

Hitachi Posts Net Loss on Lower Sales

Tokyo, April 26, 2002 --- Hitachi, Ltd. (NYSE:HIT / TSE:6501) today announced results for the fiscal year 2001, ended March 31, 2002.

During the period under review, the world economy was slowed by weak global demand for IT-related products and affected by the September terrorist attacks in the United States. The effect was also felt in Japan, where the economy continued to falter as both private-sector investment in plant and equipment and exports declined, while at the same time consumer spending languished, reflecting a deterioration in the employment and personal-income situation.

Against this backdrop, consolidated net sales decreased 5% year on year, to 7,993.7 billion yen (US\$60,104 million). Factors behind the decrease included a sharp drop in sales by the Electronic Devices and High Functional Materials & Components segments.

By segment, in Information & Telecommunication Systems, sales of telecommunication network equipment declined and hardware products were affected by a sharp fall in prices. Hitachi, Ltd., Hitachi Software Engineering Co., Ltd. and Hitachi Information Systems, Ltd., however, all posted gains in their systems integration and services operations, led by growth in the financial and public sectors. Storage solutions were steady, especially overseas. As a result, segment sales increased 2% year on year, to 1,829.6 billion yen (US\$13,757 million).

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In Electronic Devices, demand for PCs, mobile phones and other IT-related products were low. Sales of semiconductors plummeted, hit by a huge falloff in demand and plunging prices, while falling prices of large-size TFT LCDs had a heavy impact on sales of displays. Sales of semiconductor manufacturing equipment and optical communication components by Hitachi High-Technologies Corporation were also lower. Thus, segment sales amounted to 1,487.2 billion yen (US\$11,182 million), 26% less than the preceding year.

In Power & Industrial Systems, although sales of thermal power generation plants decreased, there were major orders for nuclear power generation plants, and maintenance services for power generation systems as well as steady stream of systems installations by Hitachi Plant Engineering & Construction Co., Ltd. These led to increased sales of power systems. Building systems and automotive equipment were also firm. However, cutbacks in private-sector plant and equipment investment sent industrial systems business lower, and sluggish domestic demand for construction machinery took a toll on Hitachi Construction Machinery Co., Ltd.'s results. Overall, segment sales declined 2% year on year, to 2,266.8 billion yen (US\$17,044 million).

In Digital Media & Consumer Products, in Japan, sales were affected by the slow consumer spending and sales of refrigerators and washing machines declined following the end of the temporary rise in demand in the previous year generated by people making purchases before the Law for Recycling of Specified Kinds of Home Appliances came into effect. In digital media products, sales of LCD projectors and mobile phones showed a year-on-year decrease. However, 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 rose in North America. Hitachi Maxell, Ltd. also posted gains attributable to higher sales of computer tapes. Segment sales rose 11% year on year, to 1,170.7 billion yen (US\$8,803 million).

In High Functional Materials & Components, Hitachi Cable, Ltd., Hitachi Metals, Ltd. and Hitachi Chemicals Co., Ltd. were all affected by the low level of IT-related demand, with demand for electronics-related materials being particularly hard-hit. As a result, segment sales decreased 15% year on year, to 1,250.2 billion yen (US\$9,400 million).

In Logistics, Services & Others, the results of general trading companies in Europe and Asia were heavily impacted by the depressed state of the semiconductor and display markets, while in Japan, the sluggish state of the economy decreased the volume of domestic freight handled by Hitachi Transport System, Ltd. Overall, at 1,430.8 billion yen (US\$10,758 million), segment sales decreased 11% year on year.

In Financial Services, there was a decline in the volume of retail business handled by Hitachi Capital Corporation, attributable to the depressed state of the domestic economy. Thus, segment sales decreased 4% year on year, to 567.1 billion yen (US\$4,264 million).

As a result of the major decreases in sales in electronic devices, in which the main factor was the drop in sales of semiconductors and displays, and in high functional materials and communication network equipment, the Company posted an operating loss of 117.4 billion yen (US\$883 million) for the period under review.

Other income came to 36.0 billion yen (US\$271 million), 33.6 billion yen (US\$252 million) less than in the preceding year. Other deductions came to 504.7 billion yen (US\$3,795 million), a year-on-year increase of 416.4 billion yen (US\$3,131 million) attributable mainly to restructuring charges of 140.4 billion yen (US\$1,056 million) incurred for restructuring of semiconductor bases in Japan and overseas, withdrawal from the business of CRTs for PC monitors, reorganization of overseas production bases for consumer products, scaling-back of telecommunication equipment operations for the carrier market in North America, and implementation of streamlining measures in the high functional materials business; 185.1 billion yen (US\$1,392 million) for special termination benefits; and 80.9 billion yen (US\$608 million) for impairment losses on securities.

There was a loss before income taxes of 586.0 billion yen (US\$4,407 million), and after a recognition of 71.1 billion yen (US\$535 million) in income tax benefit, the loss before minority interests amounted to 514.9 billion yen (US\$3,872 million). The net loss amounted to 483.8 billion yen (US\$3,638 million), net of minority interests.

Although a net loss of 483.8 billion yen (US\$3,638 million) was posted, net cash provided by operating activities decreased 52.5 billion yen (US\$395 million) year on year to 482.8 billion yen (US\$3,631 million), showing the effect of the Company's efforts to reduce the number of days it takes to turn over inventory and accounts receivable. Reflecting a decrease in short-term investments and capital expenditures, net cash used in investing activities decreased 97.8 billion yen (US\$736 million) year on year, to 272.8 billion yen (US\$2,052 million). Free cash flows left after deducting net cash used in investing activities from net cash provided by operating activities amounted to 209.9 billion yen (US\$1,579 million). Net cash used in financing activities amounted to 578.1 billion yen (US\$4,347 million), with a decrease of 578.5 billion yen (US\$4,350 million) in interest-bearing debt resulting from the pooling of funds in the Company's Group Finance Center.

