

FOR IMMEDIATE RELEASE

**Hitachi Announces Revision of Business Forecast
for the Fiscal 2001 and Decision on Year-End Dividend**

Tokyo, February 28, 2002 --- Hitachi, Ltd. (TSE:6501/NYSE:HIT) today announced that the Company has revised its business forecast for the year ending March 31, 2002 and has decided not to pay the year-end dividend. The revisions were decided at a meeting of the Board of Directors held today.

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

(1) Business forecast / 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 (A)	Previous forecast* (B)	(A)-(B)	
Net sales	7,800,000 93%	7,900,000 94%	(100,000)	8,416,982
Operating income (loss)	(155,000) -	(30,000) -	(125,000)	342,312
Income (loss) before income taxes and minority interests	(580,000) -	(215,000) -	(365,000)	323,655
Income (loss) before minority interests	(495,500) -	(229,000) -	(266,500)	158,794
Net income (loss)	(480,000) -	(230,000) -	(250,000)	104,380

* Previous forecast was announced on October 30, 2001.

- more -

< Factors relating to the revision of the forecast >

The sluggish demand in IT-related products and deterioration of the Japanese economy has significantly affected the Company's business, especially for the electronic devices such as semiconductors and displays, electronics-related materials, telecommunication systems for carriers, construction machinery, industrial components and equipment businesses. Due to this, the Company is expecting lower results than the previous forecast.

As for other deductions, the Company plans to post 134 billion yen for restructuring charges, including those for worldwide restructuring in semiconductor business, withdrawal from cathode ray tubes for PC monitors, restructuring of digital media business outside of Japan, streamlining of telecommunication systems business for the U.S. market and streamlining measures taken in high functional materials and components business. A 146 billion yen charge is also planned primarily for special termination benefits, including 67 billion yen related to the early retirement plan introduced in the parent company. Due to the sluggishness in the stock market, the Company plans to post securities-related loss of 84 billion yen mainly for impairment loss.

- more -

(2) 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 (**)	
Information & Telecommunication Systems	Net sales	1,770,000 99%	1,790,000 100%	1,796,084
	Operating income (loss)	14,000 29%	39,000 80%	48,921
Electronic Devices	Net sales	1,460,000 73%	1,490,000 74%	2,011,717
	Operating income (loss)	(191,000) -	(150,000) -	118,128
Power & Industrial Systems	Net sales	2,250,000 97%	2,260,000 97%	2,321,104
	Operating income (loss)	59,000 76%	74,000 96%	77,269
Digital Media & Consumer Products	Net sales	1,180,000 112%	1,190,000 113%	1,053,199
	Operating income (loss)	(17,000) -	(2,000) -	1,541
High Functional Materials & Components	Net sales	1,250,000 85%	1,290,000 88%	1,467,345
	Operating income (loss)	(6,000) -	5,000 6%	83,415
Logistics, Services & Others	Net sales	1,430,000 89%	1,420,000 89%	1,599,369
	Operating income (loss)	4,000 47%	10,000 119%	8,437
Financial Services	Net sales	560,000 94%	570,000 96%	592,774
	Operating income (loss)	35,000 79%	43,000 97%	44,146
Eliminations & Corporate Items	Net sales	(2,100,000) -	(2,110,000) -	(2,424,610)
	Operating income (loss)	(53,000) -	(49,000) -	(39,545)
Total	Net sales	7,800,000 93%	7,900,000 94%	8,416,982
	Operating income (loss)	(155,000) -	(30,000) -	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 October 30, 2001.

- more -

(3) Business forecast / Unconsolidated

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 (A)	Previous forecast (B)	(A)-(B)	
Net sales	3,490,000 87%	3,470,000 86%	20,000	4,015,824
Operating income (loss)	(90,000) -	(60,000) -	(30,000)	98,577
Ordinary income (loss)	(96,000) -	(50,000) -	(46,000)	56,058
Income (Loss) before income taxes	(376,000) -	(110,000) -	(266,000)	58,261
Net income (loss)	(246,000) -	(70,000) -	(176,000)	40,121

* Previous forecast was announced on October 30, 2001.

< Factors relating to the revision of the forecast >

Net sales is expected to reach the previous forecast. However, operating loss is expected to expand due to sluggishness in such businesses as electronic devices, digital media and consumer products.

The Company plans to post an extraordinary loss, including 90 billion yen restructuring charges for semiconductor, displays and digital media businesses; 80 billion yen for such costs as special termination benefits for the early retirement plan; and 86 billion yen for impairment loss on securities.

2. Year-end dividend for the fiscal 2001, ending March 31, 2002

In view of the decline in business results, the year-end dividend is not to be paid.

Reference: Dividends paid for the fiscal 2000, ended March 31, 2001

Interim dividend : 5.5 yen per share

Year-end dividend : 5.5 yen per share

Dividends for the fiscal 2001, ending March 31, 2002

Interim dividend : 3.0 yen per share

Year-end dividend : 0.0 yen per share.

- more -

< Cautionary Statement >

The forecast for year the ending March 31, 2002 is forward-looking information which reflect 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 & 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.

#