PROSPECTUS DATED 30 September 2008

Hitachi International (Holland) B.V.

(*incorporated with limited liability under the laws of The Netherlands and having its corporate seat in Amsterdam*)

Series 44 JPY5,000,000,000 Fixed Rate Notes due 2010
Series 192 JPY1,000,000,000 Fixed to Index Linked Callable Notes due 2017
Series 194 JPY1,000,000,000 Fixed to Index Linked Callable Notes due 2017
Series 196 JPY1,000,000,000 Fixed to Index Linked Callable Notes due 2017
Series 198 JPY1,000,000,000 Fixed to Floating Rate Callable Notes due 2017
Series 204 JPY1,000,000,000 Fixed to FX-Linked Callable Notes due 2013
Series 207 JPY500,000,000 Fixed/Inverse Floating Rate Notes due 2013
Series 208 JPY500,000,000 Callable Fixed to Inverse Floating Rate Notes due 2015
Series 209 JPY500,000,000 Callable Fixed/Floating Rate Notes due 2015
Series 218 JPY500,000,000 Callable Fixed Rate Notes due 2012
Series 220 JPY700,000,000 Fixed Rate to Reverse Floating Rate Callable Notes due 2015

This Prospectus has been approved by the United Kingdom Financial Services Authority (the "**FSA**"), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") and relevant implementing measures in the United Kingdom as a prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the listing of the Series 44 JPY5,000,000,000 Fixed Rate Notes due 2010, the Series 192 JPY1,000,000,000 Fixed to Index Linked Callable Notes due 2017, the Series 194 JPY1,000,000,000 Fixed to Index Linked Callable Notes due 2017, the Series 196 JPY1,000,000,000 Fixed to Index Linked Callable Notes due 2017, the Series 198 JPY 1,000,000,000 Fixed to Floating Rate Callable Notes due 2017, the Series 204 JPY1,000,000,000 Fixed to FX-Linked Callable Notes due 2013, the Series 207 JPY 500,000,000 Fixed/Inverse Floating Rate Notes due 2013, the Series 208 JPY500,000,000 Callable Fixed to Inverse Floating Rate Notes due 2015, the Series 209 JPY500,000,000 Callable Fixed/Floating Rate Notes due 2015, the Series 218 JPY500,000,000 Callable Fixed Rate Notes due 2012 and the Series 220 JPY 700,000,000 Fixed Rate to Reverse Floating Rate Callable Notes due 2015 (the "**Series 44 Notes**", "**Series 192 Notes**", "**Series 194 Notes**", "**Series 196 Notes**", "**Series 198 Notes**", "**Series 204 Notes**", "**Series 207 Notes**", "**Series 208 Notes**", "**Series 209 Notes**", "**Series 218 Notes**" and "**Series 220 Notes**" respectively, each, a "**Series of Notes**" and together, the "**Notes**") of Hitachi International (Holland) B.V. (the "**Issuer**") as of the Effective Date (as defined herein).

The Series 44 Notes were issued pursuant to an Information Memorandum relating to the Hitachi, Ltd., Hitachi Finance (UK) PLC and Hitachi International (Holland) B.V. U.S.$ 1,500,000,000 Multi-Currency Euro Medium Term Note Programme dated 18 September 1998 (the "**1998 Information Memorandum**") and Pricing Supplement dated 9 November 1998 (the "**Pricing Supplement of the Series 44 Notes**"), the Series 192 Notes were issued pursuant to an Information Memorandum relating to the Hitachi, Ltd., Hitachi Finance (UK) PLC and Hitachi International (Holland) B.V. U.S.$ 1,500,000,000 Multi-Currency Euro Medium Term Note Programme dated 7 August 2002 (the "**2002 Information Memorandum**") and Pricing Supplement dated 21 August 2002 (the "**Pricing Supplement of the Series 192 Notes**"), the Series 194 Notes were issued pursuant to the 2002 Information Memorandum and Pricing Supplement dated 11 September 2002 (the "**Pricing Supplement of the Series 194 Notes**"), the Series 196 Notes were issued pursuant to the 2002 Information Memorandum and Pricing Supplement dated 24 October 2002 (the "**Pricing Supplement of the Series 196 Notes**"), the Series 198 Notes were issued pursuant to the 2002 Information Memorandum and Pricing Supplement dated 30 October 2002 (the "**Pricing Supplement of the Series 198 Notes**"), the Series 204 Notes were issued pursuant to the 2002 Information Memorandum and Pricing Supplement dated 12 February 2003 (the "**Pricing Supplement of the Series 204 Notes**"), the Series 207 Notes were issued pursuant to the 2002 Information Memorandum and Pricing Supplement dated 24 April 2003 (the "**Pricing Supplement of the Series 207 Notes**"), the Series 208 Notes were issued pursuant to the 2002 Information Memorandum and Pricing Supplement dated 9 July 2003 (the "**Pricing Supplement of the Series 208 Notes**"), the Series 209 Notes were issued pursuant to the 2002 Information Memorandum and Pricing Supplement dated 14 July 2003 (the "**Pricing Supplement of the Series 209 Notes**"), the Series 218 Notes were issued pursuant to an Information Memorandum relating to the Hitachi, Ltd., Hitachi Finance (UK) PLC and Hitachi International (Holland) B.V. U.S.$ 1,500,000,000 Multi-Currency Euro Medium Term Note Programme dated 27 August 2004 (the "**2004 Information Memorandum**") and Pricing Supplement dated 6 June 2005 (the "**Pricing Supplement of the Series 218 Notes**") and the Series 220 Notes were issued pursuant to the 2004 Information Memorandum and Pricing Supplement dated 8 June 2005 (the "**Pricing Supplement of the Series 220 Notes**") (together, the "**Pricing Supplements**"), all of which Pricing Supplements are set out in this Prospectus. The Notes have been admitted to listing on the Official List of the FSA and to trading on the Regulated Market of the London Stock Exchange plc (the "**London Stock Exchange**") when they were initially issued by Hitachi Finance (UK) PLC ("**HFUK**") and are, as of the date of this Prospectus, so listed as HFUK as issuer.

This Prospectus has been prepared for the purpose of making an application for each Series of Notes to be admitted to listing on the Official List of the FSA and to trading on the Regulated Market of the London Stock Exchange following the substitution of HFUK with the Issuer as issuer of the Notes, such substitution scheduled to take effect on 2 October 2008 (the "**Effective Date**"). The Regulated Market of the London Stock Exchange is a regulated market for the purposes of Directive 2004/39/EC on markets in financial instruments.

The Notes will not be guaranteed by Hitachi, Ltd. ("**HIT**") but the Issuer will have the benefit of a Keep Well Agreement between, *inter alios*, the Issuer and HIT as more fully described herein under "Keep Well Agreement".

The Notes have not been, and will not be, registered under the United States Securities Act of 1933 (the "**Securities Act**") and are subject to United States tax law requirements. The Notes were offered outside the United States in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

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IMPORTANT NOTICES

The Issuer and HIT accept responsibility for the information contained in this Prospectus and declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus to the best of its knowledge is in accordance with the facts and contains no omission likely to affect its import.

Neither the Issuer nor HIT has authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained in this Prospectus or as approved for such purpose by the Issuer or HIT. Any such representation or information should not be relied upon as having been authorised by the Issuer or HIT.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer and HIT since the date of this Prospectus.

This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any Notes.

The distribution of this Prospectus and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and HIT to inform themselves about and to observe any such restrictions. In particular, the Notes have not been and will not be registered under the Securities Act and are subject to United States tax law requirements.

In this Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to (i) "**U.S.**", "**U.S. dollars**" or "**dollars**" are to United States dollars, (ii) "**€**", "**EUR**" or "**Euro**" are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended and (iii) "**JPY**", "**Yen**" and "**¥**" are to Japanese Yen.

INFORMATION INCORPORATED BY REFERENCE

The information set out in the table below shall be deemed to be incorporated in, and to form part of, this Prospectus provided however that any statement contained in any document incorporated by reference in, and forming part of, this Prospectus shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supercedes such statement.

The information set out in the table below will be made available, free of charge, during usual business hours at the specified offices of the Agent.

Information Incorporated by Reference

1. The consolidated audited annual financial statements (including the auditors' report thereon and notes thereto) of HIT for the financial years ended 31 March 2007 and 31 March 2008.
2. The Terms and Conditions of the Notes section of the 1998 Information Memorandum.
3. The Terms and Conditions of the Notes section of the 2002 Information Memorandum.
4. The Terms and Conditions of the Notes section of the 2004 Information Memorandum.

Terms and Conditions of the Series 44 Notes

The terms and conditions of the Series 44 Notes are constituted by the "Terms and Conditions of the Notes" set out on pages 16 to 35 of the 1998 Information Memorandum (which are incorporated by reference into this Prospectus) as supplemented by the Pricing Supplement of the Series 44 Notes. Notwithstanding any statements to the contrary in the Pricing Supplement of the Series 44 Notes, full information on the Issuer and HIT and the Series 44 Notes is only available on the basis of this Prospectus. The 1998 Information Memorandum is no longer available for viewing at the office of the Issuer.

Terms and Conditions of the Series 192 Notes

The terms and conditions of the Series 192 Notes are constituted by the "Terms and Conditions of the Notes" set out on pages 12 to 32 of the 2002 Information Memorandum (which are incorporated by reference into this Prospectus) as supplemented by the Pricing Supplement of the Series 192 Notes. Notwithstanding any statements to the contrary in the Pricing Supplement of the Series 192 Notes, full information on the Issuer and HIT and the Series 192 Notes is only available on the basis of this Prospectus. The 2002 Information Memorandum is no longer available for viewing at the office of the Issuer.

Terms and Conditions of the Series 194 Notes

The terms and conditions of the Series 194 Notes are constituted by the "Terms and Conditions of the Notes" set out on pages 12 to 32 of the 2002 Information Memorandum (which are incorporated by reference into this Prospectus) as supplemented by the Pricing Supplement of the Series 194 Notes. Notwithstanding any statements to the contrary in the Pricing Supplement of the Series 194 Notes, full information on the Issuer and HIT and the Series 194 Notes is only available on the basis of this Prospectus. The 2002 Information Memorandum is no longer available for viewing at the office of the Issuer.

Terms and Conditions of the Series 196 Notes

The terms and conditions of the Series 196 Notes are constituted by the "Terms and Conditions of the Notes" set out on pages 12 to 32 of the 2002 Information Memorandum (which are incorporated by reference into this Prospectus) as supplemented by the Pricing Supplement of the Series 196 Notes. Notwithstanding any statements to the contrary in the Pricing Supplement of the Series 196 Notes, full information on the Issuer and HIT and the Series 196 Notes is only available on the basis of this

Prospectus. The 2002 Information Memorandum is no longer available for viewing at the office of the Issuer.

Terms and Conditions of the Series 198 Notes

The terms and conditions of the Series 198 Notes are constituted by the "Terms and Conditions of the Notes" set out on pages 12 to 32 of the 2002 Information Memorandum (which are incorporated by reference into this Prospectus) as supplemented by the Pricing Supplement of the Series 198 Notes. Notwithstanding any statements to the contrary in the Pricing Supplement of the Series 198 Notes, full information on the Issuer and HIT and the Series 198 Notes is only available on the basis of this Prospectus. The 2002 Information Memorandum is no longer available for viewing at the office of the Issuer.

Terms and Conditions of the Series 204 Notes

The terms and conditions of the Series 204 Notes are constituted by the "Terms and Conditions of the Notes" set out on pages 12 to 32 of the 2002 Information Memorandum 2002 (which are incorporated by reference into this Prospectus) as supplemented by the Pricing Supplement of the Series 204 Notes. Notwithstanding any statements to the contrary in the Pricing Supplement of the Series 204 Notes, full information on the Issuer and HIT and the Series 204 Notes is only available on the basis of this Prospectus. The 2002 Information Memorandum is no longer available for viewing at the office of the Issuer.

Terms and Conditions of the Series 207 Notes

The terms and conditions of the Series 207 Notes are constituted by the "Terms and Conditions of the Notes" set out on pages 12 to 32 of the 2002 Information Memorandum (which are incorporated by reference into this Prospectus) as supplemented by the Pricing Supplement of the Series 207 Notes. Notwithstanding any statements to the contrary in the Pricing Supplement of the Series 207 Notes, full information on the Issuer and HIT and the Series 207 Notes is only available on the basis of this Prospectus. The 2002 Information Memorandum is no longer available for viewing at the office of the Issuer.

Terms and Conditions of the Series 208 Notes

The terms and conditions of the Series 208 Notes are constituted by the "Terms and Conditions of the Notes" set out on pages 12 to 32 of the 2002 Information Memorandum (which are incorporated by reference into this Prospectus) as supplemented by the Pricing Supplement of the Series 208 Notes. Notwithstanding any statements to the contrary in the Pricing Supplement of the Series 208 Notes, full information on the Issuer and HIT and the Series 208 Notes is only available on the basis of this Prospectus. The 2002 Information Memorandum is no longer available for viewing at the office of the Issuer.

Terms and Conditions of the Series 209 Notes

The terms and conditions of the Series 209 Notes are constituted by the "Terms and Conditions of the Notes" set out on pages 12 to 32 of the 2002 Information Memorandum (which are incorporated by reference into this Prospectus) as supplemented by the Pricing Supplement of the Series 209 Notes. Notwithstanding any statements to the contrary in the Pricing Supplement of the Series 209 Notes, full information on the Issuer and HIT and the Series 209 Notes is only available on the basis of this Prospectus. The 2002 Information Memorandum is no longer available for viewing at the office of the Issuer.

Terms and Conditions of the Series 218 Notes

The terms and conditions of the Series 218 Notes are constituted by the "Terms and Conditions of the Notes" set out on pages 12 to 32 of the 2004 Information Memorandum (which are incorporated by reference into this Prospectus) as supplemented by the Pricing Supplement of the Series 218 Notes.

Notwithstanding any statements to the contrary in the Pricing Supplement of the Series 218 Notes, full information on the Issuer and HIT and the Series 218 Notes is only available on the basis of this Prospectus. The 2004 Information Memorandum is no longer available for viewing at the office of the Issuer.

Terms and Conditions of the Series 220 Notes

The terms and conditions of the Series 220 Notes are constituted by the "Terms and Conditions of the Notes" set out on pages 12 to 32 of the 2004 Information Memorandum (which are incorporated by reference into this Prospectus) as supplemented by the Pricing Supplement of the Series 220 Notes. Notwithstanding any statements to the contrary in the Pricing Supplement of the Series 220 Notes, full information on the Issuer and HIT and the Series 220 Notes is only available on the basis of this Prospectus. The 2004 Information Memorandum is no longer available for viewing at the office of the Issuer.

RISK FACTORS

Prospective investors should read the entire Prospectus. Words and expressions defined in the Terms and Conditions of the Notes or elsewhere in this Prospectus have the same meanings in this section.

Hitachi operates in a broad range of business fields, conducts business on a global scale, and utilises sophisticated specialised technologies to carry on its operations. It is therefore exposed to risks attributable to the economic environment, risks inherent in individual industrial sectors and business lines, and risks related to management. Investments in Hitachi's securities also involve risks.

The factors described below represent the principal risks inherent in investing in the Notes however Hitachi's businesses may in the future also be affected by other risks that are currently unknown or that are not currently considered significant.

Investing in the Notes involves certain risks. Prospective investors should consider, among other things, the following:

Risks Relating To The Notes

There may not be an active trading market for the Notes

There may not be an active trading market for the Notes. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application has been made for the Notes to be admitted to listing on the Official List of the FSA and to trading on the regulated market of the London Stock Exchange plc, there is no assurance that such application will be accepted, that any particular Series of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Series of Notes.

The Notes may be redeemed prior to maturity

Unless in the case of any particular Series of Notes the relevant Pricing Supplement specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of The Netherlands (as the case may be) or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Series of Notes the relevant Pricing Supplement specifies that the Notes are redeemable at the Issuer's option in certain other circumstances that Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

The Notes are represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and

Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the relevant Deed of Covenant.

Modification

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State of the European Union (a "**Member State**") is required to provide to the tax authorities of other Member States details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the relevant Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

Keep Well Agreement

The Keep Well Agreement which the Issuer has the benefit of (as described under "**Keep Well Agreement**" below) is not a guarantee of the obligations of the Issuer under the Notes issued by it.

Change of law

The conditions of each Series of Notes are based on English law in effect as at the date of its issuance. No assurance can be given to the impact of any possible judicial decision or change to English law or administrative practice after such date.

Factors which are material for the purpose of assessing the market risks associated with the Notes

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhanced yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risk related to the structure of a particular Series of Notes

A number of Notes may have features which contain particular risks for potential investors.

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the cost to the Issuer of funding its obligation under the Notes (which costs may include costs under related hedging agreements and may be higher than the interest rate payable under the Notes). At those times, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked Notes and other variable linked Notes

The Notes may have interest determined by reference to an index or formula, to changes in the price of securities or commodities, to movements in currency exchange rates or other factors (each, a "**Relevant Factor**"). Potential investors should be aware that:

(i) the market price of such Notes may be volatile;

(ii) they may receive no interest;

(iii) payment of interest may occur at a different time or in a different currency than expected;

(iv) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(v) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and

(vi) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rates Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with other comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer may pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Governmental and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. The downgrading or withdrawal of a credit rating may have an adverse effect on the market value of the Notes.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Risks Related to Economic Environment

Economic trends

Decreases in consumer spending and private-sector plant and equipment investment due to economic downturns in Japan, North America, Asia and other major markets where Hitachi does business, or direct or indirect restrictions on imports by other nations, may negatively impact Hitachi's business results by reducing demand and increasing price competition for the products and services Hitachi offers. In addition, the adverse economic environment may result in increased risks of excess inventories and overcapacities, and further restructuring measures by Hitachi, which could involve associated expenses.

Currency exchange rate fluctuations

Since Hitachi conducts business in many foreign countries, the portion of its assets and liabilities that are denominated in various currencies is exposed to risks from fluctuations in foreign currency exchange rates. In addition, Hitachi exports products and imports raw materials in local currencies, principally the U.S. dollar and the euro. Therefore, fluctuations in foreign currency exchange rates affect Hitachi's financial results, which are reported in Japanese yen. A strong yen, for example, reduces the price competitiveness of products exported to foreign markets and diminishes profit by decreasing revenues. While Hitachi takes measures to reduce the risks from fluctuations in foreign currency exchange rates, there can be no assurance that such measures will succeed.

Risks Related to Industrial Sectors and Business Lines

Intense competition

The industrial sectors and business lines in which Hitachi is engaged are experiencing increasingly intense competition. Hitachi competes with diverse competitors ranging from huge global corporations to specialised companies. Competitors are increasingly manufacturing products, including sophisticated electronic products, in low-cost jurisdictions. Low cost manufacturing and the globalisation of the world markets have accelerated the commoditisation of certain products, which has resulted in increasingly intense price competition for many Hitachi’s products. Products which are facing intense price competition or decreases in prices include computer-related products, such as hard disk drives, disk array subsystems and optical disk drives, semiconductors, liquid crystal displays, digital media products such as flat-panel TVs and home appliances. To succeed in this competitive environment, Hitachi believes its products and services must be competitive in terms of price, engineering sophistication, quality and brand value and that such products and services must be introduced to the market in a timely manner. Hitachi cannot be certain that the products or services that it offers will be competitive, and should such products or services fail to be competitive, Hitachi's business results may be negatively affected.

Rapid technological innovation

New technologies are rapidly emerging in the segments in which Hitachi does business, with the pace of technological innovation being especially notable in the fields of information systems, electronics and digital media. The development of new and advanced technologies, the continuous, timely and cost-effective incorporation of such technologies into products and services, and the effective marketing of such products and services are indispensable to remaining competitive. While introducing such products and services requires a significant commitment to research and development, there can be no assurance that Hitachi's research and development will result in success. Should Hitachi fail in its endeavours to develop and incorporate such advanced technologies into products and services, or achieve market acceptance for such products and services, the results of operations of related Hitachi businesses may be negatively impacted.

Material and component procurement

Hitachi's manufacturing operations rely on third parties for supplies of materials, parts, components and services of adequate quality and quantity and in a timely manner. External suppliers may have other customers and may not have sufficient capacity to meet all of the needs of such customers during periods of excess demand. Shortage of materials, parts, components and services may cause a sharp rise in their prices. Prices of certain raw materials, parts and components that Hitachi purchases, such as petroleum products, copper, aluminium and semiconductor memory chips, are extremely volatile. Increase in the price of petroleum and other materials, such as copper, steel and synthetic resins, are increasing Hitachi’s production costs and may adversely affect its result of operations. Although in general, Hitachi maintains multiple sources of supply and works closely with its suppliers to avoid supply-related problems, such problems including shortages and delays may occur, which could materially harm Hitachi's business.

Supply and demand balance

Oversupply in the market in which Hitachi is involved may lead to a decline in sales prices and revenues and adversely affect Hitachi's performance. In addition, Hitachi may be forced to dispose of excess supply or obsolete equipment or reduce production to adjust to demand, which can cause Hitachi losses. For example, market demand for hard-disk drives has been volatile, and unexpected decline in demand and oversupply could result in a sharp decline in unit price of hard-disk drives. The semiconductor industry and the liquid crystal display industry, in particular, are highly cyclical, and cyclical downturns are characterised by sharp falls in prices and overcapacity. These businesses conducted primarily by subsidiaries and affiliates of Hitachi may be negatively impacted by oversupply in the global markets.

Risks Related to Operations

Dependence on specially skilled personnel

Hitachi believes it can continue to remain competitive only if it can maintain and secure additional people who are highly skilled in the fields of management and technology. However, the number of skilled personnel is limited and the competition for attracting and maintaining such personnel is intense, particularly in the information technology industry. Hitachi cannot assure that it will be able to successfully attract new or maintain its current skilled personnel.

Acquisitions, joint ventures and strategic alliances

In every operating sector, Hitachi depends to some degree on acquisitions of other companies, joint ventures and strategic alliances with outside partners to design and develop key new technologies and products and to strengthen competitiveness. Such transactions are inherently risky, including because of the difficulties in integrating operations, technologies, products and personnel. Integration issues are complex, time-consuming and expensive and, without proper planning and implementation, could adversely affect Hitachi's business. The success of alliances may also be adversely affected by decisions or performance of alliance partners that Hitachi cannot control or by adverse business trends. Hitachi may incur significant acquisition, administrative and other costs in connection with these transactions, including costs related to integration or restructuring of acquired businesses. There can be no assurance that these transactions will be beneficial to Hitachi's business or financial condition. Even assuming these transactions are beneficial, there can be no assurance that Hitachi will be able to successfully integrate acquired businesses or achieve all or any of the initial objectives of these transactions.

Restructuring of business

Hitachi is continuing to restructure its business to improve management efficiency and strengthen competitiveness by increasing its focus on targeted business investment, research and development, closing unprofitable operations, divesting its subsidiaries and affiliated companies, reorganising production bases and sales networks and reducing its workforce. There can be no assurance that Hitachi’s efforts will be successful. In addition, significant costs may be incurred in connection with these efforts, including costs related to the restructuring of business, impairment losses on the disposal of fixed assets and losses related to the sale of securities, that may adversely affect Hitachi's financial results and condition. Restructuring measures may be constrained or plans may not be implemented in a timely manner due to governmental regulations, employment issues and a lack of demand in the M&A market for businesses Hitachi may seek to sell. Moreover, Hitachi may not achieve all of the objectives of these actions.

Business activities in overseas markets

Hitachi seeks to expand its business in overseas markets as part of its business strategy. Through such overseas expansion, Hitachi aims to increase its revenues, reduce its costs and improve its profitability. Hitachi's overseas business activities may be adversely affected by various factors in foreign countries where it operates, including changes in regulations relating to investments, export, tariffs, antitrust, anti-bribery, consumer and business taxation, intellectual property, foreign trade and exchange controls, environmental and recycling requirements, differences in commercial and business customs such as contract terms and conditions, labour relations, public sentiment against Japan and other political and social factors as well as economic trends and currency exchange rate fluctuations. There can be no assurance that Hitachi will be able to achieve all or any of the initial aims of its strategy.

Intellectual property

Hitachi depends in part on intellectual property rights covering its products, product design and manufacturing processes. Hitachi owns or licenses a large number of intellectual property rights and, when Hitachi believes it is necessary or desirable, obtains additional licenses for the use of other parties' intellectual property rights. If Hitachi fails to protect, maintain or obtain such rights, its performance and ability to compete may be adversely affected. In addition, since intellectual property litigation is costly and unpredictable, Hitachi's efforts to protect its intellectual property rights or to defend itself against claims relating to intellectual property rights made by others, including employee-investors, could impose considerable or unexpected expenses on Hitachi.

Litigation and regulatory investigations

Hitachi faces risks of litigation and regulatory investigation and actions in connection with its operations. Lawsuits, including regulatory actions, may seek recovery of very large, indeterminate amounts or limit Hitachi's operations, and their existence and magnitude may remain unknown for substantial periods of time. A substantial legal liability or regulatory action could have a material adverse effect on Hitachi's business, results of operations, financial condition, cash flows, reputation and credibility.

Product quality and liability

Hitachi increasingly provides products and services utilising sophisticated and complicated technologies including but not limited to components of nuclear power stations. Reliance on external suppliers reduces Hitachi's control over quality assurance. There is a risk that defects may occur in Hitachi's products and services. The occurrence of such defects could negatively impact Hitachi's reputation for quality products, expose Hitachi to liability for damages caused by such defects and negatively impact Hitachi's ability to sell certain products. Even a single significant product defect, could materially and adversely affect Hitachi's business results of operations, financial conditions and future business prospects. For example, there can be no assurance that Hitachi will not be liable for additional repair costs or other damages incurred by power companies due to the breakdown of the turbine vanes in the nuclear reactors at Hamaoka Nuclear Station and at Shika Nuclear Power Station.

Risks of natural disasters and similar events

Portions of Hitachi's facilities, including its research and development facilities, manufacturing facilities and Hitachi's headquarters, are located in Japan, where seismic activity is frequent. Large earthquakes or other significant natural disasters could have a negative impact on Hitachi's operating activities, results of operations and financial condition. In addition, with the increased importance of information systems in Hitachi's operating activities, disruptions in such information systems due to computer viruses and other factors could have a negative impact on Hitachi's operating activities, results of operations and financial condition.

Information security

With the increased importance of information systems in Hitachi's operating activities, disruptions in such information systems due to computer viruses and other factors could have a negative impact on Hitachi's operating activities, results of operations and financial condition. Hitachi holds personal information, confidential information and information relating to the technology, R&D, production, marketing and business operations of Hitachi and its customers and clients in various forms such as information systems, digital storage media and papers. Although Hitachi seeks to protect the confidentiality of such information, any leakage of such information could have a negative impact on Hitachi’s operating activities, result of operations, financial conditions, reputation and credibility.

Governmental regulations

Hitachi's business activities are subject to various governmental regulations in countries where it operates, which include investment approvals, export regulations, tariffs, antitrust, anti-bribery, intellectual property, consumer and business taxation, foreign trade and exchange controls, and environmental and recycling requirements. Significant changes in such regulations may limit Hitachi's business activities or increase operating costs. In addition, the enforcement of such regulations, including the imposition of fines or surcharges for violation of such regulations, may adversely affect Hitachi’s result of operations, financial conditions, cash flows, reputation and credibility.

Marketable securities risks

Hitachi owns marketable securities that are exposed to stock market risks. Declines in stock market prices may require Hitachi to write down equity securities that it holds, which may have an adverse effect on Hitachi's financial condition and results of operations.

Access to liquidity and long-term financing

Hitachi's primary sources of funds are cash flows from operations, borrowings from banks and other institutional lenders, and funding from the capital markets, such as offerings of commercial paper and other debt securities. A downgrade in Hitachi's credit ratings could result in increases in Hitachi's interest expenses and could have an adverse impact on Hitachi's ability to access the commercial paper market or the public and private debt markets, which could have an adverse effect on Hitachi's financial position and liquidity. Although Hitachi has access to other sources of liquidity, including bank borrowings, cash flows from its operations and sales of its assets, Hitachi cannot be sure that these other sources will be adequate or on terms acceptable to it if any adverse conditions arise. A failure of one or more of Hitachi's major lenders, a decision by one or more of them to stop lending to Hitachi or instability in the capital markets could have an adverse impact on Hitachi's access to funding.

Retirement benefits

Hitachi has a significant amount of employee retirement benefit costs which are derived from actuarial valuations based on a number of assumptions. Inherent in these valuations are key assumptions used in estimating pension costs including mortality, withdrawal, retirement, changes in compensation, discount rate and expected return on plan assets. Hitachi is required to make judgments regarding the key assumptions by taking into account various factors including personnel demographics, market conditions and expected trends in interest rates. Although management believes that its key assumptions are reasonable in light of the various underlying factors, there can be no assurance that the key assumptions will correspond to actual results. If Hitachi's key assumptions differ from actual results, the consequent deviation of actual pension costs from estimated costs may have a material adverse effect on Hitachi's financial condition and results of operations. A decrease in the discount rate results in an increase in actuarial pension benefit obligations. Increases and decreases in the pension benefit obligations affect the amount of the actuarial gain or loss which is amortized into income over the service lives of employees. In addition, Hitachi may change these key assumptions, such as the discount rate or the expected return on plan assets. Changes in key assumptions may also have a material adverse effect on Hitachi's financial condition and results of operations.

FORM OF NOTES

Each Series of Notes will be represented by a permanent global Note, without receipts, interest coupons or talons. Each permanent global Note is deposited with a depositary or a common depositary for Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking, société anonyme, Luxembourg ("**Clearstream, Luxembourg**") and/or any other relevant clearing system.

Payments of principal and interest (if any) on a permanent global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the permanent global Note without any requirement for certification. A permanent global Note will be exchangeable (free of charge to the Noteholder), in whole for security printed definitive Notes with, where applicable, receipts, interest coupons and talons attached at the option of the Holder (which, in any case where the relevant permanent global Note is held on behalf of participants in Euroclear or Clearstream, Luxembourg, will be the common depositary for Euroclear and Clearstream, Luxembourg acting on the instructions of Euroclear or, as the case may be, Clearstream, Luxembourg pursuant to instructions received from an accountholder credited with Notes represented by the relevant permanent global Note) upon not less than 60 days' written notice to the Agent on instructions of the holders of beneficial interests in the permanent global Note. In addition, the Issuer may at its option at any time after the Exchange Date (having given notice thereof to the Noteholders in accordance with the provisions of the Notes) procure (free of charge to the holders) the delivery of definitive Notes with, where applicable, receipts, interest coupons and talons attached, in exchange for the whole (but not part only) of a temporary global Note or a permanent global Note. Global Notes and definitive Notes will be issued pursuant to the Agency Agreement.

The following legend will appear on all global Notes, definitive Notes, receipts, interest coupons and talons which are subject to TEFRA C or TEFRA D selling restrictions:—

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code."

The sections referred to in such legend provide that a United States person who holds a Note or Coupon generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

A Note may be accelerated by the Holder thereof in certain circumstances described in "Terms and Conditions of the Notes — Events of Default". In such circumstances, where any Note is still represented by a global Note and a Holder with Euroclear or Clearstream, Luxembourg of such Note so represented and credited to its securities account gives notice that it wishes to accelerate such Note, unless within a period of 15 days commencing on the relevant due date payment has been made in full of the amount due in accordance with the terms of such global Note, such global Note will become void. At the same time, holders of interests in such global Note with Euroclear or Clearstream, Luxembourg credited to their accounts will become entitled to proceed directly against the relevant Issuer on the basis of statements of account provided by Euroclear and Clearstream, Luxembourg, under the terms of a deed of covenant (the "**Deed of Covenant**") dated 12th August, 2003 (as supplemented, and/or amended and/or restated from time to time), executed by the Issuer.

PRICING SUPPLEMENTS

Each Series of Notes had been issued by HFUK under the relevant Pricing Supplement executed by HFUK at the time of its issue. The full text of each Pricing Supplement is set out in this section. HFUK and the Issuer will enter into a deed of substitution on or around the Effective Date, under which the Issuer will assume all of the obligations of HFUK under each Series of Notes and HFUK will be released from its obligations thereunder. Therefore, each of the Pricing Supplements set out in this section should read as if the issuer of that Series of Notes is the Issuer as of the Effective Date.

The Notes are governed by English law.

The Notes are direct, unconditional and (subject to the provisions of the negative pledge) unsecured obligations of the Issuer and will rank *pari passu* and without any preference among themselves and with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, other than obligations preferred by law.

