

Hitachi Posts Higher Profits

Tokyo, October 31, 2000 --- Hitachi, Ltd. (TSE: 6501) today announced results for the first half of fiscal 2000, ended September 30, 2000.

During the period under review, in Japan there was some active private-sector capital investment in IT-related areas and the like. However, investment in public works projects marked time, the recovery in consumer spending lacked any real strength, and the yen was stronger compared with the same period of the preceding year. On the other hand, overseas, the Asian economies continued to recover and the U.S. economy remained strong. Against this backdrop, Hitachi's consolidated sales posted a year-on-year increase of 5%, to 4,011,404 million yen (\$37,143 million).

Consolidated business results are for Hitachi, Ltd. and its 1,068 subsidiaries, including 332 overseas corporations.

By segment, in Information Systems & Electronics, semiconductors posted gains compared with the same period of the preceding year, based mainly on brisk demand for system LSIs and memories for PCs and cellular phones. Growth was also turned in by thin-film transistor (TFT) LCDs for PCs. In computers, the parent company, together with Hitachi Software Engineering Co., Ltd. and Hitachi Information Systems, Ltd. registered firm results in the areas of software, systems integration and services. As a result, segment sales rose 11% year on year, to 1,672,644 million yen (\$15,487 million).

In Power & Industrial Systems, sales of power systems were slow, reflecting the low level of investment in new facilities by Japanese power companies. However, in building systems, hardware and services continued to do well, and with private-sector investment in plant and equipment in the midst of a mild recovery, there were signs of a bottoming-out in some industrial system sectors. In addition, Hitachi Plant Engineering & Construction Co., Ltd. secured major orders relating to public works projects and constructions of pharmaceuticals production plants. Thus, segment sales rose 4% year on year, to 1,146,613 million yen (\$10,617 million).

In Consumer Products, a hot summer generated good sales of room air-conditioners in Japan, but sales of refrigerators and washing machines were sluggish. At Hitachi Maxell, Ltd., sales

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of computer tapes were higher, but sales of CD-R and lithium ion rechargeable batteries languished. As a result, segment sales amounted to 442,852 million yen (\$4,100 million), 3% less than in the same period of the preceding year.

In Materials, Hitachi Cable, Ltd., Hitachi Metals, Ltd. and Hitachi Chemical Co., Ltd. all posted higher sales of electronics-related materials, reflecting the expansion of demand for semiconductor- and LCD-related materials. This helped the segment to post sales of 714,683 million yen (\$6,617 million), 11% more than in the same period of the preceding year.

In Services & Other, Nissei Sangyo Co., Ltd. achieved higher sales of scanning electron microscopes and other semiconductor manufacturing equipment, and optical communication components for wavelength division multiplexing systems. Also, Hitachi Capital Corporation posted gains in loan guarantees for consumer purchases of automobiles and other items. As a result, segment sales amounted to 1,197,139 million yen (\$11,085 million), an increase of 15% compared with the same period of the preceding year.

The Company spent 217,454 million yen (\$2,013 million) on research and development, on a par with the same period last year. R&D expenditures as a percentage of net sales were 5.4 %.

During the period, Hitachi's plant and equipment investment amounted to 456,601 million yen (\$4,228 million), an increase of 66 % from the same period a year earlier.

Major gains in semiconductors and LCDs by Information Systems & Electronics, together with increases by the Power & Industrial Systems, Materials and Services & Other sectors resulted in an operating income of 166,132 million yen (\$1,538 million) for the period.

Other income increased 16,145 million yen (\$149 million), to 44,445 million yen (\$412 million), due mainly to higher gains on sale of marketable securities. Other deductions declined 5,029 million yen (\$47 million) to 55,825 million yen (\$517 million) on account of a decrease in deductions other than interest and discount charges, compared with the previous year.

Income before income taxes and minority interests came to 154,752 million yen (\$1,433 million), and after deduction of 62,422 million yen (\$578 million) in income taxes, income before minority interests amounted to 92,330 million yen (\$855 million). After excluding minority interests of 30,646 million yen (\$284 million), net income came to 61,684 million yen (\$571 million).

Outlook for Fiscal 2000

In Japan, private-sector capital investment relating to electronic devices and information systems is increasing, and consumer spending is slowly recovering. Overseas, in Asia and Europe economies are expected to remain firm. However, there are concerns that a tightening of interest rates might slow the U.S. economy, which has been enjoying a boom of unprecedented proportions, so caution is required.

For its part, Hitachi will continue to focus on realization of the goals of the i.e. HITACHI Plan and the achievement of increased profits, by using IT to achieve higher management

efficiency and by moving ahead with qualitative and structural reforms to transform itself into a solutions enterprise.

Hitachi's consolidated forecast for fiscal 2000, ending March 31, 2001, is as follows:

Net Sales	8,400,000 million yen (\$77,778 million) (year-on-year increase of 5%)
Operating income	335,000 million yen (\$3,102 million) (year-on-year increase of 92%)
Income before income taxes and minority interests	315,000 million yen (\$2,917 million) (year-on-year increase of 298%)
Income before minority interests	185,000 million yen (\$1,713 million) (year-on-year increase of 483%)
Net income	125,000 million yen (\$1,157 million) (year-on-year increase of 639%)

All figures were converted at the rate of 108 yen = U.S. \$1, the approximate exchange rate on the Tokyo Foreign Exchange Market as of September 29, 2000.

