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**HITACHI CHOOSES NEW SAN JOSE
HEADQUARTERS AND R&D LOCATION**

*Hitachi Secures Additional 21-Acre Campus and Reaffirms Commitment
to San Jose with \$250 Million Reinvestment Plan*

SAN JOSE, May 12, 2004 – Hitachi Global Storage Technologies (Hitachi GST) and the City of San Jose have unveiled plans to relocate the technology company’s headquarters and research functions to a modern corporate campus in the Evergreen District of San Jose, while retaining its development, manufacturing and support operations at the company’s Cottle Road campus in San Jose.

As part of a Memorandum of Understanding between the City and Hitachi GST, the two have agreed in principle to cooperate in an effort to rezone the 332-acre Cottle Road property to create a mixed-use transit village with employment, retail, and housing opportunities near major transit hubs. A land-use diagram and data summary can be viewed on www.Hitachigst.com.

The City expressed preliminary support for the new corporate headquarters and mixed-use concepts proposed by Hitachi GST for the Cottle Road campus and will work with Hitachi to facilitate the plans.

Hitachi GST, one of the world’s leading suppliers of hard disk drives, plans to invest more than \$250 million in the new headquarters and research campus and to redevelop portions of the Cottle Road site over the next 10 years. The company, which recorded \$4.2 billion in revenue in 2003, has approximately 2,800 employees in San Jose and some 24,000 worldwide.

“Hitachi is committed to a long and successful future in San Jose that will be good for the company and good for the residents of our community,” said San Jose Mayor Ron Gonzales. “With this investment, Hitachi GST will strengthen Silicon Valley’s position as global center of high technology and innovation that began in San Jose a half century ago.”

”Ever since the hard disk drive was invented 50 years ago, San Jose has been the worldwide hub of our \$22 billion industry,” said Jun Naruse, president and CEO of Hitachi Global Storage Technologies.

“Our new headquarters and our reinvestment in the Cottle Road campus reaffirm our long-term commitment to San Jose as home for our worldwide business. We recognize the mutual benefits of working closely together on Hitachi’s workplace master plan in order to fulfill our vision for the San Jose community and our company,” Naruse added.

Steve McLaughlin, Hitachi GST’s vice president of real estate and site operations, said that locating the company’s headquarters and research operations at the Yerba Buena campus will enable more efficient use of the Cottle Road property and reinvestment in the campus.

“This balanced approach allows us to retain our extensive development, manufacturing and support operations at Cottle Road while accommodating potential for future growth opportunities,” said McLaughlin. “At the same time, we can upgrade our technical infrastructure to support key headquarters and research functions at Yerba Buena, which are critical to remaining competitive in this dynamic industry.”

Approval and final implementation of the Hitachi GST Planned Development Zoning application will support the city’s smart growth, economic development, fiscal, transportation and housing objectives, Hitachi noted.

The company added that the mix of uses for the Cottle Road site will include employment, retail and housing adjacent to two mass transit nodes (CalTrain and light rail) and near three major freeways (Routes 85, 87 and 101). The MOU will be considered by the City Council on May 18, 2004 at its regular meeting.

Hitachi GST’s Workplace Master Plan includes:

3403 Yerba Buena Road—Corporate Headquarters and R&D

- A newly signed, long-term lease for a 21-acre, 377,000-square-foot office campus at 3403 Yerba Buena Road in San Jose. Hitachi GST’s lease includes an option to purchase the property.
 - Hitachi GST will relocate its headquarters function with approximately 500 employees from its 5600 Cottle Road site to the Yerba Buena campus.
 - Also, Hitachi GST intends to move its San Jose Research Center with its near 150 employees, currently located at IBM’s Almaden Research Center in San Jose, to the Yerba Buena campus.

5600 Cottle Road—Mixed-Use, Transit Village

- A Master Plan for the 332-acre Cottle Road property to create a mixed-use, transit-oriented village with employment, retail and housing opportunities:
 - 148 acres--3.4-3.6 million square feet--of industrial (office, R&D, manufacturing and other employment uses).
 - 145 acres of retail and housing
 - 290,000-460,000 square feet of retail
 - 2,400-3,400 homes
 - 38 acres of roads and an existing PG&E substation.
 - Adjacent to CalTrain and VTA Light Rail Stations

Other MOU Notes

- Hitachi GST intends to retain the core of the property for the company's operations while outer parcels would be available for retail and residential use by other parties.
- Hitachi GST will continue to have more than 2,200 employees at its Cottle Road campus engaged in development, manufacturing and support functions.
- The rezoning application is subject to all required regulatory reviews and approvals.

About Hitachi Global Storage Technologies

Hitachi Global Storage Technologies was founded in 2003 as a result of the strategic combination of Hitachi's and IBM's storage technology businesses. The company's aim is to enable users to fully engage in the digital lifestyle by providing access to large amounts of storage capacity in formats suitable for the office, on the road and in the home.

The company offers customers worldwide a comprehensive range of storage products for desktop computers, high-performance servers and mobile devices. For more information on Hitachi Global Storage Technologies, please visit the company's Web site at <http://www.hitachigst.com>.

About Hitachi, Ltd.

Hitachi, Ltd. (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>.

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