

Annual Report 2015
Year ended March 31, 2015



SOCIAL INNOVATION

IT'S OUR FUTURE





Contents

1	SOCIAL INNOVATION – IT'S OUR FUTURE	36	Financial Section
2	Hitachi's History of Transformation (Fiscal 2005 – Fiscal 2014)	36	Operating and Financial Review
4	To Our Shareholders	42	Consolidated Statements of Financial Position
6	Outline of 2015 Mid-term Management Plan	44	Consolidated Statements of Profit or Loss / Consolidated Statements of Comprehensive Income
8	Progress of 2015 Mid-term Management Plan	45	Consolidated Statements of Changes in Equity
12	Interview with the President & COO	46	Consolidated Statements of Cash Flows
16	Board of Directors	48	Summarized Consolidated Statements of Financial Position by Manufacturing, Services & Others and Financial Services
18	Executive Officers	49	Consolidated Statements of Profit or Loss by Manufacturing, Services & Others and Financial Services / Consolidated Statements of Cash Flows by Manufacturing, Services & Others and Financial Services
19	Corporate Governance	50	Corporate Data / Stock Information
24	Message from Outside Directors		
26	Risk Management		
28	CSR Management		
30	10-Year Financial Data		
32	Financial Highlights		
34	Segment Information		

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:

- economic conditions, including consumer spending and plant and equipment investment in Hitachi's major markets, particularly Japan, Asia, the United States and Europe, as well as levels of demand in the major industrial sectors Hitachi serves, including, without limitation, the information, electronics, automotive, construction and financial sectors;
- exchange rate fluctuations of the yen against 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;
- uncertainty as to Hitachi's ability to access, or access on favorable terms, liquidity or long-term financing;
- uncertainty as to general market price levels for equity securities, declines in which may require Hitachi to write down equity securities that it holds;
- uncertainty as to Hitachi's ability to continue to develop and market products that incorporate new technologies on a timely and cost-effective basis and to achieve market acceptance for such products;
- the possibility of cost fluctuations during the lifetime of, or cancellation of, long-term contracts for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- credit conditions of Hitachi's customers and suppliers;
- fluctuations in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum, synthetic resins, rare metals and rare-earth minerals, or shortages of materials, parts and components;
- fluctuations in product demand and industry capacity;
- uncertainty as to Hitachi's ability to implement measures to reduce the potential negative impact of fluctuations in product demand, exchange rates and/or price of raw materials or shortages of materials, parts and components;
- increased commoditization of and intensifying price competition for products;
- uncertainty as to Hitachi's ability to achieve the anticipated benefits of its strategy to strengthen its Social Innovation Business;
- uncertainty as to the success of acquisitions of other companies, joint ventures and strategic alliances and the possibility of incurring related expenses;
- uncertainty as to the success of restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness;
- uncertainty as to the success of cost reduction measures;
- general socioeconomic and political conditions and the regulatory and trade environment of countries where Hitachi conducts business, particularly Japan, Asia, the United States and Europe, including, without limitation, direct or indirect restrictions by other nations on imports and differences in commercial and business customs including, without limitation, contract terms and conditions and labor relations;
- 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 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 associates and joint ventures have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- the potential for significant losses on Hitachi's investments in equity-method associates and joint ventures;
- the possibility of disruption of Hitachi's operations by natural disasters such as earthquakes and tsunamis, the spread of infectious diseases, and geopolitical and social instability such as terrorism and conflict;
- uncertainty as to Hitachi's ability to maintain the integrity of its information systems, as well as Hitachi's ability to protect its confidential information or that of its customers;
- uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its significant employee benefit-related costs; and
- uncertainty as to Hitachi's ability to attract and retain skilled personnel.

The factors listed above are not all-inclusive and are in addition to other factors contained in other materials published by Hitachi.

Hitachi's History of Transformation

(Fiscal 2005 – Fiscal 2014)

In fiscal 2014, ended March 31, 2015, Hitachi achieved record-high operating income for the second consecutive year. Targeting the achievement of the goals outlined in the 2015 Mid-term Management Plan as well as further growth in the years ahead, Hitachi will work to accelerate its transformation into a company that is a leader in global markets, and will strive to increase corporate value.

Transformation of Business Portfolio

Fiscal 2005 – Fiscal 2009

Strengthening Initiatives

- Made Clarion a consolidated subsidiary
- Established joint venture with GE in nuclear power generation systems business
- Made Hitachi Kokusai Electric a consolidated subsidiary
- Made Hitachi Koki a consolidated subsidiary
- Made five listed companies* wholly owned consolidated subsidiaries

* Hitachi Information Systems, Hitachi Software Engineering, Hitachi Systems & Services, Hitachi Plant Technologies, and Hitachi Maxell

