

Hitachi Posts Half-Year Loss

Tokyo, October 30, 2001 --- Hitachi, Ltd. (TSE:6501) today announced results for the first half of fiscal 2001, ended September 30, 2001.

During the period under review, the impact of the sudden slowdown in the U.S. economy, led by declining demand for PCs, mobile phones and other IT-related products that started in the second half of 2000, became global. The effect was also felt in Japan, where semiconductor-related investment and other investment in plant and equipment fell, casting a pall over the employment and personal-income picture that also had a dampening effect on consumer spending.

Against this backdrop, consolidated net sales declined 2% year on year, to 3,938,121 million yen (US\$33,093 million). Factors behind the decrease included sharply lower sales by the Electronic Devices and High Functional Materials & Components segments.

Consolidated business results are for Hitachi, Ltd. and its 1,061 subsidiaries, including 342 overseas corporations.

By segment, in Information & Telecommunication Systems, Hitachi, Ltd., Hitachi Software Engineering Co., Ltd. and Hitachi Information Systems, Ltd. all posted gains, in their systems integration and services operations. This segment's growth was mainly attributable to growth in the financial and public sectors. Storage solutions were also steady, especially overseas. This helped push segment sales up 5% year on year, to 873,312 million yen (US\$7,339 million).

In Electronic Devices, demand for PCs, mobile phones and other IT-related products was lower than forecast at the beginning of the period. Sales of semiconductors fell sharply, hit by a major drop in demand and tumbling prices, while plunging prices of TFT LCDs also took a heavy toll on sales of displays. As a result, at 765,090 million yen (US\$6,429 million), segment sales registered a year-on-year decrease of 24%.

In Power & Industrial Systems, although Hitachi Construction Machinery Co., Ltd. was affected by the domestic and overseas slump in demand for construction machinery, major orders were received for nuclear power generation systems, and there was good demand for maintenance services for thermal and nuclear power generation systems. Maintenance services for building systems did well, and sales of rolling stock to Central Japan Railway Company and Kyushu

Railway Company were up. Thus, in overall terms, segment sales rose 6% year on year, to 1,117,375 million yen (US\$9,390 million).

In Digital Media & Consumer Products, sales of refrigerators moved back down, following the end of the bump in demand generated by people rushing to make purchases before the Law for Recycling of Specified Kinds of Home Appliances came into effect. However, a hot summer boosted sales of room air-conditioners. In digital media products, sales of optical storage products were boosted by the establishment of Hitachi-LG Data Storage, Inc., a joint-venture between Hitachi and LG Electronics Inc., and sales of projection TVs also increased, especially in North America. At Hitachi Maxell, Ltd., results improved thanks to growth in sales of computer tape products. Segment sales came to 582,493 million yen (US\$4,895 million), representing a year-on-year increase of 15%.

In High Functional Materials & Components, Hitachi Cable, Ltd., Hitachi Metals, Ltd. and Hitachi Chemicals Co., Ltd. all felt the impact of the sluggish pace of IT-related demand, which severely depressed demand for electronics-related materials, resulting in a 12% decrease in sales, to 628,175 million yen (US\$5,279 million).

In Logistics, Services & Others, the deterioration in the state of the semiconductor and display markets had a heavy impact on the results of overseas sales companies in Europe and Asia, pushing segment sales down 9%, to 707,766 million yen (US\$5,948 million).

In Financial Services, Hitachi Capital Corporation posted gains in its leasing business, led by leasing of information equipment, but on the retail business side, there was little growth in loan guarantees for consumer purchases of cars and other items. Thus, in overall terms, segment sales declined 2% year on year, to 281,102 million yen (US\$2,362 million).

As a result of the major decreases in sales in Electronic Devices and High Functional Materials & Components, for the half-year period under review the Company posted an operating loss of 42,110 million yen (US\$354 million).

Other income came to 17,246 million yen (US\$145 million), 27,199 million yen (US\$229 million) less than the same period of the preceding year. Other deductions came to 73,677 million yen (US\$619 million), a year-on-year increase of 17,852 million yen (US\$150 million) attributable to restructuring charges and the like.

There was a loss before income taxes and minority interests of 98,541 million yen (US\$828 million), and after the deduction of 18,155 million yen (US\$153 million) in income taxes, the loss before minority interests amounted to 116,696 million yen (US\$981 million). After subtracting minority interests, the net loss amounted to 110,543 million yen (US\$929 million).

On a year-on-year basis, Hitachi reduced its capital investment relating to semiconductors and displays, and as a result, capital investment amounted to 441,993 million yen (US\$3,714 million), a decrease of 3 %.

The Company spent 213,058 million yen (US\$1,790 million) on research and development, a decrease of 2% from the preceding year. R&D expenditures as a percentage of net sales were 5.4 %.

Outlook for Fiscal 2001

Stagnant demand for IT-related items, such as PCs and mobile phones, is accelerating the slowdown in the U.S. economy, and the effects are being felt around the world. There is also a concern that military actions by the U.S., in the wake of the terrorist attacks, may become a long-term effort that has an adverse economic impact. Thus, companies find themselves in a business climate in which caution is needed.

With rapid changes in the market environment leading to a worsening of the Hitachi's business results, the Company is implementing emergency management measures to cut fixed costs and boost management efficiency in order to bring about an early improvement in its business results, and is also carrying out sweeping management reforms and restructuring.

The present outlook for the Company's business results for the fiscal year ending March 31, 2002, is as follows. (Year-on-year comparison shown as percentage)

Net sales	7,900,000 million yen (US\$66,387 million)	(94%)
Operating loss	30,000 million yen (US\$ 252 million)	(- %)
Loss before income taxes and minority interests	215,000 million yen (US\$ 1,807 million)	(- %)
Loss before minority interests	229,000 million yen (US\$ 1,924 million)	(- %)
Net loss	230,000 million yen (US\$ 1,933 million)	(- %)

All figures were converted at the rate of 119 yen = US\$1, the approximate exchange rate on the Tokyo Foreign Exchange Market as of September 28, 2001.