Cash and cash equivalents as of March 31, 2002 amounted to 1,029.3 billion yen (US\$7,740 million), a decrease of 352.2 billion yen (US\$2,648 million) compared to the preceding year.

The Company decreased its capital investment in the area of semiconductors and high functional materials and components, reducing capital investment to 856.2 billion yen (US\$6,438 million), 12% less than the preceding year. The Company spent 415.4 billion yen (US\$3,124 million) on research and development, a decrease of 5% from the preceding year. R&D expenditures as a percentage of net sales were 5.2%.

All figures were converted at the rate of 133 yen = U.S. \$1, the approximate exchange rate on the Tokyo Foreign Exchange Market as of March 29, 2002.

Outlook for Fiscal 2002

There are signs of an upturn in the U.S. economy and the global economy is also starting to improve. In Japan, however, where the economy is depressed and unlikely to stage any significant recovery for a while, consumer spending and capital investment are expected to continue to languish.

In view of the major decline of its business results, Hitachi is stepping up its implementation of emergency management measures to raise management efficiency and strengthen its international competitiveness in order to bring about an early improvement in its business results, and is also carrying out far-reaching management reforms and corporate restructuring.

Hitachi's consolidated forecast for fiscal 2002, ending March 31, 2003, is as follows, assuming an exchange rate of 130 yen to the U.S. dollar:

Net Sales	8,100 billion yen (\$60,902 million) (year-on-year increase of 1%)
Operating income	200 billion yen (\$1,504 million)
Income before income taxes	190 billion yen (\$1,429 million)
Income before minority interests	88 billion yen (\$662 million)
Net income	60 billion yen (\$451 million)

< Cautionary Statement >

The forecast for the year ending March 31, 2003 is a forward-looking statement which reflects 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 statement 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.

HITACHI, LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

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 133 yen = U.S.\$1, the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market as of March 29, 2002.

SUMMARY

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

	The years ended March 31			
	YEN (millions)		(A)/(B) X100	U.S.DOLLARS (millions)
	2002 (A)	2001(B)		2002
1. Net sales	7,993,784	8,416,982	95%	60,104
2. Operating income(loss)	(117,415)	342,312	-	(883)
3. Income(loss) before income taxes and minority interests	(586,072)	323,655	-	(4,407)
4. Income(loss) before minority interests	(514,958)	158,794	-	(3,872)
5. Net income(loss)	(483,837)	104,380	-	(3,638)
6. Net income(loss) per share				
Basic	(144.95)	31.27	-	(1)
Diluted	-	30.32	-	-
7. Net income(loss) per ADS (representing 10 shares)				
Basic	(1,450)	313	-	(11)
Diluted	-	303	-	-

CONSOLIDATED STATEMENTS OF INCOME

	The years ended March 31			
	YEN (millions)		(A)/(B) X100	U.S. DOLLARS (millions)
	2002 (A)	2001 (B)		2002
Net sales	7,993,784	8,416,982	95%	60,104
Cost of sales	6,184,396	6,155,023	100%	46,499
Selling, general and administrative expenses	1,926,803	1,919,647	100%	14,487
Operating income(loss)	(117,415)	342,312	-	(883)
Other income	36,039	69,613	52%	271
(Interest and dividends)	28,615	42,069	68%	215
(Other)	7,424	27,544	27%	56
Other deductions	504,696	88,270	572%	3,795
(Interest charges)	45,830	58,759	78%	345
(Other)	458,866	29,511	-	3,450
Income(loss) before income taxes and minority interests	(586,072)	323,655	-	(4,407)
Income taxes	(71,114)	164,861	-	(535)
Income(loss) before minority interests	(514,958)	158,794	-	(3,872)
Minority interests	(31,121)	54,414	-	(234)
Net income(loss)	(483,837)	104,380	-	(3,638)

CONSOLIDATED BALANCE SHEETS

	YEN (millions)		(A)/(B) X100	U.S.DOLLARS
	As of March 31, 2002 (A)	As of March 31, 2001 (B)		(millions) As of March 31, 2002
Assets	9,915,654	11,246,608	88	74,554
Current assets	5,507,535	6,873,731	80	41,410
Cash and cash equivalents	1,029,374	1,381,603	75	7,740
Short-term investments	178,933	433,650	41	1,345
Trade receivables				
Notes	204,855	307,635	67	1,540
Accounts	1,895,150	2,220,928	85	14,249
Investment in leases	527,432	623,789	85	3,966
Inventories	1,214,399	1,514,163	80	9,131
Other current assets	457,392	391,963	117	3,439
Investments and advances	834,907	885,669	94	6,277
Property, plant and equipment	2,514,424	2,674,957	94	18,905
Other assets	1,058,788	812,251	130	7,961
Liabilities and stockholders' equity	9,915,654	11,246,608	88	74,554
Current liabilities	3,885,265	4,622,657	84	29,213
Short-term debt and current installments of long-term debt	1,199,921	1,611,855	74	9,022
Trade payables				
Notes	92,799	138,161	67	698
Accounts	991,037	1,160,789	85	7,451
Advances received	334,172	385,741	87	2,513
Other current liabilities	1,267,336	1,326,111	96	9,529
Noncurrent liabilities	2,927,421	2,937,291	100	22,011
Long-term debt	1,798,303	1,881,270	96	13,521
Retirement and severance benefits	1,049,054	982,332	107	7,888
Other liabilities	80,064	73,689	109	602
Minority interests	798,744	825,158	97	6,006
Stockholders' equity	2,304,224	2,861,502	81	17,325
Common stock	282,032	281,754	100	2,121
Capital surplus	527,010	501,243	105	3,962
Legal reserve and retained earnings	1,753,999	2,266,951	77	13,188
Accumulated other comprehensive income (loss)	(258,484)	(188,446)	-	(1,943)
(Foreign currency translation adjustments)	(38,012)	(57,647)	-	(286)
(Minimum pension liability adjustments)	(260,100)	(182,936)	-	(1,956)
(Net unrealized holding gain on available-for-sale securities)	39,997	51,041	78	301
(Cash flow hedges)	(369)	1,096	-	(3)
Treasury stock	(333)	-	-	(3)

