

Edgar Filing: HITACHI LTD - Form 6-K

HITACHI LTD  
Form 6-K  
March 09, 2004

FORM 6-K  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16 OF  
THE SECURITIES EXCHANGE ACT OF 1934

For the month of February 2004  
Commission File Number 1-8320  
-----

Hitachi, Ltd.  
-----

(Translation of registrant's name into English)

6, Kanda-Surugadai 4-chome, Chiyoda-ku, Tokyo 101-8010, Japan  
-----

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports  
under cover of Form 20-F or Form 40-F.

Form 20-F                                            Form 40-F \_\_\_\_\_  
-----

Indicate by check mark if the registrant is submitting the Form 6-K in paper as  
permitted by Regulation S-T Rule 101(b)(1): \_\_\_\_\_

Indicate by check mark if the registrant is submitting the Form 6-K in paper as  
permitted by Regulation S-T Rule 101(b)(7): \_\_\_\_\_

Indicate by check mark whether by furnishing the information contained in this  
Form, the registrant is also thereby furnishing the information to the  
Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes \_\_\_\_\_    No      
-----

If "Yes" is marked, indicate below the file number assigned to the registrant in  
connection with Rule 12g3-2(b): 82-\_\_\_\_\_

This report on Form 6-K contains the following:

1. Press release dated February 3, 2004 regarding details of joint venture with Casio in the field of mobile phones.
2. Press release dated February 4, 2004 regarding consolidated financial results for the third quarter of fiscal year ending March 31, 2004.
3. Press release dated February 4, 2004 regarding progress on Hitachi's medium-term management plan.

# Edgar Filing: HITACHI LTD - Form 6-K

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Hitachi, Ltd.

-----  
(Registrant)

Date March 9, 2004  
-----

By /s/ Takashi Hatchoji  
-----

Takashi Hatchoji  
Vice President and Executive Officer

FOR IMMEDIATE RELEASE

Casio and Hitachi Announce Joint Venture Details  
For Casio Hitachi Mobile Communications Co., Ltd.

Tokyo, February 3, 2004 --- Casio Computer Co., Ltd. (TSE:6952) and Hitachi, Ltd. (NYSE:HIT / TSE:6501) today announced the name, method of establishment, directors and other details for a joint venture mobile phone handset company that was announced on November 18, 2003. On April 1, 2004, the two companies will establish the new company, Casio Hitachi Mobile Communications Co., Ltd., and transfer their respective businesses to such company through corporate split under the Japanese Commercial Code. The development, design, manufacture, procurement, quality assurance, sales and service operations involving mobile phone handsets in Japan and overseas of Casio's Mobile Communication Products and Solution Division and of the Mobile Information & Communication Appliance Division of Hitachi's Ubiquitous Platform Systems Group will be transferred to the new company.

The new company will bring together Casio's proven high-density surface mounting, image processing, application software and other technologies with Hitachi's high-speed data communications technology, device application technologies, secure systems design and other technologies. This will create a more stable, robust business with many benefits that include: savings in development expenses through the use of shared handset platforms and more efficient use of development resources; shorter development lead times; and lower manufacturing costs through the integration of procurement activities. The new company will also be well positioned to develop attractive, competitive products that keep pace with technological advances, and provide products based on CDMA technology that can meet an expected expansion in overseas mobile phone markets. These and other advantages of the new company will drive business expansion.

-2-

### Reorganization Overview

1. Company Name : Casio Hitachi Mobile Communications Co., Ltd.

## Edgar Filing: HITACHI LTD - Form 6-K

2. Overview of Corporate Split:
  - (1) Schedule for the corporate split

|                  |   |
|------------------|---|
| February 2, 2004 | Approval by executive officers of corporate split agreement (Hitachi) |
| February 3, 2004 | Approval by directors of corporate split agreement (Casio)            |
| February 3, 2004 | Conclusion of corporate split agreement                               |
| April 1, 2004    | Date of corporate split (tentative)                                   |
| April 1, 2004    | Registration of corporate split (tentative)                           |
  - (2) Method used for corporate split
    - a) Method used for corporate split

Casio and Hitachi will transfer their business units to a new company jointly established by them through a joint corporate split.
    - b) Reason for using this method

Casio and Hitachi have agreed to conduct joint development programs and to jointly establish a new company. The objectives are to develop mobile phone handsets more efficiently, stabilize business operations and bolster overseas operations. The method was chosen to ensure a smooth transition of these business activities to the new company.
  - (3) Stock allocation
    - a) Allocation ratio

Casio will receive 30,600 shares of common stock to be issued by the new company. Hitachi will receive 29,400 shares of common stock to be issued by the new company.
    - b) Basis for calculating allocation ratio

To ensure that the allocation ratio is fair and appropriate, Casio and Hitachi respectively asked third parties to examine the value of their business to be separated. Based on discussions by the two companies concerning the results of this examination, Casio and Hitachi agreed on a ratio of 51:49.
    - c) Results of third-party calculations, calculation method and basis for calculations

The third parties analyzed the value of the businesses of Casio and Hitachi that are to be separated using the discounted cash flow method and peer company comparisons, etc. This process was conducted after confirming with Casio and Hitachi valuation methods and assumptions and examining various documents regarding the separations that were provided by the two companies. Based on a comprehensive analysis using these elements, the third parties provided Casio and Hitachi with a range for the allocation ratio.
  - (4) Payments

There will be no payments with regard to the allocation of shares.
  - (5) Rights and obligations transferred to the new company

Casio and Hitachi will transfer to the new company all assets, liabilities and contractual status in principal contracts relating to the businesses to be separated.
  - (6) Outlook for fulfillment of financial obligations

Casio and Hitachi have judged that all obligations to be assumed by each company will possibly be fulfilled.

## Edgar Filing: HITACHI LTD - Form 6-K

(7) Newly appointed directors of the new company

|                             |  |
|-----------------------------|--|
| President and Director      | Tateki Ohishi<br>(Corporate Vice President, Senior General Manager, Casio's Mobile Communication Products and Solution Division)                         |
| Vice president and Director | Koutaro Kawamura<br>(General Manager, Mobile Information & Communication Appliance Division of Hitachi's Ubiquitous Platform Systems Group)              |
| Director                    | Kanji Ozawa<br>(General Manager, Casio Techno Co., Ltd.'s Mobile Communication Products Service Division)  |
| Director                    | Youji Ogawa<br>(Manager, Mobile Information & Communication Appliance Division of Hitachi's Ubiquitous Platform Systems Group)                           |
| Director                    | Shinichi Onoe<br>(Casio's Executive Adviser)   |
| Director                    | Kazuhiro Tachibana<br>(Chief Strategy Officer & General Manager, Strategic Planning Office Hitachi's Ubiquitous Platform Systems Group)                  |
| Director                    | Kouichi Takeichi<br>(Director, Member of the Board, General Manager, Casio's General Strategy & Management Department)                                   |
| Director                    | Norio Ogimoto<br>(General Manager Storage Media System Operation and Tokai Center Digital Media Division of Hitachi's Ubiquitous Platform Systems Group) |
| Auditor                     | Tatsuo Minamino<br>(Manager, Management Auditing Group, General Strategy & Management Department of Casio)   |
| Auditor                     | Makoto Arakawa<br>(Manager, Credit Section, Accounting Division of Casio)  |
| Auditor                     | Masao Terada<br>(Senior Manager, Financial Dept. Hitachi's Ubiquitous Platform Systems Group)  |

-4-

### 3. Profiles of Casio, Hitachi and Casio Hitachi Mobile Communications

(as of March 31, 2003, provisional data as of establishment for

| Name             | Casio Computer Co., Ltd.  | Hitachi, Ltd.  | Casio Hitachi Communications (New comp             |
|------------------|---|--|--|
| Business content | Development, manufacture, sale and services for electronic equipment, | Development, manufacture, sale and services for information electronics, | Development, des manufacture, pro quality assuranc |

