

**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<br>(millions) |           |      | (A)/(B)×100 | U.S. DOLLARS<br>(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    |

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**FORECAST FOR THE YEAR ENDING MARCH 31, 2003**

|                                 | <b>Net sales</b> | <b>Ordinary income</b> | <b>Net income</b> |
|---------------------------------|------------------|------------------------|-------------------|
| <b>Millions of Yen</b>          | 3,070,000        | 24,000                 | 21,000            |
| <b>Millions of U.S. dollars</b> | 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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