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.

HITACHI, LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2000

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 108 yen = U.S.\$1, the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market as of September 29, 2000.

SUMMARY

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

	The half years ended September 30			
	YEN (millions)		(A)/(B) X100	U.S.DOLLARS (millions)
	2000 (A)	1999 (B)		2000
1. Net sales	4,011,404	3,802,999	105	37,143
2. Operating income	166,132	65,698	253	1,538
3. Income before income taxes and minority interests	154,752	33,144	467	1,433
4. Income before minority interests	92,330	10,929	845	855
5. Net income	61,684	4,777	1,291	571
6. Net income per share				
Basic	18.48	1.43	1,292	0.17
Diluted	17.82	1.41	1,264	0.17
7. Net income per ADS (representing 10 shares)				
Basic	185	14	1,292	1.71
Diluted	178	14	1,264	1.65

- Notes: 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. Statement of Financial Accounting Standards (SFAS) No. 115, "Accounting for Certain Investments in Debt and Equity Securities," has been implemented in the body of the consolidated financial statements for the first half of fiscal 2000. Accordingly, figures for fiscal 1999 and the first half of fiscal 1999 have been restated.
3. 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, 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 for the first half of fiscal 2000.

CONSOLIDATED STATEMENTS OF INCOME

	The half years ended September 30			
	YEN (millions)		(A)/(B) X100	U.S. DOLLARS (millions)
	2000 (A)	1999 (B)		2000
Net sales	4,011,404	3,802,999	105	37,143
Cost of sales	2,903,101	2,818,680	103	26,881
Selling, general and administrative expenses	942,171	918,621	103	8,724
Operating income	166,132	65,698	253	1,538
Other income	44,445	28,300	157	412
(Interest and dividends)	23,003	17,487	132	213
(Other)	21,442	10,813	198	199
Other deductions	55,825	60,854	92	517
(Interest)	27,888	26,532	105	258
(Other)	27,937	34,322	81	259
Income before income taxes and minority interests	154,752	33,144	467	1,433
Income taxes	62,422	22,215	281	578
Income before minority interests	92,330	10,929	845	855
Minority interests	30,646	6,152	498	284
Net income	61,684	4,777	1,291	571

Note: 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, the Consolidated Statement of Income has been restated for the first half of fiscal 1999.

CONSOLIDATED BALANCE SHEETS

	YEN (millions)		(A)/(B) X100	U.S.DOLLARS (millions)
	As of Sept. 30 2000 (A)	As of March 31, 2000 (B)		As of Sept. 30 2000
Assets	11,007,074	9,983,361	110	101,917
Current assets	6,788,994	5,965,543	114	62,861
Cash and cash equivalents	1,264,810	1,357,432	93	11,711
Short-term investments	489,547	632,434	77	4,533
Trade receivables				
Notes	361,795	295,526	122	3,350
Accounts	1,952,469	1,908,692	102	18,078
Investment in leases	750,173	-	-	6,946
Inventories	1,582,229	1,416,878	112	14,650
Other current assets	387,971	354,581	109	3,592
Noncurrent receivables and restricted funds	155,729	160,583	97	1,442
Investments and advances	970,685	817,436	119	8,988
Property, plant and equipment	2,550,239	2,554,749	100	23,613
Other assets	541,427	485,050	112	5,013
Liabilities and stockholders' equity	11,007,074	9,983,361	110	101,917
Current liabilities	4,353,233	3,939,836	110	40,308
Short-term debt and current installments of long-term debt	1,555,146	1,305,670	119	14,400
Trade payables				
Notes	137,288	98,058	140	1,271
Accounts	1,053,305	974,721	108	9,753
Advances received	375,729	382,085	98	3,479
Other current liabilities	1,231,765	1,179,302	104	11,405
Noncurrent liabilities	2,793,873	2,263,913	123	25,869
Long-term debt	2,035,732	1,482,810	137	18,849
Retirement and severance benefits	670,381	699,385	96	6,207
Other liabilities	87,760	81,718	107	813
Minority interests	834,664	791,925	105	7,728
Stockholders' equity	3,025,304	2,987,687	101	28,012
Capital	281,754	281,738	100	2,609
Capital surplus	500,919	499,081	100	4,638
Legal reserve and retained earnings	2,242,108	2,189,426	102	20,760
Accumulated other comprehensive income	523	17,442	3	5
(Foreign currency translation adjustments)	(81,756)	(77,577)	-	(757)
(Net unrealized holding gains on securities)	80,085	95,019	84	742
(Net unrealized gains on derivative financial instruments)	2,194	-	-	20