Note : Starting from the year ended March 31, 2002, "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 year ended March 31, 2002	The year ended March 31, 2001	The year ended March 31, 2002
Common stock			
Balance at beginning of year	281,754	281,738	2,118
Conversion of convertible debentures	278	16	2
Balance at end of year	282,032	281,754	2,121
Capital surplus			
Balance at beginning of year	501,243	499,081	3,769
Conversion of convertible debentures	359	1,069	3
Increase arising from issuance of subsidiaries' common stock and other	25,408	1,093	191
Balance at end of year	527,010	501,243	3,962
Legal reserve			
Balance at beginning of year	109,815	106,885	826
Transfers from retained earnings	978	2,971	7
Transfers to minority interests arising from conversion of subsidiaries' convertible debentures and other	(42)	(41)	(0)
Balance at end of year	110,751	109,815	833
Retained earnings			
Balance at beginning of year	2,157,136	2,082,541	16,219
Net income (loss)	(483,837)	104,380	(3,638)
Cash dividends	(28,373)	(28,371)	(213)
Transfers to legal reserve	(978)	(2,971)	(7)
Transfers to minority interests arising from conversion of subsidiaries' convertible debentures	(64)	(347)	(0)
Transfers from (to) minority interests arising from issuance of subsidiaries' common stock and other	(636)	1,904	(5)
Balance at end of year	1,643,248	2,157,136	12,355
Legal reserve and retained earnings	1,753,999	2,266,951	13,188
Accumulated other comprehensive income (loss)			
Foreign currency translation adjustments			
Balance at beginning of year	(57,647)	(77,577)	(433)
Current-period change	19,635	19,930	148
Balance at end of year	(38,012)	(57,647)	(286)
Minimum pension liability adjustments			
Balance at beginning of year	(182,936)	-	(1,375)
Current-period change	(77,164)	(182,936)	(580)
Balance at end of year	(260,100)	(182,936)	(1,956)
Net unrealized holding gain on available-for-sale securities			
Balance at beginning of year	51,041	95,019	384
Changes in unrealized holding gain	(11,044)	(43,978)	(83)
Balance at end of year	39,997	51,041	301
Cash flow hedges			
Balance at beginning of year	1,096	-	8
Changes in the fair value of derivative financial instruments	(1,465)	1,096	(11)
Balance at end of year	(369)	1,096	(3)
Accumulated other comprehensive income (loss)	(258,484)	(188,446)	(1,943)
Treasury stock			
Balance at beginning of year	-	-	-
Current-period increase	(333)	-	(3)
Balance at end of year	(333)	-	(3)
Total stockholders' equity	2,304,224	2,861,502	17,325

CONSOLIDATED STATEMENTS OF CASH FLOWS

	The years ended March 31		
	YEN (millions)		U.S. DOLLARS (millions)
	2002	2001	2002
Cash flows from operating activities			
Net income (loss)	(483,837)	104,380	(3,638)
Adjustments to reconcile net income (loss) to net cash provided by operating activities			
Depreciation	529,418	505,507	3,981
Deferred income taxes	(182,072)	12,505	(1,369)
Loss on disposal of rental assets and other property	59,687	19,165	449
Increase (decrease) in receivables	450,904	(72,035)	3,390
(Increase) decrease in inventories	261,229	(128,477)	1,964
Increase (decrease) in payables	(271,698)	95,855	(2,043)
Other	119,235	(1,467)	897
Net cash provided by operating activities	482,866	535,433	3,631
Cash flows from investing activities			
Decrease in short-term investments	253,236	198,610	1,904
Capital expenditures	(429,835)	(463,585)	(3,232)
Purchase of rental assets, net	(411,519)	(436,163)	(3,094)
Purchase of investments and subsidiaries' common stock, net	(74,173)	(75,000)	(558)
Collection of investment in leases	469,108	421,527	3,527
Other	(79,688)	(16,106)	(599)
Net cash used in investing activities	(272,871)	(370,717)	(2,052)
Cash flows from financing activities			
Decrease in interest-bearing debt	(578,526)	(128,875)	(4,350)
Dividends paid to stockholders	(28,318)	(28,235)	(213)
Dividends paid to minority stockholders of subsidiaries	(13,401)	(15,739)	(101)
Other	42,133	13,342	317
Net cash used in financing activities	(578,112)	(159,507)	(4,347)
Effect of exchange rate changes on cash and cash equivalents	15,888	18,962	119
Net increase (decrease) in cash and cash equivalents	(352,229)	24,171	(2,648)
Cash and cash equivalents at beginning of year	1,381,603	1,357,432	10,388
Cash and cash equivalents at end of year	1,029,374	1,381,603	7,740

