

HITACHI, LTD.
UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2003
(111yen = U.S.\$1)

October 29, 2003

<u>INCOME STATEMENTS</u>	YEN			U.S. DOLLARS
(The half years ended Sept. 30)	(millions)			(millions)
	2003(A)	2002(B)	(A)/(B)×100	2003
Net sales	1,128,203	1,515,655	74%	10,164
Cost of sales	905,113	1,231,453	73%	8,154
S.G.A. expenses	230,082	283,926	81%	2,073
<u>Operating income (loss)</u>	(6,992)	275	-	(63)
Other income	40,873	23,823	172%	368
Other deductions	23,842	26,509	90%	215
<u>Ordinary income (loss)</u>	10,038	(2,411)	-	90
Extraordinary gain	8,450	32,957	26%	76
Extraordinary loss	4,939	-	-	45
<u>Income before income taxes</u>	13,549	30,546	44%	122
Current income taxes	(52,567)	1,661	-	(474)
Deferred income taxes	46,850	9,116	514%	422
<u>Net income</u>	19,266	19,767	97%	174
Basic EPS (yen and dollars)	5.82	5.92	98%	0.05
Diluted EPS (yen and dollars)	-	-	-	-

<u>BALANCE SHEETS</u>	2003/9/30(A)	2003/3/31(B)	(A)/(B)×100	2003/9/30
<u>Current assets</u>	1,681,987	1,921,651	88%	15,153
(Quick assets)	1,293,059	1,509,346	86%	11,649
(Inventories)	307,960	326,611	94%	2,774
(Deferred tax assets)	80,967	85,693	94%	729
<u>Fixed assets</u>	1,879,918	1,903,377	99%	16,936
(Investments)	1,256,413	1,078,032	117%	11,319
(Deferred tax assets)	180,041	249,036	72%	1,622
(Others)	443,463	576,309	77%	3,995
<u>Total assets</u>	3,561,906	3,825,029	93%	32,089
<u>Current liabilities</u>	1,712,126	1,819,074	94%	15,425
<u>Fixed liabilities</u>	483,676	631,990	77%	4,357
(Debentures)	280,000	418,471	67%	2,523
(Long-term loans)	23,488	23,548	100%	212
(Others)	180,188	189,971	95%	1,623
<u>Total liabilities</u>	2,195,803	2,451,065	90%	19,782
<u>Stockholders' equity</u>	1,366,102	1,373,964	99%	12,307
<u>Liabilities and stockholders' equity</u>	3,561,906	3,825,029	93%	32,089

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FORECAST FOR THE YEAR ENDING MARCH 31, 2004

	Net sales	Ordinary income	Net income
Millions of Yen	2,400,000	20,000	40,000
Millions of U.S. dollars	21,053	175	351

Cautionary Statement

Certain statements contained in this document may constitute forward-looking statements which reflect management's current views with respect to certain future events and financial performance based on certain assumptions 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 may identify forward-looking statements. Actual results may differ materially from those projected or implied in the forward-looking statements and from historical trends. Further, certain forward-looking statements are based upon assumptions of future events which may not prove to be accurate.

Factors that could cause actual results to differ materially from those projected or implied in any forward-looking statements 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 to 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 of imports;
- uncertainty as to Hitachi's access to, or protection for, certain intellectual property rights, particularly those related to electronics and data processing technologies;
- uncertainty as to the success of alliances upon which Hitachi's 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.

These factors listed above are not exclusive and are in addition to other factors that are stated or indicated elsewhere in this report, or in other materials published by the Company.