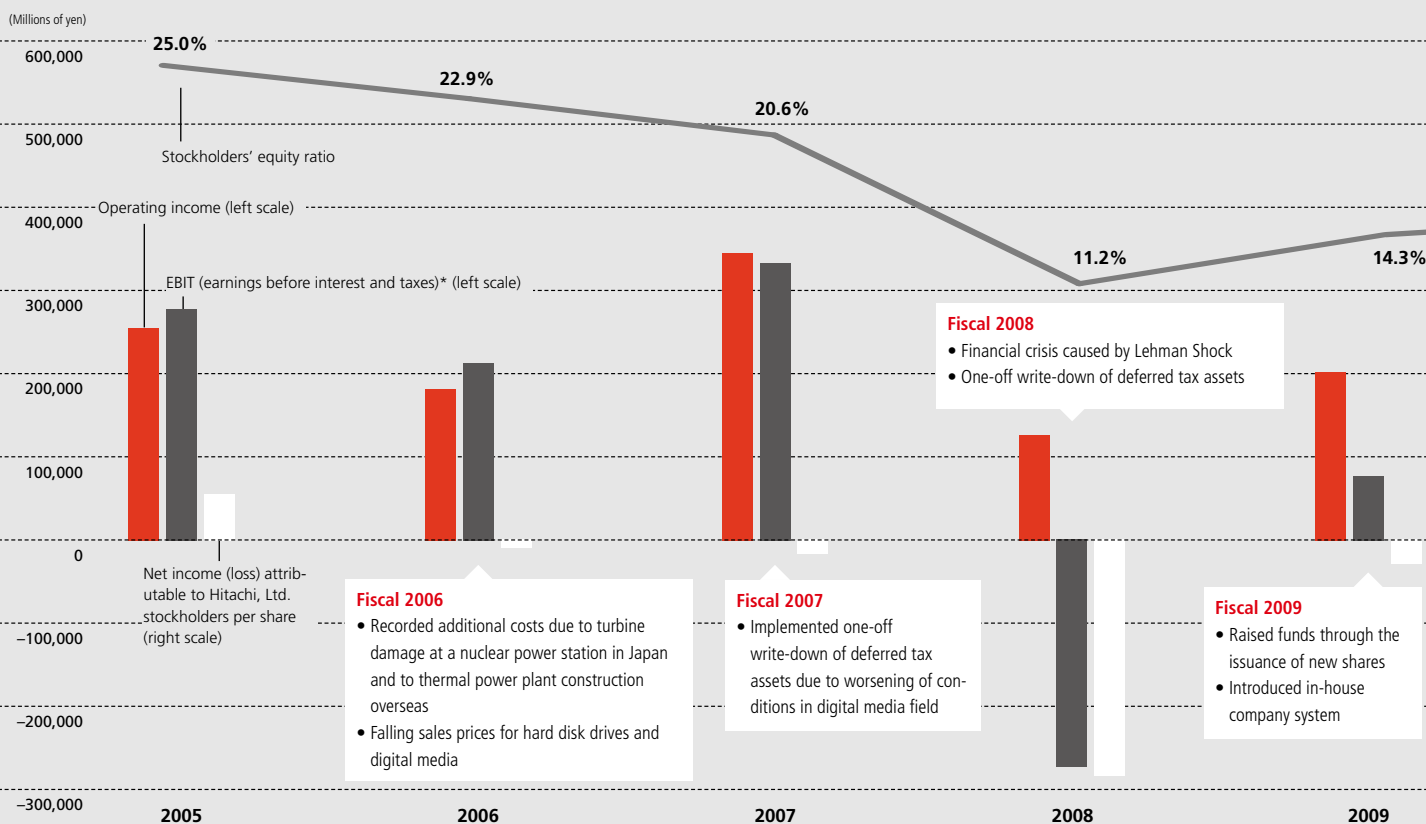
Rebuilding Initiatives

- Sold precision small motor business to Nidec Corporation
- Withdrew from consumer PC business
- Transferred semiconductor manufacturing subsidiary in Singapore to a semiconductor foundry

Fiscal 2010 – Fiscal 2012

Strengthening Initiatives

- Established joint venture in the hydroelectric power generation systems business with Mitsubishi Electric Corporation and Mitsubishi Heavy Industries, Ltd.
- Acquired BlueArc, a network storage solution business in the United States
- Dissolved joint venture in the transmission and distribution systems business
- Acquired a nuclear energy company in the United Kingdom



* EBIT is presented as income before income taxes less interest income plus interest charges.
Note: All figures are based on U.S. GAAP.

Fiscal 2013 – Fiscal 2014

Rebuilding Initiatives

- Transferred plasma display panel plant to Solar Frontier K.K.
- Integrated Renesas Technology, an equity method company in the semiconductor business, with NEC Electronics Corporation
- Transferred business in large LCD panels for TVs to Panasonic Corporation
- Casio Hitachi Mobile Communications, an equity method company in the mobile phone business, integrated mobile phone operations with NEC Corporation
- Transferred hard disk drive business to Western Digital Corporation
- Integrated small and medium-sized LCD business with Japan Display Inc.
- Stopped in-house production of flat-panel TVs