Note : SFAS No.115, "Accounting for Certain Investments in Debt and Equity Securities," has been implemented in the Consolidated Balance Sheet for the first half of fiscal 2000. Accordingly, the Consolidated Balance Sheet has been restated for fiscal 1999.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	YEN (millions)		U.S. DOLLARS (millions)
	The half year ended Sept. 30, 2000	The year ended March 31, 2000	The half year ended Sept. 30, 2000
Common stock			
Balance at beginning of year	281,738	281,735	2,609
Conversion of convertible debentures	16	3	0
Balance at end of year	281,754	281,738	2,609
Capital Surplus			
Balance at beginning of year	499,081	494,782	4,621
Conversion of convertible debentures	860	3,954	8
Increase arising from sale of subsidiaries' common stock and other	978	345	9
Balance at end of year	500,919	499,081	4,638
Legal reserve			
Balance at beginning of year	106,885	105,905	990
Transfers from retained earnings	2,380	1,271	22
Transfers to minority interests arising from conversion of subsidiaries' convertible debentures	(12)	(94)	0
Transfers to minority interests arising from sale of subsidiaries' common stock and other	(33)	(197)	0
Balance at end of year	109,220	106,885	1,011
Retained earnings			
Balance at beginning of year as previously reported	-	2,083,936	-
Restatement	-	16,456	-
Balance at beginning of year as restated	2,082,541	2,100,392	19,283
Net income	61,684	16,922	571
Cash dividends	(10,013)	(28,371)	(93)
Transfers to legal reserve	(2,380)	(1,271)	(22)
Transfers to minority interests arising from conversion of subsidiaries' convertible debentures	(219)	(2,291)	(2)
Transfers to minority interests arising from sale of subsidiaries' common stock and other	1,275	(2,840)	12
Balance at end of year	2,132,888	2,082,541	19,749
Legal reserve and retained earnings	2,242,108	2,189,426	20,760
Accumulated other comprehensive income (loss)			
Foreign currency translation adjustments			
Balance at beginning of year	(77,577)	(58,065)	(718)
Current-period change	(4,179)	(19,512)	(39)
Balance at end of year	(81,756)	(77,577)	(757)
Net unrealized holding gains on securities, net of reclassification adjustment			
Balance at beginning of year as previously reported	-	-	-
Restatement	-	81,266	-
Balance at beginning of year as restated	95,019	81,266	880
Current-period change	(14,934)	13,753	(138)
Balance at end of year	80,085	95,019	742
Net unrealized gains on derivative financial instruments			
Balance at beginning of year	-	-	-
Changes in the fair value of derivative financial instruments	2,194	-	20
Balance at end of year	2,194	-	20
Accumulated other comprehensive income (loss)	523	17,442	5
Total stockholders' equity	3,025,304	2,987,687	28,012

Note: SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities," has been implemented in the Consolidated Statement of Stockholders' Equity for the first half of fiscal 2000. Accordingly, the Consolidated Statement of Stockholders' Equity has been restated for fiscal 1999.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	The half years ended September 30		
	YEN (millions)		U.S. DOLLARS (millions)
	2000	1999	2000
Cash flows from operating activities			
Net income	61,684	4,777	571
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation	239,967	275,030	2,222
Deferred income taxes	8,900	(25,673)	82
Loss on disposal of rental assets and other property	5,270	14,257	49
Decrease in receivables	44,028	136,296	408
Increase in inventories	(199,050)	(76,900)	(1,843)
Increase (decrease) in payables	30,084	(34,338)	279
Other	(17,104)	(98,619)	(158)
Net cash provided by operating activities	173,779	194,830	1,609
Cash flows from investing activities			
(Increase) decrease in short-term investments	103,933	(24,339)	962
Capital expenditures and proceeds from disposition of lease assets and other property	(427,931)	(207,081)	(3,962)
Proceeds from sale and purchase of investments and subsidiaries' common stock	(60,080)	(2,996)	(556)
Other	107,498	(11,126)	995
Net cash used in investing activities	(276,580)	(245,542)	(2,561)
Cash flows from financing activities			
Increase in interest-bearing debt	26,697	104,168	247
Dividends paid to stockholders	(9,992)	(18,150)	(93)
Dividends paid to minority stockholders of subsidiaries	(9,210)	(6,148)	(85)
Other	2,992	(4,735)	28
Net cash provided by financing activities	10,417	75,135	96
Effect of exchange rate changes on cash and cash equivalents	(238)	(16,878)	(2)
Net increase (decrease) in cash and cash equivalents	(92,622)	7,545	(858)
Cash and cash equivalents at beginning of year	1,357,432	1,237,527	12,569
Cash and cash equivalents at end of the half year	1,264,810	1,245,072	11,711