## Edgar Filing: HITACHI LTD - Form 6-K

|  |   |   |  |
|--|---|---|--|
|  | communications equipment, electronic devices and other products   | power and industrial systems, digital media and consumer products and others  | services for mobile devices                                    |
| Established                                | June 1, 1957  | February 1, 1920<br>(Instigated in 1910)  | April 1, 2004  |
| Head office location                       | 1-6-2 Hon-machi, Shibuya-ku, Tokyo  | 4-6, Kanda-Surugadai, Chiyoda-ku, Tokyo   | 2-229-1, Sakuragayama, Higashi-Yamato City, Saitama Prefecture |
| President                                  | Kazuo Kasio<br>President and Director   | Etsuhiko Shoyama<br>President and Chief Executive Officer   | Tateki Ohishi<br>President and Director                        |
| Capital Stock                              | 41,549 million yen  | 282,032 million yen   | 3.0 billion yen  |
| Number of Shares Held (shares)             | 270,442,868   | 3,368,124,286   | 60,000   |
| Shareholders' equity                       | 135,238 million yen   | 1,373,964 million yen   | 10.0 billion yen   |
| Total assets                               | 412,854 million yen   | 3,825,029 million yen   | 13.0 billion yen   |
| Settlement term                            | March 31  | March 31  | March 31   |
| Number of Employees (Unconsolidated Basis) | 3,371   | 42,375  | 350<br>(Temporary transfers included in Schedule)              |
| Principal customers                        | Public-sector Manufacturing and non-manufacturing industries as well as government agencies both domestic and overseas        | Public-sector Manufacturing and non-manufacturing industries as well as government agencies both domestic and overseas  | Casio Computer Co., Ltd. and Hitachi, Ltd.                     |
| Major shareholders and holdings            | Japan Trustee Services Bank, Ltd. 6.18%<br>Nippon Life Insurance Company 5.05%<br>Sumitomo Mitsui Banking Corp. 4.94%         | Japan Trustee Services Bank, Ltd. 6.30%<br>NATS CUMCO 5.13%<br>The Master Trust Bank of Japan, Ltd. 5.02%   | Casio Computer Co., Ltd.<br>Hitachi, Ltd.                      |
| Primary transaction banks                  | Sumitomo Mitsui Banking Corp.<br>UFJ Bank Ltd.<br>Mizuho Corporate Bank, Ltd.<br>The bank of Tokyo-Mitsubishi, Ltd.<br>Others | Mizuho Corporate Bank, Ltd.<br>UFJ Bank Ltd.<br>Mizuho Trust & Banking Co., Ltd.<br>Others  | To be decided  |
| Significant relationships                  | Capital<br>Human resources<br>Transactions  | Casio and Hitachi are the owners of the new company.<br>Casio plans to temporarily transfer 190 of its employees to the new company. Hitachi plans to temporarily transfer 160 of its employees to the new company.<br>The new company will sell products to Hitachi and Casio. |  |

4. Financial Results (for the most recent three years)

| Fiscal year ended             | Casio Computer Co., Ltd.<br>(Separating company) |           |           | Hitachi, Ltd.<br>(Separating company) |           |
|-------------------------------|--|-----------|-----------|---------------------------------------|-----------|
|                               | 2001/3/31  | 2002/3/31 | 2003/3/31 | 2001/3/31                             | 2002/3/31 |
| Net sales                     | 341,361  | 295,415   | 359,159   | 4,015,824                             | 3,522,299 |
| Operating income (loss)       | 8,561  | (8,480)   | 12,327    | 98,577                                | (84,742)  |
| Ordinary income (loss)        | 6,404  | (13,830)  | 9,270     | 56,058                                | (81,663)  |
| Net income (loss)             | 3,785  | (20,838)  | 4,503     | 40,121                                | (252,641) |
| Net income per share (yen)    | 13.94  | (76.76)   | 16.14     | 12.02                                 | (75.69)   |
| Dividend per share (yen)      | 12.50  | 12.50     | 12.50     | 11.00                                 | 3.00      |
| Shareholder's per share (yen) | 602.39   | 510.11    | 500.33    | 496.81                                | 408.79    |

5. Business operations to be separated

(1) Mobile phone handset business

Casio Computer Co., Ltd.

Development, design, manufacture, procurement, quality assurance, sales and service operations involving mobile phone handsets in Japan and overseas of the Communications Business Division (excluding the Sales Division and Product Planning Department within this division), and activities related to the above operations.

Hitachi, Ltd.

Development, design, manufacture, procurement, quality assurance, sales and service operations involving mobile phone handsets in Japan and overseas of the Mobile Information & Communication Appliance Division (excluding the Product Planning Division within this division), and activities related to the above operations.

(2) Assets and liabilities to be transferred (estimate for March 31, 2004)

Casio Computer Co., Ltd.

| Assets                            |                 | Liabilities       |                 |
|-----------------------------------|-----------------|-------------------|-----------------|
| Inventories                       |                 |                   |                 |
| Property and equipment            |                 |                   |                 |
| Investments and intangible assets | 7.9 billion yen | Loans             | 2.8 billion yen |
| Other assets                      |                 | Other liabilities |                 |

Edgar Filing: HITACHI LTD - Form 6-K

Hitachi, Ltd.

| Assets                            |                 | Liabilities       |                 |
|-----------------------------------|-----------------|-------------------|-----------------|
| Inventories                       |                 |                   |                 |
| Property and equipment            |                 |                   |                 |
| Investments and intangible assets | 5.0 billion yen | Loans             | 0.1 billion yen |
| Other assets                      |                 | Other liabilities |                 |

-6-

6. Status of companies following corporate split

- (1) There will be no changes in the names, business activities, head offices or CEOs of Casio or Hitachi. Moreover, this transaction will not reduce the paid-in capital of the two companies.
- (2) Impact on operating results  
Casio Computer Co., Ltd.  
The company plans to announce post-split consolidated and non-consolidated forecasts when it releases operating results for the fiscal year ending in March 2004.

Hitachi, Ltd.

The corporate split will have a negligible impact on operating results.

About Casio Computer Co., Ltd.

Casio Computer Co., Ltd. is one of the leading consumer electronics companies in the world. Since its establishment in 1957, Casio has been active in the development of a range of consumer electronic products such as electronic calculators, timepieces, musical instruments, digital cameras, and mobile phones. In recent years, Casio has also focused on technologies for compact LCDs, LSI chip mounting processes and other electronic devices. Visit Casio's global web site at <http://world.casio.com/>

About Hitachi, Ltd.

Hitachi, Ltd. (NYSE: HIT), headquartered in Tokyo, Japan, is a leading global electronics company, with approximately 340,000 employees worldwide. Fiscal 2002 (ended March 31, 2003) consolidated sales totaled 8,191.7 billion yen (\$68.3 billion). The company offers a wide range of systems, products and services in market sectors, including information systems, electronic devices, power and industrial systems, consumer products, materials and financial services. For more information on Hitachi, please visit the company's Web site at <http://www.hitachi.com>.

# # #

FOR IMMEDIATE RELEASE

Hitachi Announces Consolidated Financial Results  
for the Third Quarter of Fiscal 2003

## Edgar Filing: HITACHI LTD - Form 6-K

Tokyo, February 4, 2004 --- Hitachi, Ltd. (NYSE:HIT / TSE:6501) today announced its consolidated financial results for the third quarter of fiscal 2003, which ended December 31, 2003.

During the quarter, the U.S. economy, driven by consumer spending and plant and equipment investment, remained strong. In addition, Asian economies staged an export-led recovery. Amid falling product and service prices as deflation persisted, the Japanese economy as a whole continued its resurgence, supported in part by the upswing in private-sector plant and equipment investment.

Against this backdrop, net sales rose 7% year on year, to 2,046.9 billion yen (US\$19,131 million). This came amid major year-on-year changes in the Information & Telecommunication Systems and Electronic Devices segments that resulted from ongoing business portfolio realignment across the Hitachi Group. Operating income climbed 391%, to 63.2 billion yen (US\$591 million) with major contribution from improved earnings in Electronic Devices and Digital Media & Consumer Products segments as well as the positive effect of return of the substitutional portion of the Employees Pension Fund to the government.