SEGMENT INFORMATION

(1)INDUSTRY SEGMENTS

		The years ended March 31			
		YEN (millions)		(A)/(B) X100	U.S. DOLLARS (millions) 2002
		2002 (A)	2001 (B)		
Sales	Information & Telecommunication Systems	1,829,661 18%	1,796,084 17%	102	13,757
	Electronic Devices	1,487,200 15%	2,011,717 19%	74	11,182
	Power & Industrial Systems	2,266,895 23%	2,321,104 21%	98	17,044
	Digital Media & Consumer Products	1,170,744 12%	1,053,199 10%	111	8,803
	High Functional Materials & Components	1,250,248 12%	1,467,345 13%	85	9,400
	Logistics, Services & Others	1,430,825 14%	1,599,369 15%	89	10,758
	Financial Services	567,138 6%	592,774 5%	96	4,264
	Subtotal	10,002,711 100%	10,841,592 100%	92	75,208
	Eliminations & Corporate items	(2,008,927)	(2,424,610)	-	(15,105)
Total		7,993,784	8,416,982	95	60,104
Operating income (loss)	Information & Telecommunication Systems	35,757 -	48,921 13%	73	269
	Electronic Devices	(163,633) -	118,128 31%	-	(1,230)
	Power & Industrial Systems	55,004 -	77,269 20%	71	414
	Digital Media & Consumer Products	(14,675) -	1,541 0%	-	(110)
	High Functional Materials & Components	(22,024) -	83,415 22%	-	(166)
	Logistics, Services & Others	3,257 -	8,437 2%	39	24
	Financial Services	37,403 -	44,146 12%	85	281
	Subtotal	(68,911) -	381,857 100%	-	(518)
	Eliminations & Corporate items	(48,504)	(39,545)	-	(365)
Total		(117,415)	342,312	-	(883)

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

2.The Company has changed the industry segment classification starting from the year ended March 31, 2002.

Figures for the year ended March 31, 2001 have been restated to reflect the reclassification.

(2)GEOGRAPHIC SEGMENTS

		The years ended March 31				
		YEN (millions)		(A)/(B) X100	U.S. DOLLARS (millions) 2002	
		2002 (A)	2001 (B)			
Sales	Japan	Outside customer sales	6,134,554 66%	6,557,736 65%	94	46,124
		Intersegment transactions	892,562 10%	1,148,587 12%	78	6,711
		Total	7,027,116 76%	7,706,323 77%	91	52,835
	Asia	Outside customer sales	607,041 6%	550,303 6%	110	4,564
		Intersegment transactions	349,337 4%	415,946 4%	84	2,627
		Total	956,378 10%	966,249 10%	99	7,191
	North America	Outside customer sales	830,959 9%	863,349 9%	96	6,248
		Intersegment transactions	45,382 0%	48,141 0%	94	341
		Total	876,341 9%	911,490 9%	96	6,589
	Europe	Outside customer sales	364,840 4%	395,809 4%	92	2,743
		Intersegment transactions	32,268 0%	27,513 0%	117	243
		Total	397,108 4%	423,322 4%	94	2,986
	Other Areas	Outside customer sales	56,390 1%	49,785 0%	113	424
		Intersegment transactions	2,359 0%	4,254 0%	55	18
		Total	58,749 1%	54,039 0%	109	442
	Subtotal		9,315,692 100%	10,061,423 100%	93	70,043
	Eliminations & Corporate items		(1,321,908)	(1,644,441)	-	(9,939)
	Total		7,993,784	8,416,982	95	60,104

		The years ended March 31			
		YEN (millions)		(A)/(B) X100	U.S. DOLLARS (millions) 2002
		2002 (A)	2001 (B)		
Operating income (loss)	Japan	(70,420) -	303,359 82%	-	(529)
	Asia	(5,090) -	45,032 12%	-	(38)
	North America	(21,053) -	7,037 2%	-	(158)
	Europe	4,007 -	13,109 4%	31	30
	Other Areas	1,842 -	1,246 0%	148	14
	Subtotal	(90,714) -	369,783 100%	-	(682)
	Eliminations & Corporate items	(26,701)	(27,471)	-	(201)
Total	(117,415)	342,312	-	(883)	

(3)SALES BY MARKET

		The years ended March 31			
		YEN (millions)		(A)/(B) X100	U.S. DOLLARS (millions) 2002
		2002 (A)	2001 (B)		
Japan		5,444,662 68%	5,791,300 69%	94	40,937
	Asia	896,050 11%	966,870 11%	93	6,737
	North America	930,629 12%	903,800 11%	103	6,997
	Europe	513,310 6%	550,968 7%	93	3,859
	Other Areas	209,133 3%	204,044 2%	102	1,572
Outside Japan		2,549,122 32%	2,625,682 31%	97	19,166
Total		7,993,784 100%	8,416,982 100%	95	60,104

HITACHI, LTD.
UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002
(133yen = U.S.\$1)

