

FOR IMMEDIATE RELEASE

Hitachi to Consolidate Hard Disk Drive Business Under Hitachi Global Storage Technologies Japan, Inc.

TOKYO, January 30, 2003—Hitachi, Ltd. (NYSE : HIT, TSE : 6501, Hitachi) today announced that at a meeting of its Board of Directors held on January 30, 2003, a decision was made to transfer its Data Storage Systems Division, part of Hitachi's Information & Telecommunication Systems Group that operates a hard disk drive (HDD) manufacturing facility, and its domestic HDD sales unit to Japanese company, Hitachi Global Storage Technologies Japan, Inc. (CEO: Tetsuo Miyazaki; Hitachi GST) a Japanese subsidiary of Hitachi Global Storage Technologies (HGST), taking advantage of Japan's corporate split law to spin off related businesses and merge them into Hitachi GST as of April 1, 2003.

1. Purpose of Corporate Split

To further increase efficiency in HDD development, design, and production, storage-related business handled by Hitachi GST and Hitachi's Data Storage Systems Division and domestic HDD sales unit will be merged, consolidating design resources and unifying the chain of command, thereby increasing the overall competitiveness of the Hitachi Group's storage business.

2. Outline of the Corporate Split

(1) Schedule

Approval of the corporate split agreement by Board of Directors: January 30, 2003

Agreement signing: January 30, 2003

Approval of the corporate split agreement by General Meeting of Shareholders of Hitachi GST: February 14, 2003

Date of the corporate split: April 1, 2003

(2) Method

1. Plan for corporate split

Hitachi will be the spin-off company and Hitachi GST will be the assuming company in a corporate split merger. (Hitachi will undergo in a "simple corporate split" under the Commercial Code of Japan.)

2. Reason for adoption of the method

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To consolidate Hitachi's HDD business under Hitachi GST.

(3) Stock allocation

In connection with this transaction, Hitachi GST will issue 180,000 shares and transfer them to Hitachi. Regarding the calculation of the number of shares to be issued and transferred in connection to this transaction, as a means to insure transparency and suitability, an independent auditor was entrusted to assess the value of the related businesses. The auditor employed the discounted cash flow method. The number of shares to be issued and transferred in connection to this transaction was determined based on this assessment.

(4) Rights and obligations transferred to the assuming company

Hitachi GST shall acquire and assume assets, debts and material contractual status regarding business activities to be transferred.

(5) Anticipated fulfillment of obligations

The split company and the assuming company judged to discharge all debts from the split date to the settlement date of said debts.

3. Profile of the Companies Included in the Corporate Split

Name	Hitachi, Ltd. (Separating company)	Hitachi Global Storage Technologies Japan, Inc. (Assuming company)
Business Activities	Development, manufacture, sales, and service of information and telecommunication systems, electrical devices, electric power and industrial systems, home electronics, material, others	1. Development, manufacture, sale, import, export of HDDs 2. Repair and maintenance of HDD manufacturing devices 3. Development, repair and maintenance of software for the development and manufacture of HDD products 4. Business related to and supplementary to the above items
Established	February 1, 1920 (Originally formed in 1910)	December 25, 2002
Address	6, Kanda-Surugadai 4-chome, Chiyoda-ku, Tokyo,	2880 Kozu, Odawara City, Kanagawa Prefecture
President	Etsuhiko Shoyama, President and Director	Tetsuo Miyazaki, CEO
Paid-in capital	¥282,032 million	¥5,000 million
Shares of common stock issued and outstanding	3,338,481,041 shares	100,000 shares

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Total assets	¥3,625,413 million	¥17,752 million
End of fiscal year	March 31	December 31
Number of employees	45,573 employees	Approximately 2,300 employees (projected for April 1, 2003)
Principal customers	Public-sector manufacturing and non-manufacturing industries as well as government agencies both domestic and overseas	Domestic and overseas manufacturers and private non-manufacturing companies
Major shareholders	Japan Trustee Services Bank, Ltd. 5.52% NATS CUMCO 4.45% The Chase Manhattan Bank NA London 3.79%	Hitachi Global Storage Technologies Netherlands B.V. 100%
Primary transaction banks	UFJ Bank Limited Mizuho Corporate Bank, Ltd. etc.	Undecided

Information on Hitachi is as of September 30, 2002, and information on Hitachi GST is as of December 31, 2002.

4. Business Activities to Be split

(1) Split Business

HDD-related business conducted by Hitachi's Data Storage Systems Division

(2) Assets and liabilities to be transferred (As of March 31, 2002 with adjustments)

Assets: Approximately 64,700 millions of yen, Debts: Approximately 43,100 millions of yen.

5. Hitachi's Status after the Corporate Split

No changes will be made to the company names, business contents, or head office location of Hitachi following the corporate split. Paid-in capital will not increase or decrease due to this corporate split. Impact on the performance of Hitachi will not be material.

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 (\$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 website at: <http://global.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.
