FOR IMMEDIATE RELEASE

Hitachi Announces Consolidated Financial Results for Fiscal 2003

Tokyo, April 28, 2004 --- Hitachi, Ltd. (NYSE:HIT / TSE:6501) today announced its consolidated financial results for fiscal 2003, the year ended March 31, 2004.

1. Business Results and Financial Position

Note: All figures, except for the outlook for fiscal 2004, were converted at the rate of 106 yen to the U.S. dollar, the approximate exchange rate on the Tokyo Foreign Exchange Market as of March 31, 2004.

Business Results

(1) Summary of Fiscal 2003 Consolidated Business Results

	Year ended March 31, 2004		
	Billions of yen	Year-over-year % change	Millions of U.S. dollars
Net sales	8,632.4	5%	81,438
Operating income	184.8	21%	1,744
Income before income taxes and minority interests	237.1	145%	2,237
Income before minority interests	38.4	(13)%	363
Net income	15.8	(43)%	150

During the year, the world economy was strong, supported by rising demand for IT-related equipment, particularly in the U.S., and increasing demand in China.

The Japanese economy, meanwhile, showed signs of recovery, with strong exports and improving corporate earnings augmented by such factors as rising private-sector plant and equipment investment.

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Against this backdrop, Hitachi's consolidated net sales rose 5% year on year, to 8,632.4 billion yen. This came amid major year-on-year changes in the Information & Telecommunication Systems, Electronic Devices and Logistics, Services & Others segments that resulted from ongoing business portfolio realignment across the Hitachi Group. Operating income climbed 21%, to 184.8 billion yen with contributions coming from improved results in the Electronic Devices, High Functional Materials & Components and Financial Services segments.

Other income jumped 245%, to 161.1 billion yen, despite lower interest income and dividends received. This increase was due to factors such as the sale of Nitto Denko Corporation shares. Other deductions increased 6%, to 108.8 billion yen due partly to higher charges for structural reforms. However, results from equity-method affiliates became positive.

As a result, Hitachi recorded a 145% increase in income before income taxes and minority interests, to 237.1 billion yen. After the deduction of 198.6 billion yen in income taxes, income before minority interests was 38.4 billion yen. Net income declined 43%, to 15.8 billion yen.

Net sales, operating income, income before income taxes and minority interests, and net income were all above the projections issued when Hitachi announced its financial results for the first half of fiscal 2003.

(2) Sales and Operating Income by Segment

Regarding net sales, sales in Information & Telecommunication Systems, Digital Media & Consumer Products, and High Functional Materials & Components were up year on year and Power & Industrial Systems sales were on a par with the previous fiscal year, while sales in other segments declined. However, sales in all segments were above forecasts issued when Hitachi’s first-half results were announced.

Regarding operating income, Electronic Devices, Digital Media & Consumer Products, High Functional Materials & Components, and Financial Services posted higher year-on-year earnings, while operating income declined in other segments. In Information & Telecommunication Systems, Electronic Devices, High Functional Materials & Components, and Financial Services, operating income was above forecasts issued with Hitachi’s first-half results, while operating income in other segments fell short of forecasts.

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[Information & Telecommunication Systems]

	Year ended March 31, 2004		
	Billions of yen	Year-over-year % change	Millions of U.S. dollars
Sales	2,314.5	22%	21,835
Operating income	69.9	(37)%	660

Information & Telecommunication Systems sales increased 22%, to 2,314.5 billion yen, reflecting a solid performance in software and services, notably in outsourcing services, and hardware operations were bolstered by the inclusion of sales from hard disk drive (HDD) operations acquired from IBM Corporation. Another factor was firm sales of base stations for data communication systems for third-generation mobile phones in Japan. The segment saw operating income decline 37%, to 69.9 billion yen due to losses in HDD operations, despite improvements that were much better than initially expected.

[Electronic Devices]

	Year ended March 31, 2004		
	Billions of yen	Year-over-year % change	Millions of U.S. dollars
Sales	1,312.3	(16)%	12,381
Operating income	30.4	-	287

In the Electronic Devices segment, sales decreased 16%, to 1,312.3 billion yen, mainly reflecting the April 2003 transfer of most semiconductor operations to equity-method affiliate Renesas Technology Corp., a joint venture with Mitsubishi Electric Corporation. Sales of displays grew sharply on brisk demand for TFT LCDs for mobile phones and large flat screen TVs. The segment posted operating income of 30.4 billion yen, reversing an operating loss of 23.2 billion yen a year earlier. Improved profitability in display business contributed to this turnaround.

