

HITACHI, LTD.
UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(106yen = U.S.\$1)

April 28, 2004

	YEN			U.S. DOLLARS
	(millions)			(millions)
<u>INCOME STATEMENTS</u>	2004(A)	2003(B)	(A)/(B)×100	2004
<u>Net sales</u>	2,488,873	3,112,411	80%	23,480
Cost of sales	1,999,740	2,517,608	79%	18,865
<u>Gross Profit</u>	489,132	594,802	82%	4,614
S.G.A. expenses	481,584	541,061	89%	4,543
<u>Operating income</u>	7,548	53,741	14%	71
Other income	61,569	51,496	120%	581
Other deductions	48,934	53,223	92%	462
<u>Ordinary income</u>	20,183	52,014	39%	190
Extraordinary gain	68,891	92,198	75%	650
Extraordinary loss	10,155	63,127	16%	96
<u>Income before income taxes</u>	78,918	81,085	97%	745
Current income taxes	(61,207)	(17,681)	346%	(577)
Deferred income taxes	100,014	70,477	142%	944
<u>Net income</u>	40,111	28,289	142%	378
Basic EPS (yen and dollars)	12.14	8.38	145%	0.11
Diluted EPS (yen and dollars)	12.14	-	-	0.11
<u>BALANCE SHEETS</u>	2004/3/31(A)	2003/3/31(B)	(A)/(B)×100	2004/3/31
Current assets	1,909,420	1,921,651	99%	18,013
(Quick assets)	1,528,119	1,509,346	101%	14,416
(Inventories)	294,396	326,611	90%	2,777
(Deferred tax assets)	86,903	85,693	101%	820
Fixed assets	1,798,964	1,903,377	95%	16,971
(Investments)	1,231,360	1,078,032	114%	11,617
(Deferred tax assets)	123,516	249,036	50%	1,165
(Others)	444,088	576,309	77%	4,190
<u>Total assets</u>	3,708,385	3,825,029	97%	34,985
Current liabilities	1,819,420	1,819,074	100%	17,164
Fixed liabilities	515,584	631,990	82%	4,864
(Debentures)	280,000	418,471	67%	2,642
(Long-term loans)	54,428	23,548	231%	513
(Others)	181,156	189,971	95%	1,709
<u>Total liabilities</u>	2,335,005	2,451,065	95%	22,028
<u>Stockholders' equity</u>	1,373,379	1,373,964	100%	12,956
<u>Liabilities and stockholders' equity</u>	3,708,385	3,825,029	97%	34,985

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FORECAST FOR THE YEAR ENDING MARCH 31, 2005

	Net sales	Ordinary income	Net income
Millions of Yen	2,545,000	25,000	40,000
Millions of U.S. dollars	24,009	236	377

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 ;
- 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 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.