

FOR IMMEDIATE RELEASE

Hitachi Announces Consolidated Financial Results for the First Half of Fiscal 2002

Tokyo, October 31, 2002 --- Hitachi, Ltd. (NYSE:HIT / TSE:6501) today announced its consolidated financial results for the first half of fiscal 2002, ended September 30, 2002.

During the period under review, although some regions, notably Asia, showed signs of strength, the global economy remained lackluster, set against a backdrop of a slowing U.S. economy and falling stock prices on world exchanges. The Japanese economy echoed the overall economic mood, despite signs of an upturn in production volumes following a period of inventory destocking. As deflation increased debt burdens and squeezed earnings, corporate sentiment toward capital expenditures failed to improve. And, as employment prospects remained dim, consumers too were reluctant to spend.

Against this backdrop, net sales were largely the same year on year at 3,916.4 billion yen (US\$31,841 million). But Hitachi posted operating income of 61.6 billion yen (US\$502 million), reversing an operating loss of 42.1 billion yen (US\$342 million) in the previous year's first half, as the Corporate Innovation Initiative (CII), including Procurement Renewal Project, produced results, and structural reforms implemented in the previous fiscal year yielded lower fixed costs.

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By segment, in Information & Telecommunication Systems, sales of telecommunication-related equipment fell, while demand for storage solutions remained firm. Consequently, segment sales remained consistent year on year at 878.2 billion yen (US\$7,140 million). The segment recorded operating income of 42.1 billion yen (US\$343 million), up 190% over the same period in fiscal 2001. This result reflects a steady performance in storage solutions and systems integration, as well as benefits from structural reforms, particularly in the telecommunications sector, implemented in the previous fiscal year.

In Electronic Devices, sales in display operations were driven higher by rising demand for small and medium-size TFT LCDs, mainly for mobile phones, and large-size TFT LCDs. This outweighed lower sales stemming from Hitachi's withdrawal from CRTs for PC monitors in the previous fiscal year. Semiconductor sales edged up slightly over the fiscal 2001 interim period on strong demand for system LSIs, including LCD drivers and microcomputers for automotive applications. As a result, segment sales were 766.4 billion yen (US\$6,231 million), almost the same year on year. The segment recorded an operating loss of 7.9 billion yen (US\$64 million), a 65.0 billion yen (US\$528 million) improvement over the 72.9 billion yen (US\$593 million) operating loss in the first half of fiscal 2001. This turnaround reflected the benefits of structural reforms, including the termination of unprofitable products such as CRTs for PC monitors and the streamlining of certain semiconductor production lines.

In Power & Industrial Systems, sales declined 4% overall, to 1,068.1 billion yen (US\$8,684 million). This was on account of lower sales for maintenance services for nuclear and thermal power generation plants of Japanese electric power companies, as well as lower sales of air-conditioning equipment, industrial equipment, chemical plants and other products, due to the fall-off in private-sector plant and equipment investment. Operating income dropped 58%, to 11.1 billion yen (US\$90 million) due to fewer major projects, notably of power generation equipment and other exports, as well as falling sales revenues from environmental equipment in Japan.

In Digital Media & Consumer Products, although sales of mobile phones decreased, sales of optical storage products and plasma TVs increased year on year. In home appliances, overall sales were sluggish due to soft domestic demand. Hitachi Maxell, Ltd. saw audiotape and videotape sales fall, but sales of computer tapes, optical media and rechargeable batteries increased. Overall, segment sales rose 3% year on year, to 597.6 billion yen (US\$4,859 million). The segment recorded operating income of 5.7 billion yen (US\$47 million), a turnaround from the 6.0 billion yen (US\$49 million) operating loss in the same period of the previous fiscal year, even as price competition intensified in a deflationary economic environment. This was partly attributable to the benefits of structural reforms.

In High Functional Materials & Components, Hitachi Metals, Ltd. posted lower sales as a result of customers' inventory volume corrections for electronics-related products and other factors, while Hitachi Cable, Ltd. also posted lower sales, with sales of submarine fiber-optic cables declining sharply. Hitachi Chemical Co., Ltd. posted lower sales for housing equipment and environmental facilities, although sales increased for electronics-related materials such as those for semiconductors and LCDs. As a whole, segment sales decreased 2% year on year, to 613.0 billion yen (US\$4,984 million). However, the segment posted operating income of 9.0 billion yen (US\$74 million), reversing a year-earlier loss of 1.4 billion yen (US\$12 million), as it benefited from the results of structural reforms.

In Logistics, Services & Others, overseas sales companies achieved higher sales of hard disk drives. However, the sale of Tokyo Monorail Co., Ltd., formerly a subsidiary of Hitachi Transport System, Ltd., in the latter half of the previous fiscal year negatively affected segment sales, leading to a slight decline at 700.6 billion yen (US\$5,696 million). Operating income dropped 80%, to 1.4 billion yen (US\$12 million).

In Financial Services, segment sales increased 4% year on year, to 293.3 billion yen (US\$2,385 million). This increase was partly attributable to the boost given by Hitachi Capital Corporation's acquisition of Sekisui Leasing Co., Ltd. in the second half of the previous fiscal year. Operating income declined 9%, to 18.6 billion yen (US\$152 million).

