HITACHI LTD
Form 6-K
March 09, 2004

FORM 6-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934

For the month of February 2004
Commission File Number 1-8320

Hitachi, Ltd.
(Translation of registrant's name into English)

6, Kanda-Surugadai 4-chome, Chiyoda-ku, Tokyo 101-8010, Japan
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F x Form 40-F ________

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ________

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ________

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ________ No x

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-________

This report on Form 6-K contains the following:

1. Press release dated February 3, 2004 regarding details of joint venture with Casio in the field of mobile phones.

2. Press release dated February 4, 2004 regarding consolidated financial results for the third quarter of fiscal year ending March 31, 2004.

3. Press release dated February 4, 2004 regarding progress on Hitachi's medium-term management plan.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Hitachi, Ltd.
(Registrant)

Date March 9, 2004

By /s/ Takashi Hatchoji

Takashi Hatchoji
Vice President and Executive Officer

FOR IMMEDIATE RELEASE

Casio and Hitachi Announce Joint Venture Details
For Casio Hitachi Mobile Communications Co., Ltd.

Tokyo, February 3, 2004 --- Casio Computer Co., Ltd. (TSE:6952) and Hitachi, Ltd. (NYSE:HIT / TSE:6501) today announced the name, method of establishment, directors and other details for a joint venture mobile phone handset company that was announced on November 18, 2003. On April 1, 2004, the two companies will establish the new company, Casio Hitachi Mobile Communications Co., Ltd., and transfer their respective businesses to such company through corporate split under the Japanese Commercial Code. The development, design, manufacture, procurement, quality assurance, sales and service operations involving mobile phone handsets in Japan and overseas of Casio's Mobile Communication Products and Solution Division and of the Mobile Information & Communication Appliance Division of Hitachi's Ubiquitous Platform Systems Group will be transferred to the new company.

The new company will bring together Casio's proven high-density surface mounting, image processing, application software and other technologies with Hitachi's high-speed data communications technology, device application technologies, secure systems design and other technologies. This will create a more stable, robust business with many benefits that include: savings in development expenses through the use of shared handset platforms and more efficient use of development resources; shorter development lead times; and lower manufacturing costs through the integration of procurement activities. The new company will also be well positioned to develop attractive, competitive products that keep pace with technological advances, and provide products based on CDMA technology that can meet an expected expansion in overseas mobile phone markets. These and other advantages of the new company will drive business expansion.

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Reorganization Overview

1. Company Name : Casio Hitachi Mobile Communications Co., Ltd.

2. Overview of Corporate Split:

(1) Schedule for the corporate split

February 2, 2004	Approval by executive officers of corporate split agreement (Hitachi)
February 3, 2004	Approval by directors of corporate split agreement (Casio)
February 3, 2004	Conclusion of corporate split agreement
April 1, 2004	Date of corporate split (tentative)
April 1, 2004	Registration of corporate split (tentative)

(2) Method used for corporate split

a) Method used for corporate split

Casio and Hitachi will transfer their business units to a new company jointly established by them through a joint corporate split.

b) Reason for using this method

Casio and Hitachi have agreed to conduct joint development programs and to jointly establish a new company. The objectives are to develop mobile phone handsets more efficiently, stabilize business operations and bolster overseas operations. The method was chosen to ensure a smooth transition of these business activities to the new company.

(3) Stock allocation

a) Allocation ratio

Casio will receive 30,600 shares of common stock to be issued by the new company. Hitachi will receive 29,400 shares of common stock to be issued by the new company.

b) Basis for calculating allocation ratio

To ensure that the allocation ratio is fair and appropriate, Casio and Hitachi respectively asked third parties to examine the value of their business to be separated. Based on discussions by the two companies concerning the results of this examination, Casio and Hitachi agreed on a ratio of 51:49.

c) Results of third-party calculations, calculation method and basis for calculations

The third parties analyzed the value of the businesses of Casio and Hitachi that are to be separated using the discounted cash flow method and peer company comparisons, etc. This process was conducted after confirming with Casio and Hitachi valuation methods and assumptions and examining various documents regarding the separations that were provided by the two companies. Based on a comprehensive analysis using these elements, the third parties provided Casio and Hitachi with a range for the allocation ratio.

(4) Payments

There will be no payments with regard to the allocation of shares.

(5) Rights and obligations transferred to the new company

Casio and Hitachi will transfer to the new company all assets, liabilities and contractual status in principal contracts relating to the businesses to be separated.

(6) Outlook for fulfillment of financial obligations

Casio and Hitachi have judged that all obligations to be assumed by each company will possibly be fulfilled.

(7) Newly appointed directors of the new company

President and Director	Tateki Ohishi (Corporate Vice President, Senior General Manager, Casio's Mobile Communication Products and Solution Division)
Vice president and Director	Koutaro Kawamura (General Manager, Mobile Information & Communication Appliance Division of Hitachi's Ubiquitous Platform Systems Group)
Director	Kanji Ozawa (General Manager, Casio Techno Co., Ltd.'s Mobile Communication Products Service Division)
Director	Youji Ogawa (Manager, Mobile Information & Communication Appliance Division of Hitachi's Ubiquitous Platform Systems Group)
Director	Shinichi Onoe (Casio's Executive Adviser)
Director	Kazuhiro Tachibana (Chief Strategy Officer & General Manager, Strategic Planning Office Hitachi's Ubiquitous Platform Systems Group)
Director	Kouichi Takeichi (Director, Member of the Board, General Manager, Casio's General Strategy & Management Department)
Director	Norio Ogimoto (General Manager Storage Media System Operation and Tokai Center Digital Media Division of Hitachi's Ubiquitous Platform Systems Group)
Auditor	Tatsuo Minamino (Manager, Management Auditing Group, General Strategy & Management Department of Casio)
Auditor	Makoto Arakawa (Manager, Credit Section, Accounting Division of Casio)
Auditor	Masao Terada (Senior Manager, Financial Dept. Hitachi's Ubiquitous Platform Systems Group)

