HITACHI LTD
Form 20-F/A
November 30, 2007
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F/A

(Amendment No. 1)

(Mark One)

¨ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934
OR

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended March 31, 2007

OR

¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ________ to ________

OR

¨ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Date of event requiring this shell company report ________________

Commission file number: 1-8320

KABUSHIKI KAISHA HITACHI SEISAKUSHO

(Exact name of Registrant as specified in its charter)

Hitachi, Ltd.

(Translation of Registrant s name into English)

Japan

(Jurisdiction of incorporation or organization)

6-6, Marunouchi 1-chome, Chiyoda-ku,

Tokyo 100-8280, Japan

(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
American depositary shares, or ADSs, each of which represents ten shares of common stock	New York Stock Exchange
Common stock without par value	New York Stock Exchange*

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer s classes of capital or common stock as of the close of the period covered by the annual report.

As of March 31, 2007, 3,368,126,056 shares of common stock were outstanding.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

x Yes ¨ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

¨ Yes x No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

x Yes ¨ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x Accelerated filer ¨ Non-accelerated filer ¨

Indicate by check mark which financial statement item the registrant has elected to follow.

x Item 17 ¨ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

¨ Yes x No

* Not for trading, but only for technical purposes in connection with the listing of the ADSs.

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EXPLANATORY NOTE

This amended annual report on Form 20-F/A has been filed by Hitachi, Ltd. (the Company) to amend the annual report on Form 20-F for the fiscal year ended March 31, 2007 filed on June 26, 2007. This amendment includes corrections of certain typographical errors that were included in the original report as noted below. The Company does not intend to revise, update, amend or restate the information presented in any other items of such annual report on Form 20-F or reflect any events that have occurred after the filing of such annual report on Form 20-F. Among other things, forward-looking statements and risk factors contained in such annual report on Form 20-F have not been revised to reflect events, results or developments that have occurred or facts that became known to the Company after filing such annual report on Form 20-F, and such forward-looking statements and risk factors should be read in their historical context.

The principal changes are as follows:

ITEM 4. INFORMATION ON THE COMPANY
C. Organizational Structure

The ownership percentage of voting rights of Hitachi Information Systems, Ltd. is amended from 52.1% to 51.9%.

The ownership percentage of voting rights of Hitachi Capital Corporation is amended from 58.0% to 60.6%.

With the exception of the foregoing amendments, no part of the annual report on Form 20-F for the fiscal year ended March 31, 2007 filed on June 26, 2007 is being amended, and the filing of this Form 20-F/A should not be understood to mean that any other statements contained therein are true or complete as of any date subsequent to June 26, 2007.

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ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

The Company was founded in 1910 as a small electric repair shop and was incorporated as Hitachi, Ltd. (Kabushiki Kaisha Hitachi Seisakusho), a joint stock corporation, in 1920 under the laws of Japan. Its registered office is located at 6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8280, Japan. The telephone number of the Company s principal executive office is +81-3-3258-1111.

Over the years, Hitachi has broadened the horizon of its research as well as its business activities to develop a highly diversified product mix ranging from electricity generation systems to consumer products and electronic devices. Hitachi has grown into one of Japan s largest diversified manufacturers of electronic and electrical products. With its diverse product lines, Hitachi maintains a significant presence in each of the major markets it serves, which together make Hitachi one of the world s largest manufacturers of electronic products. With its emphasis on research and development and its ability to combine a wide range of technologies, Hitachi continues to strive to provide the world with products that meet the changing needs of its customers.

In November 2006, Hitachi launched a new corporate strategy aiming to establish a business structure that consistently generates high profits, with the basic management policy of (i) rigorous business management using an economic value-added evaluation index based on the cost of capital, (ii) establishment of a business structure focusing on profitability, (iii) innovation by collaborations with business partners and utilizing internal R&D resources, (iv) strengthening overseas business and (v) creating synergies. The basic management policies are as follows.

Rigorous business management using an economic value-added evaluation index based on the cost of capital

With the strict application of the above evaluation index, the Company will rigorously monitor and evaluate performance of each Hitachi business and will implement necessary reorganization measures, including sale, divestiture or closure of businesses which cannot satisfy the threshold set by the above evaluation index, in order to strengthen each business and to improve profitability.