Pricing Supplement of the Series 44 Notes

HITACHI, LTD.
HITACHI FINANCE (UK) PLC
HITACHI INTERNATIONAL (HOLLAND) B.V.
U.S.$1,500,000,000 Euro Medium Term Note Programme

We are instructed to confirm the following agreement for the issue of Notes under the above Programme. This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

(Terms used herein shall be deemed to be defined as such for the purposes of the Conditions).

DESCRIPTION OF THE NOTES

1.	Issuer:	Hitachi Finance (UK) PLC.
2.	Series no.:	44.
3.	Specified Currency:	Japanese Yen ("**JPY**").
4.	Aggregate Nominal Amount:	JPY 5,000,000,000.
5.	Interest Basis	Step-Down Coupon Notes.
6.	Issue Date:	9 November 1998.
7.	Specified Denomination:	JPY 100,000,000.
8.	ISSUE Price:	100.50 per cent.
9.	Interest Commencement Date:	9 November 1998.

Maturity of the Notes

10.	Maturity Date:	9 November 2010.
11.	Find Redemption Amount:	100 per cent. per JPY 100,000,000 in nominal amount.

PROVISIONS RELATING TO INTEREST PAYABLE

Fixed Rate Notes

12.	Fixed Rate of Interest:	In respect of the period from and including 9 November 1998 to but excluding 24 December 1998, the Notes will bear interest at a rate of 73.77 per cent. Thereafter, the Notes will bear interest at a rate of 0.50 per cent. per annum for which the amount payable will be JPY 500,000 per JPY 100,000,000 denomination per annum.
13.	Fixed Interest Dates:	24 December 1998, 9 November 1999 (short second coupon) and then annually in arrear on each 9 November until maturity.
14.	Initial Broken Amount;	JPY 9,221,250 per JPY 100,000,000 denomination.
15.	Second Broken Amount:	JPY 437,500 per JPY 100,000,000 denomination.

PROVISIONS REGARDING REDEMPTION

16.	Issuer's Optional Redemption:	No.

17.	Redemption at the option of the Noteholders:	No.
18.	Early Redemption Amount payable on redemption for taxation reasons or on an event of default:	100 per cent. per JPY 100,000,000 in nominal amount.

GENERAL PROVISIONS APPLICABLE TO AN ISSUE OF NOTES

19.	Talons for future Coupons or Receipts to be attached to Definitive Notes:	No.
20.	Other terms or special conditions:	The Business Day Convention will be Modified Following for which the Business Days are London and Tokyo. The Day Count Fraction will be 30/360.
21.	Notes to be listed on a Relevant Stock Exchange:	London Stock Exchange.
22.	Interests in the Temporary Global Note are exchangeable for interests in:	Permanent Global Note.
23.	Method of distribution:	Non-syndicated.

Euroclear and Cedel Common Code:	9196757.
SIN:	XS0091967579.

Application is hereby made to list this issue of Notes pursuant to the listing of the US$1,500,000,000 Euro Medium Term Note Programme of Hitachi, Ltd., and Hitachi Finance (UK) PLC (in relation to the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited) and Hitachi International (Holland) B.V. (in relation to the Luxembourg Stock Exchange) (such listing to take effect on or before 9 November 1998).

The Industrial Bank of Japan (Luxembourg) S.A.

....
(as Issuing and Paying Agent)

Pricing Supplement approved on
behalf of the Issuer by:

....
Duly authorised

Pricing Supplement of the Series 192 Notes

Pricing Supplement dated 21 August 2002

HITACHI, LTD.
HITACHI FINANCE (UK) PLC
HITACHI INTERNATIONAL (HOLLAND) B.V.

Issue of JPY 1,000,000,000 Fixed to Index Linked Callable Notes due 21 August 2017

under the
U.S. $1,500,000,000
Multi Currency Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 7 August 2002. This Pricing Supplement must be read in conjunction with such Information Memorandum.

1.	Issuer:		Hitachi Finance (UK) PLC
2.	(i)	Series Number:	192
	(ii)	Tranche Number:	Not Applicable
3.	Specified Currency or Currencies:		Japanese Yen ("**JPY**")
4.	Aggregate Nominal Amount:		
	(i)	Series:	JPY 1,000,000,000
	(ii)	Tranche:	Not Applicable
5.	(iii)	Issue Price:	100 per cent. of the Aggregate Nominal Amount
	(iv)	Net proceeds:	JPY 1,000,000,000
6.	Specified Denomination(s):		JPY 100,000,000
7.	(i)	Issue Date:	21 August 2002
	(ii)	Interest Commencement Date (if different from the Issue Date):	Not Applicable
8.	Maturity Date:		21 August 2017, subject to adjustment in accordance with the Modified Following Business Day Convention for which the relevant Business Days are London, New York and Tokyo
9.	Interest Basis:		1.80 per cent. Fixed Rate Notes to Index Linked Notes (further particulars specified below)
10.	Redemption/Payment Basis:		Redemption at par
11.	Change of Interest or Redemption/ Payment Basis:		Fixed Rate for the period from and including 21 August 2002 to but excluding 21 August 2003, and Index Linked for the period from and including 21 August 2003 to but excluding the Maturity Date (further details specified below)

12.	Listing:		Applications have been made for the Notes to be admitted to listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange
13.	Method of distribution:		Non-syndicated.

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	**Fixed Rate Note Provisions**		Applicable
	(i)	Rate(s) of Interest:	1.80 per cent. per annum payable semi-annually in arrear
	(ii)	Interest Payment Date(s):	21 February 2003 and 21 August 2003, subject to adjustment for payment only in accordance with the Modified Following Business Day Convention for which the relevant Business Days are London, New York and Tokyo
	(iii)	Fixed Coupon Amount(s):	JPY 900,000 per Note of JPY 100,000,000 Specified Denomination
	(iv)	Day Count Fraction:	30/360 (unadjusted)
	(v)	Broken Amount(s):	Not Applicable
	(vi)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
15.	**Floating Rate Note Provisions**		Not Applicable
16.	**Zero Coupon Note Provisions**		Not Applicable
17.	**Index Linked Interest Note Provisions**		Applicable
	(i)	Index/Formula:	The rate of interest for each Index Linked Interest Period (as defined below) shall be determined as follows, subject to the Minimum Rate of Interest (as defined in paragraph 17(vii) below): 20 year CMS - 2 year CMS + 0.56% "**20 year CMS**" means JPY-TSR-Telerate- 10:00 as defined in the Annex to the 2000 ISDA Definitions (together with the 2000 ISDA Definitions, the "**ISDA Definitions**") with a Designated Maturity of 20 years; provided that any reference to "Reset Date" therein shall be deemed to be the first day of each Index-Linked Interest Period. "**2 year CMS**" means JPY-TSR-Telerate-10:00 as defined in the ISDA Definitions with a Designated Maturity of 2 years; provided that any reference to "Reset Date" therein shall be deemed to be the first day of each Index-Linked Interest Period.

		"**Index-Linked Interest Period**" means the period commencing from and including a Specified Interest Payment Date (or the final Interest Payment Date in respect of the Fixed Interest Period) to but excluding the next (or first) Specified Interest Payment Date. "**Index-Linked Interest Determination Date**" means, in relation to the relevant Index Linked Interest Period, the date which is two Tokyo Banking Days prior to the first day of such Index Linked Interest Period. Each amount of interest (per Specified Denomination) shall be rounded to the nearest JPY, with one half JPY being rounded upwards. The Calculation Agent shall inform the Issuer and the Noteholders of all determinations made hereunder, including the relevant amount of interest.
(ii)	Calculation Agent responsible for calculating the interest due:	Mizuho Trust & Banking (Luxembourg) S.A. as Programme Agent
(iii)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	If 20 year CMS or 2 year CMS published on Telerate page 17143 (or such other page as may replace such page on that service) or Telerate page 17143 (or such other page as may replace such page on that service) is not available at or around 10:00 a.m., Tokyo time, on any Index Linked Interest Determination Date, the rate or rates for the relevant Index-Linked Interest Period will be determined by the Calculation Agent by reference to "JPY-TSR-Reference Banks" (as defined in the ISDA Definitions). For the purposes of JPY-TSR-Reference Banks any reference in the ISDA Definitions to "Reset Date" shall refer to the first day of the relevant Index-Linked Interest Period. In the event that the rate or rates for the relevant Index-Linked Interest Period is or are to be determined by the Calculation Agent by reference to JPY-TSR Reference Banks and less than three quotations are provided, the Calculation Agent shall determine the rate or rates for the relevant Index-Linked Interest Period in good faith following prior consultation with and approval by the Issuer.
(iv)	Specified Period(s)/Interest Payment Dates:	Specified Interest Payment Dates: 21 February and 21 August in each year from and including 21 February 2004 to and including the Maturity Date
(v)	Business Day Convention:	Modified Following Business Day Convention
(vi)	Additional Business Centre(s):	London, New York and Tokyo
(vii)	Minimum Rate of Interest:	Zero per cent. per annum
(viii)	Maximum Rate of Interest:	Not Applicable
(ix)	Day Count Fraction:	Actual/365 (Fixed) adjusted

18.	**Dual Currency Note Provisions**	Not Applicable

PROVISIONS RELATING TO REDEMPTION

19.	**Call Option**	Applicable
	(i) Optional Redemption (Call) Date(s):	Each 21 February and 21 August from and including 21 August 2003 to and including 21 February 2017, each such date subject to adjustment in accordance with the Modified Following Business Day Convention
	(ii) Optional Redemption Amount(s) (call) and method, if any, of calculation of such amount(s):	100 per cent. of the outstanding Nominal Amount payable in JPY
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	Not Applicable
	(b) Maximum Redemption Amount:	Not Applicable
	(iv) Notice Period (if other than as set out in the Conditions):	The Issuer should give notice of its intention to redeem on or prior to the day that is 5 Business Days prior to the relevant Optional Redemption Date up to 3.00 p.m. London time
20.	**Put Option**	Not Applicable
21.	**Final Redemption Amount**	Par
22.	**Early Redemption Amount**	
	Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):	Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	Form of Notes:	Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only in the limited circumstances specified in the Permanent Global Note
24.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	London, New York and Tokyo
25.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
26.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and	Not Applicable

	consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	
27.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
28.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
29.	Other terms or special conditions:	Not Applicable

DISTRIBUTION

30.	(i)	If syndicated, names of Managers:	Not Applicable
	(ii)	Stabilising Manager (if any):	Not Applicable
31.	If non-syndicated, name of Dealer:		Salomon Brothers International Limited
32.	TEFRA:		TEFRA D Rules are applicable
33.	Additional selling restrictions:		Not Applicable

OPERATIONAL INFORMATION

34.	ISIN Code:	XS0152369061
35.	Common Code:	015236906
36.	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	Not Applicable
37.	Delivery:	Delivery against payment
38.	Additional Paying Agent(s) (if any):	Not Applicable

LISTING APPLICATION

This Pricing Supplement comprises the details required for the Notes described herein to be admitted to listing on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange pursuant to the admission to listing and trading of the US$1,500,000,000 Euro Medium Term Note Programme of Hitachi Finance (UK) PLC.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: ....

Duly Authorised

Pricing Supplement of the Series 194 Notes

Pricing Supplement dated 11 September 2002

HITACHI, LTD.
HITACHI FINANCE (UK) PLC
HITACHI INTERNATIONAL (HOLLAND) B.V.

Issue of JPY 1,000,000,000 Fixed to Index Linked Callable Notes due 11 September 2017

under the
U.S. $1,500,000,000
Multi-Currency Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 7 August 2002. This Pricing Supplement must be read in conjunction with such Information Memorandum.

1.	Issuer:		Hitachi Finance (UK) PLC
2.	(i)	Series Number:	194
	(ii)	Tranche Number:	Not Applicable
3.	Specified Currency or Currencies:		Japanese Yen ("**JPY**")
4.	Aggregate Nominal Amount:		
	(i)	Series:	JPY 1,000,000,000
	(ii)	Tranche:	Not Applicable
5.	(i)	Issue Price:	100 per cent. of the Aggregate Nominal Amount
	(ii)	Net proceeds:	JPY 1,000,000,000
6.	Specified Denomination(s):		JPY 100,000,000
7.	(i)	Issue Date:	11 September 2002
	(ii)	Interest Commencement Date (if different from the Issue Date):	Not Applicable
8.	Maturity Date:		11 September 2017, subject to adjustment in accordance with the Modified Following Business Day Convention for which the relevant Business Days are London, New York and Tokyo
9.	Interest Basis:		1.50 per cent. Fixed Rate Notes to Index Linked Notes (further particulars specified below)
10.	Redemption/Payment Basis:		Redemption at par
11.	Change of Interest or Redemption/ Payment Basis:		Fixed Rate for the period from and including 11 September 2002 to but excluding 11 September 2003, and Index Linked for the period from and including 11 September 2003 to but excluding the Maturity Date (further details specified below)
12.	Listing:		Applications have been made for the Notes to be

			admitted to listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange
13.	Method of distribution:		Non-syndicated.

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	**Fixed Rate Note Provisions**		Applicable
	(i)	Rate(s) of Interest:	1.50 per cent. per annum payable semi-annually in arrear
	(ii)	Interest Payment Date(s):	11 March 2003 and 11 September 2003, subject to adjustment for payment only in accordance with the Modified Following Business Day Convention for which the relevant Business Days are London, New York and Tokyo
	(iii)	Fixed Coupon Amount(s):	JPY 750,000 per Note of JPY 100,000,000 Specified Denomination
	(iv)	Day Count Fraction:	30/360 (unadjusted)
	(v)	Broken Amount(s):	Not Applicable
	(vi)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
15.	**Floating Rate Note Provisions**		Not Applicable
16.	**Zero Coupon Note Provisions**		Not Applicable
17.	**Index Linked Interest Note Provisions**		Applicable
	(i)	Index/Formula:	The rate of interest for each Index Linked Interest Period (as defined below) shall be determined as follows, subject to the Minimum Rate of Interest (as defined in paragraph 17(vii) below): 20 year CMS - 2 year CMS + 0.50% "**20 year CMS**" means JPY-TSR-Telerate-10:00 as defined in the Annex to the 2000 ISDA Definitions (together with the 2000 ISDA Definitions, the "**ISDA Definitions**") with a Designated Maturity of 20 years; provided that any reference to "Reset Date" therein shall be deemed to be the first day of each Index-Linked Interest Period. "**2 year CMS**" means JPY-TSR-Telerate-10:00 as defined in the ISDA Definitions with a Designated Maturity of 2 years; provided that any reference to "Reset Date" therein shall be deemed to be the first day of each Index-Linked Interest Period. "**Index-Linked Interest Period**" means the period commencing from and including a Specified Interest Payment Date (or the final Interest Payment Date in respect of the Fixed Interest Period) to but excluding the next (or first) Specified Interest Payment Date. "**Index-Linked Interest Determination Date**" means,

			in relation to the relevant Index Linked Interest Period, the date which is two Tokyo Banking Days prior to the first day of such Index Linked Interest Period. Each amount of interest (per Specified Denomination) shall be rounded to the nearest JPY, with one half JPY being rounded upwards. The Calculation Agent shall inform the Issuer and the Noteholders of all determinations made hereunder, including the relevant amount of interest.
	(ii)	Calculation Agent responsible for calculating the interest due:	Mizuho Trust & Banking (Luxembourg) S.A. as Programme Agent
	(iii)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	If 20 year CMS or 2 year CMS published on Telerate page 17143 (or such other page as may replace such page on that service) or Telerate page 17143 (or such other page as may replace such page on that service) is not available at or around 10:00 a.m., Tokyo time, on any Index Linked Interest Determination Date, the rate or rates for the relevant Index-Linked Interest Period will be determined by the Calculation Agent by reference to "JPY-TSR-Reference Banks" (as defined in the ISDA Definitions). For the purposes of JPY-TSR-Reference Banks any reference in the ISDA Definitions to "Reset Date" shall refer to the first day of the relevant Index Linked Interest Period. In the event that the rate or rates for the relevant Index-Linked Interest Period is or are to be determined by the Calculation Agent by reference to JPY-TSR Reference Banks and less than three quotations are provided, the Calculation Agent shall determine the rate or rates for the relevant Index-Linked Interest Period in good faith following prior consultation with and approval by the Issuer.
	(iv)	Specified Period(s)/Interest Payment Dates:	Specified Interest Payment Dates: 11 March and 11 September in each year from and including 11 March 2004 to and including the Maturity Date
	(v)	Business Day Convention:	Modified Following Business Day Convention
	(vi)	Additional Business Centre(s):	London, New York and Tokyo
	(vii)	Minimum Rate of Interest:	Zero per cent. per annum
	(viii)	Maximum Rate of Interest:	Not Applicable
	(ix)	Day Count Fraction:	Actual/365 (Fixed) adjusted
18.	**Dual Currency Note Provisions**		Not Applicable

PROVISIONS RELATING TO REDEMPTION

19.	**Call Option**	Applicable
	(i) Optional Redemption (Call) Date(s):	Each 11 March and 11 September from and including 11 September 2003 to and including 11 March 2017, each such date subject to adjustment in accordance with the Modified Following Business Day Convention
	(ii) Optional Redemption Amount(s) (call) and method, if any, of calculation of such amount(s):	100 per cent. of the outstanding Nominal Amount payable in JPY
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	Not Applicable
	(b) Maximum Redemption Amount:	Not Applicable
	(iv) Notice Period (if other than as set out in the Conditions):	The Issuer should give notice of its intention to redeem on or prior to the day that is 5 Business Days prior to the relevant Optional Redemption Date up to 3.00 p.m. London time
20.	**Put Option**	Not Applicable
21.	**Final Redemption Amount**	Par
22.	**Early Redemption Amount**	Not Applicable
	Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):	

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	Form of Notes:	Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only in the limited circumstances specified in the Permanent Global Note
24.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	London, New York and Tokyo
25.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
26.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable

27.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
28.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
29.	Other terms or special conditions:	Not Applicable

DISTRIBUTION

30.	(i)	If syndicated, names of Managers:	Not Applicable
	(ii)	Stabilising Manager (if any):	Not Applicable
31.		If non-syndicated, name of Dealer:	Salomon Brothers International Limited
32.		TEFRA:	TEFRA D Rules are applicable
33.		Additional selling restrictions:	Not Applicable

OPERATIONAL INFORMATION

34.	ISIN Code:	XS0153040067
35.	Common Code:	015304006
36.	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	Not Applicable
37.	Delivery:	Delivery against payment
38.	Additional Paying Agent(s) (if any)	Not Applicable

LISTING APPLICATION

This Pricing Supplement comprises the details required for the Notes described herein to be admitted to listing on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange pursuant to the admission to listing and trading of the US$1,500,000,000 Euro Medium Term Note Programme of Hitachi Finance (UK) PLC.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: ....

Duly authorised

Pricing Supplement of the Series 196 Notes

Pricing Supplement dated 24 October 2002

HITACHI, LTD.
HITACHI FINANCE (UK) PLC
HITACHI INTERNATIONAL (HOLLAND) B.V.

Issue of JPY 1,000,000,000 Fixed to Index Linked Callable Notes due 24 October 2017

under the
U.S. $1,500,000,000
Multi Currency Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 7 August 2002. This Pricing Supplement must be read in conjunction with such Information Memorandum.

1.	Issuer:		Hitachi Finance (UK) PLC
2.	(i)	Series Number:	196
	(ii)	Tranche Number:	Not Applicable
3.	Specified Currency or Currencies:		Japanese Yen ("**JPY**")
4.	Aggregate Nominal Amount:		
	(i)	Series:	JPY 1,000,000,000
	(ii)	Tranche:	Not Applicable
5.	(i)	Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
	(ii)	Net proceeds:	JPY 1,000,000,000
6.	Specified Denomination(s):		JPY 100,000,000
7.	(i)	Issue Date:	24 October 2002
	(ii)	Interest Commencement Date (if different from the Issue Date):	Not Applicable
8.	Maturity Date:		24 October 2017, subject to adjustment in accordance with the Modified Following Business Day Convention for which the relevant Business Days are London, New York and Tokyo
9.	Interest Basis:		1.50 per cent. Fixed Rate Notes to Index Linked Notes (further particulars specified below)
10.	Redemption/Payment Basis:		Redemption at par
11.	Change of Interest or Redemption/ Payment Basis:		Fixed Rate for the period from and including 24 October 2002 to but excluding 24 October 2003, and Index Linked for the period from and including 24 October 2003 to but excluding the Maturity Date (further details specified below)
12.	Listing:		Applications have been made for the Notes to be

		admitted to listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange
13.	Method of distribution:	Non-syndicated.

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	**Fixed Rate Note Provisions**		Applicable
	(i)	Rate(s) of Interest:	1.50 per cent. per annum payable in arrear
	(ii)	Interest Payment Date(s):	24 March 2003 and 24 October 2003, subject to adjustment for payment only in accordance with the Modified Following Business Day Convention for which the relevant Business Days are London, New York and Tokyo
	(iii)	Fixed Coupon Amount(s):	JPY 625,000 per Note of JPY 100,000,000 Specified Denomination payable on 24 March 2003 and JPY 875,000 per Note of JPY 100,000,000 Specified Denomination payable on 24 October 2003
	(iv)	Day Count Fraction:	30/360 (unadjusted)
	(v)	Broken Amount(s):	Not Applicable
	(vi)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
15.	**Floating Rate Note Provisions**		Not Applicable
16.	**Zero Coupon Note Provisions**		Not Applicable
17.	**Index Linked Interest Note Provisions**		Applicable
	(i)	Index/Formula:	The rate of interest for each Index Linked Interest Period (as defined below) shall be determined as follows: 20 year CMS - 2 year CMS + 0.25% "**20 year CMS**" means JPY-TSR-Telerate-10:00 as defined in the Annex to the 2000 ISDA Definitions (together with the 2000 ISDA Definitions, the "**ISDA Definitions**") with a Designated Maturity of 20 years; provided that any reference to "Reset Date" therein shall be deemed to be the first day of each Index Linked Interest Period. "**2 year CMS**" means JPY-TSR-Telerate- 10:00 as defined in the ISDA Definitions with a Designated Maturity of 2 years; provided that any reference to "Reset Date" therein shall be deemed to be the first day of each Index Linked Interest Period. "**Index Linked Interest Period**" means the period commencing from and including a Specified Interest Payment Date (or the final Interest Payment Date in respect of the Fixed Interest Period) to but excluding the next (or first) Specified Interest Payment Date.

"**Index Linked Interest Determination Date**" means, in relation to the relevant Index Linked Interest Period, the date which is two Tokyo Banking Days prior to the first day of such Index Linked Interest Period.

Each amount of interest (per Specified Denomination) shall be rounded to the nearest JPY, with one half JPY being rounded upwards.

The Calculation Agent shall inform the Issuer and the Noteholders of all determinations made hereunder, including the relevant amount of interest.

(ii)	Calculation Agent responsible for calculating the interest due:	Mizuho Trust & Banking (Luxembourg) S.A.
(iii)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	If 20 year CMS or 2 year CMS published on may replace such page on that service) or Telerate page 17143 (or such other page as Telerate page 17143 (or such other page as may replace such page on that service) is not available at or around 10:00 a.m., Tokyo time, on any Index Linked Interest Determination Date, the rate or rates for the relevant Index Linked Interest Period will be determined by the Calculation Agent by reference to "JPY- TSR-Reference Banks" (as defined in the ISDA Definitions). For the purposes of JPY- TSR-Reference Banks any reference in the ISDA Definitions to "Reset Date" shall refer to the first day of the relevant Index Linked Interest Period. In the event that the rate or rates for the relevant Index Linked Interest Period is or are to be determined by the Calculation Agent by reference to JPY-TSR Reference Banks and less than three quotations are provided, the Calculation Agent shall determine the rate or rates for the relevant Index Linked Interest Period in good faith following prior consultation with and approval by the Issuer.
(iv)	Specified Period(s)/Interest Payment Dates:	Specified Interest Payment Dates: 24 April and 24 October in each year from and including 24 April 2004 to and including the Maturity Date
(v)	Business Day Convention:	Modified Following Business Day Convention
(vi)	Additional Business Centre(s):	London, New York and Tokyo
(vii)	Minimum Rate of Interest:	Zero per cent. per annum
(viii)	Maximum Rate of Interest:	Not Applicable
(ix)	Day Count Fraction:	Actual/365 (Fixed) adjusted

18. **Dual Currency Note Provisions** — Not Applicable

PROVISIONS RELATING TO REDEMPTION

19. **Call Option** — Applicable

	(i)	Optional Redemption (Call) Date(s):	24 April and 24 October in each year from and including 24 October 2003 to and including 24 April 2017, each such date subject to adjustment in accordance with the Modified Following Business Day Convention
	(ii)	Optional Redemption Amount(s) (call) and method, if any, of calculation of such amount(s):	100 per cent. of the outstanding Nominal Amount payable in JPY
	(iii)	If redeemable in part:	
		(a) Minimum Redemption Amount:	Not Applicable
		(b) Maximum Redemption Amount:	Not Applicable
	(iv)	Notice Period (if other than as set out in the Conditions):	The Issuer should give notice of its intention to redeem on or prior to the day that is 5 Business Days prior to the relevant Optional (Call) Redemption Date up to 3.00 p.m. London time
20.	**Put Option**		Not Applicable
21.	**Final Redemption Amount**		Par
22.	**Early Redemption Amount**		
	Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):		Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	Form of Notes:	Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only in the limited circumstances specified in the Permanent Global Note
24.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	London, New York and Tokyo
25.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
26.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
27.	Details relating to Instalment Notes: amount of each instalment, date on	Not Applicable

	which each payment is to be made:	
28.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
29.	Other terms or special conditions:	Not Applicable

DISTRIBUTION

30.	(i) If syndicated, names of Managers:	Not Applicable
	(ii) Stabilising Manager (if any):	Not Applicable
31.	If non-syndicated, name of Dealer:	Salomon Brothers International Limited
32.	TEFRA:	TEFRA D Rules are applicable
33.	Additional selling restrictions:	Not Applicable

OPERATIONAL INFORMATION

34.	ISIN Code:	XS0156754979
35.	Common Code:	015675497
36.	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	Not Applicable
37.	Delivery:	Delivery against payment
38.	Additional Paying Agent(s) (if any):	Not Applicable

LISTING APPLICATION

This Pricing Supplement comprises the details required for the Notes described herein to be admitted to listing on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange pursuant to the admission to listing and trading of the US$ 1,500,000,000 Euro Medium Term Note Programme of Hitachi Finance (UK) PLC.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: ....

Duly Authorised

Pricing Supplement of the Series 198 Notes

Pricing Supplement dated 30th October, 2002

HITACHI, LTD.
HITACHI FINANCE (UK) PLC
HITACHI INTERNATIONAL (HOLLAND) B.V.

Issue of JPY l,000,000,000 Fixed to Floating Rate Callable Notes due 2017

under the
US$1,500,000,000
Multi-Currency Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 7 August 2002. This Pricing Supplement must be read in conjunction with such Information Memorandum.

1.	Issuer:	HITACHI FINANCE (UK) PLC
2.	Series Number:	198
3.	Specified Currency or Currencies:	Japanese Yen ("**JPY**")
4.	Aggregate Nominal Amount:	JPY 1,000,000,000
5.	Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
6.	Specified Denomination(s):	JPY 100,000,000
7.	(i) Issue Date:	30th October, 2002
	(ii) Interest Commencement Date (if different from the Issue Date):	Not Applicable
8.	Maturity Date:	Interest Payment Date falling in October, 2017
9.	Interest Basis:	Fixed Rate and Floating Rate Interest (further particulars specified below)
10.	Redemption/Payment Basis:	Redemption at par
11.	Change of Interest or Redemption/Payment Basis:	Fixed Rate in respect of the period from and including the Issue Date to but excluding 30th October, 2003 and Floating Rate Interest in respect of the period from and including 30th October, 2003 to but excluding the Maturity Date.
12.	Listing:	Applications have been made for the Notes to be admitted to listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange
13.	Method of distribution:	Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	**Fixed Rate Note Provisions**	Applicable — Condition 5(a) applies

(i)	Rate(s) of Interest:	1.70 per cent. per annum payable semi-annually in arrear on each Interest Payment Date
(ii)	Interest Payment Date(s):	30th April, 2003 and 30th October, 2003
(iii)	Fixed Coupon Amount[(s)]:	JPY 850,000 per Specified Denomination
(iv)	Day Count Fraction:	30/360
(v)	Broken Amount(s):	Not Applicable
(vi)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable

15. **Floating Rate Note Provisions** — Applicable

(i)	Interest Payment Dates:	30th April and 30th October in each year from and including 30th April, 2004 to and including the Maturity Date (each a "**Floating Interest Payment Date**")
(ii)	Business Day Convention:	Following Business Day Convention
(iii)	Additional Business Centre(s):	London and New York
(iv)	Manner in which the Rate(s) of Interest is/are to be determined:	The Floating Rate Notes shall bear interest (as determined below) from and including 30th October, 2003 to but excluding the Maturity Date (the "**Floating Rate Period**" and each Interest Period falling therein shall be a "**Floating Interest Period**") payable in amounts (each "**Floating Interest Amount**") determined by the Calculation Agent in accordance with the following formula, at or as soon as practicable after each time at which the Rate of Interest (as defined below) is determined, with the Floating Interest Amount being rounded to the nearest whole JPY (with half a JPY being rounded upwards) and provided further that the resultant figure of the square bracket shall never be less than zero:

For the avoidance of doubt, the first day of the Floating Rate Period falling on 30th October, 2003 shall not be subject to adjustment

Floating Interest Amount = (JPY 100,000,000 x Rate of Interest x Day Count Fraction)

Rate of Interest = [(20 yrs CMR - 2 yrs CMR) + 0.05%]

Where:

"**20 yrs CMR**" means the swap rate for Yen swap transactions with a maturity of 20 years, expressed as a percentage, which appears on Telerate Page 17143 under the heading "TOKYO SWAP REFERENCE RATE (T.S.R.)" as of 3:00 p.m., Tokyo time, on the day that is two Tokyo and London Banking Days preceding the first day of each Floating Interest Period. If such rate does not appear on Telerate Page 17143, "20 yrs CMR" shall be determined by the Calculation Agent in accordance with "JPY-TSR-Reference Banks" in the case of "JPY-TSR-Telerate-15:00" (both as defined in the 2000 ISDA Definitions) with a Designated Maturity of 20 years and the relevant Reset Date shall be the first day of the relevant Floating Interest Period with the modifications that "Tokyo Banking Days" shall mean "Tokyo and London Banking Days" and that the expression "**Calculation Agent**" as used in the definition "JPY-TSR-Reference Banks" shall mean Nomura Bank (Luxembourg) S.A.

"**2 yrs CMR**" means the swap rate for Yen swap transactions with a maturity of 2 years, expressed as a percentage, which appears on Telerate Page 17143 under the heading "TOKYO SWAP REFERENCE RATE (T.S.R.)" as of 3:00 p.m. Tokyo time, on the day that is two Tokyo and London Banking Days preceding the first day of each Floating Interest Period. If such rate does not appear on Telerate Page 17143, "2 yrs CMR" shall be determined by the Calculation Agent in accordance with "JPY-TSR-Reference Banks" in the case of "JPY-TSR-Telerate-15:00" (both as defined in the 2000 ISDA Definitions) with a Designated Maturity of 2 years and the relevant Reset Date shall be the first day of the relevant Floating Interest Period with the modifications that "Tokyo Banking Days" shall mean "Tokyo and London Banking Days" and that the expression "**Calculation Agent**" as used in the definition "JPY-TSR-Reference Banks" shall mean Nomura Bank (Luxembourg) S.A.

"**Tokyo and London Banking Days**" means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency options) in Tokyo and London.

