FOR IMMEDIATE RELEASE

Hitachi Announces Consolidated Financial Results for the First Quarter of Fiscal 2005

Tokyo, July 28, 2005 --- Hitachi, Ltd. (NYSE:HIT / TSE:6501) today announced its consolidated financial results for the first quarter of fiscal 2005, ended June 30, 2005.

Note: 1.All figures, except for the outlook for the first half of fiscal 2005, were converted at the rate of 111 yen to the U.S. dollar, the approximate exchange rate on the Tokyo Foreign Exchange Market as of June 30, 2005.

2.Segment information and operating income (loss) are presented in accordance with financial reporting principles and practices generally accepted in Japan.

Business Results

(1) Summary of Fiscal 2005 First Quarter Consolidated Business Results

	Three months ended June 30, 2005		
	Billions of yen	Year-over-year % change	Millions of U.S. dollars
Revenues	2,048.7	(1%)	18,457
Operating income	1.2	(97%)	12
Income before income taxes and minority interests	4.8	(89%)	44
Loss before minority interests	(12.8)	-	(115)
Net loss	(24.0)	-	(217)

During the first quarter, the U.S. economy remained firm, supported by healthy consumer spending as personal income continued to rise, although surging prices for crude oil and other raw materials were a cause for concern. Asian economies continued to grow at a high pace due to strong exports and capital investments in China. On the other hand, EU economies saw only a moderate recovery.

In Japan, the economy continued to mark time due to sluggish exports and other factors.

Against this backdrop, the Hitachi Group in the first quarter of fiscal 2005 made Fujitsu Hitachi Plasma Display Limited (FHP) a consolidated subsidiary with the aim of further expanding the group's plasma display (PDP) business. Hitachi also decided to increase investment in facilities to increase production at FHP. In another move, Hitachi agreed to strengthen cooperation with Clarion Co., Ltd. with the view to bolstering the Car Information Systems (CIS) business. Other actions were also taken during the first quarter to strengthen businesses targeted for growth.

Hitachi's consolidated revenues were 2,048.7 billion yen, largely on a par with the corresponding quarter of the previous fiscal year. The merger with TOKICO LTD. and the consolidation of FHP boosted revenues. In addition, the Power & Industrial Systems segment posted higher revenues year on year, as did the High Functional Materials & Components segment, mainly due to growth in sales of components and materials for electronics- and automotive-related fields. However, revenues declined in the Information & Telecommunication Systems segment due to a sluggish domestic market, and the Electronic Devices segment also saw revenues decline because of lower sales of small and medium-sized LCDs for mobile phones and other applications.

Operating income dropped 97% year on year, to 1.2 billion yen due to a number of factors, most notably operating losses in two segments. The Information & Telecommunication Systems segment fell into the red due to a sluggish domestic market, and the Digital Media & Consumer Products segment posted an operating loss due to a lackluster performance at FHP and other factors.

Other income declined 22%, to 13.6 billion yen due to deterioration of equity method investment losses and other factors. Other deductions increased 8% year on year, to 10.1 billion yen.

As a result, Hitachi recorded income before income taxes and minority interests of 4.8 billion yen, down 89% year on year. After income taxes of 17.6 billion yen, Hitachi posted a loss before minority interests of 12.8 billion yen. Hitachi also posted a net loss of 24.0 billion yen, compared with net income of 16.0 billion yen in the first quarter of fiscal 2004.

(2) Revenues and Operating Income (Loss) by Segment

Results by segment were as follows.

[Information & Telecommunication Systems]

	Three months ended June 30, 2005		
	Billions of yen	Year-over-year % change	Millions of U.S. dollars
Revenues	452.9	(6%)	4,081
Operating loss	(23.1)	-	(209)

Information & Telecommunication Systems revenues decreased 6%, to 452.9 billion yen. Software and services revenues were higher year on year due to firm sales in services, particularly in the outsourcing business, which offset lower year-on-year sales in software. Hardware revenues declined because of the sale of Hitachi Printing Solutions, Ltd. to Ricoh

Company, Ltd., lower sales of ATMs after strong demand in the previous fiscal year for machines to handle new bills, and falling prices for servers, PCs and other products.