-2-

By segment, Information & Telecommunication Systems sales increased 26%, to 514.5 billion yen (US\$4,809 million), reflecting a solid performance in software and services, notably in outsourcing services, and hardware operations were bolstered by the inclusion of sales from hard disk drive (HDD) operations acquired from IBM Corporation. Another factor was firm sales of base stations for data communication systems for third-generation mobile phones in Japan. The segment saw its operating income leap 640%, to 13.4 billion yen (US\$125 million).

In Electronic Devices, segment sales declined 12%, to 334.8 billion yen (US\$3,130 million), mainly reflecting the April 2003 transfer of most semiconductor operations to equity-method affiliate Renesas Technology Corp., a joint venture with Mitsubishi Electric Corporation. Sales of Displays grew sharply on brisk demand for TFT LCDs for mobile phones and large flat screen TVs. The segment posted operating income of 11.8 billion yen (US\$111 million), reversing an operating loss of 6.0 billion yen (US\$56 million) a year earlier. Improved profitability in displays contributed to the turnaround.

In Power & Industrial Systems, sales decreased 3%, to 482.0 billion yen (US\$4,505 million) due to sluggish sales of power generation equipment, which negated growth in sales to overseas markets at Hitachi Construction Machinery Co., Ltd. Operating income dipped 68%, to 3.0 billion yen (US\$28 million), despite higher earnings at Hitachi Construction Machinery. The lower profit was attributable to deterioration in profits in power generation equipment as sales declined, as well as to additional work at environmental plant projects in Japan.

In Digital Media & Consumer Products, sales rose 7%, to 328.3 billion yen (US\$3,069 million), overcoming lackluster demand in Japan for home appliances and lower sales of heating appliances due to the mild winter. Moreover, at Hitachi Maxell, Ltd., while sales of recordable DVDs increased, sales were sluggish for computer tapes and lithium ion batteries for mobile phones. Pacing growth in segment sales were higher sales of plasma TVs and optical disk drives in a growing market, as well as sharply higher sales of mobile phones. Segment operating income soared 313%, to 11.3 billion yen (US\$106 million), as structural reforms led to improved profits in home appliances and earnings increased from optical disk drives.



## Edgar Filing: HITACHI LTD - Form 6-K

-3-

In High Functional Materials & Components, sales increased 6%, to 329.8 billion yen (US\$3,083 million). At Hitachi Cable, Ltd., sales of wires and cables increased while sales of electrical equipment and construction were weak. At Hitachi Chemical Co., Ltd., sales growth was recorded by materials for semiconductors and LCDs. At Hitachi Metals, Ltd., sales were lackluster in construction components, plant and equipment, but remained strong in electronic materials. Segment operating income climbed 110%, to 14.9 billion yen (US\$139 million).

In Logistics, Services & Others, sales decreased 18%, to 307.6 billion yen (US\$2,876 million), despite strong sales from the logistics solutions business at Hitachi Transport System, Ltd. Overseas sales companies saw sales decline due to the transfer of semiconductor sales operations to the newly established Renesas Technology, and the transfer of HDD sales operations to Hitachi Global Storage Technologies. Segment operating income rose 28%, to 3.4 billion yen (US\$32 million).

In Financial Services, low interest rates and a declining volume of automobile loans to individuals affected results. Segment sales edged down 3%, to 137.9 billion yen (US\$1,289 million). However, operating income climbed 137%, to 7.3 billion yen (US\$69 million).

Other income jumped 149%, to 18.2 billion yen (US\$171 million), despite lower interest income and dividends received. This increase was mainly attributable to higher gains on the sale of marketable and investment securities. Other deductions increased 80%, to 35.3 billion yen (US\$330 million), due partly to charges for structural reforms.

As a result, Hitachi recorded income before income taxes and minority interests of 46.1 billion yen (US\$432 million), and after 39.2 billion yen (US\$367 million) in income taxes, income before minority interests of 6.9 billion yen (US\$65 million). Hitachi recorded net income of 2.5 billion yen (US\$24 million), reversing a net loss of 2.2 billion yen (US\$21 million) a year earlier.

-4-

### Financial Position

Operating activities used net cash of 56.9 billion yen (US\$532 million), 26.7 billion yen (US\$250 million) more than a year earlier, the result primarily of higher inventory levels to meet expected sales in the fourth quarter.

Investing activities used net cash of 132.4 billion yen (US\$1,238 million), 205.5 billion yen (US\$1,921 million) less year on year. The decrease was mainly due to the payment for the acquisition of the hard disk drive operations from IBM Corporation in the third quarter of the previous year.

Free cash flows, the sum of cash flows from operating and investing activities, were an outflow of 189.3 billion yen (US\$1,770 million), an improvement of 178.7 billion yen (US\$1,670 million) year on year.

Financing activities provided net cash of 103.3 billion yen (US\$966 million), a decrease of 166.1 billion yen (US\$1,553 million) over the net cash provided in the previous fiscal year, mainly due to a smaller increase in interest-bearing debt.

Cash and cash equivalents as of December 31, 2003 amounted to 614.5 billion yen (US\$5,744 million), a net decrease of 94.4 billion yen (US\$883 million) during

## Edgar Filing: HITACHI LTD - Form 6-K

the third quarter.

Debt as of December 31, 2003 stood at 2,797.0 billion yen (US\$26,141 million), 94.4 billion yen (US\$883 million) higher than at September 30, 2003 as a result of an increase in short-term debt.

Capital investment on a completion basis rose 16%, to 213.5 billion yen (US\$1,996 million). Of this, investment for internal use assets declined 5% to 70.1 billion yen (US\$656 million) while investment for leasing assets increased 30% to 143.3 billion yen (US\$1,340 million). Depreciation decreased 3%, to 113.9 billion yen (US\$1,065 million) and R&D expenditures amounted to 86.6 billion yen (US\$810 million), a decrease of 4% from the previous year, and corresponded to 4.2% of net sales.

All figures were converted at the rate of 107 yen = U.S.\$1, the approximate exchange rate on the Tokyo Foreign Exchange Market as of December 30, 2003.

-5-

### Outlook for Fiscal 2003

The recovery in the world economy is expected to become even more evident based on expectations for more growth in the U.S. economy driven by higher personal spending and recovery in Asia on the back of the U.S. upswing.

The Japanese economy, while benefiting from the continuation of strong exports to the U.S. and Asia as well as increasing private-sector plant and equipment investment, is expected to remain clouded in uncertainty. There are still no immediate expectations for a dramatic improvement in the job market, and the recent significant changes in foreign exchange rates continue to impact corporate earnings. These and other factors are creating an uncertain operating environment.

Hitachi has decided not to revise its projections for fiscal 2003, as announced in October last year and detailed below. The projections assume an exchange rate of 105 yen to the U.S. dollar for the fourth quarter of fiscal 2003.

|   |   |                                 |
|---|---|---------------------------------|
| Net sales   | 8,350.0 billion yen<br>(US\$79,524 million) | (year-on-year increase of 2%)   |
| Operating income  | 170.0 billion yen<br>(US\$1,619 million)    | (year-on-year increase of 11%)  |
| Income before income<br>taxes and minority<br>interests | 225.0 billion yen<br>(US\$2,143 million)    | (year-on-year increase of 132%) |
| Income before minority<br>interests                     | 45.0 billion yen<br>(US\$429 million)       | (year-on-year increase of 2%)   |
| Net income  | 10.0 billion yen<br>(US\$95 million)        | (year-on-year decrease of 64%)  |

### 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

## Edgar Filing: HITACHI LTD - Form 6-K

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," "intend," "plan," "project" and similar expressions which indicate future events and trends are used to assist readers in identifying these "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 on 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.

-6-

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, 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 on imports;
- uncertainty as to Hitachi's access to, and 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

## Edgar Filing: HITACHI LTD - Form 6-K

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.

-7-

### Hitachi, Ltd. and Subsidiaries

#### Consolidated Financial Statements for the Third Quarter Ended December 31, 2003

The consolidated financial statements presented herein are expressed in yen and, solely for the convenience of the reader, have been translated into United States dollars at the rate of 107 yen = U.S.\$1, the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market as of December 30, 2003.

