

FOR IMMEDIATE RELEASE

**Hitachi Announces Consolidated Financial Results
for the Third Quarter of Fiscal 2002**

Tokyo, February 4, 2003 --- Hitachi, Ltd. (NYSE:HIT / TSE:6501) today announced its consolidated financial results for the third quarter of fiscal 2002, which ended December 31, 2002.

During the quarter, the outlook for the U.S. economy, which had remained resilient on the strength of consumer spending, became increasingly uncertain due to rising tensions over Iraq and to other factors. Meanwhile, the Japanese economy saw domestic demand continue to languish due to lackluster private-sector plant and equipment investment and soft personal spending. External demand, however, was relatively strong, backed by brisk exports from Japan to the U.S. and other Asian countries.

Against this backdrop, net sales rose 5% year on year, to 1,921.0 billion yen (US\$16,009 million). Hitachi posted operating income of 12.8 billion yen (US\$107 million), reversing an operating loss of 69.2 billion yen (US\$577 million) in the previous fiscal year's third quarter. This improvement was mainly due to lower fixed costs brought about by the structural reforms implemented in the previous fiscal year, as well as the results of the Corporate Innovation Initiative (CII), including the Procurement Renewal Project.

- more -

By segment, Information & Telecommunication Systems sales rose 10% year on year, to 409.6 billion yen (US\$3,414 million) as disk array subsystems and hard disk drives posted strong sales. The segment recorded operating income of 1.8 billion yen (US\$15 million), a 15.3 billion yen (US\$128 million) improvement from the 13.5 billion yen (US\$113 million) loss recorded in the same period of the previous fiscal year. This improvement reflects growth in sales of disk array subsystems and hard disks drives, in addition to benefits from structural reforms, particularly in the telecommunication network sector.

In Electronic Devices, sales of small and medium-size TFT LCDs used in mobile phones increased. However, sales of large-size TFT LCDs dropped sharply due to falling panel prices and a soft PC market. In semiconductors, demand was strong for system LSIs, including LCD drivers used in mobile phones and microcomputers for automotive applications. Demand was also strong for multi-purpose semiconductors. As a result, segment sales were 378.4 billion yen (US\$3,154 million), 11% higher year on year. While the segment recorded an operating loss of 6.0 billion yen (US\$50 million), this was a 48.0 billion yen (US\$400 million) improvement from the 54.0 billion yen (US\$450 million) loss recorded in the third quarter of fiscal 2001. This turnaround reflects the benefits of structural reforms.

In Power & Industrial Systems, sales increased 3% overall, to 498.7 billion yen (US\$4,156 million) due to firm demand for construction machinery, mainly overseas, and the inclusion in consolidated results of the former Unisia JECS Corporation (now Hitachi Unisia Automotive, Ltd.), which became a wholly owned subsidiary in the current fiscal year. These factors outweighed lower sales of maintenance services for nuclear power plants of Japanese utilities, as well as the effects of lackluster private-sector plant and equipment investment that reflected the sluggish state of the Japanese economy. Operating income surged 352%, to 9.5 billion yen (US\$80 million) as a strong performance from construction machinery offset deteriorating results in air-conditioning equipment and other industrial equipment areas.

In Digital Media & Consumer Products, sales rose 1%, to 307.4 billion yen (US\$2,562 million) due to brisk sales of optical storage products and plasma TVs and to higher demand for lithium-ion batteries used in mobile phones and other rechargeable batteries manufactured by Hitachi Maxell, Ltd. Hampering growth was sluggish sales of large home appliances, which resulted from falling sales prices in Japan. The segment recorded operating income of 2.7 billion yen (US\$23 million), 336% higher year on year. Higher earnings reflected a strong performance in recordable DVD disks and a return to profitability in rechargeable batteries at Hitachi Maxell.

In High Functional Materials & Components, although Hitachi Cable, Ltd. saw sales decline year on year, segment sales rose 2%, to 310.3 billion yen (US\$2,586 million) thanks mainly to higher sales for electronics-related materials and components at Hitachi Chemical Co., Ltd. Due to the benefits of structural reforms, the segment posted operating income of 7.1 billion yen (US\$59 million), an 11.6 billion yen (US\$97 million) turnaround from the loss of 4.5 billion yen (US\$38 million) recorded in the same period of the previous fiscal year.