Cautionary Statement

Statements in this news release contain forward-looking statements which reflect management's current views with respect to certain future events and financial performance. Words such as "anticipate," "believe," "expect," "estimate," "intend," "plan," "project" and similar expressions which indicate future events and trends identify forward-looking statements. Actual results may differ materially from those projected or implied in the forward-looking statements and from historical trends. Further, certain forward-looking statements are based upon assumptions of future events which may not prove to be accurate.

Factors that could cause actual results to differ materially from those projected or implied in any forward-looking statements include, but are not limited to, rapid technological change, particularly in the Information & Telecommunication Systems segment and Electronic Devices segment; uncertainty as to Hitachi's ability to continue to develop products and to market products that incorporate new technology on a timely and cost-effective basis and achieve market acceptance; fluctuations in product demand and industry capacity, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products segment; increasing commoditization of information technology products, and intensifying price competition in the market for such products; fluctuations in rates of exchange for the yen and other currencies in which Hitachi makes significant sales or in which Hitachi's assets and liabilities are denominated, particularly between the yen and the U.S. dollar; uncertainty as to Hitachi's access to liquidity or long-term financing, particularly in the context of restrictions on availability of credit prevailing in Japan; uncertainty as to Hitachi's ability to implement measures to reduce the potential negative impact of fluctuations in product demand and/or exchange rates; general economic conditions and the regulatory and trade environment of Hitachi's major markets, particularly, the United States, Japan and elsewhere in Asia, including, without limitation, continued stagnation or deterioration of the Japanese or other East Asian economies, or direct or indirect restriction by other nations of imports; uncertainty as to Hitachi's access to, or protection for, certain intellectual property rights, particularly those related to electronics and data processing technologies; Hitachi's dependence on alliances with other corporations in designing or developing certain products; and the market prices of equity securities in Japan, declines in which may result in write-downs of equity securities Hitachi holds.

HITACHI, LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2001

The consolidated financial statements presented herein are expressed in yen and, solely for the convenience of the reader, have been translated into United States dollars at the rate of 119 yen = U.S.\$1, the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market as of September 28, 2001.

SUMMARY

In millions of yen and U.S. dollars, except Net income (loss) per share (6) and Net income (loss) per American Depositary Share (7).

	The half years ended September 30			
	YEN (millions)		(A)/(B) X100	U.S.DOLLARS (millions)
	2001 (A)	2000 (B)		2001
1. Net sales	3,938,121	4,011,404	98	33,093
2. Operating income (loss)	(42,110)	166,132	-	(354)
3. Income (Loss) before income taxes and minority interests	(98,541)	154,752	-	(828)
4. Income (Loss) before minority interests	(116,696)	92,330	-	(981)
5. Net income (loss)	(110,543)	61,684	-	(929)
6. Net income (loss) per share				
Basic	(33.12)	18.48	-	(0.28)
Diluted	-	17.82	-	-
7. Net income (loss) per ADS (representing 10 shares)				
Basic	(331)	185	-	(2.78)
Diluted	-	178	-	-

Notes: The Company has changed the industry segment classification starting from the half year ended September 30, 2001.

CONSOLIDATED STATEMENTS OF INCOME

	The half years ended September 30			
	YEN (millions)		(A)/(B) X100	U.S. DOLLARS (millions)
	2001 (A)	2000 (B)		2001
Net sales	3,938,121	4,011,404	98	33,093
Cost of sales	3,016,343	2,903,101	104	25,347
Selling, general and administrative expenses	963,888	942,171	102	8,100
Operating income (loss)	(42,110)	166,132	-	(354)
Other income	17,246	44,445	39	145
(Interest and dividends)	17,246	23,003	75	145
(Other)	-	21,442	-	-
Other deductions	73,677	55,825	132	619
(Interest charges)	25,900	27,888	93	218
(Other)	47,777	27,937	171	401
Income (loss) before income taxes and minority interests	(98,541)	154,752	-	(828)
Income taxes	18,155	62,422	29	153
Income (loss) before minority interests	(116,696)	92,330	-	(981)
Minority interests	(6,153)	30,646	-	(52)
Net income (loss)	(110,543)	61,684	-	(929)

CONSOLIDATED BALANCE SHEETS

	YEN (millions)		(A)/(B) X100	U.S.DOLLARS (millions)
	As of Sept. 30, 2001 (A)	As of March 31, 2001 (B)		As of Sept. 30, 2001
Assets	10,745,277	11,246,608	96	90,296
Current assets	6,320,704	6,873,731	92	53,115
Cash and cash equivalents	1,431,598	1,381,603	104	12,030
Short-term investments	375,040	433,650	86	3,152
Trade receivables				
Notes	269,412	307,635	88	2,264
Accounts	1,859,463	2,220,928	84	15,626
Investment in leases	561,309	623,789	90	4,717
Inventories	1,424,327	1,514,163	94	11,969
Other current assets	399,555	391,963	102	3,358
Investments and advances	869,250	885,669	98	7,305
Property, plant and equipment	2,664,815	2,674,957	100	22,393
Other assets	890,508	812,251	110	7,483
Liabilities and Stockholders' Equity	10,745,277	11,246,608	96	90,296
Current liabilities	4,233,471	4,622,657	92	35,575
Short-term debt and current installments of long-term debt	1,644,988	1,611,855	102	13,823
Trade payables				
Notes	116,424	138,161	84	978
Accounts	928,859	1,160,789	80	7,806
Advances received	385,069	385,741	100	3,236
Other current liabilities	1,158,131	1,326,111	87	9,732
Noncurrent liabilities	2,964,195	2,937,291	101	24,909
Long-term debt	1,905,209	1,881,270	101	16,010
Retirement and severance benefits	993,702	982,332	101	8,350
Other liabilities	65,284	73,689	89	549
Minority interests	834,296	825,158	101	7,011
Stockholders' equity	2,713,315	2,861,502	95	22,801
Common stock	281,755	281,754	100	2,368
Capital surplus	517,307	501,243	103	4,347
Legal reserve and retained earnings	2,137,952	2,266,951	94	17,966
Accumulated other comprehensive income (loss)	(223,699)	(188,446)	-	(1,880)
(Foreign currency translation adjustments)	(62,013)	(57,647)	-	(521)
(Minimum pension liability adjustments)	(182,817)	(182,936)	-	(1,536)
(Net unrealized holding gain on available-for-sale securities)	20,035	51,041	39	168
(Cash flow hedges)	1,096	1,096	100	9

