

**SUPPLEMENTARY INFORMATION ON INFORMATION &
TELECOMMUNICATION SYSTEMS, DISPLAYS AND DIGITAL MEDIA**

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) REVENUES AND OPERATING INCOME (LOSS) BY PRODUCT SECTOR *2 *3

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

	Fiscal 2003			Fiscal 2004		
	1st half	2nd half	Total	1st half	2nd half (forecast)	Total (forecast)
Revenues	120%	123%	122%	102%	98%	100%
	1,053.2	1,261.2	2,314.5	1,071.7	1,233.3	2,305.0
Software & Services	101%	100%	101%	102%	102%	102%
	459.5	531.1	990.6	470.0	540.0	1,010.0
Hardware	140%	149%	145%	101%	95%	98%
	593.7	730.1	1,323.8	601.7	693.3	1,295.0
Operating income (loss)	13%	94%	63%	536%	109%	142%
	5.3	64.5	69.9	28.9	70.1	99.0
Software & Services	66%	121%	93%	112%	118%	116%
	20.6	35.6	56.2	23.1	41.9	65.0
Hardware	—	74%	27%	—	98%	250%
	(15.3)	28.9	13.6	5.8	28.2	34.0

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 six months ended September 30, 2004, includes Hitachi GST's business results for the six months ended June 30, 2004.

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

(2) REVENUES BY PRODUCT SECTOR *2 *3

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

	Fiscal 2003			Fiscal 2004		
	1st half	2nd half	Total	1st half	2nd half (forecast)	Total (forecast)
Revenues	120%	123%	122%	102%	98%	100%
	1,053.2	1,261.2	2,314.5	1,071.7	1,233.3	2,305.0
Software & Services	101%	100%	101%	102%	102%	102%
	459.5	531.1	990.6	470.0	540.0	1,010.0
Software	91%	81%	86%	90%		
	83.8	77.2	161.0	75.2		
Services	104%	104%	104%	105%		
	375.7	453.9	829.6	394.8		
Hardware	140%	149%	145%	101%	95%	98%
	593.7	730.1	1,323.8	601.7	693.3	1,295.0
Storage *4	176%	203%	190%	103%		
	292.1	363.0	655.1	300.5		
Servers *5	111%	91%	100%	70%		
	67.0	66.1	133.1	47.1		
PCs *6	93%	99%	97%	93%		
	66.8	84.5	151.3	62.1		
Telecommunication	125%	107%	115%	116%		
	58.8	69.6	128.4	68.2		
Others	136%	166%	152%	114%		
	109.0	146.9	255.9	123.8		

Notes: *4. Figures for Storage include disk array subsystems, hard disk drives, etc.

*5. Figures for Servers include general-purpose computers, UNIX servers, 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		
	1st half	2nd half	Total	1st half	2nd half (forecast)	Total (forecast)
Revenues	98%	97%	98%	101%	118%	110%
	128.0	136.0	264.0	129.0	161.0	290.0

(4) HARD DISK DRIVES *7 *8 *9 *10

(The upper row shows comparisons to the previous year)

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 *16			Ref *16
Revenues	Yen (billions of yen)	—	—	—	—	—
		192.9	219.7	264.5	457.4	484.2
	U.S. dollar (millions of dollar)	—	—	—	—	—
		1,619	1,845	2,355	3,974	4,200
Operating income (loss)	Yen (billions of yen)	—	—	—	—	—
		(20.9)	(21.1)	10.0	(10.9)	(11.1)
	U.S. dollar (millions of dollar)	—	—	—	—	—
		(176)	(177)	90	(86)	(87)
Shipments (thousand units) *11		—	—	—	—	—
		16,700	19,100	24,200	41,100	43,400
Consumer and Commercial		—	—	—	—	—
	1.8/2.5inch *12	9,100	11,200	13,900	23,100	25,100
		—	—	—	—	—
	3.5inch *13	6,300	6,300	8,100	14,400	14,400
Servers *14		—	—	—	—	—
		1,200	1,500	2,000	3,100	3,400
Emerging *15		—	—	—	—	—
		200	200	290	480	480

(The upper row shows comparisons to the previous year *17)

Period recorded for consolidated accounting purposes (Shipment Period)		Fiscal 2004		
		1st half (Jan.2004 to Jun.2004)	2nd half (forecast) (Jul.2004 to Dec.2004)	Total (forecast) (Jan.2004 to Dec.2004)
Revenues	Yen (billions of yen)	112% (99%) 216.5	98% (98%) 258.5	104% (98%) 475.0
	U.S. dollar (millions of dollar)	123% (108%) 1,998	102% (102%) 2,402	111% (105%) 4,400
Operating income (loss)	Yen (billions of yen)	— (—) 4.9	— (—) (0.9)	— (—) 4.0
	U.S. dollar (millions of dollar)	— (—) 45	— (—) (7)	— (—) 38
Shipments (thousand units) *11		122% (108%) 20,500	114% (114%) 27,500	117% (111%) 48,000
Consumer and Commercial	1.8/2.5inch *12	134% (110%) 12,200	/	
	3.5inch *13	91% (91%) 5,700		
Servers *14		160% (131%) 1,900		
Emerging *15		353% (353%) 700		