Other income came to 26.7 billion yen (US\$217 million), an increase of 9.4 billion yen (US\$77 million) compared to the first half of the previous fiscal year, mainly reflecting a net gain on securities. Meanwhile, other deductions were 42.5 billion yen (US\$346 million), a 31.1 billion yen (US\$253 million) year-on-year decrease, as restructuring charges were not incurred during the period as was in the first half of fiscal 2001 while interest expenses were lower resulting from reductions in debt.

As a result, income before income taxes was 45.8 billion yen (US\$373 million), and after the recognition of 21.2 billion yen (US\$173 million) in income taxes, Hitachi recorded income before minority interests of 24.6 billion yen (US\$200 million) and net income was 12.8 billion yen (US\$104 million).

Financial Position

Net cash provided by operating activities was 191.5 billion yen (US\$1,557 million), declining 4.8 billion yen year on year, principally due to the payment of special termination benefits under early retirement plans. Efforts were, however, made to use working capital more efficiently, such as by promoting Project C, which reduced the time required to turn over inventory and accounts receivable from 185 days at the end of September 30, 2001, to 160 days at September 30, 2002.

Investing activities used net cash of 128.9 billion yen (US\$1,048 million), 87.6 billion yen (US\$712 million) less year on year, reflecting a decrease in cash used for the purchase of property, plant and equipment as Hitachi made selective capital investments, and cash inflows from the selling of short-term investments and subsidiaries' common stock.

Free cash flows remaining after deducting net cash used in investing activities from net cash provided by operating activities amounted to 62.5 billion yen (US\$508 million).

Financing activities used net cash of 197.8 billion yen (US\$1,609 million), compared with net cash provided of 74.1 billion yen (US\$603 million) in the same period of the previous fiscal year, reflecting the repayment of short-term borrowings by implementing a new committed credit facility.

Cash and cash equivalents as of September 30, 2002 amounted to 875.2 billion yen (US\$7,116 million), a reduction of 154.1 billion yen (US\$1,253 million) during the interim period.

Debt on September 30, 2002 stood at 2,776.9 billion yen (US\$22,576 million), 221.3 billion yen (US\$1,799 million) less than at March 31, 2002.

Capital investment on a completion basis declined 15%, to 375.2 billion yen (US\$3,051 million), and depreciation decreased 13%, to 226.2 billion yen (US\$1,840 million).

All figures were converted at the rate of 123 yen = U.S.\$1, the approximate exchange rate on the Tokyo Foreign Exchange Market as of September 30, 2002.

Outlook for Fiscal 2002

The world economy seemed to be moving onto a recovery footing, particularly in the U.S. and Asia, at the start of 2002. However, the recovery in the bellwether U.S. economy has slowed, and a string of terrorist attacks in various parts of the world have created a growing sense of instability in the world economy. The Japanese economy, on the other hand, remains mired in recession with no prospects for a full-fledged recovery. Consequently, consumer spending and capital expenditures in Japan are expected to remain depressed, creating an uncertain operating environment for companies.

In this climate, Hitachi will bolster its international competitiveness by accelerating the pace of CII, which targets greater efficiency throughout the organization, to quickly improve its operating results. Concurrently, Hitachi will advance bold management and structural reforms.

Based on the above factors, Hitachi is projecting the following operating results for fiscal 2002, ending March 31, 2003. The projections assume an exchange rate of 120 yen to the U.S. dollar for the second half of fiscal 2002.

Net Sales	8,050 billion yen (US\$65,447 million) (year-on-year increase of 1%)
Operating income	150 billion yen (US\$1,220 million)
Income before income taxes	130 billion yen (US\$1,057 million)
Income before minority interests	61 billion yen (US\$496 million)
Net income	36 billion yen (US\$293 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.

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HITACHI, LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 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 123 yen = U.S.\$1, the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market as of September 30, 2002.

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)
	2002 (A)	2001 (B)		2002
1. Net sales	3,916,491	3,938,121	99	31,841
2. Operating income (loss)	61,688	(42,110)	-	502
3. Income (Loss) before income taxes and minority interests	45,877	(98,541)	-	373
4. Income (Loss) before minority interests	24,610	(116,696)	-	200
5. Net income (loss)	12,852	(110,543)	-	104
6. Net income (loss) per share				
Basic	3.85	(33.12)	-	0.03
Diluted	3.77	-	-	0.03
7. Net income (loss) per ADS (representing 10 shares)				
Basic	39	(331)	-	0.32
Diluted	38	-	-	0.31

CONSOLIDATED STATEMENTS OF INCOME

	The half years ended September 30			
	YEN (millions)		(A)/(B) X100	U.S. DOLLARS (millions)
	2002 (A)	2001 (B)		2002
Net sales	3,916,491	3,938,121	99	31,841
Cost of sales	2,969,558	3,016,343	98	24,143
Selling, general and administrative expenses	885,245	963,888	92	7,197
Operating income (loss)	61,688	(42,110)	-	502
Other income	26,712	17,246	155	217
(Interest and dividends)	10,981	17,246	64	89
(Other)	15,731	-	-	128
Other deductions	42,523	73,677	58	346
(Interest charges)	17,803	25,900	69	145
(Other)	24,720	47,777	52	201
Income (Loss) before income taxes and minority interests	45,877	(98,541)	-	373
Income taxes	21,267	18,155	117	173
Income (Loss) before minority interests	24,610	(116,696)	-	200
Minority interests	11,758	(6,153)	-	96
Net income (loss)	12,852	(110,543)	-	104