3. Profiles of Casio, Hitachi and Casio Hitachi Mobile Communications

(as of March 31, 2003, provisional data as of establishment for

Name	Casio Computer Co., Ltd.	Hitachi, Ltd.	Casio Hitachi Communications (New comp
Business content	Development, manufacture, sale and services for electronic equipment,	Development, manufacture, sale and services for information electronics,	Development, des manufacture, pro quality assuranc

	communications equipment, electronic devices and other products	power and industrial systems, digital media and consumer products and others	services for mob
Established	June 1, 1957	February 1, 1920 (Instigated in 1910)	April 1, 2004
Head office location	1-6-2 Hon-machi, Shibuya-ku, Tokyo	4-6, Kanda-Surugadai, Chiyoda-ku, Tokyo	2-229-1, Sakurag Higashi-Yamato C
President	Kazuo Kasio President and Director	Etsuhiko Shoyama President and Chief Executive Officer	Tateki Ohishi President and Di
Capital Stock	41,549 million yen	282,032 million yen	3.0 billion yen
Number of Shares Held (shares)	270,442,868	3,368,124,286	60,000
Shareholders' equity	135,238 million yen	1,373,964 million yen	10.0 billion yen
Total assets	412,854 million yen	3,825,029 million yen	13.0 billion yen
Settlement term	March 31	March 31	March 31
Number of Employees (Unconsolidated Basis)	3,371	42,375	350 (Temporary trans (Schedule)
Principal customers	Public-sector Manufacturing and non-manufacturing industries as well as government agencies both domestic and overseas	Public-sector Manufacturing and non-manufacturing industries as well as government agencies both domestic and overseas	Casio Computer C Hitachi, Ltd.
Major shareholders and holdings	Japan Trustee Services Bank, Ltd. 6.18% Nippon Life Insurance Company 5.05% Sumitomo Mitsui Banking Corp. 4.94%	Japan Trustee Services Bank, Ltd. 6.30% NATS CUMCO 5.13% The Master Trust Bank of Japan, Ltd. 5.02%	Casio Computer C Hitachi, Ltd.
Primary transaction banks	Sumitomo Mitsui Banking Corp. UFJ Bank Ltd. Mizuho Corporate Bank, Ltd. The bank of Tokyo-Mitsubishi, Ltd. Others	Mizuho Corporate Bank, Ltd. UFJ Bank Ltd. Mizuho Trust & Banking Co., Ltd. Others	To be decided

Significant relationships	Capital	Casio and Hitachi are the owners of the new company.
	Human resources	Casio plans to temporarily transfer 190 of its employees new company. Hitachi plans to temporarily transfer 160 of employees to the new company.
	Transactions	The new company will sell products to Hitachi and Casio.

4. Financial Results (for the most recent three years) (

Fiscal year ended	Casio Computer Co., Ltd. (Separating company) 2001/3/31	2002/3/31	2003/3/31	Hitachi, Lt (Separating com 2001/3/31	2002/3/31
Net sales	341,361	295,415	359,159	4,015,824	3,522,299
Operating income (loss)	8,561	(8,480)	12,327	98,577	(84,742
Ordinary income (loss)	6,404	(13,830)	9,270	56,058	(81,663
Net income (loss)	3,785	(20,838)	4,503	40,121	(252,641
Net income per share (yen)	13.94	(76.76)	16.14	12.02	(75.69
Dividend per share (yen)	12.50	12.50	12.50	11.00	3.00
Shareholder's per share (yen)	602.39	510.11	500.33	496.81	408.79

5. Business operations to be separated

(1) Mobile phone handset business

Casio Computer Co., Ltd.

Development, design, manufacture, procurement, quality assurance, sales and service operations involving mobile phone handsets in Japan and overseas of the Communications Business Division (excluding the Sales Division and Product Planning Department within this division), and activities related to the above operations.

Hitachi, Ltd.

Development, design, manufacture, procurement, quality assurance, sales and service operations involving mobile phone handsets in Japan and overseas of the Mobile Information & Communication Appliance Division (excluding the Product Planning Division within this division), and activities related to the above operations.

(2) Assets and liabilities to be transferred (estimate for March 31, 2004)

Casio Computer Co., Ltd.

Assets		Liabilities	
Inventories Property and equipment Investments and intangible assets Other assets	7.9 billion yen	Loans Other liabilities	2.8 billion yen

Hitachi, Ltd.

Assets		Liabilities	
Inventories			
Property and equipment			
Investments and intangible assets	5.0 billion yen	Loans Other liabilities	0.1 billion yen
Other assets			

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6. Status of companies following corporate split

(1) There will be no changes in the names, business activities, head offices or CEOs of Casio or Hitachi. Moreover, this transaction will not reduce the paid-in capital of the two companies.

(2) Impact on operating results

Casio Computer Co., Ltd.
The company plans to announce post-split consolidated and non-consolidated forecasts when it releases operating results for the fiscal year ending in March 2004.

Hitachi, Ltd.
The corporate split will have a negligible impact on operating results.

About Casio Computer Co., Ltd.
Casio Computer Co., Ltd. is one of the leading consumer electronics companies in the world. Since its establishment in 1957, Casio has been active in the development of a range of consumer electronic products such as electronic calculators, timepieces, musical instruments, digital cameras, and mobile phones. In recent years, Casio has also focused on technologies for compact LCDs, LSI chip mounting processes and other electronic devices. Visit Casio's global web site at http://world.casio.com/

About Hitachi, Ltd.
Hitachi, Ltd. (NYSE: HIT), headquartered in Tokyo, Japan, is a leading global electronics company, with approximately 340,000 employees worldwide. Fiscal 2002 (ended March 31, 2003) consolidated sales totaled 8,191.7 billion yen ($68.3 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.

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FOR IMMEDIATE RELEASE

Hitachi Announces Consolidated Financial Results
for the Third Quarter of Fiscal 2003

Tokyo, February 4, 2004 --- Hitachi, Ltd. (NYSE:HIT / TSE:6501) today announced its consolidated financial results for the third quarter of fiscal 2003, which ended December 31, 2003.

