

Supplementary information on Information Systems & Electronics sector

1. Computers

Sales (total internal and external sales) (Upper rows are percentage changes from preceding year; unit is billions of yen)

	Fiscal 1999			Fiscal 2000 (Forecast)		
	1st half	2nd half	Total	1st half	2nd half	Total
Consolidated basis	96%	96%	96%	99%	106%	103%
Total	805	865	1,670	800	920	1,720
Unconsolidated basis	94%	97%	95%	98%	105%	102%
Total	623	685	1,308	611	719	1,330
In Japan	99%	104%	101%	104%	103%	103%
	490	593	1,083	509	611	1,120
Export	79%	68%	74%	77%	117%	93%
	133	92	225	102	108	210
Export ratio	21.3%	13.4%	17.2%	16.7%	15.0%	15.8%

Orders received for main products, in numbers of units (includes export models other than PC export models)

	Fiscal 1999			Fiscal 2000 (Forecast)		
	1st half	2nd half	Total	1st half	2nd half	Total
Supercomputers	13	8	21	27	14	41
General-purpose computers (Total)	774	793	1,567	580	470	1,050
High-end (A)	190	248	438	170	150	320
Large (B)	468	446	914	210	160	370
(A)+(B)	658	694	1,352	380	310	690
Midrange	116	99	215	200	160	360
UNIX servers & workstations	2,900	2,000	4,900	2,550	1,850	4,400
PCs & PC servers	303,000	307,000	610,000	340,000	370,000	710,000
Large-capacity disk storage subsystems (RAID)	1,850	2,250	4,100	2,400	3,520	5,920

Notes: Figures for supercomputers and general-purpose computers are based on the number of instruction processors.

Figures for parallel supercomputers (SR series) are based on the number of systems.

Figures for disk storage subsystems are based on the number of terabytes.

<Domestic orders received by information systems operations, by product sector: unconsolidated basis >*

	Fiscal 1998	Fiscal 1999
Hardware	47%	43%
Software, Services	53%	57%

* Information systems operations : Finance & Distribution Systems, Industrial Information Systems, Government & Public Corporation Information Systems, Telecommunication & Information Infrastructure Systems and Information & Computer Systems (excluding Telecommunication Systems)

<Domestic orders received by information systems operations, by industry : unconsolidated basis>*

	Fiscal 1998	Fiscal 1999
Finance	27%	27%
Manufacturing	22%	19%
Distribution	18%	19%
Public utilities, other	33%	35%

* Information systems operations : Finance & Distribution Systems, Industrial Information Systems, Government & Public Corporation Information Systems, Telecommunication & Information Infrastructure Systems and Information & Computer Systems (excluding Telecommunication Systems)

● Outline of operations :

<Fiscal 1999>

In Japan, SI and service segment sales were up. However, overseas sales declined sharply due to the effect of concerns over the year 2000 problem and lower prices of general-purpose computers.

<Fiscal 2000>

In Japan, a rising tide of investment in information technology in the financial and other sectors is expected to boost sales of solutions. Overseas, while the Company is moving forward with a transition from the former emphasis on hardware sales to a solutions-based business, sales are expected to show a year-on-year decline.

2. Telecommunication Systems (unconsolidated basis)

Sales (total internal and external sales, unconsolidated basis) (Upper rows are percentage changes from preceding year; unit is billions of yen)

	Fiscal 1999			Fiscal 2000 (Forecast)		
	1st half	2nd half	Total	1st half	2nd half	Total
Total	122%	99%	109%	109%	103%	106%
	93	107	200	101	110	211
Export ratio	10%	8%	9%	13%	18%	15%

● Outline of operations :

< Fiscal 1999 >

In Japan, major gains were registered by mobile terminals, and exports of optical transmission systems and optical components were also higher. The overall result was a year-on-year sales increase of 9%, to 200 billion yen.