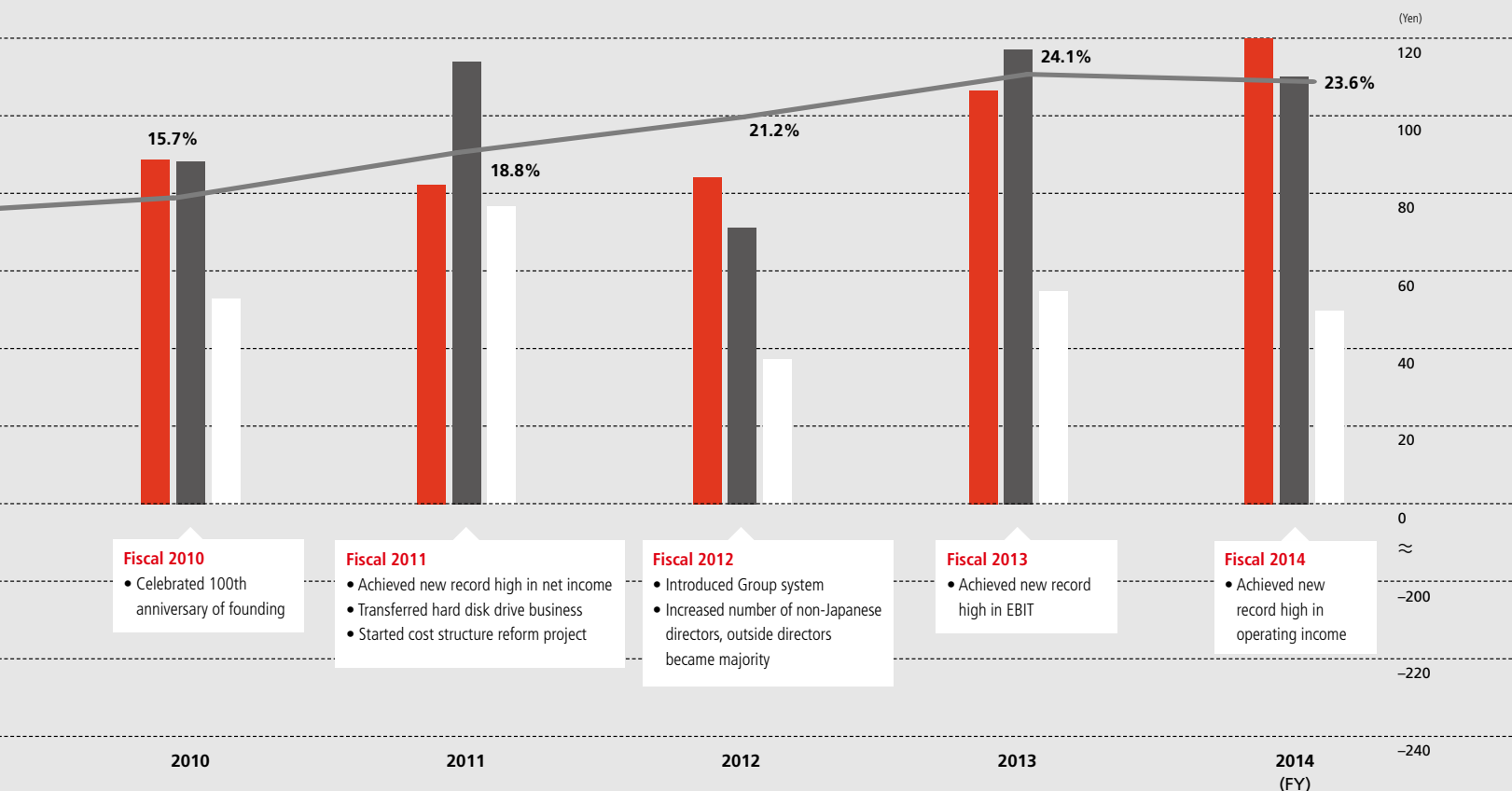
Strengthening Initiatives

- Absorbed Hitachi Plant Technologies
- Hitachi Metals and Hitachi Cable were merged
- Established joint venture with Mitsubishi Heavy Industries, Ltd. in thermal power generation systems business
- Made Hitachi Medical a wholly owned subsidiary
- Acquired Prizm Payment Services, a provider of payment services to financial institutions in India
- Signed a basic agreement to establish a joint venture with Johnson Controls, Inc. in the air-conditioning systems business
- Built a strategic partnership with ABB in the high-voltage direct current power transmission business in Japan

- Hitachi Data Systems reached agreement to acquire Pentaho Corporation, a big-data analytics software company in the United States
- Agreed to acquire the signalling and rolling stock operations of Finmeccanica S.p.A.

Rebuilding Initiatives

- Transferred printed circuit board production equipment business to an investment fund
- Relisted Hitachi Maxell shares
- Discontinued production of semiconductors for information & telecommunications equipment



To Our Shareholders



Hiroaki Nakanishi
Chairman & CEO

Toshiaki Higashihara
President & COO

Overall, we are pleased to report that our growth strategies continue to bear fruit and that fiscal 2015 is shaping up to be a good year in terms of performance and growth.

Under the 2015 Mid-term Management Plan, which was launched in May 2013, we continue to work closely with our customers, identifying their challenges and providing innovative solutions through our Social Innovation Business.

Performance figures point to a steady rise in earning power for the entire Hitachi Group. In fiscal 2014, Hitachi recorded revenues of ¥9,761.9 billion, operating income of ¥600.4 billion, and EBIT (earnings before interest and taxes) of ¥551.0 billion (U.S. GAAP). This marked the second year in a row that the Company achieved a record high operating income.

Fiscal 2015, the final year of the 2015 Mid-term Management Plan, is an important year in our ongoing efforts to promote further growth. Accordingly, we are responding swiftly to emerging challenges and continue to implement specific growth strategies.

In fiscal 2014, we implemented a number of measures to achieve the targets of the 2015 Mid-term Management Plan and to accelerate further growth in the years ahead. Front-line functions, which include sales, engineering, SI, and consulting, play an indispensable role in our efforts to create social innovation solutions specifically tailored to meet the increasingly diverse issues faced by our customers and societies. Accordingly, we have strengthened these functions, establishing the Energy Solutions Company, which caters to the growing demand for electric power, while reducing its environmental impact. We have also integrated the resources of our Systems Solutions divisions so that they may better cater to the ever increasing demand for large-scale solutions in finance, public & government and social infrastructure. Furthermore, we have strengthened our platform functions and product functions, which support the front line. Toward that end, we acquired a U.S. data analytics company and have integrated Hitachi's industrial products operations.

To implement these initiatives on a global scale, we appointed Chief Executives in four key regions outside Japan—the Americas, China, Asia-Pacific, and EMEA-CIS (Europe, the Middle East and Africa, and the Commonwealth of Independent States). In each of these regions, we are promoting reforms to establish *Autonomous Decentralized Global Management*, a structure in which each regional Chief Executive devises and implements his own independent business initiatives. We also reorganized our R&D operations to create a structure that allows customers to share their needs directly with our front-line.

Furthermore, under the Hitachi Smart Transformation Project, our ongoing cost structure reform initiative, we are optimizing the efficiency of our end-to-end business processes, thereby enhancing our ability to generate cash for future growth.

As a current group-wide effort, we and our Hitachi Members are each striving to achieve the targets of the 2015 Mid-term Management Plan while further enhancing Hitachi's corporate value.