CONSOLIDATED BALANCE SHEETS

	YEN (millions)		(A)/(B) X100	U.S.DOLLARS
	As of Sept. 30, 2002 (A)	As of March 31, 2002 (B)		(millions) As of Sept. 30, 2002
Assets	9,360,312	9,915,654	94	76,100
Current assets	4,991,308	5,507,535	91	40,580
Cash and cash equivalents	875,212	1,029,374	85	7,116
Short-term investments	160,862	178,933	90	1,308
Trade receivables				
Notes	184,194	204,855	90	1,498
Accounts	1,666,468	1,895,150	88	13,549
Investment in leases	459,526	527,432	87	3,736
Inventories	1,193,242	1,214,399	98	9,701
Other current assets	451,804	457,392	99	3,673
Investments and advances	773,211	834,907	93	6,286
Property, plant and equipment	2,448,810	2,514,424	97	19,909
Other assets	1,146,983	1,058,788	108	9,325
Liabilities and stockholders' equity	9,360,312	9,915,654	94	76,100
Current liabilities	3,649,636	3,885,265	94	29,672
Short-term debt and current installments of long-term debt	1,235,091	1,199,921	103	10,041
Trade payables				
Notes	77,979	92,799	84	634
Accounts	970,253	991,037	98	7,888
Advances received	293,623	334,172	88	2,387
Other current liabilities	1,072,690	1,267,336	85	8,721
Noncurrent liabilities	2,617,237	2,927,421	89	21,278
Long-term debt	1,541,809	1,798,303	86	12,535
Retirement and severance benefits	1,000,985	1,049,054	95	8,138
Other liabilities	74,443	80,064	93	605
Minority interests	802,071	798,744	100	6,521
Stockholders' equity	2,291,368	2,304,224	99	18,629
Common stock	282,032	282,032	100	2,293
Capital surplus	530,460	527,010	101	4,313
Legal reserve and retained earnings	1,761,907	1,753,999	100	14,324
Accumulated other comprehensive income (loss)	(282,322)	(258,484)	-	(2,295)
(Foreign currency translation adjustments)	(56,624)	(38,012)	-	(460)
(Minimum pension liability adjustments)	(243,059)	(260,100)	-	(1,976)
(Net unrealized holding gain on available-for-sale securities)	17,621	39,997	44	143
(Cash flow hedges)	(260)	(369)	-	(2)
Treasury stock	(709)	(333)	-	(6)

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CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	YEN (millions)		U.S. DOLLARS (millions)
	The half year ended Sept. 30, 2002	The year ended March 31, 2002	The half year ended Sept. 30, 2002
Common stock			
Balance at beginning of year	282,032	281,754	2,293
Conversion of convertible debentures	0	278	0
Balance at end of year	282,032	282,032	2,293
Capital surplus			
Balance at beginning of year	527,010	501,243	4,285
Conversion of convertible debentures	652	359	5
Increase arising from issuance of subsidiaries' common stock and other	2,798	25,408	23
Balance at end of year	530,460	527,010	4,313
Legal reserve			
Balance at beginning of year	110,751	109,815	900
Transfers from retained earnings	203	978	2
Transfers from (to) minority interests arising from conversion of subsidiaries' convertible debentures and other	6	(42)	0
Balance at end of year	110,960	110,751	902
Retained earnings			
Balance at beginning of year	1,643,248	2,157,136	13,360
Net income (loss)	12,852	(483,837)	104
Cash dividends	0	(28,373)	0
Transfers to legal reserve	(203)	(978)	(2)
Transfers to minority interests arising from conversion of subsidiaries' convertible debentures	(263)	(64)	(2)
Transfers to minority interests arising from issuance of subsidiaries' common stock and other	(4,687)	(636)	(38)
Balance at end of year	1,650,947	1,643,248	13,422
Legal reserve and retained earnings	1,761,907	1,753,999	14,324
Accumulated other comprehensive income (loss)			
Foreign currency translation adjustments			
Balance at beginning of year	(38,012)	(57,647)	(309)
Current-period change	(18,612)	19,635	(151)
Balance at end of year	(56,624)	(38,012)	(460)
Minimum pension liability adjustments			
Balance at beginning of year	(260,100)	(182,936)	(2,115)
Current-period change	17,041	(77,164)	139
Balance at end of year	(243,059)	(260,100)	(1,976)
Net unrealized holding gain on available-for-sale securities			
Balance at beginning of year	39,997	51,041	325
Changes in unrealized holding gain	(22,376)	(11,044)	(182)
Balance at end of year	17,621	39,997	143
Cash flow hedges			
Balance at beginning of year	(369)	1,096	(3)
Changes in the fair value of derivative financial instruments	109	(1,465)	1
Balance at end of year	(260)	(369)	(2)
Accumulated other comprehensive income (loss)	(282,322)	(258,484)	(2,295)
Treasury stock			
Balance at beginning of year	(333)	-	(3)
Current-period increase	(376)	(333)	(3)
Balance at end of year	(709)	(333)	(6)
Total stockholders' equity	2,291,368	2,304,224	18,629

