

FOR IMMEDIATE RELEASE

Hitachi Issues Stock Acquisition Rights as Stock Options

Tokyo, September 24, 2004 --- Hitachi, Ltd. (NYSE: HIT / TSE: 6501, the "Company") today announced that the details of stock acquisition rights to be issued as stock options, resolved at the 135th Ordinary General Meeting of Shareholders held June 24, 2004, have been decided on as follows.

1. Date of issue of stock acquisition rights (the "Rights")
October 1, 2004
2. Total number of the Rights to be issued
41 Rights
3. Class and number of shares to be issued upon exercise of the Rights
41,000 shares of the Company's common stock (1,000 shares per Right)
4. Issue price of the Rights
No consideration shall be paid.
5. Amount to be paid upon exercise of the Rights

The amount to be paid per share upon exercise of the Rights (the "Exercise Price") shall be 1.05 times of the market price (the "Market Price"), which is not lower price of either (i) the average of the closing price (including indication of any bid or offer) of a common stock on the Tokyo Stock Exchange on each of the thirty consecutive trading days commencing on the forty-fifth trading day preceding the issue date (excluding the number of days on which no closing price is quoted) or (ii) the closing price of the issue date (or if no closing price is quoted on the issue date, the latest closing price before the issue date shall be applied). Any fraction less than one yen shall be rounded up to the nearest one yen.

In the event that the Company issues new shares or reissues its own shares at price less than the Market Price (excluding the issue of shares resulting from the exercise of the stock acquisition rights) after the issue date, the Exercise Price will be subject to adjustment in accordance with the following formula, and any fraction less than one yen derived in consequence of adjustment shall be rounded up to the nearest one yen.

- more -

$$\begin{array}{r}
 \text{Exercise} \\
 \text{Price after} \\
 \text{adjustment}
 \end{array}
 =
 \begin{array}{r}
 \text{Exercise} \\
 \text{Price before} \\
 \text{adjustment}
 \end{array}
 \times
 \frac{
 \begin{array}{r}
 \text{Number} \\
 \text{of shares} \\
 \text{already} \\
 \text{issued}
 \end{array}
 +
 \frac{
 \begin{array}{r}
 \text{Number of} \\
 \text{new shares} \\
 \text{to be issued}
 \end{array}
 \times
 \begin{array}{r}
 \text{Amount} \\
 \text{to be paid} \\
 \text{per share}
 \end{array}
 }{
 \begin{array}{r}
 \text{Market Price per share} \\
 \text{before issue}
 \end{array}
 }{
 \begin{array}{r}
 \text{Number of} \\
 \text{shares already} \\
 \text{issued}
 \end{array}
 +
 \begin{array}{r}
 \text{Number of new} \\
 \text{shares to be} \\
 \text{issued}
 \end{array}
 }$$

In the above formula, the number of its own shares shall be excluded from the number of shares already issued. In the case of the reissue of its own shares, “Number of new shares to be issued” means “Number of its own shares to be reissued” and “Market Price per share before issue” means “Market Price per share before reissue.”

Upon stock split or consolidation of common stocks, the Exercise Price will be subject to adjustment in accordance with the following formula, and any fraction less than one yen derived in consequence of adjustment shall be rounded up to the nearest one yen.

$$\begin{array}{r}
 \text{Exercise} \\
 \text{Price} \\
 \text{after} \\
 \text{adjustment}
 \end{array}
 =
 \begin{array}{r}
 \text{Exercise} \\
 \text{Price} \\
 \text{before} \\
 \text{adjustment}
 \end{array}
 \times
 \frac{1}{\text{Ratio of stock split or consolidation}}$$

6. Period during which the Rights may be exercised

From October 2, 2005 through October 1, 2008

7. Qualified persons to be allocated the Rights

7 persons in total consisting of an Executive Officer and Corporate Officers of the Company

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>.

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.