(v)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Agent):	Nomura Bank (Luxembourg) S.A.
(vi)	Screen Rate Determination (Condition 5(b) applies):	Not Applicable
(vii)	Margin(s):	Not Applicable
(viii)	Minimum Rate of Interest:	Please see paragraph 15(iv) above
(ix)	Maximum Rate of Interest:	Not Applicable
(x)	Day Count Fraction:	Actual/365 (Fixed)
(xi)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the	Please see paragraph 15(iv) above

	Conditions:	
16.	**Zero Coupon Note Provisions**	Not Applicable
17.	**Index-Linked Interest Note Provisions**	Not Applicable
18.	**Dual Currency Note Provisions**	Not Applicable

PROVISIONS RELATING TO REDEMPTION

19.	**Call Option**	Applicable — Condition 6(c) applies
	(i) Optional Redemption (Call) Date(s):	30th October, 2003 and each Floating Interest Payment Date from and including 30th April, 2004 to and including 30th April, 2017
	(ii) Optional Redemption Amount(s) (Call) and method, if any, of calculation of such amount(s):	Par
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	Not Applicable
	(b) Maximum Redemption Amount:	Not Applicable
	(iv) Notice period (if other than as set out in the Conditions):	Not less than 15 nor more than 30 days' notice to the Noteholders prior to the relevant Optional Redemption Date in accordance with Condition 14
20.	**Put Option**	Not Applicable
21.	**Final Redemption Amount**	Par
22.	**Early Redemption Amount Early**	Par
	Redemption Amount(s) Payable on redemption for Taxation reasons or on event Of default and/or the method Of calculating the same (if Required or if different from that set out in the Conditions):	

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	Form of Notes:	Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on 40 days' notice in the limited circumstances specified in the Permanent Global Note.
24.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	London and New York
25.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
26.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each	Not Applicable

	payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	
27.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
28.	Redenomination, renominalisation and reconventioning provisions	Not Applicable
29.	Other terms or special conditions:	Not Applicable

DISTRIBUTION

30.	(i)	If syndicated, names of Managers:	Not Applicable
	(ii)	Stabilising Manager (if any):	Not Applicable
31.		If non-syndicated, name of Dealer:	Nomura International pic
32.		TEFRA:	TEFRA D Rules are applicable
33.		Additional selling restrictions:	Not Applicable

OPERATIONAL INFORMATION

34.	ISIN Code:	XS0156560343
35.	Common Code:	015656034
36.	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	Not Applicable
37.	Delivery:	Delivery against payment
38.	Additional Paying Agent(s) (if any):	Not Applicable

LISTING APPLICATION

This Pricing Supplement comprises the details required for the Notes described herein to be admitted to listing on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange pursuant to the admission to listing and trading of the US$1,500,000,000 Euro Medium Term Note Programme of HITACHI FINANCE (UK) PLC.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: ....

Duly authorised

Pricing Supplement of the Series 204 Notes

Pricing Supplement dated 12th February, 2003

HITACHI, LTD.
HITACHI FINANCE (UK) PLC
HITACHI INTERNATIONAL (HOLLAND) B.V.

Issue of JPY 1,000,000,000 Fixed to FX Linked Callable Notes due 12th February, 2013

under the
U.S. $1,500,000,000
Multi Currency Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 7th August, 2002. This Pricing Supplement must be read in conjunction with such Information Memorandum.

1.	Issuer:		HITACHI FINANCE (UK) PLC
2.	(i)	Series Number:	204
	(ii)	Tranche Number:	Not Applicable
3.	Specified Currency or Currencies:		Japanese Yen ("**JPY**")
4.	Aggregate Nominal Amount:		
	(i)	Series:	JPY 1,000,000,000
	(ii)	Tranche:	Not Applicable
5.	(iii)	Issue Price:	100.30 per cent. of the Aggregate Nominal Amount
	(iv)	Net Proceeds:	JPY 1,000,000,000
6.	Specified Denominations:		JPY 100,000,000
7.	(i)	Issue Date:	12th February, 2003
	(ii)	Interest Commencement Date (if different from the Issue Date):	12th February, 2003
8.	Maturity Date:		12th February, 2013, subject to adjustment for payment only in accordance with the Modified Following Business Day Convention
9.	Interest Basis:		1.00 per cent. Fixed Rate in respect of the period from and including 12th February, 2003 to but excluding 12th February, 2004 thereafter FX-Linked in respect of the period from and including 12th February, 2004 to but excluding 12th February, 2013 (further particulars below)
10.	Redemption/Payment Basis:		Redemption at par
11.	Change of Interest or Redemption/ Payment Basis:		Automatic Change of Interest Basis

12.	Listing:	Applications have been made for the Notes to be admitted to listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange
13.	Method of distribution:	Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	**Fixed Rate Note Provisions**	Applicable - Condition 5A applies
	(i) Rate of Interest:	1.00 per cent, per annum payable semi-annually in arrear
	(ii) Interest Payment Date(s):	12th August, 2003 and 12th February, 2004
	(iii) Fixed Coupon Amount(s):	JPY 500,000 per Specified Denomination
	(iv) Day Count Fraction:	30/360
	(v) Broken Amount(s):	Not Applicable
	(vi) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
15.	**Floating Rate Note Provisions**	Applicable The Interest Amount shall be determined as follows: JPY (5,459.89 MULTIPLIED BY FX) MINUS (6 MONTHS JPY-LIBOR-BBA MULTIPLIED BY JPY 50,000,000) Interest shall be payable per Specified Denomination semi-annually in arrear in JPY rounded to the nearest JPY with JPY 0.5 amounts being rounded upwards and shall not be less than zero
	(i) Interest Payment Dates:	Each 12th February and 12th August commencing 12th August, 2004 (each being an "**Interest Payment Date**") subject to adjustment in accordance with the Business Day Convention specified below
	(ii) Business Day Convention:	Modified Following Business Day Convention
	(iii) Additional Business Centre(s):	London, New York and Tokyo
	(iv) Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination
	(v) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Agent):	JPMorgan Chase Bank
	(vi) Screen Rate Determination (Condition 5(b) applies):	Applicable
	• Reference Rate:	"**FX**" means JPY/USD mid exchange rate (expressed as a number of JPY per USD 1.00) "**6 MONTHS JPY-LIBOR-BBA**" means the rate which appears on Telerate page 3750 as of 11.00 a.m.

London time on the relevant Interest Determination Date

- Relevant Screen Page: Reuters Screen page "JPNU" (or such other page as may replace that page on such service) at approximately 10:00 a.m. Tokyo time on the relevant Interest Determination Date (as defined below)

  If, however, no such rate is published on "JPNU" on the Interest Determination Date, the Calculation Agent shall obtain such exchange rate from Reuters Screen page "TKYFX" (or such page as may replace that page on such service) under the column "BANK OF JAPAN" "DLR/YEN" as of 10:00 a.m. Tokyo time on such Interest Determination Date

  If neither "JPNU" or "TKYFX" (or such other page as may replace such pages on those services) are available on any Interest Determination Date, "FX" will be determined by the Calculation Agent as follows:

  "FX" shall be the mid JPY/USD foreign exchange rate (expressed as a number of JPY per USD 1.00) for spot foreign exchange transactions quoted by five major reference banks (selected by the Calculation Agent at its sole discretion) at approximately 10:00 a.m. Tokyo time on such date. The highest and the lowest of such quotations will be disregarded and the arithmetic mean of the remaining quotations will be the "FX".

  If only four quotations are so provided then "FX" shall be the arithmetic mean of such quotations without regard to the highest and lowest values quoted.

  If fewer than four but at least two quotations are provided, "FX" shall be the arithmetic mean of the quotations actually obtained by the Calculation Agent.

  If only one quotation is available, in that event, the Calculation Agent may determine that such quotation shall be the "FX", and if no such quotation is available or if the Calculation Agent determines that no suitable reference banks who are prepared to quote are available, the Calculation Agent acting in a commercially reasonable manner shall determine a suitable "FX" Rate

  "USD" means United States Dollar

- Interest Determination Date: 2 (two) London, New York and Tokyo Business Days prior to the Interest Payment Date falling on 12th February, 2004 and thereafter 2 (two) London, New York and Tokyo Business Days prior to each Interest Payment Date immediately preceding the relevant

			Interest Payment Date
		• Relevant Time:	10.00 a.m. Tokyo time in respect of calculation of FX 11.00 a.m. London time in respect of calculation of 6 MONTHS JPY-LIBOR-BBA
		• Relevant Financial Centre:	London, New York and Tokyo
	(vii)	ISDA Determination (Condition 5(c) applies):	Not Applicable
	(viii)	Margin(s):	Not Applicable
	(ix)	Minimum Rate of Interest:	Zero per cent. per annum
	(x)	Maximum Rate of Interest:	Not Applicable
	(xi)	Day Count Fraction:	30/360
	(xii)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	Not Applicable
16.	**Zero Coupon Note Provisions**		Not Applicable
17.	**Index Linked Interest Note Provisions**		Not Applicable
18.	**Dual Currency Note Provisions**		Not Applicable

PROVISIONS RELATING TO REDEMPTION

19.	**Call Option**		Applicable - Condition 6(c) applies
	(i)	Optional Redemption (Call) Date(s):	On the Interest Payment Date falling in February, 2004 and thereafter on each Interest Payment Date to but excluding the Maturity Date (each an "**Optional Redemption Date**")
	(ii)	Optional Redemption Amount(s) (Call) and method, if any, of calculation of such amount(s):	JPY 100,000,000 per Specified Denomination
	(iii)	If redeemable in part:	Not Applicable
		(a) Minimum Redemption Amount:	Not Applicable
		(b) Maximum Redemption Amount:	Not Applicable
	(iv)	Notice period (if other than as set out in the Conditions):	Notice to be given to the holders of the Notes not earlier than 28 calendar days and not later than 14 calendar days prior to the relevant Optional Redemption Date
20.	**Put Option**		Not Applicable
21.	**Final Redemption Amount**		Par

22.	**Early Redemption Amount**	
	Early Redemption Amount(s) payable on redemption for taxation reasons and/or the method of calculating the same (if required or if different from that set out in the Conditions):	As set out in the Conditions

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	Form of Notes:	Permanent Global Note which is exchangeable for Definitive Notes on 45 days' notice in the limited circumstances specified in the Permanent Global Note
24.	Additional Financial Centre(s) or other special provisions relating to payment dates:	London, New York and Tokyo
		Payment Dates shall be adjusted in accordance with the Modified Following Business Day Convention
25.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
26.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
27.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
28.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
29.	Other terms or special conditions:	Not Applicable

DISTRIBUTION

30.	(i) If syndicated, names of Managers:	Not Applicable
	(ii) Stabilising Manager (if any):	Not Applicable
31.	If non-syndicated, name of Dealer:	Daiwa Securities SMBC Europe Limited
32.	TEFRA:	TEFRA C
33.	Additional selling restrictions:	Not Applicable
	OPERATIONAL INFORMATION	
34.	ISIN Code:	XS0161765325
35.	Common Code:	016176532

36.	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	Not Applicable
37.	Delivery:	Delivery against payment
38.	Additional Paying Agents(s) (if any):	Not Applicable

LISTING APPLICATION

This Pricing Supplement comprises the details required for the Notes described herein to be admitted to listing on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange pursuant to the admission to listing and trading of the US$1,500,000,000 Euro Medium Term Note Programme of Hitachi Finance (UK) PLC.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer

By: ....

Duly authorised signatory

Pricing Supplement of the Series 207 Notes

Pricing Supplement dated 24th April 2003

HITACHI, LTD
HITACHI FINANCE (UK) PLC
HITACHI INTERNATIONAL (HOLLAND) B.V.

Issue of JPY 500,000,000 Fixed/Inverse Floating Rate Notes due 24th April 2013

under the
U.S.$l,500,000,000
Multi Currency Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information memorandum dated 7th August, 2002. This Pricing Supplement must be read in conjunction with such Information Memorandum.

1.	Issuer:		HITACHI FINANCE (UK) PLC
2.	(i)	Series Number:	207
	(ii)	Tranche Number:	N/A
3.	Specified Currency or Currencies:		Japanese Yen ("**JPY**")
4.	Aggregate Nominal Amount:		
	(i)	Series:	JPY 500,000,000
	(ii)	Tranche:	N/A
5.	(iii)	Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
	(iv)	Net proceeds:	N/A
6.	Specified Denomination(s):		JPY 100,000,000
7.	(i)	Issue Date:	24th April, 2003
	(ii)	Interest Commencement Date (if different from the Issue Date):	N/A
8.	Maturity Date:		24th April 2013, subject to adjustment in accordance with the Modified Following Business Day Convention
9.	Interest Basis:		Fixed Rate to Inverse Floating Rate w Notes (further particulars specified below)
10.	Redemption / Payment Basis:		Redemption at par
11.	Change of Interest or Redemption / Payment Basis:		Interest Basis: 1. Fixed Rate, for the period from and including 24th April 2003 to but excluding 24th October 2003 ("**Fixed Rate Period**"); automatically converting on 24th October 2003 to

		2. Inverse Floating Rate, for the period from and including 24th October 2003 to but excluding the Maturity Date ("**Inverse Floating Rate Period**")
12.	Listing:	Applications have been made for the Notes to be admitted to listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange
13.	Method of distribution:	Non-Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	**Fixed Rate Note Provisions**	Applicable
	(i) Rate(s) of Interest:	0.90 per cent. per annum payable semi-annually in arrear
	(ii) Interest Payment Date(s):	24th October 2003, subject to adjustment in accordance with the Modified Following Business Day Convention
	(iii) Fixed Coupon Amount(s):	JPY 450,000 per Specified Denomination of JPY 100,000,000
	(iv) Day Count Fraction:	30E/360, unadjusted
	(v) Broken Amount(s):	N/A
	(vi) Other terms relating to the method of calculating interest for Fixed Rate Notes:	A Business Day is a day as defined in 15 (iii) below
15.	**Floating Rate Note Provisions**	Applicable
	(i) Interest Payment Dates:	24th April and 24th October in each year, commencing on 24th April 2004 and ending on the Maturity Date
	(ii) Business Day Convention:	Modified Following Business Day Convention
	(iii) Additional Business Centre(s):	A "**Business Day**" is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, Tokyo and New York, and Condition 9(g)(ii) shall be modified accordingly
	(iv) Manner in which the Rate(s) of Interest is/are to be determined:	In respect of the Inverse Floating Rate Period, the Notes will bear interest in JPY for each Interest Period ending on and excluding the Specified Interest Payment Date set out in column A below at the corresponding rate of interest specified in Column B shown below, minus 6-month USD-LIBOR-BBA (see item 15(vii) below)

Column A	Column B
24th April 2004	2.15%
24th October 2004	2.45%
24th April 2005	2.45%
24th October 2005	2.75%
24th April 2006	2.75%
24th October 2006	3.05%
24th April 2007	3.05%
24th October 2007	3.35%
24th April 2008	3.35%
24th October 2008	3.65%
24th April 2009	3.65%
24th October 2009	3.95%
24th April 2010	3.95%
24th October 2010	4.25%
24th April 2011	4.25%
24th October 2011	4.55%
24th April 2012	4.55%
24th October 2012	4.85%
24th April 2013	4.85%

(v) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent):	Calculation Agent: JP Morgan Chase Bank, London Branch
(vi) Screen Rate Determination (Condition 5(b) applies):	
Reference Rate:	N/A
Relevant Screen Page:	N/A
Interest Determination Date(s):	N/A
Relevant Time:	N/A
Relevant Financial Centre:	N/A
(vii) ISDA Determination (Condition 5(c) applies):	
Floating Rate Option:	USD-LIBOR-BBA
Designated Maturity:	6 months
Reset Date:	For the Inverse Floating Rate Period, the relevant Reset Date shall be the Interest Payment Date (subject to adjustment in accordance with the

			Modified Following Business Day Convention) of the previous Interest Period
	(viii)	Margin(s):	N/A
	(ix)	Minimum Rate of Interest:	0.00 (zero) per cent. per annum
	(x)	Maximum Rate of Interest:	N/A
	(xi)	Day Count Fraction:	30E/360 (unadjusted)
	(xii)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	N/A
16.	**Zero Coupon Note Provisions**		N/A
17.	**Variable Coupon Amount Note Provisions**		N/A
18.	**Dual Currency Note Provisions**		N/A

PROVISIONS RELATING TO REDEMPTION

19.	**Call Option**		Applicable
	(i)	Optional Redemption (Call) Date(s):	24th April and 24th October in each year, commencing on 24th April 2004 to and including 24th October 2012, subject to adjustment in accordance with the Modified Following Business Day Convention
	(ii)	Optional Redemption Amount(s) (Call) and method, if any, of calculation of such amount(s)	JPY 100,000,000 per Specified Denomination of JPY 100,000,000
	(iii)	If redeemable in part:	N/A
		(a) Minimum Redemption Amount:	N/A
		(b) Maximum Redemption Amount:	N/A
	(iv)	Notice period (if other than as set out in the Conditions):	Not less than 5 Business Days' notice prior to each Optional Redemption Date
20.	**Put Option**		N/A
21.	**Final Redemption Amount**		Par
22.	**Early Redemption Amount**		
	Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and / or the method of calculating the same (if required or if different from that set out in the Conditions):		Par

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	Form of Notes:	Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.
24.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	N/A
25.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
26.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	N/A
27.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	N/A
28.	Redenomination, renominalisation and reconventioning provisions:	N/A
29.	Other terms or special conditions:	Any notice given to Euroclear, Clearstream, Luxembourg or any other clearing system in accordance with Condition 14 shall be deemed to have been given to the Noteholders on the day on which that notice is given to Euroclear, Clearstream, Luxembourg or such other clearing system, and Condition 14 shall be modified accordingly

DISTRIBUTION

30.	(i) If syndicated, names of Managers:	N/A
	(ii) Stabilising Manager (if any):	N/A
31.	If non-syndicated, name of Dealer:	Mizuho International plc
32.	TEFRA:	TEFRA D Rules are applicable
33.	Additional selling restrictions:	N/A

OPERATIONAL INFORMATION

34.	ISIN Code:	XS016693871-1
35.	Common Code:	016693871
36.	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	N/A

37.	Delivery:	Delivery against payment
38.	Additional Paying Agent(s) (if any):	N/A

LISTING APPLICATION

This Pricing Supplement comprises the details required for the Notes described herein to be admitted to the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange pursuant to the admission to listing and trading of the US$ 1,500,000,000 Euro Medium Term Note Programme of Hitachi Finance (UK) PLC

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: ....

Duly authorised

Pricing Supplement of the Series 208 Notes

Pricing Supplement dated 7 July 2003

HITACHI, LTD.
HITACHI FINANCE (UK) PLC
HITACHI INTERNATIONAL (HOLLAND) B.V.

Issue of JPY 500,000,000 Callable Fixed to Inverse Floating Rate Notes due 9 July 2015

under the
U.S. $1,500,000,000
Multi Currency Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 7 August 2002 and the Supplemental Information Memorandum dated 20 November 2002 (together the "**Information Memorandum**"). This Pricing Supplement must be read in conjunction with such Information Memorandum.

1.	Issuer		Hitachi Finance (UK) PLC
2.	(i)	Series Number:	208
	(ii)	Tranche Number:	Not Applicable
3.	Specified Currency or Currencies:		Japanese Yen ("**JPY**")
4.	Aggregate Nominal Amount:		
	(i)	Series:	JPY 500,000,000
	(ii)	Tranche:	Not Applicable
5.	(i)	Issuer Price:	100 per cent. of the Aggregate Nominal Amount
	(ii)	Net proceeds:	JPY 500,000,000
6.	Specified Denomination(s):		JPY 100,000,000, the Notes may not be subdivided or reissued in a smaller denomination.
7.	(i)	Issue Date:	9 July 2003
	(ii)	Interest Commencement Date (if different from the Issue Date):	Not Applicable
8.	Maturity Date:		9 July 2015, subject to adjustment in accordance with the Modified Following Business Day Convention for which the relevant Business Days are London, New York and Tokyo
9.	Interest Basis:		Fixed Rate to Inverse Floating Rate Basis (further particulars specified below)
10.	Redemption/Payment Basis:		Redemption at par
11.	Change of Interest or Redemption/ Payment Basis:		Not Applicable
12.	Listing:		Applications have been made for the Notes to be admitted to listing on the Official List of the UK Listing Authority and to trading on the London Stock

		Exchange.
13.	Method of distribution:	Non-syndicated.

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	**Fixed Rate Note Provisions**		Applicable
	(i)	Rate(s) of Interest:	0.84 per cent. per annum payable semi-annually in arrear
	(ii)	Interest Payment Date(s):	9 January 2004 and 9 July 2004 subject to adjustment for payment only in accordance with the Modified Following Business Day Convention for which the relevant Business Days are London, New York and Tokyo
	(iii)	Fixed Coupon Amount(s):	JPY 420,000 per Note of JPY 100,000,000 Specified Denomination
	(iv)	Day Count Fraction:	30/360 (unadjusted)
	(v)	Broken Amount(s):	Not Applicable
	(vi)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
15.	**Floating Rate Note Provisions**		Applicable
	(i)	Interest Payment Dates:	9 January and 9 July in each year commencing 9 January 2005 and ending on the Maturity Date.
	(ii)	Business Day Convention:	Modified Following Business Day Convention
	(iii)	Additional Business Centre:	For the avoidance of doubt the Business Centres will be London, New York and Tokyo
	(iv)	Manner in which the Rate(s) of Interest is /are to be determined:	ISDA Determination.
	(v)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Agent):	Not Applicable
	(vi)	Screen Rate Determination:	Not Applicable
	(vii)	ISDA Determination (Condition 5 (c) applies):	
		• Floating Rate Option:	JPY-LIBOR-BBA
		• Designated Maturity:	6 months
		• Reset Date:	The first day of each Interest Period.
	(viii)	Margin:	For the period from, and including, 9 July 2004 to, but excluding, the Interest Payment Date falling on or around 9 July 2005 the Rate of Interest will be JPY 1.14 per cent. minus the Floating Rate Option. For the period from, and including the Interest Payment Date falling on or around 9 July 2005 to, but excluding, the Interest Payment Date falling on or

around 9 July 2006 the Rate of Interest will be JPY 1.44 per cent. minus the Floating Rate Option.

For the period from, and including the Interest Payment Date falling on or around 9 July 2006 to, but excluding, the Interest Payment Date falling on or around 9 July 2007 the Rate of Interest will be JPY 1.74 per cent. minus the Floating Rate Option.

For the period from, and including the Interest Payment Date falling on or around 9 July 2007 to, but excluding, the Interest Payment Date falling on or around 9 July 2008 the Rate of Interest will be JPY 2.04 per cent. minus the Floating Rate Option.

For the period from, and including the Interest Payment Date falling on or around 9 July 2008 to, but excluding, the Interest Payment Date falling on or around 9 July 2009 the Rate of Interest will be JPY 2.34 per cent. minus the Floating Rate Option.

For the period from, and including the Interest Payment Date falling on or around 9 July 2009 to, but excluding, the Interest Payment Date falling on or around 9 July 2010 the Rate of Interest will be JPY 2.64 per cent. minus the Floating Rate Option.

For the period from, and including the Interest Payment Date falling on or around 9 July 2010 to, but excluding, the Interest Payment Date falling on or around 9 July 2011 the Rate of Merest will be JPY 2.94 per cent. minus the Floating Rate Option.

For the period from, and including the Interest Payment Date falling on or around 9 July 2011 to, but excluding, the Interest Payment Date falling on or around 9 July 2012 the Rate of Interest will be JPY 3.24 per cent. minus the Floating Rate Option.

For the period from, and including the Interest Payment Date falling on or around 9 July 2012 to, but excluding, the Interest Payment Date falling on or around 9 July 2013 the Rate of Interest will be JPY 3.54 per cent. minus the Floating Rate Option.

For the period from, and including the Interest Payment Date falling on or around 9 July 2013 to, but excluding, the Interest Payment Date falling on or around 9 July 2014 the Rate of Interest will be JPY 3.84 per cent. minus the Floating Rate Option.

For the period from, and including the Interest Payment Date falling on or around 9 July 2014 to, but excluding, the Interest Payment Date falling on or around 9 July 2015 the Rate of Interest will be JPY 4.14 per cent. minus the Floating Rate Option.

(ix) Minimum Rate of Interest: Zero per cent.

	(x)	Maximum Rate of Interest:	Not Applicable
	(xi)	Day Count Fraction	Act/360 (adjusted)
	(xii)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	The amount of interest per Specified Denomination will be payable in JPY and rounded to the nearest whole JPY, with one half of one JPY being rounded up.
16.	**Zero Coupon Note Provisions**		Not Applicable
17.	**Index Linked Interest Note Provisions**		Not Applicable
18.	**Dual Currency Note Provisions**		Not Applicable

PROVISIONS RELATING TO REDEMPTION

19.	**Call Option**		Applicable
	(i)	Optional Redemption (Call) Date(s):	The Issuer has the right to call the Notes in whole but not in part on each Interest Payment Date commencing on and including 9 July 2004, to and including 9 January 2015 (each such date an "**Optional Redemption Date**"), subject to adjustment in accordance with the Modified Following Business Day Convention.
	(ii)	Optional Redemption Amount(s) (Call) and method, if any, of calculation of such amount(s):	JPY 100,000,000 per Specified Denomination.
	(iii)	If redeemable in part:	
		(a) Minimum Redemption Amount:	Not Applicable
		(b) Higher Redemption Amount:	Not Applicable
	(iv)	Notice period (if other than as set out in the Conditions):	Notice should be given no later than 3:00 p.m. (London time) on or before the day that is 5 Business Days prior to the relevant Optional Redemption Date, in accordance with Condition 6 (c). Notwithstanding Condition 6 (c), any notice given to Euroclear and/or Clearstream, Luxembourg in accordance with condition 6 (c) shall be deemed to have been given to the holders of the Notes on the day on which that notice is given to Euroclear and/or Clearstream, Luxembourg.
20.	**Put Option**		Not Applicable
21.	**Final Redemption Amount**		Par

22.	**Early Redemption Amount**	
	Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):	Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	Form of Notes:	Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only in the limited circumstances specified in the Permanent Global Note
24.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	London, New York and Tokyo
25.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
26.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
27.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
28.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
29.	Other terms or special conditions:	Not Applicable

DISTRIBUTION

30.	(i) If syndicated, names of Managers:	Not Applicable
	(ii) Stabilising Manager (if any):	Not Applicable
31.	If non-syndicated, name of Dealer:	Citigroup Global Markets Limited
32.	TEFRA:	TEFRA D Rules are applicable
33.	Additional selling restrictions:	Not Applicable

OPERATIONAL INFORMATION

34.	ISIN Code:	XS0171989634
35.	Common Code:	017198963

36.	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	Not Applicable
37.	Delivery:	Delivery against payment
38.	Additional Paying Agent(s) (if any):	Not Applicable

LISTING APPLICATION

This Pricing Supplement comprises the details required for the Notes described herein to be admitted to listing on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange pursuant to the admission to listing of the US$1,500,000,000 Euro Medium Term Note Programme of Hitachi Finance (UK) PLC.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: ....

Duly Authorised

Pricing Supplement of the Series 209 Notes

Pricing Supplement dated 14th July, 2003

HITACHI, LTD.
HITACHI FINANCE (UK) PLC
HITACHI INTERNATIONAL (HOLLAND) B.V.

Issue of JPY 500,000,000 Callable Fixed/Floating Rate Notes due 2015

under the
U.S. $1,500,000,000
Multi-Currency Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 7th August 2002. This Pricing Supplement must be read in conjunction with such Information Memorandum.

1.	Issuer:		HITACHI FINANCE (UK) PLC
2.	(i)	Series Number:	209
	(ii)	Tranche Number:	Not Applicable
3.	Specified Currency or Currencies:		Japanese Yen ("**JPY**" or "**yen**")
4.	Aggregate Nominal Amount:		
	(i)	Series:	JPY 500,000,000
	(ii)	Tranche:	JPY 500,000,000
5.	(iii)	Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
	(iv)	Net proceeds:	JPY 500,000,000
6.	Specified Denomination(s):		JPY 100,000,000
7.	(i)	Issue Date:	14th July, 2003
	(ii)	Interest Commencement Date (if different from the Issue Date):	15th July, 2003
8.	Maturity Date:		The Specified Interest Payment Date falling on or nearest to 14th July, 2015
9.	Interest Basis:		<u>From and including the Interest Commencement Date to but excluding 14th July, 2004</u> Fixed Rate Notes <u>From and including 14th July, 2004 to but excluding the Maturity Date</u> Floating Rate Notes
10.	Redemption/Payment Basis:		Redemption at par
11.	Change of Interest or Redemption/ Payment Basis:		See Item 9 above
12.	Listing:		Applications have been made for the Notes to be admitted to listing on the Official List of the UK Listing

			Authority and to trading on the London Stock Exchange
13.	Method of distribution:		Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	**Fixed Rate Note Provisions**		Applicable-Condition 5(a) applies
	(i)	Rates of Interest:	0.90 per cent. per annum payable semi-annually in arrear
	(ii)	Interest Payment Date(s):	14th January, 2004 and 14th July, 2004, subject to adjustment in accordance with the Modified Following Business Day Convention for which the relevant Business Days are London, Tokyo and New York City (Fixed Coupons Amounts to remain unadjusted) Modified Following Business Day shall have the meaning specified in Condition 5(f)(ii).
	(iii)	Fixed Coupon Amount(s):	JPY 450,000 per Specified Denomination payable on 14th July, 2004
	(iv)	Day Count Fraction:	30/360
	(v)	Broken Amount(s):	JPY 447,500 per Specified Denomination payable on 14th January, 2004
	(vi)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	For the calculation of Fixed Coupon Amounts, round down to the nearest whole yen
15.	**Floating Rate Note Provisions**		Not Applicable
	(i)	Interest Payment Dates:	14th January and 14th July in each year up to and including the Maturity Date commencing on 14th January, 2005
	(ii)	Business Day Convention	Modified Following Business Day Convention
	(iii)	Additional Business Centre(s):	London, Tokyo and New York City
	(iv)	Manner in which the Rate(s) of Interest is/are to be determined:	ISDA Determination
	(v)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Agent):	Not Applicable
	(vi)	Screen Rate Determination (Condition 5(b) applies):	Not Applicable
	(vii)	ISDA Determination (Condition 5(c) applies):	
		• Floating Rate Option:	JPY-LIBOR-BBA
		• Designated Maturity:	6 months
		• Reset Date:	First day of each Interest Period
	(viii)	Margin(s):	Not Applicable
	(ix)	Minimum rate of Interest:	0.00 per cent. per annum

(x)	Maximum rate of Interest:	Not Applicable
(xi)	Day Count Fraction:	Actual/360
(xii)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	Interest during the Floating Rate Period will be calculated in accordance with the following formula:

From and including 14th July, 2004, to but excluding 14th July, 2005:

1.20 per cent. - 6 month JPY-LIBOR-BBA

From and including 14th July, 2005, to but excluding 14th July 2006:

1.50 per cent. - 6 month JPY-LIBOR-BBA

From and including 14th July, 2006, to but excluding 14th July, 2007:

1.80 per cent. - 6 month JPY-LIBOR-BBA

From and including 14th July, 2007, to but excluding 14th July, 2008;

2.10 per cent. - 6 month JPY-LIBOR-BBA

From and including 14th July, 2008, to but excluding 14th July, 2009:

2.40 per cent. - 6 month JPY-LIBOR-BBA

From and including 14th July, 2009, to but excluding 14th July, 2010

2.70 per cent. - 6 month JPY-LIBOR-BBA

From and including 14th July, 2010, to but excluding 14th July, 2011

3.00 per cent. - 6 month JPY-LIBOR-BBA

From and including 14th July, 2011, to but excluding 14th July, 2012:

3.30 per cent. - 6 month JPY-LIBOR-BBA

From and including 14th July, 2012, to but excluding 14th July, 2013:

3.60 per cent. - 6 month JPY-LIBOR-BBA

From and including 14th July, 2013, to but excluding 14th July, 2014:

3.90 per cent. - 6 month JPY-LIBOR-BBA

From and including 14th July, 2014, to but excluding 14th July, 2015:

		4.20 per cent. - 6 month JPY-LIBOR-BBA
16.	**Zero Coupon Note Provisions**	Not Applicable
17.	**Index Linked Interest Note Provisions**	Not Applicable
18.	**Dual Currency Note Provisions**	Not Applicable

PROVISIONS RELATING TO REDEMPTION

19.	**Call Option**	Applicable
	(i) Optional Redemption (Call) Date(s):	The Notes are callable in whole only, at par, on the Interest Payment Date falling on or after 14th July, 2004 and thereafter on any Specified Interest Payment Date up to and including 14th January, 2015
	(ii) Optional Redemption Amount(s) (call) and method, if any, of calculation of such amount(s):	100.00 per cent. of the outstanding Aggregate Nominal Amount
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	Not Applicable
	(b) Maximum Redemption Amount:	Not Applicable
	(iv) Notice Period (if other than as set out in the Conditions):	Five (5) London, Tokyo and New York Business Days' prior notice to the Noteholders
20.	**Put Option**	Not Applicable
21.	**Final Redemption Amount**	Par
22.	**Early Redemption Amount**	Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	Form of Notes:	Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only in the limited circumstances specified in the Permanent Global Note
24.	Additional Financial Centres or other special provisions relating to Payment Dates:	Place of presentation and if by transfer to a yen account, Tokyo
25.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	Not Applicable
26.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
27.	Details relating to Instalment Notes: amount of each instalment, date on	Not Applicable

	which each payment is to be made:	
28.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
29.	Other terms or special conditions:	Not Applicable

DISTRIBUTION

30.	(i)	If syndicated, names of Managers:	Not Applicable
	(ii)	Stabilising Manager (if any):	Not Applicable
31.	If non-syndicated, name of Dealer:		UFJ International plc
32.	TEFRA:		TEFRA D
33.	Additional selling restrictions:		Not Applicable

OPERATIONAL INFORMATION

34.	ISIN Code:	XS0172234881
35.	Common Code:	17223488
36.	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	Not Applicable
37.	Delivery:	Delivery against payment
38.	Additional Paying Agent(s) (if any)	Not Applicable

LISTING APPLICATION

This Pricing Supplement comprises the details required for the Notes described herein to be admitted to listing on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange pursuant to the admission to listing and trading of the US$1,500,000,000 Euro Medium Term Note Programme of HITACHI FINANCE (UK) PLC.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: ....