During the quarter, the U.S. economy, driven by consumer spending and plant and equipment investment, remained strong. In addition, Asian economies staged an export-led recovery. Amid falling product and service prices as deflation persisted, the Japanese economy as a whole continued its resurgence, supported in part by the upswing in private-sector plant and equipment investment.

Against this backdrop, net sales rose 7% year on year, to 2,046.9 billion yen (US$19,131 million). This came amid major year-on-year changes in the Information & Telecommunication Systems and Electronic Devices segments that resulted from ongoing business portfolio realignment across the Hitachi Group. Operating income climbed 391%, to 63.2 billion yen (US$591 million) with major contribution from improved earnings in Electronic Devices and Digital Media & Consumer Products segments as well as the positive effect of return of the substitutional portion of the Employees Pension Fund to the government.

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By segment, Information & Telecommunication Systems sales increased 26%, to 514.5 billion yen (US$4,809 million), 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 its operating income leap 640%, to 13.4 billion yen (US$125 million).

In Electronic Devices, segment sales declined 12%, to 334.8 billion yen (US$3,130 million), 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 11.8 billion yen (US$111 million), reversing an operating loss of 6.0 billion yen (US$56 million) a year earlier. Improved profitability in displays contributed to the turnaround.

In Power & Industrial Systems, sales decreased 3%, to 482.0 billion yen (US$4,505 million) due to sluggish sales of power generation equipment, which negated growth in sales to overseas markets at Hitachi Construction Machinery Co., Ltd. Operating income dipped 68%, to 3.0 billion yen (US$28 million), despite higher earnings at Hitachi Construction Machinery. The lower profit was attributable to deterioration in profits in power generation equipment as sales declined, as well as to additional work at environmental plant projects in Japan.

In Digital Media & Consumer Products, sales rose 7%, to 328.3 billion yen (US$3,069 million), overcoming lackluster demand in Japan for home appliances and lower sales of heating appliances due to the mild winter. Moreover, at Hitachi Maxell, Ltd., while sales of recordable DVDs increased, sales were sluggish for computer tapes and lithium ion batteries for mobile phones. Pacing growth in segment sales were higher sales of plasma TVs and optical disk drives in a growing market, as well as sharply higher sales of mobile phones. Segment operating income soared 313%, to 11.3 billion yen (US$106 million), as structural reforms led to improved profits in home appliances and earnings increased from optical disk drives.

In High Functional Materials & Components, sales increased 6%, to 329.8 billion yen (US$3,083 million). At Hitachi Cable, Ltd., sales of wires and cables increased while sales of electrical equipment and construction were weak. At Hitachi Chemical Co., Ltd., sales growth was recorded by materials for semiconductors and LCDs. At Hitachi Metals, Ltd., sales were lackluster in construction components, plant and equipment, but remained strong in electronic materials. Segment operating income climbed 110%, to 14.9 billion yen (US$139 million).

In Logistics, Services & Others, sales decreased 18%, to 307.6 billion yen (US$2,876 million), 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 the newly established Renesas Technology, and the transfer of HDD sales operations to Hitachi Global Storage Technologies. Segment operating income rose 28%, to 3.4 billion yen (US$32 million).

In Financial Services, low interest rates and a declining volume of automobile loans to individuals affected results. Segment sales edged down 3%, to 137.9 billion yen (US$1,289 million). However, operating income climbed 137%, to 7.3 billion yen (US$69 million).

Other income jumped 149%, to 18.2 billion yen (US$171 million), despite lower interest income and dividends received. This increase was mainly attributable to higher gains on the sale of marketable and investment securities. Other deductions increased 80%, to 35.3 billion yen (US$330 million), due partly to charges for structural reforms.

As a result, Hitachi recorded income before income taxes and minority interests of 46.1 billion yen (US$432 million), and after 39.2 billion yen (US$367 million) in income taxes, income before minority interests of 6.9 billion yen (US$65 million). Hitachi recorded net income of 2.5 billion yen (US$24 million), reversing a net loss of 2.2 billion yen (US$21 million) a year earlier.

Financial Position

Operating activities used net cash of 56.9 billion yen (US$532 million), 26.7 billion yen (US$250 million) more than a year earlier, the result primarily of higher inventory levels to meet expected sales in the fourth quarter.

Investing activities used net cash of 132.4 billion yen (US$1,238 million), 205.5 billion yen (US$1,921 million) less year on year. The decrease was mainly due to the payment for the acquisition of the hard disk drive operations from IBM Corporation in the third quarter of the previous year.

Free cash flows, the sum of cash flows from operating and investing activities, were an outflow of 189.3 billion yen (US$1,770 million), an improvement of 178.7 billion yen (US$1,670 million) year on year.

Financing activities provided net cash of 103.3 billion yen (US$966 million), a decrease of 166.1 billion yen (US$1,553 million) over the net cash provided in the previous fiscal year, mainly due to a smaller increase in interest-bearing debt.

Cash and cash equivalents as of December 31, 2003 amounted to 614.5 billion yen (US$5,744 million), a net decrease of 94.4 billion yen (US$883 million) during the third quarter.

Debt as of December 31, 2003 stood at 2,797.0 billion yen (US$26,141 million), 94.4 billion yen (US$883 million) higher than at September 30, 2003 as a result of an increase in short-term debt.

Capital investment on a completion basis rose 16%, to 213.5 billion yen (US$1,996 million). Of this, investment for internal use assets declined 5% to 70.1 billion yen (US$656 million) while investment for leasing assets increased 30% to 143.3 billion yen (US$1,340 million). Depreciation decreased 3%, to 113.9 billion yen (US$1,065 million) and R&D expenditures amounted to 86.6 billion yen (US$810 million), a decrease of 4% from the previous year, and corresponded to 4.2% of net sales.

All figures were converted at the rate of 107 yen = U.S.$1, the approximate exchange rate on the Tokyo Foreign Exchange Market as of December 30, 2003.