SEGMENT INFORMATION

(1) INDUSTRY SEGMENTS

		The half years ended September 30			
		YEN (millions)		(A)/(B) X100	U.S. DOLLARS (millions) 2000
		2000 (A)	1999 (B)		
Sales	Information Systems & Electronics	1,672,644 32%	1,500,579 32%	111	15,487
	Power & Industrial Systems	1,146,613 22%	1,102,492 23%	104	10,617
	Consumer Products	442,852 9%	455,573 10%	97	4,100
	Materials	714,683 14%	644,082 13%	111	6,617
	Services & Other	1,197,139 23%	1,043,075 22%	115	11,085
	Subtotal	5,173,931 100%	4,745,801 100%	109	47,907
	Eliminations & Corporate items	(1,162,527)	(942,802)	-	(10,764)
Total		4,011,404	3,802,999	105	37,143
Operating income	Information Systems & Electronics	86,558 44%	15,002 17%	577	801
	Power & Industrial Systems	20,794 11%	14,466 16%	144	193
	Consumer Products	1,595 1%	13,743 15%	12	15
	Materials	44,146 23%	21,213 24%	208	409
	Services & Other	41,803 21%	24,441 28%	171	387
	Subtotal	194,896 100%	88,865 100%	219	1,805
	Eliminations & Corporate items	(28,764)	(23,167)	-	(266)
Total		166,132	65,698	253	1,538

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) 2000
			2000 (A)	1999 (B)		
Sales	Japan	Outside customer sales	3,120,364 65%	3,026,372 68%	103	28,892
		Intersegment transactions	576,059 12%	470,303 10%	122	5,334
		Total	3,696,423 77%	3,496,675 78%	106	34,226
	Asia	Outside customer sales	284,834 6%	226,564 5%	126	2,637
		Intersegment transactions	199,188 4%	149,316 3%	133	1,844
		Total	484,022 10%	375,880 8%	129	4,482
	North America	Outside customer sales	392,715 8%	357,357 8%	110	3,636
		Intersegment transactions	18,610 0%	16,822 0%	111	172
		Total	411,325 8%	374,179 8%	110	3,809
	Europe	Outside customer sales	189,431 4%	176,447 4%	107	1,754
		Intersegment transactions	16,152 0%	26,080 1%	62	150
		Total	205,583 4%	202,527 5%	102	1,904
	Other Areas	Outside customer sales	24,060 1%	16,259 1%	148	223
		Intersegment transactions	2,804 0%	5,304 0%	53	26
		Total	26,864 1%	21,563 1%	125	249
	Subtotal		4,824,217 100%	4,470,824 100%	108	44,669
	Eliminations		(812,813)	(667,825)	-	(7,526)
	Total		4,011,404	3,802,999	105	37,143

		The half years ended September 30			
		YEN (millions)		(A)/(B) X100	U.S. DOLLARS (millions) 2000
		2000 (A)	1999 (B)		
Operating income	Japan	149,088 80%	76,866 88%	194	1,380
	Asia	25,656 14%	3,583 4%	716	238
	North America	3,931 2%	7,216 8%	54	36
	Europe	8,055 4%	416 0%	1,936	75
	Other Areas	255 0%	(465) 0%	-	2
	Subtotal	186,985 100%	87,616 100%	213	1,731
	Eliminations & Corporate items	(20,853)	(21,918)	-	(193)
Total	166,132	65,698	253	1,538	

(3)SALES BY MARKET

		The half years ended September 30			
		YEN (millions)		(A)/(B) X100	U.S. DOLLARS (millions) 2000
		2000 (A)	1999 (B)		
Japan		2,736,318 68%	2,646,444 70%	103	25,336
	Asia	507,869 13%	432,790 11%	117	4,702
	North America	406,084 10%	387,331 10%	105	3,760
	Europe	268,204 7%	234,276 6%	114	2,483
	Other Areas	92,929 2%	102,158 3%	91	860
Outside Japan		1,275,086 32%	1,156,555 30%	110	11,806
Total		4,011,404 100%	3,802,999 100%	105	37,143

HITACHI, LTD.
UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2000
(108 yen = U.S.\$1)

October 31, 2000

<u>INCOME STATEMENTS</u>	YEN			U.S. DOLLARS
(The half years ended Sept. 30)	(millions)			(millions)
	2000(A)	1999(B)	(A)/(B)×100	2000
Net sales	1,893,024	1,813,446	104%	17,528
Cost of sales	1,499,791	1,443,798	104%	13,887
S.G.A. expenses	354,440	352,181	101%	3,282
<u>Operating income</u>	38,792	17,466	222%	359
Other income	37,332	28,678	130%	346
Other deductions	50,110	42,196	119%	464
<u>Ordinary income</u>	26,013	3,948	659%	241
Extraordinary gain	4,095	17,343	24%	38
Extraordinary loss	4,069	12,776	32%	38
<u>Income before income taxes</u>	26,040	8,514	306%	241
Current income taxes	110	120	92%	1
Deferred income taxes	2,260	0	-	21
<u>Net income</u>	23,670	8,394	282%	219
Basic EPS (yen and dollars)	7.09	2.51	282%	0.07
Diluted EPS (yen and dollars)	7.08	-	-	0.07