Establishment of a business structure focusing on profitability

Utilizing technology, knowledge, experience and know-how relating to social and information infrastructure systems, Hitachi will provide products and services in response to the growing overseas social infrastructure market, such as power systems and railway systems, and will expand maintenance and services business based on such products; among other things, Hitachi will further strengthen its social, industrial, life and information infrastructure business by channeling capital and management resources into strong businesses. Further, Hitachi seeks to maximize synergy with products, components and materials businesses in which Hitachi has technological advantages and which constitute the basis of the above businesses.

Innovation by collaborations with business partners and by utilizing internal R&D resources

Hitachi will establish and utilize various alliances with business partners and will increase sales of innovative products that can generate high profits. Hitachi will also establish an R&D structure geared to profitability by strengthening the alignment between business divisions and the R&D division and shortening the development period.

Strengthening overseas business

Hitachi will strengthen its competitiveness in overseas markets by focusing on the markets in which demands on social infrastructure are expanding, promoting localization by entering into alliances with strategic partners, strengthening business solutions sales operations and corporate brands, and systematic human resource development.

Creating synergy

Hitachi will seek to improve its profitability by creating new value-added products and services utilizing technology, knowledge, experience and know-how among Hitachi s diversified business fields and by seeking synergy in administrative areas such as cost reducing activities utilizing Hitachi s management resources.

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Further to the above, Hitachi will enhance its corporate governance structure in order to maximize its medium and long-term corporate value, reorganizing its internal control system on a consolidated basis, implementing multidisciplinary risk management, promoting prompt information sharing systems and optimizing share capital relationships among Hitachi group companies.

In recent years, Hitachi has accelerated its business reorganization, including to facilitate Hitachi s goal of maximizing growth by combining and utilizing the diverse management resources within Hitachi in the most effective and efficient ways.

On October 1, 2004, the Company merged its equity-method affiliate, TOKICO LTD., and its wholly owned subsidiary, Hitachi Unisia Automotive, Ltd. into itself. As part of strengthening its automotive systems business, the Company aims to establish an efficient operation system through the integration of these companies sales and R&D functions and to create differentiated technology in the areas of brakes, steering and suspensions of automobiles.

On April 1, 2005, the Company acquired 30.1% of the shares of its equity-method affiliate, Fujitsu Hitachi Plasma Display Limited (FHP), from Fujitsu Limited, and made it a consolidated subsidiary. By vertically integrating FHP s manufacturing operations and the Company s sales operations, the Company is trying to stably generate profits in flat panel TVs business by focusing on high-value added products, and by reducing production and sales costs through improvement in supply chain management.

In April 2006, the Company transferred a part of its social and industrial systems operation to Hitachi Plant Engineering & Construction Co., Ltd., which was then merged with Hitachi Kiden Kogyo, Ltd. and Hitachi Industries Co., Ltd. to form Hitachi Plant Technologies, Ltd. The Company expects this consolidation of capabilities to accelerate the growth of businesses in the social and industrial infrastructure sectors by improving product development, design and manufacturing technologies; engineering capabilities; and construction techniques and project management abilities and enhancing the efficiency of business operations.

In October 2006, the Company conducted a tender offer for shares of Clarion Co., Ltd. (Clarion), a company which manufactures and sells car audio systems and car navigation systems, etc. Subsequently, Clarion became a consolidated subsidiary of the Company in December 2006. The Company expects this transaction will strengthen Hitachi s car information systems business by making use of Clarion s planning and development capabilities for in-vehicle entertainment systems such as audio-visual and navigation systems and devices, as well as its marketing capabilities that have been applied in the aftermarket and with car manufacturers around the world. See B. Business Overview Description of Industry Segments Power & Industrial Systems and Item 5. Operating and Financial Review and Prospects D. Trend Information for more information.