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Outlook for Fiscal 2003

The recovery in the world economy is expected to become even more evident based on expectations for more growth in the U.S. economy driven by higher personal spending and recovery in Asia on the back of the U.S. upswing.

The Japanese economy, while benefiting from the continuation of strong exports to the U.S. and Asia as well as increasing private-sector plant and equipment investment, is expected to remain clouded in uncertainty. There are still no immediate expectations for a dramatic improvement in the job market, and the recent significant changes in foreign exchange rates continue to impact corporate earnings. These and other factors are creating an uncertain operating environment.

Hitachi has decided not to revise its projections for fiscal 2003, as announced in October last year and detailed below. The projections assume an exchange rate of 105 yen to the U.S. dollar for the fourth quarter of fiscal 2003.

Net sales	8,350.0 billion yen (US$79,524 million)	(year-on-year increase of 2%)
Operating income	170.0 billion yen (US$1,619 million)	(year-on-year increase of 11%)
Income before income taxes and minority interests	225.0 billion yen (US$2,143 million)	(year-on-year increase of 132%)
Income before minority interests	45.0 billion yen (US$429 million)	(year-on-year increase of 2%)
Net income	10.0 billion yen (US$95 million)	(year-on-year decrease of 64%)

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.

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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.

Hitachi, Ltd. and Subsidiaries

Consolidated Financial Statements
for the Third Quarter Ended December 31, 2003

The consolidated financial statements presented herein are expressed in yen and, solely for the convenience of the reader, have been translated into United States dollars at the rate of 107 yen = U.S.$1, the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market as of December 30, 2003.

Summary

In millions of yen and U.S. dollars, except Net income (loss) per share (6) and Net income (loss) per American Depositary Share (7).

	Three months ended December 31				Nine months	
	Yen (millions)		(A)/(B) X100(%)	U.S. $ (millions)	Yen (millions)	
	2003 (A)	2002 (B)		2003	2003 (C)	2002 (
1. Net sales	2,046,964	1,921,059	107	19,131	6,088,371	5,837,
2. Operating income	63,274	12,896	491	591	83,513	74,
3. Income before income taxes and minority interests	46,186	603	--	432	136,689	34,
4. Income before minority interests	6,955	2,122	328	65	21,279	19,
5. Net income (loss)	2,519	(2,263)	--	24	7,903	3,
6. Net income (loss) per share						
Basic	0.76	(0.68)	--	0.01	2.39	1
Diluted	0.73	--	--	0.01	2.32	0
7. Net income (loss) per ADS (representing 10 shares)						
Basic	8	(7)	--	0.07	24	
Diluted	7	--	--	0.07	23	

Notes: 1. The Company's financial statements are prepared based on U.S. GAAPs and are unaudited.
2. Figures for the third quarter and first nine months of fiscal 2002 have been restated to reflect the Company's adoption of the FASB's

Emerging Issues Task Force (EITF) Issue No. 03-2, "Accounting for the Transfer to the Japanese Government of the Substitutional Portion of Employee Pension Fund Liabilities," which was issued in January 2003.

3. Segment Information and operating income are presented in accordance with financial reporting principles and practices generally accepted in Japan.
4. The figures are for 966 consolidated subsidiaries and 166 equity-method affiliates.

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Consolidated Statements of Income (Unaudited)

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	Three months ended December 31			
	Yen (millions)		(A)/(B) X100(%)	U.S. Dollars (millions)
	2003 (A)	2002 (B)		2003
Net sales	2,046,964	1,921,059	107	19,131
Cost of sales	1,560,963	1,465,699	106	14,588
Selling, general and administrative expenses	422,727	442,464	96	3,951
Operating income	63,274	12,896	491	591
Other income	18,265	7,331	249	171
(Interest and dividends)	4,398	5,345	82	41
(Other)	13,867	1,986	698	130
Other deductions	35,353	19,624	180	330
(Interest charges)	7,519	8,113	93	70
(Other)	27,834	11,511	242	260
Income before income taxes and minority interests	46,186	603	--	432
Income taxes	39,231	(1,519)	--	367
Income before minority interests	6,955	2,122	328	65
Minority interests	4,436	4,385	101	41
Net income (loss)	2,519	(2,263)	--	24

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Consolidated Statements of Income (Unaudited)

	Nine months ended December 31
	U.S.

	Yen (millions) 2003 (C)	Yen (millions) 2002 (D)	(C)/(D) X100(%)	Dollars (millions) 2003
Net sales	6,088,371	5,837,550	104	56,901
Cost of sales	4,718,939	4,435,257	106	44,102
Selling, general and administrative expenses	1,285,919	1,327,709	97	12,018
Operating income	83,513	74,584	112	780
Other income	125,781	34,043	369	1,176
(Interest and dividends)	14,932	16,326	91	140
(Other)	110,849	17,717	626	1,036
Other deductions	72,605	74,557	97	679
(Interest charges)	23,837	25,916	92	223
(Other)	48,768	48,641	100	456
Income before income taxes and minority interests	136,689	34,070	401	1,277
Income taxes	115,410	14,562	793	1,079
Income before minority interests	21,279	19,508	109	199
Minority interests	13,376	16,105	83	125
Net income	7,903	3,403	232	74

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Consolidated Balance Sheets (Unaudited)

	Yen (millions) As of December 31, 2003(A)	Yen (millions) As of September 30, 2003(B)	(A)/(B) X100(%)	Yen (millions As of March 31, 2003
Assets	9,867,566	9,884,473	100	10,179,38
Current assets	5,326,623	5,132,368	104	5,193,46
Cash and cash equivalents	614,593	709,084	87	828,17
Short-term investments	263,431	254,178	104	186,97
Trade receivables (Notes and Accounts)	2,083,064	1,981,959	105	2,057,22
Investment in leases	499,588	455,485	110	437,07
Inventories	1,333,036	1,187,133	112	1,187,52
Other current assets	532,911	544,529	98	496,49
Investments and advances	871,314	877,763	99	726,44

