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Hitachi Announces Revisions of Consolidated Business Forecasts for Fiscal 2008

Tokyo, January 30, 2009 --- Hitachi, Ltd. (NYSE:HIT / TSE:6501) today announced revisions to the Company's consolidated business forecasts for fiscal 2008, year ending March 31, 2009, which were announced on October 30, 2008, in light of recent business performance. Details are as follows.

1.Revisions of Consolidated Business Forecasts for Fiscal 2008

(from April 1, 2008 to March 31, 2009)

(Millions of yen)

	Revenues	Operating income	Income(loss) before income taxes and minority interests	Income(loss) before minority interests	Net income (loss)
Previous forecast (A)	10,900,000	410,000	310,000	120,000	15,000
Revised forecast (B)	10,020,000	40,000	(380,000)	(710,000)	(700,000)
(B)-(A)	(880,000)	(370,000)	(690,000)	(830,000)	(715,000)
% change	(8.1)	(90.2)	—	—	—
Fiscal 2007 Ended March 31, 2008	11,226,735	345,516	324,782	52,619	(58,125)

Reasons for Revisions

Fiscal 2008 revenues are now expected to be substantially lower than the previous forecast, which was announced on October 30, 2008 with first-half results, because of a sharp drop in sales in businesses related to automobiles, semiconductors, industrial equipment and certain other fields, all of which have seen rapidly declining demand. By segment, Hitachi expects Information & Telecommunication Systems and Financial Services to post results in line with previous expectations. However, Hitachi projects large revenue decreases in the following segments due to a rapid drop-off in demand since November 2008: Electronic Devices, mainly in semiconductor production equipment; Power & Industrial Systems, mainly in automotive products and construction machinery; Digital Media & Consumer Products,

mainly in digital media products and air conditioners; and High Functional Materials & Components, mainly in semiconductor- and automotive-related products.

Operating income is projected to fall far short of the previous forecast because of sharp earnings declines in the Power & Industrial Systems, Digital Media & Consumer Products and High Functional Materials & Components segments, in line with the rapid fall in revenues. HDD operations^{*1} recorded positive operating income for the full year. Exchange rate fluctuations are estimated to have a 110.0 billion yen and a 30.0 billion yen negative impact on operating income compared with the previous fiscal year and the previous forecast, respectively.

Hitachi projects net other deductions of 420.0 billion yen, 320.0 billion yen worse than the previous forecast. Details are as follows. Hitachi forecasts 140.0 billion yen, 150.0 billion yen lower than the previous forecast, in net equity in losses of affiliated companies due to worsening performances at equity-method semiconductor-related affiliates and other entities. Hitachi expects to record business structural reform-related expenses of 150.0 billion yen, 85.0 billion yen more than the previous forecast, including impairment losses on property, plant and equipment, to counter future market contraction and stagnation. In addition, Hitachi expects to record exchange losses, 40.0 billion yen worse than previous forecast, resulting from the yen's appreciation and to record losses on securities, 20.0 billion yen worse than previous forecast in write-downs of securities due to the share market crash. As a result of the aforementioned charges, the Company expects income before income taxes and minority interests to be much worse than the previous forecast.

Moreover, Hitachi plans income taxes will be worse than the previous forecast by 140.0 billion yen in write-downs of deferred tax assets. One reason is due to a re-evaluation for a period of time available for realizing tax benefits, because of a dramatic decline in taxable income at companies subject to consolidated taxation, including the Company. Another reason is due to a re-evaluation of realizability in tax benefits in Hitachi Cable, Ltd. and Hitachi Maxell, Ltd. Accordingly, income before minority interest and net income are expected to be substantially worse than the previous forecast.

The revised forecasts assume an exchange rate of 90 yen to the U.S. dollar and 120 yen to the euro for the fourth quarter of fiscal 2008.

*1. The Hard Disk Drive operations are conducted by Hitachi Global Storage Technologies (Hitachi GST), which has a December 31 fiscal year-end, different from Hitachi's March 31 year-end. Hitachi's results for the twelve months ending March 31, 2009 include the operating results of Hitachi GST for the twelve months ended December 31, 2008.

2. Revisions of Consolidated Business Forecast for Fiscal 2008 by Industry Segment

(1) Revenues by Industry Segment

(Billions of yen)

	Previous forecast (A)	Revised forecast (B)	((B)-(A))	Fiscal 2007
Information & Telecommunication Systems	2,630.0	2,630.0	0.0	2,761.1
Electronic Devices	1,250.0	1,160.0	(90.0)	1,293.5
Power & Industrial Systems	3,650.0	3,230.0	(420.0)	3,568.1
Digital Media & Consumer Products	1,430.0	1,270.0	(160.0)	1,504.6
High Functional Materials & Components	1,830.0	1,580.0	(250.0)	1,875.0
Logistics, Services & Others	1,120.0	1,070.0	(50.0)	1,271.4
Financial Services	400.0	400.0	0.0	445.4
Eliminations & Corporate items	(1,410.0)	(1,320.0)	90.0	(1,492.6)
Total	10,900.0	10,020.0	(880.0)	11,226.7