Duly authorised

Pricing Supplement of the Series 218 Notes

Pricing Supplement dated 6th June 2005

HITACHI, LTD
HITACHI FINANCE (UK) PLC
HITACHI INTERNATIONAL (HOLLAND) B.V.

Issue of JPY 500,000,000 Callable Fixed Rate Notes due 6th June 2012

under the
U.S.$1,500,000,000
Multi-Currency Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein, shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 27th August, 2004. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction, with such Information Memorandum.

1.	Issuer:		HITACHI FINANCE (UK) PLC
2.	(i)	Series Number:	218
	(ii)	Tranche dumber:	Not Applicable
3.	Specified Currency or Currencies:		Japanese Yen ("**JPY**")
4.	Aggregate Nominal Amount:		
	(i)	Series:	JPY 500,000,000
	(ii)	Tranche:	Not Applicable
5.	(iii)	Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
	(iv)	Net proceeds:	JPY 500,000,000
6.	Specified Denominations(s):		JPY 100,000,000
7.	(i)	Issue Date:	6th June 2005
	(ii)	Interest Commencement Date:	6th June 2005
8.	Maturity Date:		6th June 2012, subject to adjustment in accordance with the Modified Following Business Day Convention
9.	Interest Basis:		Fixed Rate Interest (further particulars specified below)
10.	Redemption / Payment Basis:		Redemption at par
11.	Change of Interest or Redemption / Payment Basis:		Not Applicable
12.	Listing:		Applications have been made for the Notes to be admitted to listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange
13.	Method of distribution:		Non-Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	**Fixed Rate Note Provisions**		Applicable
	(i)	Rate(s) of Interest:	0.80 per cent. per annum payable semi-annually in arrear for the period from and including 6th June 2005 to but excluding 6th June 2009. 1.70 per cent. per annum payable semi-annually in arrear for the period from and including 6th June 2009 to but excluding 6th June 2012
	(ii)	Interest Payment Date(s):	6th June and 6th December in each year, commencing on 6th December 2005 up to, and including, 6th June 2012, subject to adjustment for payment only in accordance with the Modified Following Business Day Convention
	(iii)	Fixed Coupon Amount(s):	JPY 400,000 per Specified Denomination of JPY 100,000,000 for the period from and including 6th June 2005 to but excluding 6th June 2009. JPY 850,000 per Specified Denomination of JPY 100,000,000 for the period from and including 6th June 2009 to but excluding 6th June 2012.
	(iv)	Day Count Fraction:	30E/360, unadjusted
	(v)	Determination Date:	Not Applicable
	(vi)	Broken Amount(s):	Not Applicable
	(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	A Business Day is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, New York and Tokyo and Condition 9(g)(ii) shall be modified accordingly.
15.	**Floating Rate Note Provisions**		Not Applicable
16.	**Zero Coupon Note Provisions**		Not Applicable
17.	**Index Linked Interest Note Provisions**		Not Applicable
18.	**Dual Currency Note Provisions**		Not Applicable

PROVISIONS RELATING TO REDEMPTION

19.	**Call Option**		Applicable
	(i)	Optional Redemption (Call) Date(s):	6th June and 6th December in each year, commencing 6th December 2005 up to and including 6th December 2011, subject to adjustment in accordance with the Modified Following Business Day Convention
	(ii)	Optional Redemption Amount(s) (Call) and method, if any, of calculation of such amount(s)	JPY 100,000,000 per Specified Denomination of JPY 100,000,000
	(iii)	If redeemable in part:	Not Applicable

	(a) Minimum Redemption Amount	Not Applicable
	(b) Minimum Redemption Amount	Not Applicable
	(iv) Notice period:	Not less than 5 Business Days' prior notice to the Issue and Principal Paying Agent and, in accordance with Condition 14 (as modified in paragraph 29 below), to Holders of Notes
20.	**Put Option**	Not Applicable
21.	**Final Redemption Amount of each Note**	Par
22.	**Early Redemption Amount**	Par
	Early Redemption Amount(s) of each Note payable on redemption for taxation, reasons or on event of default and / or the method of calculating the same (if required or if different from that set out in the Conditions):	

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	Form of Notes:	Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.
24.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	London, New York and Tokyo Condition 9(c) shall be amended to provide that if a due date for payment of any amount due in respect of any Note is not a Business Day, then that due date for payment shall be adjusted in accordance with the Modified Following Business Day Convention.
25.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
26.	Details relating to Partly Paid Notes: amount of each, payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
27.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
28.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
29.	Other terms or special conditions:	Any notice given to Euroclear, Clearstream, Luxembourg or any other clearing system in

			accordance with Condition 14 shall be deemed to have been given to the Noteholders on the day on which that notice is given to Euroclear, Clearstream, Luxembourg or such other clearing system, and Condition 14 shall be modified accordingly

DISTRIBUTION

30.	(i)	If syndicated, names of Managers:	Not Applicable
	(ii)	Stabilising Manager (if any):	Not Applicable
31.	(iii)	If non-syndicated, name of Dealer	Mizuho International plc
32.	TEFRA:		TEFRA D Rules are applicable
33.	Netherlands/Global selling restrictions:		Not Applicable
34.	Additional selling restrictions:		Not Applicable

OPERATIONAL INFORMATION

35.	ISIN Code	XS0220147226
36.	Common Code:	022014722
37.	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	Not Applicable
38.	Delivery:	Delivery against payment
	Additional Paying Agent(s) (if any):	Not Applicable

LISTING APPLICATION

This Pricing Supplement comprises the details required for the Notes described herein to be admitted to listing on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange pursuant to the admission to listing and trading of the US$1,500,000,000 Euro Medium Term Note Programme of Hitachi Finance (UK) PLC

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. Signed on behalf of the Issuer.

By: ....

Duly authorised

ISSUING AND PAYING AGENT

By: ....
Duly authorised

Pricing Supplement of the Series 220 Notes

Pricing Supplement dated 8th June, 2005

HITACHI, LTD.
HITACHI FINANCE (UK) PLC
HITACHI INTERNATIONAL (HOLLAND) B.V.

Issue of JPY 700,000,000 Fixed Rate to Reverse Floating Rate Callable Notes due 8th June, 2015

under the
U.S. $1,500,000,000
Multi Currency Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 27th August, 2004 and the Supplementary Information Memorandum dated [24]th February, 2005. This Pricing Supplement must be read in conjunction with such Information Memorandum as so supplemented.

1.	Issuer:		HITACHI FINANCE (UK) PLC
2.	(i)	Series Number	220
	(ii)	Tranche Number:	Not Applicable
3.	Specified Currency or Currencies;		Japanese Yen ("**JPY**")
4.	Aggregate Nominal Amount		
	(i)	Series:	JPY 700,000,000
	(ii)	Tranche:	Not Applicable
5.	(i)	Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
	(ii)	Net Proceeds:	JPY 700,000,000
6.	Specified Denominations:		JPY 100,000,000
7.	(i)	Issue Date:	8th June, 2005
	(ii)	Interest Commencement Date (if different from the Issue Date):	5th June, 2005
8.	Maturity Date:		8th June, 2015, subject to adjustment for payment only in accordance with the Modified Following Business Day Convention
9.	Interest Basis:		1.50 per cent. Fixed Rate in respect of the period from and including the Interest Commencement Date to but excluding 8th June, 2006 thereafter Floating Rate in respect of the period from and including 8th June, 2006 to but excluding the Maturity Date (further particulars below)
10.	Redemption/Payment Basis:		Redemption at par

11.	Change of Interest or Redemption/ Payment Basis:	Automatic Change of Interest Basis
12.	listing:	Applications have been made for the Notes to be admitted to listing on the Official list of the UK Listing Authority and to trading on the London Stock Exchange
13.	Method of distribution:	Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	**Fixed Rate Note Provisions**		Applicable- Condition 5(a) applies
	(i)	Rate of interest:	1.50 per cent. per annum payable semi-annually in arrear
	(ii)	Interest Payment Date(s):	8th December, 2005 and 8th June, 2006
	(iii)	Fixed Coupon Amount(s):	JPY 750,000 per Specified Denomination
	(iv)	Day Count Fraction:	30/360
	(v)	Broker Amount(s):	JPY 745,834 per Specified Denomination payable on 8th December, 2005
	(vi)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
15.	**Floating Rate Note Provisions**		Applicable

The Rate of Interest shall be determined in accordance with the following formula;

(i) 1.85 PER CENT. MINUS 6 MONTH JPY-LIBOR-BBA in respect of the period from and including 8th June, 2006 to but excluding 8th June, 2007

(ii) 2.20 PER CENT. MINUS 6 MONTH JPY-LIBOR-BBA in respect of the period from and including 8th June, 2007 to but excluding 8th June, 2008

(iii) 2.55 PER CENT. MINUS 6 MONTH JPY-LIBOR-BBA in respect of the period from and including 8th June, 2008 to but excluding 8th June, 2009

(iv) 2.90 PER CENT. MINUS 6 MONTH JPY-LIBOR-BBA in respect of the period from and including 8th June, 2009 to but, excluding 8th June, 2010

(v) 3.25 PER CENT. MINUS 6 MONTH JPY-LIBOR-BBA in inspect of the period from and including 8th June, 2010 to but excluding 8th June, 2011

		(vi) 3.60 PER CENT. MINUS 6 MONTH JPY-LIBOR-BBA in respect of the period from and including 8th June, 2011 to but excluding 8th June, 2012
		(vii) 3.95 PER CENT. MINUS 6 MONTH JPY-LIBOR-BBA in respect of the period from and including 8th June, 2012 to but excluding 8th June, 2013
		(viii) 4.30 PER CENT. MINUS 6 MONTH JPY-LIBOR-BBA in respect of the period from and including 8th June, 2013 to but excluding 8th June, 2014
		(ix) 4.65 PER. CENT. MINUS 6 MONTH JPY-LIBOR-BBA in respect of the period from and including 8th June, 2014 to but excluding 8th June, 2015
(i)	Interest Payment Dates:	Each 8th June and 8th December, commencing 8th December, 2006 (each being an "**Interest Payment Date**") subject to adjustment in accordance with the Business Day Convention specified below
(ii)	Business Day Convention:	Modified Following Business Day Convention
(iii)	Additional Business Centre(s):	London, New York and Tokyo
(iv)	Manner in which, the Rate(s) of Interest is/are to be determined;	ISDA Determination
(v)	Party responsible for calculating interest the Rate(s) of Interest and Interest Amount(s) (if not the Agent):	SMBC Capital Markets, Inc.
(vi)	Screen Date Determination (Condition 5(b) applies):	Not Applicable
(vii)	ISDA Determination (Condition 5(c) applies):	Applicable
	• Floating Rate Option:	JPY-LIBOR-BBA
	• Designated Maturity:	6 months
	• Reset Date:	Each 8th June and 8th December, commencing 8th June, 2006 Fox the avoidance of doubt, the rate shall be determined two London Banking Days prior to each Reset Date
(viii)	Margin(s);	Not Applicable
(ix)	Minimum Rate of Interest;	Zero per cent. per annum
(x)	Maximum Rate of Interest:	Not Applicable
(xi)	Day Count Fraction:	30/360

	(xii)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	Not Applicable
16.	**Zero Coupon Note Provisions**		Not Applicable
17.	**Index Linked Interest Note Provisions**		Not Applicable
18.	**Dual Currency Note Provisions**		Not Applicable

PROVISIONS RELAXING TO REDEMPTION

19.	**Call Option**		Applicable - Condition 6(c) applies
	(i)	Optional Redemption (Cs Date(s):	On each Interest Payment Date from and including the Interest Payment Date falling in December, 2005 to but excluding the Maturity Date (each an "**Optional Redemption Date**")
	(ii)	Optional Redemption Amount(s) (Call) and method, if any, calculation of such amount(s):	JPY 100,000,000 per Specified Denomination
	(iii)	If redeemable in part:	Not Applicable
		(a) Minimum Redemption Amount:	Not Applicable
		(b) Maximum Redemption Amount:	Not Applicable
	(iv)	Notice period (if other than as set out in the Conditions):	Notice to be given to the holders of the Notes not later than 5 London, New York and Tokyo Business Days prior to the relevant Optional Redemption Date
20.	**Put Option**		Not Applicable
21.	**Final Redemption Amount**		Par
22.	**Early Redemption Amount**		
	Early Redemption Amount(s) payable on redemption for taxation reasons and/or the method of actuating same (if required or if different that set out in the Conditions):		As set out in the Conditions

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	Form of Notes:	Permanent Global Note which is exchangeable for Definitive Notes on 45 days' notice in the limited circumstances specified in the Permanent Global Note
24.	Additional Financial Centre(s) special provisions relating to payments dates:	London, New York and Tokyo
		Payment Dates shall be adjusted in accordance with the Modified Following Business Day Convention

25.	Talons for future Coupons or Receipts to be attached to Definitive Notes (aid dates on which such Talons mature):	No
26.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
27.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
28.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
29.	Other terms or special conditions:	Not Applicable

DISTRIBUTION

30.	(i)	If syndicated, names of Managers:	Not Applicable
	(ii)	Stabilising Manager (if any):	Not Applicable
31.		If non-syndicated, name of Dealer:	Daiwa Securities SMBC Europe limited
32.		TEFRA:	TEFRA C
33.		Additional selling restrictions:	Not Applicable

OPERATIONAL INFORMATION

34.	ISIN Code:	XS0220752843
35.	Common Code:	022075284
36.	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	Not Applicable
37.	Delivery:	Delivery against payment
38.	Additional Paying Agents(s) (if any):	Not Applicable

LISTING APPLICATION

This Pricing Supplement comprises the details required for the Notes described herein to be admitted to listing on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange pursuant to the admission to listing and trading of the US$1,500,000,000 Euro Medium Team Note Programme of Hitachi Finance (UK) PLC.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer

By: ....
Duly authorised signatory

ISSUING AND PAYING AGENT

By: ....
Duly authorised signatory

KEEP WELL AGREEMENT

The following is the text of the Keep Well Agreement:—

THIS AGREEMENT was made on 3rd March, 1992 and amended and restated on 31st May, 1995, on 18th September, 1998 and on 30th July, 1999 by and between Hitachi, Ltd. (the "**Parent**"), a Japanese Corporation, Hitachi Finance (UK) PLC ("**HUK**"), an English Corporation and Hitachi International (Holland) B.V. ("**HIHO**", together with HUK referred to as the "**Issuers**"), a Dutch Corporation.

In order to facilitate the Issuers' issuing, and incurring obligations in connection with the issuance of medium-term notes pursuant to a Dealer Agreement dated 5th March, 1992 as amended, restated and/or supplemented from time to time between the Parent, the Issuers, the arrangers and the dealers named therein (such arrangers and dealers collectively, the "**Dealers**") (such medium-term notes and the obligations (whether under foreign exchange, swap or other derivative transactions) incurred in connection with the issuance thereof, being referred to herein collectively as "**Debt**"), the Parent and the Issuers hereby agree, for the express benefit of the obliges from time to time on any Debt, as follows:—

1. The Parent agrees to make cash payments to the Issuers in amounts sufficient, together with the other revenues of the Issuers, to cause the tangible net worth of the Issuers (as determined in accordance with accounting standards generally accepted in the United Kingdom or The Netherlands, as the case may be) at all times to be positive as measured by the Issuers' regularly prepared financial statements.

2. The Parent agrees to maintain, directly or indirectly, its ownership of all of the capital stock of the Issuers' now or hereafter issued and outstanding, free and clear of any liens, security interests, pledges or other encumbrances.

3. If, during the term of this Agreement, the Issuers require funds to make timely payment of interest, principal, premium or other amounts, if any, with respect to any Debt or other indebtedness of the Issuers for borrowed money in accordance with its terms and the Issuers do not obtain such funds from other sources on commercially reasonable terms, the Parent shall provide to the Issuers, at their request, such funds either as equity or as a loan at the Parent's option, to enable the Issuers to make such payments in full as they fall due. If such funds are advanced to the Issuers as a loan, such loan shall be on such terms and conditions, including maturity and rate of interest, as the Parent and the Issuers shall agree. Notwithstanding the foregoing, any such loan shall be subordinated in all respects to any and all Debt, whether or not such Debt is outstanding at the time of such loan.

4. The performance by the Parent of its obligations under 1. and 3. above may be subject to the approval or clearance or other authorisation of Japanese governmental authorities. Such performance may, for instance, be subject to the requirements of prior approval of the Minister of Finance under the foreign exchange control regulations in Japan, which may be applicable from time to time in exceptional cases.

5. This Agreement may be modified or amended or terminated only by the written agreement of the Parent and the Issuers, subject to 30 days prior written notice to Moody's Investors Service, Inc., Standard and Poor's Ratings Services and each of the Dealers; provided, however, that no such modification or amendment or termination shall have any material adverse effect upon any obliges on any Debt at the time of such modification and amendment.

6. The Parent hereby further irrevocably agrees with the Issuers for the express benefit of the obliges from time to time on any Debt, that the Parent's obligations contained herein are made for the protection and benefit of the obliges on any Debt. The Parent acknowledges that this Agreement is being irrevocably entered into for the benefit of the obliges of any Debt, and for a nil consideration (om niet) and agrees that the provisions of this Agreement may be directly enforced by such obliges against the Parent in the event that the Parent shall breach its agreements herein set forth or if any Issuer shall fail to pay such Debt when due.

7. The Parent and the Issuers hereby irrevocably submit to the jurisdiction of the District Court of Amsterdam, The Netherlands, in respect of any action or proceeding arising out of this

Agreement, it being agreed that such submission is for the exclusive benefit of the Issuers and that the Issuers shall be at liberty to commence proceedings against the Parent before any other court of competent jurisdiction. In this connection the Parent hereby elects legal and special domicile at the offices of HIHO in The Netherlands.

8. This Agreement may not be terminated so long as any Debt shall remain unpaid.

9. This Agreement is not and shall not be construed or be deemed to constitute a direct or indirect guarantee by the Parent to any party of the payment of the interest or principal of any indebtedness, liability or obligation of any kind or character of the Issuers.

10. This Agreement shall be governed by and construed in accordance with the laws of The Netherlands.

11. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors.

HITACHI, LTD.

Hitachi, Ltd. was established in 1910 and was incorporated for an unlimited duration under the laws of Japan on 1st February, 1920. Hitachi, Ltd. has its registered office at 6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8280, Japan and its telephone number is +81 3 3258 1111. Hitachi, Ltd. is the parent company of the Hitachi group of companies and together with its consolidated subsidiaries is herein referred to as "Hitachi".

Hitachi is now Japan's largest diversified manufacturer of electronic and electrical products, ranging from large electric generating equipment to consumer products and electronics equipment. As at March 31, 2008, Hitachi had total assets of ¥10,530,847 million and total stockholders' equity of ¥2,170,612 million.

Hitachi, Ltd. has 910 consolidated subsidiaries as at the date hereof.

Hitachi operates in a broad range of business fields, conducts business on a global scale and utilises sophisticated specialised technologies to carry on its operations. Consequently, in the markets in which Hitachi operates and in its operations, it is exposed to risks attributable to:

- the economic environment (in particular, economic trends and currency exchange rate fluctuations);
- the industrial sectors and business lines in which it is a participant (such as development of technological innovation, international competitiveness and accurate forecasting of market supply and demand); and
- management (such as financial risks, government regulations and the success of strategic alliances, etc).

Adverse changes in any one of the above factors would have an adverse effect on Hitachi's business results.

Although certain risks that may affect Hitachi's businesses are described above, these are not exhaustive. Hitachi's businesses may in the future also be affected by other risks that are currently unknown or that are not currently considered significant.

Business

Hitachi covers seven main industry segments: (1) Information & Telecommunication Systems, (2) Electronic Devices, (3) Power & Industrial Systems, (4) Digital Media & Consumer Products, (5) High Functional Materials & Components, (6) Logistics, Services & Others, and (7) Financial Services. The following table shows Hitachi's consolidated net sales by industry segment for the years indicated:—

[1]

	Year ended March 31,		
	2008	2007	2006
		(billions of Yen)	
Information & Telecommunication Systems	2,761	2,472	2,361
Electronic Devices	1,294	1,287	1,204
Power & Industrial Systems	3,568	3,022	2,805
Digital Media & Consumer Products	1,505	1,506	1,306
High Functional Materials & Components	1,875	1,795	1,600

[1] Source: Hitachi, Ltd. Form 20-F filed with the U.S. SEC

Logistics, Services & Others	1,271	1,214	1,215
Financial Services	445	500	518
Sub Total	12,719	11,796	11,009
Eliminations & Corporate Items	(1,492)	(1,548)	(1,544)
Total	¥11,227	¥ 10,248	¥ 9,465

The financial information set out above has been extracted without material adjustment from the Form 20-F filed with the U.S. SEC for Hitachi, Ltd. for the year ended March 31, 2008 and is unaudited.

Information and Telecommunication Systems

This segment manufactures mainly Systems Integration, Outsourcing Services, Software, Hard Disk Drives, Disk Array Subsystems, Servers, Mainframes, PCs, Telecommunications Equipment, ATMs, etc. In this segment, revenues rose 12% to 2,761 billion Yen. Software and services experienced an increase in revenues, reflecting strong growth in software sales centered on middleware, and growth in services due to increased sales in system integration particularly for financial institutions, and also expansion in the outsourcing and consulting businesses. Hardware revenues also rose year over year as a result of higher sales of HDDs, disk array subsystems, telecommunications networks and ATMs.

Electronic Devices

This segment's main products are Liquid Crystal Displays ("**LCDs**"), Semiconductor Manufacturing Equipment, Test and Measurement Equipment, Medical Electronics Equipment and Semiconductors etc. In this segment, revenues were 1,294 billion Yen, which is almost the same as the previous fiscal year. While Hitachi High-Technologies Corporation simultaneously experienced sales growth of medical analysis equipment for Europe and the U.S. markets and lower sales of semiconductor devices, optical devices and other sales businesses, revenues in the display business stayed constant as Hitachi focused on small and medium-sized LCDs.

Power & Industrial Systems

This segment's main products are Nuclear Power Plants, Thermal Power Plants, Hydroelectric Power Plants, Industrial Plant and Machinery, Automotive Products, Construction Machinery, Elevators, Escalators and Railway Vehicles, etc. In this segment, revenues rose 18% year over year to 3,568 billion Yen. The main factor was growth in sales in the power systems business due to increased sales of nuclear power plant equipment in Japan, and coal-fired thermal power plant equipment overseas with a lower environmental impact. The overall segment revenue growth also reflected growth in railway vehicle and systems and robust revenues for Hitachi Construction Machinery Co., Ltd. in addition to growth in automotive systems, in part due to Clarion Co., Ltd. becoming a consolidated subsidiary from December 2006.

Digital Media & Consumer Products

This segment manufactures various home appliances, such as, Optical Disk Drives, Plasma TVs, LCD TVs, LCD Projectors, Mobile Phones, Room Air Conditioners, Refrigerators, Washing Machines, Information Storage Media, Batteries, Air-Conditioning Equipment for Enterprises, etc. In this segment, revenues were 1,505 billion Yen, largely unchanged from the previous fiscal year. While air-conditioning equipment and home appliances reflected a sales increase and optical disk drives also maintained strong growth, the flat revenues were due to factors such as contraction and withdrawal in the projection TV and consumer PC businesses.

High Functional Materials & Components

This segment's main products are Wires and Cables, Copper Products, Semiconductor Materials, Circuit Boards and Materials, Organic and Inorganic Chemical Products, Synthetic Resin Products, Display Related Materials, Specialty Steels, Magnetic Materials and Components and High Grade Casting Components, etc. In this segment, revenues were 1,875 billion Yen, up 4% year over year. One factor leading to the revenue increase was steady sales at Hitachi Metals, Ltd., principally focused on automotive- and IT-related products. Another factor which led to the revenue increase was steady sales growth for Hitachi Chemical Co., Ltd, mainly in the semiconductor-related field. Furthermore, Hitachi Cable, Ltd. also experienced growth in sales, mainly due to increased sales of wires and cables as well as submarine optical fiber cables.

Logistics, Services & Others

This segment includes General Trading, Logistics and Property Management. In this segment, revenues were 1,271 billion Yen, 5% higher year over year. This was the result mainly of increased sales for Hitachi Transport System, Ltd. due to expansion in the third-party logistics solutions business.

Financial Services

This segment's main services are Leasing, Loan Guarantees, Insurance Services, etc. In Financial Services, revenues decreased 11% to 445 billion Yen, the result mainly due to Hitachi Capital Corporation giving a higher priority to earning rates instead of sales.

Capital Investment, Depreciation and R&D Expenditures

Capital investment on a completion basis but excluding leasing assets, declined 2% to 512 billion Yen, mainly due to the completion of a round of investment in the HDD business. Primary investments during the fiscal year 2007 were in manufacturing equipment for power systems for power plants, railcars, construction machinery, plasma display panels and other items.

Depreciation, excluding leasing assets, increased 20% year over year, to 417 billion Yen. This reflected an increase in capital investments in fiscal 2006 and an election to change the fixed-percentage-on-declining base application to the 250% declining balance application primarily for machinery and equipment used for manufacturing.

R&D expenditures, which were used to advance development primarily in power systems for power plants and automotive systems-related areas, rose 4% year over year, to 428 billion Yen, and corresponded to 4% of consolidated revenues.

Recent Developments

Evaluation of Disclosure Controls and Procedures

As of March 31, 2008, Hitachi, under the supervision and with the participation of Hitachi's management, including its President and Chief Executive Officer and principal financial officer performed an evaluation of the effectiveness of Hitachi's disclosure controls and procedures (as defined in Rule 13a-15(e) of the United States Securities Exchange Act of 1934 (the "**Exchange Act**")). Hitachi's management necessarily applied its judgment in assessing the costs and benefits of such controls and procedures, which by their nature can provide only reasonable assurance regarding management's control objectives. Based on this evaluation, Hitachi's President and Chief Executive Officer and principal financial officer concluded that Hitachi's disclosure controls and procedures were designed to comply with all requirements provided for in Rule 13a-15(e) of the Exchange Act and to ensure that information required to be disclosed by Hitachi in the reports that Hitachi files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms and to ensure that material information relating to Hitachi and its consolidated subsidiaries, is accumulated and communicated to Hitachi's management, including its President and Chief Executive Officer and its principal financial officer, as appropriate to allow timely decisions regarding required disclosure. Hitachi's management concluded that the disclosure controls and procedures were effective at a reasonable assurance level.

Management's Report on Internal Control Over Financial Reporting

The management of Hitachi is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, Hitachi's principal executive and principal financial officers and effected by Hitachi's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and it includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction and dispositions of the assets of Hitachi;

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of Hitachi are being made only in accordance with authorizations of management and directors of Hitachi; and

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Hitachi's assets that could have a material effect on the financial statements.

MANAGEMENT OF HITACHI, LTD.

Hitachi, Ltd. adopted the Committee Systems under the Company Law of Japan. By demarcating responsibilities for management oversight and those for the execution of business operations, Hitachi is working to create a framework for quick business operation, while making management highly transparent by having outside directors on the Board of Directors.

The Board of Directors determines basic management policies and supervises executive officers in the performance of their duties while entrusting to executive officers considerable authority to make decisions with respect to Hitachi's business affairs. As of June 20, 2008, the Board of Directors was made up of 13 directors, five of whom are from outside Hitachi. Two directors serve concurrently as executive officers. The chairman of the Board of Directors does not concurrently serve as an executive officer. Executive officers execute Hitachi's business affairs and decide on matters pertaining to the same in accordance with the division of duties stipulated by resolutions of the Board of Directors. Within the Board of Directors, there are three statutory committees – the Nominating Committee, Audit Committee and Compensation Committee – with outside directors accounting for the majority of members of each committee.

There are no conflicts of interest between the duties of the Directors listed below to Hitachi, Ltd. and their private interests or other duties.

DIRECTORS

Etsuhiko Shoyama	*Chairman of the Board*
Kazuo Furukawa*	*Representative Executive Officer, President and Chief Executive Officer*
Tadamichi Sakiyama	
Michiharu Nakamura	*Fellow*
Toyoaki Nakamura*	*Representative Executive Officer, Senior Vice President and Executive Officer*
Yoshie Ota	*Advisor, Japan Institute of Workers' Evolution*
Mitsuo Ohashi	*Chairman of the Board, Showa Denko K.K.*
Akihiko Nomiyama	*Special Advisor, Nippon Mining Holdings, Inc.*
Kenji Miyahara	*Senior Advisor, Sumitomo Corporation*
Tohru Motobayashi	*Attorney at law*
Takeo Ueno	*Senior Adviser, Hitachi Via Mechanics, Ltd.*
Shungo Dazai	*Chairman of the Board, Hitachi Construction Machinery Co., Ltd.*
Michihiro Honda	*Chairman of the Board, Hitachi Metals, Ltd.*

Note: The Directors marked with * concurrently serve as Executive Officers.

The business address of the directors is:

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

The members of each of the Company's committees are as follows:

Nominating Committee: Etsuhiko Shoyama (Chair), Yoshie Ota, Mitsuo Ohashi, Tohru

	Motobayashi, Kazuo Furukawa;
Audit Committee:	Tadamichi Sakiyama (Chair), Yoshie Ota, Akihiko Nomiyama, Kenji Miyahara, Michiharu Nakamura; and
Compensation Committee:	Etsuhiko Shoyama(Chair), Akihiko Nomiyama, Kenji Miyahara, Tohru Motobayashi , Kazuo Furukawa.

EXECUTIVE OFFICERS

REPRESENTATIVE EXECUTIVE OFFICER, PRESIDENT AND CHIEF EXECUTIVE OFFICER

Kazuo Furukawa	*Overall Management*

REPRESENTATIVE EXECUTIVE OFFICERS, EXECUTIVE VICE PRESIDENTS AND EXECUTIVE OFFICERS

Kazuhiro Mori	*Social Infrastructure Business (Power Systems Business and Industrial Systems Business), Quality Assurance and Production Engineering*
Kunihiko Ohnuma	*Industrial Infrastructure Business (Automotive Systems Business), Life Infrastructure Business (Urban Planning and Development Systems Business and Consumer Business) and Procurement*
Junzo Kawakami	*Infrastructure Technology/ Products business, Research & Development and Business Incubation*
Manabu Shinomoto	*Information Infrastructure Business (Information & Telecommunication Systems Business) and Information Technology*
Masahiro Hayashi	*Sales Operations, Hitachi Group Global Business and Corporate Export Regulation*

SENIOR VICE PRESIDENTS AND EXECUTIVE OFFICERS

Naoya Takahashi	*Information & Telecommunication Systems Business (Service Business (Global)) and Platform Systems Business*
Minoru Tsukada	*Corporate Planning*
Koichiro Nishikawa	*Business Development*

REPRESENTATIVE EXECUTIVE OFFICER, SENIOR VICE PRESIDENT AND EXECUTIVE OFFICER

Toyoaki Nakamura	*Finance, Corporate Pension System, Hitachi Group Management and Business Development*

SENIOR VICE PRESIDENTS AND EXECUTIVE OFFICERS

Shozo Saito	*Quality Assurance, Production Engineering and Power Systems Engineering*
Tadahiko Ishigaki	*Hitachi Group Global Business (Americas)*
Stephen Gomersall	*Hitachi Group Global Business (Europe)*

VICE PRESIDENTS AND EXECUTIVE OFFICERS

Akira Maru	*Power Systems Business*
Koji Tanaka	*Power Systems Business (Ibaraki Area and Management Improvement)*
Hitoshi Isa	*Power Systems Business (Thermal Power Systems Business Promotion)*
Gaku Suzuki	*Industrial Systems Business*
Hideaki Takahashi	*Urban Planning and Development Systems Business*
Junzo Nakajima	*Information & Telecommunication Systems Business (System Solutions Business)*
Mitsuo Yamaguchi	*Information & Telecommunication Systems Business (Services Business (Global))*
Kazuhiro Tachibana	*Consumer Business (Marketing)*
Yasuhiko Honda	*Automotive Systems Business*
Eiji Takeda	*Research & Development*
Takao Koyama	*Sales Operations (Kansai Area)*
Kenji Ohno	*Human Capital*
Toshiaki Kuzuoka	*Legal and Corporate Communications, Corporate Brand and Corporate Auditing*
Masao Hisada	*Procurement and Hitachi Group Global Business*
Koushi Nagano	*Hitachi Group Global Business (China)*

THE ISSUER

Hitachi International (Holland) B.V. was incorporated on 1st August, 1975 as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) for an indefinite period of time under the laws of The Netherlands, has its corporate seat in Amsterdam and its registered office at Parnassustoren Locatellikade 1, 1076 AZ Amsterdam, The Netherlands and its telephone number is +31 20575 5600 and is a directly and wholly-owned subsidiary of Hitachi, Ltd. The Issuer is registered with the Commercial Register at the Amsterdam Chamber of Commerce under the number 33142763.

