

Hitachi Revises Business Forecasts for the First Half of Fiscal 2004

Tokyo, October 22, 2004 --- Hitachi, Ltd. (NYSE:HIT / TSE:6501) today announced revisions to its business forecasts for the first half of fiscal 2004, ended September 30, 2004, as follows.

(1) Consolidated Business Forecast for the First Half of Fiscal 2004

(Billions of yen)

(Figures in parentheses are year-on-year comparisons)

	Half years ended September 30			
	2004			2003
	Revised Forecast (A)	Previous Forecast (*) (B)	(A)-(B)	
Revenues	4,329.0 (107%)	4,150.0 (103%)	179.0	4,041.4
Operating Income	127.0 (628%)	90.0 (445%)	37.0	20.2
Income Before Income Taxes and Minority Interests	136.0 (150%)	80.0 (88%)	56.0	90.5
Income Before Minority Interests	68.0 (475%)	43.0 (300%)	25.0	14.3
Net Income	41.0 (762%)	25.0 (464%)	16.0	5.3

* The previous forecast was announced with fiscal 2003 results on April 28, 2004.

(2) Unconsolidated Business Forecast for the First Half of Fiscal 2004

(Billions of yen)

(Figures in parentheses are year-on-year comparisons)

	Half years ended September 30			
	2004			2003
	Revised Forecast (A)	Previous Forecast (*) (B)	(A)-(B)	
Revenues	1,152.8 (102%)	1,110.0 (98%)	42.8	1,128.2
Ordinary Income	9.6 (96%)	0 (-)	9.6	10.0
Net Income	26.5 (138%)	15.0 (78%)	11.5	19.2

* The previous forecast was announced with fiscal 2003 results on April 28, 2004.

(3) Reasons for Revision

During the first half of fiscal 2004, the Japanese economy steadily improved, with increased private-sector investment and export. In addition, increased demand for digital consumer electronics products and IT-related equipment, particularly in the U.S., bolstered the global economy.

Against this backdrop, devices, materials and manufacturing equipment for IT-related equipment and digital consumer electronics products, which are among Hitachi's focus businesses, and overseas operations recorded steady growth. As a result, Hitachi expects its first half results to be better than the previous forecast*. Also, all segments of the company's business are expected to be improved from the first half of fiscal 2003.

* The previous forecast was announced with fiscal 2003 results on April 28, 2004.

About Hitachi

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>.

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:

- 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;
- 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, 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 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.

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.