<u>BALANCE SHEETS</u>	2000/9/30(A)	2000/3/31(B)	(A)/(B)×100	2000/9/30
Current assets	2,371,638	2,476,772	96%	21,960
(Quick assets)	1,742,710	1,870,094	93%	16,136
(Inventories)	552,279	541,182	102%	5,114
(Deferred tax assets)	76,648	65,496	117%	710
Fixed assets	1,621,243	1,527,143	106%	15,012
(Investments)	744,754	597,429	125%	6,896
(Deferred tax assets)	202,911	270,321	75%	1,879
(Others)	673,576	659,393	102%	6,237
<u>Total assets</u>	3,992,882	4,003,916	100%	36,971
Current liabilities	1,504,664	1,577,344	95%	13,932
Fixed liabilities	812,970	840,195	97%	7,528
(Debentures)	540,089	540,121	100%	5,001
(Long-term loans)	2,738	2,785	98%	25
(Others)	270,143	297,288	91%	2,501
<u>Total liabilities</u>	2,317,634	2,417,539	96%	21,460
<u>Stockholders' equity</u>	1,675,247	1,586,376	106%	15,512
<u>Liabilities and stockholders' equity</u>	3,992,882	4,003,916	100%	36,971

FORECAST FOR THE YEAR ENDING MARCH 31, 2001

	Net sales	Ordinary income	Net income
Millions of Yen	3,940,000	70,000	50,000
Millions of U.S. dollars	36,481	648	463

Cautionary Statement

The forecast for the year ending March 31, 2001 is forward-looking information 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 information is based upon assumptions of future events which may not prove to be accurate.

Factors that could cause actual results to differ materially from the forecast include, but are not limited to, rapid technological change, particularly in the Information 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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October 31, 2000

Hitachi, Ltd.

Supplementary information for the half year ended September 30, 2000 (Consolidated basis)

1. Summary

(Billions of yen)

	1 st half of Fiscal 1999		1 st half of Fiscal 2000		Fiscal 2000 (Forecast)	
	(A)	(A)/1 st half of FY 1998	(B)	(B)/(A)	(C)	(C)/ FY1999
Net sales	3,802.9	98%	4,011.4	105%	8,400.0	105%
C/U	210%	-	212%	-	213%	-
Operating income	65.6	-	166.1	253%	335.0	192%
Income before income taxes and minority interests	33.1	-	154.7	467%	315.0	398%
Income before minority interests	10.9	-	92.3	845%	185.0	583%
Net income	4.7	-	61.6	1,291%	125.0	739%
C/U	57%	-	261%	-	250%	-
Average exchange rate (yen / U.S.\$)	116	-	107	-	105 (note)	-
Net interest and dividends	(9.0)	-	(4.8)	-	(3.0)	-

Note: Assumed exchanged rate for the second half of fiscal 2000.

	As of March 31, 2000	As of September 30, 2000
Cash & cash equivalents, Short-term investments (Billions of yen)	1,989.8	1,754.3
Interest-bearing debt (Billions of yen)	2,788.4	3,590.8
Number of employees	337,911	344,907
Japan	270,092	274,805
Overseas	67,819	70,102
Number of consolidated subsidiaries	1,047	1,068
Japan	735	736
Overseas	312	332

2. Sales by industry segment

(Billions of yen)

	1 st half of Fiscal 1999		1 st half of Fiscal 2000		Fiscal 2000 (Forecast)	
	(A)	(A)/1 st half of FY 1998	(B)	(B)/(A)	(C)	(C)/ FY1999
Information Systems & Electronics	1,500.5	98%	1,672.6	111%	3,510.0	111%
Electronic Devices	460.0	106%	540.0	117%	1,080.0	113%
Information, Telecommunication & Other	1,040.5	95%	1,132.6	109%	2,430.0	111%
Power & Industrial Systems	1,102.4	98%	1,146.6	104%	2,450.0	103%
Consumer Products	455.5	100%	442.8	97%	910.0	101%
Materials	644.0	97%	714.6	111%	1,470.0	109%
Services & Other	1,043.0	96%	1,197.1	115%	2,400.0	112%
Subtotal	4,745.8	98%	5,173.9	109%	10,740.0	108%
Eliminations & Corporate items	(942.8)	-	(1,162.5)	-	(2,340.0)	-
Total	3,802.9	98%	4,011.4	105%	8,400.0	105%

3. Overseas sales by industry segment

(Billions of yen)

	1 st half of Fiscal 1999		1 st half of Fiscal 2000		Fiscal 2000 (Forecast)	
	(A)	(A)/1 st half of FY 1998	(B)	(B)/(A)	(C)	(C)/ FY1999
Information Systems & Electronics	343.0	87%	344.6	100%	/	
Power & Industrial Systems	201.1	86%	206.3	103%		
Consumer Products	165.0	85%	159.3	97%		
Materials	156.0	99%	186.2	119%		
Services & Other	291.1	93%	378.3	130%		
Eliminations & Corporate items	0	-	0.2	-		
Total	1,156.5	89%	1,275.0	110%		

4. Operating income (loss) by industry segment

(Billions of yen)

