

Hitachi and NEC to Establish A Joint Venture Company  
Specializing In Backbone Routers /Switches

Tokyo, June 25<sup>th</sup> 2004 – Hitachi, Ltd. and NEC Corporation today announced that they have signed an agreement to join forces in the business of backbone routers/switches for networks of telecommunications carriers, government and public sectors and large corporations.

Based on the agreement, Hitachi and NEC will establish a joint venture company in October 2004, providing highly competitive products. The new company will be located in Tokyo with about 350 employees from both companies. It will have a capital of around 5.5 billion yen. Hitachi will own 60% of the new company while NEC will own 40%.

The new company will supply products to Hitachi and NEC respectively, and the two companies will market them to their individual clients. Hitachi and NEC will strongly promote system integration offerings using the new company's products by effectively combining servers with network equipment. The new company will also market its products through its business partners under the new company's own brand name.

“Under the recent expansion of the broadband network market in Japan due mainly to the implementation of the e-Japan concept, there are emerging business opportunities in establishing new Internet Protocol (IP)-based network service infrastructure among telecom operators and service providers. The trend is also seen on a global scale. The strong combination of Hitachi's backbone router/switch business and NEC's development capability will create a new leading vendor in this promising market,” said Isao Ono, executive vice president and executive officer of Hitachi. “Teaming up with Hitachi will multiply our efforts to develop state-of-the-art and highly-reliable, mission-critical router/switch products for IP networks, one of the most important infrastructure in the information society and for corporate/business activities,” said Kaoru Yano, senior executive vice president of NEC. The new company aims to introduce competitive products to the market on a timely manner by combining Hitachi and NEC's technologies such as IPv6 and bandwidth control to become a leading vendor of high-end backbone routers/switches.

**< About Hitachi, Ltd. >**

Hitachi, Ltd. (TSE:6501/ NYSE:HIT), 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 NEC Corporation >**

NEC Corporation (NASDAQ: NIPNY) (FTSE: 6701q.l) is one of the world's leading providers of Internet, broadband network and enterprise business solutions dedicated to meeting the specialized needs of its diverse and global base of customers. Ranked as one of the world's top patent-producing companies, NEC delivers tailored solutions in the key fields of computer, networking and electron devices, by integrating its technical strengths in IT and Networks, and by providing advanced semiconductor solutions through NEC Electronics Corporation. The NEC Group employs more than 140,000 people worldwide and had net sales of 4,906 billion yen (approx. \$47 billion) in the fiscal year ended March 2004. For additional information, please visit the NEC home page at: <http://www.nec.com>.

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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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