

April 28, 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

(Upper rows show comparisons to the previous year; billions of yen)

| | Fiscal 2003 | | | Fiscal 2004 (Forecast) | | |
|---------------------|-------------|----------|---------|------------------------|----------|---------|
| | 1st half | 2nd half | Total | 1st half | 2nd half | Total |
| Sales | 120% | 123% | 122% | 104% | 103% | 104% |
| | 1,053.2 | 1,261.2 | 2,314.5 | 1,100.0 | 1,300.0 | 2,400.0 |
| Software & Services | 101% | 100% | 101% | 101% | 111% | 106% |
| | 459.5 | 531.1 | 990.6 | 462.0 | 588.0 | 1,050.0 |
| Hardware | 140% | 149% | 145% | 107% | 98% | 102% |
| | 593.7 | 730.1 | 1,323.8 | 638.0 | 712.0 | 1,350.0 |
| Operating income | 13% | 94% | 63% | 574% | 129% | 163% |
| | 5.3 | 64.5 | 69.9 | 31.0 | 83.0 | 114.0 |
| Software & Services | 66% | 121% | 93% | | | 125% |
| | 20.6 | 35.6 | 56.2 | | | 70.0 |
| Hardware | — | 74% | 27% | | | 324% |
| | (15.3) | 28.9 | 13.6 | | | 44.0 |

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 twelve months ended March 31, 2004, includes Hitachi GST's business results for the twelve months ended December 31, 2003.

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

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(2) Sales by product sector *2 *3 (Upper rows show comparisons to the previous year; billions of yen)

| | Fiscal 2003 | | | Fiscal 2004 (Forecast) | | |
|---------------------|-------------|----------|---------|------------------------|----------|---------|
| | 1st half | 2nd half | Total | 1st half | 2nd half | Total |
| Sales | 120% | 123% | 122% | 104% | 103% | 104% |
| | 1,053.2 | 1,261.2 | 2,314.5 | 1,100.0 | 1,300.0 | 2,400.0 |
| Software & Services | 101% | 100% | 101% | 101% | 111% | 106% |
| | 459.5 | 531.1 | 990.6 | 462.0 | 588.0 | 1,050.0 |
| Software | 91% | 81% | 86% | | | |
| | 83.8 | 77.2 | 161.0 | | | |
| Services | 104% | 104% | 104% | | | |
| | 375.7 | 453.9 | 829.6 | | | |
| Hardware | 140% | 149% | 145% | 107% | 98% | 102% |
| | 593.7 | 730.1 | 1,323.8 | 638.0 | 712.0 | 1,350.0 |
| Storage *4 | 176% | 203% | 190% | | | |
| | 292.1 | 363.0 | 655.1 | | | |
| Servers *5 | 111% | 91% | 100% | | | |
| | 67.0 | 66.1 | 133.1 | | | |
| PCs *6 | 93% | 99% | 97% | | | |
| | 66.8 | 84.5 | 151.3 | | | |
| Telecommunication | 125% | 107% | 115% | | | |
| | 58.8 | 69.6 | 128.4 | | | |
| Others | 136% | 166% | 152% | | | |
| | 109.0 | 146.9 | 255.9 | | | |

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 (The upper row shows comparisons to the previous year; billions of yen)

| | Fiscal 2003 | | | Fiscal 2004 (Forecast) | | |
|-------|-------------|----------|-------|------------------------|----------|-------|
| | 1st half | 2nd half | Total | 1st half | 2nd half | Total |
| Sales | 98% | 97% | 98% | 107% | 113% | 110% |
| | 128.0 | 136.0 | 264.0 | 137.0 | 153.0 | 290.0 |

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(4) Shipments of main products

| | Fiscal 2003 | | | Fiscal 2004 (Forecast) | | |
|--|-------------|----------|---------|------------------------|----------|---------|
| | 1st half | 2nd half | Total | 1st half | 2nd half | Total |
| Large-capacity disk array subsystems *7 | 17,700 | 22,900 | 40,600 | 26,000 | 33,200 | 59,200 |
| Middle-capacity disk array subsystems *7 | 3,900 | 6,400 | 10,300 | 12,000 | 13,900 | 25,900 |
| PCs & PC servers *8 | 278,000 | 327,000 | 605,000 | 310,000 | 370,000 | 680,000 |

Notes: *7. The figures for disk array subsystems represent storage capacity stated in terabyte units.

*8. PC figures are in units, for Japan only, on a parent company basis.

