



**Hitachi and Microsoft To Establish a Global Relationship to develop
Microsoft Windows 2000 Enterprise Solutions**

Hitachi, Ltd.
Microsoft Corporation

Tokyo -- June 15, 2000 - Hitachi, Ltd. (NYSE:HIT based in Chiyoda-ku, Tokyo, President & Director: Etsuhiko Shoyama, hereunder abbreviated by Hitachi) and Microsoft Corporation (based in Redmond, Washington, U.S.A., president and CEO: Steve Ballmer, hereinafter abbreviated by Microsoft) today announced that the two companies had reached an agreement to establish a global relationship that will focus on the development of a core set of replicable Microsoft Windows 2000-based enterprise solutions as well as the formation of a joint venture in October of this year. Hitachi and Microsoft will fill key executive positions in the joint venture. Both the relationship and the joint venture will initially be focused in the Japanese market with plans to expand globally.

By combining Hitachi's platform, service and solution offerings with Microsoft's scaleable, cost-effective platform, customers will benefit from a set of robust, efficient, and cost-effective solutions. Highlights of the relationship include:

1. Development and delivery of a set of solution offerings for organizations in specific industries that take advantage of Microsoft Windows 2000 and Windows DNA components such as Microsoft SQL Server, Microsoft Exchange Server, Microsoft COM+ and Microsoft BizTalk
2. The formation of a joint venture to develop and deliver replicable Microsoft Windows DNA and Windows 2000-based solutions, consulting services and high availability support services to businesses of all sizes

Building on Hitachi's expertise in the Japanese market, Hitachi, including the Joint Venture will train approximately 10,000 engineers for certification of Microsoft enterprise platform. Based on this relationship, a significant number of replicable solutions offerings based on Microsoft

Windows 2000 and Windows DNA will be developed and delivered to customers. In addition, Hitachi will establish 10 Customer Solution Centers throughout Japan focused on demonstrating the attributes and business value of the Microsoft Enterprise Solutions Platform and support 520 middleware and 50 industry applications on Microsoft Windows 2000. Additionally, Microsoft will cooperate with Hitachi in the development of set models utilizing Microsoft software and Hitachi's hardware, such as high-end PC servers and large capacity storage systems for SAN(Storage Area Network).

“We are reorganizing ourselves to be the best solution partner based on our mid-term business plan called ‘i.e. Hitachi Plan’,” said Etsuhiko Shoyama, President and Director of Hitachi. “The comprehensive partnership with Microsoft built upon Windows that is highly acknowledged as an open platform is very meaningful, in the sense that it will combine our proven experience to develop various systems to deliver highly secured and reliable solutions to our customers with the technology infrastructure provided by Microsoft. Initially we will start serving the Japanese market, but we are anxious to deploy our businesses in the global market as soon as possible.”

“Microsoft is looking forward to taking our relationship with Hitachi to the next level,” said Bill Gates, Microsoft's Chairman and Chief Software Architect. “By combining our technological strengths with Hitachi's proven expertise in platform solutions and services, we will enable organizations of all sizes to enjoy the many benefits of Windows 2000 and the rest of the Microsoft enterprise platform.”

The joint venture will combine the strengths of the Microsoft's enterprise platform technologies with that of Hitachi's platforms, services and solutions to provide replicable Microsoft Windows DNA and Windows 2000-based solutions, consulting services, high availability support services and ASP/Web hosting services to businesses of all sizes. It will leverage resources, both in terms of products and people, from both companies and will initially commence with 300 employees, growing to approximately 1,000 employees by the end of March 2002.

About Hitachi, Ltd.

Hitachi, Ltd., headquartered in Tokyo, Japan, is one of the world's leading global electronics companies, with fiscal 1999(ended March 31, 2000) consolidated sales of 8,001 billion yen (\$75.5 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://www.hitachi.co.jp>.

* At an exchange rate of 106 yen to the dollar.

About Microsoft

Founded in 1975, Microsoft (Nasdaq "MSFT") is the worldwide leader in software for personal and business computing. The company offers a wide range of products and services designed to empower people through great software — any time, any place and on any device.

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