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[Power & Industrial Systems]

	Year ended March 31, 2004		
	Billions of yen	Year-over-year % change	Millions of U.S. dollars
Sales	2,297.9	0%	21,678
Operating income	33.9	(36)%	320

Power & Industrial Systems sales were on a par with the previous fiscal year at 2,297.9 billion yen. While sales of power generation equipment were sluggish, sales of automotive products increased as former Unisia JECS Corporation (now Hitachi Unisia Automotive, Ltd.) became a Hitachi subsidiary and sales to overseas markets at Hitachi Construction Machinery Co., Ltd. grew. Operating income decreased 36%, to 33.9 billion yen, despite higher earnings at Hitachi Construction Machinery. The lower profit was attributable to deterioration in profits in power generation equipment, as well as to expenditures accompanying additional work at environmental plant projects in Japan.

[Digital Media & Consumer Products]

	Year ended March 31, 2004		
	Billions of yen	Year-over-year % change	Millions of U.S. dollars
Sales	1,226.9	2%	11,575
Operating income	6.9	12%	66

In Digital Media & Consumer Products, sales increased 2%, to 1,226.9 billion yen, as growth in sales of plasma TVs and mobile phones offset sluggish demand in Japan for home appliances. Segment operating income increased 12%, to 6.9 billion yen, with improved earnings in plasma TVs and mobile phones outweighing the effect on home appliances of sluggish demand in Japan.

[High Functional Materials & Components]

	Year ended March 31, 2004		
	Billions of yen	Year-over-year % change	Millions of U.S. dollars
Sales	1,297.0	4%	12,237
Operating income	46.7	156%	441

In High Functional Materials & Components, sales rose 4%, to 1,297.0 billion yen as Hitachi Chemical Co., Ltd. and Hitachi Metals, Ltd. benefited from strong sales, particularly for electronic components. Segment operating income jumped 156%, to 46.7 billion yen on strong electronics-related product sales as well as the benefits of structural reforms.

[Logistics, Services & Others]

	Year ended March 31, 2004		
	Billions of yen	Year-over-year % change	Millions of U.S. dollars
Sales	1,256.2	(13)%	11,852
Operating income	0.5	(95)%	5

In Logistics, Services & Others, sales decreased 13%, to 1,256.2 billion yen, despite strong sales from the logistics solutions business at Hitachi Transport System, Ltd. Overseas sales companies saw sales decline due to the transfer of semiconductor sales operations to Renesas Technology, and the transfer of HDD sales operations to Hitachi Global Storage Technologies. Segment operating income dropped 95%, to 0.5 billion yen, due to the abovementioned transfers of semiconductor and HDD sales operations and increase in costs for strengthening new businesses. A one-time cost for changes in pension plans also affected operating income.

[Financial Services]

	Year ended March 31, 2004		
	Billions of yen	Year-over-year % change	Millions of U.S. dollars
Sales	550.9	(5)%	5,198
Operating income	22.3	86%	211

In Financial Services, low interest rates and a declining volume of automobile loans to individuals affected results. Segment sales declined 5%, to 550.9 billion yen as a result. Operating income increased 86%, to 22.3 billion yen in the absence of one-time charges, such as providing for pension reforms, in the previous fiscal year.

(3) Sales by Market

	Year ended March 31, 2004		
	Billions of yen	Year-over-year % change	Millions of U.S. dollars
Japan sales	5,654.8	2%	53,348
Overseas sales	2,977.5	13%	28,091
Asia	1,212.8	19%	11,442
North America	873.2	(2)%	8,238
Europe	655.8	22%	6,187
Other Areas	235.6	18%	2,223

Sales in Japan rose 2%, to 5,654.8 billion yen. While sales of power generation equipment and industrial machinery declined, sales were firm in services, notably for outsourcing. Sales were also supported by growth in sales of electronics-related products, including digital media products, such as plasma TVs, and electronic components and materials.

Overseas sales increased 13%, to 2,977.5 billion yen due to the effect of acquiring HDD operations and growth in sales to overseas markets at Hitachi Construction Machinery. The transfer of most semiconductor operations to Renesas Technology and other factors brought down sales slightly in North America.

(4) Capital Investment, Depreciation and R&D Expenditures
Capital investment on a completion basis rose 4%, to 816.5 billion yen. Depreciation declined 9%, to 436.8 billion yen. R&D expenditures declined 1%, to 371.8 billion yen, and corresponded to 4.3% of net sales.