#### Summary

In millions of yen and U.S. dollars, except Net income (loss) per share (6) and Net income (loss) per American Depositary Share (7).

|  | Three months ended December 31 |           |                       | Nine months           |                   |           |
|--|--------------------------------|-----------|-----------------------|-----------------------|-------------------|-----------|
|  | Yen<br>(millions)              |           | (A) / (B)<br>X100 (%) | U.S. \$<br>(millions) | Yen<br>(millions) |           |
|  | 2003 (A)                       | 2002 (B)  |                       | 2003                  | 2003 (C)          | 2002 (D)  |
| 1. Net sales   | 2,046,964                      | 1,921,059 | 107                   | 19,131                | 6,088,371         | 5,837,000 |
| 2. Operating income                                      | 63,274                         | 12,896    | 491                   | 591                   | 83,513            | 74,000    |
| 3. Income before income taxes<br>and minority interests  | 46,186                         | 603       | --                    | 432                   | 136,689           | 34,000    |
| 4. Income before minority<br>interests                   | 6,955                          | 2,122     | 328                   | 65                    | 21,279            | 19,000    |
| 5. Net income (loss)                                     | 2,519                          | (2,263)   | --                    | 24                    | 7,903             | 3,000     |
| 6. Net income (loss) per share                           |                                |           |                       |                       |                   |           |
| Basic  | 0.76                           | (0.68)    | --                    | 0.01                  | 2.39              | 1.00      |
| Diluted  | 0.73                           | --        | --                    | 0.01                  | 2.32              | 0.00      |
| 7. Net income (loss) per ADS<br>(representing 10 shares) |                                |           |                       |                       |                   |           |
| Basic  | 8                              | (7)       | --                    | 0.07                  | 24                | 0.00      |
| Diluted  | 7                              | --        | --                    | 0.07                  | 23                | 0.00      |

Notes: 1. The Company's financial statements are prepared based on U.S. GAAPs and are unaudited.

2. Figures for the third quarter and first nine months of fiscal 2002 have been restated to reflect the Company's adoption of the FASB's

## Edgar Filing: HITACHI LTD - Form 6-K

Emerging Issues Task Force (EITF) Issue No. 03-2, "Accounting for the Transfer to the Japanese Government of the Substitutional Portion of Employee Pension Fund Liabilities," which was issued in January 2003.

3. Segment Information and operating income are presented in accordance with financial reporting principles and practices generally accepted in Japan.
4. The figures are for 966 consolidated subsidiaries and 166 equity-method affiliates.

-8-

### Consolidated Statements of Income (Unaudited)

|   | Three months ended December 31 |           |                      |                               |
|---|--------------------------------|-----------|----------------------|-------------------------------|
|   | Yen<br>(millions)              |           | (A) / (B)<br>X100(%) | U.S.<br>Dollars<br>(millions) |
|   | 2003 (A)                       | 2002 (B)  |                      | 2003                          |
| Net sales   | 2,046,964                      | 1,921,059 | 107                  | 19,131                        |
| Cost of sales                                     | 1,560,963                      | 1,465,699 | 106                  | 14,588                        |
| Selling, general and administrative expenses      | 422,727                        | 442,464   | 96                   | 3,951                         |
| Operating income                                  | 63,274                         | 12,896    | 491                  | 591                           |
| Other income                                      | 18,265                         | 7,331     | 249                  | 171                           |
| (Interest and dividends)                          | 4,398                          | 5,345     | 82                   | 41                            |
| (Other)   | 13,867                         | 1,986     | 698                  | 130                           |
| Other deductions                                  | 35,353                         | 19,624    | 180                  | 330                           |
| (Interest charges)                                | 7,519                          | 8,113     | 93                   | 70                            |
| (Other)   | 27,834                         | 11,511    | 242                  | 260                           |
| Income before income taxes and minority interests | 46,186                         | 603       | --                   | 432                           |
| Income taxes                                      | 39,231                         | (1,519)   | --                   | 367                           |
| Income before minority interests                  | 6,955                          | 2,122     | 328                  | 65                            |
| Minority interests                                | 4,436                          | 4,385     | 101                  | 41                            |
| Net income (loss)                                 | 2,519                          | (2,263)   | --                   | 24                            |

-9-

### Consolidated Statements of Income (Unaudited)

| Nine months ended December 31 |  |
|-------------------------------|--|
| U.S.                          |  |

Edgar Filing: HITACHI LTD - Form 6-K

|  | Yen<br>(millions) |           | (C) / (D)<br>X100 (%) | Dollars<br>(millions) |
|--|-------------------|-----------|-----------------------|-----------------------|
|  | 2003 (C)          | 2002 (D)  |                       | 2003                  |
| Net sales  | 6,088,371         | 5,837,550 | 104                   | 56,901                |
| Cost of sales  | 4,718,939         | 4,435,257 | 106                   | 44,102                |
| Selling, general and<br>administrative expenses      | 1,285,919         | 1,327,709 | 97                    | 12,018                |
| Operating income                                     | 83,513            | 74,584    | 112                   | 780                   |
| Other income   | 125,781           | 34,043    | 369                   | 1,176                 |
| (Interest and dividends)                             | 14,932            | 16,326    | 91                    | 140                   |
| (Other)  | 110,849           | 17,717    | 626                   | 1,036                 |
| Other deductions                                     | 72,605            | 74,557    | 97                    | 679                   |
| (Interest charges)                                   | 23,837            | 25,916    | 92                    | 223                   |
| (Other)  | 48,768            | 48,641    | 100                   | 456                   |
| Income before income taxes<br>and minority interests | 136,689           | 34,070    | 401                   | 1,277                 |
| Income taxes   | 115,410           | 14,562    | 793                   | 1,079                 |
| Income before minority interests                     | 21,279            | 19,508    | 109                   | 199                   |
| Minority interests                                   | 13,376            | 16,105    | 83                    | 125                   |
| Net income   | 7,903             | 3,403     | 232                   | 74                    |

-10-

Consolidated Balance Sheets (Unaudited)

|  | Yen<br>(millions)                 |                                    | (A) / (B)<br>X100 (%) | Yen<br>(millions)          |
|--|-----------------------------------|------------------------------------|-----------------------|----------------------------|
|  | As of<br>December 31,<br>2003 (A) | As of<br>September 30,<br>2003 (B) |                       | As of<br>March 31,<br>2003 |
| Assets                                 | 9,867,566                         | 9,884,473                          | 100                   | 10,179,38                  |
| Current assets                         | 5,326,623                         | 5,132,368                          | 104                   | 5,193,46                   |
| Cash and cash equivalents              | 614,593                           | 709,084                            | 87                    | 828,17                     |
| Short-term investments                 | 263,431                           | 254,178                            | 104                   | 186,97                     |
| Trade receivables (Notes and Accounts) | 2,083,064                         | 1,981,959                          | 105                   | 2,057,22                   |
| Investment in leases                   | 499,588                           | 455,485                            | 110                   | 437,07                     |
| Inventories                            | 1,333,036                         | 1,187,133                          | 112                   | 1,187,52                   |
| Other current assets                   | 532,911                           | 544,529                            | 98                    | 496,49                     |
| Investments and advances               | 871,314                           | 877,763                            | 99                    | 726,44                     |