Property, plant and equipment	2,276,856	2,339,046	97	2,601,05
Other assets	1,392,773	1,535,296	91	1,658,43
Liabilities and Stockholders' equity	9,867,566	9,884,473	100	10,179,38
Current liabilities	4,090,046	3,933,087	104	4,005,22
Short-term debt and current installments of long-term debt	1,476,462	1,357,156	109	1,328,44
Trade payables (Notes and Accounts)	1,186,766	1,135,402	105	1,212,06
Other current liabilities	1,426,818	1,440,529	99	1,464,71
Noncurrent liabilities	3,002,533	3,375,729	89	3,569,37
Long-term debt	1,320,636	1,345,461	98	1,512,15
Other liabilities	1,681,897	2,030,268	83	2,057,21
Minority interests	756,519	750,142	101	751,57
Stockholders' equity	2,018,468	1,825,515	111	1,853,21
Common stock	282,032	282,032	100	282,03
Capital surplus	550,051	549,548	100	562,21
Legal reserve and retained earnings	1,755,100	1,760,817	100	1,766,33
Accumulated other comprehensive income (loss)	(536,689)	(734,958)	--	(755,52
(Foreign currency translation adjustments)	(92,548)	(70,754)	--	(60,94
(Minimum pension liability adjustments)	(472,338)	(691,794)	--	(698,91
(Net unrealized holding gain on available-for-sale securities)	29,151	28,536	102	4,87
(Cash flow hedges)	(954)	(946)	--	(53
Treasury stock	(32,026)	(31,924)	--	(1,84

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Consolidated Statements of Cash Flows (Unaudited)

	Three months ended December 31		
	Yen (millions)		U.S. Dollars (millions)
	2003	2002	2003
Cash flows from operating activities			
Net income (loss)	2,519	(2,263)	24
Adjustments to reconcile net income (loss) to net cash used in operating activities			
Depreciation	113,909	117,683	1,065
Increase in receivables and inventories	(255,328)	(185,323)	(2,386)
Increase in payables	69,053	85,098	645
Other	12,903	(45,353)	121
Net cash used in operating activities	(56,944)	(30,158)	(532)

Cash flows from investing activities			
(Increase) decrease in short-term investments	(21,737)	3,898	(203)
Purchase of rental assets and other properties, net	(178,783)	(166,211)	(1,671)
Proceeds from sale of (purchase of) investments and subsidiaries' common stock, net	20,927	(3,982)	196
Collection of investment in leases	78,733	72,090	736
Other	(31,560)	(243,718)	(295)
Net cash used in investing activities	(132,420)	(337,923)	(1,238)
Cash flows from financing activities			
Increase in interest-bearing debt	116,726	284,352	1,091
Dividends paid to stockholders	(9,077)	(8,524)	(85)
Dividends paid to minority stockholders of subsidiaries	(5,497)	(5,390)	(51)
Other	1,163	(969)	11
Net cash provided by financing activities	103,315	269,469	966
Effect of exchange rate changes on cash and cash equivalents	(8,442)	(1,584)	(79)
Net decrease in cash and cash equivalents	(94,491)	(100,196)	(883)
Cash and cash equivalents at beginning of the period	709,084	875,212	6,627
Cash and cash equivalents at end of the period	614,593	775,016	5,744

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Consolidated Statements of Cash Flows (Unaudited)

	Nine months ended December 31		
	Yen (millions)		U.S. Dollars (millions)
	2003	2002	2003
Cash flows from operating activities			
Net income	7,903	3,403	74
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation	327,825	343,963	3,064
Increase in receivables and inventories	(282,662)	(10,059)	(2,642)
Increase in payables	31,232	59,187	292
Other	83,351	(235,149)	779
Net cash provided by operating activities	167,649	161,345	1,567
Cash flows from investing activities			
(Increase) decrease in short-term investments	(90,351)	21,489	(844)

Purchase of rental assets and other properties, net	(508,559)	(471,719)	(4,753)
Proceeds from sale of investments and subsidiaries' common stock, net	138,327	52,007	1,293
Collection of investment in leases	276,218	281,959	2,581
Other	(105,234)	(350,618)	(983)
Net cash used in investing activities	(289,599)	(466,882)	(2,707)
Cash flows from financing activities			
Increase (decrease) in interest-bearing debt	(10,687)	92,445	(100)
Dividends paid to stockholders	(19,188)	(8,606)	(179)
Dividends paid to minority stockholders of subsidiaries	(12,288)	(12,346)	(115)
Other	(28,272)	119	(264)
Net cash provided by (used in) financing activities	(70,435)	71,612	(658)
Effect of exchange rate changes on cash and cash equivalents	(21,193)	(20,433)	(198)
Net decrease in cash and cash equivalents	(213,578)	(254,358)	(1,996)
Cash and cash equivalents at beginning of the period	828,171	1,029,374	7,740
Cash and cash equivalents at end of the period	614,593	775,016	5,744

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Segment Information (Unaudited)

Industry Segments

		Three months ended December 31			
		Yen (millions)		(A)/(B) X100	U.S. Do (milli
		2003 (A)	2002 (B)	(%)	200
	Information & Telecommunication Systems	514,599 21%	409,665 17%	126	
	Electronic Devices	334,899 14%	378,452 16%	88	
	Power & Industrial Systems	482,057 20%	498,747 20%	97	
	Digital Media & Consumer Products	328,396 13%	307,473 13%	107	
Sales	High Functional Materials & Components	329,844 13%	310,323 13%	106	

	Logistics, Services & Others	307,685 13%	375,994 15%	82
	Financial Services	137,942 6%	142,924 6%	97
	Subtotal	2,435,422 100%	2,423,578 100%	100
	Eliminations & Corporate items	(388,458)	(502,519)	--
	Total	2,046,964	1,921,059	107
Operating income (loss)	Information & Telecommunication Systems	13,408 21%	1,811 9%	740
	Electronic Devices	11,871 18%	(6,010) (29%)	--
	Power & Industrial Systems	3,045 5%	9,552 45%	32
	Digital Media & Consumer Products	11,360 17%	2,748 13%	413
	High Functional Materials & Components	14,909 23%	7,113 34%	210
	Logistics, Services & Others	3,437 5%	2,678 13%	128
	Financial Services	7,383 11%	3,116 15%	237
	Subtotal	65,413 100%	21,008 100%	311
	Eliminations & Corporate items	(2,139)	(8,112)	--
	Total	63,274	12,896	491

Note: Net sales by industry segment include intersegment transactions.