Financial Position

(1) Cash Flows

	Year ended March 31, 2004		
	Billions of yen	Year-over-year change	Millions of U.S. dollars
Cash flows from operating activities	606.5	(39.9)	5,722
Cash flows from investing activities	(270.5)	348.7	(2,552)
Free cash flows	335.9	308.7	3,170
Cash flows from financing activities	(374.4)	(167.2)	(3,532)

Operating activities provided net cash of 606.5 billion yen, 39.9 billion yen less than in the previous fiscal year. This reflected effect of the transfer of most semiconductor operations to Renesas Technology, and increases in trade receivables and inventories in line with the increase in net sales.

Investing activities used net cash of 270.5 billion yen, 348.7 billion yen less than in the previous fiscal year. This reflected the sale of investments and affiliates' common stock, as well as the acquisition of HDD operations in the previous fiscal year.

Free cash flows, the sum of cash flows from operating and investing activities, were an inflow of 335.9 billion yen, a 308.7 billion yen improvement over the previous fiscal year.

Financing activities used net cash of 374.4 billion yen, 167.2 billion yen more than the previous fiscal year, due to a decrease in borrowings resulting from the use of a pooling system for Hitachi Group funds.

Cash and cash equivalents as of March 31, 2004 amounted to 764.3 billion yen, a decrease of 63.7 billion yen during the fiscal year.

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(2) Financial Position

	As of March 31, 2004		
	Billions of yen	Year-over-year change	Millions of U.S. dollars
Total assets	9,590.3	(589.0)	90,475
Total liabilities	6,623.3	(951.2)	62,485
Debts	2,497.5	(343.0)	23,562
Minority interests	798.8	47.2	7,536
Stockholders' equity	2,168.1	314.9	20,454
Stockholders' equity ratio	22.6%	4.4 point improvement	-
D/E ratio (including minority interests)	0.84 times	0.25 point improvement	-

Total assets at March 31, 2004 decreased 589.0 billion yen, to 9,590.3 billion yen, compared with the previous year-end, due the transfer of most semiconductor operations to Renesas Technology in April 2003, a reduction in retirement and severance benefits resulting from the transfer of the substitutional portion of employee pension fund liabilities to the Japanese government and other factors. Debt decreased 343.0 billion yen, to 2,497.5 billion yen. Stockholders' equity increased 314.9 billion yen, to 2,168.1 billion yen due partly to the transfer of the substitutional portion of employee pension fund liabilities to the Japanese government. As a result of these factors, the stockholders' equity ratio improved 4.4 points to 22.6%. The debt-to-equity ratio (including minority interests) improved by 0.25 of a point to 0.84.

Outlook for Fiscal 2004

	Year ending March 31, 2005		
	Billions of yen	Year-over-year % change	Millions of U.S. dollars
Net sales	8,800.0	2%	83,810
Operating income	300.0	62%	2,857
Income before income taxes and minority interests	280.0	18%	2,667
Income before minority interests	140.0	264%	1,333
Net income	100.0	530%	952

While there are fears of a slowdown in the U.S. economy if the effects of tax cuts, low interest rates and other measures fade away, Hitachi expects that the world economy will continue its strong growth in fiscal 2004. Underpinning this outlook is an expected rising demand for IT-related equipment, particularly in the U.S. and expansion of Asian economies supported by rising demand in China, as well as a modest economic recovery in Europe.

The Japanese economy is expected to also continue its modest recovery on the back of increasing exports, which are being fueled by the U.S. economic upswing and the strong Chinese economy, continuing strength in private-sector plant and equipment investment, and consumer spending, as income and employment prospects improve slightly.

Under these circumstances, Hitachi will push ahead with efforts to create new businesses and strengthen key businesses by capturing synergies in resource use across the Hitachi Group, guided by "i.e.HITACHI Plan *II*." The company will also focus on structural reforms to concentrate more resources on highly profitable businesses and on measures to improve its financial position.

Projections for fiscal 2004, as given above, assume an exchange rate of 105 yen to the U.S. dollar.

2. Management Policy

Basic Management Policy and Strategy

Amid intensifying competition in world markets, Hitachi aims to step up its development by delivering competitive products and services imbuing higher value for customers. By taking full advantage of the diverse resources of the Hitachi Group while at the same time reviewing and restructuring businesses, Hitachi will bolster its competitiveness. This process will be consistent with Hitachi's basic management policy, which is to increase shareholder value by meeting the expectations of customers, employees, shareholders and other stakeholders.