(5) Hard Disk Drives *9 *10 *11

| Period recorded for consolidated accounting purposes (Shipment Period) | | Fiscal 2003 | | | | |
|--|-----------------|---------------------------------|--------|---------------------------------|------------------------------|--------|
| | | 1st half (Jan.2003 to Jun.2003) | | 2nd half (Jul.2003 to Dec.2003) | Total (Jan.2003 to Dec.2003) | |
| | | Ref *17 | | | Ref *17 | |
| Sales (billions of yen) | | 192.9 | 219.7 | 264.5 | 457.4 | 484.2 |
| Operating income (loss) (billions of yen) | | (20.9) | (21.1) | 10.0 | (10.9) | (11.1) |
| Shipments (thousand units) *12 | | 16,700 | 19,100 | 24,200 | 41,100 | 43,400 |
| Consumer and Commercial | 1.8/2.5inch *13 | 9,100 | 11,200 | 13,900 | 23,100 | 25,100 |
| | 3.5inch *14 | 6,300 | 6,300 | 8,100 | 14,400 | 14,400 |
| Servers *15 | | 1,200 | 1,500 | 2,000 | 3,100 | 3,400 |
| Emerging *16 | | 200 | 200 | 290 | 480 | 480 |

(The upper row shows comparisons to the previous year*18)

| Period recorded for consolidated accounting purposes (Shipment Period) | | Fiscal 2003 | | Fiscal 2004 | |
|--|-----------------|---|--------|---|---|
| | | Three months ended June 30 (Jan. 2003 to Mar. 2003) | | Three months ended June 30(Actual) (Jan. 2004 to Mar. 2004) | Total (Forecast) (Jan. 2004 to Dec. 2004) |
| | | Ref *17 | | | |
| Sales (billions of yen) | | — | — | 146% (108%) | 108% (102%) |
| | | 77.3 | 104.1 | 112.6 | 494.0 |
| Operating income (loss) (billions of yen) | | — | — | — | — |
| | | (14.4) | (14.5) | 7.0 | 20.0 |
| Shipments (thousand units) *12 | | 6,900 | 9,300 | 10,900 | 50,000-55,000 |
| Consumer and Commercial | 1.8/2.5inch *13 | 3,500 | 5,600 | 6,300 | |
| | 3.5inch *14 | 2,900 | 2,900 | 3,500 | |
| Servers *15 | | 400 | 700 | 900 | |
| Emerging *16 | | 60 | 60 | 250 | |

Notes: *9. Figures include intra-segment transactions.

- *10. 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 year ended March 31, 2004 consolidated results for Hitachi, Ltd. include the results of Hitachi GST for the twelve-month period from January 1, 2003 through December 31, 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.
- *11. There have been changes to some product sector names. "1.8/2.5 inch" and "3.5 inch," which are shown in the new product sector "Consumer and Commercial" were previously named "Mobiles" and "Desktops," respectively.
- *12. Shipment less than 100,000 units have been rounded, with the exception of Emerging, where shipment less than 10,000 units have been rounded.
- *13. Note-PCs (2.5inch), consumer electronics applications (1.8inch), etc.
- *14. Desktop-PCs, consumer electronics applications(3.5inch), etc.
- *15. Disk array subsystems, servers (3.5inch), etc.
- *16. Hand held devices (1 inch), automotive (2.5 inch), etc.
- *17. 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 six-month period ended June 30, 2003, the twelve-month period ended December 31, 2003 and three-month period ended March 31, 2003, in this order.
- *18. Figures in parentheses for year-on-year comparisons represent comparisons with reference figures of the same period of the previous fiscal year.
- *19. Results for HDD operations in the period from January 1, 2004 through March 31, 2004 will be included in Hitachi's fiscal 2004 first-quarter, ending June 30, 2004 results.

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2. Displays

(1) Sales and operating income (loss) (The upper row shows comparisons to the previous year; billions of yen)

| | Fiscal 2003 | | | Fiscal 2004 (Forecast) | | |
|-------------------------|-------------|----------|-------|------------------------|----------|-------|
| | 1st half | 2nd half | Total | 1st half | 2nd half | Total |
| Sales | 119% | 149% | 134% | 113% | 105% | 109% |
| | 118.7 | 141.4 | 260.2 | 134.0 | 149.0 | 283.0 |
| Operating income (loss) | — | — | — | — | 83% | 310% |
| | (5.0) | 10.8 | 5.8 | 9.0 | 9.0 | 18.0 |

(2) LCD Sales (The upper row shows comparisons to the previous year; billions of yen)

| | Fiscal 2003 | | | Fiscal 2004 (Forecast) | | |
|---------------------------|-------------|----------|-------|------------------------|----------|-------|
| | 1st half | 2nd half | Total | 1st half | 2nd half | Total |
| Sales | 125% | 185% | 152% | 120% | 103% | 111% |
| | 100.0 | 124.0 | 224.0 | 120.0 | 128.0 | 248.0 |
| Large-size LCDs | 95% | 148% | 116% | 98% | 88% | 93% |
| | 55.0 | 59.0 | 114.0 | 54.0 | 52.0 | 106.0 |
| Medium- & small-size LCDs | 205% | 241% | 224% | 147% | 117% | 129% |
| | 45.0 | 65.0 | 110.0 | 66.0 | 76.0 | 142.0 |

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