

**HITACHI, LTD.**  
**UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED SEPTEMBER 30, 2004**  
**(111yen = U.S.\$1)**

October 29, 2004

<u>INCOME STATEMENTS</u>	YEN (millions)			U.S. DOLLARS (millions)
(The half years ended Sept. 30)	2004(A)	2003(B)	(A)/(B)×100	2004
Revenues	1,152,807	1,128,203	102%	10,386
Cost of sales	934,996	905,113	103%	8,423
S.G.A. expenses	239,560	230,082	104%	2,158
<u>Operating income (loss)</u>	(21,750)	(6,992)	-	(196)
Other income	53,927	40,873	132%	486
Other deductions	22,536	23,842	95%	203
<u>Ordinary income</u>	9,640	10,038	96%	87
Extraordinary gain	14,472	8,450	171%	130
Extraordinary loss	-	4,939	-	-
<u>Income before income taxes</u>	24,112	13,549	178%	217
Current income taxes	(4,159)	(52,567)	8%	(37)
Deferred income taxes	1,770	46,850	4%	16
<u>Net income</u>	26,500	19,266	138%	239
Basic EPS (yen and dollars)	8.04	5.82	138%	0.07
Diluted EPS (yen and dollars)	-	-	-	-

<u>BALANCE SHEETS</u>	2004/9/30(A)	2004/3/31(B)	(A)/(B)×100	2004/9/30
Current assets	1,686,536	1,909,420	88%	15,194
(Quick assets)	1,272,358	1,528,119	83%	11,463
(Inventories)	321,875	294,396	109%	2,900
(Deferred tax assets)	92,303	86,903	106%	832
Fixed assets	1,809,651	1,798,964	101%	16,303
(Investments)	1,249,785	1,231,360	101%	11,259
(Deferred tax assets)	117,696	123,516	95%	1,060
(Others)	442,168	444,088	100%	3,984
<u>Total assets</u>	3,496,188	3,708,385	94%	31,497
Current liabilities	1,424,311	1,819,420	78%	12,832
Fixed liabilities	690,670	515,584	134%	6,222
(Debentures)	280,000	280,000	100%	2,523
(Long-term loans)	224,368	54,428	412%	2,021
(Others)	186,302	181,156	103%	1,678
<u>Total liabilities</u>	2,114,982	2,335,005	91%	19,054
<u>Stockholders' equity</u>	1,381,205	1,373,379	101%	12,443
<u>Liabilities and stockholders' equity</u>	3,496,188	3,708,385	94%	31,497

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**FORECAST FOR THE YEAR ENDING MARCH 31, 2005**

	<b>Net sales</b>	<b>Ordinary income</b>	<b>Net income</b>
<b>Millions of Yen</b>	2,570,000	25,000	40,000
<b>Millions of U.S. dollars</b>	23,153	225	360

**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.