In line with this basic policy, in January 2003, Hitachi unveiled a medium-term management plan, "i.e.HITACHI Plan *II*," which runs through fiscal 2005 (ending in March 2006). This plan targets two primary business domains that are the focus of the Hitachi Group—"New Era Lifeline Support Solutions," which further fuse and enhance information systems services and social infrastructure systems, and "Global Products Incorporating Advanced Technology," where Hitachi aims to achieve strong growth in global markets by focusing on technologies as well as high-performance hardware and software that incorporate knowledge. Various measures are being pursued for growth in both these fields.

In April 2004, Hitachi established the Hitachi Group Headquarters to accelerate group management in a manner best suited to Hitachi in two main ways: bolster the individual businesses of Hitachi Group companies, and give full play to the collective strengths of the Hitachi Group by encouraging greater inter-group collaboration. The Hitachi Group Headquarters will spearhead redoubled efforts to implement measures aimed at raising the corporate value of the Hitachi Group.

Business structural reforms are also being implemented to enhance competitiveness in global markets in Hitachi's various business fields toward achieving the goals of "i.e.HITACHI Plan *II*." In specific terms, Hitachi will examine and implement suitable measures to create growth and new businesses in key fields that leverage the group's technological strengths and know-how; restructure the group with the aim of more effectively utilizing the group's resources; and exit unprofitable businesses and push through restructuring measures that go beyond the Hitachi Group.

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FIV* (Future Inspiration Value), a benchmark based on the estimated cost of capital, is used to make decisions on actions for strengthening businesses. In deciding on individual investments, Hitachi uses FIV to select investments that will contribute to maximizing shareholder value. Combined with a powerful drive to reduce assets, including trade receivables and inventories, Hitachi aims to raise the return on assets. Through these and other actions, Hitachi has set the goal of maintaining a single-A grade long-term credit rating by increasing asset efficiency and strengthening its financial position.

The "i.e.HITACHI Plan *II*" will transform Hitachi's earnings structure into a highly profitable one so that it can achieve positive FIV. At present, Hitachi has set the goals of generating consolidated operating income in excess of 400 billion yen and of achieving a debt-equity ratio (including minority interests) of 0.8 times in fiscal 2005. Hitachi is also targeting net sales in the order of 9 trillion yen in fiscal 2005.

(*) FIV is Hitachi's economic value-added evaluation index in which the cost of capital is deducted from after-tax operating profit. After-tax operating profit must exceed the cost of capital to achieve positive FIV.

3. Corporate Governance

(1) Basic Stance and Initiatives Regarding Corporate Governance

Hitachi is working to reinforce corporate governance to establish an executive system that facilitates speedy business operations and a high degree of transparency. In June 2003, Hitachi adopted the Committee System to ensure the effective supervision of management and promote faster decision-making by demarcating responsibilities for management oversight and those for the execution of business operations.

The Board of Directors determines basic management policies and supervises executive officers in the performance of their duties while entrusting to executive officers considerable authority to make decisions with respect to Hitachi's business affairs. As of March 31, 2004, the Board of Directors had 13 members, 4 of whom were from outside Hitachi. Three directors served concurrently as executive officers. The Chairman of the Board does not serve concurrently as an executive officer. The Board of Directors has met on 9 separate occasions since the adoption of the Committee System, and the attendance rate of directors at those meetings was 98%.

Within the Board of Directors, three statutory committees have been established—the Nominating Committee, Audit Committee and Compensation Committee—with outside directors accounting for the majority of members of each committee. The Nominating Committee has the authority to decide on proposals submitted to the General Meeting of Shareholders for the appointment and dismissal of directors. The Audit Committee audits the performance of directors and executive officers and has the authority to decide on proposals submitted to the General Meeting of Shareholders for the appointment and dismissal of independent auditors. The Compensation Committee has the authority to set remuneration for individual directors and executive officers. The Nominating Committee, Audit Committee and Compensation Committee met 3, 7 and 3 times, respectively, during the fiscal year ended March 31, 2004. Hitachi also established the Board of Directors Office as an organization to support the Board of Directors and its three committees. Three Hitachi employees, who do not take orders from any executive officers, staff the Board of Directors Office.