Last but not least, we would like to thank you, our shareholders, for all your understanding and encouragement, and we look forward to your ongoing support in the years to come.

July 2015



Hiroaki Nakanishi
Chairman & CEO



Toshiaki Higashihara
President & COO

Outline of 2015 Mid-term Management Plan (Fiscal 2013 – Fiscal 2015)

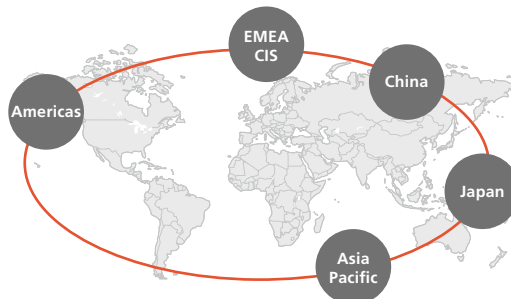
Management Focus

Achieving Growth and Hitachi's Transformation



Deliver innovation to customers and society globally

- Enhance engineering teams to strengthen solutions-provision structure and accelerate global business initiatives
- Sales growth in North America and China in addition to Asia
- Globalization of management and use of global resources in R&D



Promote Social Innovation Business Globally



Strengthen service businesses that maximize the utilization of IT and bring about innovation

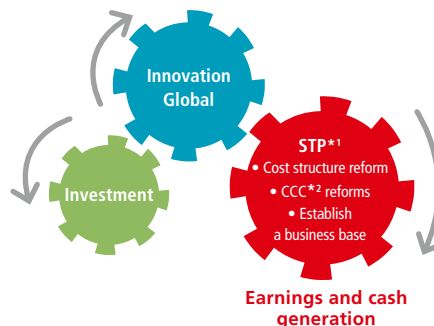
- Grow the Social Innovation Business by working with customers to identify their challenges and by providing innovative solutions
- Strengthen and expand service businesses by providing solutions for customers' issues and product services



Transform to deliver innovation by standardized and speedy operation

- Advancing the Hitachi Smart Transformation Project, a cost structure reform project (reevaluating operations to strengthen competitiveness and generate cash)
- Leverage global talent to lead businesses

Drive business growth by strengthening the Social Innovation Business



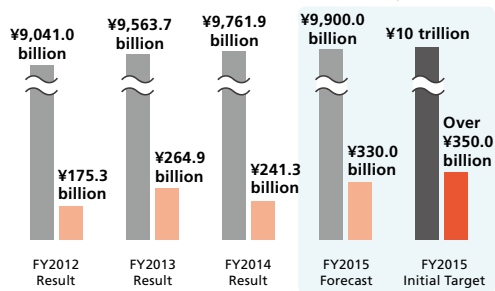
*1 STP: Hitachi Smart Transformation Project
*2 CCC: Cash Conversion Cycle

Fiscal 2015 Forecast

Revenues / Net income attributable to Hitachi, Ltd. stockholders

■ Revenues ■ Net income attributable to Hitachi, Ltd. stockholders

	Fiscal 2015	
	Forecast	Initial target
Revenues (Revenues (IFRS))	¥9.9 trillion (¥9.95 trillion)	¥10 trillion
Net income attributable to Hitachi, Ltd. stockholders (Net income attributable to Hitachi, Ltd. stockholders (IFRS))	¥330.0 billion (¥310.0 billion)	Over ¥350.0 billion

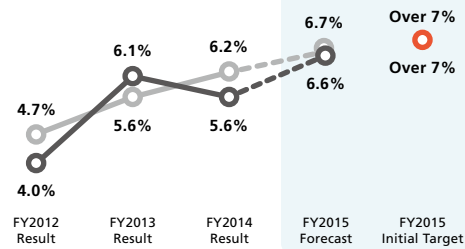


(U.S. GAAP)

EBIT margin / Operating income margin

○ EBIT margin ○ Operating income margin

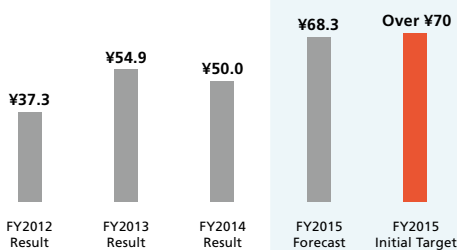
	Fiscal 2015	
	Forecast	Initial target
EBIT margin (EBIT margin (IFRS))	6.6% (6.2%)	Over 7%
Operating income margin (Adjusted operating income margin (IFRS))	6.7% (6.8%)	Over 7%



(U.S. GAAP)

Net income attributable to Hitachi, Ltd. stockholders per share

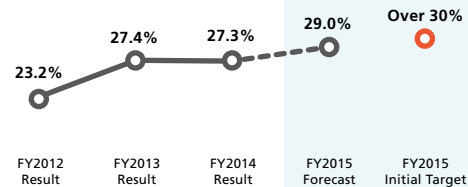
	Fiscal 2015	
	Forecast	Initial target
Net income attributable to Hitachi, Ltd. stockholders per share (Earnings per share attributable to Hitachi, Ltd. stockholders, basic (IFRS))	¥68.3 (¥64.2)	Over ¥70



(U.S. GAAP)

Stockholders' equity ratio (Manufacturing, Services and Others)

	Fiscal 2015	
	Forecast	Initial target
Stockholders' equity ratio (Manufacturing, Services and Others) (Total Hitachi, Ltd. stockholders' equity ratio (Manufacturing, Services and Others) (IFRS))	29.0% (29.0%)	Over 30%



(U.S. GAAP)

Progress of 2015 Mid-term Management Plan

Progress until end of Fiscal 2014

Measures for Fiscal 2015



GLOBAL

Global business expanded steadily, especially in the North American market

- Expanded financial solution services
 - Payment services, ATM (India, China)
- Gained first contract to provide "AT-200" commuter train (Europe)
- Launched demonstration of "CrystEna" energy storage system (North America)
- Expanded business in growing North American auto market
 - Expanded customer base for automotive cast products by acquiring Waupaca Foundry, Inc. (Hitachi Metals)