The segment posted an operating loss of 23.1 billion yen, compared with operating income of 5.6 billion yen in the first quarter of the previous fiscal year. Earnings were higher in software and services due to the improvement of software and other factors. Hardware earnings were down, however, due to lower earnings from ATMs, as well as a loss in hard disk drive (HDD) operations and other factors.

Note: HDD operations are conducted by Hitachi Global Storage Technologies (Hitachi GST), which has a December 31 fiscal year-end, different from Hitachi's March 31 year-end. Hitachi's results for the first quarter of fiscal 2005 include operating results of Hitachi GST for the period from January through March 2005.

[Electronic Devices]

	Three months ended June 30, 2005		
	Billions of yen	Year-over-year % change	Millions of U.S. dollars
Revenues	273.3	(19%)	2,462
Operating income	4.7	(71%)	43

Electronic Devices revenues declined 19%, to 273.3 billion yen. This was due to lower revenues in the display business because of sluggish sales of small and medium-sized LCDs for mobile phones and other uses as well as lower sales at Hitachi High-Technologies Corporation.

Operating income declined 71%, to 4.7 billion yen due in part to poor earnings in the display business caused by falling prices and other factors.

[Power & Industrial Systems]

	Three months ended June 30, 2005		
	Billions of yen	Year-over-year % change	Millions of U.S. dollars
Revenues	587.9	14%	5,297
Operating income	9.0	-	82

Power & Industrial Systems revenues rose 14% year on year, to 587.9 billion yen. In addition to the effect of merging with TOKICO. in October 2004, the increase in revenues reflected growth in overseas sales of thermal power plants, and higher sales of elevators and escalators, air-conditioning systems and other products.

The segment posted operating income of 9.0 billion yen, reversing an operating loss of 6.1 billion yen in the first quarter of fiscal 2004. This turnaround was due to fewer unprofitable projects, as well as healthy growth in elevators and escalators and higher earnings from air-conditioning systems and other products, among other factors.

[Digital Media & Consumer Products]

	Three months ended June 30, 2005		
	Billions of yen	Year-over-year % change	Millions of U.S. dollars
Revenues	297.2	(11%)	2,678
Operating loss	(8.1)	-	(74)

Digital Media & Consumer Products segment revenues declined 11%, to 297.2 billion yen despite the consolidation of FHP. This decline was due to lower sales prices for flat-panel TVs, including plasma TVs, and home appliances due to tougher marketplace competition.

The segment posted an operating loss of 8.1 billion yen, compared with operating income of 5.2 billion yen in the same quarter in the previous fiscal year. In addition to an operating loss at FHP, this result reflected falling sales prices for plasma and other flat-panel TVs and home appliances.

Note: The optical disk drive business is conducted by Hitachi-LG Data Storage, Inc. (HLDS), which has a December 31 fiscal year-end. Hitachi's results for the first quarter of fiscal 2005 include the operating results of HLDS for the period from January through March 2005.

[High Functional Materials & Components]

	Three months ended June 30, 2005		
	Billions of Yen	Year-over-year % change	Millions of U.S. dollars
Revenues	368.3	1%	3,318
Operating income	22.2	22%	201

Revenues rose 1%, to 368.3 billion yen. Hitachi Chemical Co., Ltd., Hitachi Metals, Ltd. and Hitachi Cable, Ltd. recorded healthy growth in sales.

Operating income climbed 22% year on year, to 22.2 billion yen on healthy earnings from products for automotive-related fields in particular.

