

**HITACHI, LTD.**  
**UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED SEPTEMBER 30, 2005**  
**(113yen = U.S.\$1)**

**October 31, 2005**

<u><b>INCOME STATEMENTS</b></u>	<b>YEN</b>			<b>U.S. DOLLARS</b>
(The half years ended Sept. 30)	(millions)			(millions)
	<b>2005(A)</b>	<b>2004(B)</b>	<b>(A)/(B)×100</b>	<b>2005</b>
<u>Revenues</u>	1,210,717	1,152,807	105%	10,714
Cost of sales	969,798	934,996	104%	8,582
<u>Gross Profit</u>	240,918	217,810	111%	2,132
S.G.A. expenses	260,211	239,560	109%	2,303
<u>Operating income (loss)</u>	(19,293)	(21,750)	-	(171)
Other income	50,535	53,927	94%	447
Other deductions	22,297	22,536	99%	197
<u>Ordinary income</u>	8,944	9,640	93%	79
Extraordinary gain	8,503	14,472	59%	75
Extraordinary loss	4,288	-	-	38
<u>Income before income taxes</u>	13,159	24,112	55%	116
Current income taxes	(8,669)	(4,159)	208%	(77)
Deferred income taxes	1,805	1,770	102%	16
<u>Net income</u>	20,024	26,500	76%	177
Basic EPS (yen and dollars)	6.01	8.04	75%	0.05

<u><b>BALANCE SHEETS</b></u>	<b>2005/9/30(A)</b>	<b>2005/3/31(B)</b>	<b>(A)/(B)×100</b>	<b>2005/9/30</b>
<u>Current assets</u>	1,851,903	1,860,523	100%	16,389
(Quick assets)	1,420,225	1,467,950	97%	12,568
(Inventories)	331,103	282,875	117%	2,930
(Deferred tax assets)	100,574	109,698	92%	890
<u>Fixed assets</u>	1,922,466	1,891,998	102%	17,013
(Investments)	1,321,374	1,275,735	104%	11,694
(Deferred tax assets)	88,861	96,883	92%	786
(Others)	512,230	519,379	99%	4,533
<u>Total assets</u>	3,774,370	3,752,522	101%	33,402
<u>Current liabilities</u>	1,672,065	1,776,593	94%	14,797
<u>Fixed liabilities</u>	712,689	610,272	117%	6,307
(Debentures)	290,000	190,000	153%	2,566
(Long-term loans)	224,248	224,533	100%	1,984
(Others)	198,441	195,739	101%	1,756
<u>Total liabilities</u>	2,384,754	2,386,866	100%	21,104
<u>Stockholders' equity</u>	1,389,616	1,365,655	102%	12,297
<u>Liabilities and stockholders' equity</u>	3,774,370	3,752,522	101%	33,402

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**FORECAST FOR THE YEAR ENDING MARCH 31, 2006**

	<b>Revenues</b>	<b>Ordinary income</b>	<b>Net income</b>
<b>Millions of Yen</b>	2,640,000	40,000	20,000
<b>Millions of U.S. dollars</b>	23,363	354	177

**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:

- fluctuations in product demand and industry capacity, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products 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;
- rapid technological change, 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 implement measures to reduce the potential negative impact of fluctuations in product demand and/or exchange rates;
- general socio-economic and political 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 restructuring efforts to improve management efficiency and to strengthen competitiveness;
- 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;
- uncertainty as to Hitachi's ability to access, or access on favorable terms, liquidity or long-term financing; 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.