In Logistics, Services & Others, sales rose 9% year on year, to 375.9 billion yen (US\$3,133 million) on higher sales of information and telecommunications-related equipment, such as hard disk drives and servers, at overseas sales companies. Segment operating income climbed 121% to 2.6 billion yen (US\$22 million).

In Financial Services, segment sales rose 1% year on year, to 142.9 billion yen (US\$1,191 million) due to a steady performance from financial services, particularly the leasing business for information equipment. This offset the effects of a weak Japanese economy. Segment operating income dropped 65%, to 3.1 billion yen (US\$26 million) as a result of increased competition.

Other income fell 11.5 billion yen (US\$97 million), to 7.3 billion yen (US\$61 million). However, other deductions fell 94.2 billion yen (US\$785 million), to 13.4 billion yen (US\$112 million).

As a result, income before income taxes was 6.8 billion yen (US\$57 million). After income taxes of 1.0 billion yen (US\$9 million), Hitachi recorded income before minority interests of 5.7 billion yen (US\$48 million). Net income was 1.3 billion yen (US\$11 million), a 117.1 billion yen (US\$976 million) improvement from the 115.8 billion yen (US\$965 million) loss recorded in the third quarter of fiscal 2001.

Financial Position

Operating activities used net cash of 30.1 billion yen (US\$251 million), 20.0 billion yen (US\$167 million) more than in the same period of the previous fiscal year, due to an increase in inventories and accounts receivable in line with higher sales.

Investing activities used net cash of 337.9 billion yen (US\$2,816 million), 170.7 billion yen (US\$1,423 million) more year on year, reflecting Hitachi's acquisition during the third quarter of IBM's hard disk drive operations. However, cash used for the purchase of property, plant and equipment decreased as Hitachi adopted a more selective approach to capital investments.

Free cash flows, the sum of cash flows from operating and investing activities, were an outflow of 368.0 billion yen (US\$3,067 million), an increase of 190.8 billion yen (US\$1,591 million) year on year.

Financing activities provided net cash of 269.4 billion yen (US\$2,246 million), compared with net cash used of 266.1 billion yen (US\$2,218 million) in the same period of the previous fiscal year, due to an increase in debt.

Cash and cash equivalents as of December 31, 2002 amounted to 775.0 billion yen (US\$6,458 million), a net decrease of 100.1 billion yen (US\$835 million) during the third quarter.

Debt as of December 31, 2002 stood at 3,115.5 billion yen (US\$25,963 million), 338.6 billion yen (US\$2,822 million) more than at September 30, 2002.

Capital investment on a completion basis decreased 8%, to 184.0 billion yen (US\$1,534 million), and depreciation decreased 8%, to 117.6 billion yen (US\$981 million).

All figures were converted at the rate of 120 yen = U.S.\$1, the approximate exchange rate on the Tokyo Foreign Exchange Market as of December 30, 2002.

Outlook for Fiscal 2002

The world economy is being cloaked in growing uncertainty as tensions over Iraq rise while the non-performing loan issue and persistent deflationary forces indicate that the Japanese economy is not likely to stage a full-fledged recovery in the foreseeable future. Consequently, Hitachi's operating environment is expected to remain unpredictable.

Hitachi has decided at this point not to revise its projections for fiscal 2002, as announced in October last year and detailed below. The projections assume an exchange rate of 120 yen to the U.S. dollar for the fourth quarter of fiscal 2002.

Net sales	8,050 billion yen (US\$67,083 million) (year-on-year increase of 1%)
Operating income	150 billion yen (US\$1,250 million)
Income before income taxes	130 billion yen (US\$1,083 million)
Income before minority interests	61 billion yen (US\$508 million)
Net income	36 billion yen (US\$300 million)

Cautionary Statement

This document contains 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.

These factors listed above are not exclusive and are in addition to other factors that are stated or indicated elsewhere in this document, or in other materials published by the Company.

- more -