Acceleration of global business development initiatives through the use of IT

- Business rollout in IoT market
 - Acquire Pentaho Corporation, which has advanced data analytics software technologies and an extensive customer base (North America)
- Expand solutions using IT (analytics)

Overseas revenue ratio (U.S. GAAP)

FY2013 Result	FY2014 Result	FY2015	
45%	47%	Forecast	Initial target
		50%	Over 50%



INNOVATION

O&M services revenue expanded

- Strengthened maintenance service by cloud remote monitoring system
- Expanded operation services of information business including BPO

Strengthen profitable service businesses

- Expand long-term fee service business (Train and Energy)
- Utilize telecommunication technology in social infrastructure field
 - Expand IoT service business
- Create new service business utilizing IT (analytics)

China Smart Logistics

Provide comprehensive services to customers combining the Hitachi Group's assets and capabilities through IT

Procurement Service: VMI Operation / Factoring

Procurement EDI Service: e-commerce for procurement business

Logistics Service: 3PL, JIT delivery



TRANSFORMATION

Achieved cost reductions exceeding targets in Fiscal 2014

- Achieved cost reduction of 320 billion yen as a cumulative total for FY2014
- CCC (Manufacturing, Services and Others) is on par with the previous year, due to increased inventory resulting from changes in the market environment and concentration of sales at the end of the fiscal year (81.3 days in FY2013 → 81.5 days in FY2014)

Strengthen measures aimed at increasing cash

Reduction of cost of sales and SG&A* (+100 billion yen)

Reduction of Cost of Sales

Further cost reduction throughout the entire value chain / Improve operational efficiency; e.g., design and manufacturing operations

Reduction of SG&A

Review all aspects of fixed costs in Japan / Reduce indirect materials

Improvement of CCC (Manufacturing, Services and Others) (5-day reduction, +130 billion yen)

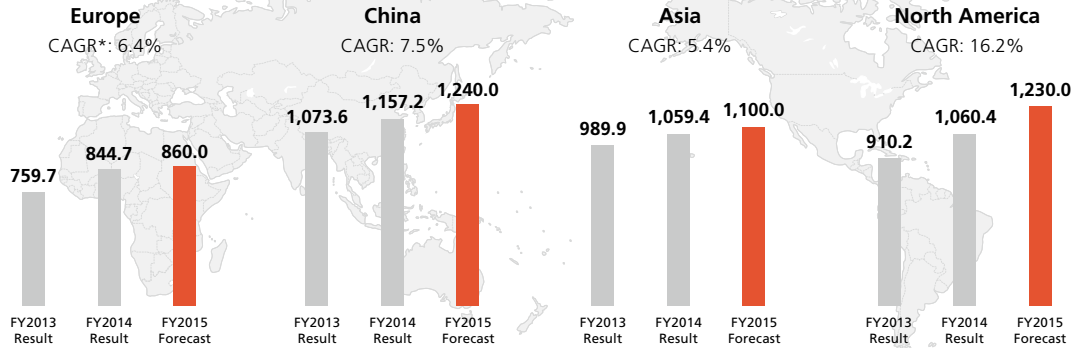
Review inventory assets / Improve cash flow / Improve cash management / Business process reforms

* SG&A: Selling, General & Administrative expenses

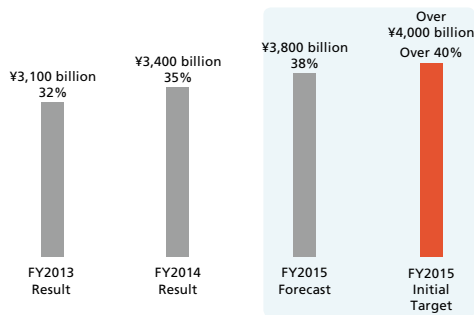


Overseas revenue (Billion yen)

* CAGR: Compound Annual Growth Rate



Service revenues / Service revenues ratio (U.S. GAAP)



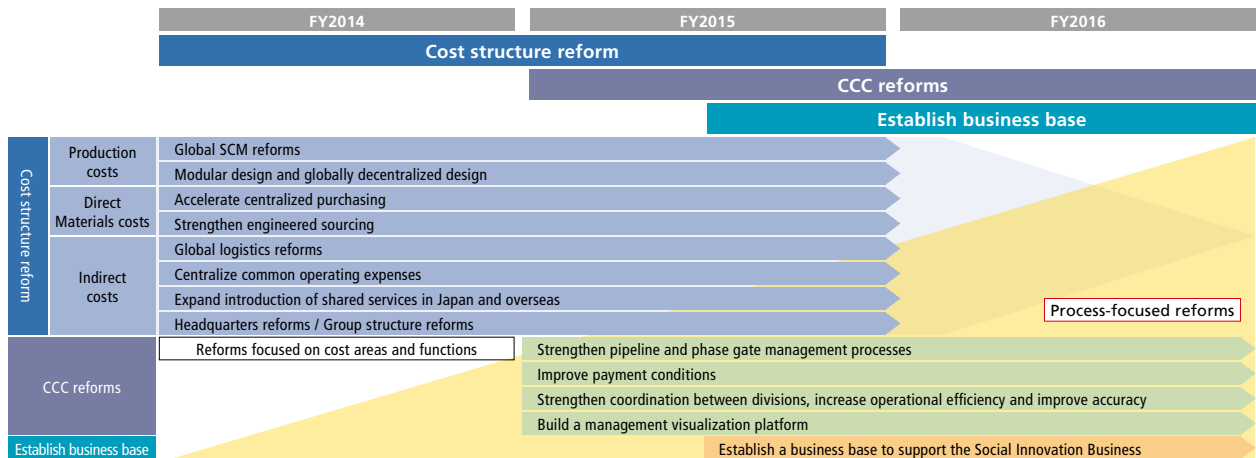
Cost reduction effects (U.S. GAAP)