Executive officers execute Hitachi's business affairs and decide on matters pertaining to the same in accordance with the division of duties stipulated by resolutions of the Board of Directors. Important matters affecting the company as a whole are examined at the Senior Executive Committee, whose members are key executive officers, to reach decisions after taking into account a range of perspectives. The executive officers report their decisions to members of the Audit Committee.

Regarding risk management, each division implements countermeasures, such as the formulation of rules and guidelines. Furthermore, to ensure greater efficiency in the execution of day-to-day operations and compliance, internal audits are conducted to monitor business operations so that improvements can be made. Moreover, to ensure strict legal compliance, Hitachi has various committees and a whistle-blower system.

Regarding the reliability of financial reports, the Audit Committee monitors the independent auditors, and receives the audit plans of the independent auditors in advance to ensure that these auditors are not influenced by executive officers. Moreover, the prior approval of the Audit Committee is required with respect to the remuneration of the independent auditors and non-audit work.

(2) Personal, financial, trading and other beneficial relationships between Hitachi and outside directors

Hitachi has continuous business transactions with Asahi Glass Co., Ltd., where Hitachi outside director Hiromichi Seya was formerly chairman of the board, and Nippon Steel Corporation, the chairman of the board of which is Hitachi outside director Akira Chihaya. However, these transactions are very small in comparison with the size of operations of Asahi Glass, Nippon Steel or Hitachi. Furthermore, Hitachi outside director Toshiro Nishimura does not act as an advisory attorney of law for Hitachi.

Policy on the Distribution of Earnings

Hitachi sets dividends by taking into consideration a range of factors, including its financial condition, results of operations and payout ratio. This policy is motivated by the desire to ensure the availability of sufficient internal funds for making investments in R&D and plant and equipment that are essential for maintaining competitiveness and improving profitability based on medium- and long-term plans, as well as to ensure the stable growth of dividends. Moreover, Hitachi has adopted a flexible stance toward the acquisition of its own shares, taking business plans, financial condition, market conditions and other factors into consideration in this respect.

Cautionary Statement

Certain statements found in this document may constitute "forward-looking statements" as defined in the U.S. Private Securities Litigation Reform Act of 1995. Such "forward-looking statements" reflect management's current views with respect to certain future events and financial performance and include any statement that does not directly relate to any historical or current fact. Words such as "anticipate," "believe," "expect," "estimate," "intend," "plan," "project" and similar expressions which indicate future events and trends are used to assist readers in identifying these "forward-looking statements." Such statements are based on currently available information and are subject to various risks and uncertainties that could cause actual results to differ materially from those projected or implied in the "forward-looking statements" and from historical trends. Certain "forward-looking statements" are based on current assumptions of future events which may not prove to be accurate. Undue reliance should not be placed on "forward-looking statements," as such statements speak only as of the date of this document.

Factors that could cause actual results to differ materially from those projected or implied in any "forward-looking statement" and from historical trends include, but are not limited to:

- rapid technological change, particularly in the Information & Telecommunication Systems segment and Electronic Devices segment;

- uncertainty as to Hitachi's ability to continue to develop and market products that incorporate new technology on a timely and cost-effective basis and to achieve market acceptance for such products;

- fluctuations in product demand and industry capacity, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products segment;

- increasing commoditization of information technology products, and intensifying price competition in the market for such products;

- fluctuations in rates of exchange for the yen and other currencies in which Hitachi makes significant sales or in which Hitachi's assets and liabilities are denominated, particularly between the yen and the U.S. dollar;

- uncertainty as to Hitachi's ability to access, or access on favorable terms, liquidity or long-term financing, particularly in the context of limited credit availability currently prevailing in Japan;

- uncertainty as to Hitachi's ability to implement measures to reduce the potential negative impact of fluctuations in product demand and/or exchange rates;

- general economic conditions and the regulatory and trade environment of Hitachi's major markets, particularly, the United States, Japan and elsewhere in Asia, including, without limitation, continued stagnation or deterioration of the Japanese economy, or direct or indirect restriction by other nations on imports;

- uncertainty as to Hitachi's access to, and ability to protect, certain intellectual property rights, particularly those related to electronics and data processing technologies;

- uncertainty as to the success of alliances upon which Hitachi depends, some of which Hitachi may not control, with other corporations in the design and development of certain key products; and

- uncertainty as to general market price levels for equity securities in Japan, declines in which may require Hitachi to write-down equity securities it holds.

The factors listed above are not all-inclusive and are in addition to other factors contained in Hitachi's periodic filings with the U.S. Securities and Exchange Commission and in other materials published by Hitachi.