Note : Starting from the half year ended September 30, 2001, "Noncurrent receivables and restricted funds," which had been stated separately, is expressed as part of "Trade receivables -- Accounts" and "Other assets." Figures as of March 31, 2001, have been restated to reflect this change.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	YEN (millions)		U.S. DOLLARS (millions)
	The half year ended Sept. 30, 2001	The year ended March 31, 2001	The half year ended Sept. 30, 2001
Common stock			
Balance at beginning of year	281,754	281,738	2,368
Conversion of convertible debentures	1	16	0
Balance at end of year	281,755	281,754	2,368
Capital surplus			
Balance at beginning of year	501,243	499,081	4,212
Conversion of convertible debentures	67	1,069	1
Increase arising from sale of subsidiaries' common stock and other	15,997	1,093	134
Balance at end of year	517,307	501,243	4,347
Legal reserve			
Balance at beginning of year	109,815	106,885	923
Transfers from retained earnings	567	2,971	5
Transfers to minority interests arising from conversion of subsidiaries' convertible debentures	(4)	(17)	(0)
Transfers to minority interests arising from issuance of subsidiaries' common stock and other	(5)	(24)	(0)
Balance at end of year	110,373	109,815	928
Retained earnings			
Balance at beginning of year	2,157,136	2,082,541	18,127
Net income (loss)	(110,543)	104,380	(929)
Cash dividends	(18,359)	(28,371)	(154)
Transfers to legal reserve	(567)	(2,971)	(5)
Transfers to minority interests arising from conversion of subsidiaries' convertible debentures	(50)	(347)	(0)
Transfers to minority interests arising from issuance of subsidiaries' common stock and other	(38)	1,904	(0)
Balance at end of year	2,027,579	2,157,136	17,038
Legal reserve and retained earnings	2,137,952	2,266,951	17,966
Accumulated other comprehensive income (loss)			
Foreign currency translation adjustments			
Balance at beginning of year	(57,647)	(77,577)	(484)
Current-period change	(4,366)	19,930	(37)
Balance at end of year	(62,013)	(57,647)	(521)
Minimum pension liability adjustments			
Balance at beginning of year	(182,936)	-	(1,537)
Current-period change	119	(182,936)	1
Balance at end of year	(182,817)	(182,936)	(1,536)
Net unrealized holding gain on available-for-sale securities			
Balance at beginning of year	51,041	95,019	429
Changes in unrealized holding gain	(31,006)	(43,978)	(261)
Balance at end of year	20,035	51,041	168
Cash flow hedges			
Balance at beginning of year	1,096	-	9
Changes in the fair value of derivative financial instruments	0	1,096	0
Balance at end of year	1,096	1,096	9
Accumulated other comprehensive income (loss)	(223,699)	(188,446)	(1,880)
Total stockholders' equity	2,713,315	2,861,502	22,801

CONSOLIDATED STATEMENTS OF CASH FLOWS

	The half years ended September 30		
	YEN (millions)		U.S. DOLLARS (millions)
	2001	2000	2001
Cash flows from operating activities			
Net income (loss)	(110,543)	61,684	(929)
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation	258,714	239,967	2,174
Deferred income taxes	(39,015)	8,900	(328)
Loss on disposal of rental assets and other property	11,451	5,270	96
Decrease in receivables	397,185	44,028	3,338
(Increase) decrease in inventories	54,629	(199,050)	459
Increase (decrease) in payables	(273,874)	30,084	(2,301)
Other	(102,224)	(17,104)	(859)
Net cash provided by operating activities	196,323	173,779	1,650
Cash flows from investing activities			
Decrease in short-term investments	53,128	103,933	446
Capital expenditures	(226,980)	(221,892)	(1,907)
Purchase of rental assets, net	(201,690)	(201,954)	(1,695)
Purchase of investments and subsidiaries' common stock, net	(46,353)	(60,080)	(390)
Collection of investment in leases	232,447	151,229	1,953
Other	(27,126)	(47,816)	(228)
Net cash used in investing activities	(216,574)	(276,580)	(1,820)
Cash flows from financing activities			
Increase in interest-bearing debt	58,700	26,697	493
Dividends paid to stockholders	(18,289)	(9,992)	(154)
Dividends paid to minority stockholders of subsidiaries	(7,358)	(9,210)	(62)
Other	41,076	2,922	345
Net cash provided by financing activities	74,129	10,417	623
Effect of exchange rate changes on cash and cash equivalents	(3,883)	(238)	(33)
Net increase (decrease) in cash and cash equivalents	49,995	(92,622)	420
Cash and cash equivalents at beginning of year	1,381,603	1,357,432	11,610
Cash and cash equivalents at end of year	1,431,598	1,264,810	12,030

Note: Starting from the year ended March 31, 2001, "Purchase of rental assets, net" and "Collection of investment in leases" are stated separately. Figures for the half year ended September 30, 2000, have been restated to reflect this change.

