneering program that included introduction of the world's first 32V/37V HDTV plasma TV models and models incorporating high-capacity hard disk drives. In Japan, particularly, Hitachi is well known as the innovator of a new dimension in audio-visual enjoyment that uses a thin, large-screen TV to create a home theater-like ambience matched to ubiquitous era sensibilities. Hitachi is also the creator of "Wooo World", a formula for building a new entertainment lifestyle by combining a DVD camera, HDD recorder and other new-generation devices around a plasma TV at the core. "Wooo World" has been very well received by customers in Japan. Intent on dominating the development of markets worldwide, Hitachi has launched an initiative to enliven and expand demand for plasma TVs and related products in Europe and North America, as well as in China and throughout Asia.

FHP has achieved a commanding position in the global PDP market largely through the development of its own trail-blazing technologies, including the ALIS (Alternate Lighting of Surfaces Method) panel driving system that brings out the full potential of HDTV broadcasting by combining 1000-plus scanning line resolution with high brightness, the still more advanced e-ALIS system compatible with large-screen plasma panels, and the recently developed TERES (Technology of Reciprocal Sustainer) system that enables panel driving at half the conventional voltage.

In the rapidly growing market for plasma and other types of slim TVs, both advanced image processing technologies and added value imparted by the display panel are highly important factors. If Hitachi is to maintain and improve its superior position in the thin larger-screen TV market, therefore, it needs to shift to a new business model that brings these factors under an integrated business strategy. Strengthening the plasma TV business is important but not enough in itself. Hitachi must also implement a unified strategy encompassing both new ubiquitous network system-oriented AV businesses that capitalize on the synergy among the Hitachi Group's HDD-DVD drive, LSI and other component capabilities, and the PDP business that is the source of a key device used in AV product businesses. Moreover, the steady intensification of competition in the PDP market makes it essential for FHP to develop and produce technologically advanced panels that meet the needs of a large number of set manufacturers, and for this the company needs to utilize Hitachi's know-how as a plasma TV manufacturer still more actively in the development of high value-added panels. The acquisition of stock and

patents is a measure well matched to the needs of the two companies that can be expected to strengthen both the plasma TV and plasma display panel businesses.

The tighter integration of business strategy will allow Hitachi and FHP to better utilize their positions as global suppliers of market-leading plasma display panels and plasma TVs to inspire the advent of the ubiquitous society.

Etsuhiko Shoyama, Hitachi's President and Chief Executive Officer, had the following to say about the agreement with Fujitsu:

“The significance to Hitachi of the plasma TV business and the PDP business that supplies it with one of its key devices is very great because plasma TVs are a core product among Hitachi consumer product offerings and the consumer product business is fundamental to building a powerful Hitachi brand. By continuing to supply the market with plasma TVs that fully utilize the superb performance of FHP's PDPs, Hitachi has earned recognition as a main player in furthering the ubiquitous society. The more powerful synergy between the plasma TV and plasma display panels businesses made possible by FHP's joining the Hitachi Group will be used to expand Hitachi's plasma TV business and also to contribute to growth of the overall plasma TV market. Another effect that I envision is that the value of the Hitachi brand will be enhanced by the invigoration of consumer product operations resulting from a more active plasma TV business and this in turn will make a major contribution to businesses in the social infrastructure, information systems and other sectors.”

#### **About Fujitsu Hitachi Plasma Display Limited**

President: Yoichi Morimoto  
Headquarters: Kawasaki City, Kanagawa Prefecture, Japan  
Established: April 1999  
Businesses: Development, production and marketing of plasma display panels  
Fiscal year: April 1 – March 31  
Employees: Approximately 1,100 (as of March 2004)  
Capital: 30 billion yen (50% Fujitsu Limited, 50% Hitachi, Ltd.)

Recent financial results (Millions of yen)

	Fiscal 2002	Fiscal 2003
Sales	49,448	78,546
Ordinary profit	(2,359)	5,145
Current income	(1,551)	6,909
Total assets	27,173	32,846
Shareholders' equity	(15,818)	(8,908)

Percentage of shares owned before and after transfer

Before	Hitachi 50%	Fujitsu 50%
After (planned)	Hitachi 80.1%	Fujitsu 19.9%

Share transfer schedule

April 2005 (planned)

Effect of FHP becoming a subsidiary on Hitachi's consolidated results

The earnings forecast for fiscal 2005 is to be announced in April 2005.

**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>.

###

---

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.

---