< Fiscal 2004 2nd Half by Quarter >

Period recorded for consolidated accounting purposes (Shipment Period)		Fiscal 2004 2 nd Half	
		3rd quarter (Jul. 2004 to Sep. 2004) *18	4th quarter (forecast) (Oct. 2004 to Dec. 2004)
Revenues	Yen (billions of yen)	94% (94%)	101% (101%)
		121.4	137.1
	U.S. dollar (millions of dollar)	99% (99%)	105% (105%)
		1,093	1,309
Operating income (loss)	Yen (billions of yen)	— (—)	28% (28%)
		(4.2)	3.3
	U.S. dollar (millions of dollar)	— (—)	30% (30%)
		(38)	31
Shipments (thousand units) *11		104% (104%)	122% (122%)
		12,100	15,400
Consumer and Commercial	1.8/2.5inch *12	97% (97%)	/
		6,500	
	3.5inch *13	86% (86%)	
		3,400	
Servers *14		121% (121%)	
		1,100	
Emerging *15		755% (755%)	
		1,180	

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 first-half consolidated results for Hitachi, Ltd. include the results of Hitachi GST for the six-month period from January 1, 2004 through June 30, 2004. 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. 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.

*10. Hitachi GST's operating currency is U.S. dollar. Yen figures includes Yen / dollar conversion fluctuation.

- *11. Shipment less than 100,000 units have been rounded, with the exception of Emerging, where shipment less than 10,000 units have been rounded.
- *12. Consumer electronics applications (1.8inch), note-PCs (2.5inch), etc.
- *13. Desktop-PCs, consumer electronics applications(3.5inch), etc.
- *14. Disk array subsystems, servers (3.5inch), etc.
- *15. Hand held devices (1 inch), automotive (2.5 inch), etc.
- *16. 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, 2004, the twelve-month period ended December 31, 2004, in this order.
- *17. Figures in parentheses for year-on-year comparisons represent comparisons with reference figures of the same period of the previous fiscal year.
- *18. Results for HDD operations in the period from July 1, 2004 through September 30, 2004 will be included in Hitachi's fiscal 2004 third-quarter results.

2. Displays

(1) REVENUES AND OPERATING INCOME (LOSS)

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

	Fiscal 2003			Fiscal 2004		
	1st half	2nd half	Total	1st half	2nd half (forecast)	Total (forecast)
Revenues	119%	149%	134%	106%	88%	96%
	118.7	141.4	260.2	126.0	124.0	250.0
Operating income (loss)	—	—	—	-	-	-
	(5.0)	10.8	5.8	2.1	(8.1)	(6.0)

(2) LCD REVENUES

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

	Fiscal 2003			Fiscal 2004		
	1st half	2nd half	Total	1st half	2nd half (forecast)	Total (forecast)
Revenues	125%	185%	152%	112%	85%	97%
	100.0	124.0	224.0	112.0	105.0	217.0
Large-size LCDs	95%	148%	116%	93%	68%	80%
	55.0	59.0	114.0	51.0	40.0	91.0
Medium- & small-size LCDs	205%	241%	224%	136%	100%	115%
	45.0	65.0	110.0	61.0	65.0	126.0

3.Digital Media**SHIPMENTS OF MAIN PRODUCTS *19**

(thousand units)

	Fiscal 2003			Fiscal 2004		
	1st half	2nd half	Total	1st half	2nd half (forecast)	Total (forecast)
Optical Disk Drives *20	118%	123%	121%	123%	119%	121%
	26,000	32,000	58,000	32,000	38,000	70,000
Plasma Displays *21	200%	200%	200%	200%	136%	159%
	80	140	220	160	190	350
Projection TVs	105%	104%	105%	95%	121%	109%
	200	240	440	190	290	480

Notes: *19. Shipment less than 10,000 units have been rounded, with the exception of Optical Disk Drives, where shipment less than 1,000,000 units have been rounded.

*20. Hitachi-LG Data Storage (HLDS) has a December 31 year-end and the consolidated results for Hitachi, Ltd. for the first-half consolidated results includes HLDS's business results for the six months ended June 30, 2004.

*21. The sum of plasma TV and plasma monitor shipments.

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