SEGMENT INFORMATION

(1)INDUSTRY SEGMENTS

		The half years ended September 30			
		YEN (millions)		(A)/(B) X100	U.S. DOLLARS (millions) 2001
		2001 (A)	2000 (B)		
Sales	Information & Telecommunication Systems	873,312 18%	835,030 16%	105	7,339
	Electronic Devices	765,090 15%	1,010,914 19%	76	6,429
	Power & Industrial Systems	1,117,375 22%	1,057,026 20%	106	9,390
	Digital Media & Consumer Products	582,493 12%	508,343 10%	115	4,895
	High Functional Materials & Components	628,175 13%	717,712 14%	88	5,279
	Logistics, Services & Others	707,766 14%	775,947 15%	91	5,948
	Financial Services	281,102 6%	285,821 6%	98	2,362
	Subtotal	4,955,313 100%	5,190,793 100%	95	41,641
	Eliminations & Corporate items	(1,017,192)	(1,179,389)	-	(8,548)
	Total	3,938,121	4,011,404	98	33,093
Operating income (loss)	Information & Telecommunication Systems	14,558 -	12,298 6%	118	122
	Electronic Devices	(72,918) -	88,661 46%	-	(613)
	Power & Industrial Systems	26,736 -	18,349 9%	146	225
	Digital Media & Consumer Products	(6,022) -	397 0%	-	(51)
	High Functional Materials & Components	(1,475) -	44,651 23%	-	(12)
	Logistics, Services & Others	7,372 -	4,967 3%	148	62
	Financial Services	20,403 -	25,114 13%	81	171
	Subtotal	(11,346) -	194,437 100%	-	(95)
	Eliminations & Corporate items	(30,764)	(28,305)	-	(259)
	Total	(42,110)	166,132	-	(354)

Notes: 1.Net sales by industry segment include intersegment transactions.

2.The Company has changed the industry segment classification starting from the half year ended September 30, 2001.

Figures for the half year ended September 30, 2000 have been restated to reflect the reclassification.

(2)GEOGRAPHIC SEGMENTS

			The half years ended September 30			
			YEN (millions)		(A)/(B) X100	U.S. DOLLARS (millions)
			2001 (A)	2000 (B)		2001
Sales	Japan	Outside customer sales	3,050,225 66%	3,120,364 65%	98	25,632
		Intersegment transactions	444,492 10%	576,059 12%	77	3,735
		Total	3,494,717 76%	3,696,423 77%	95	29,367
	Asia	Outside customer sales	292,640 6%	284,834 6%	103	2,459
		Intersegment transactions	184,263 4%	199,188 4%	93	1,548
		Total	476,903 10%	484,022 10%	99	4,008
	North America	Outside customer sales	392,181 8%	392,715 8%	100	3,296
		Intersegment transactions	23,714 1%	18,610 0%	127	199
		Total	415,895 9%	411,325 8%	101	3,495
	Europe	Outside customer sales	176,216 4%	189,431 4%	93	1,481
		Intersegment transactions	17,191 0%	16,152 0%	106	144
		Total	193,407 4%	205,583 4%	94	1,625
	Other Areas	Outside customer sales	26,859 1%	24,060 1%	112	226
		Intersegment transactions	1,033 0%	2,804 0%	37	9
		Total	27,892 1%	26,864 1%	104	234
	Subtotal		4,608,814 100%	4,824,217 100%	96	38,730
	Eliminations		(670,693)	(812,813)	-	(5,636)
	Total		3,938,121	4,011,404	98	33,093

		The half years ended September 30			
		YEN (millions)		(A)/(B) X100	U.S. DOLLARS (millions)
		2001 (A)	2000 (B)		2001
Operating income (loss)	Japan	(12,100) -	149,088 80%	-	(102)
	Asia	(2,389) -	25,656 14%	-	(20)
	North America	(15,096) -	3,931 2%	-	(127)
	Europe	2,101 -	8,055 4%	26	18
	Other Areas	831 -	255 0%	326	7
	Subtotal	(26,653) -	186,985 100%	-	(224)
	Eliminations & Corporate items	(15,457)	(20,853)	-	(130)
Total		(42,110)	166,132	-	(354)

(3)SALES BY MARKET

		The half years ended September 30			
		YEN (millions)		(A)/(B) X100	U.S. DOLLARS (millions)
		2001 (A)	2000 (B)		2001
Japan		2,700,418 69%	2,736,318 68%	99	22,693
	North America	450,872 11%	406,084 10%	111	3,789
	Asia	431,526 11%	507,869 13%	85	3,626
	Europe	256,943 7%	268,204 7%	96	2,159
	Other Areas	98,362 2%	92,929 2%	106	827
Outside Japan		1,237,703 31%	1,275,086 32%	97	10,401
Total		3,938,121 100%	4,011,404 100%	98	33,093

HITACHI, LTD.
UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2001
(119yen = U.S.\$1)