April 26, 2002

	YEN (millions)			(A)/(B)×100	U.S. DOLLARS (millions)
<u>INCOME STATEMENTS</u>					
	2002(A)	2001(B)			2002
Net sales	3,522,299	4,015,824	88%		26,483
Cost of sales	2,927,426	3,198,457	92%		22,011
S.G.A. expenses	679,615	718,789	95%		5,110
<u>Operating income (loss)</u>	(84,742)	98,577	-		(637)
Other income	95,016	62,498	152%		714
Other deductions	91,937	105,018	88%		691
<u>Ordinary income (loss)</u>	(81,663)	56,058	-		(614)
Extraordinary gain	10,729	34,865	31%		81
Extraordinary loss	318,887	32,663	976%		2,398
<u>Income before income taxes (loss)</u>	(389,820)	58,261	-		(2,931)
Current income taxes	3,884	3,404	114%		29
Deferred income taxes	(141,063)	14,735	-		(1,061)
<u>Net income (loss)</u>	(252,641)	40,121	-		(1,900)
Basic EPS (yen and dollars)	(75.69)	12.02	-		(0.57)
Diluted EPS (yen and dollars)	-	12.01	-		-
<u>BALANCE SHEETS</u>					
	2002/3/31(A)	2001/3/31(B)	(A)/(B)×100		2002/3/31
Current assets	2,124,120	2,421,631	88%		15,971
(Quick assets)	1,618,519	1,815,308	89%		12,169
(Inventories)	391,118	522,495	75%		2,941
(Deferred tax assets)	114,481	83,827	137%		861
Fixed assets	1,799,024	1,697,658	106%		13,527
(Investments)	810,124	791,613	102%		6,091
(Deferred tax assets)	307,867	194,047	159%		2,315
(Others)	681,033	711,997	96%		5,121
<u>Total assets</u>	3,923,144	4,119,290	95%		29,497
Current liabilities	1,788,217	1,698,302	105%		13,445
Fixed liabilities	770,341	762,672	101%		5,792
(Debentures)	511,299	511,299	100%		3,844
(Long-term loans)	2,668	2,688	99%		20
(Others)	256,374	248,685	103%		1,928
<u>Total liabilities</u>	2,558,558	2,460,974	104%		19,237
<u>Stockholders' equity</u>	1,364,585	1,658,316	82%		10,260
<u>Liabilities and stockholders' equity</u>	3,923,144	4,119,290	95%		29,497

FORECAST FOR THE YEAR ENDING MARCH 31, 2003

	Net sales	Ordinary income	Net income
Millions of Yen	3,020,000	50,000	30,000
Millions of U.S. dollars	22,707	376	226

Cautionary Statement

The forecast for the year ending March 31, 2003 is a forward-looking statement which reflects 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 statement 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.

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Supplementary information for fiscal 2001, ended March 31, 2002 (Consolidated basis)

1. Summary

(Billions of yen)

	Fiscal 2000		Fiscal 2001		Fiscal 2002 (Forecast)			
	(A)	(A)/ FY99	(B)	(B)/(A)	1 st half of FY 2002	Note 2	(C)	(C)/(B)
Net sales	8,416.9	105%	7,993.7	95%	3,850.0	98%	8,100.0	101%
C/U (Note 1)	210%	-	227%	-	266%	-	268%	-
Operating income (loss)	342.3	196%	(117.4)	-	70.0	-	200.0	-
Income (loss) before income taxes and minority interests	323.6	408%	(586.0)	-	53.0	-	190.0	-
Income (loss) before minority interests	158.7	500%	(514.9)	-	17.0	-	88.0	-
Income before minority interests / (Stockholders' equity + Minority interests)	4.3%	-	(15.2%)	-	-	-	-	-
Net income (loss)	104.3	617%	(483.8)	-	5.0	-	60.0	-
C/U (Note 1)	260%	-	-	-	50%	-	200%	-
ROE	3.6%	-	(18.7%)	-	-	-	-	-
Average exchange rate (yen / U.S.\$)	111	-	126	-	130	-	130	-
Net interest and dividends	(16.6)	-	(17.2)	-	(8.5)	-	(17.0)	-

Notes : 1. C/U : Consolidated basis / Unconsolidated basis

2. 1st half of FY 2002 / 1st half of FY 2001

	As of March 31, 2001	As of March 31, 2002
Cash & cash equivalents, Short-term investments (Billions of yen)	1,815.2	1,208.3
Interest-bearing debt (Billions of yen)	3,493.1	2,998.2
Number of employees	340,939	321,517
Japan	268,090	256,823
Overseas	72,849	64,694
Number of consolidated subsidiaries	1,069	1,066
Japan	734	712
Overseas	335	354

2. Sales by industry segment

(Billions of yen)

	Fiscal 2000		Fiscal 2001		Fiscal 2002 (Forecast)	
	(A)	(A)/FY 1999	(B)	(B)/(A)	(C)	(C)/(B)
Information & Telecommunication Systems	1,796.0	101%	1,829.6	102%	1,840.0	101%
Electronic Devices	2,011.7	115%	1,487.2	74%	1,570.0	106%
Power & Industrial Systems	2,321.1	108%	2,266.8	98%	2,260.0	100%
Digital Media & Consumer Products	1,053.1	103%	1,170.7	111%	1,250.0	107%
High Functional Materials & Components	1,467.3	109%	1,250.2	85%	1,310.0	105%
Logistics, Services & Others	1,599.3	118%	1,430.8	89%	1,450.0	101%
Financial Services	592.7	112%	567.1	96%	580.0	102%
Eliminations & Corporate items	(2,424.6)	-	(2,008.9)	-	(2,160.0)	-
Total	8,416.9	105%	7,993.7	95%	8,100.0	101%

3. Operating income (loss) by industry segment

(Billions of yen)

	Fiscal 2000		Fiscal 2001		Fiscal 2002 (Forecast)	
	(A)	(A)/FY 1999	(B)	(B)/(A)	(C)	(C)/(B)
Information & Telecommunication Systems	48.9	129%	35.7	73%	75.0	210%
Electronic Devices	118.1	294%	(163.6)	-	(3.0)	-
Power & Industrial Systems	77.2	225%	55.0	71%	81.0	147%
Digital Media & Consumer Products	1.5	33%	(14.6)	-	19.0	-
High Functional Materials & Components	83.4	165%	(22.0)	-	18.0	-
Logistics, Services & Others	8.4	35%	3.2	39%	4.0	123%
Financial Services	44.1	169%	37.4	85%	36.0	96%
Eliminations & Corporate items	(39.5)	-	(48.5)	-	(30.0)	-
Total	342.3	196%	(117.4)	-	200.0	-

