

**Hitachi Announces Revision of Business Forecast
for the Fiscal 2001 and Interim Dividend**

Tokyo, August 31, 2001 --- Hitachi, Ltd. (TSE:6501/NYSE:HIT) today announced that the Company has revised its business forecast for the year ending March 31, 2002, and decided on the interim dividend, at a Board of Directors meeting convened today.

1. Revision of business forecast for the fiscal 2001, ending March 31, 2002

(1) Business forecast / Consolidated (from April 1, 2001 to March 31, 2002)

In billions of yen. Year-on-year comparison shown as percentage.

	Fiscal 2001 (The year ending March 31, 2002)						Fiscal 2000 (The year ended March 31, 2001)	
	Revised forecast		Previous forecast (*)		(A)-(C)	(B)-(D)	1 st half	Fiscal 2000
	1 st half (A)	Fiscal 2001 (B)	1 st half (C)	Fiscal 2001 (D)				
Net sales	3,840 96%	7,850 93%	4,120 103%	8,750 104%	(280)	(900)	4,011	8,416
Operating income (loss)	(60) -	0 -	80 48%	280 82%	(140)	(280)	166	342
Income (loss) before income taxes and minority interests	(85) -	(65) -	80 52%	270 83%	(165)	(335)	154	323
Income (loss) before minority interests	(99) -	(130) -	37 40%	136 86%	(136)	(266)	92	158
Net income (loss)	(97) -	(140) -	20 32%	90 86%	(117)	(230)	61	104

* Previous forecast was announced on April 27, 2001.

(more)

(2) Business forecast / Unconsolidated (from April 1, 2001 to March 31, 2002)

In billions of yen. Year-on-year comparison shown as percentage.

	Fiscal 2001 (The year ending March 31, 2002)						Fiscal 2000 (The year ended March 31, 2001)	
	Revised forecast		Previous forecast (*)		(A)-(C)	(B)-(D)	1 st half	Fiscal 2000
	1 st half (A)	Fiscal 2001 (B)	1 st half (C)	Fiscal 2001 (D)				
Net sales	1,760 93%	3,500 87%	1,890 100%	3,840 96%	(130)	(340)	1,893	4,015
Operating income (loss)	(30) -	(30) -	25 64%	80 81%	(55)	(110)	38	98
Ordinary income (loss)	(48) -	(20) -	15 58%	60 107%	(63)	(80)	26	56
Net income (loss)	(30) -	(15) -	12 51%	40 100%	(42)	(55)	23	40

* Previous forecast was announced on April 27, 2001.

(3) Factors relating to the revision of the forecast

The rapid slowdown in the U.S. economy is having a ripple effect around the world, and the sluggish pace of demand in IT-related products, such as PCs and mobile phones, is lasting longer than projected at the beginning of fiscal 2001. This has significantly depressed demand and prices for electronic devices such as semiconductors and display products, as well as for electronics materials. Due to this, the Company is expected to post significantly lower net sales and income than the previous forecast.

Also, the Company has decided to withdraw from cathode ray tubes for PC monitors, restructure overseas manufacturing facilities in the Digital Media business and semiconductor manufacturing facilities in Japan and abroad, and implement streamlining measures in High Functional Materials & Components operations. Because of this, the Company plans to post a restructuring cost of 80 billion yen during the current fiscal year.

(more)

(4) Segment Information (Consolidated)(*)

In millions of yen. Year-on-year comparison shown as percentage.

		Fiscal 2001 (The year ending March 31, 2002)				Fiscal 2000 (The year ended March 31, 2001)	
		Revised forecast		Previous forecast (**)		1 st half	Fiscal 2000
		1 st half	Fiscal 2001	1 st half	Fiscal 2001		
Information & Telecommunication Systems	Net sales	880,000 105%	1,840,000 102%	920,000 110%	2,000,000 111%	835,030	1,796,084
	Operating income (loss)	13,000 106%	48,000 98%	30,000 244%	81,000 166%	12,298	48,921
Electronic Devices	Net sales	790,000 78%	1,550,000 77%	960,000 95%	1,970,000 98%	1,010,914	2,011,717
	Operating income (loss)	(80,000) -	(124,000) -	(15,000) -	24,000 20%	88,661	118,128
Power & Industrial Systems	Net sales	1,100,000 104%	2,250,000 97%	1,080,000 102%	2,250,000 97%	1,057,026	2,321,104
	Operating income (loss)	27,000 147%	69,000 89%	35,000 191%	82,000 106%	18,349	77,269
Digital Media & Consumer Products	Net sales	570,000 112%	1,160,000 110%	600,000 118%	1,300,000 123%	508,343	1,053,199
	Operating income (loss)	(14,000) -	(7,000) -	3,000 756%	7,000 454%	397	1,541
High Functional Materials & Components	Net sales	630,000 88%	1,300,000 89%	720,000 100%	1,520,000 104%	717,712	1,467,345
	Operating income (loss)	0 -	11,000 13%	24,000 54%	66,000 79%	44,651	83,415
Logistics, Services & Others	Net sales	710,000 92%	1,430,000 89%	750,000 97%	1,600,000 100%	775,947	1,599,369
	Operating income (loss)	2,000 40%	2,000 24%	2,000 40%	14,000 166%	4,967	8,437
Financial Services	Net sales	280,000 98%	570,000 96%	300,000 105%	600,000 101%	285,821	592,774
	Operating income (loss)	22,000 88%	49,000 111%	22,000 88%	45,000 102%	25,114	44,146
Eliminations & Corporate Items	Net sales	(1,120,000) -	(2,250,000) -	(1,210,000) -	(2,490,000) -	(1,179,389)	(2,424,610)
	Operating income (loss)	(30,000) -	(48,000) -	(21,000) -	(39,000) -	(28,305)	(39,545)
Total	Net sales	3,840,000 96%	7,850,000 93%	4,120,000 103%	8,750,000 104%	4,011,404	8,416,982
	Operating income (loss)	(60,000) -	0 -	80,000 48%	280,000 82%	166,132	342,312

* The Company has changed the industry segment classification from the year ending March 31, 2002.

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

** Previous forecast was announced on April 27, 2001.

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