October 30, 2001

<u>INCOME STATEMENTS</u>	YEN (millions)			(A)/(B)×100	U.S. DOLLARS (millions)
(The half years ended Sept. 30)	2001(A)	2000(B)			2001
Net sales	1,778,746	1,893,024	94%		14,947
Cost of sales	1,455,483	1,499,791	97%		12,231
S.G.A. expenses	351,616	354,440	99%		2,955
<u>Operating income (loss)</u>	(28,353)	38,792	-		(238)
Other income	27,101	37,332	73%		228
Other deductions	45,437	50,110	91%		382
<u>Ordinary income (loss)</u>	(46,689)	26,013	-		(392)
Extraordinary gain	3,775	4,095	92%		32
Extraordinary loss	-	4,069	-		-
<u>Income before income taxes (loss)</u>	(42,914)	26,040	-		(361)
Current income taxes	2,064	110	-		17
Deferred income taxes	(15,968)	2,260	-		(134)
<u>Net income (loss)</u>	(29,010)	23,670	-		(244)
Basic EPS (yen and dollars)	(8.69)	7.09	-		(0.07)
Diluted EPS (yen and dollars)	-	7.08	-		-
<u>BALANCE SHEETS</u>	2001/9/30(A)	2001/3/31(B)	(A)/(B)×100		2001/9/30
Current assets	2,054,472	2,421,631	85%		17,264
(Quick assets)	1,481,806	1,815,308	82%		12,452
(Inventories)	488,120	522,495	93%		4,102
(Deferred tax assets)	84,544	83,827	101%		710
Fixed assets	1,729,331	1,697,658	102%		14,532
(Investments)	781,197	791,613	99%		6,565
(Deferred tax assets)	228,431	194,047	118%		1,920
(Others)	719,703	711,997	101%		6,048
<u>Total assets</u>	3,783,804	4,119,290	92%		31,797
Current liabilities	1,435,074	1,698,302	85%		12,059
Fixed liabilities	764,618	762,672	100%		6,425
(Debentures)	511,299	511,299	100%		4,297
(Long-term loans)	2,638	2,688	98%		22
(Others)	250,681	248,685	101%		2,107
<u>Total liabilities</u>	2,199,692	2,460,974	89%		18,485
<u>Stockholders' equity</u>	1,584,112	1,658,316	96%		13,312
<u>Liabilities and stockholders' equity</u>	3,783,804	4,119,290	92%		31,797

FORECAST FOR THE YEAR ENDING MARCH 31, 2002

	Net sales	Ordinary income	Net income
Millions of Yen	3,470,000	(50,000)	(70,000)
Millions of U.S. dollars	29,160	(420)	(588)

Cautionary Statement

The forecast for year the ending March 31, 2002 is forward-looking information which reflect management's current views with respect to certain future events and financial performance. Actual results may differ materially from this forecast. Further, this forward-looking information is based upon assumptions of future events which may not prove to be accurate. Factors that could cause actual results to differ materially from the forecast include, but are not limited to: rapid technological change, particularly in the Information & Telecommunication Systems segment and Electronic Devices segment; uncertainty as to Hitachi's ability to continue to develop products and to market products that incorporate new technology on a timely and cost-effective basis and achieve market acceptance; fluctuations in product demand and industry capacity, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products segment; increasing commoditization of information technology products, and intensifying price competition in the market for such products; fluctuations in rates of exchange for the yen and other currencies in which Hitachi makes significant sales or in which Hitachi's assets and liabilities are denominated, particularly between the yen and the U.S. dollar; uncertainty as to Hitachi's access to liquidity or long-term financing, particularly in the context of restrictions on availability of credit prevailing in Japan; uncertainty as to Hitachi's ability to implement measures to reduce the potential negative impact of fluctuations in product demand and/or exchange rates; general economic conditions and the regulatory and trade environment of Hitachi's major markets, particularly, the United States, Japan and elsewhere in Asia, including, without limitation, continued stagnation or deterioration of the Japanese or other East Asian economies, or direct or indirect restriction by other nations of imports; uncertainty as to Hitachi's access to, or protection for, certain intellectual property rights, particularly those related to electronics and data processing technologies; Hitachi's dependence on alliances with other corporations in designing or developing certain products; and the market prices of equity securities in Japan, declines in which may result in write-downs of equity securities Hitachi holds.

Supplementary information for the half year ended September 30, 2001 (Consolidated basis)**1. Summary**

(Billions of yen)

	1 st half of Fiscal 2000		1 st half of Fiscal 2001		Fiscal 2001 (Forecast)	
	(A)	(A)/1 st half of FY 1999	(B)	(B)/(A)	(C)	(C)/ FY2000
Net sales	4,011.4	105%	3,938.1	98%	7,900.0	94%
C/U	212%	-	221%	-	228%	-
Operating income (loss)	166.1	253%	(42.1)	-	(30.0)	-
Income (loss) before income taxes and minority interests	154.7	467%	(98.5)	-	(215.0)	-
Income (loss) before minority interests	92.3	845%	(116.6)	-	(229.0)	-
Net income (loss)	61.6	1,291%	(110.5)	-	(230.0)	-
C/U	261%	-	-	-	-	-
Average exchange rate (yen / U.S.\$)	107	-	122	-	120 (note)	-
Net interest and dividends	(4.8)	-	(8.6)	-	(13.0)	-

Note: Assumed exchanged rate for the second half of fiscal 2001.

	As of March 31, 2001	As of September 30, 2001
Cash & cash equivalents, Short-term investments (Billions of yen)	1,815.2	1,806.6
Interest-bearing debt (Billions of yen)	3,493.1	3,550.1
Number of employees	340,939	337,975
Japan	268,090	269,650
Overseas	72,849	68,325
Number of consolidated subsidiaries	1,069	1,061
Japan	734	719
Overseas	335	342

2. Sales by industry segment

(Billions of yen)

	1 st half of Fiscal 2000		1 st half of Fiscal 2001		Fiscal 2001 (Forecast)	
	(A)	(A)/1 st half of FY 1999	(B)	(B)/(A)	(C)	(C)/ FY2000
Information & Telecommunication Systems	835.0	100%	873.3	105%	1,790.0	100%
Electronic Devices	1,010.9	119%	765.0	76%	1,490.0	74%
Power & Industrial Systems	1,057.0	105%	1,117.3	106%	2,260.0	97%
Digital Media & Consumer Products	508.3	98%	582.4	115%	1,190.0	113%
High Functional Materials & Components	717.7	111%	628.1	88%	1,290.0	88%
Logistics, Services & Others	775.9	121%	707.7	91%	1,420.0	89%
Financial Services	285.8	108%	281.1	98%	570.0	96%
Eliminations & Corporate items	(1,179.3)	-	(1,017.1)	-	(2,110.0)	-
Total	4,011.4	105%	3,938.1	98%	7,900.0	94%