The principal activities of Hitachi International (Holland) B.V. are providing loans to Hitachi group companies and trading in the capital and money markets, especially in bonds and certain other securities.

Share Capital

Hitachi International (Holland) B.V.'s authorised capital is EUR22,689,010.80 divided into 50,000 ordinary shares with a nominal value of EUR453.78 each. Its issued capital is EUR4,537,802.16, and its paid up capital is EUR1,134,450.54. The US$ equivalent of its paid up capital at 31st March 2008 is US$1,797,861.39.

Director

The following are the names and positions of the Managing Directors of Hitachi International (Holland) B.V.:—

Mr Seiichiro Kishino, Managing Director
Mr Takashi Kato, Managing Director
Mr Timo Johannes van Rijn, Managing Director
Mr Jan Reint de Vos van Steenwijk, Managing Director

The business address of all of the above Managing Directors is care of Hitachi (Holland) B.V., Parnassustorens, Locatellikade 1, 1076AZ Amsterdam, The Netherlands.

MANAGEMENT OF THE ISSUER

The names and positions of the Managing Directors of Hitachi International (Holland) B.V. are as follows:—

Mr Seiichiro Kishino, Managing Director

Mr Takashi Kato, Managing Director

Mr Timo Johannes van Rijn, Managing Director

Mr Jan Reint van de Vos, Managing Director

Mr Seiichiro Kishino is also Corporate Officer, Global Treasurer of Global Treasury Centre of Hitachi, Ltd.

The business address of each of the above Directors is care of Hitachi International (Holland) B.V., Parnassustoren Locatellikade 1, 1076 AZ, Amsterdam, The Netherlands.

All managing directors are solely authorised.

There are no conflicts of interest between the duties of the persons listed above to Hitachi International (Holland) B.V. and their private interests or other duties.

TAXATION

The following is a general description of certain Japanese, Netherlands, and European Union tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

Japan

The Notes, issued (i) by HIT and (ii) by the Issuer (if any interest on the Notes is attributable to a business in Japan conducted by the Issuer in the manner provided for in the Law (as defined below)), are subject to the provisions for "foreign-issued company bonds" (*minkan kokugaisai*) under the Law (as defined below). Under the Law (as defined below) currently in effect, the following description of Japanese taxation (limited to national tax) applies to interest on the Notes issued on or before 31st March, 2010 by HIT or by the Issuer (if any interest on Notes issued by the Issuer is attributable to a business in Japan conducted by the Issuer in the manner provided for in the Law (as defined below)) outside Japan and payable outside Japan as well as certain aspects of capital gains, inheritance and gift taxes. Since its implementation in 1998, the Law has been extended to exempt interest on the Notes from withholding tax as described in paragraphs 1 and 2 below. However, no assurance can be given that the Law will be further extended at the end of March 2010. It is not intended to be exhaustive and prospective holders of the Notes and the Coupons are recommended to consult their tax advisers as to their exact tax positions.

1. If the recipient of interest on such Notes is a non-resident of Japan or a non-Japanese corporation with no permanent establishment within Japan or with a permanent establishment within Japan but where the receipt of interest under the Notes is not attributable to the business carried on within Japan by the recipient through such permanent establishment, no Japanese income tax or corporate tax is payable with respect to such interest whether by way of withholding or otherwise, if such recipient complies with certain requirements, *inter alia*:

   (i) if the relevant Notes are held through a participant in an international clearing organisation such as Euroclear and Clearstream, Luxembourg or a financial intermediary prescribed by the Special Taxation Measures Law of Japan (Law No. 26 of 1957) (as amended) and the relevant cabinet order thereunder (together with the ministerial regulation thereunder, the "**Law**") (each, a "**Participant**"), the requirement to provide certain information prescribed by the Law to enable the Participant to establish that the recipient is exempt from the requirement for Japanese tax to be withheld or deducted (the "**Exemption Information**"); and

   (ii) if the relevant Notes are not held by a Participant, the requirement to submit to the relevant Paying Agent a claim for exemption from withholding tax (Hikazei Tekiyo Shinkokusho) (the "**Claim for Exemption**"), together with certain documentary evidence.

Failure to comply with requirements described above will result in the withholding by HIT of income tax at the rate of 15 per cent., unless any lower rate is applicable under the relevant tax treaty between Japan and another country. Japan has income treaties, conventions or agreements whereby the above-mentioned withholding tax rate is reduced, generally to 10 per cent., with *inter alia*, Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, The Netherlands, Norway, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States of America. Non-residents of Japan or non-Japanese corporations who are entitled to a reduced rate of Japanese withholding tax on payment of interest by HIT or the Issuer are required to submit an Application Form for Income Tax Convention regarding Relief from Japanese Income Tax on Interest in advance through HIT or the Issuer to the relevant tax authority before payment of interest.

If the recipient of interest on the Notes is a Japanese bank, Japanese insurance company, Japanese financial instruments firm or other Japanese financial institution falling under certain categories prescribed by the relevant cabinet order under Article 6, Paragraph 8 of the Special Taxation Measures Law of Japan (each, a "**Designated Financial Institution**") and such recipient complies with the requirement *inter alia*, to provide the Exemption Information or to submit the Claim for Exemption, as the case may be, no income tax will be imposed, either by way of withholding or otherwise, but the recipient will be subject to regular corporate tax with respect to such interest.

2. If the recipient of interest on the Notes is a non-resident of Japan or a non-Japanese corporation with a permanent establishment within Japan and the receipt of interest is attributable to the business of such non-resident or non-Japanese corporation carried on within Japan through such permanent establishment, such interest will not be subject to a 15 per cent. withholding tax by HIT provided that the recipient complies with the requirement, *inter alia*, to provide the Exemption Information or to submit the Claim for Exemption as set out in 1. above. However, the amount of such interest will then be included in the recipient's other Japanese source income which is subject to Japanese taxation and will be subject to regular income tax or corporate tax, as appropriate.

3. If any recipient of interest on the Notes who is a resident of Japan or a Japanese corporation (other than Japanese banks, Japanese insurance companies, Japanese financial instruments firms or other Japanese financial institutions falling under certain categories prescribed by the relevant cabinet order under Article 3-3, Paragraph 6 of the Special Taxation Measures Law of Japan (each, a "**Specified Financial Institution**") or Japanese public corporations (a "**Public Corporation"**) designated by the relevant law who comply with the requirement as referred to in the next paragraph) receives payment of interest through certain Japanese payment handling agents (each, a "**Japanese Payment Handling Agent**"), income tax at the rate of 15 per cent. will be withheld by the Japanese Payment Handling Agent; otherwise, HIT will withhold income tax at the rate of 15 per cent. An individual holder of the Notes or the Coupons who receives interest through a Japanese Payment Handling Agent will be subject only to the foregoing 15 per cent. withholding tax. In all other cases, the amount of interest will be included in the recipient's gross income and subject to regular income tax or corporate tax, as appropriate.

If the recipient of interest on the Notes is a Public Corporation or Specified Financial Institution that keeps its Notes deposited with, and receives the interest through, a Japanese Payment Handling Agent with custody of the Notes (the "**Japanese Custodian**") and such recipient submits through the Japanese Custodian, to the competent tax authority, the claim prescribed by the Law, no income tax will be levied, by way of withholding or otherwise, on such portion of interest as is prescribed by the relevant cabinet order. Any amount of interest received by such Public Corporation or Specified Financial Institution in excess of the non-taxable portion described above is subject to a 15 per cent. income tax to be withheld by the Japanese Custodian. Any interest on the Notes or the Coupons received during the period Notes were held by a Japanese Payment Handling Agent will not be subject to withholding tax by HIT of 15 per cent. as set out in 1. above.

Capital gains, inheritance and gift taxes

Gains derived from the sale outside Japan of the Notes by a non-resident of Japan or a non-Japanese corporation are in general not subject to Japanese income or corporate tax. Gains derived from the sale in Japan of the Notes by a non-resident of Japan or a non-Japanese corporation not having a permanent establishment in Japan are in general not subject to Japanese income or corporate tax. Japanese inheritance or gift tax at progressive rates may be payable by an individual, wherever resident, who has acquired the Notes as legatee, heir or donee from an individual.

The Netherlands

The Issuer has been advised that under the existing laws of The Netherlands:—

1. all payments of interest and principal by the Issuer under the Notes, Coupons, Talons or Receipts can be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof

or therein, unless the Notes qualify as debt within the meaning of article 10, paragraph 1, sub-paragraph (d) of the Dutch Corporate Income Tax Act (*Wet op de Vennootschapsbelasting 1969*).

2. a holder of a Note, Coupon, Talon or Receipt who derives income from a Note, Coupon, Talon or Receipt or who realises a gain on the disposal or redemption of a Note, Coupon, Talon or Receipt will not be subject to Dutch taxation on such income or capital gains unless:

   (i) the holder is, or is deemed to be, resident in The Netherlands, or, where the holder is an individual, such holder has elected to be treated as a resident of The Netherlands; or

   (ii) such income or gain is attributable to an enterprise or part thereof which is either effectively managed in the Netherlands or carried on through a permanent establishment (*vaste inrichting*) or permanent representative (*vaste vertegenwoordiger*) in The Netherlands; or

   (iii) the holder is not an individual and the holder has, directly or indirectly, a substantial interest (*aanmerkelijk belang*) or a deemed substantial interest in the Issuer and such interest does not form part of the assets of an enterprise; or

   (iv) the holder is an individual and the holder has, directly or indirectly, a substantial interest (*aanmerkelijk belang*) in the Issuer or such income or gain otherwise qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands within the meaning of section 3.4 of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*).

   Generally speaking, a holder has a substantial interest in the Issuer if he, she or a qualifying connected person, alone or together with his or her partner, has directly or indirectly, the ownership of, or certain rights over shares representing 5% or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of the Issuer, rights to acquire such interest in the share capital (whether or not already issued) of the Issuer, or the ownership of profit participating certificates (*winstbewijzen*) that relate to 5% or more of the annual profit or liquidation proceeds of the Issuer.

3. Dutch gift, estate or inheritance taxes will not be levied on the occasion of the transfer of a Note, Coupon, Talon or Receipt by way of gift by, or on the death of, a holder unless:

   (i) the holder is, or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions; or

   (ii) the transfer is construed as an inheritance or as a gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions; or

   (iii) such Note, Coupon, Talon or Receipt is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment or a permanent representative in The Netherlands.

4. there is no Dutch registration tax, stamp duty or any other similar tax or duty payable in The Netherlands by a holder of a Note, Coupon, Talon or Receipt in respect of or in connection with the execution, delivery and enforcement by legal proceedings (including any foreign judgement in the courts of The Netherlands) of the Issue Documents or the performance of the Notes, Coupons, Talons or Receipts or the performance of the Issuer's obligations under the Notes, Coupons, Talons or Receipts;

5. there is no Dutch value added tax payable by a holder of a Note, Coupon, Talon or Receipt in respect of payments in consideration for the issue of the Notes, Coupons, Talons or Receipts or in respect of the payment of interest or principal under the Notes, Coupons, Talons or Receipts or the transfer of the Notes, Coupons, Talons or Receipts; and

6. a holder of a Note, Coupon, Talon or Receipt will not be treated as a resident of The Netherlands by reason only of the holding of a Note, Coupon, Talon or Receipt or the execution, performance, delivery and/or enforcement of the Notes, Coupons, Talons or Receipts.

EU Savings Tax Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

GENERAL INFORMATION

Authorisation

The creation and issue of each Series of Notes has been authorised by a resolution of the Board of Directors of the Issuer dated as follows:

Series	Date of Resolution
44	24 May 1995
192	5 August 2002
194	5 August 2002
196	5 August 2002
198	5 August 2002
204	5 August 2002
207	5 August 2002
208	5 August 2002
209	5 August 2002
218	6 August 2004
220	6 August 2004

The entering into the Keep Well Agreement by HIT was authorised by its Board of Directors on 23 March 1995.

Legal and Arbitration Proceedings

Save as disclosed in Annex I *(Litigation and other Proceedings),* there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Prospectus, a significant effect on the financial position or profitability of the Issuer, HIT and any of their subsidiaries.

Significant/Material Change

There has been no material adverse change in the prospects of the Issuer, HIT and any of their subsidiaries nor any significant change in the financial or trading position of the Issuer, HIT and any of their subsidiaries since 31 March 2008.

Auditors

The auditors of the Issuer are Ernst & Young Accountants, registered to carry out audit work by Netherlands Instituut van Registeraccountants. For the financial years ended to 31st March 2007 and 31st March 2008, the Issuer's accounts have been audited without qualification.

The auditors of HIT are Ernst & Young ShinNihon, an audit corporation incorporated in Japan and a public accounting firm registered with the Public Company Accounting Oversight Board ("**PCAOB**") (United States), who have audited the consolidated Financial Statements of HIT as of and for the financial years ended 31st March 2007 and 2008 without qualification, except that HIT’s consolidated financial statements do not disclose segment information required by Statement of Financial Accounting Standards ("**SFAS**") No.131, “Disclosure about Segment of an Enterprise and Related Information.”, of which omission of disclosure is permitted to a foreign registrant which presents its financial statements according to the United States GAAP upon submission of Form 20-F to the Securities and Exchange Commission ("**SEC**") in U.S.

Documents on Display

For the period of 12 months from this Prospectus, copies and, where appropriate, English translations of the following documents may be obtained upon request during normal business hours at the registered offices of the Issuer:

(a) the constitutional documents of the Issuer;

(b) the Amended and Restated Issue and Paying Agency Agreement dated 8 August 2006;

(c) the Keep Well Agreement;

(d) the Deed of Covenant entered into by the Issuer on 12 August 2003;

(e) the Deed of Substitution;

(f) the most recent annual report of HIT (which contains the most recently available audited annual accounts (consolidated, where appropriate) of the Issuer) for the two most recent years ended 31st March 2008, from time to time, and any available semi-annual interim accounts of HIT published subsequently (the Issuer does not publish interim accounts);

(g) the most recent annual reports of the Issuer for the two most recent years ended 31st March 2008; and

(h) the audited consolidated (where appropriate) financial statements of the Issuer and HIT for the years ended 31st March 2007 and 31st March 2008.

Yield

On the basis of the issue price of the Notes of 100 per cent. of their principal amount, the gross real yield of each Series of Notes it, on an annual basis assuming the Notes shall not be redeemed until their respective maturity dates, are as follows:

Series	Yield
44	9th Nov 1998 – 24th Dec 1998: 73.81%
	24th Dec 1998 – 9th Nov 2010: 0.54%
192	21st Aug 2002 – 21st Aug 2003: 1.80%
	21st Aug 2003 – 21st Aug 2017: 20 year CMS – 2 year CMS + 0.56%
194	11th Sep 2002 – 11th Sep 2003: 1.50%
	11th Sep 2003 – 11th Sep 2017: 20 year CMS – 2 year CMS + 0.50%
196	24th Oct 2002 – 24th Oct 2003: 1.50%
	24th Oct 2003 – 24th Oct 2017: 20 year CMS – 2 year CMS + 0.25%
198	30th Oct 2002 – 30th Oct 2003: 1.70%
	30th Oct 2003 – 30th Oct 2017: 20 year CMR – 2 year CMR + 0.50%
204	12th Feb 2003 – 12th Feb 2004: 1.03%
	12th Feb 2004 – 12th Feb 2013: (JPY 5,459.89 x JPY/USD mid exchange rate – 6mth JPY LIBOR x JPY 50,000,000) / JPY1 billion + 0.03%
207	24th Apr 2003 – 24th Oct 2003: 0.90%
	24th Oct 2003 – 24th Apr 2004: 2.15%
	24th Apr 2004 – 24th Apr 2005: 2.45%
	24th Apr 2005 – 24th Apr 2006: 2.75%
	24th Apr 2006 – 24th Apr 2007: 3.05%

	24th Apr 2007 – 24th Apr 2008: 3.35%
	24th Apr 2008 – 24th Apr 2009: 3.65%
	24th Apr 2009 – 24th Apr 2010: 3.95%
	24th Apr 2010 – 24th Apr 2011: 4.25%
	24th Apr 2011 – 24th Apr 2012: 4.55%
	24th Apr 2012 – 24th Apr 2013: 4.85%
208	9th July 2003 - 9th July 2004: 0.84%
	9th July 2004 – 9th July 2005: 1.14% - 6mth JPY LIBOR
	9th July 2005 – 9th July 2006: 1.44% - 6mth JPY LIBOR
	9th July 2006 – 9th July 2007: 1.74% - 6mth JPY LIBOR
	9th July 2007 – 9th July 2008: 2.04% - 6mth JPY LIBOR
	9th July 2008 – 9th July 2009: 2.34% - 6mth JPY LIBOR
	9th July 2009 – 9th July 2010: 2.64% - 6mth JPY LIBOR
	9th July 2010 – 9th July 2011: 2.94% - 6mth JPY LIBOR
	9th July 2011 – 9th July 2012: 3.24% - 6mth JPY LIBOR
	9th July 2012 – 9th July 2013: 3.54% - 6mth JPY LIBOR
	9th July 2013 – 9th July 2014: 3.84% - 6mth JPY LIBOR
	9th July 2014 – 9th July 2015: 4.14% - 6mth JPY LIBOR
209	15th July 2003 – 14th July 2004: 0.90%
	14th July 2004 – 14th July 2005: 1.20% - 6mth JPY LIBOR
	14th July 2005 – 14th July 2006: 1.50% - 6mth JPY LIBOR
	14th July 2006 – 14th July 2007: 1.80% - 6mth JPY LIBOR
	14th July 2007 – 14th July 2008: 2.10% - 6mth JPY LIBOR
	14th July 2008 – 14th July 2009: 2.40% - 6mth JPY LIBOR
	14th July 2009 – 14th July 2010: 2.70% - 6mth JPY LIBOR
	14th July 2010 – 14th July 2011: 3.00% - 6mth JPY LIBOR
	14th July 2011 – 14th July 2012: 3.30% - 6mth JPY LIBOR
	14th July 2012 – 14th July 2013: 3.60% - 6mth JPY LIBOR
	14th July 2013 – 14th July 2014: 3.90% - 6mth JPY LIBOR
	14th July 2014 – 14th July 2015: 4.20% - 6mth JPY LIBOR
218	6th June 2005 – 6th June 2009: 0.80%
	6th June 2009 – 6th June 2012: 1.70%
220	9th June 2005 – 8th June 2006: 1.50%
	8th June 2006 – 8th June 2007: 1.85% - 6mth JPY LIBOR
	8th June 2007 – 8th June 2008: 2.20% - 6mth JPY LIBOR
	8th June 2008 – 8th June 2009: 2.55% - 6mth JPY LIBOR
	8th June 2009 – 8th June 2010: 2.90% - 6mth JPY LIBOR
	8th June 2010 – 8th June 2011: 3.25% - 6mth JPY LIBOR
	8th June 2011 – 8th June 2012: 3.60% - 6mth JPY LIBOR
	8th June 2012 – 8th June 2013: 3.95% - 6mth JPY LIBOR
	8th June 2013 – 8th June 2014: 4.30% - 6mth JPY LIBOR

8th June 2014 – 8th June 2015: 4.65% - 6mth JPY LIBOR

ISIN and Common Code

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN and the common code in respect of each Series of Notes are as follows:

Series	ISIN	Common Code
44	XS0091967579	009196757
192	XS0152369061	015236906
194	XS0153040067	015304006
196	XS0156754979	015675497
198	XS0156560343	015656034
204	XS0161765325	016176532
207	XS0166938711	016693871
208	XS0171989634	017198963
209	XS0172234881	017223488
218	XS0220147226	022014722
220	XS0220752843	022075284

Expenses

The total expenses related to the admission of the Notes to listing and trading are approximately JPY8,000,000.

Material Contracts

The Issuer has not entered into any contracts entered other than those (a) entered into the ordinary course of its business or (b) which could not result in the Issuer being under an obligation or entitlement which is material to its ability to meet its obligations in respect of the Notes.

Hitachi International (Holland) B.V.

Directors' report and financial statements

31 March 2008

Registered No: 1769058

Directors
S Kishino
T Kato
T van Rijn
J de Vos van Steenwijk

Auditors
Ernst & Young Accountants LLP
Antonio Vivaldistraat 150
1083 HP Amsterdam
The Netherlands

Registered Office
Locatellikade 1
1076 AZ Amsterdam
The Netherlands

The directors present their directors' report and financial statements for the year ended 31 March 2008.

Principal activity

The principal activity of the Hitachi International (Holland) B.V. ("the Company") and its subsidiary Hitachi Finance (UK) PLC (together "the Group"), consists of raising funds from third parties and making loans to group and associated companies.

Other activities include investing surplus funds in the capital and money markets.

Business review

The results for the year are shown on page 6 and have been prepared under International Financial Reporting Standards as adopted by the EU.

The Group made a profit after taxation of $2,110k (2007: $2,896k). The Company made a profit after taxation of $912k (2007: $2,240k).

The Directors do not recommend the payment of a dividend for the year (2007: $Nil).

The company's ultimate parent has reviewed the structure of its treasury function in Europe and has decided to restructure operations. The current treasury functions operated by the company are to be set up in the Finance and Accounting department of Hitachi Europe Ltd, a fellow group subsidiary. All the company's trading assets will naturally mature according to the contractual scope of each financing arrangement and all of its liabilities will transfer to the company's parent, Hitachi International BV. No renewals of any financing arrangement will be made in Hitachi Finance UK plc from 1 October 2008. Hitachi Finance (UK) plc will then be liquidated following final settlement of all assets and liabilities, the target date for liquidation being 31 March 2009. The main purpose of the restructure is to improve efficiency.

The consolidated results for the year are detailed on page 6, with similar information for the company being shown at page 27.

The Group and Company performances have achieved management's expectations. This is due to an increase in the borrowing requirements for companies that are part of the Hitachi group.

It is expected that the Euro Medium Term Note facilities will continue to be made available and used where considered necessary in pursuing the Group's principal activities. The directors intend to increase the level of activity in the new financial year. During the current year the Group has taken advantage of Hitachi group pooling systems, in order to reduce the interest bearing debt of the Group.

Financial instruments

For details of the Group and Company financial risk management objectives and policies, as well as discussion of the exposure of the Group and Company to interest rate risk, credit risk, liquidity risk and cash flow risk, see note 11 and 28. The Board reviews and agrees policies for managing each of these risks.

Future outlook

It is expected that the Euro Medium Term Notes facilities and Euro Pooling will continue to be available for use in pursuing the Group's activities. In the coming year, management intends to establish a European Cash management System to expand the business and provide services to the Hitachi group of companies.

Policy and practice on payment of creditors

It is the Group's policy to settle all of its investment purchases on the agreed settlement date. All other creditors are paid in accordance with the relevant invoice terms. The Group does not follow any specific code or standard on payment practice.

Employees

The company is committed to policies which will promote opportunity in employment regardless of sex, marital status, religion, colour, race, nationality or ethnic origin.

The company supports and provides training and education for all staff relevant to current and future business needs. The company gives full and fair consideration to application from disabled persons. If an employee becomes disabled the company endeavours to continue their employment if this is practical and in the appropriate cases training is given.

A company wide quarterly newsletter is issued to all Hitachi Finance (UK) PLC staff, which provides information on current business activities.

Directors and directors' interests

The directors who held office during the year for the Company were as follows:

S. Kishino
T. Kato
T van Rijn
J de Vos van Steenwijk

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the Company. As at 31 March 2008, Mr Kato held one ordinary share in the share capital of the subsidiary company.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

S. Kishino

T. Kato

T.van Rijn

J.de Vos van Steenwijk

Locatellikade 1
1076 AZ Amsterdam
The Netherlands

30 September 2008

Independent auditors' report

to the members of Hitachi International (Holland) B.V.

Report on the financial statements

We have audited the financial statements of Hitachi International (Holland) B.V., Amsterdam, for the year ended 31 March 2008 which comprise the consolidated and company balance sheet as at 31 March, 2008, the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility

The Directors of the company are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the Directors' board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Hitachi International (Holland) B.V., Amsterdam, for the year ended 31 March, 2008, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Independent auditors' report

to the members of Hitachi International (Holland) B.V. (continued)

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the Directors' board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Rotterdam, 30 September 2008

for Ernst & Young Accountants

Consolidated income statement

for the year ended 31 March 2008

	Note	*2008* *$000*	*2007* *$000*
Financial revenue	1		
Interest income		31,259	24,319
Gain on re-measurement of interest and currency swaps to fair value		27,142	9,924
Gain on re-measurement of other interest bearing loans and borrowings to fair value		30,619	17,333
Net foreign exchange gain		-	52
Total financial revenue		89,020	51,628
Finance costs			
Interest expense		(26,297)	(18,377)
Loss on re-measurement of interest and currency swaps to fair value		(30,733)	(16,870)
Loss on re-measurement of receivables due from group companies to fair value		(26,910)	(7,687)
Loss on re-measurement of other financial assets to fair value		-	(2,208)
Net foreign exchange loss		(110)	-
Total financial costs		(84,050)	(45,142)
Net financial income		4,970	6,486
Administrative expenses		(1,930)	(2,457)
Operating profit		3,040	4,029
Interest on defined benefit pension plan obligation		(46)	(7)
Profit before taxation		2,994	4,022
Taxation	3	(884)	(1,126)
Profit for the year		2,110	2,896

Consolidated statement of recognised income and expense

for the year ended 31 March 2008

	Note	2008 $000	2007 $000
Actuarial losses on defined benefit pension plans	9	29	(47)
Tax recognised on income and expenses recognised directly in equity		(9)	14
Net expense recognised directly in equity		20	(33)
Profit for the year	27	2,110	2,896
Total recognised income and expense attributable to equity holders		2,130	2,863
Effect of shortfall in corporation calculation		-	(12)
Total recognised income and expense	10	2,130	2,851

Consolidated balance sheet

at 31 March 2008

	Note	*2008* *$000*	*2007* *$000*
Non-current assets			
Deferred tax assets	6	80	249
Other financial assets	4	37,992	59,416
Receivables due from group companies		-	109,936
		38,072	169,601
Current assets			
Receivables due from group companies		528,882	521,941
Other financial assets	4	10	34,246
Cash and cash equivalents	7	53,757	1,912
		582,649	558,099
Total assets		620,721	727,700
Current liabilities			
Interest-bearing loans and borrowings	8	(85,345)	(219,786)
Payables due to group companies		(319,697)	(283,690)
Employee benefits	9	(260)	(327)
Tax payable		(349)	(447)
Other financial liabilities	5	(876)	(2,194)
Accruals		(2,015)	(2,654)
		(408,542)	(509,098)
Non-current liabilities			
Interest-bearing loans and borrowings	8	(191,546)	(194,635)
Other financial liabilities	5	-	(5,465)
		(191,546)	(200,100)
Total liabilities		(600,089)	(709,198)
Net assets		20,633	18,502
Capital and reserves			
Share capital	10	1,798	1,510
Retained earnings	10	19,638	17,507
Translation reserve	10	(803)	(515)
Total capital and reserves		20,633	18,502

Consolidated cash flow statement

for the year ended 31 March 2006

	Note	2008 $000	2007 $000
Cash flows from operating activities			
Profit for the year		2,110	2,896
Adjustments for:			
Net gain on re-measurement of interest and currency swaps to fair value		(27,142)	(9,924)
Net gain on re-measurement of other interest bearing loans and borrowings		(30,619)	(17,333)
Net loss on re-measurement of interest and currency swaps to fair value		30,733	16,870
Net loss on re-measurement of receivables due from other group companies to fair value		9,325	7,687
Net loss on re-measurement of other financial assets to fair value		17,585	2,208
Interest on defined benefit pension plan obligation		46	7
Net foreign exchange gain		(110)	(52)
Taxation		884	1,126
Operating profit before changes in assets and liabilities		2,812	3,485
Increase/(decrease) in receivables due from group companies		102,995	(33,617)
Increase/(decrease) in other financial assets		55,659	(12,883)
Increase/(decrease) in interest-bearing loans and borrowings		(137,530)	(51,454)
Increase/(decrease) in employee benefits		(67)	46
Increase/(decrease) in accruals		(636)	497
Increase in payables due to group companies		29,225	31,308
Cash absorbed by operating activities		52,458	(37,122)
Tax paid		(845)	(456)
Net cash from operating activities		51,613	(37,578)
Net decrease in cash and cash equivalents		51,613	(37,578)
Cash and cash equivalents at 1 April		1,912	39,011
Effect of exchange rate fluctuations on cash held		232	479
Cash and cash equivalents at 31 March	7	53,757	1,912

Notes to the consolidated financial statements

at 31 March 2008

1. Accounting policies

Basis of preparation

Hitachi International (Holland) B.V (the "Company") is a company incorporated in Amsterdam, the Netherlands.

The Company is a subsidiary undertaking of Hitachi Limited which is the ultimate parent company incorporated in Japan. The financial information of the company and its subsidiary is consolidated into Hitachi Limited. The consolidated financial statements of Hitachi Limited are available to the public and may be obtained from 6-6, Marunouchi 1-chome, Chioda-ku, Tokyo, 100-8280, Japan.

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRS") and include the financial information of the Company and its wholly owned subsidiary Hitachi Finance (UK) PLC (together "the Group"), which is domiciled in the United Kingdom.

The Company's separate financial statements have also been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRS"). The separate financial statements have also been prepared in accordance wit Article 362(9) of the Netherlands Civil Code.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgments made by the directors in the application of these accounting policies, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year, are discussed in Note 15.

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union as they apply to the financial statements of the Company for the year ended 31 March 2008. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2008.

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates.

The financial statements of the Company's subsidiary are included in the consolidated financial statements. Intragroup balances and any unrealised gains or losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments and financial instruments classified as fair value through profit and loss.

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined. Exchange rates at the year end were JPY 99.54; USD 1 (2007 – JPY 118.1: USD 1) and EUR .631: USD 1 (2007: EUR .751: USD 1).

Notes to the consolidated financial statements

at 31 March 2008

1. Accounting policies (continued)

Interest-bearing investments
Interest-bearing investments classified as held-to-maturity investments are stated at amortised cost less impairment

Derivative financial instruments and hedging
The group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising form operational activities, including interest rate risks arising from operational activities, including interest rate swaps and forward exchange contracts. In accordance with its treasury policy, the group does not hold or issue derivative instruments for trading purposes.

Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss.

The fair value of interest rate swaps is the estimated amount that the group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts is their quoted market price at the balance sheet date.

Receivables due from/payables due to other group companies
Where receivables and payables due from and to other group companies are classified as “fair value through profit and loss”, these balances are initially recognised at fair value and then subsequently re-measured to fair value at each balance sheet date. Movements in the fair value of these balances are taken directly to the income statement.

Where receivables due from other group companies are classified as “loans and receivables”, these balances are initially recognised at fair value and subsequently at amortised cost less (in the case of assets) provision for impairment.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Interest-bearing loans and borrowings
Interest-bearing loans and borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Impairment
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes and estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s fair value less costs to sell and its value in use. Value is use is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses on continuing operations are recognized in the income statement in those expense categories consistent with the function of the impaired asset.

Notes to the consolidated financial statements

at 31 March 2008

No impairment losses have been recognised in profit and loss during the current or prior periods.

1. Accounting policies (continued)

Employee benefits

Defined benefit plans

The company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of any plan assets (at bid price) is deducted. The liability discount rate is the yield at the balance sheet date on AA credit rated bonds that have maturity dates approximating to the terms of the group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statement.