	1 st half of Fiscal 1999		1 st half of Fiscal 2000		Fiscal 2000 (Forecast)	
	(A)	(A)/1 st half of FY 1998	(B)	(B)/(A)	(C)	(C)/ FY1999
Information Systems & Electronics	15.0	-	86.5	577%	133.0	254%
Electronic Devices	(0.1)	-	75.6	-	121.0	377%
Information, Telecommunication & Other	15.1	71%	10.9	73%	12.0	59%
Power & Industrial Systems	14.4	182%	20.7	144%	53.0	127%
Consumer Products	13.7	-	1.5	12%	8.0	40%
Materials	21.2	188%	44.1	208%	101.0	202%
Services & Other	24.4	108%	41.8	171%	84.0	156%
Subtotal	88.8	-	194.8	219%	379.0	174%
Eliminations & Corporate items	(23.1)	-	(28.7)	-	(44.0)	-
Total	65.6	-	166.1	253%	335.0	192%

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

(Billions of yen)

	1 st half of Fiscal 1999		1 st half of Fiscal 2000	
	(A)	(A)/1 st half of FY 1998	(B)	(B)/(A)
Overseas production	526.5	87%	598.7	114%
Percentage of net sales	14%	-	15%	-
Percentage of overseas sales	46%	-	47%	-

6. Capital investment, Depreciation, R&D expenditure

(Billions of yen)

	Fiscal 1999		1 st half of Fiscal 2000		Fiscal 2000 (Forecast)	
	(A)	(A)/ FY 1998	(B)	(B)/1 st half of FY 1999	(C)	(C)/ (A)
Capital investment	574.6	98%	456.6	166%	990.0	172%
Leasing assets	211.1	99%	196.3	182%	436.0	206%
Other	363.4	97%	260.2	155%	554.0	152%
Depreciation	541.2	99%	239.9	87%	521.0	96%
Leasing assets	144.2	101%	32.1	44%	86.0	60%
Other	397.0	98%	207.7	103%	435.0	110%
R&D expenditure	432.3	87%	217.4	100%	444.0	103%
Percentage of net sales	5.4%	-	5.4%	-	5.3%	-

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

	Fiscal 1999		1 st half of Fiscal 2000		Fiscal 2000 (Forecast)	
	(A)	(A)/ FY 1998	(B)	(B)/1 st half of FY 1999	(C)	(C)/ (A)
Information Systems & Electronics	193.7	96%	149.2	158%		
Power & Industrial Systems	59.9	99%	32.3	117%		
Consumer Products	39.2	83%	23.0	147%		
Materials	79.6	88%	52.4	133%		
Services & Other	188.2	101%	235.5*	249%*		
Eliminations & Corporate items	13.7	-	36.0*	-*		
Total	574.6	98%	456.6	166%		

* Figures corrected on December 25, 2000.

8. Depreciation by industry segment (Including leasing assets) (Billions of yen)

	Fiscal 1999		1 st half of Fiscal 2000		Fiscal 2000 (Forecast)	
	(A)	(A)/ FY 1998	(B)	(B)/1 st half of FY 1999	(C)	(C)/ (A)
Information Systems & Electronics	190.8	89%	102.1	101%		
Power & Industrial Systems	62.9	96%	32.4	102%		
Consumer Products	44.1	93%	20.7	96%		
Materials	78.5	95%	40.0	103%		
Services & Other	153.2	122%	39.2	52%		
Eliminations & Corporate items	11.5	87%	5.3	88%		
Total	541.2	99%	239.9	87%		

9. R&D expenditure by industry segment (Billions of yen)

	Fiscal 1999		1 st half of Fiscal 2000		Fiscal 2000 (Forecast)	
	(A)	(A)/ FY 1998	(B)	(B)/1 st half of FY 1999	(C)	(C)/(A)
Information Systems & Electronics	281.9	85%	143.4	100%		
Power & Industrial Systems	73.9	80%	35.1	95%		
Consumer Products	29.1	116%	16.5	118%		
Materials	44.7	97%	21.5	96%		
Services & Other	2.5	182%	0.7	73%		
Total	432.3	87%	217.4	100%		

Supplementary information for the half year ended September 30, 2000 (Unconsolidated basis)**1. Summary**

(Billions of yen)

	1 st half of Fiscal 1999		1 st half of Fiscal 2000		Fiscal 2000 (Forecast)	
	(A)	(A)/1 st half of FY98	(B)	(B)/(A)	(C)	(C)/FY99
Net sales	1,813.4	101%	1,893.0	104%	3,940.0	104%
Operating income	17.4	-	38.7	222%	90.0	220%
Income before income taxes	3.9	-	26.0	659%	70.0	220%
Net income	8.3	-	23.6	282%	50.0	421%
Dividend payout ratio (%)	119	-	78	-	-	-
Average exchange rate (yen / U.S.\$)	117	-	108	-	105 *	-
Net interest and dividends	15.1	-	21.0	-	41.0	-

* Assumed exchange rate for 2nd half of fiscal 2000

	As of March 31, 2000	As of September 30, 2000	As of March 31, 2001 (Forecast)
Cash & cash equivalents, Short-term investments (Billions of yen)	689.1	619.9	-
Interest-bearing debt (Billions of yen)	729.8	679.5	-
Number of employees	59,692	57,216	56,200

2. Sales by industry segments

(Billions of yen)