[Logistics, Services & Others]

	Three months ended June 30, 2005		
	Billions of Yen	Year-over-year % change	Millions of U.S. dollars
Revenues	271.3	(7%)	2,445
Operating income	1.6	7%	15

Segment revenues declined 7% year on year, to 271.3 billion yen despite healthy growth in sales at Hitachi Transport System, Ltd. This decline was due to lower revenues at Hitachi Mobile Co., Ltd., as well as lower sales at overseas sales companies of digital consumer electronic products and other factors.

The segment posted operating income of 1.6 billion yen, 7% higher year on year. This increase was due to earnings growth at Hitachi Transport System, which negated a sluggish performance at Hitachi Mobile.

[Financial Services]

	Three months ended June 30, 2005		
	Billions of Yen	Year-over-year % change	Millions of U.S. dollars
Revenues	127.7	(1%)	1,151
Operating income	6.1	24%	55

Revenues were largely unchanged from the first quarter of the previous fiscal year at 127.7 billion yen. This result was due to healthy growth at Hitachi Capital Corporation and other factors.

Operating income rose 24%, to 6.1 billion.

(3) Revenues by Market

	Three months ended June 30, 2005		
	Billions of Yen	Year-over-year % change	Millions of U.S. dollars
Japan	1,239.2	(1%)	11,164
Overseas	809.5	0%	7,293
Asia	349.8	2%	3,152
North America	220.5	0%	1,987
Europe	172.2	(6%)	1,551
Other Areas	66.9	10%	603

Revenues in Japan were 1,239.2 billion yen, largely unchanged from the first quarter of fiscal 2004.

Overseas revenues were also flat, at 809.5 billion yen. Revenues in Europe declined year on year due to the less-than-stellar recovery in EU economies. However, revenues rose in Asia, particularly in China.

As a result, the ratio of overseas revenues to consolidated revenues rose by 1 percentage point year on year to 40%.

(4) Capital Investment, Depreciation and R&D Expenditures

Capital investment on a completion basis, excluding leasing assets, rose 9%, to 78.6 billion yen, mainly due to investments related to increasing HDD output and increased investment in automotive-related fields. Depreciation, excluding leasing assets, increased 4%, to 81.7 billion yen. R&D expenditures, primarily used to accelerate the launch of new businesses, strengthen basic research, and upgrade development capabilities in digital media-related fields, increased 7%, to 93.0 billion yen, and corresponded to 4.5% of revenues.

Financial Position

(1) Financial Position

	As of June 30, 2005		
	Billions of yen	Change from March 31, 2005	Millions of U.S. dollars
Total assets	9,768.1	31.8	88,001
Total liabilities	6,560.8	53.4	59,106
Debt	2,646.8	144.3	23,845
Minority interests	930.2	9.1	8,380
Stockholders' equity	2,277.1	(30.7)	20,515
Stockholders' equity ratio	23.3%	0.4 point deterioration	-
D/E ratio (including minority interests)	0.83 times	0.05 point deterioration	-

Total assets as of June 30, 2005 were 9,768.1 billion yen, 31.8 billion yen more than at March 31, 2005 due to the consolidation of FHP and other factors. Debt increased 144.3 billion yen from March 31, 2005 to 2,646.8 billion yen as of June 30, 2005. Stockholders' equity decreased 30.7 billion yen to 2,277.1 billion yen due to a decline in retained earnings caused by the net loss posted in the first quarter. As a result of these changes, the stockholders' equity ratio declined by 0.4 of a point to 23.3%. The debt-to-equity ratio (including minority interests) deteriorated 0.05 of a point to 0.83 times due to the decrease in stockholders' equity and increase in debt.

(2) Cash Flows

	Three months ended June 30, 2005		
	Billions of yen	Year-over-year change	Millions of U.S. dollars
Cash flows from operating activities	(55.7)	(31.1)	(502)
Cash flows from investing activities	(118.3)	11.1	(1,066)
Free cash flows	(174.0)	(20.0)	(1,568)
Cash flows from financing activities	69.6	41.0	628

Operating activities used net cash of 55.7 billion yen, 31.1 billion yen more than in the first quarter of the previous fiscal year. The main reason for this increase was a net loss of 24.0 billion yen, compared with net income of 16.0 billion yen in the first quarter of fiscal 2004.