The operating and financing costs of the defined benefit plan are recognised separately in the income statement; current service costs are spread systematically over the expected average remaining service lives of employees and finance costs are recognised in the periods within which they arise.

The company's employees are members of a group wide defined benefit pension plan. The charge to participating entities of the cost of the plan is actuarially determined based upon the specific employees of the specific company.

Revenue

Financial revenue represents interest receivable on group loans, foreign exchange gains and gains on financial instruments that are recognised in the income statement (see derivative financial instruments and hedging accounting policy).

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Expenses

Finance expenses

Finance expenses represent interest payable, foreign exchange losses and losses on financial instruments that are recognised in the income statement (see financial instruments accounting policy).

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Taxation

Tax on the profit for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Notes to the consolidated financial statements

at 31 March 2008

1. Accounting policies (continued)

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary difference is not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probably that future taxable profits will be available against which the asset can be utilised.

2. Segmental information

The principal activity of the group represents the provision of finance to Hitachi group and related companies both through the provision of loans and through investment in debt instruments. The group also invests in third party debt instruments. These activities are considered by the directors, to be the group's single business segment.

In the opinion of the directors the company does not operate in substantially differing geographical markets.

Notes to the consolidated financial statements

at 31 March 2008

3. Taxation

Recognised in the income statement

	2008	*2007*
	$000	*$000*
Current tax expense:		
Current year	(874)	(768)
Under payment	150	-
	(724)	(768)
Deferred tax expense:		
Current year	(160)	(358)
	(160)	(358)
Total tax in income statement	(884)	(1,126)

Reconciliation of effective tax rate

Profit before tax	2,994	4,022
Tax using the average group corporation tax rate of 28.8% (2007 – 30%)	(862)	(1,158)
Effect of the following:		
Effect of tax losses utilised	-	434
Non-taxable income and non-deductible expenses, net	(18)	(62)
Origination/reversal of timings differences	(142)	3
Other differences	(5)	(14)
Effect on opening deferred taxes of reduction in tax rate	(7)	-
Effect of current tax	-	(381)
Corporation tax over / (under) provided in prior year	150	(13)
Adjustments IFRS	-	65
Total tax in income statement	(884)	(1,126)

4. Derivative financial assets

	2008	*2007*
	$000	*$000*
Non-current		
Interest rate and currency swaps classified at fair value through profit and loss	17,900	144
Interest bearing investments classified as held-to-maturity investments	20,092	59,272
	37,992	59,416
Current		
Interest rate and currency swaps classified at fair value through profit and loss	10	633
Interest bearing investments classified as held-to-maturity investments	-	33,613
	10	34,246

Notes to the consolidated financial statements

at 31 March 2008

5. Derivative financial liabilities

	2008	2007
	$000	$000
Non-current		
Interest rate and currency swaps classified at fair value through profit and loss	-	(5,465)
Current		
Interest rate and currency swaps classified at fair value through profit and loss	(876)	(2,194)

6. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

	Assets		*Liabilities*		*Net*	
	2008	*2007*	*2008*	*2007*	*2008*	*2007*
	$000	*$000*	*$000*	*$000*	*$000*	*$000*
Capital liabilities	10	14	-	-	10	14
Employee benefits	73	98	-	-	73	98
Deferred tax effect of IAS 32 and IAS 39 adjustment	4	141	(7)	(4)	(3)	137
Tax value of loss carry-forwards						
Tax assets/(liabilities)	87	253	(7)	(4)	80	249

Movement in deferred tax during the year

	31 March 2007	*Recognised in income*	*Recognised in equity*	*31 March 2008*
	$000	*$000*	*$000*	*$000*
Capital allowances	14	(4)	-	10
Employee benefits	98	(16)	(9)	73
Financial instruments	137	(140)	-	(3)
	249	(160)	(9)	80

7. Cash and cash equivalents

	2008	*2007*
	$000	*$000*
Cash and cash equivalent per balance sheet and cash flow statement	53,757	1,912

There are no restrictions on the group's ability to access and utilise available cash balances.

Notes to the consolidated financial statements

at 31 March 2008

8. Other interest-bearing loans and borrowings

This note provides information about the contractual terms of the group's interest-bearing loans and borrowings. For more information about the group's exposure to interest rate and foreign currency risk, see note 11.

	2008	*2007*
	$000	*$000*
Non-current liabilities		
Medium term notes	(191,546)	(194,635)
Current liabilities		
Medium term notes	(85,345)	(219,786)

Current and non-current liabilities comprise the following borrowings against the Euro Medium Term Note Programme:

Period	*Amount 31 March 2008*	*Interest rate at 31 March 2008*	*2008 $000*	*2007 $000*
Less than 1 year	JPY	8,500,000,000	85,345	141,439
	USD		-	78,055
1-5 years	JPY	5,000,000,000	49,186	113,235
	USD	17,265,000	19,583	4,166
Over 5 years	USD	106,972,000	122,777	77,526
			276,891	414,421
Less current liabilities			(85,345)	(219,786)
Non-current liabilities			191,546	194,635

The Euro Medium Term Notes are unsecured and were issued pursuant to an agreement dated 31 May 1995. Under this programme, the parent, Hitachi Limited and both Group companies are entitled to issue notes. The aggregate principal amount of the notes outstanding under the agreement shall not exceed USD 1,500,000,000. The Notes are listed on the London Stock Exchange.

9. Employee benefits

Pension plans

Hitachi Finance (UK) PLC is a member of the Hitachi UK Pension Scheme, a group pension scheme providing benefits based on final pensionable pay. As Hitachi International (Holland) B.V. does not employ any personnel, it does not participate in any pension schemes and the information below relates only to Hitachi Finance (UK) PLC.

The most recent actuarial valuation was carried out by an independent qualified actuary at 1 April 2007.

The information disclosed below is in respect of Hitachi Finance's share of Hitachi UK Pension Scheme, as set out under an agreed group policy throughout the periods shown. The charge to Hitachi Finance (and to each participating entity of the scheme) is actuarially determined based upon the specific employees of Hitachi Finance (UK) PLC

Notes to the consolidated financial statements

at 31 March 2008

9. Employee benefits (continued)

	2008	*2007*
	$000	*$000*
Present value of defined benefit obligation	(950)	(1,025)
Fair value of plan assets	690	698
Net obligation	(260)	(327)

Movement in the present value of defined benefit obligation

	2008	*2007*
	$000	*$000*
At 1 April	(1,025)	(821)
Current service cost	(26)	(34)
Contributions by employer	72	42
Interest cost	(8)	(7)
Actuarial Gains / (losses)	33	(6)
Foreign exchange	4	(199)
At 31 March	(950)	(1,025)

Movements in present value of net obligation

	2008	*2007*
	$000	*$000*
At 1 April	(327)	(281)
Current service cost	(26)	(34)
Contributions by employer	72	42
Interest cost	(8)	(7)
Actuarial gains	33	(6)
Foreign exchange	(4)	(41)
At 31 March	(260)	(327)

Movements in fair value of scheme assets

	2008	*2007*
	$000	*$000*
At 1 April	698	540
Current service cost	26	34
Difference between expected return on scheme assets and interest cost on scheme liabilities	(15)	47
Contributions from scheme members	-	1
Actuarial (gains) / losses	(33)	6
Benefits paid	14	70
At 31 March	690	698

Notes to the consolidated financial statements

at 31 March 2008

9. Employee benefits (continued)

Expense recognised in the income statement

	2008	*2007*
Administrative expenses	(26)	(34)
Financial costs	(8)	(7)
Voluntary contributions	(38)	-
	(72)	(41)

The fair value of the plan assets and the return on those assets were as follows:

	2008 Fair Value $000	*2008 Expected Return %*	*2007 Fair Value $000*	*2007 Expected Return %*
Equities	380	7.25	464	7.00
Corporate bonds	241	5.90	142	5.00
Other	69	4.50	92	4.50
	690		698	

The expected rates of return on plan assets are determined by reference to relevant indices. The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

Principal actuarial assumptions (expressed as weighted average):

	2008 %	*2007 %*
Discount rate	5.90	5.25
Expected rate of return on plan assets	6.34	6.01
Future salary increase	4.15	4.60
Inflation assumption	3.40	3.10
Rate of increase of pensions in payment	3.40	3.10

Notes to the consolidated financial statements

at 31 March 2008

10. Capital and reserves

Reconciliation of movement in capital and reserves

	Share capital $000	*Retained earnings $000*	*Translation reserve $000*	*Total equity $000*
Balance at 1 April 2006	1,373	14,656	(378)	15,651
Translation adjustment on share capital	137	-	(137)	-
Total recognised income and expense	-	2,851	-	2,851
Balance at 31 March 2007	1,510	17,507	(515)	18,502
Translation adjustment on share capital	288	-	(288)	-
Total recognised income and expense	-	2,131	-	2,131
Balance at 31 March 2008	1,798	19,638	(803)	20,633

The authorised share capital is 50,000 ordinary shares of 453.78 each, with a total par value of EUR 22.689,010. As of 31 March 2006 and 31 March 2005, 10,000 shares with a face value of EUR 4,537,800 had been issued, of which 25% were paid (EUR 1,134,450).The aggregate current and deferred tax relating to items that are charged or credited to equity is $45k (2007 - $45k).

Share capital

	2008 $000	*2007 $000*
Issued shares		
In issue at 31 March 2008 and 31 March 2007 – 25% paid	10,000	10,000
Allotted, called up and 25% paid		
10,000 ordinary shares of EUR 453.78 each (totalling EUR 1,134,450)	1,798	1,510

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

11. Financial instruments

The Group's financial instruments, other than derivatives, comprise borrowings, cash, investments and short term debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for investing and lending on to Hitachi group companies.

The Group enters into derivative transactions, principally currency and interest rate swaps. The purpose of such transactions is to manage the currency and interest rate risks arising from the Group's operations and sources of finance. While these instruments are subject to the risk of loss from changes in exchange rates and interest rates, these losses would be offset by gains in the related exposures. It is, and has been throughout the year under review, the Group's policy that all derivatives are held in order to manage interest rate and currency risks arising from the Group's operating activities.

Notes to the consolidated financial statements

at 31 March 2008

11. Financial instruments (continued)

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

The counterparties to the Group's financial instruments are major financial institutions or group companies. Credit risk represents the loss that would be recognised at the reporting date if counterparties failed completely to perform as contracted. It is the Group's policy to monitor the financial standing of these counterparties on an ongoing basis, and the Group's future borrowing and investing policies are modified as appropriate.

	FV of swap	
	2008	*2007*
Swap counterparty	*$000*	*$000*
Calyon Corporation and Investment Bank	334	(847)
Mizuho Corporate Bank Ltd	(462)	(1,312)
Sumitomo Mitsubishi Banking Corporation Group	1,282	(829)
Mitsubishi UFJ Securities Inc	4,912	(1,092)
JP Morgan Chase Bank	1,938	91
NOMURA Global Financial Products Inc.	1,398	(358)
Bank of Tokyo Mitsubishi	(164)	(360)

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet.

Interest rate risk

The Group finances itself mainly through borrowings. The Group borrows primarily at fixed rates of interest and then uses interest rate swaps to generate the interest rate profile to match the investment of funds and to manage the Group's exposure to interest rate fluctuations.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of borrowings with a range of maturities. The Group uses undrawn committed facilities to manage its liquidity requirements.

	On Demand	*Less than 3 months*	*3 – 12 months*	*1 – 5 years*	*Greater than 5 years*	*Total*
2008						
MTN – USD	-	-	-	(19,583)	(122,777)	(142,360)
MTN - J/Y	-	-	(85,345)	(49,186)	-	(134,531)
	-	-	(85,345)	(68,769)	(122,777)	(276,891)

	On Demand	*Less than 3 months*	*3 – 12 months*	*1 – 5 years*	*Greater than 5 years*	*Total*
2007						
MTN – USD	-	-	(78,770)	(4,166)	(77,526)	(160,462)
MTN - J/Y	-	-	(141,016)	(112,943)	-	(253,959)
	-	-	(219,786)	(117,109)	(77,526)	(414,421)

Notes to the consolidated financial statements

at 31 March 2008

11. Financial instruments (continued)

Currency exposures

The Group's currency exposures, that is those transactional exposures that give rise to the net currency gains and losses recognised in the income statement, comprise the monetary asset and monetary liabilities of the Group that are not denominated in the functional currency of the Group to the extent that these are not matched.

Foreign currency risk

Although the Group operates from the UK, its functional currency is the US Dollar as the operating activities, and thus the financial revenue and financial costs of the business are primarily denominated in this currency.

The Group seeks to limit the effects of currency exposures by borrowing in the same currencies as the currencies in which it lends and by using currency swaps to match the currencies in which it lends.

Fair values

The fair values together with the carrying amounts shown in the balance sheet are as follows:

	Carrying Amount 2008 $000	*Fair Value 2008 $000*	*Carrying Amount 2007 $000*	*Fair Value 2007 $000*
Cash and cash equivalents	53,757	53,757	1,912	1,912
Receivables due from group companies	603,249	603,249	817,833	817,833
Other financial assets	-	-	59,272	60,022
Payables due to group companies	(407,116)	(407,116)	(469,651)	(469,651)
Interest-bearing loans and borrowings	(276,891)	(276,891)	(414,421)	(414,701)
Interest rate and currency swaps classified at fair value through profit and loss:				
Assets	38,002	38,002	777	777
Liabilities	(877)	(877)	(7,658)	(7,658)
	10,124	10,124	(11,936)	(11,466)

There were no unrecognised gains in respect of financial instruments not designated as fair value through the profit and loss account (2007: $470,000).

The fair value of cash and cash equivalents, payables due to and receivables due from group companies, approximates book value due to the short term maturity of these instruments.

The fair values of the interest-bearing loans and borrowings and other financial assets have been determined by reference to market values.

The fair value of derivative financial instruments is discounted to the net present value using prevailing market rates and foreign currency rates at the balance sheet date.

Effective interest rates and reprising analysis

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they mature or, if earlier, are reprised.

Notes to the consolidated financial statements

at 31 March 2008

11. Financial instruments (continued)

2008	*Effective interest rate %*	*Total $000*	*0 to <1 year $000*	*2 to <5 years $000*	*5 years and over $000*
USD Cash and cash equivalents	4.35-4.20	175	175	-	-
JPY Cash and cash equivalents	0	21	21	-	-
EURO Cash and cash equivalents	2-3	53,346	53,346	-	-
GBP Cash and cash equivalents	4-4.73	216	216	-	-
JPY Medium Term Notes	.65-1.14875	(134,579)	(85,393)	(49,186)	-
USD Medium Term Notes	5.35-4.53	(133,893)	-	(18,755)*	(115,138)*
Effect of cross currency swaps – JPY		124,237	65,093	4,190	54,954*
Effect of cross currency swaps – USD		(124,237)	(124,237)	-	-
JPY payables due to group companies	.66-.69	(20,137)	(20,137)	-	-
GBP payables due to group companies	5.20-5.72	(23,583)	(23,583)	-	-
USD payables due to group companies	5.47-2.65	(94,644)	(94,644)	-	-
Euro payables due to group companies	3.73-4.30	(338,896)	(338,896)	-	-
USD receivables due from group companies	2.78-6.09	169,080	169,080	-	-
JPY receivables due from group companies	.67-1.32	135,791	135,791	-	-
Effect of cross currency swaps – USD		(45,918)	(45,918)	-	-
EURO receivables due from group companies	4.65-4.59	286,024	286,024	-	-
JPY other interest bearing loans and investments	3.48-3.09	20,092	20,092	-	-
Effect of cross currency swaps –		(75,347)	(25,116)	(50,231)	-
GBP receivables due from group companies	6.58-5.89	23,656	23,656	-	-
		(86,759)	87,406	(113,982)	(60,184)

Notes to the consolidated financial statements

at 31 March 2008

11. Financial instruments (continued)

Effective interest rates and reprising analysis (continued)

2007	*Effective interest rate %*	*Total $000*	*0 to <1 year $000*	*1 to < 2 years $000*	*2 to <5 years $000*	*5 years and over $000*
USD Cash and cash equivalents	3.5	848	848	-	-	-
JPY Cash and cash equivalents	-	43	43	-		
EURO Cash and cash equivalents	2	686	686	-	-	-
GBP Cash and cash equivalents	4.73	335	335	-	-	-
USD Medium Term Notes	5.16-5.36	(159,747)	(78,055)	-	(4,166)*	(77,526)*
JPY Medium Term Notes	1.2-1.43	(254,674)	(141,439)	(71,972)	(41,263)*	-
Effect of cross currency swaps – JPY	.5-1.5	164,050	147,787	-	4,166*	12,097*
Effect of cross currency swaps – USD		(164,050)	(164,050)	-	-	-
JPY payables due to group companies	.66-.6668	(34,885)	(34,885)	-	-	-
GBP payables due to group companies		(11,836)	(11,836)	-	-	-
USD payables due to group companies	5.35	(148,608)	(148,608)	-	-	-
EURO payables due to group companies	3.514-3.648	(274,582)	(274,582)	-	-	-
USD receivables due from group companies	5.475	179,363	179,363	-	-	-
JPY receivables due from group companies	.785	231,062	120,969	110,093	-	-
Effect of interest rate swaps		(77,476)	(13,971)	(21,168)	(42,337)	-
GBP receivables due from group companies		11,847	11,847	-	-	-
EURO receivables due from group companies	3.62-3.78	240,166	240,166	-	-	-
JPY other interest bearing loans and investments	3.09875	59,298	42,363	-	16,935	-
USD other interest bearing loans and Investments	5.1762	1,436	1,436	-	-	-
EURO other interest bearing loans and Investments	3.62737	34,299	34,299	-	-	-
Effect of cross currency swaps – USD		153,611	153,611	-	-	-
		(48,814)	66,327	16,953	(66,665)	(65,429)

At the period end, significant balances denominated in Euros and JPY were outstanding which relate to the Group's "Cash pooling" arrangements with other companies that are part of the Hitachi group. As such, these have not been considered by management upon their conclusion of the functional currency of the Group.

Management is of the opinion that the operating activities of the business continue to be primarily denominated in USD and thus that it is appropriate to use this currency as the functional currency of the Group.

Notes to the consolidated financial statements

at 31 March 2008

12. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2008	2007
	$000	$000
Less than one year	-	3
Between one and five years	6	6
	6	9

The Group leases one car under an operating lease.

During the year 31 March 2008, $18,856 was recognised as an expense in the income statement in respect of operating leases (2007: $16,920).

13. Contingencies

On 25 March 1993, the company and its subsidiary entered into a cash pooling scheme. As part of this arrangement each company guarantees to the bank the overdrafts of the other to the extent that they have cash in their own bank accounts. There were no other group company overdrafts at the year end (2007: $Nil) covered by this guarantee.

14. Related parties

Identity of related parties

	2008	2007
	$000	$000
Receivables (unsecured) due from related companies		
Hitachi Construction Machinery Europe S.A.	158,479	78,470
Hitachi Home Electronics (Czech), s.r.o.	23,526	-
Hitachi Europe Ltd	93,167	201,621
Hitachi Air Conditioning Products (Europe) S.A.	30,586	31,262
Hitachi Automotive Products (Europe) Ltd	16,750	5,180
Hitachi Automotive Systems Europe GmbH	4,754	8,674
Hitachi Metal Europe GmbH	26,809	25,768
Japan Servo Co Ltd	-	8,000
Hitachi Capital (UK) Plc	32,113	71,544
Babcock Hitachi KK Ltd	30,169	25,402
Hitachi Construction Machinery Japan Ltd	100,429	169,348
Hitachi Software Engineering (UK) Ltd	1,798	1,696
Hitachi Consulting Europe Ltd	9,408	2,946

Notes to the consolidated financial statements

at 31 March 2008

14. Related parties (continued)

Identity of related parties

Payables (unsecured) due to related companies

	2008	*2007*
	$000	*$000*
Hitachi Limited	234,083	133,156
Hitachi International Treasury Limited	-	94,088
Hitachi Data Systems Europe Ltd	23,583	33,289
Hitachi Data Systems GmbH	47,595	-
Hitachi Automotive Products (Europe) Ltd	1,500	2,000

Interest income received from related companies

Hitachi Construction Machinery Europe S.A.		3,783
Hitachi Transport System (Nederland) B.V.	-	22
Hitachi Europe Ltd	6,083	3,373
Hitachi Air Conditioning Products (Europe) S.A.	1,641	1,405
Hitachi Automotive Systems Europe GmbH	382	242
Hitachi Metal Europe GmbH	1,443	1,088
Japan Servo Co Ltd	92	486
Hitachi Remy Automotive GmbH	-	373
Hitachi Capital (UK) Plc	4,509	4,767
Babcock Hitachi KK Ltd	247	140
Hitachi Construction Machinery Japan Ltd	1,634	2,056
Hitachi Software Engineering (UK) Ltd	100	81
Hitachi Automotive Systems Europe	608	327
Hitachi Consulting Europe Ltd	362	23

Interest expenses paid to related companies

Hitachi Limited	6,918	4,978
Hitachi International Treasury Limited	6,449	21
Hitachi Global Storage Limited	1	-
Hitachi Capital (UK) Plc	-	5
Hitachi Data Systems Holding Group	2,329	917
Hitachi Automotive Products (Europe) Ltd	135	101
Hitachi High-Technologies GmBH	234	-
Hitachi Europe Ltd	83	-

Hitachi UK Pension Scheme

Refer to Note 9, which outlines the Hitachi UK Pension Scheme in detail.

Transactions with key management personnel

Directors of the Company and their immediate relatives do not control any of the voting shares of the Company.

The compensation of key management personnel (including the directors) is as follows:

	2008	*2007*
	$000	*$000*
Key management emoluments including social security and pension costs	634	623

Notes to the consolidated financial statements

at 31 March 2008

15. Accounting estimates and judgements

The following represent the areas that the directors consider are the key sources of uncertainty and estimation in the financial statements, and are therefore where the most significant judgements have been made.

Employee benefits

Accounting estimates relating to the Hitachi UK Pension Scheme are set by Hitachi Ltd. See Note 9 for further details of the assumptions made.

Financial instruments

Financial assets and liabilities have been designated at fair value through profit and loss where they have a direct relationship with a currency or interest rate swap, thus matching the movements in the relevant fair values.

For information regarding management's approach to the risks relating to financial instruments, together with how fair values of relevant instruments have been calculated, see Note 11.

Note 11 also contains information regarding the directors' approach to credit risk and the recoverability of the Group's assets.

Foreign exchange

Although the Group operates in the UK its functional currency is the US Dollar as the operating activities, and thus the financial revenue and financial costs of the business are primarily denominated in this currency.

16. Events after the balance sheet date

On 7 August 2008, the directors approved the restructuring of the company as detailed in the Director's report.

Company-only income statement

for the year ended 31 March 2008

	Note	2008 Total $000	2007 Total $000
Financial revenue	1		
Interest income		13,202	9,487
Gain on re-measurement of interest and currency swaps to fair value		17,679	2,499
Gain on re-measurement of interest-bearing loans and borrowings to fair value		6,706	132
Net foreign exchange gain		-	11
Total financial review		37,587	12,129
Financial expenses			
Interest expense		(10,537)	(5,861)
Loss on re-measurement of interest rate and currency swaps to fair value		(7,071)	(133)
Loss on re-measurement of other financial assets to fair value		(17,585)	(2,208)
Net foreign exchange loss		(229)	-
Total financial expenses		(35,422)	(8,202)
Net financial income		2,165	3,927
Administrative expenses		(689)	(910)
Profit before taxation		1,476	3,017
Taxation	20	(564)	(777)
Profit for the year		912	2,240

Company-only statement of recognised income and expense

for the year ended 31 March 2008

	Note	*2008 Total $000*	*2007 Total $000*
Profit for the year	27	912	2,240
Effect of shortfall in corporation tax calculation		-	(12)
Total recognised income and expense		912	2,228

Company only balance sheet

at 31 March 2008

	Note	*2008*	*2007*
		$000	*$000*
Non-current assets			
Investment in subsidiary	21	10,270	269
Deferred tax assets	24	4	141
Other financial assets	22	28,610	59,272
		38,884	59,682
Current assets			
Receivables due from group companies		247,068	255,629
Other financial assets	22	-	34,201
Cash and cash equivalents	25	53,389	1,581
		300,457	291,411
Total assets		339,341	351,093
Current liabilities			
Interest-bearing loans and borrowings	26	-	(82,254)
Payables due to group companies		(257,083)	(237,037)
Tax payable		(153)	(121)
Other financial liabilities	23	(723)	(2,183)
Accruals		(1,193)	(989)
		(259,152)	(322,584)
Non-current liabilities			
Interest-bearing loans and borrowings	26	(67,611)	(16,263)
Other financial liabilities	23	-	(580)
		(67,611)	(16,843)
Total liabilities		(326,763)	(339,427)
Net assets		12,578	11,666
Capital and reserves			
Share capital	27	1,798	1,510
Retained earnings	27	11,583	10,671
Translation reserve	27	(803)	(515)
Total capital and reserves		12,578	11,666

Company only cash flow statement

at 31 March 2007

	Note	*2008*	*2007*
		$000	*$000*
Cash flows from operating activities			
Profit for the year		912	2,240
Adjustments for:			
Gain on re-measurement of interest and currency swaps to fair value		(17,679)	(2,499)
Gain on re-measurement of interest-bearings loans and borrowings to fair value		(6,706)	(132)
Net foreign exchange gain			-
(Gain)/loss on re-measurement of interest rate and currency swaps to fair value		7,071	133
(Gain)/loss on re-measurement of interest-bearing investments to fair value		17,585	2,208
Net foreign exchange loss		-	-
Taxation		564	777
Operating profit before changes in assets and liabilities		1,747	2,727
Decrease/(increase) in receivables due from group companies		8,561	(3,775)
Decrease in other financial assets		64,863	11,506
Decrease in interest-bearing loans and borrowings		(30,906)	(43,076)
Increase in accruals		204	300
Increase in payables due to group companies		18,005	33,782
Cash generated from/(absorbed by) operating activities		62,474	1,464
Tax paid		(391)	(260)
Net cash from operating activities		62,083	1,204
Financing activities			
Proceeds from share issues		(10,000)	-
Net cash from financing activities		(10,000)	**-**
Net increase in cash and cash equivalents		52,083	1,204
Cash and cash equivalents at 1 April		1,581	99
Effect of exchange rate fluctuations on cash held		(275)	278
Cash and cash equivalents at 31 March	25	53,389	1,581

Notes to the accounts

at 31 March 2008

17. Accounting policies,,

Refer to Note 1 for the Group accounting policies.

Investment in subsidiary

The investment in the equity of a group company is stated at cost less provision for impairment.

18. Staff numbers and costs

The company has no employees. The accounting function is performed by Hitachi Finance (UK) PLC, who charged an amount of $387,846 in the year (2007: $363,096) which included payroll costs.

19. Directors' remuneration

The Company's directors have not received any remuneration for activities performed as a director in 2008 (2007: $Nil).

20. Taxation

Recognised in the income statement

	2008	*2007*
	$000	*$000*
Current tax expense:		
Current year	(427)	(381)
Total current income tax	(427)	(381)
Deferred tax expense		
Current year	(137)	(396)
Total tax expense in income statement	(137)	(396)
Recognised in the income statement		
Deferred tax expense	(137)	(396)
Current tax expense	(427)	(381)
	(564)	(777)
Reconciliation of effective tax rate		
Profit/(loss) before tax	1,476	3,017
Tax using the Dutch corporation rate tax of 25.5% (2007: 28.5%)	(376)	(861)
Effect of the following:		
Effect of tax losses utilised	-	434
Origination/reversal of timing differences	(137)	(38)
Effect of current tax	(427)	(381)
IFRS adjustment	-	69
Total tax expense in income statement	(564)	(777)

Notes to the accounts

at 31 March 2008

21. Investment in subsidiary

The investment in the equity of a group company consists of a 100% interest in Hitachi Finance (UK) PLC, London, United Kingdom. The subsidiary's principal activity consists of financial arrangements and transactions including the financing of trading transactions entered into by group companies.

22. Other financial assets

	2008	*2007*
	$000	*$000*
Non-current		
Interest rate and currency swaps classified at fair value through profit or loss	8,518	-
Interest bearing investments classified as held-to-maturity investments	20,092	59,272
	28,610	59,272
Current		
Interest rate and currency swaps classified at fair value through profit or loss	-	588
Interest bearing investments classified as held-to-maturity investments	-	33,613
	-	34,201

23. Other financial liabilities

	2008	*2007*
	$000	*$000*
Non-current		
Interest rate and currency swaps classified at fair value through profit and loss	-	(580)
Current		
Interest rate and currency swaps classified at fair value through profit and loss	(723)	(2,183)

24. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		*Liabilities*		*Net*	
	2008	*2007*	*2008*	*2007*	*2008*	*2007*
	£000	*£000*	*£000*	*£000*	*£000*	*£000*
Deferred tax effect of IAS 32 and IAS 39 adjustments	4	141	-	-	4	141
Tax value of loss carry-forwards	-	-	-	-	-	-
Net tax assets	4	141	-	-	4	141

Notes to the accounts

at 31 March 2008

24. Deferred tax assets and liabilities (continued)

Movement in deferred tax during the year

	1 April 2007 $000	*Recognised in income $000*	*Recognised in equity $000*	*31 March 2008 $000*
Deferred tax effect of IAS 32 and IAS 39 adjustments	141	(137)	-	4
	141	(137)	-	4

25. Cash and cash equivalents

	2008 $000	*2007 $000*
Cash and cash equivalents per balance sheet and cash flow statements	53,389	1,581

26. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings. For more information about the Company's exposure to interest rate and foreign currency risk, see Note 11.

	2008 $000	*2007 $000*
Non-current liabilities		
Medium term notes	(67,611)	(16,263)
Current liabilities		
Medium term notes	-	(82,254)

Long and short-term liabilities consist of the following borrowings against the Euro medium Term Note programme:

Period	*Amount at 31 March 2008*	*Interest at 31 March 2008*	*2008 $000*	*2007 $000*
Less than 1 year	JPY 5,000,000,000	%	-	42,366
	USD 42,265,000	%	-	39,888
Over 5 years	USD 59,144,000	4.045 - 3.32125%	67,611	16,263
			67,611	98,517
Less current			-	(82,254)
Non-current			67,611	16,263

Notes to the accounts

at 31 March 2008

26. Interest-bearing loans and borrowings (continued)

The Euro Medium Term Notes are unsecured and were issued pursuant to an agreement dated 31 May 1995. Under this programme, the parent, Hitachi Limited and the Company and its subsidiary are entitled to issue notes. The aggregate principal amount of the notes outstanding under the agreement shall not exceed USD 1,500,000,000. The Notes are listed on the London Stock Exchange.

27. Capital and reserves

Reconciliation of movement in capital and reserves

	Share capital	*Retained earnings*	*Translation reserve*	*Total equity*
	$000	*$000*	*$000*	*$000*
Balance at 1 April 2006	1,373	8,443	(378)	9,438
Translation adjustment on share capital	137	-	(137)	-
Total recognised income and expense	-	2,228	-	2,228
Balance at 31 March 2007	1,510	10,671	(515)	11,666
Translation adjustment on share capital	288	-	(288)	-
Total recognised income and expense	-	912	-	912
Balance at 31 March 2008	1,798	11,583	(803)	12,578

The authorised share capital is 50,000 ordinary shares of EUR 453.78 each, with a total par value of EUR 22,689,010.

As of 31 March 2006 and 31 March 2005, 10,000 shares with a face value of EUR 4,537,800 had been issued, of which 25% were paid (EUR 1,134,450). The US Dollar equivalent at the year-end rate of EUR 1 = USD 1.58 (2007: EUR 1 = USD 1.33), is USD 1,798,000 (2007: USD 1,510,000). The translation reserve arises from the difference in the opening and closing exchange rates on the share capital denominated in Euro.

The aggregate current and deferred tax relating to items that are charged or credited to equity is $Nil (2007: $nil).

Share capital

Issued shares	*Ordinary shares*	
	2008	*2007*
In issue at 31 March 2008 and 31 March 2007 – 25% paid	10,000	10,000

	2008	*2007*
	$000	*$000*
Allotted, called up and 25% paid		
10,000 ordinary shares of EUR 453.78 each translated at year end rates (totally EUR 1,134,450)	1,798	1,510

Notes to the accounts

at 31 March 2008

27. Capital and reserves (continued)

In accordance with the Company's Articles of Incorporation , the shares are denominated in Dutch guilders (NLG 1,000 per share) which have been converted into Euro (EUR 453.78) per share) with reference to Article 178c, Paragraph 1, of the Netherlands Civil Code Book 2. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Foreign currency translation is a legal reserve and when negative the retained earnings cannot be distributed for this amount.