Segment Information (Unaudited)

Industry Segments

Nine months ended December 31			
Yen (millions)		(C)/(D) X100(%)	U.S. Do (milli
2003 (C)	2002 (D)		200

Sales	Information & Telecommunication Systems	1,567,878 22%	1,287,895 17%	122
	Electronic Devices	942,428 13%	1,144,869 16%	82
	Power & Industrial Systems	1,555,496 21%	1,566,848 21%	99
	Digital Media & Consumer Products	913,807 12%	905,162 12%	101
	High Functional Materials & Components	952,050 13%	923,384 13%	103
	Logistics, Services & Others	920,654 13%	1,076,607 15%	86
	Financial Services	405,865 6%	436,245 6%	93
	Subtotal	7,258,178 100%	7,341,010 100%	99
	Eliminations & Corporate items	(1,169,807)	(1,503,460)	--
	Total	6,088,371	5,837,550	104
Operating income (loss)	Information & Telecommunication Systems	18,807 19%	43,978 44%	43
	Electronic Devices	15,546 15%	(13,928) (14%)	--
	Power & Industrial Systems	10,980 11%	20,663 20%	53
	Digital Media & Consumer Products	12,088 12%	8,495 8%	142
	High Functional Materials & Components	24,142 24%	16,155 16%	149
	Logistics, Services & Others	3,040 3%	4,135 4%	74
	Financial Services	15,578 16%	21,769 22%	72
	Subtotal	100,181 100%	101,267 100%	99
	Eliminations & Corporate items	(16,668)	(26,683)	--
	Total	83,513	74,584	112

Note: Net sales by industry segment include intersegment transactions.

Segment Information (Unaudited)

Sales by Market

	Three months ended December 31			
	Yen (millions)		(A)/(B) X100(%)	U.S. Do (milli
	2003 (A)	2002 (B)		200
Japan	1,277,820 62%	1,244,908 65%	103	
Asia	310,118 15%	254,008 13%	122	
North America	230,161 11%	242,035 13%	95	
Europe	171,689 9%	135,257 7%	127	
Other Areas	57,176 3%	44,851 2%	127	
Outside Japan	769,144 38%	676,151 35%	114	
Total	2,046,964 100%	1,921,059 100%	107	

	Nine months ended December 31			
	Yen (millions)		(C)/(D) X100(%)	U.S. Do (milli
	2003 (C)	2002 (D)		200
Japan	3,914,182 64%	3,878,016 66%	101	
Asia	863,901 14%	752,602 13%	115	
North America	658,379 11%	669,015 12%	98	
Europe	475,147 8%	397,442 7%	120	

Other Areas	176,762 3%	140,475 2%	126
Outside Japan	2,174,189 36%	1,959,534 34%	111
Total	6,088,371 100%	5,837,550 100%	104

# # #

February 4, 2004
Hitachi, Ltd.

Supplementary Information
for the Third Quarter Ended December 31, 2003 (Consolidated basis)

1. Summary (Bill

	Three months ended December 31			Nine months ended D	
		2003			
	2002(A)	(B)	(B)/(A) X100(%)	2002(C)	(D)
Average exchange rate (Yen / U.S.$)	122	108	--	122	115
Capital investment (Completion basis)	184.0	213.5	116	559.3	594.4
Leasing assets	110.1	143.3	130	323.9	379.9
Other	73.8	70.1	95	235.3	214.5
Depreciation	117.6	113.9	97	343.9	327.8
Leasing assets	20.3	26.9	132	60.5	80.2
Other	97.2	86.9	89	283.3	247.6
R&D expenditure	90.7	86.6	96	280.4	271.1
Percentage of net sales	4.7%	4.2%	--	4.8%	4.5%

	As of March 31, 2003	As of September 30, 2003	As of D 2
Stockholders' equity per share (Yen)	550.76	553.48	

Cash & cash equivalents, Short-term investments (Billions of yen)	1,015.1	963.2
Interest-bearing debt (Billions of yen)	2,840.5	2,702.6
Number of employees	339,572	326,500
Japan	256,085	243,476
Overseas	83,487	83,024
Number of consolidated subsidiaries	1,112	967
Japan	708	560
Overseas	404	407

2.Overseas sales by industry segment (Bill

	Three months ended December 31			Nine months ended D	
		2003			
	2002(A)	(B)	(B)/(A) X100(%)	2002(C)	(D)
Information & Telecommunication Systems	79.5	186.1	234	208.5	492.9
Electronic Devices	137.7	132.6	96	400.9	364.2
Power & Industrial Systems	88.3	120.7	137	282.5	356.3
Digital Media & Consumer Products	114.9	126.2	110	360.9	363.8
High Functional Materials & Components	78.4	85.1	109	234.0	245.6
Logistics, Services & Others	166.9	108.9	65	444.0	322.5
Financial Services	9.6	9.2	95	28.1	28.5
Eliminations & Corporate items	0.4	0.0	--	0.3	0.0
Total	676.1	769.1	114	1,959.5	2,174.1

# # #

February 4, 2004
Hitachi, Ltd.

Supplementary Information on Information & Telecommunication Systems and Displays

Note: *1. Segment information and operating income (loss) are presented in accordance with financial reporting principles and practices generally accepted in Japan.

