

For immediate release

Hitachi and Panasonic Agree on Comprehensive Collaboration in Plasma Display Business

TOKYO, Japan, February 7, 2005 --- Hitachi, Ltd. (NYSE:HIT/TSE: 6501) and Matsushita Electric Industrial Co., Ltd. (NYSE:MC/TSE: 6752), best known for its Panasonic brand products, announced today that they will be joining forces to develop and expand the plasma TV market under an agreement that calls for all-around collaboration in moving forward with the plasma display (PDP) business. The two companies, both leaders in the plasma TV arena, have agreed to collaborate in a broad range of activities, including R&D, production, marketing and intellectual property. The color PDP was developed by researchers and engineers in Japan making the best use of their advanced technologies and innovative ideas. The agreement between Hitachi and Panasonic is aimed at further development of color PDP technologies and growth of the Plasma TV market on a global scale.

The color PDP was realized mostly with advanced Japanese technologies of image displays and it has become a key device in the digital consumer product field. The PDP is a self-luminous device that produces a picture by emitting light from many individual pixels. It has numerous notable features, such as wide viewing angle, fast response, and outstanding color rendering. Since the PDP is emissive (produces its own light), the amount of light it emits can be flexibly regulated according to the use environment. This makes it an ideal device from the ecological viewpoint, because it can conserve energy while offering large-screen size and high-definition. In addition, the PDP has a highly efficient productivity, making its cost competitiveness strong.

The plasma TV, which was developed to take full advantage of these features of the PDP, has achieved rapid market penetration against the backdrop of the spread of digital broadcasting worldwide. The Plasma TV accounts for about 90% of the global market for thin, large screen TV sets (Techno Systems Research Co., Ltd. survey) and are expected to enjoy phenomenal growth in coming years.

Concluding that the self-luminous PDP is the most suitable display for slim, large-screen, high-definition TVs, Hitachi and Panasonic agreed to establish a comprehensive cooperative relationship encompassing every aspect of the PDP business.

Although the specific points of collaboration are to be discussed and implemented progressively, some of the points currently envisioned by Hitachi and Panasonic are as follows:

1. R&D

In order to increase cost competitiveness by, for example, establishing standards for PDP module components, the companies will jointly explore whether and how they can work in liaison with component manufacturers. Synergism between the companies' businesses, such as product performance enhancement and cost reduction, will be sought through mutual utilization of the best components of the Hitachi and Panasonic groups. An effort will be made to further strengthen the technological capability of the companies through the exchange of up-to-date PDP news and information from around the world.

2. Production

Standardization of next-generation production facilities and mutual benchmarking of production processes will be explored with an eye to boosting PDP production capacity and efficiency.

3. Marketing

The companies will collaborate in reaching out to consumers with easy-to-understand explanations of the advantages of PDP from the customer's viewpoint, including their wide viewing angle, motion picture performance, color rendering capability and other superb picture quality features, and the excitement of having an energy-efficient home theater that adds realism to movie viewing in one's own home.

4. Intellectual property

In view of the increasingly important role of patents in expanding the PDP business, Hitachi is to consider setting up a company to manage its PDP patents. Panasonic will consider investment into such company, which will enable a continuing and stable cross-licensing relationship between the two companies.

Hitachi and Panasonic have a partnership in a broad range of endeavors, most notably in the consumer products sector, and have achieved many successes in the joint development of products and other areas.

The companies view the agreement announced today as a step toward a still stronger collaborative relationship that will enable them to help make life more enjoyable for people around the world.

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 Panasonic

Best known by its Panasonic brand name, Matsushita Electric Industrial Co., Ltd. is a worldwide leader in the development and manufacture of electronic products for a wide range of consumer, business, and industrial needs. Based in Osaka, Japan, the company recorded consolidated net sales of U.S.\$71.92 billion for the year ended March 31, 2004. The company's shares are listed on the Tokyo, Osaka, Nagoya, New York (NYSE:MC), Euronext Amsterdam and Frankfurt stock exchanges. For more information on the company and the Panasonic brand, , visit the company's website at <http://panasonic.co.jp/global/index.html>.

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.