Reconciliation of Company-only equity to Group equity

	Total Equity
	$000
Company-only equity at 31 March 2008	12,578
Equity of subsidiary at 31 March 2007	7,105
Result of subsidiary for the year ended 31 March 2008	1,198
Elimination of intercompany balances	10,020
Equity of subsidiary at 31 March 2008	18,323
Translation adjustment on elimination of investment in subsidiary	(10,268)
Group equity at 31 March 2008	20,633

Reconciliation of Company-only result to Group result

	Profit
	$000
Company-only result for the year ended 31 March 2008	912
Result of subsidiary for the year	1,198
Group result for the year ended 31 March 2008	2,110

Notes to the accounts

at 31 March 2008

28. Financial instruments

Refer to Note 11 to the Group's financial statements as to the policies, as this information applies also to the company.

Fair values

The fair values together with the carrying amounts shown in the balance sheet at the 31 March 2008 are as follows:

	Carrying amount *$000*	*Fair value* *$000*
Cash and cash equivalents	53,389	53,389
Receivables due from group companies	247,068	247,068
Other financial assets	-	-
Payables due to group companies	(257,083)	(257,083)
Interest-bearing loans and borrowings	(67,611)	(67,611)
Interest rate and currency swaps classified at fair value through the income statement		
Assets	28,610	28,610
Liabilities	(723)	(723)
	3,650	3,650

There were no unrecognised gains in respect of financial instruments not designated as fair value through the profit and loss account (2007: $750,000).

The fair values together with the carrying amounts shown in the balance sheet at the 31 March 2007 are as follows:

	Carrying amount *$000*	*Fair value* *$000*
Cash and cash equivalents	1,581	1,581
Receivables due from group companies	255,629	255,629
Other financial assets	59,272	60,022
Payables due to group companies	(237,037)	(237,037)
Interest-bearing loans and borrowings	(98,517)	(98,517)
Interest rate and currency swaps classified at fair value through the income statement		
Assets	588	588
Liabilities	(2,762)	(2,762)
	(21,246)	(20,496)

The fair value of cash and cash equivalents, payables due to and receivables due from group companies, approximates book value due to the short term maturity of these instruments.

The fair values of the interest-bearing loans and borrowing and financial assets have been determined by reference to market values.

Notes to the accounts

at 31 March 2008

28. Financial instruments (continued)

The fair value of derivative financial instruments is discounted to the net present value using prevailing market rates and foreign currency rates at the balance sheet date.

Effective interest rates and reprising analysis

2008	*Effective interest rate %*	*Total $000*	*0 to <1 year $000*	*2 to <5 years $000*	*5 years and over $000*
USD Cash and cash equivalents	4.35-4.20	1	1	-	-
EURO Cash and cash equivalents	2-3	53,345	53,345	-	-
GBP Cash and cash equivalents	4-4.73	43	43	-	-
JPY Medium Term Notes	-	-	-	-	-
USD Medium Term Notes	5.35-4.53	(59,144)	-	(4,190)*	(54,954)*
Effect of cross currency swaps – JPY		59,144	-	4,190	54,954*
Effect of cross currency swaps – USD		(59,144)	-	-	-
JPY payables due to group companies	.66-.69	(20,137)	(20,137)	-	-
USD payables due to group companies	5.47-2.65	(93,144)	(93,144)	-	-
Euro payables due to group companies	3.73-4.30	(213,946)	(213,946)	-	-
USD receivables due from group companies	6.09-2.78	84,891	84,891	-	-
EURO receivables due from group companies	4.65-4.59	160,844	160,844	-	-
Effect of cross currency swaps – USD		(84,888)	(84,888)	-	-
JPY other interest bearing loans and investments	3.095-3.48	20,092	20,092		
		(152,042)	(152,042)	-	-

* These assets/liabilities bear interest at a fixed rate.

Notes to the accounts

at 31 March 2008

28. Financial instruments (continued)

Effective interest rates and reprising analysis

2007	*Interest Rate %*	*Total $000*	*0-1 1 year $000*	*2 to 5 years $000*	*5 years over $000*
USD Cash and cash equivalents	3.5	827	827	-	-
JPY Cash and cash equivalents	-	27	27	-	-
EURO Cash and cash equivalents	2	686	686	-	-
GBP Cash and cash equivalents	4.73	41	41	-	-
USD Medium Term Notes	5.3375-5.35	(56,151)	(39,888)	(4,166)*	(12,097)*
JPY Medium Term Notes	1.2-1.43	(42,366)	(42,366)	-	-
Effect of cross currency swaps – JPY	.5-1.5	56,151	39,888	4,166*	12,097*
Effect of cross currency swaps – USD	-	(56,151)	(56,151)	-	-
JPY payables due to group companies	.66-.66	(25,881)	(25,881)	-	-
USD payables due to group companies	5.35	(78,000)	(78,000)	-	-
Euro payables due to group companies	3.514-3.648	(133,156)	(133,156)	-	-
USD receivables due from group companies	5.475	147,078	147,078	-	-
JPY receivables due from group companies	.785	9,004	9,004	-	-
EURO receivables due from group companies	3.78	98,816	98,816	-	-
JPY other interest bearing loans and investments	3.09875	59,298	42,363*	16,935*	-
USD other interest bearing loans and investments	5.1762	1,436	1,436	-	-
EURO other interest bearing loans and investments	3.62737	34,299	34,299	-	-
		15,958	(977)	16,935	-

* These assets/liabilities bear interest at a fixed rate.

At the period end, significant balances denominated in Euros and JPY were outstanding which relate to the company's "Cash pooling" arrangement with other companies that are part of the Hitachi group. As such, these have not been considered by management upon their conclusion of the functional currency of the Company.

Management is of the opinion that the operating activities of the business continue to be primarily denominated in USD and thus that it is appropriate to use this currency as the functional currency of the Company.

29. Contingencies

On 25 March 1993 the Company and its subsidiary entered into a cash pooling scheme. As part of this arrangement, each company guarantees to the bank the overdrafts of the other to the extent that they have cash in their own bank accounts. There were no other group company overdrafts at the year end (2007: $Nil) covered by this guarantee.

Notes to the accounts

at 31 March 2008

30. Related Parties

Identity of related parties

	2008	*2007*
	$000	*$000*
Receivables (unsecured) due from group companies:		
Hitachi Construction Machinery Europe S.A.	158,479	78,470
Hitachi Home Electronics (Czech), s.r.o.	23,526	-
Hitachi Finance (UK) PLC	-	176,428
Payables (unsecured) due to group companies:		
Hitachi Limited	234,083	133,156
Hitachi Finance (UK) PLC	-	9,793
Hitachi International Treasury Limited	-	94,088
Interest income received from group companies:		
Hitachi Finance (UK) PLC	630	271
Hitachi Construction Machinery Europe S.A.	8,449	3,783
Hitachi Transport System (Nederland) B.V.	-	22
Hitachi Home Electronics (Czech), s.r.o.	546	-
Interest expenses paid to group companies:		
Hitachi Limited	10,933	1,860
Hitachi Finance (UK) PLC		48
Hitachi International Treasury Limited	2,651	91
Hitachi Global Storage Limited	1	-
Management fee charged:		
Management fee charged by Hitachi Finance (UK) PLC to the Company	388	363

Transactions with key management personnel

There is no compensation of key management personnel (including the directors). Directors of the company and their immediate relatives do not control any of the voting shares of the Company.

31. Accounting estimates and judgements

The following represents the areas that the directors consider are the key sources of uncertainty and estimation in the financial statements, and are therefore where the most significant judgements have been made.

Financial instruments

Financial assets and liabilities have been designated at fair value through profit and loss where they have a direct relationship with a currency or interest rate swap, thus matching the movements in the relevant fair values.

For information regarding management's approach to the risks relating to financial instruments, together with how fair values of relevant instruments have been calculated, see Notes 11 and 28.

Note 11 also contains information regarding the directors' approach to credit risk and the recoverability of the Company's assets.

Notes to the accounts

at 31 March 2008

31. Accounting estimates and judgements (continued)

Foreign exchange

Although the company is based in the Netherlands, the Company's functional currency is the US Dollar as the operating activities, and thus the financial revenue and financial costs of the business are primarily denominated in this currency.

By order of the board of directors

S. Kishino

T. Kato

T.van Rijn

J.de Vos van Steenwijk

Locatellikade 1
1076 AZ Amsterdam
The Netherlands

30 September 2008

Notes to the accounts

at 31 March 2008

Statutory provisions concerning appropriation of profits

Subject to the provision under Netherlands law that no dividends can be declared until all losses have been recovered, profits are at the disposal of the General Meeting of Shareholders in accordance with the Company's Articles of Association.

Appropriation of profits

At the General Meeting of Shareholders, it will be proposed that the total recognised income and expenses for the year be appropriated to retained earnings.

Auditor's report

The auditors' report is included on pages 4 and 5 of the accounts.

Notes to the accounts

at 31 March 2008

Hitachi International (Holland) B.V.

Directors' report and financial statements

31 March 2007

Registered No: 1769058

Directors

K Miura
T Sueda
T van Rijn
J de Vos van Steenwijk

Auditors

Ernst & Young Accountants B.V.
Boompjes 258
3011 XZ Rotterdam
The Netherlands

Registered Office

Locatellikade 1
1076 AZ Amsterdam
The Netherlands

Directors' report

The directors present their directors' report and financial statements for the year ended 31 March 2007.

Principal activity

The principal activity of the Hitachi International (Holland) B.V. ("the Company") and its subsidiary Hitachi Finance (UK) PLC (together "the Group"), consists of raising funds from third parties and making loans to group companies.

Other activities include investing surplus funds in the capital and money markets.

Business review

The results for the year are shown on page 6 and have been prepared under International Financial Reporting Standards as adopted by the EU.

The Group made a profit after taxation of $2,896k (2006: $1,174k). The Company made a profit after taxation of $2,240k (2006: $471k).

The Directors do not recommend the payment of a dividend for the year (2006: $112k).

The consolidated results for the year are detailed on page 6, with similar information for the company being shown at page 26.

The Group and Company performances have achieved management's expectations. This is due to an increase in the borrowing requirements for companies that are part of the Hitachi group.

It is expected that the Euro Medium Term Note facilities will continue to be made available and used where considered necessary, in pursuing the Group's principal activities. The directors intend to increase the level of activity in the new financial year. During the current year the Group has taken advantage of Hitachi group pooling systems, in order to reduce the interest bearing debt of the Group.

Financial instruments

For details of the Group and Company financial risk management objectives and policies, as well as discussion of the exposure of the Group and Company to interest rate risk, credit risk, liquidity risk and cash flow risk, see note 11 and 28. The Board reviews and agrees policies for managing each of these risks.

Future outlook

It is expected that the Euro Medium Term Notes facilities and Euro Pooling will continue to be available for use in pursuing the Group's activities. In the coming year, management intends to establish a European Cash management System to expand the business and provide services to the Hitachi group of companies.

Policy and practice on payment of creditors

It is the Group's policy to settle all of its investment purchases on the agreed settlement date. All other creditors are paid in accordance with the relevant invoice terms. The Group does not follow any specific code or standard on payment practice.

Directors' report

Directors and directors' interests

The directors who held office during the year for the Company were as follows:

K Miura	(resigned 1 April 2007)
T Sueda	(resigned 1 May 2007)
S. Kishino	(appointed 1 April 2007)
T. Kato	(appointed 1 May 2007)
T van Rijn	
J de Vos van Steenwijk	

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the Company. As at 31 March 2007, Mr Sueda held one ordinary share in the share capital of the subsidiary company.

K. Miura resigned as a director of the company on 1 April 2007 and T Sueda resigned as a director of the company on 1 May 2007.

KPMG LLP did not seek reappointment as statutory auditor for the year ended 31 March 2007. The Board passed a resolution to appoint Ernst & Young Accountants B.V. as the company's statutory auditor.

By order of the board of directors:

S. Kishino

T. Kato

T.van Rijn

J.de Vos van Steenwijk

Locatellikade 1
1076 AZ Amsterdam
The Netherlands

30 November 2007

Independent auditors' report

to the members of Hitachi International (Holland) B.V.

Report on the financial statements

We have audited the financial statements of Hitachi International (Holland) B.V., Amsterdam, for the year ended 31 March 2007 as set out on pages 6 to 39, which comprise the consolidated and company balance sheet as at 31 March, 2007, the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility

The Directors of the company are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the Directors' board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Hitachi International (Holland) B.V., Amsterdam, for the year ended 31 March, 2007, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the Directors' board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Rotterdam, 30 November 2007

for Ernst & Young Accountants

Signed by P.W.J. Laan

Consolidated income statement

for the year ended 31 March 2007

	Note	2007 $000	2006 $000
Financial revenue	1		
Interest income		24,319	15,997
Gain on re-measurement of interest and currency swaps to fair value		9,924	8,452
Gain on re-measurement of other interest bearing loans and borrowings to fair value		17,333	27,757
Net foreign exchange gain		52	-
Total financial revenue		51,628	52,206
Finance costs			
Interest expense		(18,377)	(13,248)
Loss on re-measurement of interest and currency swaps to fair value		(16,870)	(27,548)
Loss on re-measurement of receivables due from group companies to fair value		(7,687)	(6,684)
Loss on re-measurement of other financial assets to fair value		(2,208)	(1,562)
Net foreign exchange loss		-	(50)
Total financial costs		(45,142)	(49,092)
Net financial income		6,486	3,114
Administrative expenses		(2,457)	(1,382)
Operating profit		4,029	1,732
Interest on defined benefit pension plan obligation		(7)	(10)
Profit before taxation		4,022	1,722
Taxation	3	(1,126)	(548)
Profit for the year		2,896	1,174

Consolidated statement of recognised income and expense

for the year ended 31 March 2007

	Note	2007 $000	2006 $000
Actuarial losses on defined benefit pension plans	9	(47)	(17)
Tax recognised on income and expenses recognised directly in equity		14	5
Net expense recognised directly in equity		(33)	(12)
Profit for the year		2,896	1,174
Total recognised income and expense attributable to equity holders		2,863	1,162
Effect of change in accounting policy			
Effect of adoption of IAS 32 and 39, net of tax, on 1 April 2005 (with year ended 31 March 2005 not restated) on:			
Effect of shortfall in corporation calculation		(12)	
Retained earnings	1	-	(184)
Total recognised income and expense	10	2,851	978

Consolidated balance sheet

at 31 March 2007

	Note	2007 $000	2006 $000
Non-current assets			
Deferred tax assets	6	249	593
Other financial assets	4	59,416	102,435
Receivables due from group companies		109,936	194,443
		169,601	297,471
Current assets			
Receivables due from group companies		521,941	403,817
Other financial assets	4	34,246	4,110
Cash and cash equivalents	7	1,912	39,011
		558,099	446,938
Total assets		727,700	744,409
Current liabilities			
Interest-bearing loans and borrowings	8	(219,786)	(42,556)
Payables due to group companies		(283,690)	(252,652)
Employee benefits	9	(327)	(281)
Tax payable		(447)	(134)
Other financial liabilities	5	(2,194)	(8,506)
Accruals		(2,654)	(2,157)
		(509,098)	(306,286)
Non-current liabilities			
Interest-bearing loans and borrowings	8	(194,635)	(408,865)
Other financial liabilities	5	(5,465)	(13,607)
		(200,100)	(422,472)
Total liabilities		(709,198)	(728,758)
Net assets		18,502	15,651
Capital and reserves	10		
Share capital		1,510	1,373
Retained earnings		17,507	14,656
Translation reserve		(515)	(378)
Total capital and reserves		18,502	15,651

Consolidated cash flow statement

for the year ended 31 March 2007

	Note	2007 $000	2006 $000
Cash flows from operating activities			
Profit for the year		2,896	1,174
Adjustments for:			
Net gain on re-measurement of interest and currency swaps to fair value		(9,924)	(8,452)
Net gain on re-measurement of other interest bearing loans and borrowings		(17,333)	(27,757)
Net foreign exchange gain		-	-
Net loss on re-measurement of interest and currency swaps to fair value		16,870	27,548
Net loss on re-measurement of receivables due from other group companies to fair value		7,687	6,684
Net loss on re-measurement of other financial assets to fair value		2,208	1,562
Interest on defined benefit pension plan obligation		7	10
Net foreign exchange (gain)/loss		(52)	50
Taxation		1,126	548
Operating profit before changes in assets and liabilities		3,485	1,367
(Increase)/decrease in receivables due from group companies		(33,617)	46,454
Decrease in other financial assets		(12,883)	27,524
Decrease in interest-bearing loans and borrowings		(51,454)	(24,780)
Increase in employee benefits		46	18
Increase in accruals		497	401
Increase/(decrease) in payables due to group companies		31,308	(55,866)
Cash absorbed by operating activities		(37,122)	(4,882)
Tax paid		(456)	(120)
Net cash from operating activities		(37,578)	(5,002)
Cash flows from financing activities			
Dividends paid		-	(112)
Cash generated from /(absorbed by) financing activities		-	(112)
Net decrease in cash and cash equivalents		(37,578)	(5,114)
Cash and cash equivalents at 1 April		39,011	44,006
Effect of exchange rate fluctuations on cash held		479	119
Cash and cash equivalents at 31 March	7	1,912	39,011

Notes to the consolidated financial statements

at 31 March 2007

1. Accounting policies

Basis of preparation

Hitachi International (Holland) B.V (the "Company") is a company incorporated in Amsterdam, the Netherlands.

The Company is a subsidiary undertaking of Hitachi Limited which is the ultimate parent company incorporated in Japan. The financial information of the company and its subsidiary is consolidated into Hitachi Limited. The consolidated financial statements of Hitachi Limited are available to the public and may be obtained from 6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo, 100-8280, Japan.

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") and include the financial information of the Company and its wholly owned subsidiary Hitachi Finance (UK) PLC (together "the Group"), which is domiciled in the United Kingdom.

The Company's separate financial statements have also been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"). The separate financial statements have also been prepared in accordance wit Article 362(9) of the Netherlands Civil Code.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgments made by the directors in the application of these accounting policies, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year, are discussed in Note 15.

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union as they apply to the financial statements of the Company for the year ended 31 March 2007. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2007.

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates.

The financial statements of the Company's subsidiary are included in the consolidated financial statements. Intragroup balances and any unrealised gains or losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments and financial instruments classified as fair value through profit and loss.

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined. Exchange

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rates at the year end were JPY118.1; USD 1 (2006 – JPY 117.99: USD 1) and EUR .751: USD 1 (2006: EUR 0.83: USD 1).

Interest-bearing investments
Interest-bearing investments classified as held-to-maturity investments are stated at amortised cost less impairment

Derivative financial instruments and hedging
The group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising form operational activities, including interest rate risks arising from operational activities, including interest rate swaps and forward exchange contracts. In accordance with its treasury policy, the group does not hold or issue derivative instruments for trading purposes.

Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss.

The fair value of interest rate swaps is the estimated amount that the group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts is their quoted market price at the balance sheet date.

Receivables due from/payables due to other group companies
Where receivables and payables due from and to other group companies are classified as "fair value through profit and loss", these balances are initially recognised at fair value and then subsequently re-measured to fair value at each balance sheet date. Movements in the fair value of these balances are taken directly to the income statement.

Where receivables due from other group companies are classified as "loans and receivables", these balances are initially recognised at fair value and subsequently at amortised cost less (in the case of assets) provision for impairment.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Interest-bearing loans and borrowings
Interest-bearing loans and borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Impairment
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes and estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. Value is use is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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Impairment losses on continuing operations are recognized in the income statement in those expense categories consistent with the function of the impaired asset.

No impairment losses have been recognised in profit and loss during the current or prior periods.

Employee benefits

Defined benefit plans

The company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of any plan assets (at bid price) is deducted. The liability discount rate is the yield at the balance sheet date on AA credit rated bonds that have maturity dates approximating to the terms of the group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statement.

The operating and financing costs of the defined benefit plan are recognised separately in the income statement; current service costs are spread systematically over the expected average remaining service lives of employees and finance costs are recognised in the periods within which they arise.

The company's employees are members of a group wide defined benefit pension plan. The charge to participating entities of the cost of the plan is actuarially determined based upon the specific employees of the specific company.

Revenue

Financial revenue represents interest receivable on group loans, foreign exchange gains and gains on financial instruments that are recognised in the income statement (see derivative financial instruments and hedging accounting policy).

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Expenses

Finance expenses

Finance expenses represent interest payable, foreign exchange losses and losses on financial instruments that are recognised in the income statement (see financial instruments accounting policy).

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Taxation

Tax on the profit for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary difference is not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probably that future taxable profits will be available against which the asset can be utilised.

Adopted IFRSs not yet applied

The following Adopted IFRSs were available for early application but have not been applied by the company in these financial statements:

IFRS 7 'Financial instruments: Disclosure' applicable for years commencing on or after 1 January 2007. IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instrument, including specified minimum disclosures about credit risk. Liquidity risk and market risk, including sensitivity analysis to market risk. It replaces IAS 30, Disclosure in the Financial Statements of Banks and Similar financial Institutions, and disclosure requirements in IAS 32, Financial Instruments: Disclosure and Presentation. The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. The Group assessed the impact of IFRS 7 and the amendment to IAS 1 and concluded that the main additional l disclosures will be the sensitivity analysis to market risk and the capital disclosures required by the amendment of IAS 1. The Group will apply IFRS 7 and the amendment to IAS 1 from annual periods beginning 1 January 2007.

The application of IFRS 7 in 2007 and 2006 would not have affected the balance sheet or income statement as the standard is concerned only with disclosure.

2. Segmental information

The principal activity of the group represents the provision of finance to fellow Hitachi group companies both through the provision of loans and through investment in debt instruments. The group also invests in third party debt instruments. These activities are considered by the directors, to be the group's single business segment.

In the opinion of the directors the company does not operate in substantially differing geographical markets.

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3. Taxation

Recognised in the income statement

	2007	2006
	$000	$000
Current tax expense:		
Current year	(768)	(134)
Deferred tax expense:		
Current year	(358)	(324)
Effect of change in tax rates	-	(90)
	(358)	(414)
Total tax in income statement	(1,126)	(548)

Reconciliation of effective tax rate

	2007	2006
Profit before tax	4,022	1,722
Tax using the average group corporation tax rate of 28.8% (2006 – 30%)	(1,158)	(517)
Effect of the following:		
Effect of tax losses utilised	434	402
Non-taxable income and non-deductible expenses, net	(62)	(28)
Origination/reversal of timings differences	3	(414)
Other differences	(14)	9
Effect of current tax	(381)	-
Corporation tax under provided in prior year	(13)	-
Adjustments IFRS	65	-
Total tax in income statement	(1,126)	(548)

4. Derivative financial assets

	2007	2006
	$000	$000
Non-current		
Interest rate and currency swaps classified at fair value through profit and loss	144	739
Interest bearing investments classified as held-to-maturity investments	59,272	101,696
	59,416	102,435
Current		
Interest rate and currency swaps classified at fair value through profit and loss	633	1,180
Interest bearing investments classified as held-to-maturity investments	33,613	2,930
	34,246	4,110

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5. Derivative financial liabilities

	2007	2006
	$000	*$000*
Non-current		
Interest rate and currency swaps classified at fair value through profit and loss	(5,465)	(13,607)
Current		
Interest rate and currency swaps classified at fair value through profit and loss	(2,194)	(8,506)

6. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

	Assets		*Liabilities*		*Net*	
	2007	*2006*	*2007*	*2006*	*2007*	*2006*
	$000	*$000*	*$000*	*$000*	*$000*	*$000*
Capital liabilities	14	17	-	-	14	17
Employee benefits	98	84	-	-	98	84
Deferred tax effect of IAS 32 and IAS 39 adjustment	141	103	(4)	(45)	137	58
Tax value of loss carry-forwards		434		-	-	434
Tax assets/(liabilities)	253	638	(4)	(45)	249	593

Movement in deferred tax during the year

	31 March 2006	*Recognised in income*	*Recognised in equity*	*31 March 2007*
	$000	*$000*	*$000*	*$000*
Capital allowances	17	(3)	-	14
Employee benefits	84	-	14	98
Financial instruments	58	79	-	137
Tax value of loss carry forwards	434	(434)		-
	593	(358)	14	249

7. Cash and cash equivalents

	2007	*2006*
	$000	*$000*
Cash and cash equivalent per balance sheet and cash flow statement	1,912	39,011

There are no restrictions on the group's ability to access and utilise available cash balances.

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8. Other interest-bearing loans and borrowings

This note provides information about the contractual terms of the group's interest-bearing loans and borrowings. For more information about the group's exposure to interest rate and foreign currency risk, see note 11.

	2007	*2006*
	$000	*$000*
Non-current liabilities		
Medium term notes	(194,635)	(408,865)
Current liabilities		
Medium term notes	(219,786)	(42,556)

Current and non-current liabilities comprise the following borrowings against the Euro Medium Term Note Programme:

Period	*Amount 31 March 2007*	*Interest rate at 31 March 2007*	*2007 $000*	*2006 $000*
Less than 1 year	JPY 16,650,000,000	0.65%-0.96425%	141,439	42,556
	USD 80,437,000	5.16%-5.33%	78,055	80,437
1-5 years	JPY 13,500,000,000	0.65%-0.84625%	113,235	162,482
	USD 4,190,000	5.35%	4,166	42,404
Over 5 years	USD 82,416,000	2.65%-4.87%	77,526	81,170
	JPY 5,000,000,000	0.07%	-	42,372
			414,421	451,421
Less current liabilities			(219,786)	(42,556)
Non-current liabilities			194,635	408,865

The Euro Medium Term Notes are unsecured and were issued pursuant to an agreement dated 31 May 1995. Under this programme, the parent, Hitachi Limited and both Group companies are entitled to issue notes. The aggregate principal amount of the notes outstanding under the agreement shall not exceed USD 1,500,000,000. The Notes are listed on the London Stock Exchange.

9. Employee benefits

Pension plans

Hitachi Finance (UK) PLC is a member of the Hitachi UK Pension Scheme, a group pension scheme providing benefits based on final pensionable pay. As Hitachi International (Holland) B.V. does not employ any personnel, it does not participate in any pension schemes and the information below relates only to Hitachi Finance (UK) PLC.

The most recent actuarial valuation was carried out by an independent qualified actuary at 1 April 2004.

The information disclosed below is in respect of Hitachi Finance's share of Hitachi UK Pension Scheme, as set out under an agreed group policy throughout the periods shown. The charge to Hitachi Finance

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(and to each participating entity of the scheme) is actuarially determined based upon the specific employees of Hitachi Finance (UK) PLC

9. Employee benefits (continued)

	2007	*2006*
	$000	*$000*
Present value of defined benefit obligation	(1,025)	(821)
Fair value of plan assets	698	540
Net obligation	(327)	(281)

Movements in present value of net obligation

	2007	*2006*
	$000	*$000*
At 1 April	(281)	(263)
Current service cost	(34)	(31)
Contributions by employer	42	40
Interest cost	(7)	(10)
Actuarial losses	(6)	(17)
Foreign exchange	(41)	-
At 31 March	(327)	(281)

Expense recognised in the income statement

	2007	*2006*
	$000	*$000*
Current service cost	(34)	(31)
Interest on defined benefit pension plan obligation	(54)	(36)
Expected return on defined benefit pension plan assets	47	26
Total	(41)	(41)

	2007	*2006*
	$000	*$000*
Administrative expenses	(34)	(31)
Financial costs	(7)	(10)
	(41)	(41)

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9. Employee benefits (continued)

The fair value of the plan assets and the return on those assets were as follows:

	2007 Fair Value $000	*2007 Expected Return %*	*2006 Fair Value $000*	*2006 Expected Return %*
Equities	464	7.00	309	7.30
Corporate bonds	142	5.00	229	4.50
Other	92	4.50	2	4.50
	698		540	

The expected rates of return on plan assets are determined by reference to relevant indices. The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

Principal actuarial assumptions (expressed as weighted average):

	2007 %	*2006 %*
Discount rate	5.25	4.90
Expected rate of return on plan assets	6.01	5.43
Future salary increase	4.60	4.25
Inflation assumption	3.10	2.75
Rate of increase of pensions in payment	3.10	2.75

10. Capital and reserves

Reconciliation of movement in capital and reserves

	Share capital $000	*Retained earnings $000*	*Translation reserve $000*	*Total equity $000*
Balance at 1 April 2005	1,475	13,790	(480)	14,785
Translation adjustment on share capital	(102)	-	102	-
Dividends	-	(112)	-	(112)
Total recognised income and expense	-	978	-	978
Balance at 31 March 2006	1,373	14,656	(378)	15,651
Balance at 1 April 2006				
Translation adjustment on share capital	137	-	(137)	-
Total recognised income and expense	-	2,851	-	2,851
Balance at 31 March 2007	1,510	17,507	(515)	18,502

The authorised share capital is 50,000 ordinary shares of 453.78 each, with a total par value of EUR 22.689,010. As of 31 March 2006 and 31 March 2005, 10,000 shares with a face value of EUR 4,537,800 had been issued, of which 25% were paid (EUR 1,134,450).The aggregate current and deferred tax relating to items that are charged or credited to equity is $45k (2006 - $63k).

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10. Capital and reserves (continued)

Share capital

	2007	2006
	$000	*$000*
Issued shares		
In issue at 31 March 2007 and 31 March 2006 – 25% paid	10,000	10,000
Allotted, called up and 25% paid		
10,000 ordinary shares of EUR 453.78 each (totalling EUR 1,134,450)	1,510	1,373

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

11. Financial instruments

The Group's financial instruments, other than derivatives, comprise borrowings, cash, investments and short term debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for investing and lending on to Hitachi group companies.

The Group enters into derivative transactions, principally currency and interest rate swaps. The purpose of such transactions is to manage the currency and interest rate risks arising from the Group's operations and sources of finance. While these instruments are subject to the risk of loss from changes in exchange rates and interest rates, these losses would be offset by gains in the related exposures. It is, and has been throughout the year under review, the Group's policy that all derivatives are held in order to manage interest rate and currency risks arising from the Group's operating activities.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

The counterparties to the Group's financial instruments are major financial institutions or group companies. Credit risk represents the loss that would be recognised at the reporting date if counterparties failed completely to perform as contracted. It is the Group's policy to monitor the financial standing of these counterparties on an ongoing basis, and the Group's future borrowing and investing policies are modified as appropriate.

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet.

Interest rate risk

The Group finances itself mainly through borrowings. The Group borrows primarily at fixed rates of interest and then uses interest rate swaps to generate the interest rate profile to match the investment of funds and to manage the Group's exposure to interest rate fluctuations.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of borrowings with a range of maturities. The Group uses undrawn committed facilities to manage its liquidity requirements.

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11. Financial instruments (continued)

Currency exposures

The Group's currency exposures, that is those transactional exposures that give rise to the net currency gains and losses recognised in the income statement, comprise the monetary asset and monetary liabilities of the Group that are not denominated in the functional currency of the Group to the extent that these are not matched.

Foreign currency risk

Although the Group operates from the UK, its functional currency is the US Dollar as the operating activities, and thus the financial revenue and financial costs of the business are primarily denominated in this currency.

The Group seeks to limit the effects of currency exposures by borrowing in the same currencies as the currencies in which it lends and by using currency swaps to match the currencies in which it lends.

Fair values

The fair values together with the carrying amounts shown in the balance sheet are as follows:

	Carrying Amount 2007 $000	*Fair Value 2007 $000*	*Carrying Amount 2006 $000*	*Fair Value 2006 $000*
Cash and cash equivalents	1,912	1,912	39,011	39,011
Receivables due from group companies	817,833	817,833	598,260	598,260
Other financial assets	59,272	60,022	104,626	106,037
Payables due to group companies	(469,651)	(469,651)	(252,652)	(252,652)
Interest-bearing loans and borrowings	(414,421)	(414,701)	(451,421)	(451,421)
Interest rate and currency swaps classified at fair value through profit and loss:				
Assets	777	777	1,919	1,730
Liabilities	(7,658)	(7,658)	(22,113)	(22,113)
	(11,936)	(11,466)	17,630	18,852
Unrecognised gains in respect of financial instruments not designated as fair value through profit and loss				(470)

The fair value of cash and cash equivalents, payables due to and receivables due from group companies, approximates book value due to the short term maturity of these instruments.

The fair values of the interest-bearing loans and borrowings and other financial assets have been determined by reference to market values.