Edgar Filing: HITACHI LTD - Form 6-K

|   |           |           |     |           |
|---|-----------|-----------|-----|-----------|
| Property, plant and equipment                                     | 2,276,856 | 2,339,046 | 97  | 2,601,05  |
| Other assets  | 1,392,773 | 1,535,296 | 91  | 1,658,43  |
| Liabilities and Stockholders' equity                              | 9,867,566 | 9,884,473 | 100 | 10,179,38 |
| Current liabilities   | 4,090,046 | 3,933,087 | 104 | 4,005,22  |
| Short-term debt and current installments<br>of long-term debt     | 1,476,462 | 1,357,156 | 109 | 1,328,44  |
| Trade payables (Notes and Accounts)                               | 1,186,766 | 1,135,402 | 105 | 1,212,06  |
| Other current liabilities   | 1,426,818 | 1,440,529 | 99  | 1,464,71  |
| Noncurrent liabilities  | 3,002,533 | 3,375,729 | 89  | 3,569,37  |
| Long-term debt  | 1,320,636 | 1,345,461 | 98  | 1,512,15  |
| Other liabilities   | 1,681,897 | 2,030,268 | 83  | 2,057,21  |
| Minority interests  | 756,519   | 750,142   | 101 | 751,57    |
| Stockholders' equity  | 2,018,468 | 1,825,515 | 111 | 1,853,21  |
| Common stock  | 282,032   | 282,032   | 100 | 282,03    |
| Capital surplus   | 550,051   | 549,548   | 100 | 562,21    |
| Legal reserve and retained earnings                               | 1,755,100 | 1,760,817 | 100 | 1,766,33  |
| Accumulated other comprehensive<br>income (loss)                  | (536,689) | (734,958) | --  | (755,52   |
| (Foreign currency translation adjustments)                        | (92,548)  | (70,754)  | --  | (60,94    |
| (Minimum pension liability adjustments)                           | (472,338) | (691,794) | --  | (698,91   |
| (Net unrealized holding gain on<br>available-for-sale securities) | 29,151    | 28,536    | 102 | 4,87      |
| (Cash flow hedges)  | (954)     | (946)     | --  | (53       |
| Treasury stock  | (32,026)  | (31,924)  | --  | (1,84     |

-11-

Consolidated Statements of Cash Flows (Unaudited)

|  | Three months ended December 31 |                            |         |
|--|--------------------------------|----------------------------|---------|
|  | Yen<br>(millions)              | U.S. Dollars<br>(millions) |         |
|  | 2003                           | 2002                       | 2003    |
| Cash flows from operating activities   |                                |                            |         |
| Net income (loss)  | 2,519                          | (2,263)                    | 24      |
| Adjustments to reconcile net income (loss) to<br>net cash used in operating activities |                                |                            |         |
| Depreciation   | 113,909                        | 117,683                    | 1,065   |
| Increase in receivables and inventories  | (255,328)                      | (185,323)                  | (2,386) |
| Increase in payables   | 69,053                         | 85,098                     | 645     |
| Other  | 12,903                         | (45,353)                   | 121     |
| Net cash used in operating activities  | (56,944)                       | (30,158)                   | (532)   |

Edgar Filing: HITACHI LTD - Form 6-K

|   |           |           |         |
|---|-----------|-----------|---------|
| Cash flows from investing activities  |           |           |         |
| (Increase) decrease in short-term investments                                       | (21,737)  | 3,898     | (203)   |
| Purchase of rental assets and other properties, net                                 | (178,783) | (166,211) | (1,671) |
| Proceeds from sale of (purchase of) investments and subsidiaries' common stock, net | 20,927    | (3,982)   | 196     |
| Collection of investment in leases  | 78,733    | 72,090    | 736     |
| Other   | (31,560)  | (243,718) | (295)   |
| -----   |           |           |         |
| Net cash used in investing activities   | (132,420) | (337,923) | (1,238) |
| Cash flows from financing activities  |           |           |         |
| Increase in interest-bearing debt   | 116,726   | 284,352   | 1,091   |
| Dividends paid to stockholders  | (9,077)   | (8,524)   | (85)    |
| Dividends paid to minority stockholders of subsidiaries                             | (5,497)   | (5,390)   | (51)    |
| Other   | 1,163     | (969)     | 11      |
| -----   |           |           |         |
| Net cash provided by financing activities   | 103,315   | 269,469   | 966     |
| Effect of exchange rate changes on cash and cash equivalents                        | (8,442)   | (1,584)   | (79)    |
| -----   |           |           |         |
| Net decrease in cash and cash equivalents   | (94,491)  | (100,196) | (883)   |
| Cash and cash equivalents at beginning of the period                                | 709,084   | 875,212   | 6,627   |
| -----   |           |           |         |
| Cash and cash equivalents at end of the period                                      | 614,593   | 775,016   | 5,744   |
| =====   |           |           |         |

-12-

Consolidated Statements of Cash Flows (Unaudited)

|  | -----                         |           |                            |
|--|-------------------------------|-----------|----------------------------|
|  | Nine months ended December 31 |           |                            |
|  | Yen<br>(millions)             |           | U.S. Dollars<br>(millions) |
|  | 2003                          | 2002      | 2003                       |
| -----  |                               |           |                            |
| Cash flows from operating activities   |                               |           |                            |
| Net income   | 7,903                         | 3,403     | 74                         |
| Adjustments to reconcile net income to net cash provided by operating activities |                               |           |                            |
| Depreciation   | 327,825                       | 343,963   | 3,064                      |
| Increase in receivables and inventories  | (282,662)                     | (10,059)  | (2,642)                    |
| Increase in payables   | 31,232                        | 59,187    | 292                        |
| Other  | 83,351                        | (235,149) | 779                        |
| -----  |                               |           |                            |
| Net cash provided by operating activities  | 167,649                       | 161,345   | 1,567                      |
| Cash flows from investing activities   |                               |           |                            |
| (Increase) decrease in short-term investments                                    | (90,351)                      | 21,489    | (844)                      |



Edgar Filing: HITACHI LTD - Form 6-K

|   |           |           |         |
|---|-----------|-----------|---------|
| Purchase of rental assets and other properties, net                   | (508,559) | (471,719) | (4,753) |
| Proceeds from sale of investments and subsidiaries' common stock, net | 138,327   | 52,007    | 1,293   |
| Collection of investment in leases                                    | 276,218   | 281,959   | 2,581   |
| Other   | (105,234) | (350,618) | (983)   |
| -----   | -----     | -----     | -----   |
| Net cash used in investing activities                                 | (289,599) | (466,882) | (2,707) |
| Cash flows from financing activities                                  |           |           |         |
| Increase (decrease) in interest-bearing debt                          | (10,687)  | 92,445    | (100)   |
| Dividends paid to stockholders  | (19,188)  | (8,606)   | (179)   |
| Dividends paid to minority stockholders of subsidiaries               | (12,288)  | (12,346)  | (115)   |
| Other   | (28,272)  | 119       | (264)   |
| -----   | -----     | -----     | -----   |
| Net cash provided by (used in) financing activities                   | (70,435)  | 71,612    | (658)   |
| Effect of exchange rate changes on cash and cash equivalents          | (21,193)  | (20,433)  | (198)   |
| -----   | -----     | -----     | -----   |
| Net decrease in cash and cash equivalents                             | (213,578) | (254,358) | (1,996) |
| Cash and cash equivalents at beginning of the period                  | 828,171   | 1,029,374 | 7,740   |
| -----   | -----     | -----     | -----   |
| Cash and cash equivalents at end of the period                        | 614,593   | 775,016   | 5,744   |
| =====   | =====     | =====     | =====   |
| -----   | -----     | -----     | -----   |

- 13 -

Segment Information (Unaudited)

Industry Segments

|  | Three months ended December 31 |                |             |                   |
|--|--------------------------------|----------------|-------------|-------------------|
|  | Yen<br>(millions)              |                | (A) / (B)   | U.S. Do<br>(milli |
|  | 2003 (A)                       | 2002 (B)       | X100<br>(%) | 200               |
| Information & Telecommunication Systems      | 514,599<br>21%                 | 409,665<br>17% | 126         |                   |
| Electronic Devices                           | 334,899<br>14%                 | 378,452<br>16% | 88          |                   |
| Power & Industrial Systems                   | 482,057<br>20%                 | 498,747<br>20% | 97          |                   |
| Digital Media & Consumer Products            | 328,396<br>13%                 | 307,473<br>13% | 107         |                   |
| Sales High Functional Materials & Components | 329,844<br>13%                 | 310,323<br>13% | 106         |                   |

Edgar Filing: HITACHI LTD - Form 6-K

|                            |  |                   |                   |     |
|----------------------------|--|-------------------|-------------------|-----|
|                            | Logistics, Services & Others               | 307,685<br>13%    | 375,994<br>15%    | 82  |
|                            | Financial Services                         | 137,942<br>6%     | 142,924<br>6%     | 97  |
|                            | Subtotal                                   | 2,435,422<br>100% | 2,423,578<br>100% | 100 |
|                            | Eliminations & Corporate items             | (388,458)         | (502,519)         | --  |
|                            | Total                                      | 2,046,964         | 1,921,059         | 107 |
| Operating<br>income (loss) | Information & Telecommunication<br>Systems | 13,408<br>21%     | 1,811<br>9%       | 740 |
|                            | Electronic Devices                         | 11,871<br>18%     | (6,010)<br>(29%)  | --  |
|                            | Power & Industrial Systems                 | 3,045<br>5%       | 9,552<br>45%      | 32  |
|                            | Digital Media & Consumer<br>Products       | 11,360<br>17%     | 2,748<br>13%      | 413 |
|                            | High Functional Materials<br>& Components  | 14,909<br>23%     | 7,113<br>34%      | 210 |
|                            | Logistics, Services & Others               | 3,437<br>5%       | 2,678<br>13%      | 128 |
|                            | Financial Services                         | 7,383<br>11%      | 3,116<br>15%      | 237 |
|                            | Subtotal                                   | 65,413<br>100%    | 21,008<br>100%    | 311 |
|                            | Eliminations & Corporate items             | (2,139)           | (8,112)           | --  |
|                            | Total                                      | 63,274            | 12,896            | 491 |

Note: Net sales by industry segment include intersegment transactions.