■ Single-year benefit (billion yen)
■ Cumulative benefit (billion yen)



Future plans of cost structure reform

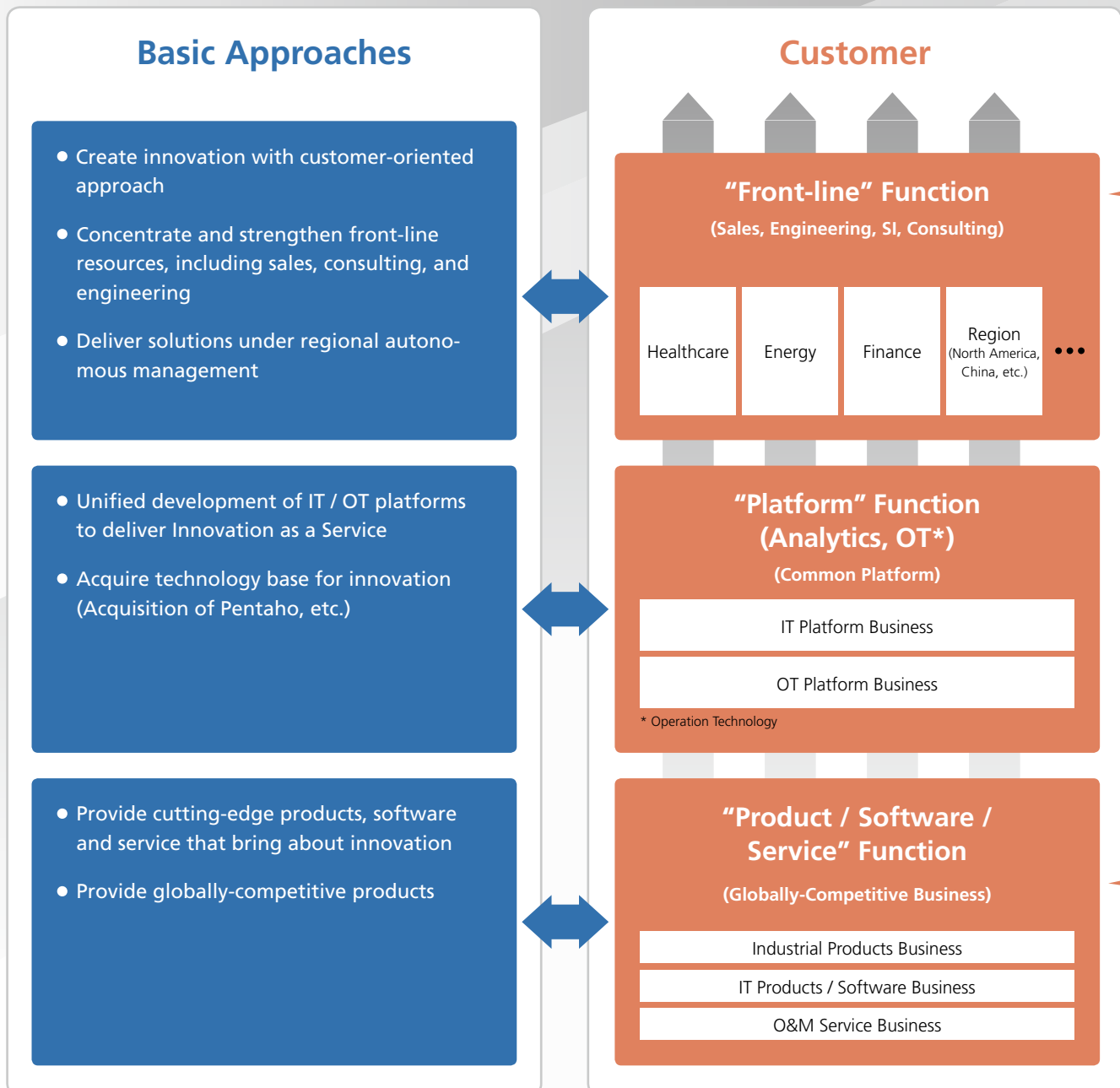
Reap benefits to achieve the targets of the 2015 Mid-term Management Plan and commence initiatives in anticipation of the next mid-term plan



Progress of 2015 Mid-term Management Plan

Hitachi toward Social Innovation Business

Hitachi is accelerating global business development initiatives in the Social Innovation Business, which identifies and resolves the problems faced by society and customers. These problems are growing more advanced and complex, and to address them Hitachi places high priority on front-line capabilities, which enable us to work side-by-side with customers in each industry and region to create solutions. Moreover, we believe that the realization of our future vision will require the establishment and reinforcement of three levels of capabilities. In addition to front-line function, these include analytics / control function (common platforms), which enables the realization of higher-value-added solutions through the use of big data and other initiatives, and product function, which supports solutions.