(2) Operating Income (Loss) by Industry Segment

(Billions of yen)

	Previous forecast (A)	Revised forecast (B)	((B)-(A))	Fiscal 2007
Information & Telecommunication Systems	173.0	169.0	(4.0)	116.1
Electronic Devices	43.0	28.0	(15.0)	54.0
Power & Industrial Systems	157.0	7.0	(150.0)	138.4
Digital Media & Consumer Products	(55.0)	(109.0)	(54.0)	(109.9)
High Functional Materials & Components	120.0	4.0	(116.0)	141.0
Logistics, Services & Others	22.0	16.0	(6.0)	27.8
Financial Services	20.0	15.0	(5.0)	25.4
Eliminations & Corporate items	(70.0)	(90.0)	(20.0)	(47.5)
Total	410.0	40.0	(370.0)	345.5

[Reference] Provisional Consolidated Results for the Third Quarter of Fiscal 2008

Provisional consolidated operating results for the third quarter of fiscal 2008 are shown in the table below. These provisional figures were prepared based on information available to the Company as of the announcement of this press release and could therefore differ materially from actual results due to various factors.

Hitachi plans to announce consolidated operating results for the third quarter of fiscal 2008 on February 3, 2009.

(Millions of yen)

	Revenues	Operating Income (loss)	Income(loss) before income taxes and minority interests	Income(loss) before minority interests	Net income (loss)
Three months ended December 31, 2007	2,707,104	77,873	80,129	43,480	12,501
Three months ended December 31, 2008	2,260,000	(15,000)	(174,000)	(399,000)	(371,000)
Year-over-year % change	(16.5)	—	—	—	—

Cautionary Statement

Certain statements found in this document may constitute “forward-looking statements” as defined in the U.S. Private Securities Litigation Reform Act of 1995. Such “forward-looking statements” reflect management’s current views with respect to certain future events and financial performance and include any statement that does not directly relate to any historical or current fact. Words such as “anticipate,” “believe,” “expect,” “estimate,” “forecast,” “intend,” “plan,” “project” and similar expressions which indicate future events and trends may identify “forward-looking statements.” Such statements are based on currently available information and are subject to various risks and uncertainties that could cause actual results to differ materially from those projected or implied in the “forward-looking statements” and from historical trends. Certain “forward-looking statements” are based upon current assumptions of future events which may not prove to be accurate. Undue reliance should not be placed on “forward-looking statements,” as such statements speak only as of the date of this document.

Factors that could cause actual results to differ materially from those projected or implied in any “forward-looking statement” and from historical trends include, but are not limited to:

- increased commoditization of information technology products and digital media related products and intensifying price competition for such products, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products segment;
- fluctuations in product demand and industry capacity, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products segment;
- uncertainty as to Hitachi’s ability to continue to develop and market products that incorporate new technology on a timely and cost-effective basis and to achieve market acceptance for such products;
- rapid technological innovation, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products segment;

- exchange rate fluctuation for the yen and other currencies in which Hitachi makes significant sales or in which Hitachi's assets and liabilities are denominated, particularly against the U.S. dollar and the euro;
- increases in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum and synthetic resins;
- uncertainty as to Hitachi's ability to implement measures to reduce the potential negative impact of fluctuations in product demand, exchange rate fluctuation and/or increases in the price of raw materials;
- general socio-economic and political conditions and the regulatory and trade environment of Hitachi's major markets, particularly Japan, Asia, the United States and Europe, including, without limitation, a return to stagnation or a deterioration of the Japanese economy, direct or indirect restrictions by other nations on imports, or differences in commercial and business customs including, without limitation, contract terms and conditions and labor relations;
- uncertainty as to Hitachi's access to, or ability to protect, certain intellectual property rights, particularly those related to electronics and data processing technologies;
- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity method affiliates have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- uncertainty as to the success of restructuring efforts to improve management efficiency and to strengthen competitiveness;
- uncertainty as to the success of alliances upon which Hitachi depends, some of which Hitachi may not control, with other corporations in the design and development of certain key products;
- uncertainty as to Hitachi's ability to access, or access on favorable terms, liquidity or long-term financing; and
- uncertainty as to general market price levels for equity securities in Japan, declines in which may require Hitachi to write down equity securities it holds.

The factors listed above are not all-inclusive and are in addition to other factors contained in Hitachi's periodic filings with the U.S. Securities and Exchange Commission and in other materials published by Hitachi.

About Hitachi, Ltd.

Hitachi, Ltd., (NYSE: HIT / TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 390,000 employees worldwide. Fiscal 2007 (ended March 31, 2008) consolidated revenues totaled 11,226 billion yen (\$112.3 billion). The company offers a wide range of systems, products and services in market sectors including information systems, electronic devices, power and industrial systems, consumer products, materials, logistics and financial services. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.