-14-

Segment Information (Unaudited)

Industry Segments

| Nine months ended December 31 |                   |          |                       |                   |
|-------------------------------|-------------------|----------|-----------------------|-------------------|
|                               | Yen<br>(millions) |          | (C) / (D)<br>X100 (%) | U.S. Do<br>(milli |
|                               | 2003 (C)          | 2002 (D) |                       | 200               |
|                               |                   |          |                       |                   |

Edgar Filing: HITACHI LTD - Form 6-K

|                            |   |                   |                   |     |
|----------------------------|---|-------------------|-------------------|-----|
| Sales                      | Information & Telecommunication Systems | 1,567,878<br>22%  | 1,287,895<br>17%  | 122 |
|                            | Electronic Devices                      | 942,428<br>13%    | 1,144,869<br>16%  | 82  |
|                            | Power & Industrial Systems              | 1,555,496<br>21%  | 1,566,848<br>21%  | 99  |
|                            | Digital Media & Consumer Products       | 913,807<br>12%    | 905,162<br>12%    | 101 |
|                            | High Functional Materials & Components  | 952,050<br>13%    | 923,384<br>13%    | 103 |
|                            | Logistics, Services & Others            | 920,654<br>13%    | 1,076,607<br>15%  | 86  |
|                            | Financial Services                      | 405,865<br>6%     | 436,245<br>6%     | 93  |
|                            | Subtotal                                | 7,258,178<br>100% | 7,341,010<br>100% | 99  |
|                            | Eliminations & Corporate items          | (1,169,807)       | (1,503,460)       | --  |
|                            | Total                                   | 6,088,371         | 5,837,550         | 104 |
| Operating<br>income (loss) | Information & Telecommunication Systems | 18,807<br>19%     | 43,978<br>44%     | 43  |
|                            | Electronic Devices                      | 15,546<br>15%     | (13,928)<br>(14%) | --  |
|                            | Power & Industrial Systems              | 10,980<br>11%     | 20,663<br>20%     | 53  |
|                            | Digital Media & Consumer Products       | 12,088<br>12%     | 8,495<br>8%       | 142 |
|                            | High Functional Materials & Components  | 24,142<br>24%     | 16,155<br>16%     | 149 |
|                            | Logistics, Services & Others            | 3,040<br>3%       | 4,135<br>4%       | 74  |
|                            | Financial Services                      | 15,578<br>16%     | 21,769<br>22%     | 72  |
|                            | Subtotal                                | 100,181<br>100%   | 101,267<br>100%   | 99  |
|                            | Eliminations & Corporate items          | (16,668)          | (26,683)          | --  |
|                            | Total                                   | 83,513            | 74,584            | 112 |

Note: Net sales by industry segment include intersegment transactions.

Edgar Filing: HITACHI LTD - Form 6-K

Segment Information (Unaudited)

Sales by Market

|               | Three months ended December 31 |                   |                       | U.S. Do<br>(milli<br>-----<br>200 |
|---------------|--------------------------------|-------------------|-----------------------|-----------------------------------|
|               | Yen<br>(millions)              |                   | (A) / (B)<br>X100 (%) |                                   |
|               | 2003 (A)                       | 2002 (B)          |                       |                                   |
| Japan         | 1,277,820<br>62%               | 1,244,908<br>65%  | 103                   |                                   |
| Asia          | 310,118<br>15%                 | 254,008<br>13%    | 122                   |                                   |
| North America | 230,161<br>11%                 | 242,035<br>13%    | 95                    |                                   |
| Europe        | 171,689<br>9%                  | 135,257<br>7%     | 127                   |                                   |
| Other Areas   | 57,176<br>3%                   | 44,851<br>2%      | 127                   |                                   |
| Outside Japan | 769,144<br>38%                 | 676,151<br>35%    | 114                   |                                   |
| Total         | 2,046,964<br>100%              | 1,921,059<br>100% | 107                   |                                   |

|               | Nine months ended December 31 |                  |                       | U.S. Do<br>(milli<br>-----<br>200 |
|---------------|-------------------------------|------------------|-----------------------|-----------------------------------|
|               | Yen<br>(millions)             |                  | (C) / (D)<br>X100 (%) |                                   |
|               | 2003 (C)                      | 2002 (D)         |                       |                                   |
| Japan         | 3,914,182<br>64%              | 3,878,016<br>66% | 101                   |                                   |
| Asia          | 863,901<br>14%                | 752,602<br>13%   | 115                   |                                   |
| North America | 658,379<br>11%                | 669,015<br>12%   | 98                    |                                   |
| Europe        | 475,147<br>8%                 | 397,442<br>7%    | 120                   |                                   |

Edgar Filing: HITACHI LTD - Form 6-K

|               |                   |                   |       |
|---------------|-------------------|-------------------|-------|
| Other Areas   | 176,762<br>3%     | 140,475<br>2%     | 126   |
| -----         | -----             | -----             | ----- |
| Outside Japan | 2,174,189<br>36%  | 1,959,534<br>34%  | 111   |
| -----         | -----             | -----             | ----- |
| Total         | 6,088,371<br>100% | 5,837,550<br>100% | 104   |
| -----         | -----             | -----             | ----- |

# # #

February 4, 2004  
Hitachi, Ltd.

Supplementary Information  
for the Third Quarter Ended December 31, 2003 (Consolidated basis)

1. Summary

|                                       | Three months ended December 31 |       | Nine months ended D   |          |       |
|---------------------------------------|--------------------------------|-------|-----------------------|----------|-------|
|                                       | 2003                           |       |                       |          |       |
|                                       | 2002 (A)                       | (B)   | (B) / (A)<br>X100 (%) | 2002 (C) | (D)   |
| Average exchange rate (Yen / U.S.\$)  | 122                            | 108   | --                    | 122      | 115   |
| Capital investment (Completion basis) | 184.0                          | 213.5 | 116                   | 559.3    | 594.4 |
| Leasing assets                        | 110.1                          | 143.3 | 130                   | 323.9    | 379.9 |
| Other                                 | 73.8                           | 70.1  | 95                    | 235.3    | 214.5 |
| Depreciation                          | 117.6                          | 113.9 | 97                    | 343.9    | 327.8 |
| Leasing assets                        | 20.3                           | 26.9  | 132                   | 60.5     | 80.2  |
| Other                                 | 97.2                           | 86.9  | 89                    | 283.3    | 247.6 |
| R&D expenditure                       | 90.7                           | 86.6  | 96                    | 280.4    | 271.1 |
| Percentage of net sales               | 4.7%                           | 4.2%  | --                    | 4.8%     | 4.5%  |

|                                      | As of March 31,<br>2003 | As of September 30,<br>2003 | As of D<br>2 |
|--------------------------------------|-------------------------|-----------------------------|--------------|
| Stockholders' equity per share (Yen) | 550.76                  | 553.48                      |              |