4. Overseas sales by industry segment

(Billions of yen)

	Fiscal 2000		Fiscal 2001		Fiscal 2002 (Forecast)	
	(A)	(A)/FY 1999	(B)	(B)/(A)	(C)	(C)/(B)
Information & Telecommunication Systems	224.4	100%	245.1	109%		
Electronic Devices	680.0	114%	496.0	73%		
Power & Industrial Systems	389.7	98%	397.4	102%		
Digital Media & Consumer Products	321.0	100%	528.8	165%		
High Functional Materials & Components	377.7	118%	331.0	88%		
Logistics, Services & Others	597.1	131%	510.9	86%		
Financial Services	35.4	121%	39.5	112%		
Eliminations & Corporate items	0	-	0	-		
Total	2,625.6	112%	2,549.1	97%		

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

(Billions of yen)

	Fiscal 2000		Fiscal 2001	
	(A)	(A)/ FY 1999	(B)	(B)/(A)
Overseas production	1,292.3	122%	1,090.1	84%
Percentage of net sales	15%	-	14%	-
Percentage of overseas sales	49%	-	43%	-

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

	Fiscal 2000		Fiscal 2001		Fiscal 2002 (Forecast)	
	(A)	(A)/ FY 1999	(B)	(B)/(A)	(C)	(C)/ (B)
Information & Telecommunication Systems	89.9	-	89.7	100%	/	
Electronic Devices	224.2	-	114.6	51%		
Power & Industrial Systems	75.0	-	74.5	99%		
Digital Media & Consumer Products	45.4	-	38.6	85%		
High Functional Materials & Components	108.8	-	80.2	74%		
Logistics, Services & Others	30.1	-	40.1	133%		
Financial Services	465.2	-	472.1	101%		
Eliminations & Corporate items	(67.8)	-	(53.8)	-		
Total	971.0	116%	856.2	88%		
Leasing Assets	429.9	105%	442.1	103%	540.0	122%
Other	541.1	126%	414.1	77%	350.0	85%

7. Depreciation by industry segment (Billions of yen)

	Fiscal 2000		Fiscal 2001		Fiscal 2002 (Forecast)	
	(A)	(A)/ FY 1999	(B)	(B)/(A)	(C)	(C)/ (B)
Information & Telecommunication Systems	63.0	-	69.2	110%	/	
Electronic Devices	149.5	-	162.1	108%		
Power & Industrial Systems	63.9	-	62.9	98%		
Digital Media & Consumer Products	44.5	-	44.0	99%		
High Functional Materials & Components	83.0	-	81.8	99%		
Logistics, Services & Others	35.0	-	36.3	104%		
Financial Services	62.2	-	69.3	111%		
Eliminations & Corporate Items	4.1	-	3.5	-		
Total	505.5	94%	529.4	105%		
Leasing Assets	68.6	73%	79.2	115%	159.0	201%
Other	436.8	98%	450.1	103%	400.0	89%

8. R&D expenditure by industry segment

(Billions of yen)

	Fiscal 2000		Fiscal 2001		Fiscal 2002 (Forecast)	
	(A)	(A)/ FY 1999	(B)	(B)/(A)	(C)	(C)/ (B)
Information & Telecommunication Systems	153.7	92%	136.7	89%		
Electronic Devices	128.4	120%	116.7	91%		
Power & Industrial Systems	66.0	97%	63.7	96%		
Digital Media & Consumer Products	37.2	95%	37.5	101%		
High Functional Materials & Components	43.8	98%	47.5	108%		
Logistics, Services & Others	5.3	91%	11.9	224%		
Financial Services	0.8	130%	1.2	147%		
Total	435.5	101%	415.4	95%	394.0	95%
Percentage of net sales	5.2%	-	5.2%	-	4.9%	-

9. Balance sheets by financial and non-financial services

(Billions of yen)

Assets	As of March 31, 2001	As of March 31, 2002	Liabilities and Stockholders' Equity	As of March 31, 2001	As of March 31, 2002
Manufacturing, Services and Others			Manufacturing, Services and Others		
Cash and cash equivalents	1,087.1	850.9	Short-term debt	1,023.8	951.7
Short-term investments	393.5	158.3	Trade payables	1,259.1	1,018.3
Trade receivables	2,119.4	1,719.6	Long-term debt	1,114.0	1,026.4
Inventories	1,507.7	1,198.4	Other liabilities	2,669.4	2,658.2
Investments and advances	901.4	835.4	Total	6,066.4	5,654.7
Property, plant and equipment	2,367.5	2,212.5	Financial Services		
Other assets	1,149.6	1,572.2	Short-term debt	541.2	586.6
Total	9,526.5	8,547.7	Trade payables	315.1	243.1
Financial Services			Long-term debt	911.2	903.0
Cash and cash equivalents	296.1	178.3	Other liabilities	163.7	126.7
Trade receivables	572.4	609.8	Total	1,931.3	1,859.5
Investment in leases	756.7	646.5	Eliminations	(437.8)	(701.6)
Property, plant and equipment	317.4	320.9	Liabilities	7,559.9	6,812.6
Other assets	250.2	358.6	Minority interests	825.1	798.7
Total	2,193.0	2,114.3	Stockholders' equity	2,861.5	2,304.2
Eliminations	(472.9)	(746.5)	Liabilities and stockholders' equity	11,246.6	9,915.6
Assets	11,246.6	9,915.6			