Front-line capabilities by industry

- Establishing business entities for the provision of solutions — established healthcare and energy solutions companies and consolidated front-line capabilities
- Consolidating systems integration capabilities in the financial, public sector, and social fields — strengthened systems integration capabilities, such as by absorbing businesses in the financial, public sector, and social fields into Hitachi Solutions

Global Management

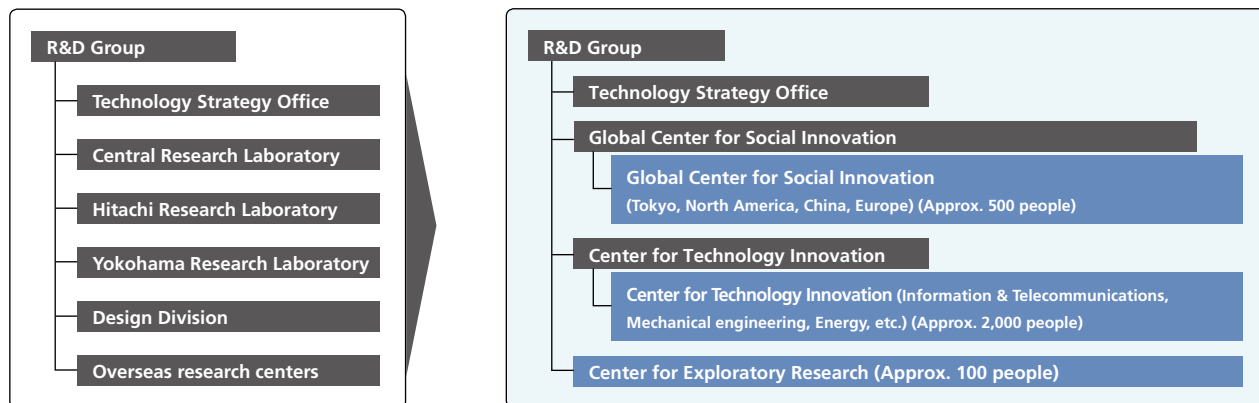
- Appointment of Chief Executives in four regions: the Americas, China, Asia-Pacific, and EMEA-CIS (Europe, Russia, Middle East, and others)
- Transition to system of “autonomous distributed global management” under which each region autonomously takes the lead in the Social Innovation Business and works to create value

Global Region	Countries / Regions covered	Chief Executive	Business areas
The Americas	North, Central, and South America	John Domme	Energy, Communications, Healthcare, Connected cars, Security
Europe / Russia / Middle East and other areas (“EMEA·CIS”)	Europe, Russia·CIS, Middle East, Turkey, Africa	Klaus Dieter Rennert	Production / SCM, Energy, Healthcare
China	China	Kenichi Kokubo	Urban planning / development and building facility management, Finance, Healthcare, Smart logistics
Asia / Pacific	ASEAN, India, Oceania, Korea	Ichiro Iino	Healthcare, Finance, Developers and conglomerates

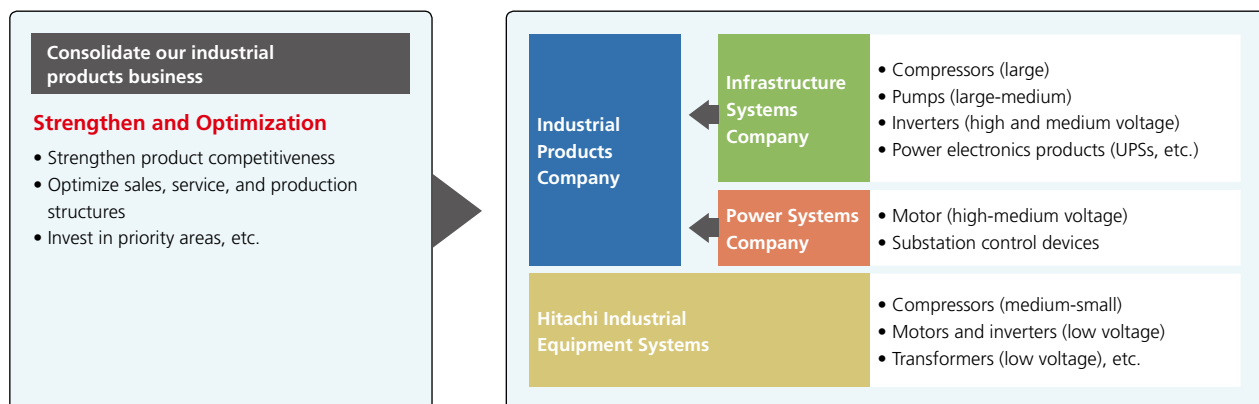
Global R&D

- Reorganized R&D structure in April 2015 to promote R&D from the customer’s perspective
- Established Global Center for Social Innovation to lead from the front with new solutions, working together with customers to visualize issues

Hitachi’s New R&D Structure



Supply core products that support the Social Innovation Business



Interview with the President & COO



We take on
the challenge of creating
future innovation.

Toshiaki Higashihara
President & COO

What is your opinion about the progress of the 2015 Mid-term Management Plan?

The Hitachi Group is recording steady gains in earning power, and we have achieved record-high operating income for two consecutive years. We are currently targeting an overseas revenue ratio of more than 50%, and this is within our reach. Also, regarding the Hitachi Smart Transformation Project, a cost structure reform project, the cumulative cost reduction benefits from this project for five years are expected to exceed our target of ¥400.0 billion.

As a result, I have had a profound sense that the Hitachi Group has started to see results from its reform initiatives. On the other hand, the issues we face in recording additional growth have also become clear. First, we must achieve further improvement in our earning power. Single-digit profit margins will not be sufficient for the Hitachi Group to succeed in competition, record growth, and thereby increase its corporate value. The 2015 Mid-term Management Plan is a milestone on the path to future growth. We will enhance the earning power of the Hitachi Group by implementing aggressive initiatives on a global basis and by steadily advancing reforms during ordinary times, such as rigorous structural reforms for certain businesses for which growth is not expected.

Another urgent issue is the bolstering of our ability to generate cash. Since October 2014, we have been working to further deepen and enhance the Hitachi Smart Transformation Project and implement initiatives focused on cash generation. Accordingly, we are reevaluating business processes from demand forecasting to service provision from an end-to-end perspective. We are also promoting reforms in supply chain management to increase overall operational efficiency. At the same time, we are taking steps to visualize our overall cash flow and to optimize collection and payment periods for accounts receivable and accounts payable as well as inventory levels. In these ways, we will improve the cash conversion cycle. By further raising our earning power and strengthening our ability to generate cash that is the source of growth, we will accelerate Hitachi's growth trajectory.

