

**Hitachi Announces Revision of Business Forecast  
for the First Half of Fiscal 2000 and Interim Dividend**

Tokyo, September 13, 2000 --- Hitachi, Ltd. (TSE:6501) today announced that the Company has revised its business forecast for the first half of fiscal 2000, ending September 30, 2000, and decided on the interim dividend, at a Board of Directors meeting convened today.

1. Revision of business forecast for the first half of fiscal 2000, ending September 30, 2000

Previous forecast (A) stated below was announced on April 28, 2000.

(1) Business forecast / Consolidated (from April 1, 2000 to September 30, 2000)

(Millions of yen)

	Net sales	Operating income	Income before income taxes and minority interests	Income before minority interests	Net income
Previous forecast (A)	4,000,000	100,000	90,000	—	30,000
Revised forecast (B)	4,100,000	150,000	150,000	80,000	55,000
(B) — (A)	100,000	50,000	60,000	—	25,000
% change	2.5%	50.0%	66.7%	—	83.3%
First half of fiscal 1999, ended September 30, 1999	3,802,999	65,698	33,144	10,929	4,777

- 1) The Company changed the method of carrying its investment in a certain affiliated company from cost to equity in the fiscal year ended March 31, 2000. Accordingly, figures for the first half of fiscal 1999 have been restated.
- 2) The merger of Hitachi Leasing, Ltd. (an affiliated company whose investment had been carried on the equity method) with Hitachi Credit Corporation, a Hitachi subsidiary, which is expected to be effective on October 1, 2000, is assumed to have taken place on April 1, 2000. As a result, Hitachi Leasing, Ltd. and its subsidiaries are consolidated as subsidiaries in the forecast for the first half of fiscal 2000. The impact of this merger on net sales and net income is not material.

( more )

## (2) Business forecast / Unconsolidated (from April 1, 2000 to September 30, 2000)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Previous forecast (A)	1,810,000	17,000	10,000	8,000
Revised forecast (B)	1,890,000	30,000	25,000	20,000
(B) — (A)	80,000	13,000	15,000	12,000
% change	4.4%	76.5%	150.0%	150.0%
First half of fiscal 1999, ended September 30, 1999	1,813,446	17,466	3,948	8,394

A forecast for the year ending March 31, 2001 will be issued when the Company announces its financial results for the first half of fiscal 2000 in October 2000.

## 2. Factors relating to the revision of the forecast

## (1) Business forecast / Consolidated

Net sales are expected to amount to 4,100 billion yen, an increase of 100 billion yen compared to the previous forecast. This is due to strong sales posted by semiconductors such as system LSIs and memory products as well as by display products such as liquid crystal displays, both supported by robust demand for use in PC-related and mobile phone applications. In addition, sales for electronics-related materials fared well. Power systems and consumer products were firm.

Semiconductors, display products and electronics-related materials also contributed in terms of income. Income before income taxes and minority interests is expected to amount to 150 billion yen and net income to 55 billion yen, an increase of 60 billion yen and 25 billion yen, respectively.

## (2) Business forecast / Unconsolidated

Net sales are expected to come to 1,890 billion yen, an increase of 80 billion yen from the previous forecast. One factor is strong sales of semiconductors and display products. Power & Industrial Systems and Digital Media & Consumer Products also fared well.

Ordinary income is expected to come to 25 billion yen and net income to 20 billion yen, a respective increase of 15 billion yen and 12 billion yen compared to the previous forecast. Semiconductors and display products contributed significantly in terms of income.

( more )

3. Interim dividend for the fiscal year ending March 31, 2001

5.5 yen per share

Reference: Dividends paid for the fiscal year ended March 31, 2000

Interim dividend: 3 yen per share

Year-end dividend: 3 yen per share

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 Systems & Electronics 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 Systems & Electronics segment and the Consumer Products segment; exchange rates and their fluctuations between 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 or 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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