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

		Fiscal 2000	Fiscal 2001
Manufacturing, Services and Others	Sales	8,148.5	7,731.4
	Cost of sales and selling, general and administrative expenses	7,843.2	7,868.6
	Operating income (loss)	305.2	(137.2)
Financial Services	Sales	592.7	567.1
	Cost of sales and selling, general and administrative expenses	548.6	529.7
	Operating income (loss)	44.1	37.4
Eliminations	Sales	(324.3)	(304.7)
	Cost of sales and selling, general and administrative expenses	(317.2)	(287.1)
	Operating income (loss)	(7.0)	(17.5)
Total	Sales	8,416.9	7,993.7
	Cost of sales and selling, general and administrative expenses	8,074.6	8,111.1
	Operating income (loss)	342.3	(117.4)

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

Supplementary information for fiscal 2001, ended March 31, 2002 (Unconsolidated basis)**1. Summary**

(Billions of yen)

	Fiscal 2000		Fiscal 2001		Fiscal 2002 (Forecast)			
	(A)	(A)/FY99	(B)	(B)/(A)	1 st half of FY 2002	(note)	(C)	(C)/(B)
Net sales	4,015.8	106%	3,522.2	88%	1,450.0	82%	3,020.0	86%
Operating income(loss)	98.5	241%	(84.7)	-	15.0	-	60.0	-
Ordinary income(loss)	56.0	176%	(81.6)	-	15.0	-	50.0	-
Net income(loss)	40.1	338%	(252.6)	-	10.0	-	30.0	-
Dividend payout ratio (%)	92	-	-	-	-	-	-	-
Average exchange rate (yen / U.S.\$)	112	-	124	-	130	-	130	-

Note: 1st half of FY 2002 / 1st half of FY 2001

	As of March 31, 2001	As of March 31, 2002	As of March 31, 2003 (Forecast)
Cash & cash equivalents, Short-term Investments (Billions of yen)	619.0	357.6	-
Interest-bearing debt (Billions of yen)	679.6	648.0	-
Number of employees	55,609	50,427	43,700

2. Sales by industry segment

(Billions of yen)

	Fiscal 2000		Fiscal 2001		Fiscal 2002 (Forecast)	
	(A)	(A)/FY99	(B)	(B)/(A)	(C)	(C)/(B)
Information & Telecommunication Systems	1,456.8	103%	1,408.9	97%	/	
Electronic Devices	892.2	119%	523.3	59%		
Power & Industrial Systems	1,130.9	105%	1,092.9	97%		
Digital Media & Consumer Products	535.7	101%	497.1	93%		
Total	4,015.8	106%	3,522.2	88%		

Notes: The Company has changed the industry segment classification starting from the year ended March 31, 2002. Figures for the year ended March 31, 2001 have been restated to reflect the reclassification.

3. Capital investment (Based on construction starts)

(Billions of yen)

	Fiscal 2000		Fiscal 2001		Fiscal 2002 (Forecast)	
	(A)	(A)/ FY99	(B)	(B)/(A)	(C)	(C)/(B)
Information & Telecommunication Systems	23.1	95%	18.5	80%	/	/
Electronic Devices	132.2	142%	15.5	12%		
Power & Industrial Systems	30.2	111%	22.0	73%		
Digital Media & Consumer Products	9.0	138%	6.5	72%		
Other	11.0	122%	13.0	118%		
Total	205.5	128%	75.5	37%		

Notes: The Company has changed the industry segment classification starting from the year ended March 31, 2002. Figures for the year ended March 31, 2001 have been restated to reflect the reclassification.

4. Depreciation (note)

(Billions of yen)

	Fiscal 2000		Fiscal 2001		Fiscal 2002 (Forecast)	
	(A)	(A)/ FY99	(B)	(B)/(A)	(C)	(C)/(B)
Depreciation	121.3	89%	116.7	96%	87.0	75%

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

5. R&D expenditures

(Billions of yen)

	Fiscal 2000		Fiscal 2001		Fiscal 2002 (Forecast)	
	(A)	(A)/ FY99	(B)	(B)/(A)	(C)	(C)/(B)
Total	305.6	102%	275.6	90%	230.0	83%
Percentage of net sales	7.6%	-	7.8%	-	7.6%	-

6. International procurement

(Billions of yen)

	Fiscal 2000		Fiscal 2001		Fiscal 2002 (Forecast)	
	(A)	(A)/ FY99	(B)	(B)/(A)	(C)	(C)/(B)
International procurement	577.0	118%	499.0	86%	464.0	93%

Supplementary Information on Information & Telecommunication Systems

1. Sales and Operating income by product sector

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

	Fiscal 2001			Fiscal 2002*		
	1 st half	2 nd half	Total	1 st half	2 nd half	Total
Sales	105%	100%	102%	100%	101%	101%
	873.3	956.3	1,829.6	870.0	970.0	1,840.0
Software & Services	125%	110%	116%	101%	104%	103%
	452.7	508.1	960.8	457.8	529.6	987.4
Hardware	89%	90%	89%	98%	98%	98%
	420.6	448.2	868.8	412.2	440.4	852.6
Operating income	119%	57%	73%			211%
	14.5	21.1	35.7			75.0
Software & Services	371%	172%	215%			134%
	16.7	28.2	45.0			60.0
Hardware	-	-	-			-
	2.2	7.1	9.3			15.0

*Forecast

2 . Sales by product sector

(billions of yen)