3. Operating income (loss) by industry segment

(Billions of yen)

	1 st half of Fiscal 2000		1 st half of Fiscal 2001		Fiscal 2001 (Forecast)	
	(A)	(A)/1 st half of FY 1999	(B)	(B)/(A)	(C)	(C)/ FY2000
Information & Telecommunication Systems	12.2	57%	14.5	118%	39.0	80%
Electronic Devices	88.6	1,214%	(72.9)	-	(150.0)	-
Power & Industrial Systems	18.3	170%	26.7	146%	74.0	96%
Digital Media & Consumer Products	0.3	8%	(6.0)	-	(2.0)	-
High Functional Materials & Components	44.6	206%	(1.4)	-	5.0	6%
Logistics, Services & Others	4.9	44%	7.3	148%	10.0	119%
Financial Services	25.1	228%	20.4	81%	43.0	97%
Eliminations & Corporate items	(28.3)	-	(30.7)	-	(49.0)	-
Total	166.1	253%	(42.1)	-	(30.0)	-

4. Overseas sales by industry segment

(Billions of yen)

	1 st half of Fiscal 2000		1 st half of Fiscal 2001		Fiscal 2001 (Forecast)	
	(A)	(B)	(B)/(A)	(C)	(C)/ FY2000	
Information & Telecommunication Systems	92.1	119.3	130%			
Electronic Devices	334.9	264.6	79%			
Power & Industrial Systems	192.3	190.4	99%			
Digital Media & Consumer Products	159.3	235.8	148%			
High Functional Materials & Components	186.6	169.9	91%			
Logistics, Services & Others	291.6	238.7	82%			
Financial Services	18.0	18.6	103%			
Eliminations & Corporate Items	0	0	-			
Total	1,275.0	1,237.7	97%			2,390.0

5. Overseas production (Total sales of overseas manufacturing subsidiaries)

(Billions of yen)

	1 st half of Fiscal 2000		1 st half of Fiscal 2001	
	(A)	(A)/1 st half of FY 1999	(B)	(B)/(A)
Overseas production	598.7	114%	567.9	95%
Percentage of net sales	15%	-	14%	-
Percentage of overseas sales	47%	-	46%	-

6. Capital investment by industry segment (Completion basis, including leasing assets) (Billions of yen)

	Fiscal 2000		1 st half of Fiscal 2001		Fiscal 2001 (Forecast)	
	(A)	(A)/ FY 1999	(B)	(B)/1 st half of FY 2000	(C)	(C)/ (A)
Information & Telecommunication Systems	89.9	-	49.1	139%		
Electronic Devices	224.2	-	65.0	58%		
Power & Industrial Systems	75.0	-	31.9	99%		
Digital Media & Consumer Products	45.4	-	18.9	82%		
High Functional Materials & Components	108.8	-	44.1	87%		
Logistics, Services & Others	30.1	-	21.5	141%		
Financial Services	465.2	-	239.1	106%		
Eliminations & Corporate items	(67.8)	-	(27.7)	-		
Total	971.0	116%	441.9	97%	882.0	91%
Leasing Assets	429.9	105%	223.1	114%	453.8	106%
Other	541.1	126%	218.8	84%	428.2	79%

7. Depreciation by industry segment

(Billions of yen)

	Fiscal 2000		1 st half of Fiscal 2001		Fiscal 2001 (Forecast)	
	(A)	(A)/ FY 1999	(B)	(B)/1 st half of FY 2000	(C)	(C)/ (A)
Information & Telecommunication Systems	63.0	-	36.3	115%		
Electronic Devices	149.5	-	72.6	107%		
Power & Industrial Systems	63.9	-	31.0	99%		
Digital Media & Consumer Products	44.5	-	20.9	101%		
High Functional Materials & Components	83.0	-	39.4	100%		
Logistics, Services & Others	35.0	-	18.5	107%		
Financial Services	62.2	-	37.9	129%		
Eliminations & Corporate items	4.1	-	1.7	91%		
Total	505.5	94%	258.7	108%	518.6	103%
Leasing Assets	68.6	73%	43.6	136%	85.3	124%
Other	436.8	98%	215.0	104%	433.3	99%

8. R&D expenditure by industry segment

(Billions of yen)

	Fiscal 2000		1 st half of Fiscal 2001		Fiscal 2001 (Forecast)	
	(A)	(A)/ FY 1999	(B)	(B)/1 st half of FY 2000	(C)	(C)/(A)
Information & Telecommunication Systems	153.7	92%	71.7	91%		
Electronic Devices	128.4	120%	59.0	97%		
Power & Industrial Systems	66.0	97%	32.0	96%		
Digital Media & Consumer Products	37.2	95%	19.0	98%		
High Functional Materials & Components	43.8	98%	24.0	112%		
Logistics, Services & Others	5.3	91%	6.5	235%		
Financial Services	0.8	130%	0.6	177%		
Total	435.5	101%	213.0	98%	418.5	96%
Percentage of net sales	5.2%	-	5.4%	-	5.3%	-

9. Balance sheets by financial and non-financial services

(Billions of yen)