The fair value of derivative financial instruments is discounted to the net present value using prevailing market rates and foreign currency rates at the balance sheet date.

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11. Financial instruments (continued)

Effective interest rates and repricing analysis

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they mature or, if earlier, are repriced.

2007	*Effective interest rate %*	*Total $000*	*0 to <1 year $000*	*1 to < 2 years $000*	*2 to <5 years $000*	*5 years and over $000*
USD Cash and cash equivalents	3.5	848	848	-	-	-
JPY Cash and cash equivalents	-	43	43	-		
EURO Cash and cash equivalents	2	686	686	-	-	-
GBP Cash and cash equivalents	4.73	335	335	-	-	-
USD Medium Term Notes	5.16-5.36	(159,747)	(78,055)	-	(4,166)*	(77,526)*
JPY Medium Term Notes	1.2-1.43	(254,674)	(141,439)	(71,972)	(41,263)*	-
Effect of cross currency swaps – JPY	.5-1.5	164,050	147,787	-	4,166*	12,097*
Effect of cross currency swaps – USD		(164,050)	(164,050)	-	-	-
JPY payables due to group companies	.66-.6668	(34,885)	(34,885)	-	-	-
GBP payables due to group companies		(11,836)	(11,836)	-	-	-
USD payables due to group companies	5.35	(148,608)	(148,608)	-	-	-
EURO payables due to group companies	3.514-3.648	(274,582)	(274,582)	-	-	-
USD receivables due from group companies	5.475	179,363	179,363	-	-	-
JPY receivables due from group companies	.785	231,062	120,969	110,093	-	-
Effect of interest rate swaps		(77,476)	(13,971)	(21,168)	(42,337)	-
GBP receivables due from group companies		11,847	11,847	-	-	-
EURO receivables due from group companies	3.62-3.78	240,166	240,166	-	-	-
JPY other interest bearing loans and investments	3.09875	59,298	42,363	-	16,935	-
USD other interest bearing loans and Investments	5.1762	1,436	1,436	-	-	-
EURO other interest bearing loans and Investments	3.62737	34,299	34,299	-	-	-
Effect of cross currency swaps – USD		153,611	153,611	-	-	-
		(48,814)	66,327	16,953	(66,665)	(65,429)

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11. Financial instruments (continued)

Effective interest rates and repricing analysis (continued)

2006	Effective interest rate %	Total $000	0 to <1 year $000	1 to < 2 years $000	2 to <5 years $000	5 years and over $000
USD Cash and cash equivalents	4.25	16	16	-	-	-
JPY Cash and cash equivalents	-	36	36	-	-	-
EURO Cash and cash equivalents	2.0	12	12	-	-	-
GBP Cash and cash equivalents	4.4	35	35	-	-	-
JPY Medium Term Notes	0332-0.65	(138,726)	(57,770)	(42,404)*	-	(38,552)*
Effect of interest rate and cross currency swaps – JPY	0.5-1.5	53,704	15,152	-	-	38,552*
Effect of interest rate swaps	-	-	(42,404)	42,404*	-	-
Effect of interest rate and cross currency swaps - USD	4.35-4.87	(53,704)	(53,704)	-	-	-
JPY payables due to group companies	0.09	(45,870)	(45,870)	-	-	-
EURO payables due to group companies	2.34-2.434	(157,385)	(157,385)	-	-	-
USD receivables due from group companies	4.95-5.1	64,743	64,743	-	-	-
JPY receivables due from group companies	0.205-0.35	28,978	28,978	-	-	-
EURO receivables due from group companies	2.53-2.93	158,133	158,133	-	-	-
JPY other interest bearing loans and investments	0.205-2.59	101,696	-	84,746*	16,950*	-
USD other interest bearing loans and Investments	4.25-5.1	2,930	2,930	-	-	-
		14,598	(87,098)	84,746	16,950	-

* These assets/liabilities bear interest at a fixed rate.

At the period end, significant balances denominated in Euros and JPY were outstanding which relate to the Group's "Cash pooling" arrangements with other companies that are part of the Hitachi group. As such, these have not been considered by management upon their conclusion of the functional currency of the Group.

Management is of the opinion that the operating activities of the business continue to be primarily denominated in USD and thus that it is appropriate to use this currency as the functional currency of the Group.

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12. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2007	*2006*
	$000	*$000*
Less than one year	3	6
Between one and five years	6	-
	9	6

The Group leases one car under an operating lease.

During the year 31 March 2007, $16,920 was recognised as an expense in the income statement in respect of operating leases (2006: $12,000).

13. Contingencies

On 25 March 1993, the company and its subsidiary entered into a cash pooling scheme. As part of this arrangement each company guarantees to the bank the overdrafts of the other to the extent that they have cash in their own bank accounts. There were no other group company overdrafts at the year end (2006: nil) covered by this guarantee.

14. Related parties

Identify of related parties

	2007	*2006*
	$000	*$000*
Receivables (unsecured) due from group companies		
Hitachi Transport System (Nederland) B.V.	-	605
Hitachi Construction Machinery Europe S.A.	78,470	33,821
Renesas Semiconductor Europe (Landshut) GmbH	-	36,976
Hitachi Europe Ltd	201,621	129,670
Hitachi Air Conditioning Products (Europe) S.A.	31,262	21,609
Hitachi Automotive Products (Europe) Ltd	5,180	10,291
Hitachi Automotive Systems Europe GmbH	8,674	8,475
Hitachi Metal Europe GmbH	25,768	12,997
Japan Servo Co Ltd	8,000	10,000
Hitachi Remy Automotive GmbH	-	13,317
Hitachi Capital (UK) Plc	71,544	116,038
BABCOCK 2	25,402	25,424
Hitachi Construction Machinery Japan	169,348	169,492
Hitachi Software Engineering (UK) Ltd	1,696	1,091
Hitachi Consulting Europe	2,946	1,091

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14. Related parties (continued)

Identify of related parties

Payables (unsecured) due to group companies

	2007	*2006*
	$000	*$000*
Hitachi Limited	133,156	308,294
Hitachi International Treasury Limited	94,088	65,045
Renesas technology Europe Ltd	21,156	35,005
Hitachi Data Systems GmbH	33,289	24,213
Hitachi Automotive Products (Europe) Ltd	2,000	-

Interest income received from group companies

Hitachi Construction Machinery Europe S.A.	3,783	1,972
Renesas Semiconductor Rueope (Landshut) GmbH	1,081	1,147
Hitachi Transport Systeem (Nederland) B.V.	22	56
Hitachi Europe Ltd	3,373	3,506
Hitachi Airconditioning Products (Europe) S.A.	1,405	159
Hitachi Automotive Systems Europe GmbH	242	211
Hitachi Metal Europe GmbH	1,088	402
Japan Servo Co Ltd	486	409
Hitachi Remy Automotive GmbH	373	76
Hitachi Capital (UK) Plc	4,767	2,968
BABCOCK 2	140	70
Hitachi Construction machinery Japan	2,056	2,012
Chyo Shoji Japan	-	2,012
Hitachi Software Engineering (UK) Ltd	81	43
Hitachi Automotive Systems Europe	327	-

Interest expenses paid to group companies

Hitachi Limited	4,978	3,302
Hitachi International Treasury Limited	21	48
Hitachi Global Storage Limited	-	27
Hitachi Capital (UK) Plc	5	21
Renesas Technology Europe Ltd	773	547
Hitachi Data Systems	-	25
Hitachi Data Systems GmbH	917	292
Hitachi Automotive Products (Europe) Ltd	101	44
Hitachi Europe Ltd	-	1,013

Hitachi UK Pension Scheme

Refer to Note 9, which outlines the Hitachi UK Pension Scheme in detail.

Transactions with key management personnel

Directors of the Company and their immediate relatives do not control any of the voting shares of the Company.

The compensation of key management personnel (including the directors) is as follows:

	2007	*2006*
	$000	*$000*
Key management emoluments including social security and pension costs	623	414

Notes to the consolidated financial statements

at 31 March 2007

15. Accounting estimates and judgements

The following represent the areas that the directors consider are the key sources of uncertainty and estimation in the financial statements, and are therefore where the most significant judgements have been made.

Employee benefits

Accounting estimates relating to the Hitachi UK Pension Scheme are set by Hitachi Ltd. See Note 9 for further details of the assumptions made.

Financial instruments

Financial assets and liabilities have been designated at fair value through profit and loss where they have a direct relationship with a currency or interest rate swap, thus matching the movements in the relevant fair values.

For information regarding management's approach to the risks relating to financial instruments, together with how fair values of relevant instruments have been calculated, see Note 11.

Note 11 also contains information regarding the directors' approach to credit risk and the recoverability of the Group's assets.

Foreign exchange

Although the Group operates in the UK its functional currency is the US Dollar as the operating activities, and thus the financial revenue and financial costs of the business are primarily denominated in this currency.

Company-only income statement

for the year ended 31 March 2007

	Note	*2007 Total $000*	*2006 Total $000*
Financial revenue	1		
Interest income		9,487	5,396
Gain on re-measurement of interest and currency swaps to fair value		2,499	1,797
Gain on re-measurement of interest-bearing loans and borrowings to fair value		132	10,166
Net foreign exchange gain		11	-
Total financial review		12,129	17,359
Financial expenses			
Interest expense		(5,861)	(4,244)
Loss on re-measurement of interest rate and currency swaps to fair value		(133)	(10,067)
Loss on re-measurement of other financial assets to fair value		(2,208)	(1,562)
Net foreign exchange loss		-	(31)
Total financial expenses		(8,202)	(15,904)
Net financial income		3,927	1,455
Administrative expenses		(910)	(780)
Profit before taxation		3,017	675
Taxation	20	(777)	(204)
Profit for the year		2,240	471

Company-only statement of recognised income and expense

for the year ended 31 March 2007

	Note	*2007 Total $000*	*2006 Total $000*
Profit for the year		2,240	471
Effect of change in accounting policy			
Effect of adoption of IAS 32 and 39, net of tax, on 1 April 2005 with year ended 31 March 2005 not restated on:	17	-	(223)
Effect of shortfall in corporation calculation		(12)	-
Total recognised income and expense	27	2,228	248

Company only balance sheet

at 31 March 2007

	Note	*2007*	*2006*
		$000	*$000*
Non-current assets			
Investment in subsidiary	21	269	269
Deferred tax assets	24	141	537
Other financial assets	22	59,272	101,947
		59,682	102,753
Current assets			
Receivables due from group companies		255,629	251,854
Other financial assets	22	34,201	3,032
Cash and cash equivalents	25	1,581	99
		291,411	254,985
Total assets		351,093	357,738
Current liabilities			
Interest-bearing loans and borrowings	26	(82,254)	(42,556)
Payables due to group companies		(237,037)	(203,255)
Tax payable		(121)	-
Other financial liabilities	23	(2,183)	(148)
Accruals		(989)	(689)
		(322,584)	(246,648)
Non-current liabilities			
Interest-bearing loans and borrowings	26	(16,263)	(96,170)
Other financial liabilities	23	(580)	(5,482)
		(16,843)	(101,652)
Total liabilities		(339,427)	(348,300)
Net assets		11,666	9,438
Capital and reserves	27		
Share capital		1,510	1,373
Retained earnings		10,671	8,443
Translation reserve		(515)	(378)
Total capital and reserves		11,666	9,438

Company only cash flow statement

at 31 March 2007

	Note	2007 $000	2006 $000
Cash flows from operating activities			
Profit for the year		2,240	471
Adjustments for:			
Gain on re-measurement of interest and currency swaps to fair value		(2,499)	(1,797)
Gain on re-measurement of interest-bearings loans and borrowings to fair value		(132)	(10,166)
Net foreign exchange gain			-
Loss on re-measurement of interest rate and currency swaps to fair value		133	10,067
Loss on re-measurement of interest-bearing investments to fair value		2,208	1,562
Net foreign exchange loss		-	31
Taxation		777	204
Operating profit before changes in assets and liabilities		2,727	372
Increase in receivables due from group companies		(3,775)	(9,247)
Decrease in other financial assets		11,506	27,524
Decrease in interest-bearing loans and borrowings		(43,076)	(8,692)
Increase in accruals		300	197
Increase/(decrease) in payables due to group companies		33,782	(48,150)
Cash generated from/(absorbed by) operating activities		1,464	(37,996)
Tax paid		(260)	-
Net cash from operating activities		***1,204***	***(37,996)***
Cash flows from financing activities			
Dividends paid		-	(112)
Cash generated from/(absorbed by) financing activities		-	(112)
Net increase/(decrease) in cash and cash equivalents		1,204	(38,108)
Cash and cash equivalents at 1 April		99	38,238
Effect of exchange rate fluctuations on cash held		278	(31)
Cash and cash equivalents at 31 March	25	1,581	99

Notes to the accounts

at 31 March 2007

17. Accounting policies,,

Refer to Note 1 for the Group accounting policies.

Investment in subsidiary

The investment in the equity of a group company is stated at cost less provision for impairment.

18. Staff numbers and costs

The company has no employees. The accounting function is performed by Hitachi Finance (UK) PLC, who charged an amount of $363,096 in the year (2006: $481,938) which included payroll costs.

19. Directors' remuneration

The Company's directors have not received any remuneration for activities performed as a director in 2007 (2006: nil).

20. Taxation

Recognised in the income statement

	2007	*2006*
	$000	*$000*
Current tax expense:		
Current year	(381)	-
Total current income tax	(381)	-
Deferred tax expense		
Current year	(396)	(114)
Effect of change in tax rates	-	(90)
Total tax expense in income statement	(396)	(204)
Recognised in the income statement		
Deferred tax expense	(396)	(204)
Current tax expense	(381)	-
	(777)	(204)
Reconciliation of effective tax rate		
Profit/(loss) before tax	3,017	675
Tax using the Dutch corporation rate tax of 28.5% (2006: 31.5%)	(861)	(213)
Effect of the following:		
Effect of tax losses utilised	434	204
Origination/reversal of timing differences	(38)	(114)
Effect of current tax	(381)	-
Non-taxable income and non-deductible expenses, net	-	(81)
IFRS adjustment	69	-
Total tax expense in income statement	(777)	(204)

Notes to the accounts

at 31 March 2007

21. Investment in subsidiary

The investment in the equity of a group company consists of a 100% interest in Hitachi Finance (UK) PLC, London, United Kingdom. The subsidiary's principal activity consist of financial arrangements and transactions including the financing of trading transactions entered into by group companies.

22. Other financial assets

	2007	*2006*
	$000	*$000*
Non-current		
Interest rate and currency swaps classified at fair value through profit or loss	-	251
Interest bearing investments classified as held-to-maturity investments	59,272	101,696
	59,272	101,947
Current		
Interest rate and currency swaps classified at fair value through profit or loss	588	102
Interest bearing investments classified as held-to-maturity investments	33,613	2,930
	34,201	3,032

23. Other financial liabilities

	2007	*2006*
	$000	*$000*
Non-current		
Interest rate and currency swaps classified at fair value through profit and loss	(580)	(5,482)
Current		
Interest rate and currency swaps classified at fair value through profit and loss	(2,183)	(148)

24. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		*Liabilities*		*Net*	
	2007	*2006*	*2007*	*2006*	*2007*	*2006*
	£000	*£000*	*£000*	*£000*	*£000*	*£000*
Deferred tax effect of IAS 32 and IAS 39 adjustments	141	103	-	-	141	103
Tax value of loss carry-forwards	-	434	-	-	-	434

Notes to the accounts

at 31 March 2007

Net tax assets	141	537	-	-	141	537

24. Deferred tax assets and liabilities (continued)

Movement in deferred tax during the year

	1 April 2006 $000	*Recognised in income $000*	*Recognised in equity $000*	*31 March 2007 $000*
Deferred tax effect of IAS 32 and IAS 39 adjustments	103	38	-	141
Tax value of loss carry-forwards utilised	434	(434)	-	-
	537	(396)	-	141

25. Cash and cash equivalents

	2007 $000	*2006 $000*
Cash and cash equivalents per balance sheet and cash flow statements	1,581	99

26. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings. For more information about the Company's exposure to interest rate and foreign currency risk, see Note 11.

	2007 $000	*2006 $000*
Non-current liabilities		
Medium term notes	(16,263)	(96,170)
Current liabilities		
Medium term notes	(82,254)	(42,556)

Long and short-term liabilities consist of the following borrowings against the Euro medium Term Note programme:

Period	*Amount at 31 March 2007*	*Interest at 31 March 2007*	*2007 $000*	*2006 $000*
Less than 1 year	JPY 5,000,000,000	0.83525%	42,366	42,265
	USD 42,265,000	5.33 %	39,888	
1 – 5 years	USD 4,190,000	5.35%	4,166	42,462
Over 5 years	USD 12,689,000	5.345 – 5.35%	12,097	11,443
			98,517	138,726
Less current			(82,254)	(42,556)

Notes to the accounts

at 31 March 2007

Non-current	16,263	96,170

26. Interest-bearing loans and borrowings (continued)

The Euro Medium Term Notes are unsecured and were issued pursuant to an agreement dated 31 May 1995. Under this programme, the parent, Hitachi Limited and the Company and its subsidiary are entitled to issue notes. The aggregate principal amount of the notes outstanding under the agreement shall not exceed USD 1,500,000,000. The Notes are listed on the London Stock Exchange.

27. Capital and reserves

Reconciliation of movement in capital and reserves

	Share capital $000	*Retained earnings $000*	*Translation reserve $000*	*Total equity $000*
Balance at 1 April 2005	1,475	8,307	(480)	9,302
Translation adjustment on share capital	(102)	-	102	-
Dividends	-	(112)	-	(112)
Total recognised income and expense	-	248	-	248
Balance at 31 March 2006	1,373	8,443	(378)	9,438
Translation adjustment on share capital	137	-	(137)	-
Total recognised income and expense	-	2,228	-	2,228
Balance at 31 March 2007	1,510	10,671	(515)	11,666

The authorised share capital is 50,000 ordinary shares of EUR 453.78 each, with a total par value of EUR 22,689,010.

As of 31 March 2006 and 31 March 2005, 10,000 shares with a face value of EUR 4,537,800 had been issued, of which 25% were paid (EUR 1,134,450). The US Dollar equivalent at the year-end rate of EUR 1 = USD 1.21 (2005: EUR 1 = USD 1.30), is USD 1,372,000 (2005: USD 1,475,000). The translation reserve arises from the difference in the opening and closing exchange rates on the share capital denominated in Euro.

The aggregate current and deferred tax relating to items that are charged or credited to equity is $nil (2006: $103k).

Share capital

Issued shares	*Ordinary shares 2007*	*Ordinary shares 2006*
In issue at 31 March 2007 and 31 March 2006 – 25% paid	10,000	10,000

	2007 $000	*2006 $000*
Allotted, called up and 25% paid		
10,000 ordinary shares of EUR 453.78 each translated at year end rates (totally EUR 1,134,450)	1,510	1,373

Notes to the accounts

at 31 March 2007

27. Capital and reserves (continued)

In accordance with the Company's Articles of Incorporation , the shares are denominated in Dutch guilders (NLG 1,000 per share) which have been converted into Euro (EUR 453.78) per share) with reference to Article 178c, Paragraph 1, of the Netherlands Civil Code Book 2. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Foreign currency translation is a legal reserve and when negative the retained earnings cannot be distributed for this amount

Reconciliation of Company-only equity to Group equity

	Total Equity *$000*
Company-only equity at 31 March 2007	11,666
Equity of subsidiary at 31 March 2006	6,482
Result of subsidiary for the year ended 31 March 2007	656
Elimination of intercompany balances	(33)
Equity of subsidiary at 31 March 2007	7,105
Translation adjustment on elimination of investment in subsidiary	(269)
Group equity at 31 March 2007	18,502

Reconciliation of Company-only result to Group result

	Profit *$000*
Company-only result for the year ended 31 March 2007	2,240
Result of subsidiary for the year	656
Group result for the year ended 31 March 2007	2,896

Notes to the accounts

at 31 March 2007

28. Financial instruments

Refer to Note 11 to the Group's financial statements as to the policies, as this information applies also to the company.

Fair values

The fair values together with the carrying amounts shown in the balance sheet at the 31 March 2007 are as follows:

	Carrying amount	*Fair value*
	$000	*$000*
Cash and cash equivalents	1,581	1,581
Receivables due from group companies	255,629	255,629
Other financial assets	59,272	60,022
Payables due to group companies	(237,037)	(237,037)
Interest-bearing loans and borrowings	(98,517)	(98,517)
Interest rate and currency swaps classified at fair value through the income statement		
Assets	588	588
Liabilities	(2,762)	(2,762)
	(21,246)	(20,496)
Unrecognised gains in respect of financial statements not designated at fair value through profit and loss		(750)

The fair value of cash and cash equivalents, payables due to and receivables due from group companies, approximates book value due to the short term maturity of these instruments.

The fair values of the interest-bearing loans and borrowing and financial assets have been determined by reference to market values.

The fair value of derivative financial instruments is discounted to the net present value using prevailing market rates and foreign currency rates at the balance sheet date.

Notes to the accounts

at 31 March 2007

28. Financial instruments (cont)

Effective interest rates and repricing analysis

2007	Interest Rate %	Total $000	0-1 1 year $000	1 to 2 2 years $000	2 to 5 years $000	5 years and over $000
USD Cash and cash equivalents	3.5	827	827	-	-	-
JPY Cash and cash equivalents	-	27	27	-	-	-
EURO Cash and cash equivalents	2	686	686	-	-	-
GBP Cash and cash equivalents	4.73	41	41	-	-	-
USD Medium Term Notes	5.3375-5.35	(56,151)	(39,888)		(4,166)*	(12,097)*
JPY Medium Term Notes	1.2-1.43	(42,366)	(42,366)		-	-
Effect of cross currency swaps – JPY	.5-1.5	56,151	39,888	-	4,166*	12,097*
Effect of cross currency swaps – USD	-	(56,151)	(56,151)	-	-	-
JPY payables due to group companies	.66-.66	(25,881)	(25,881)	-	-	-
USD payables due to group companies	5.35	(78,000)	(78,000)	-	-	-
Euro payables due to group companies	3.514-3.648	(133,156)	(133,156)	-	-	-
USD receivables due from group companies	5.475	147,078	147,078	-	-	-
JPY receivables due from group companies	.785	9,004	9,004	-	-	-
EURO receivables due from group companies	3.78	98,816	98,816	-	-	-
JPY other interest bearing loans and investments	3.09875	59,298	42,363*	-	16,935*	-
USD other interest bearing loans and investments	5.1762	1,436	1,436	-	-	-
EURO other interest bearing loans and investments	3.62737	34,299	34,299	-	-	-
		15,958	(977)	-	16,935	-

* These assets/liabilities bear interest at a fixed rate

2006	Effective interest rate %	Total $000	0 to <1 year $000	1 to < 2 years $000	2 to <5 years $000	5 years and over $000
USD Cash and cash equivalents	4.25-4.35	25,185	(125,185)	-	-	-
JPY Cash and cash equivalents	-	48	48	-	-	-
EURO Cash and cash equivalents	2	1,384	1,384	-	-	-
GBP Cash and cash equivalents	4.4	12,394	12,394	-	-	-
JPY Medium Term Notes	0.32-0.65	(451,421)	(168,709)	(152,678)*	(91,482)*	(38,552)
Effect of cross currency swaps – JPY	4.35-4.87	155,145	50,437	25,524*	40,632*	38,552
Effect of cross currency swaps – USD	-	(155,145)	(155,145)	-	-	-
Effect of interest rate swaps	-	-	(42,402)	42,402	-	-
JPY payables due to group companies	0.09-0.205	(36,068)	(36,068)	-	-	-
GBP payables due to group companies	4.45	(16,758)	(16,758)	-	-	-
Euro payables due to group companies	2.34-2.65	(199,826)	(199,826)	-	-	-
USD receivables due from group companies	4.95-5.1	116,943	116,943	-	-	-
JPY receivables due from group companies	0.35-0.4	232,208	96,616	84,745*	50,847*	-
Effect of interest rate swaps	-	-	(58,722)	-	58,722*	-
GBP receivables due from group companies	4.5-4.84	120,610	120,610	-	-	-
Effect of cross currency swaps – GBP	4.76-4.8	(115,177)	(115,177)	-	-	-

Notes to the accounts

at 31 March 2007

EURO receivables due from group companies	2.85-2.93	128,499	128,499	-	-	-
Effect of cross currency swaps – EURO	2.77-2.91	69,980	69,980	-	-	-
Effect of cross currency swaps – USD	5.04-5.1	45,197	45,197	-	-	-
JPY other interest bearing loans and investments	0.3-0.4	101,696	-	84,746	16,950	-
USD other interest bearing loans and Investments	4.25-5.1	2,930	2,930	-	-	-
		37,824	(122,586)	84,741	75,669	-

* These assets/liabilities bear interest at a fixed rate.

At the period end, significant balances denominated in Euros and JPY were outstanding which relate to the company's "Cash pooling" arrangement with other companies that are part of the Hitachi group. As such, these have not been considered by management upon their conclusion of the functional currency of the Company.

Management is of the opinion that the operating activities of the business continue to be primarily denominated in USD and thus that it is appropriate to use this currency as the functional currency of the Company.

29. Contingencies

On 25 March 1993 the Company and its subsidiary entered into a cash pooling scheme. As part of this arrangement, each company guarantees to the bank the overdrafts of the other to the extent that they have cash in their own bank accounts. There were no other group company overdrafts at the year end (2006: nil) covered by this guarantee.

Notes to the accounts

at 31 March 2007

30. Related parties

Identify of related parties

	2007	*2006*
	\$000	*\$000*
Receivables (unsecured) due from group companies:		
Hitachi Transport System (Nederland) B.V.	-	605
Hitachi Construction Machinery Europe S.A.	78,470	33,821
Renesas Semiconductor Europe (Landshut) GmbH	-	36,976
Hitachi Finance (UK) PLC	176,428	179,886
Payables (unsecured) due to group companies:		
Hitachi Limited	133,156	157,385
Hitachi Finance (UK) PLC	9,793	9,802
Hitachi International Treasury Limited	94,088	36,068
Interest income received from group companies:		
Hitachi Finance (UK) PLC	271	196
Hitachi Construction Machinery Europe S.A.	3,783	1,972
Renesas Semiconductor Europe (Landshut) GmbH	1,081	1,147
Hitachi Transport System (Nederland) B.V.	22	56
Interest expenses paid to group companies:		
Hitachi Limited	1,860	1,640
Hitachi Finance (UK) PLC	48	14
Hitachi International Treasury Limited	91	10
Hitachi Global Storage Limited	-	27
Management fee charged:		
Management fee charged by Hitachi Finance (UK) PLC to the Company	363	482

Transactions with key management personnel

There is no compensation of key management personnel (including the directors). Directors of the company and their immediate relatives do not control any of the voting shares of the Company.

31. Accounting estimates and judgements

The following represents the areas that the directors consider are the key sources of uncertainty and estimation in the financial statements, and are therefore where the most significant judgements have been made.

Financial instruments

Financial assets and liabilities have been designated at fair value through profit and loss where they have a direct relationship with a currency or interest rate swap, thus matching the movements in the relevant fair values.

For information regarding management's approach to the risks relating to financial instruments, together with how fair values of relevant instruments have been calculated, see Notes 11 and 28.

Note 11 also contains information regarding the directors' approach to credit risk and the recoverability of the Company's assets.

Notes to the accounts

at 31 March 2007

31. Accounting estimates and judgements (cont)

Foreign exchange

Although the company is based in the Netherlands, the Company's functional currency is the US Dollar as the operating activities, and thus the financial revenue and financial costs of the business are primarily denominated in this currency.

By order of the board of directors

S. Kishino

T. Kato

T.van Rijn

J.de Vos van Steenwijk

Locatellikade 1
1076 AZ Amsterdam
The Netherlands

30 November 2007

Notes to the accounts

at 31 March 2007

Statutory provisions concerning appropriation of profits

Subject to the provision under Netherlands law that no dividends can be declared until all losses have been recovered, profits are at the disposal of the General Meeting of Shareholders in accordance with the Company's Articles of Association.

Appropriation of profits

At the General Meeting of Shareholders, it will be proposed that the total recognised income and expenses for the year be appropriated to retained earnings.

Auditor's report

The auditors' report is included on pages 4 and 5 of the accounts.

ANNEX 1
LITIGATION AND OTHER PROCEEDINGS

HIT, certain of its subsidiaries and its equity method affiliates are subject to a number of legal proceedings relating to alleged antitrust violations as follows.

In January 2007, the European Commission ordered HIT, Hitachi Europe Ltd. ("**Hitachi Europe**"), HIT's wholly owned subsidiary, and Japan AE Power Systems Corporation ("**AE Power**"), an equity method affiliate of HIT which was demerged and succeeded to the gas insulated switchgear ("**GIS**") operations of HIT, to pay a fine for infringement of EC antitrust rules regarding alleged antitrust violations relating to GIS equipment used at substations. In April 2007, HIT lodged an appeal with the Court of First Instance of the European Communities asking the court to annul the decision of the European Commission. The determination has not been rendered at present, but HIT accrued for the fine based on past judgments in the year ended 31st March 2007.

In October 2006, Renesas Technology America, Inc. ("**Renesas America**"), a subsidiary of Renesas Technology Corp. ("**Renesas**"), an equity method affiliate of HIT which was demerged and succeeded to the semiconductor operations of HIT centered in system large scale integrations, and Hitachi America, Ltd. ("**Hitachi America**"), HIT's wholly owned subsidiary, received a grand jury subpoena in connection with the investigation conducted by the Antitrust Division of the U.S. Department of Justice in respect of alleged antitrust violations relating to static random access memories.

In December 2006, HIT and Hitachi Europe received requests for information from the European Commission in respect of alleged antitrust violations relating to LCDs, and Hitachi Displays, Ltd. ("**Hitachi Displays**"), HIT's subsidiary which was demerged and succeeded to the LCDs operations of HIT, received a grand jury subpoena in connection with the investigation conducted by the Antitrust Division of the United States Department of Justice in respect of alleged antitrust violations relating to LCDs. In addition, in December 2006, Hitachi Displays and IPS Alpha Technology, Ltd., an equity method affiliate of HIT which is engaging in large-sized LCDs business, received requests for information from the Fair Trade Commission of Japan in respect of alleged antitrust violations relating to LCDs.

In June 2007, HIT received requests for information from the European Commission in respect of alleged antitrust violations relating to DRAMs.

In September 2007, Hitachi America and Renesas America received a grand jury subpoena in connection with an investigation conducted by the Antitrust Division of the United States Department of Justice in respect of alleged antitrust violations relating to flash memories.

In November 2007, Hitachi Electronic Devices (USA), Inc., a subsidiary of Hitachi Displays, received a grand jury subpoena in connection with the investigation conducted by the Antitrust Division of the United States Department of Justice in respect of alleged antitrust violations relating to cathode ray tubes ("**CRTs**"). In addition, in November 2007, Hitachi Asia Ltd., a wholly owned subsidiary of HIT, and Hitachi Europe received requests for information from the European Commission in respect of alleged antitrust violations relating to CRTs. Further, in November 2007, Hitachi Canada Ltd., a subsidiary of HIT, received requests for information from the Canadian Competition Bureau in respect of alleged antitrust violations relating to CRTs.

HIT and the other named parties do not concede the alleged antitrust violations, HIT and the other named parties have cooperated with the above investigations. Depending upon the outcome of these investigations, fines or surcharge payments, the amount of which is uncertain, may be imposed on the named parties, including HIT. In addition, subsequent to these actions by the competent authorities, a number of class action lawsuits have been filed in the United States and Canada against HIT, certain of its subsidiaries and its equity method affiliates which are engaged in or had been engaged in semiconductors business, LCD business and CRT business. These complaints allege violations of various jurisdictions' antitrust, consumer protection and/or unfair competition laws and seek treble monetary damages, restitution, costs, interest and attorneys' fees for unspecified amounts. Depending upon the outcome of such legal proceedings, they may, either singly or in the aggregate, result in a material adverse effect on Hitachi's business, results of operations, cash flows, financial condition, reputation or credibility. Currently, HIT is unable to estimate the adverse effects, if any, that may result from these proceedings. Accordingly, no accrual for potential loss has been made.

In addition to the above, HIT, certain of its subsidiaries and its equity method affiliates are subject to several other legal and arbitration proceedings and claims which have arisen in the ordinary course of business and have not been finally adjudicated. However, based upon the information currently available to Hitachi, management of HIT does not expect the outcomes of these legal and arbitration proceedings and claims to have a material effect on Hitachi's financial condition, results of operations or cash flows.

ISSUER

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