Edgar Filing: HITACHI LTD - Form 6-K

|   |         |         |
|---|---------|---------|
| Cash & cash equivalents, Short-term investments (Billions of yen) | 1,015.1 | 963.2   |
| Interest-bearing debt (Billions of yen)                           | 2,840.5 | 2,702.6 |
| Number of employees   | 339,572 | 326,500 |
| Japan   | 256,085 | 243,476 |
| Overseas  | 83,487  | 83,024  |
| Number of consolidated subsidiaries                               | 1,112   | 967     |
| Japan   | 708     | 560     |
| Overseas  | 404     | 407     |

2.Overseas sales by industry segment

(Billions of yen)

|   | Three months ended December 31 |       |                       | Nine months ended December 31 |         |
|---|--------------------------------|-------|-----------------------|-------------------------------|---------|
|   | 2003                           |       |                       |                               |         |
|   | 2002 (A)                       | (B)   | (B) / (A)<br>X100 (%) | 2002 (C)                      | (D)     |
| Information & Telecommunication Systems | 79.5                           | 186.1 | 234                   | 208.5                         | 492.9   |
| Electronic Devices                      | 137.7                          | 132.6 | 96                    | 400.9                         | 364.2   |
| Power & Industrial Systems              | 88.3                           | 120.7 | 137                   | 282.5                         | 356.3   |
| Digital Media & Consumer Products       | 114.9                          | 126.2 | 110                   | 360.9                         | 363.8   |
| High Functional Materials & Components  | 78.4                           | 85.1  | 109                   | 234.0                         | 245.6   |
| Logistics, Services & Others            | 166.9                          | 108.9 | 65                    | 444.0                         | 322.5   |
| Financial Services                      | 9.6                            | 9.2   | 95                    | 28.1                          | 28.5    |
| Eliminations & Corporate items          | 0.4                            | 0.0   | --                    | 0.3                           | 0.0     |
| Total                                   | 676.1                          | 769.1 | 114                   | 1,959.5                       | 2,174.1 |

###

February 4, 2004  
Hitachi, Ltd.

## Edgar Filing: HITACHI LTD - Form 6-K

### 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

|  | Three months ended December 31 |          |           | Nine months ended D |          |
|--|--------------------------------|----------|-----------|---------------------|----------|
|  | 2003 (A)                       | 2002 (B) | (A) / (B) | 2003 (C)            | 2002 (D) |
|  |                                |          | X100(%)   |                     |          |
| (1) Sales and operating income by product sector *2 *3 |                                |          |           |                     | (Bill    |
| Sales  | 514.5                          | 409.6    | 126%      | 1,567.8             | 1,287.8  |
| Software & Services                                    | 191.2                          | 189.2    | 101%      | 650.7               | 642.6    |
| Hardware   | 323.3                          | 220.4    | 147%      | 917.0               | 645.2    |
| Operating income                                       | 13.4                           | 1.8      | 740%      | 18.8                | 43.9     |

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 nine months ended December 31, 2003, includes Hitachi GST's business results for the nine months ended September 30, 2003.

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

|                                   | Three months ended December 31 |          |           | Nine months ended De |          |
|-----------------------------------|--------------------------------|----------|-----------|----------------------|----------|
|                                   | 2003 (A)                       | 2002 (B) | (A) / (B) | 2003 (C)             | 2002 (D) |
|                                   |                                |          | X100(%)   |                      |          |
| (2) Sales by product sector *2 *3 |                                |          |           |                      | (Bill    |
| Sales                             | 514.5                          | 409.6    | 126%      | 1,567.8              | 1,287.8  |
| Software & Services               | 191.2                          | 189.2    | 101%      | 650.7                | 642.6    |
| Software                          | 37.3                           | 39.8     | 94%       | 121.1                | 131.4    |
| Services                          | 153.9                          | 149.4    | 103%      | 529.6                | 511.2    |
| Hardware                          | 323.3                          | 220.4    | 147%      | 917.0                | 645.2    |
| Storage *4                        | 176.3                          | 88.0     | 200%      | 468.4                | 253.5    |
| Servers *5                        | 30.0                           | 33.8     | 89%       | 97.0                 | 93.9     |

Edgar Filing: HITACHI LTD - Form 6-K

|                   |      |      |      |       |       |
|-------------------|------|------|------|-------|-------|
| PCs *6            | 32.7 | 32.3 | 101% | 99.5  | 103.9 |
| Telecommunication | 31.2 | 25.1 | 124% | 90.0  | 72.3  |
| Others            | 53.1 | 41.2 | 129% | 162.1 | 121.6 |

-2-

- 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

|       | Three months ended December 31 |          |                       | Nine months ended D |          |
|-------|--------------------------------|----------|-----------------------|---------------------|----------|
|       | 2003 (A)                       | 2002 (B) | (A) / (B)<br>X100 (%) | 2003 (C)            | 2002 (D) |
| Sales | 65.0                           | 70.0     | 93%                   | 193.0               | 200.0    |

(4) Hard Disk Drives \*7 \*8

[ Period from April 1, 2002 through December 31, 2002 ]

| Period recorded for consolidated accounting purposes | Three months ended December 31 (Oct.2002 to Dec.2002) | Nine months ended December 31 (Apr.2002 to Dec.2002) |
|--|---|--|
| Shipment Period                                      | Oct.2002 to Dec.2002                                  | Apr.2002 to Dec.2002                                 |
| Sales (billions of yen)                              | --  | --   |
| Shipments (thousand units) *9                        | 2,200   | 6,200  |
| Mobiles *10  | 1,900   | 5,400  |
| Servers *11  | 300   | 800  |
| Desktops *12   | --  | --   |
| Emerging *13   | --  | --   |

[ Period from April 1, 2003 through December 31, 2003 ]

| Period recorded for consolidated accounting | Three months ended December 31 | Nine months ended December 31 |
|---|--------------------------------|-------------------------------|
|---|--------------------------------|-------------------------------|



## Edgar Filing: HITACHI LTD - Form 6-K

| purposes                      | (Oct.2003 to Dec.2003) | (Apr.2003 to Dec.2003) |         |
|-------------------------------|------------------------|------------------------|---------|
| Shipment Period               | Jul.2003 to Sep.2003   | Jan.2003 to Sep.2003   |         |
|                               |                        |                        | Ref *14 |
| Sales (billions of yen)       | 128.6                  | 321.5                  | 348.3   |
| Shipments (thousand units) *9 | 11,600                 | 28,400                 | 30,700  |
| Mobiles *10                   | 6,600                  | 15,800                 | 17,800  |
| Servers *11                   | 900                    | 2,100                  | 2,300   |
| Desktops *12                  | 3,900                  | 10,200                 | 10,200  |
| Emerging *13                  | 160                    | 360                    | 360     |

-3-

[ Period from April 1, 2003 through March 31, 2004 ]

| Period recorded for<br>consolidated accounting<br>purposes | Three months ended<br>March 31<br>(Jan.2004 to Mar.2004) | Twelve months ended<br>December 31<br>(Apr.2003 to Mar.2004) |         |
|--|--|--|---------|
| Shipment Period  | Oct.2003 to Dec.2003 *15                                 | Jan.2003 to Dec.2003   |         |
|  |  |  | Ref *14 |
| Sales (billions of yen)                                    | 135.9  | 457.4  | 484.2   |
| Shipments (thousand units) *9                              | 12,600   | 41,100   | 43,400  |
| Mobiles *10  | 7,300  | 23,100   | 25,100  |
| Servers *11  | 1,100  | 3,100  | 3,400   |
| Desktops *12   | 4,200  | 14,400   | 14,400  |
| Emerging *13   | 130  | 480  | 480     |

- 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 third-quarter consolidated results for Hitachi, Ltd. include the results of Hitachi GST for the three-month period from July 1, 2003 through September 30, 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.
- \*9. Shipment less than 100,000 units have been rounded, with the exception of Emerging, where shipment less than 10,000 units have been rounded.
- \*10. Note-PCs (2.5inch), consumer electronics applications (1.8inch),

## Edgar Filing: HITACHI LTD - Form 6-K

- etc.
- \*11. Disk array subsystems, servers (3.5inch), etc.
  - \*12. Desktop-PCs, consumer electronics applications (3.5inch), etc.
  - \*13. Hand held devices (1 inch), automotive (2.5 inch), etc.
  - \*14. 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 nine-month period ended September 30, 2003 and for the twelve-month period ended December 31, 2003.
  - \*15. Results for HDD operations in the period from October 1, 2003 through December 31, 2003 will be included in Hitachi's fiscal 2003 fourth-quarter, ending March 31, 2004 results.