CONSOLIDATED STATEMENTS OF CASH FLOWS

	The half years ended September 30		
	YEN (millions)		U.S. DOLLARS (millions)
	2002	2001	2002
Cash flows from operating activities			
Net income (loss)	12,852	(110,543)	104
Adjustments to reconcile net income (loss) to net cash provided by operating activities			
Depreciation	226,280	258,714	1,840
Deferred income taxes	(36,292)	(39,015)	(295)
Loss on disposal of rental assets and other property	4,306	11,451	35
Decrease in receivables	183,658	397,185	1,493
(Increase) Decrease in inventories	(8,394)	54,629	(68)
Decrease in payables	(25,911)	(273,874)	(211)
Other	(164,996)	(102,224)	(1,341)
Net cash provided by operating activities	191,503	196,323	1,557
Cash flows from investing activities			
Decrease in short-term investments	17,591	53,128	143
Capital expenditures	(155,148)	(226,980)	(1,261)
Purchase of rental assets, net	(186,496)	(201,690)	(1,516)
(Purchase) Sale of investments and subsidiaries' common stock, net	55,989	(46,353)	455
Collection of investment in leases	209,869	232,447	1,706
Other	(70,764)	(27,126)	(575)
Net cash used in investing activities	(128,959)	(216,574)	(1,048)
Cash flows from financing activities			
Increase (Decrease) in interest-bearing debt	(191,907)	58,700	(1,560)
Dividends paid to stockholders	(82)	(18,289)	(1)
Dividends paid to minority stockholders of subsidiaries	(6,956)	(7,358)	(57)
Other	1,088	41,076	9
Net cash provided by (used in) financing activities	(197,857)	74,129	(1,609)
Effect of exchange rate changes on cash and cash equivalents	(18,849)	(3,883)	(153)
Net increase (decrease) in cash and cash equivalents	(154,162)	49,995	(1,253)
Cash and cash equivalents at beginning of year	1,029,374	1,381,603	8,369
Cash and cash equivalents at end of year	875,212	1,431,598	7,116

SEGMENT INFORMATION

(1)INDUSTRY SEGMENTS

		The half years ended September 30			
		YEN (millions)		(A)/(B) X100	U.S. DOLLARS (millions)
		2002 (A)	2001 (B)		2002
Sales	Information & Telecommunication Systems	878,230 18%	873,312 18%	101	7,140
	Electronic Devices	766,417 16%	765,090 15%	100	6,231
	Power & Industrial Systems	1,068,101 22%	1,117,375 22%	96	8,684
	Digital Media & Consumer Products	597,689 12%	582,493 12%	103	4,859
	High Functional Materials & Components	613,061 12%	628,175 13%	98	4,984
	Logistics, Services & Others	700,613 14%	707,766 14%	99	5,696
	Financial Services	293,321 6%	281,102 6%	104	2,385
	Subtotal	4,917,432 100%	4,955,313 100%	99	39,979
	Eliminations & Corporate items	(1,000,941)	(1,017,192)	-	(8,138)
Total		3,916,491	3,938,121	99	31,841
Operating income (loss)	Information & Telecommunication Systems	42,167	14,558	290	343
	Electronic Devices	(7,918)	(72,918)	-	(64)
	Power & Industrial Systems	11,111	26,736	42	90
	Digital Media & Consumer Products	5,747	(6,022)	-	47
	High Functional Materials & Components	9,042	(1,475)	-	74
	Logistics, Services & Others	1,457	7,372	20	12
	Financial Services	18,653	20,403	91	152
	Subtotal	80,259	(11,346)	-	653
	Eliminations & Corporate items	(18,571)	(30,764)	-	(151)
Total		61,688	(42,110)	-	502

Note: Net sales by industry segment include intersegment transactions.

(2)GEOGRAPHIC SEGMENTS

			The half years ended September 30			
			YEN (millions)		(A)/(B) X100	U.S. DOLLARS (millions)
			2002 (A)	2001 (B)		2002
Sales	Japan	Outside customer sales	3,003,621 65%	3,050,225 66%	98	24,420
		Intersegment transactions	501,040 11%	444,492 10%	113	4,073
		Total	3,504,661 76%	3,494,717 76%	100	28,493
	Asia	Outside customer sales	312,220 7%	292,640 6%	107	2,538
		Intersegment transactions	168,355 3%	184,263 4%	91	1,369
		Total	480,575 10%	476,903 10%	101	3,907
	North America	Outside customer sales	394,660 9%	392,181 8%	101	3,209
		Intersegment transactions	19,434 0%	23,714 1%	82	158
		Total	414,094 9%	415,895 9%	100	3,367
	Europe	Outside customer sales	177,056 4%	176,216 4%	100	1,439
		Intersegment transactions	12,281 0%	17,191 0%	71	100
		Total	189,337 4%	193,407 4%	98	1,539
	Other Areas	Outside customer sales	28,934 1%	26,859 1%	108	235
		Intersegment transactions	1,323 0%	1,033 0%	128	11
		Total	30,257 1%	27,892 1%	108	246
	Subtotal		4,618,924 100%	4,608,814 100%	100	37,552
	Eliminations		(702,433)	(670,693)	-	(5,711)
	Total		3,916,491	3,938,121	99	31,841

		The half years ended September 30			
		YEN (millions)		(A)/(B) X100	U.S. DOLLARS (millions) 2002
		2002 (A)	2001 (B)		
Operating income (loss)	Japan	65,775 78%	(12,100) -	-	535
	Asia	7,740 9%	(2,389) -	-	63
	North America	3,037 4%	(15,096) -	-	25
	Europe	6,442 8%	2,101 -	307	52
	Other Areas	748 1%	831 -	90	6
	Subtotal	83,742 100%	(26,653) -	-	681
	Eliminations & Corporate items	(22,054)	(15,457)	-	(179)
Total	61,688	(42,110)	-	502	