Investing activities used net cash of 118.3 billion yen, 11.1 billion yen less than in the first quarter of the previous fiscal year due to a decline in capital investment for leasing assets, pursuing the collection of investments in leases and other factors.

Free cash flows, the sum of cash flows from operating and investing activities, were an outflow of 174.0 billion yen, 20.0 billion yen more than the first quarter of the first quarter of the previous fiscal year.

Financing activities provided net cash of 69.6 billion yen, 41.0 billion yen more than in the previous fiscal year, due to an increase in funding by debt despite an increase in dividend payments.

Cash and cash equivalents as of June 30, 2005 amounted to 609.6 billion yen, a decrease of 99.0 billion yen during the quarter.

Outlook for the First Half of Fiscal 2005

	The first half of fiscal 2005 ending September 30, 2005		
	Billions of yen	Year-over-year % change	Millions of U.S. dollars
Revenues	4,400.0	2%	40,741
Operating income	70.0	(45%)	648
Income before income taxes and minority interests	70.0	(49%)	648
Income before minority interests	25.0	(63%)	231
Net income	0.0	-	0

Regarding the outlook for the global economy, the Hitachi Group expects the U.S. to experience a gentle slowdown due to the end of tax incentives for capital investments, a move away from a low interest rate policy, surging prices for crude oil and other raw materials and other factors. Although there are concerns of a decline in the pace of economic recovery in Europe as a result of this, the Asian economy is projected to be comparatively strong, supported by domestic demand in China. Consequently, despite some uncertainty regarding the global economy in the first half of fiscal 2005, a moderate upturn is forecast for the second half.

The forecast for the Japanese economy is for the correction in the corporate sector to continue due to ongoing production and inventory cut-backs of products for export as exports slow, a downturn in plant and equipment investment and other factors. Growth in consumer spending is expected to slow due to a pause in the recovery of the employment and income environment.

Based on this outlook, the Hitachi Group is forecasting the operating results shown above for the first half of fiscal 2005, the same as those announced with fiscal 2004 consolidated financial results on April 28, 2005. Hitachi is continuing to take aggressive actions to expand businesses, particularly targeted businesses, as underscored by the April 2004 investment to make FHP a subsidiary to strengthen the PDP business and the agreement to strengthen cooperation with Clarion to bolster the CIS business. Furthermore, in the Information & Telecommunication Systems segments, efforts are focusing on enhancing project management and reinforcing development capabilities to improve HDD profitability. In Electronic Devices, steps are being taken to realign the product lineup centered on LCD displays. These and other actions are part of ongoing reforms. Moreover, Hitachi will drive forward structural reforms that target future business development, such as efforts to expand overseas business. The objective is to establish a more powerful earnings base by becoming more competitive on a consolidated basis.

Projections assume exchange rates of 108 yen to the U.S. dollar and 132 yen to the Euro for the second quarter of fiscal 2005.

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," "forecast," "intend," "plan," "project" and similar expressions which indicate future events and trends may identify "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 upon 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:

- fluctuations in product demand and industry capacity, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products 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;
- rapid technological change, 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 implement measures to reduce the potential negative impact of fluctuations in product demand and/or exchange rates;
- general socio-economic and political conditions and the regulatory and trade environment of Hitachi's major markets, particularly, the United States, Japan and elsewhere in Asia, including, without limitation, a return to stagnation or deterioration of the Japanese economy, or direct or indirect restriction by other nations on imports;
- uncertainty as to Hitachi's access to, or ability to protect, certain intellectual property rights, particularly those related to electronics and data processing technologies;
- uncertainty as to the success of restructuring efforts to improve management efficiency and to strengthen competitiveness;
- 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;
- uncertainty as to Hitachi's ability to access, or access on favorable terms, liquidity or long-term financing; 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.