In November 2006, the Company entered into a letter of intent with General Electric Company, or GE, expressing both party s intent to create a global alliance for their nuclear businesses to improve and expand their boiling water reactor technology offerings, aiming at synergy in the area of design, manufacture, construction, maintenance and engineering services. Subsequently, in May 2007, in order to implement such alliance, the Company and GE entered into an agreement to form joint venture companies in each of the U.S., Canada and Japan. Based on the agreement, the U.S. and Canadian companies were established in June 2007, and the Company will transfer its nuclear power systems operations to the Japanese company in July 2007 by way of corporate split under the Company Law. See B. Business Overview Description of Industry Segments Power & Industrial Systems and Item 8. Financial Information B. Significant Changes for more information.

Hitachi s capital expenditures for fixed assets on a completion basis were ¥1,048,572 million, ¥954,706 million and ¥959,593 million in fiscal 2006, 2005 and 2004. While Hitachi has maintained a selective attitude toward investment decisions, it has placed an emphasis on capital expenditures for strategically important products. Excluding the purchase of assets to be leased, a significant portion of capital expenditures have been directed toward information-related products, including large capital investments in manufacturing facilities to maintain or enhance competitiveness in those product sectors. The increase in capital expenditures in fiscal 2006 was primarily due to investments in manufacturing equipment for hard disk drives, construction machinery, elevators, escalators, plasma display panels and automotive-related materials and components made in response to increased demand for these products. The decrease in fiscal 2005 was primarily due to a decrease in capital expenditures in the electronic devices sectors in response to reductions in production of large-sized liquid crystal displays (LCDs). In fiscal 2007, Hitachi expects to increase its capital expenditures in the areas of construction machinery, railway vehicles, plasma display panels and high-functional materials. Hitachi expects capital expenditure investments in fiscal 2007 to be funded primarily through internal sources of financing and to be made primarily in Japan.

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B. Business Overview

Main Categories of Products and Services

Hitachi s business is highly diversified. Hitachi classifies its operations into seven industry segments based primarily along related assets and operations management lines, as well as on the similarity of products and services by type, use, production method and marketing method, as required by a ministerial ordinance under the Securities and Exchange Law of Japan. The industry segments and major categories of products and services offered in each segment as of March 31, 2007 are as follows:

Information & Telecommunication Systems. Systems integration, outsourcing services, software, hard disk drives, disk array subsystems, servers, mainframes, personal computers, telecommunications equipment and ATMs;

Electronic Devices. LCDs, semiconductor manufacturing equipment, test and measurement equipment, medical electronics equipment and semiconductors;

Power & Industrial Systems. Nuclear power plants, thermal power plants, hydroelectric power plants, industrial machinery and plants, automotive products, construction machinery, elevators, escalators and railway vehicles;

Digital Media & Consumer Products. Optical disk drives, plasma TVs, LCD TVs, LCD projectors, mobile phones, room air conditioners, refrigerators, washing machines, information storage media, batteries and air-conditioning equipment;

High Functional Materials & Components. 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 and materials;

Logistics, Services & Others. General trading, logistics and property management; and

Financial Services. Leasing, loan guarantees and insurance services.

Sales and Distribution

Hitachi distributes its products in Japan primarily through its own sales network. Hitachi also distributes some of its products through independent dealers. In most field sales offices, Hitachi s sales personnel specialize in the marketing of particular types of products.

International marketing is conducted through overseas sales subsidiaries, joint-venture companies and unaffiliated distributors. Also, certain types of equipment are sold to industrial companies in foreign markets on an original equipment manufacturing, or OEM, basis and marketed under the brand names of such industrial companies.

Overseas revenues amounted to ¥4,154,276 million in fiscal 2006, accounting for 41% of total revenues. Foreign currency exchange rate fluctuations influence Hitachi s operating environment. A strong yen reduces the price competitiveness of products exported to foreign markets and diminishes profit by decreasing revenue when foreign currency income from overseas product sales is converted to yen. See Item 5. Operating and Financial Review and Prospects A. Operating Results.

Hitachi s widespread customer base in domestic and overseas markets encompasses leading industrial companies, financial institutions, utilities, governments and individual customers. No material part of its business is dependent upon one or a few customers.