(3)SALES BY MARKET

		The half years ended September 30			
		YEN (millions)		(A)/(B) X100	U.S. DOLLARS (millions) 2002
		2002 (A)	2001 (B)		
Japan		2,633,108 67%	2,700,418 69%	98	21,407
	Asia	498,594 13%	431,526 11%	116	4,054
	North America	426,980 11%	450,872 11%	95	3,471
	Europe	262,185 7%	256,943 7%	102	2,132
	Other Areas	95,624 2%	98,362 2%	97	777
Outside Japan		1,283,383 33%	1,237,703 31%	104	10,434
Total		3,916,491 100%	3,938,121 100%	99	31,841

HITACHI, LTD.
UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2002
(123yen = U.S.\$1)

October 31, 2002

<u>INCOME STATEMENTS</u>	YEN (millions)			(A)/(B)×100	U.S. DOLLARS (millions)
(The half years ended Sept. 30)	2002(A)	2001(B)			2002
Net sales	1,515,655	1,778,746	85%		12,322
Cost of sales	1,231,453	1,455,483	85%		10,012
S.G.A. expenses	283,926	351,616	81%		2,308
<u>Operating income (loss)</u>	275	(28,353)	-		2
Other income	23,823	27,101	88%		194
Other deductions	26,509	45,437	58%		216
<u>Ordinary income (loss)</u>	(2,411)	(46,689)	-		(20)
Extraordinary gain	32,957	3,775	873%		268
Extraordinary loss	-	-	-		-
<u>Income before income taxes (loss)</u>	30,546	(42,914)	-		248
Current income taxes	1,661	2,064	81%		14
Deferred income taxes	9,116	(15,968)	-		74
<u>Net income (loss)</u>	19,767	(29,010)	-		161
Basic EPS (yen and dollars)	5.92	(8.69)	-		0.05
Diluted EPS (yen and dollars)	-	-	-		-

<u>BALANCE SHEETS</u>	2002/9/30(A)	2002/3/31(B)	(A)/(B)×100	2002/9/30
Current assets	1,848,080	2,124,120	87%	15,025
(Quick assets)	1,372,563	1,618,519	85%	11,159
(Inventories)	383,566	391,118	98%	3,118
(Deferred tax assets)	91,950	114,481	80%	748
Fixed assets	1,777,332	1,799,024	99%	14,450
(Investments)	841,725	810,124	104%	6,843
(Deferred tax assets)	322,892	307,867	105%	2,625
(Others)	612,714	681,033	90%	4,981
<u>Total assets</u>	3,625,413	3,923,144	92%	29,475
Current liabilities	1,621,077	1,788,217	91%	13,179
Fixed liabilities	636,355	770,341	83%	5,174
(Debentures)	418,471	511,299	82%	3,402
(Long-term loans)	2,608	2,668	98%	21
(Others)	215,276	256,374	84%	1,750
<u>Total liabilities</u>	2,257,432	2,558,558	88%	18,353
<u>Stockholders' equity</u>	1,367,980	1,364,585	100%	11,122
<u>Liabilities and stockholders' equity</u>	3,625,413	3,923,144	92%	29,475

- more -

FORECAST FOR THE YEAR ENDING MARCH 31, 2003

	Net sales	Ordinary income	Net income
Millions of Yen	3,070,000	24,000	21,000
Millions of U.S. dollars	24,959	195	171

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.

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October 31,2002

Hitachi, Ltd.

**Supplementary information for the first half of fiscal 2002,ended September 30, 2002
(Consolidated basis)**

1. Summary

(Billions of yen)

	1st half of fiscal 2001		1st half of fiscal 2002		Fiscal 2002(Forecast)	
	(A)	(A)/1st half of FY 2000	(B)	(B)/(A)	(C)	(C)/FY2001
Net sales	3,938.1	98%	3,916.4	99%	8,050.0	101%
C/U *	221%	-	258%	-	262%	-
Operating income (loss)	(42.1)	-	61.6	-	150.0	-
Income (loss) before income taxes and minority interests	(98.5)	-	45.8	-	130.0	-
Income (loss) before minority interests	(116.6)	-	24.6	-	61.0	-
Net income (loss)	(110.5)	-	12.8	-	36.0	-
C/U *	-	-	65%	-	171%	-
Average exchange rate (yen / U.S.\$)	122	-	122	-	120 **	-
Net interest and dividends	(8.6)	-	(6.8)	-	(15.0)	-

*Consolidated basis/Unconsolidated basis

**Assumed exchange rate for 2nd half of fiscal 2002

	As of March 31, 2002	As of September 30, 2002
Cash & cash equivalents, Short-term investments (Billions of yen)	1,208.3	1,036.0
Interest-bearing debt (Billions of yen)	2,998.2	2,776.9
Number of employees	321,517	318,418
Japan	256,823	251,584
Overseas	64,694	66,834
Number of consolidated subsidiaries	1,066	1,069
Japan	712	706
Overseas	354	363

2. Sales by industry segment

(Billions of yen)

