HITACHI SETS UP NEW DESIGN INFRASTRUCTURE WITH CADENCE EDA SOLUTIONS TO ENHANCE "MONOZUKURI"CAPABILITY FOR HARDWARE PRODUCTS DEVELOPMENT

New Design Infrastructure, Co-developed by Hitachi and Cadence Doubles Design Efficiency and Reduces Design-Cycle Time by 40 Percent

SAN JOSE, Calif. and TOKYO, Japan, Mar. 30, 2007 – Hitachi, Ltd. (NYSE: HIT / TSE: 6501) and Cadence Design Systems, Inc. (NASDAQ: CDNS), today announced that on April 2, 2007 Hitachi will start operating its new design center aimed at enhancing design efficiency and reducing the design-cycle time for Hitachi's hardware products as part of its focus on the company's manufacturing capability. The design infrastructure, which has been co-developed by Hitachi and Cadence, will be used for large-scale-integration (LSI) and printed-circuit-board (PCB) designs.

With the advent of the new design infrastructure, Hitachi will strengthen its design and manufacturing capability and that of its group companies. Hitachi plans to centrally manage this design infrastructure from the newly established Hitachi Design Center in Yokohama, Japan, and plans to deploy it across all Hitachi business units and group companies via Hitachi's internal network. The Information and Telecommunications Systems Group is the first to adopt the new design infrastructure to design its core products, including servers, storage, routers and networking systems. In earlier evaluations of the co-developed Cadence and Hitachi design infrastructure, Hitachi succeeded in doubling the design efficiency and reducing design-cycle time by 40 percent.

Hitachi has been focusing on enhancing its manufacturing competency in terms of cost, technology, and quality to increase its competitive position in the industry. The implementation of the new design infrastructure is part of laying the groundwork to reform its design and manufacturing capability and then apply it across the entire Hitachi Group. Improving manufacturing in its hardware business divisions is based on the need to strengthen LSI and PCB design capability to develop competitive next-generation hardware platforms.

"Hitachi has evaluated a number of electronic design automation (EDA) companies on high-efficiency, high-quality design activities, but chose Cadence to collaborate in building the corporate-wide design infrastructure," said Toru Hiyama, general manager, MONOZUKURI Innovation Operation, Hardware MONOZUKURI Division at Hitachi. "Together, our two companies planned and developed this next-generation design system. With Cadence's unparalleled software-development capability, know-how and world-class EDA technology solutions, and the newly implemented design infrastructure, we are now well equipped to address future design challenges."

The new design system is entirely standardized on Cadence design technology, including high-level logic description language; logic verification with hardware acceleration; quality logic synthesis, which impacts chip speed; and distributed high-speed layout processing using multi-threading. The system platform is built around Hitachi's 'BladeSymphony BS1000/BS320' enterprise-class blade servers and 'HA8000' PC servers, whose memory capacity was fully expanded for the design center. These servers are tightly integrated with Cadence products to create a high level of synergy and are fully optimized to develop hardware products.

"We are delighted to have helped Hitachi develop the new design infrastructure they need to enhance their competitive edge in the systems market," said Michael J. Fister, president and CEO of Cadence. "Our design teams collaborated closely to ensure that the goals for the design infrastructure of increased efficiency and reduced design

time were met. This proven design system with its advanced technology will help Hitachi build the most leading-edge products."

Hitachi plans to expand and deploy the design system beyond information and communication products, to digital consumer products; automotive electronics, such as car navigation systems; and medical products, including ultrasound-diagnostic systems. This will result in significant improvement in design efficiency and design-cycle time enabling Hitachi to offer higher performance and higher quality products.

About MONOZUKURI

MONOZUKURI is a Japanese term combining two words-- "MONO" meaning product and "ZUKURI" meaning manufacturing. Hitachi's MONOZUKURI represents their total manufacturing solution which includes software and hardware know-how and development expertise. As such, Hitachi's MONOZUKURI provides maximum value for customers by providing end-to-end planning, design, manufacturing and quality control for every product.

About Hitachi, Ltd.

Hitachi, Ltd., (NYSE: HIT / TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 356,000 employees worldwide. Fiscal 2005 (ended March 31, 2006) consolidated sales totaled 9,464 billion yen ($80.9 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://www.hitachi.com.

About Cadence Design Systems

Cadence enables global electronic-design innovation and plays an essential role in the creation of today's integrated circuits and electronics. Customers use Cadence software and hardware, methodologies, and services to design and verify advanced semiconductors, consumer electronics, networking and telecommunications equipment,

and computer systems. Cadence reported 2006 revenues of approximately $1.5 billion, and has approximately 5,200 employees. The company is headquartered in San Jose, Calif., with sales offices, design centers, and research facilities around the world to serve the global electronics industry. More information about the company, its products, and services is available at www.cadence.com.

-end-

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.