1. Information & Telecommunication Systems

(1) Sales and operating income by product sector *2 *3 (Bill

	Three months ended December 31			Nine months ended D	
	2003 (A)	2002 (B)	(A)/(B) X100(%)	2003 (C)	2002 (D)
Sales	514.5	409.6	126%	1,567.8	1,287.8
Software & Services	191.2	189.2	101%	650.7	642.6
Hardware	323.3	220.4	147%	917.0	645.2
Operating income	13.4	1.8	740%	18.8	43.9

Notes: *2. On April 1, 2003, all hard disk drive operations were integrated with Hitachi Global Storage Technologies (Hitachi GST), a Hitachi subsidiary which started operations on January 1, 2003. Hitachi GST has a December 31 year-end and the consolidated results for Hitachi, Ltd. for the nine months ended December 31, 2003, includes Hitachi GST's business results for the nine months ended September 30, 2003.

*3. Figures for each product exclude intra-segment transactions.

(2) Sales by product sector *2 *3 (Bill

	Three months ended December 31			Nine months ended De	
	2003 (A)	2002 (B)	(A)/(B) X100(%)	2003 (C)	2002 (D)
Sales	514.5	409.6	126%	1,567.8	1,287.8
Software & Services	191.2	189.2	101%	650.7	642.6
Software	37.3	39.8	94%	121.1	131.4
Services	153.9	149.4	103%	529.6	511.2
Hardware	323.3	220.4	147%	917.0	645.2
Storage *4	176.3	88.0	200%	468.4	253.5
Servers *5	30.0	33.8	89%	97.0	93.9

PCs *6	32.7	32.3	101%	99.5	103.9
Telecommunication	31.2	25.1	124%	90.0	72.3
Others	53.1	41.2	129%	162.1	121.6

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Notes: *4. Figures for Storage include disk array subsystems, hard disk drives, etc.
*5. Figures for Servers include general-purpose computers, UNIX servers, supercomputers, etc.
*6. Figures for PCs include PC servers, client PCs, etc.

(3) SAN/NAS Storage Solutions

(Bill

	Three months ended December 31			Nine months ended D	
	2003 (A)	2002 (B)	(A)/(B) X100(%)	2003 (C)	2002 (D)
Sales	65.0	70.0	93%	193.0	200.0

(4) Hard Disk Drives *7 *8

[Period from April 1, 2002 through December 31, 2002]

Period recorded for consolidated accounting purposes	Three months ended December 31 (Oct.2002 to Dec.2002)	Nine months ended December 31 (Apr.2002 to Dec.2002)
Shipment Period	Oct.2002 to Dec.2002	Apr.2002 to Dec.2002
Sales (billions of yen)	--	--
Shipments (thousand units) *9	2,200	6,200
Mobiles *10	1,900	5,400
Servers *11	300	800
Desktops *12	--	--
Emerging *13	--	--

[Period from April 1, 2003 through December 31, 2003]

Period recorded for consolidated accounting	Three months ended December 31	Nine months ended December 31

purposes	(Oct.2003 to Dec.2003)	(Apr.2003 to Dec.2003)	
Shipment Period	Jul.2003 to Sep.2003	Jan.2003 to Sep.2003	
			Ref *14
Sales (billions of yen)	128.6	321.5	348.3
Shipments (thousand units) *9	11,600	28,400	30,700
Mobiles *10	6,600	15,800	17,800
Servers *11	900	2,100	2,300
Desktops *12	3,900	10,200	10,200
Emerging *13	160	360	360

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[Period from April 1, 2003 through March 31, 2004]

Period recorded for consolidated accounting purposes	Three months ended March 31 (Jan.2004 to Mar.2004)	Twelve months ended December 31 (Apr.2003 to Mar.2004)	
Shipment Period	Oct.2003 to Dec.2003 *15	Jan.2003 to Dec.2003	
			Ref *14
Sales (billions of yen)	135.9	457.4	484.2
Shipments (thousand units) *9	12,600	41,100	43,400
Mobiles *10	7,300	23,100	25,100
Servers *11	1,100	3,100	3,400
Desktops *12	4,200	14,400	14,400
Emerging *13	130	480	480

Notes: *7. Figures include intra-segment transactions.

*8. On December 31, 2002, Hitachi purchased majority ownership in a company to which IBM Corporation's hard disk drive operations had been transferred. On January 1, 2003, the company began operating as Hitachi GST. Hitachi GST has a December 31 year-end and Hitachi, Ltd. has a March 31 year-end. The third-quarter consolidated results for Hitachi, Ltd. include the results of Hitachi GST for the three-month period from July 1, 2003 through September 30, 2003. Meanwhile, the results of Hitachi, Ltd.'s HDD operations for the period from January 1, 2003 through March 31, 2003 were included in Hitachi's consolidated financial results for the year ended March 31, 2003. On April 1, 2003, Hitachi, Ltd.'s HDD operations were integrated in Hitachi GST.

*9. Shipment less than 100,000 units have been rounded, with the exception of Emerging, where shipment less than 10,000 units have been rounded.

*10. Note-PCs (2.5inch), consumer electronics applications (1.8inch), etc.

*11. Disk array subsystems, servers (3.5inch), etc.

*12. Desktop-PCs, consumer electronics applications (3.5inch), etc.

*13. Hand held devices (1 inch), automotive (2.5 inch), etc.

*14. The figures provided for reference purposes represent the combined sales and shipments of Hitachi, Ltd.'s HDD operations prior to integration and Hitachi GST's operations, and are shown to give an overall picture of Hitachi's HDD operations for the nine-month period ended September 30, 2003 and for the twelve-month period ended December 31, 2003.

*15. Results for HDD operations in the period from October 1, 2003 through December 31, 2003 will be included in Hitachi's fiscal 2003 fourth-quarter, ending March 31, 2004 results.

2. Displays

(1) Sales and operating income (loss)

(Bill

	Three months ended December 31			Nine months ended D	
	2003(A)	2002(B)	(A)/(B) X100(%)	2003(C)	2002(D)
Sales	69.0	43.7	158%	187.8	143.7
Operating income (loss)	4.5	(7.7)	--	(0.4)	(9.0)

(2) LCD sales

(Bill

	Three months ended December 31			Nine months ended D	
	2003(A)	2002(B)	(A)/(B) X100(%)	2003(C)	2002(D)
Sales	61.0	32.0	191%	161.0	112.0
Large-size LCDs	29.0	20.0	145%	84.0	78.0
Small and medium-size LCDs	32.0	12.0	267%	77.0	34.0

# # #

FOR IMMEDIATE RELEASE

Progress on the "i.e.HITACHI Plan II" Medium-Term Management Plan

Tokyo, February 4, 2004 --- Hitachi, Ltd. (NYSE:HIT / TSE:6501) today announced progress with initiatives designed to achieve positive FIV* (Future Inspiration Value) in fiscal 2005, a goal of its current medium-term management plan, "i.e.HITACHI Plan II."