	1st half of fiscal 2001		1st half of fiscal 2002		Fiscal 2002(Forecast)	
	(A)	(A)/1st half of FY 2000	(B)	(B)/(A)	(C)	(C)/FY2001
Information & Telecommunication Systems	873.3	105%	878.2	101%	1,865.0	102%
Electronic Devices	765.0	76%	766.4	100%	1,555.0	105%
Power & Industrial Systems	1,117.3	106%	1,068.1	96%	2,255.0	99%
Digital Media & Consumer Products	582.4	115%	597.6	103%	1,225.0	105%
High Functional Materials & Components	628.1	88%	613.0	98%	1,270.0	102%
Logistics, Services & Others	707.7	91%	700.6	99%	1,395.0	97%
Financial Services	281.1	98%	293.3	104%	585.0	103%
Eliminations & Corporate items	(1,017.1)	-	(1,000.9)	-	(2,100.0)	-
Total	3,938.1	98%	3,916.4	99%	8,050.0	101%

3. Operating income (loss) by industry segment

(Billions of yen)

	1st half of fiscal 2001		1st half of fiscal 2002		Fiscal 2002(Forecast)	
	(A)	(A)/1st half of FY 2000	(B)	(B)/(A)	(C)	(C)/FY2001
Information & Telecommunication Systems	14.5	118%	42.1	290%	88.0	246%
Electronic Devices	(72.9)	-	(7.9)	-	(16.0)	-
Power & Industrial Systems	26.7	146%	11.1	42%	49.0	89%
Digital Media & Consumer Products	(6.0)	-	5.7	-	14.0	-
High Functional Materials & Components	(1.4)	-	9.0	-	13.0	-
Logistics, Services & Others	7.3	148%	1.4	20%	7.0	215%
Financial Services	20.4	81%	18.6	91%	31.0	83%
Eliminations & Corporate items	(30.7)	-	(18.5)	-	(36.0)	-
Total	(42.1)	-	61.6	-	150.0	-

4. Overseas sales by industry segment

(Billions of yen)

	1st half of fiscal 2001		1st half of fiscal 2002		Fiscal 2002(Forecast)	
	(A)	(A)/1st half of FY 2000	(B)	(B)/(A)	(C)	(C)/FY2001
Information & Telecommunication Systems	119.3	130%	128.9	108%	/	/
Electronic Devices	264.6	79%	263.1	99%		
Power & Industrial Systems	190.4	99%	194.1	102%		
Digital Media & Consumer Products	235.8	148%	246.0	104%		
High Functional Materials & Components	169.9	91%	155.5	92%		
Logistics, Services & Others	238.7	82%	277.0	116%		
Financial Services	18.6	103%	18.5	99%		
Eliminations & Corporate items	0	-	0	-		
Total	1,237.7	97%	1,283.3	104%		

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

	1st half of fiscal 2001		1st half of fiscal 2002	
	(A)	(A)/1st half of FY 2000	(B)	(B)/(A)
Overseas production	567.9	95%	499.7	88%
Percentage of net sales	14%	-	13%	-
Percentage of overseas sales	46%	-	39%	-

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

	Fiscal 2001		1st half of fiscal 2002		Fiscal 2002(Forecast)			
	(A)	(A)/ FY 2000	(B)	(B)/1st half of FY 2001	(C)	(C)/ (A)		
Information & Telecommunication Systems	89.7	100%	36.7	75%	/			
Electronic Devices	114.6	51%	42.9	66%				
Power & Industrial Systems	74.5	99%	30.1	94%				
Digital Media & Consumer Products	38.6	85%	18.2	96%				
High Functional Materials & Components	80.2	74%	31.6	72%				
Logistics, Services & Others	40.1	133%	15.5	72%				
Financial Services	472.1	101%	219.8	92%				
Eliminations & Corporate items	(53.8)	-	(20.0)	-				
Total	856.2	88%	375.2	85%			770.0	90%
Internal use assets	414.1	77%	161.5	74%			330.0	80%
Leasing assets	442.1	103%	213.7	96%	440.0	100%		

7. Depreciation by industry segment (Billions of yen)

	Fiscal 2001		1st half of fiscal 2002		Fiscal 2002(Forecast)			
	(A)	(A)/ FY 2000	(B)	(B)/1st half of FY 2001	(C)	(C)/ (A)		
Information & Telecommunication Systems	69.2	110%	29.7	82%	/			
Electronic Devices	162.1	108%	55.2	76%				
Power & Industrial Systems	62.9	98%	31.0	100%				
Digital Media & Consumer Products	44.0	99%	19.8	95%				
High Functional Materials & Components	81.8	99%	36.8	93%				
Logistics, Services & Others	36.3	104%	15.9	86%				
Financial Services	69.3	111%	35.5	94%				
Corporate items	3.5	87%	2.0	114%				
Total	529.4	105%	226.2	87%			480.0	91%
Internal use assets	450.1	103%	186.1	87%			385.0	86%
Leasing assets	79.2	115%	40.1	92%	95.0	120%		

8. R&D expenditure by industry segment

(Billions of yen)

	Fiscal 2001		1st half of fiscal 2002		Fiscal 2002(Forecast)	
	(A)	(A)/ FY 2000	(B)	(B)/1st half of FY 2001	(C)	(C)/ (A)
Information & Telecommunication Systems	136.7	89%	63.4	89%		
Electronic Devices	116.7	91%	52.8	89%		
Power & Industrial Systems	63.7	96%	29.8	93%		
Digital Media & Consumer Products	37.5	101%	16.9	89%		
High Functional Materials & Components	47.5	108%	20.9	87%		
Logistics, Services & Others	11.9	224%	4.9	75%		
Financial Services	1.2	147%	0.7	117%		
Total	415.4	95%	189.6	89%	380.0	91%
Percentage of net sales	5.2%	-	4.8%	-	4.7%	-

