

Report of Independent Registered Public Accounting Firm



To the Stockholders and Board of Directors of
Hitachi, Ltd.:

We have audited the accompanying consolidated balance sheets of Hitachi, Ltd. and subsidiaries as of March 31, 2005 and 2004, and the related consolidated statements of operations, stockholders' equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. The consolidated statements of operations, stockholders' equity, and cash flows of the Company for the year ended March 31, 2003 were audited by other auditors whose report dated May 15, 2003 expressed a qualified opinion on those statements with respect to the omission of segment information required to be disclosed in financial statements under U.S. generally accepted accounting principles. Such disclosure is not required by foreign issuers in Securities Exchange Act filings with the United States Securities and Exchange Commission.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal controls over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The Company's consolidated financial statements do not disclose certain information required by Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information." In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States.

In our opinion, except for the omission of segment information as discussed in the preceding paragraph, the 2005 and 2004 financial statements referred to above present fairly, in all material respects, the consolidated financial position of Hitachi, Ltd. and subsidiaries as of March 31, 2005 and 2004, and the consolidated results of their operations and their cash flows for each of the two years in the period ended March 31, 2005, in conformity with U.S. generally accepted accounting principles.

We have also recomputed the translation of the consolidated financial statements as of and for the year ended March 31, 2005 into United States dollars. In our opinion, the consolidated financial statements expressed in yen have been translated into United States dollars on the basis described in Note 3.

A handwritten signature in black ink that reads 'Ernst & Young Shirohiko'.

Tokyo, Japan
May 18, 2005

Five-Year Summary

Hitachi, Ltd. and Subsidiaries

	Millions of yen				
	2005	2004	2003	2002	2001
For the year:					
Revenues	¥9,027,043	¥8,632,450	¥ 8,191,752	¥7,993,784	¥ 8,416,982
Operating income (loss) (note)	279,055	184,863	152,967	(117,415)	342,312
Net income (loss)	51,496	15,876	27,867	(483,837)	104,380
Cash dividends declared	36,462	26,385	20,107	10,013	36,716
Capital investment					
(Property, plant and equipment)	959,593	816,547	787,496	856,279	971,095
Depreciation (Property, plant and equipment)	425,080	436,053	480,274	529,418	505,507
R&D expenditures	388,634	371,825	377,154	415,448	435,579
At year-end:					
Total assets	9,736,247	9,590,322	10,179,389	9,915,654	11,246,608
Net property, plant and equipment	2,357,931	2,232,862	2,601,050	2,514,424	2,674,957
Stockholders' equity	2,307,831	2,168,131	1,853,212	2,304,224	2,861,502
					Yen
Per share information:					
Net income (loss):					
Basic	¥ 15.53	¥ 4.81	¥ 8.31	¥(144.95)	¥ 31.27
Diluted	15.15	4.75	8.19	(144.95)	30.32
Net income (loss) per ADS (representing 10 shares):					
Basic	155	48	83	(1,450)	313
Diluted	151	47	82	(1,450)	303
Cash dividends declared	11.0	8.0	6.0	3.0	11.0
Cash dividends declared per ADS (representing 10 shares)					
	110	80	60	30	110
Stockholders' equity	692.73	657.42	550.76	690.28	857.27
Number of employees	347,424	326,344	339,572	321,517	340,939

Note: In order to be consistent with financial reporting principles and practices generally accepted in Japan, operating income (loss) is presented as total revenues less cost of sales and selling, general and administrative expenses. The Company believes that this is useful to investors in comparing the Company's financial results with those of other Japanese companies. Under accounting principles generally accepted in the United States of America, restructuring charges, net gain or loss on sale and disposal of rental assets and other property, impairment losses, special termination benefits and the losses resulting from the remeasurement of the obligation upon adoption of EITF Issue No. 03-2, "Accounting for the Transfer to the Japanese Government of the Substitutional Portion of Employee Pension Fund Liabilities," are included as part of operating income (loss) for the years ended March 31, 2005, 2004 and 2003. See the consolidated statements of operations and notes 18, 19 and 20 to the consolidated financial statements.

The restructuring charges mainly represent special termination benefits incurred with the reorganization of our business structures, and as the result of the Company and its subsidiaries reviewing and reshaping the business portfolio. Impairment losses, the restructuring charges and net loss on sale and disposal of rental assets and other property for the years ended March 31, 2002 and 2001 totaled ¥349,361 million and ¥16,590 million, respectively.

Corporate Data

(As of March 31, 2005)

Corporate Name

Hitachi, Ltd.
(Kabushiki Kaisha Hitachi Seisakusho)

Principal Office

6-6, Marunouchi 1-chome, Chiyoda-ku,
Tokyo, 100-8280, Japan

Founded

1910 (Incorporated in 1920)

Number of Employees

347,424

Number of Shares Issued

Common Stock: 3,368,126,056 shares

Number of Shareholders

434,157

Transfer Agent for the Shares

Tokyo Securities Transfer Agent Co., Ltd.
4-2, Marunouchi, 1-chome, Chiyoda-ku,
Tokyo, 100-0005, Japan
TEL: +81-3-3212-4611

Depository and Registrar for American Depositary Receipts

(New York Stock Exchange Listed Symbol — HIT)
Citibank, N.A. Shareholder Services
P.O. Box 43077
Providence, Rhode Island 02940-3077 USA

TEL: U.S.A. 1-877-248-4237 CITI-ADR
International +1-816-843-4281
E-mail: citibank@shareholders-online.com
URL: www.citigroup.com/adr

Overseas Stock Exchange Listings

Luxembourg, Frankfurt, Euronext Amsterdam,
Euronext Paris and New York stock exchanges

Japanese Stock Exchange Listings

Tokyo, Osaka, Nagoya, Fukuoka
and Sapporo stock exchanges

Independent Registered Public Accounting Firm

Ernst & Young ShinNihon

URL

<http://www.hitachi.com>

FOR FURTHER INFORMATION, PLEASE CONTACT:

Investor Relations

JAPAN

Hitachi, Ltd.
6-6, Marunouchi 1-chome, Chiyoda-ku,
Tokyo, 100-8280, Japan
TEL: +81-3-3258-1111
E-mail: IR@hdq.hitachi.co.jp

U.S.A.

Hitachi America, Ltd.
2000 Sierra Point Parkway, Brisbane,
California 94005-1835
TEL: +1-650-244-7902
E-mail: investor.info@hal.hitachi.com

U.K.

Hitachi Europe Ltd.
Whitebrook Park, Lower Cookham Road,
Maidenhead Berkshire SL6 8YA
TEL: +44-1628-585379
E-mail: investor.info@hitachi-eu.com

CHINA

Hitachi (China) Investment, Ltd.
18F Beijing Fortune Bldg.,
5 Don San Huan Bei Lu, Cao Yang District, Beijing 100004
TEL: +86-10-6590-8141
E-mail: investor.info@hitachi.cn

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