Assets	As of March 31, 2001	As of September 30, 2001	Liabilities and Stockholders' Equity	As of March 31, 2001	As of September 30, 2001
Manufacturing, Services and Others			Manufacturing, Services and Others		
Cash and cash equivalents	1,087.1	1,052.4	Short-term debt	1,023.8	1,096.6
Short-term investments	393.5	326.4	Trade payables	1,259.1	982.1
Trade receivables	2,119.4	1,724.1	Long-term debt	1,114.0	1,040.9
Inventories	1,507.7	1,423.3	Other liabilities	2,669.4	2,533.4
Investments and advances	901.4	873.6	Total	6,066.4	5,653.0
Property, plant and equipment	2,367.5	2,361.7	Financial Services		
Other assets	1,149.6	1,221.7	Short-term debt	541.2	648.2
Total	9,526.5	8,983.4	Trade payables	315.1	271.7
Financial Services			Long-term debt	911.2	997.5
Cash and cash equivalents	296.1	379.1	Other liabilities	163.7	121.5
Trade receivables	572.4	645.3	Total	1,931.3	2,039.0
Investment in leases	756.7	676.3	Eliminations	(437.8)	(494.4)
Property, plant and equipment	317.4	321.6	Liabilities	7,559.9	7,197.6
Other assets	250.2	280.8	Minority interests	825.1	834.2
Total	2,193.0	2,303.4		2,861.5	2,713.3
Eliminations	(472.9)	(541.6)			
Assets	11,246.6	10,745.2		11,246.6	10,745.2

10. Statements of operating results by financial and non-financial services (Billions of yen)

		The half year ended September 30, 2000	The half year ended September 30, 2001
Manufacturing, Services and Others	Sales	3,872.5	3,804.3
	Cost of sales and selling, general and administrative expenses	3,727.5	3,851.3
	Operating income (loss)	144.9	(47.0)
Financial Services	Sales	285.8	281.1
	Cost of sales and selling, general and administrative expenses	260.7	260.6
	Operating income (loss)	25.1	20.4
Eliminations	Sales	(146.9)	(147.3)
	Cost of sales and selling, general and administrative expenses	(143.0)	(131.8)
	Operating income (loss)	(3.9)	(15.4)
Total	Sales	4,011.4	3,938.1
	Cost of sales and selling, general and administrative expenses	3,845.2	3,980.2
	Operating income (loss)	166.1	(42.1)

Note: Figures in paragraphs 5, 9 and 10 represent unaudited financial information prepared by the Company for the purpose of this supplementary information.

Supplementary information for the half year ended September 30, 2001 (Unconsolidated basis)**1. Summary**

(Billions of yen)

	1 st half of Fiscal 2000		1 st half of Fiscal 2001		Fiscal 2001 (Forecast)	
	(A)	(A)/1 st half of FY99	(B)	(B)/(A)	(C)	(C)/FY00
Net sales	1,893.0	104%	1,778.7	94%	3,470.0	86%
Operating income (loss)	38.7	222%	(28.3)	-	(60.0)	-
Ordinary income (loss)	26.0	659%	(46.6)	-	(50.0)	-
Net income (loss)	23.6	282%	(29.0)	-	(70.0)	-
Dividend payout ratio (%)	78	-	-	-	-	-
Average exchange rate (yen / U.S.\$)	108	-	122	-	120*	-

* Assumed exchange rate for 2nd half of fiscal 2001

	As of March 31, 2001	As of September 30, 2001	As of March 31, 2002 (Forecast)
Cash & cash equivalents, Short-term investments (Billions of yen)	619.0	567.9	-
Interest-bearing debt (Billions of yen)	679.6	680.9	-
Number of employees	55,609	55,916	50,500

2. Sales by industry segment

(Billions of yen)

	1 st half of Fiscal 2000		1 st half of Fiscal 2001		Fiscal 2001 (Forecast)	
	(A)	(A)/1 st half of FY99	(B)	(B)/(A)	(C)	(C)/FY00
Information & Telecommunication Systems	662.2	100%	682.7	103%	/	/
Electronic Devices	458.7	127%	299.1	65%		
Power & Industrial Systems	507.5	99%	545.7	108%		
Digital Media & Consumer Products	264.4	96%	251.0	95%		
Total	1,893.0	104%	1,778.7	94%		

Note: Industry segments have been reclassified starting fiscal 2001. As a result, figures of 1st half of fiscal 2000 have been restated.

3. Capital investment (Based on construction starts)

(Billions of yen)

	Fiscal 2000		1 st half of Fiscal 2001		Fiscal 2001 (Forecast)	
	(A)	(A)/ FY99	(B)	(B)/1 st half of FY00	(C)	(C)/(A)
Information & Telecommunication Systems	23.1	95%	11.5	110%	/	/
Electronic Devices	132.2	142%	10.0	15%		
Power & Industrial Systems	30.2	111%	11.5	85%		
Digital Media & Consumer Products	9.0	138%	3.5	88%		
Others	11.0	122%	7.0	127%		
Total	205.5	128%	43.5	44%		

Note: Industry segments have been reclassified starting fiscal 2001. As a result, figures of fiscal 2000 have been restated.

4. Depreciation (note)

(Billions of yen)

	Fiscal 2000		1 st half of Fiscal 2001		Fiscal 2001 (Forecast)	
	(A)	(A)/ FY99	(B)	(B)/1 st half of FY00	(C)	(C)/(A)
Depreciation	121.3	89%	62.4	104%	120.0	99%

Note: The figures do not include depreciation on leasing assets.