9. Balance sheets by financial and non-financial services

(Billions of yen)

Assets	As of March 31, 2002	As of September 30, 2002	Liabilities and stockholders' equity	As of March 31, 2002	As of September 30, 2002
Manufacturing, Services and Others			Manufacturing, Services and Others		
Cash and cash equivalents	850.9	750.4	Short-term debt	951.7	999.0
Short-term investments	158.3	150.4	Trade payables	1,018.3	974.3
Trade receivables	1,719.6	1,514.7	Long-term debt	1,026.4	889.8
Inventories	1,198.4	1,182.2	Other liabilities	2,658.2	2,336.2
Investments and advances	835.4	726.6	Total	5,654.7	5,199.5
Property, plant and equipment	2,212.5	2,152.8	Financial Services		
Other assets	1,572.2	1,601.5	Short-term debt	586.6	515.4
Total	8,547.7	8,079.0	Trade payables	243.1	234.8
Financial Services			Long-term debt	903.0	772.7
Cash and cash equivalents	178.3	124.7	Other liabilities	126.7	141.1
Trade receivables	609.8	527.2	Total	1,859.5	1,664.1
Investment in leases	646.5	579.1	Eliminations	(701.6)	(596.8)
Property, plant and equipment	320.9	312.7	Liabilities	6,812.6	6,266.8
Other assets	358.6	376.7	Minority interests	798.7	802.0
Total	2,114.3	1,920.5	Stockholders' equity	2,304.2	2,291.3
Eliminations	(746.5)	(639.2)	Liabilities and stockholders' equity	9,915.6	9,360.3
Assets	9,915.6	9,360.3			

**Supplementary information for the first half of fiscal 2002,ended September 30, 2002
(Unconsolidated basis)**

1. Summary

(Billions of yen)

	1st half of fiscal 2001		1st half of fiscal 2002		Fiscal 2002 (Forecast)	
	(A)	(A)/1st half of FY00	(B)	(B)/(A)	(C)	(C)/FY01
Net sales	1,778.7	94%	1,515.6	85%	3,070.0	87%
Operating income (loss)	(28.3)	-	0.2	-	28.0	-
Ordinary income (loss)	(46.6)	-	(2.4)	-	24.0	-
Net income (loss)	(29.0)	-	19.7	-	21.0	-
Dividend payout ratio (%)	-	-	51	-	-	-
Average exchange rate (yen / U.S.\$)*	122	-	123	-	120*	-

* Assumed exchange rate for 2nd half of fiscal 2002

	As of March 31, 2002	As of September 30, 2002	As of March 31, 2003 (Forecast)
Cash & cash equivalents, Short-term investments (Billions of yen)	357.6	281.3	-
Interest-bearing debt (Billions of yen)	648.0	599.3	-
Number of employees	50,427	47,300	43,900

2. Sales by industry segment

(Billions of yen)

	1st half of fiscal 2001		1st half of fiscal 2002		Fiscal 2002 (Forecast)	
	(A)	(A)/1st half of FY00	(B)	(B)/(A)	(C)	(C)/FY01
Information & Telecommunication Systems	682.7	103%	670.2	98%	/	
Electronic Devices	299.1	65%	277.0	93%		
Power & Industrial Systems	545.7	108%	477.6	88%		
Digital Media & Consumer Products	251.0	95%	90.7	36%		
Total	1,778.7	94%	1,515.6	85%		

3. Capital investment (Based on construction starts)

(Billions of yen)

	Fiscal 2001		1st half of Fiscal 2002		Fiscal 2002 (Forecast)	
	(A)	(A)/ FY00	(B)	(B)/1st half of FY01	(C)	(C)/(A)
Information & Telecommunication Systems	18.5	80%	10.0	87%	/	
Electronic Devices	15.5	12%	26.0	260%		
Power & Industrial Systems	22.0	73%	8.0	70%		
Digital Media & Consumer Products	6.5	72%	1.0	29%		
Others	13.0	118%	5.0	71%		
Total	75.5	37%	50.0	115%		

4. Depreciation (note)

(Billions of yen)

	Fiscal 2001		1st half of Fiscal 2002		Fiscal 2002 (Forecast)	
	(A)	(A)/ FY00	(B)	(B)/1st half of FY01	(C)	(C)/(A)
Depreciation	116.7	96%	47.7	76%	85.0	73%

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

5. R&D expenditures

(Billions of yen)

	Fiscal 2001		1st half of Fiscal 2002		Fiscal 2002 (Forecast)	
	(A)	(A)/ FY00	(B)	(B)/1st half of FY01	(C)	(C)/(A)
R&D expenditures	275.6	90%	119.5	82%	226.0	82%
Percentage of net sales	7.8%	–	7.9%	–	7.4%	–

Supplementary Information on Information & Telecommunication Systems**1. Sales and Operating income (loss) 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%	101%	103%	102%
	873.3	956.3	1,829.6	878.2	986.8	1,865.0
Software & Services	125%	110%	116%	100%	103%	102%
	452.7	508.1	960.8	453.4	524.8	978.2
Hardware	89%	90%	89%	101%	103%	102%
	420.6	448.2	868.8	424.8	462.0	886.8
Operating income	119%	57%	73%	290%	218%	246%
	14.5	21.1	35.7	42.1	45.9	88.0
Software & Services	371%	172%	215%	186%	120%	144%
	16.7	28.2	45.0	31.1	33.7	64.8
Hardware	-	-	-	-	-	-
	(2.2)	(7.1)	(9.3)	11.0	12.2	23.2