-4-

### 2. Displays

#### (1) Sales and operating income (loss)

|                         | Three months ended December 31 |          |                       | Nine months ended D |          |
|-------------------------|--------------------------------|----------|-----------------------|---------------------|----------|
|                         | 2003 (A)                       | 2002 (B) | (A) / (B)<br>X100 (%) | 2003 (C)            | 2002 (D) |
| Sales                   | 69.0                           | 43.7     | 158%                  | 187.8               | 143.7    |
| Operating income (loss) | 4.5                            | (7.7)    | --                    | (0.4)               | (9.0)    |

#### (2) LCD sales

|                            | Three months ended December 31 |          |                       | Nine months ended D |          |
|----------------------------|--------------------------------|----------|-----------------------|---------------------|----------|
|                            | 2003 (A)                       | 2002 (B) | (A) / (B)<br>X100 (%) | 2003 (C)            | 2002 (D) |
| Sales                      | 61.0                           | 32.0     | 191%                  | 161.0               | 112.0    |
| Large-size LCDs            | 29.0                           | 20.0     | 145%                  | 84.0                | 78.0     |
| Small and medium-size LCDs | 32.0                           | 12.0     | 267%                  | 77.0                | 34.0     |

# # #

# Edgar Filing: HITACHI LTD - Form 6-K

FOR IMMEDIATE RELEASE

## Progress on the "i.e.HITACHI Plan II" Medium-Term Management Plan

Tokyo, February 4, 2004 --- Hitachi, Ltd. (NYSE:HIT / TSE:6501) today announced progress with initiatives designed to achieve positive FIV\* (Future Inspiration Value) in fiscal 2005, a goal of its current medium-term management plan, "i.e.HITACHI Plan II."

Hitachi is realigning its business portfolio based on reviews of the activities and growth potential of all businesses. With many of the acquisitions and joint ventures conducted thus far having proven successful, targeted businesses are expected to grow between now and fiscal 2005.

Moreover, Hitachi is actively making investments in R&D in the ubiquitous application products, the automotive equipment, biomedical and other businesses, all of which are expected to expand from fiscal 2006 onward. Advanced research, the wellspring of future growth, is another area where Hitachi is bolstering R&D.

At present, Hitachi expects it will be capable of generating consolidated operating income in excess of 400 billion yen on net sales in the order of 9 trillion yen in fiscal 2005. Based on this assumption, Hitachi expects to generate positive FIV that year.

\* FIV is Hitachi's economic value-added evaluation index in which the cost of capital is deducted from after-tax operating profit. After-tax operating profit must exceed the cost of capital to achieve positive FIV.

-2-

### 1. Progress With Realigning the Business Portfolio and Measures to Increase Profitability

Hitachi is projecting that consolidated net sales in fiscal 2005 will be approximately 650 billion yen higher than in fiscal 2002 due to the acquisition of IBM Corporation's hard disk drive (HDD) operations, the acquisition of Sumitomo Special Metals Co., Ltd. by Hitachi Metals, Ltd. and other business portfolio realignment actions. Conversely, the transfer of Hitachi, Ltd.'s semiconductor operations to joint venture Renesas Technology Corp. and other developments are expected to lower net sales over the same period by approximately 540 billion yen.

The integration of semiconductor operations in joint ventures, which are accounted for as equity-method affiliates, has bolstered competitiveness and improved earnings.

In the display business, earnings have improved significantly by changing the product mix. The focus in this business has shifted from the highly volatile notebook PC market to small and medium-size LCD panels, particularly for the expanding market in Japan for mobile phones featuring color screens. Growth in LCD panels for flat panel TVs is another factor behind the improvement in earnings. At this time, Hitachi has decided to invest an additional 12 billion yen in a production line for low-temperature polysilicon TFT LCDs in response to increasing demand for mobile phones equipped with high-resolution color displays.

In the consumer business, Hitachi Home & Life Solutions, Inc. has initiated structural reforms, mainly focused on reducing fixed expenses. Initiatives such as expanding sales in Japan of home appliances manufactured overseas are

## Edgar Filing: HITACHI LTD - Form 6-K

intended to give the company a more competitive structure, particularly regarding fixed costs, with which it can expand its business going forward. Meanwhile, Hitachi, Ltd.'s Ubiquitous Platform Systems Group has reorganized and integrated bases producing CRT TVs, VTRs and other existing audio-visual products in Japan and overseas, while refocusing on digital consumer electronics, a category which includes plasma TVs, projection TVs and optical storage drives.

In addition to these initiatives, Hitachi has been pushing ahead with Corporate Innovation Initiative II to improve profitability. Measures include upgrading cash flow management and initiatives to reduce expenses. Moreover, Hitachi is continuing with measures designed to nurture employees and create new businesses, including the establishment of virtual venture companies by "corporate senior staff." The objective is to turn venture companies into full-fledged businesses much in the same manner as Hitachi has done with Mu-Solutions. With FIV as its key management benchmark, Hitachi is thus working on many fronts to improve profitability while creating attractive products and services that dovetail with customer needs.

-3-

### 2. Measures for Continuous Growth

In tandem with business portfolio realignment, Hitachi is pushing ahead with measures to ensure growth over the medium and long terms. Investments are being made in R&D in the automotive equipment, battery, biomedical and other businesses, all of which are expected to grow significantly going forward. An example is a pilot production line for rechargeable lithium-ion batteries.

Businesses where Hitachi can best leverage its strengths, in an environment where elemental technologies and markets now cut across several different business groups, will be designated as "Inspire A Businesses." Hitachi is prepared to take whatever steps are necessary to strengthen these businesses, including strategically allocating funds and establishing an operating framework that facilitates collaboration across many businesses in the Hitachi Group.

In Information & Telecommunication Systems, efforts are being made to upgrade Hitachi's development capabilities with respect to disk array subsystems, HDDs and other hardware, as well as middleware and other software. Hitachi will explore alliances with other companies and conduct M&As, as required, to better facilitate the provision of total solutions in this field, which is a key component of a ubiquitous information society.

In Power & Industrial Systems, structural reforms are being implemented to Hitachi, Ltd.'s Power & Industrial Systems Group to improve earnings.

In the display business, Hitachi is continuing with the development of a next-generation display device that achieves high picture quality and low power consumption.

Hitachi has positioned the consumer market as an important market for providing "New Era Lifeline Support Solutions." At the heart of this stance is establishment of the Consumer Business Strategy Division to open up new markets through a business model transformation--switching from a household appliance business operated along individual product lines to a consumer products business that directly supports individuals' lifestyles as a vital part of the social infrastructure. Headed by President and CEO Etsuhiko Shoyama, this new body's activities will extend beyond the scope of the current consumer field. It will capitalize fully on the resources of Hitachi's consumer products business as well as the involvement Hitachi Air Conditioning Systems Co., Ltd. and Hitachi Industrial Equipment Systems Co., Ltd. have in the technology and business

## Edgar Filing: HITACHI LTD - Form 6-K

spheres. The goal is to create viable consumer business models for the ubiquitous era.

-4-

Moreover, Hitachi is actively investing in advanced research fields that are of common interest to the Group. These are fields in which the Hitachi Group can give full play to its strengths from a long-term perspective.

Together, these investments, including ongoing investments in IT to facilitate faster decision-making, are intended to support consistent growth.

Hitachi is accelerating the pace of its transformation into a highly profitable organization as it aims to expand and achieve positive FIV in fiscal 2005, a goal of "i.e.HITACHI Plan II," and generate consistent growth afterward.

### 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," "intend," "plan," "project" and similar expressions which indicate future events and trends are used to assist readers in identifying these "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 on 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, particularly in the context of

## Edgar Filing: HITACHI LTD - Form 6-K

limited credit availability currently prevailing in Japan;

-5-

- 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 on imports;
- uncertainty as to Hitachi's access to, and 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.

# # #