

C O N T E N T S

President's Message	3
Hitachi Group Technology Strategies	4
HIGHLIGHTS 2003-2004	15
 Information Systems	21
 Electronics	40
 Power Systems	45
 Industrial Systems	51
 Consumer Products	69
 Research & Development	75
History Highlights	86
Financial Highlights, Trademarks	87
Organization of Hitachi, Ltd.	88

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P r e s i d e n t ' s M e s s a g e

Fostering Excellent Researchers, and Creating an "Open" and "Challenging" Development Environment Keys to the success of the "i.e.HITACHI Plan II"



The year 2002 was a banner year for science and technology in Japan. Dr. Masatoshi Koshihara was awarded the Nobel Prize for physics, while Mr. Koichi Tanaka received the Nobel Prize for chemistry. I would like to offer my sincere congratulations to these gentlemen, and express my deep respect for their achievements.

The outstanding achievements of Hitachi Fellow Akira Tonomura were also recognized last year; Dr. Tonomura was selected as a recipient of the 2002 Cultural Merit award by the Japanese Government, for his work in electron beam holography and quantum dynamics.

These exceptional achievements have reminded me of the importance of creativity among individual researchers. Recently, there has been a growing trend toward large-scale research conducted on a project base, and as a result it has become increasingly difficult for individuals within a company to freely demonstrate their full capabilities. I have become even more strongly aware of how important it is to create an environment in which individual researchers can overcome these limitations, applying themselves fully to research and development activities with the determination to fulfill a dream.

In April 2003, Hitachi kicked off its "i.e.HITACHI Plan II," as an extension of the "i.e.HITACHI Plan" — the medium-term management plan that outlined the company's management goals for the start of the 21st century. The main goals of the new plan are to further promote management reforms that are still under way, and to achieve key management targets — at least 5% operating margin and ROE of at least 8% — during the fiscal year ending March 2006.

In order to achieve these goals, on the management front, we will introduce a new form of governance that ensures greater transparency. We will

also undertake a realignment of its business portfolio, while at the same time establishing a highly profitable corporate structure. This will involve a concentration of management resources in

two main fields: "New Era Lifeline Support Solutions," which further fuse and enhance information system services and social infrastructure systems, and "Global Products Incorporating Advanced Technology," which focuses hardware and software that incorporate highly competitive technologies and knowledge.

Research and development represents an indispensable factor in these types of dynamic reforms, as does the development of researchers' skills, the driving force behind these R&D activities. Hitachi is not simply concerned with the growth of specialized technologies; our goal is to foster researchers with outstanding sensitivity with regard to market trends and the needs of customers. We also devote our energy to the creation of an "Open" and "Challenging" development environment in which these outstanding researchers can fully demonstrate their talents.

As an introduction to these activities, this issue of "Hitachi Technology 2003-2004" will present Hitachi's achievements in the products, systems, and technologies that will take us into the new era. Hitachi will continue to push forward with "i.e.HITACHI Plan II" as a means of deepening our partnerships and contributing to our customers' business.

Etsuhiko Shoyama

A handwritten signature in black ink that reads "E. Shoyama". The signature is fluid and cursive, with a large initial "E" and a long, sweeping underline.

President, Chief Executive Officer and Director
Hitachi, Ltd.