< Fiscal 2000 >

The brisk pace of export sales of optical transmission systems and optical components to North America is expected to continue. Sales of 211 billion yen are projected for fiscal 2000, an increase of 6% compared to the preceding year.

3. Semiconductors (consolidated basis)

Sales (unit is billions of yen; % change from preceding year)

Fiscal 1999				Fiscal 2000 (Forecast)			
1st half	2nd half	Total		1st half	2nd half	Total	
320	350	670	112%	370	380	750	112%

Sales by division

	Fiscal 1999	Fiscal 2000 (Forecast)
DRAM Business Division	21%	17%
System Memory Business Division	7%	10%
System LSI Business Division	47%	48%
Multi-Purpose Semiconductor Business Division	25%	25%

DRAM production quantity

	As of April 2000	Planned
64MDRAM	8 million pieces/month	December 2000: 3 million pieces/month March 2001 : 2 million pieces/month
256MDRAM	700,000 pieces/month	December 2000: 1.8 million pieces/month March 2001 : 2.5 million pieces/month

Flash Memory production quantity

	As of April 2000	Planned
64M Flash Memory	600,000 pieces/month	December 2000: 500,000 pieces/month March 2001 : 500,000 pieces/month
256M Flash Memory	500,000 pieces/month	December 2000: 1.5 million pieces/month March 2001 : 2.0 million pieces/month

Microprocessor/microcontroller sales (unit is billions of yen; % change from preceding year)

Fiscal 1999		Fiscal 2000 (Forecast)	
200	118%	230	115%

Semiconductor Capital Investment

(unit is billions of yen)

		Fiscal 1999	Fiscal 2000 (Planned)
Parent	Naka Operation	22	21
	Takasaki Operation	14	13
	Koufu Operation	6	13
	Other	16	21
subtotal		58	68
Subsidiaries	Domestic affiliates	35	105
	TTI*1	-	70
	Other	35	35
	Overseas affiliates	55	31
	HNS*2	40	24
	Other	15	7
subtotal		90	136
Hitachi consolidated total		148	204

*1: TTI (Trecenti Technologies, Inc.) was established as a subsidiary in March, 2000.

*2: HNS (Hitachi Nippon Steel Semiconductor Singapore Pte. Ltd.)

● Outline of operations :

<Fiscal 1999>

Microprocessors/microcontrollers for PCs, PC peripherals, cellular phones and automotive applications did well, as did high-power amplifiers for GSM applications. As a result, sales rose 12% year-on-year, to 670 billion yen.

<Fiscal 2000>

Lineups of SuperH microprocessors and other system LSI products, general-purpose semiconductor products for GSM applications and system memory products are being strengthened. This is expected to result in sales of 750 billion yen, 12% more than the preceding year.

4. Liquid-crystal displays(consolidated basis)

Production (unit is billions of yen; % change from preceding year)

	Fiscal 1999		Fiscal 2000 (Forecast)	
	Production	% change	Production	% change
TFT LCDs	144	240%	150	104%
STN LCDs	16	80%	26	163%
Total	160	200%	176	110%

Capital Investment (unit is billions of yen; % change from preceding year)

Fiscal 1999		Fiscal 2000 (Planned)	
Investment	% change	Investment	% change
31	620%	50	161%

● Outline of operations :

< Fiscal 1999>

In TFT LCDs, with the increased capacity of the V2 line, production rose to 144 billion yen, representing a year-on-year increase of 140%. In STN LCDs, as a result of the shift from large-size models to mid-size models, production amounted to 16 billion yen, 20% less than the preceding year.

<Fiscal 2000>

In TFT LCDs, Hitachi's in-house production of main components, such as color filters and LCD drivers, along with higher throughput, is expected to push up production by 4% year-on-year, to 150 billion yen. In STN LCDs, an aggressive push into growth markets such as color STN LCDs for cellular phones, is expected to boost production to 26 billion yen, 63% up over the preceding year.