

OUTLINE

(As of March 31, 1998)

Corporate Name

Hitachi, Ltd. (Kabushiki Kaisha Hitachi Seisakusho)

Principal Office

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

Founded

1910 (Incorporated in 1920)

Common Stock

Par Value: ¥50

Authorized: 10,000,000,000 shares

Issued: 3,337,894,780 shares

Shareholders

357,040

Internet Address

www.hitachi.co.jp

HIGHLIGHTS OF THE YEAR ENDED MARCH 31, 1998

Net Sales	% change from 1997
¥8,416,834 million	-1%
Net Income	
¥3,477 million	-96%
Net Income per Share	
¥1.00	-96%
Stockholders' Equity	
¥3,240,770 million	-1%
Number of Employees	
331,494	

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Notes: 1. Hitachi's fiscal year ends March 31.

2. Not all data have been audited.

3. During the year ended March 31, 1989, Hitachi, Ltd. adopted the method of inclusion of previously unconsolidated subsidiaries, all of which had previously been accounted for under the equity method, to comply with the requirements of Statement of Financial Accounting Standards (SFAS) No. 94, "Consolidation of All Majority-owned Subsidiaries."

Accordingly, in this booklet, figures for the year ended March 31, 1989 encompass Hitachi, Ltd. and its 679 subsidiaries, up from the previous 46.

4. Hitachi, Ltd. made a free distribution of 153,642,327 shares of its common stock on May 21, 1990 to shareholders of record on March 31, 1990 on the basis of one share for each twenty shares held. Figures for net income per share are after retroactive adjustment for the free distribution.

5. Effective April 1, 1993, Hitachi, Ltd. adopted SFAS No. 109, "Accounting for Income Taxes," and has reported the cumulative effect of the change in the method of accounting for income taxes in the 1994 consolidated statement of income. The cumulative effect of this change in accounting for income taxes of ¥2,970 million is determined as of April 1, 1993.

6. All figures are consolidated figures of Hitachi, Ltd. (the Company) and its subsidiaries, except where specifically stated otherwise.

7. The Company has not applied SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities."

8. Net deferred tax assets of domestic consolidated companies as of the end of fiscal 1997 (year ended March 31, 1998) have been measured by the normal tax rate of several corporate income taxes, which have been diminished in context of an enacted revision of Japanese tax accounting for fiscal 1998 and are to be applied for the tax filings for fiscal 1998, as required by a tax effect accounting of United States generally accepted accounting principles.

This accounting treatment has given a negative effect of ¥27,053 million (\$205 million) to consolidated Net income as for fiscal 1997.