	Fiscal 2001			Fiscal 2002*		
	1 st half	2 nd half	Total	1 st half	2 nd half	Total
Information & Telecommunication	873.3	956.3	1,829.6	870.0	970.0	1,840.0
Software & Services	452.7	508.1	960.8	457.8	529.6	987.4
Software	88.1	103.4	191.5			
Services	364.6	404.7	769.3			
Hardware	420.6	448.2	868.8	412.2	440.4	852.6
Servers	64.7	52.7	117.4			
PCs	56.7	69.1	125.8			
Storage	135.0	162.8	297.8			
Telecommunication	80.9	72.0	152.9			
Others	83.3	91.6	174.9			

*Forecast

Note: figures for server include supercomputers, general-purpose computers, UNIX server and PC servers.

figures for PCs include client PCs.

figures for storage include disk array, subsystem, and HDDs.

3. SAN/NAS Storage Solutions

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

	Fiscal 2001			Fiscal 2002*		
	1 st half	2 nd half	Total	1 st half	2 nd half	Total
Sales	120%	93%	104%	117%	108%	112%
	120.0	130.0	250.0	140.0	140.0	280.0

*Forecast

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

*Forecast

	Fiscal 2001			Fiscal 2002*		
	1 st half	2 nd half	Total	1 st half	2 nd half*	Total*
General-purpose computers	242	140	382	160	160	320
Not include export model	172	140	312	160	160	320
UNIX servers	1,500	1,200	2,700	1,500	1,700	3,200
PCs & PC servers	300,000	350,000	650,000	320,000	360,000	680,000
Large-capacity disk array subsystems	6,600	8,600	15,200	11,000	14,000	25,000
Middle-capacity disk array subsystems	1,300	1,600	2,900	2,100	3,000	5,100

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

	Fiscal 2001			Fiscal 2002 (Forecast)		
	1st half	2nd half	Total	1st half	2nd half	Total
Sales	64%	58%	61%	105%	125%	114%
	267.4	239.5	506.9	280.0	300.0	580.0
Operating income	-	-	-	-		
	(57.9)	(75.5)	(133.5)	(23.0)		

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

	Fiscal 2001			Fiscal 2002 (Forecast)		
	1st half	2nd half	Total			
Operating income	-	-	-	-		
	(57.9)	(75.5)	(133.5)	(23.0)		

Sales by products

	Fiscal 2001	Fiscal 2002 (Forecast)
DRAM	8%	7%
System Memory	10%	10%
System LSI	54%	55%
Multi-Purpose Semiconductor	28%	28%

Semiconductor Capital Investment

(Billions of yen)

		Fiscal 2001	Fiscal 2002 (Forecast)
Parent	Naka Operation	1	1
	Takasaki Operation	1	3
	Koufu Operation	1	0.5
	Other	2.5	2.5
	Parent subtotal	5.5 (1st half:3.5, 2nd half:2.0)	7 (1st half:3.0, 2nd half:4.0)
Subsidiaries	TTI*1	0.5	0
	Other	12.5	12.5
	Domestic subsidiaries	13.0	12.5
	HNS*2	0.5	1
	Other	3	3.5
	Overseas subsidiaries	3.5	4.5
Subsidiaries subtotal		16.5	17
Hitachi consolidated total		22 (1st half:16.0, 2nd half:6.0)	24 (1st half:9.0, 2nd half:15.0)

* 1: TTI: Trecenti Technologies, Inc.

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

DRAM & Flash Memory production quantity (pieces/month)

	March 2002	Fiscal 2002 (Forecast)	
64MDRAM	2 million	First Quarter	500,000
		Second Quarter	500,000
		Third Quarter	500,000
		Fourth Quarter	500,000
256MDRAM	1.2 million	First Quarter	2 million
		Second Quarter	2.5million
		Third Quarter	2.5million
		Fourth Quarter	2.5million
256M Flash Memory	550,000	First Quarter	700,000
		Second Quarter	600,000
		Third Quarter	500,000
		Fourth Quarter	400,000

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

Fiscal 2001		Fiscal 2002 (Forecast)	
170	71%	220	129%

2. Displays

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

	Fiscal 2001			Fiscal 2002 (Forecast)		
	1st half	2nd half	Total	1st half	2nd half	Total
Sales	58%	84%	69%	109%	117%	113%
	92.0	102.9	195.0	100.0	120.0	220.0

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

	Fiscal 2001			Fiscal 2002 (Forecast)		
	1st half	2nd half	Total	1st half	2nd half	Total
Operating income	-	-	-	-	-	-
	(26.2)	(21.0)	(47.2)	4.0		

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

	Fiscal 2001		Fiscal 2002 (Forecast)	
LCDs	128.0	84%	185.0	145%
Color display tubes	18.0	31%	0	0%
Color picture tubes	19.0	86%	1.0	5%
Projection tubes	20.0	100%	27.0	135%

LCD Sales

(Billions of yen; % change from preceding year)

	Fiscal 2001				Fiscal 2002 (Forecast)			
	1st half	2nd half	Total		1st half	2nd half	Total	
Large size LCDs	43.0	66.0	109.0	81%	68.0	79.0	147.0	135%
Medium & small size LCDs	5.0	14.0	19.0	106%	15.0	23.0	38.0	200%
Total	48.0	80.0	128.0	84%	83.0	102.0	185.0	145%

LCD Capital Investment

(Billions of yen; % change from preceding year)

Fiscal 2001				Fiscal 2002 (Forecast)			
1st half	2nd half	Total		Total			
6.0	3.7	9.7	18%	6.5			67%