5. R&D expenditures

(Billions of yen)

	Fiscal 2000		1 st half of Fiscal 2001		Fiscal 2001 (Forecast)	
	(A)	(A)/ FY99	(B)	(B)/1 st half of FY00	(C)	(C)/(A)
Total	305.6	102%	145.5	96%	275.0	90%
Percentage of net sales	7.6%	-	8.2%	-	7.9%	-

6. International procurement

(Billions of yen)

	Fiscal 2000		1 st half of Fiscal 2001		Fiscal 2001 (Forecast)	
	(A)	(A)/ FY99	(B)	(B)/1 st half of FY00	(C)	(C)/(A)
International procurement	577.0	118%	277.0	101%	570.0	99%

Supplementary Information on Information & Telecommunication Systems

1. Sales and Operating income (Upper rows are percentage changes from preceding year; billions of yen)

	Fiscal 2000			Fiscal 2001		
	1 st half	2 nd half	Total	1 st half	2 nd half*	Total*
Sales	100%	102%	101%	105%	95%	100%
	835.0	961.0	1,796.0	873.3	916.6	1,790.0
Operating income	57%	225%	129%	118%	67%	80%
	12.2	36.6	48.9	14.5	24.4	39.0

*Forecast

2. Sales by product sector (Upper rows are percentage changes from preceding year; billions of yen)

	Fiscal 2000			Fiscal 2001		
	1 st half	2 nd half	Total	1 st half	2 nd half*	Total*
Sales	100%	102%	101%	105%	95%	100%
	835.0	961.0	1,796.0	873.3	916.6	1,790.0
Software & Services	362.1	463.1	825.2	452.7	-	-
Hardware	472.9	497.9	970.8	420.6	-	-

*Forecast

3. SAN/NAS Storage Solutions

(Upper rows are percentage changes from preceding year; billions of yen)

	Fiscal 2000			Fiscal 2001		
	1 st half	2 nd half	Total	1 st half	2 nd half*	Total*
Sales	-	-	-	120%	93%	104%
	100	140	240	120	130	250

*Forecast

4. Shipment for main products, in number of units : unconsolidated basis

*Forecast

	Fiscal 2000			Fiscal 2001		
	1 st half	2 nd half	Total	1 st half	2 nd half*	Total*
General-purpose computers	422	273	695	242	164	406
In Japan	233	179	412	172	164	336
UNIX servers	1,380	1,390	2,770	1,500	1,800	3,300
PCs & PC servers	310,000	340,000	650,000	300,000	420,000	720,000
Large-capacity disk array subsystems	3,300	5,400	8,700	6,600	8,600	15,200
Middle-capacity disk array subsystems	500	600	1,100	1,300	1,600	2,900

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

Figures for PCs & PC servers do not include export models.

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

Supplementary information on Semiconductors & Displays

1.Semiconductors

Sales and Operating income (Upper rows are percentage changes from preceding year; billions of yen)

	Fiscal 2000			Fiscal 2001		
	1st half	2nd half	Total	1st half	2nd half*	Total*
Sales	135%	116%	125%	64%	59%	62%
	416.9	410.4	827.4	267.4	242.5	510.0
Operating income	—	90%	2,701%	—	—	—
	58.0	13.2	71.2	(57.9)	(69.0)	(127.0)

* Forecast

Sales by products

	Fiscal 2000	Fiscal 2001 (Forecast)
DRAM	18%	7%
System Memory	9%	13%
System LSI	48%	54%
Multi-Purpose Semiconductor	25%	26%

Semiconductor Capital Investment

(Billions of yen)

		Fiscal 2000	Fiscal 2001 (Planned)
Parent	Naka Operation	14	1
	Takasaki Operation	12	2.5
	Koufu Operation	30	0.5
	Other	20	4
	Parent subtotal	76 (1st half: 36, 2nd half: 40)	8 (1st half: 3.5, 2nd half: 4.5)
Domestic subsidiaries	TTI*1	70	14
	Other	48	15
Domestic subsidiaries subtotal		118	29
Overseas subsidiaries	HNS*2	13	0.5
	Other	13	2.5
	Overseas subsidiaries subtotal	26	3
Subsidiaries subtotal		144	32
Hitachi consolidated total		220 (1st half: 148, 2nd half: 72)	40 (1st half: 16, 2nd half: 24)

*1: TTI: Trecenti Technologies, Inc.

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

DRAM & Flash Memory production quantity

	As of October 2001	Planned
64MDRAM	6 million pieces/month	December 2001: 5 million pieces/month March 2002 : 3 million pieces/month
256MDRAM	1 million pieces/month	December 2001: 1.5 million pieces/month March 2002 : 1.5 million pieces/month
256M Flash Memory	650,000 pieces/month	December 2001: 650,000 pieces/month March 2002 : 700,000 pieces/month

Microprocessor/microcontroller sales (Billions of yen; % change from preceding year)

Fiscal 2000		Fiscal 2001 (Forecast)	
240	120%	170	71%

2. Displays

Sales and Operating income (Upper rows are percentage changes from preceding year; billions of yen)

	Fiscal 2000			Fiscal 2001		
	1st half	2nd half	Total	1st half	2nd half*	Total*
Sales	109%	84%	97%	58%	88%	71%
	159.7	122.7	282.4	92.0	107.9	200.0
Operating income	121%	—	38%	—	—	—
	14.5	(3.9)	10.5	(26.2)	(14.7)	(41.0)

* Forecast

Sales of Major Products (Billions of yen; % change from preceding year)

	Fiscal 2000		Fiscal 2001 (Forecast)	
LCDs	153	96%	122	80%
Color display tubes	59	84%	17	29%
Color picture tubes	22	85%	20	91%
Projection tubes	20	111%	21	105%

LCD Sales

(Billions of yen; % change from preceding year)

	Fiscal 2000				Fiscal 2001			
	1st half	2nd half	Total		1st half	2nd half*	Total*	
Large size LCDs	80	55	135	94%	43	56	99	73%
Medium & small size LCDs	9	9	18	113%	5	18	23	128%
Total	89	64	153	96%	48	74	122	80%

* Forecast

LCD Capital Investment

(Billions of yen; % change from preceding year)

Fiscal 2000				Fiscal 2001			
1st half	2nd half	Total		1st half	2nd half*	Total*	
28	27	55	177%	6	2	8	15%

* Forecast