	1 st half of Fiscal 1999		1 st half of Fiscal 2000		Fiscal 2000 (Forecast)	
	(A)	(A)/1 st half of FY98	(B)	(B)/(A)	(C)	(C)/FY99
Information & Telecommunication Systems	649.5	95%	665.9	103%	/	/
Electronic Devices	304.2	121%	395.1	130%		
Power & Industrial Systems	585.3	98%	567.5	97%		
Digital Media & Consumer Products	274.3	104%	264.4	96%		
Total	1,813.4	101%	1,893.0	104%		

3. Capital investment (Based on construction starts)

(Billions of yen)

	Fiscal 1999		1 st half of Fiscal 2000		Fiscal 2000 (Forecast)	
	(A)	(A)/ FY98	(B)	(B)/1 st half of FY99	(C)	(C)/FY99
Information & Telecommunication Systems	24.5	71%	11.0	110%		
Electronic Devices	92.0	194%	64.5	190%		
Power & Industrial Systems	28.0	124%	14.0	117%		
Digital Media & Consumer Products	6.5	81%	4.0	114%		
Others	9.0	86%	5.5	138%		
Total	160.0	130%	99.0	156%		

4. Depreciation (note)

(Billions of yen)

	Fiscal 1999		1 st half of Fiscal 2000		Fiscal 2000 (Forecast)	
	(A)	(A)/ FY98	(B)	(B)/1 st half of FY99	(C)	(C)/FY99
Depreciation	135.9	86%	60.1	85%	33.0	96%

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

5. R&D expenditures

(Billions of yen)

	Fiscal 1999		1 st half of Fiscal 2000		Fiscal 2000 (Forecast)	
	(A)	(A)/ FY98	(B)	(B)/1 st half of FY99	(C)	(C)/FY99
Total	300.1	81%	152.3	101%	310.0	103%
Percentage of net sales	8.0%	-	8.0%	-	7.9%	-

6. International procurement

(Billions of yen)

	Fiscal 1999		1 st half of Fiscal 2000		Fiscal 2000 (Forecast)	
	(A)	(A)/ FY98	(B)	(B)/1 st half of FY99	(C)	(C)/FY99
International procurement	486.9	99%	275.0	109%	580.0	119%

Supplementary information on Information Systems & Electronics sector

1 . Computers

Sales (total internal and external sales) (Upper rows are percentage changes from preceding year; billions of yen)

	Fiscal 1999			Fiscal 2000 (Forecast)		
	1st half	2nd half	Total	1st half	2nd half	Total
Consolidated basis	96%	96%	96%	99%	103%	101%
Total	805	865	1,670	795	895	1,690
Unconsolidated basis	94%	97%	95%	100%	103%	102%
Total	623	685	1,308	623	707	1,330
In Japan	99%	104%	101%	105%	100%	102%
	490	593	1,083	515	591	1,106
Export	79%	68%	74%	81%	126%	100%
	133	92	225	108	116	224
Export ratio	21.3%	13.4%	17.2%	17.3%	16.4%	16.8%

Orders received for main products, in numbers of units (includes export models other than PC export models) :
unconsolidated basis

	Fiscal 1999			Fiscal 2000 (Forecast)		
	1st half	2nd half	Total	1st half	2nd half	Total
Supercomputers	13	8	21	10	18	28
General-purpose computers (Total)	774	793	1,567	387	307	694
High-end (A)	190	248	438	96	23	119
Large (B)	468	446	914	170	78	248
(A)+(B)	658	694	1,352	266	101	367
Midrange	116	99	215	121	206	327
UNIX servers	1,400	1,300	2,700	1,400	1,500	2,900
UNIX workstations	1,500	700	2,200	1,000	500	1,500
PCs & PC servers	303,000	307,000	610,000	310,000	400,000	710,000
Large-capacity disk storage subsystems (RAID)	1,850	2,250	4,100	3,300	5,200	8,500

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

Figures for parallel supercomputers (SR series) are based on the number of systems.

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

Domestic orders received by information systems operations, by product sector: unconsolidated basis *

	1st half of fiscal 1999	Fiscal 1999	1st half of fiscal 2000
Hardware	42%	43%	40%
Software, Services	58%	57%	60%

* Information systems operations : Finance & Distribution Systems, Industrial Information Systems, Government & Public Corporation Information Systems, Telecommunication & Information Infrastructure Systems, Information & Computer Systems and Information & Network Services (excluding Telecommunication Systems)

Domestic orders received by information systems operations, by industry: unconsolidated basis*

	1st half of fiscal 1999	Fiscal 1999	1st half of fiscal 2000
Finance	27%	27%	28%
Manufacturing	21%	19%	21%
Distribution	18%	19%	21%
Public utilities, other	34%	35%	30%

* Information systems operations : Finance & Distribution Systems, Industrial Information Systems, Government & Public Corporation Information Systems, Telecommunication & Information Infrastructure Systems, Information & Computer Systems and Information & Network Services (excluding Telecommunication Systems)

Outline of operations :

<1st half of fiscal 2000>

Overseas, results were down year-on-year, owing to reduced revenues from mainframes. In Japan, solutions operations were firm, especially in the financial sector, making up for the decrease in overseas sales.