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Segment Information

Hitachi does not present segment information in accordance with the requirements of Statement of Financial Accounting Standards (SFAS) No. 131, Disclosures about Segments of an Enterprise and Related Information. Foreign issuers are presently exempted from these disclosure requirements for filings with the U.S. Securities and Exchange Commission, or the SEC, under the U.S. Securities Exchange Act of 1934, or the Exchange Act. However, Hitachi is required to disclose the segment information presented below in accordance with a ministerial ordinance under the Securities and Exchange Law of Japan. Hitachi believes that this presentation may be useful in understanding Hitachi s results of operations.

Industry Segment

	Year ended March 31,					
	2005		2006		2007	
	(Millions of yen, except percentage data)					
Revenues (note 1)						
Information & Telecommunication Systems	2,268,386	21%	2,360,956	21%	2,472,227	21%
Electronic Devices	1,320,177	12	1,204,407	11	1,287,492	11
Power & Industrial Systems	2,515,366	24	2,805,169	25	3,022,299	26
Digital Media & Consumer Products	1,280,302	12	1,305,658	12	1,506,073	13
High Functional Materials & Components	1,504,312	14	1,600,246	15	1,794,506	15
Logistics, Services & Others	1,248,296	12	1,214,784	11	1,213,529	10
Financial Services	529,695	5	517,975	5	500,065	4
Subtotal	10,666,534	100%	11,009,195	100%	11,796,191	100%
Eliminations and Corporate Items	(1,639,491)		(1,544,394)		(1,548,288)	
Total	9,027,043		9,464,801		10,247,903	
Operating Income (Loss) (note 2)						
Information & Telecommunication Systems	67,761	21%	84,687	26%	60,343	23%
Electronic Devices	37,017	12	20,439	6	45,755	18
Power & Industrial Systems	73,661	23	92,552	28	36,391	14
Digital Media & Consumer Products	8,694	3	(35,771)	(11)	(58,435)	(23)
High Functional Materials & Components	87,514	28	110,069	34	132,399	51
Logistics, Services & Others	9,808	3	19,511	6	20,233	8
Financial Services	31,073	10	35,001	11	23,534	9
Subtotal	315,528	100%	326,488	100%	260,220	100%
Eliminations and Corporate Items	(36,473)		(70,476)		(77,708)	
Total	279,055		256,012		182,512	
Segment Assets						
Information & Telecommunication Systems	1,767,074	18%	1,844,979	17%	1,987,603	17%
Electronic Devices	838,605	8	856,147	8	840,986	7
Power & Industrial Systems	2,357,504	23	2,474,327	23	2,728,817	24
Digital Media & Consumer Products	719,168	7	841,935	8	971,187	9
High Functional Materials & Components	1,301,039	13	1,363,833	13	1,503,733	13
Logistics, Services & Others	932,354	9	958,337	9	1,049,916	9
Financial Services	2,157,409	22	2,280,880	22	2,442,066	21

Subtotal	10,073,153	100%	10,620,438	100%	11,524,308	100%
Eliminations and Corporate Items	(336,906)		(599,243)		(880,049)	
Total	9,736,247		10,021,195		10,644,259	
Depreciation & Amortization						
Information & Telecommunication Systems	158,184	29%	164,245	28%	183,057	30%
Electronic Devices	48,240	9	50,504	9	42,549	7
Power & Industrial Systems	83,947	15	89,846	15	103,176	17
Digital Media & Consumer Products	40,275	7	49,517	9	53,280	9
High Functional Materials & Components	69,425	13	68,531	12	71,119	11
Logistics, Services & Others	28,887	5	28,584	5	30,150	5
Financial Services	118,251	22	129,129	22	131,425	21
Subtotal	547,209	100%	580,356	100%	614,756	100%
Eliminations and Corporate Items	10,241		9,541		7,242	
Total	557,450		589,897		621,998	
Tangible & Intangible Asset Increase						
Information & Telecommunication Systems	176,885	15%	198,811	16%	230,193	17%
Electronic Devices						