Hitachi is realigning its business portfolio based on reviews of the activities and growth potential of all businesses. With many of the acquisitions and joint ventures conducted thus far having proven successful, targeted businesses are expected to grow between now and fiscal 2005.

Moreover, Hitachi is actively making investments in R&D in the ubiquitous application products, the automotive equipment, biomedical and other businesses, all of which are expected to expand from fiscal 2006 onward. Advanced research, the wellspring of future growth, is another area where Hitachi is bolstering R&D.

At present, Hitachi expects it will be capable of generating consolidated operating income in excess of 400 billion yen on net sales in the order of 9 trillion yen in fiscal 2005. Based on this assumption, Hitachi expects to generate positive FIV that year.

* 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.

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1. Progress With Realigning the Business Portfolio and Measures to Increase Profitability

Hitachi is projecting that consolidated net sales in fiscal 2005 will be approximately 650 billion yen higher than in fiscal 2002 due to the acquisition of IBM Corporation's hard disk drive (HDD) operations, the acquisition of Sumitomo Special Metals Co., Ltd. by Hitachi Metals, Ltd. and other business portfolio realignment actions. Conversely, the transfer of Hitachi, Ltd.'s semiconductor operations to joint venture Renesas Technology Corp. and other developments are expected to lower net sales over the same period by approximately 540 billion yen.

The integration of semiconductor operations in joint ventures, which are accounted for as equity-method affiliates, has bolstered competitiveness and improved earnings.

In the display business, earnings have improved significantly by changing the product mix. The focus in this business has shifted from the highly volatile notebook PC market to small and medium-size LCD panels, particularly for the expanding market in Japan for mobile phones featuring color screens. Growth in LCD panels for flat panel TVs is another factor behind the improvement in earnings. At this time, Hitachi has decided to invest an additional 12 billion yen in a production line for low-temperature polysilicon TFT LCDs in response to increasing demand for mobile phones equipped with high-resolution color displays.

In the consumer business, Hitachi Home & Life Solutions, Inc. has initiated structural reforms, mainly focused on reducing fixed expenses. Initiatives such as expanding sales in Japan of home appliances manufactured overseas are intended to give the company a more competitive structure, particularly regarding fixed costs, with which it can expand its business going forward. Meanwhile, Hitachi, Ltd.'s Ubiquitous Platform Systems Group has reorganized and integrated bases producing CRT TVs, VTRs and other existing audio-visual products in Japan and overseas, while refocusing on digital consumer electronics, a category which includes plasma TVs, projection TVs and optical storage drives.

In addition to these initiatives, Hitachi has been pushing ahead with Corporate Innovation Initiative II to improve profitability. Measures include upgrading cash flow management and initiatives to reduce expenses. Moreover, Hitachi is continuing with measures designed to nurture employees and create new businesses, including the establishment of virtual venture companies by "corporate senior staff." The objective is to turn venture companies into full-fledged businesses much in the same manner as Hitachi has done with Mu-Solutions. With FIV as its key management benchmark, Hitachi is thus working on many fronts to improve profitability while creating attractive products and services that dovetail with customer needs.

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2. Measures for Continuous Growth

In tandem with business portfolio realignment, Hitachi is pushing ahead with measures to ensure growth over the medium and long terms. Investments are being made in R&D in the automotive equipment, battery, biomedical and other businesses, all of which are expected to grow significantly going forward. An example is a pilot production line for rechargeable lithium-ion batteries.

Businesses where Hitachi can best leverage its strengths, in an environment where elemental technologies and markets now cut across several different business groups, will be designated as "Inspire A Businesses." Hitachi is prepared to take whatever steps are necessary to strengthen these businesses, including strategically allocating funds and establishing an operating framework that facilitates collaboration across many businesses in the Hitachi Group.

In Information & Telecommunication Systems, efforts are being made to upgrade Hitachi's development capabilities with respect to disk array subsystems, HDDs and other hardware, as well as middleware and other software. Hitachi will explore alliances with other companies and conduct M&As, as required, to better facilitate the provision of total solutions in this field, which is a key component of a ubiquitous information society.

In Power & Industrial Systems, structural reforms are being implemented to Hitachi, Ltd.'s Power & Industrial Systems Group to improve earnings.

In the display business, Hitachi is continuing with the development of a next-generation display device that achieves high picture quality and low power consumption.

Hitachi has positioned the consumer market as an important market for providing "New Era Lifeline Support Solutions." At the heart of this stance is establishment of the Consumer Business Strategy Division to open up new markets through a business model transformation--switching from a household appliance business operated along individual product lines to a consumer products business that directly supports individuals' lifestyles as a vital part of the social infrastructure. Headed by President and CEO Etsuhiko Shoyama, this new body's activities will extend beyond the scope of the current consumer field. It will capitalize fully on the resources of Hitachi's consumer products business as well as the involvement Hitachi Air Conditioning Systems Co., Ltd. and Hitachi Industrial Equipment Systems Co., Ltd. have in the technology and business spheres. The goal is to create viable consumer business models for the ubiquitous era.

Moreover, Hitachi is actively investing in advanced research fields that are of common interest to the Group. These are fields in which the Hitachi Group can give full play to its strengths from a long-term perspective.

Together, these investments, including ongoing investments in IT to facilitate faster decision-making, are intended to support consistent growth.

Hitachi is accelerating the pace of its transformation into a highly profitable organization as it aims to expand and achieve positive FIV in fiscal 2005, a goal of "i.e.HITACHI Plan II," and generate consistent growth afterward.

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.

# # #