<Fiscal 2000>

In Japan, solutions operations continue to expand, and overseas, storage operations register major growth, so overall, year-on-year sales are expected to post gains.

2 . Telecommunication Systems (unconsolidated basis)

Sales (total internal and external sales, unconsolidated basis)

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

	Fiscal 1999			Fiscal 2000 (Forecast)		
	1st half	2nd half	Total	1st half	2nd half	Total
	122%	99%	109%	109%	108%	109%
Total	93	107	200	101	116	217
Export ratio	10%	8%	9%	9%	12%	11%

Outline of operations :

<1st half of fiscal 2000>

In Japan, major gains were registered by cellular phones, and ISDN switches were also increased. In export, optical components did well. The overall result was a year-on-year increase of 9%, to 101 billion yen.

<Fiscal 2000>

The brisk pace of cellular phones and ISDN switches in Japan, and of optical components overseas, is expected to continue. Sales of 217 billion yen are projected for the fiscal year, an increase of 9% compared to the preceding year.

3 . Semiconductors (consolidated basis)

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

Fiscal 1999			Fiscal 2000 (Forecast)		
1st half	2nd half	Total	1st half	2nd half	Total
107%	117%	112%	122%	114%	118%
320	350	670	390	400	790

Sales by division

	Fiscal 1999	Fiscal 2000 (Forecast)
DRAM Business Division	21%	18%
System Memory Business Division	7%	9%
System LSI Business Division	47%	48%
Multi-Purpose Semiconductor Business Division	25%	25%

Semiconductor Capital Investment

(Billions of yen)

		Fiscal 1999	Fiscal 2000 (Planned)	
Parent	Naka Operation	22	17	
	Takasaki Operation	14	13	
	Koufu Operation	6	21	
	Other	16	21	
Parent subtotal		58	72	
		(1st half: 24, 2nd half: 34)	(1st half: 36, 2nd half: 36)	
Subsidiaries	TTI*1		70	
	Other	35	36	
	Domestic subsidiaries		35	106
	HNS*2		40	19
		Other	15	7
	Overseas subsidiaries		55	26
Subsidiaries subtotal		90	132	
Hitachi consolidated total		148	204	
		(1st half: 66, 2nd half: 82)	(1st half: 148, 2nd half: 56)	

* 1: TTI: Trecenti Technologies, Inc.

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

DRAM production quantity

	As of October 2000	Planned
64MDRAM	6 million pieces/month	December 2000: 5 million pieces/month March 2001 : 3.5 million pieces/month
256MDRAM	1.2 million pieces/month	December 2000: 1.8 million pieces/month March 2001 : 2.3 million pieces/month

Flash Memory production quantity

	As of October 2000	Planned
64M Flash Memory	500,000 pieces/month	December 2000: 400,000 pieces/month March 2001 : 400,000 pieces/month
256M Flash Memory	500,000 pieces/month	December 2000: 800,000 pieces/month March 2001 : 1 million pieces/month

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

Fiscal 1999		Fiscal 2000 (Forecast)	
200	118%	240	120%

Outline of operations :

<1st half of fiscal 2000>

Microprocessors/microcontrollers for PCs, PC peripherals, cellular phones and automotive applications did well, as did high-power amplifiers for GSM applications. As a result, sales rose 22% year-on-year, to 390 billion yen.

<Fiscal 2000>

Microprocessors/microcontrollers and other system LSI products, high-power amplifiers for GSM applications and system memory products are being increased. This is expected to result in sales of 790 billion yen, 18% more than the preceding year.

4 . Displays (consolidated basis)

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

Total	Fiscal 1999		Fiscal 2000 (Forecast)	
	290 (1st half :140, 2nd half: 150)	104%	290 (1st half: 150, 2nd half: 140)	100%
Major products				
LCDs	160	200%	176	110%
Color display tubes	70	47%	67	96%
Color picture tubes	26	130%	26	100%
Projection tubes	18	100%	15	83%

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

	Fiscal 1999				Fiscal 2000 (Forecast)			
	1st half	2nd half	Total		1st half	2nd half	Total	
TFT LCDs	67	77	144	240%	79	71	150	104%
STN LCDs	7	9	16	80%	10	16	26	163%
Total	74	86	160	200%	89	87	176	110%

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

Fiscal 1999				Fiscal 2000 (Planned)			
1st half	2nd half	Total		1st half	2nd half	Total	
9	22	31	620%	28	29	57	184%

Outline of operations :

<1st half of Fiscal 2000>

In TFT LCDs, manufacturers in Korea, Taiwan and elsewhere boosted capacity, but owing to shortages of components, there was an approximate balance between supply and demand. Sales were supported by the growth of the market for TFT LCDs for PCs, resulting in a year-on-year increase of 7%, to 150 billion yen.

<Fiscal 2000>

The market environment for TFT LCD products is expected to grow increasingly severe. However, an aggressive push into growth sectors, such as color STN LCDs for cellular phones, is expected to result in sales of 290 billion yen, the same as the preceding year.