*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	878.2	986.8	1,865.0
Software & Services	452.7	508.1	960.8	453.4	524.8	978.2
Software	88.1	103.4	191.5	91.6		
Services	364.6	404.7	769.3	361.8		
Hardware	420.6	448.2	868.8	424.8	462.0	886.8
Servers	64.7	52.7	117.4	60.1		
PCs	56.7	69.1	125.8	71.6		
Storage	135.0	162.8	297.8	165.5		
Telecommunication	80.9	72.0	152.9	47.2		
Others	83.3	91.6	174.9	80.4		

*Forecast

Notes: Figures for servers include supercomputers, general-purpose computers and UNIX servers.

Figures for PCs include PC servers and client PCs.

Figures for storage include disk array, subsystem, and Hard Disk Drives.

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%	108%	100%	104%
	120.0	130.0	250.0	130.0	130.0	260.0

*Forecast

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

	Fiscal 2001			Fiscal 2002		
	1 st half	2 nd half	Total	1 st half	2 nd half*	Total*
General-purpose computers	172	140	312	140	160	300
UNIX servers	1,500	1,200	2,700	1,300	1,400	2,700
PCs & PC servers	300,000	350,000	650,000	280,000	350,000	630,000
Large-capacity disk array subsystems	6,600	8,600	15,200	13,600	15,200	28,800
Middle-capacity disk array subsystems	1,300	1,600	2,900	1,600	2,100	3,700
Hard Disk Drives	2,600,000	3,700,000	6,300,000	4,000,000	4,900,000	8,900,000

*Forecast

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

Figures for General-purpose computers, 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 2001			Fiscal 2002		
	1st half	2nd half	Total	1st half	2nd half*	Total*
Sales	64%	58%	61%	104%	120%	111%
	267.4	239.5	506.9	277.4	287.6	565.0
Operating income (loss)	-	-	-	-	-	-
	(57.9)	(75.5)	(133.5)	(14.4)	(13.6)	(28.0)

* Forecast

Sales by products

	Fiscal 2001	Fiscal 2002*
DRAM	8%	7%
System Memory	10%	9%
System LSI	54%	56%
Multi-Purpose Semiconductor	28%	28%

* Forecast

Semiconductor Capital Investment

(Billions of yen)

		Fiscal 2001	Fiscal 2002*
Parent	Naka Operation	1.0	1.5
	Takasaki Operation	1.0	3.0
	Koufu Operation	1.0	1.0
	Other	2.5	1.0
	Parent subtotal	5.5 (1st half:3.5, 2nd half:2.0)	6.5 (1st half:2.5, 2nd half:4.0)
Domestic subsidiaries	TTI**	0.5	1.5
	Other	12.5	11.5
	Domestic subsidiaries	13.0	13.0
	HNS***	0.5	1.5
	Other	3.0	3.0
Overseas subsidiaries	3.5	4.5	
Subsidiaries subtotal	16.5	17.5	
Hitachi consolidated total	22.0 (1st half:16.0, 2nd half:6.0)	24.0 (1st half:13.0, 2nd half:11.0)	

* Forecast

** Trecenti Technologies, Inc.

*** Hitachi Nippon Steel Semiconductor Singapore Pte. Ltd.

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

Fiscal 2001		Fiscal 2002*	
170	71%	220	129%

* Forecast

DRAM & Flash Memory production quantity (pieces/month)

	March 2002	Fiscal 2002	
64MDRAM	2 million	First Quarter	550,000
		Second Quarter	600,000
		Third Quarter	600,000*
		Fourth Quarter	600,000*
256MDRAM	1.2 million	First Quarter	2million
		Second Quarter	2million
		Third Quarter	2million*
		Fourth Quarter	2million*
256M Flash Memory	550,000	First Quarter	600,000
		Second Quarter	600,000
		Third Quarter	500,000*
		Fourth Quarter	400,000*

* Forecast

2. Displays

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

	Fiscal 2001			Fiscal 2002		
	1st half	2nd half	Total	1st half	2nd half*	Total*
Sales	58%	84%	69%	109%	112%	110%
	92.0	102.9	195.0	100.0	115.0	215.0
Operating income (loss)	-	-	-	-	-	-
	(26.2)	(21.0)	(47.2)	(1.3)	(3.2)	(4.5)

* Forecast

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

	Fiscal 2001		Fiscal 2002 *	
LCDs	128.0	84%	180.0	141%
Color display tubes	18.0	31%	0.0	0%
Color picture tubes	19.0	86%	1.5	8%
Projection tubes	20.0	100%	28.0	140%

* Forecast

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

	Fiscal 2001				Fiscal 2002			
	1st half	2nd half	Total		1st half	2nd half*	Total*	
Large size LCDs	43.0	66.0	109.0	81%	58.0	71.0	129.0	118%
Medium & small size LCDs	5.0	14.0	19.0	106%	22.0	29.0	51.0	268%
Total	48.0	80.0	128.0	84%	80.0	100.0	180.0	141%

* Forecast

LCD Capital Investment (Billions of yen; % change from preceding year)

Fiscal 2001				Fiscal 2002			
1st half	2nd half	Total		1st half	2nd half*	Total*	
6.0	3.7	9.7	18%	26.8	0.9	27.7	286%

* Forecast