Hitachi is focusing on the Social Innovation Business. Specifically, could you describe what types of businesses are involved in this field?

Even on a worldwide basis, Hitachi is a unique company because we have both IT and social infrastructure businesses. The Social Innovation Business resolves issues faced by society and customers through innovation that combines both IT and social infrastructure, thereby contributing to improvements in people's quality of life.

For example, we are providing packages that combine rolling stock and maintenance services for a railway project in the U.K., which is a good example of the integration of the IT and social infrastructure businesses. Through the collection and analysis of big data from the hundreds of sensors that are installed on each train set, we can offer advanced maintenance services, such as predictive diagnostics that can help prevent breakdowns. In this way, stable operations and

reductions in operating costs are realized. In 2009, we supplied the U.K. with Class 395 high-speed trains, which have sustained stable operations since that time. This rolling stock significantly reduces the amount of time passengers spend on trains. As a result, we have received favorable feedback from many customers. One grateful commuter said, "I am now able to spend more time enjoying breakfast with my family thanks to substantial reduction in commuting time."

In these ways, the Social Innovation Business simultaneously realizes both economic value and social value by resolving problems faced by society and customers. In addition, it is a business that can ultimately contribute to improving the quality of life for individuals who are the customers of our customers.

To enhance and expand the Social Innovation Business, the Company will strengthen three functional layers: front-line function; analytics and control function, which form a common platform; and product, software, and service function (hereafter, product function). Would you describe the background to this approach and the specific initiatives that will be implemented in the future?

Strengthening front-line capabilities

Previously, Hitachi was a "product-out" type of company that made high-quality products and then, subsequently, sold them to customers. However, to resolve the issues faced by customers and society, it is essential that we take a "market-in" approach, where we first identify what customers need and which direction we should take, and then create solutions through a process of collaborative creation. Front-line functions play the lead role in these initiatives and, accordingly, we are strengthening these functions in each industry and region.

Applying this approach to business sectors, we have integrated our various front-line functions and established new in-house companies in the fields of healthcare and energy. Also, for IT services in fields such as finance, public & government and social infrastructure, we have consolidated the front-line functions including sales, engineering, and consulting units, which had previously been distributed throughout the Hitachi Group. Through these initiatives, we have reinforced our ability to address challenges.

We are also using this approach with regard to global management. On April 1, 2015, I appointed Chief Executives to serve as representatives of the Hitachi Group in four regions: the Americas, China, Asia-Pacific, and EMEA-CIS. We are accelerating the establishment of a system for *Autonomous Decentralized Global Management*, under which each regional Chief Executive autonomously takes the lead in

business activities. The Chief Executives are implementing projects with the authority to make investments and the responsibility for profit and loss. In regard to R&D, project finance, procurement, and other areas, we will maximize utilization of the Hitachi Group's shared resources on a global basis.

We have also reorganized the R&D structure to reflect a "market-in" approach. The Global Center for Social Innovation, which has been established in Tokyo, North America, China, and Europe, is not a place for technical development but rather a place to work together with customers on the front-line in order to identify issues and find solutions. We will promote collaborative creation with customers by utilizing a variety of means and tools. These include "Kizashi," by which we can forecast future social trends and search for new business areas, based on political, economic, social, and technological factors in a region, and "Cyber PoC*," a simulation tool for verifying total return on investment, such as the capital expenditures and operating costs necessary for solutions.

* POC: Proof of Concept

Strengthening analytics and control capabilities

We are moving ahead with establishing and strengthening common platforms, such as those for big data analytics and control, which are the source of competitiveness for the solutions we provide on the front-line.

Regarding the analytics function, in May 2015, we acquired Pentaho Corporation, a big data analytics software company in the U.S. Moving forward, we will increase the value of our solutions by applying Pentaho's common platform for big data utilization to a variety of industries, such as healthcare and energy.

In the control function, Hitachi has the technologies and know-how to create autonomous decentralized systems. These systems can continue to operate even if a portion of a system breaks down, and they can also be expanded in a phased manner. Hitachi has already achieved strong results with these systems in a variety of fields. These include East Japan Railway Company's Autonomous Decentralized Transport Operation Control System (ATOS), in which I was previously involved, as well as systems for the steel industry. In the future, we will work to generate more sustained, efficient solutions through "symbiotic autonomous decentralized" systems, where systems in different fields, such as railways, energy, and water, are connected in stages and work together on an overall basis.

Strengthening product capabilities

If a business has products that can succeed on a global basis, then the competitiveness of solutions that utilize those strong products will all be enhanced.

With this in mind, in May 2015, we established the Industrial Products Company, which incorporates the medium-scale and large-scale industrial equipment businesses that had previously been spread throughout the Hitachi Group. Products include motors, inverters, substation control devices, compressors, and pumps, which are the core components of infrastructure systems.

In addition to promoting product businesses that have a comparatively short cash conversion cycle, we will create optimal combinations of these businesses and social infrastructure businesses, which have a long cash conversion cycle. This approach will contribute to the stable generation of cash over the medium-to-long term.

What is the Hitachi Group's approach to the optimal business portfolio?

Business portfolio reevaluation is a never-ending process. Can we increase value through combinations with IT? And by doing so, can we resolve the issues faced by society and customers and contribute to improvements in people's quality of life? We are continually reevaluating our business portfolio to further strengthen our front-line function, analytics and control function, and product function, all with these questions in mind.

In product businesses, in addition to taking steps to enhance our own competitiveness, we have the option of collaborating with partners or utilizing joint ventures. For example, in the railway business, the Hitachi Group provides a comprehensive range of services, including rolling stock, signals, operational management, maintenance, IC tickets, and seat reservation systems. In these types of businesses, we will

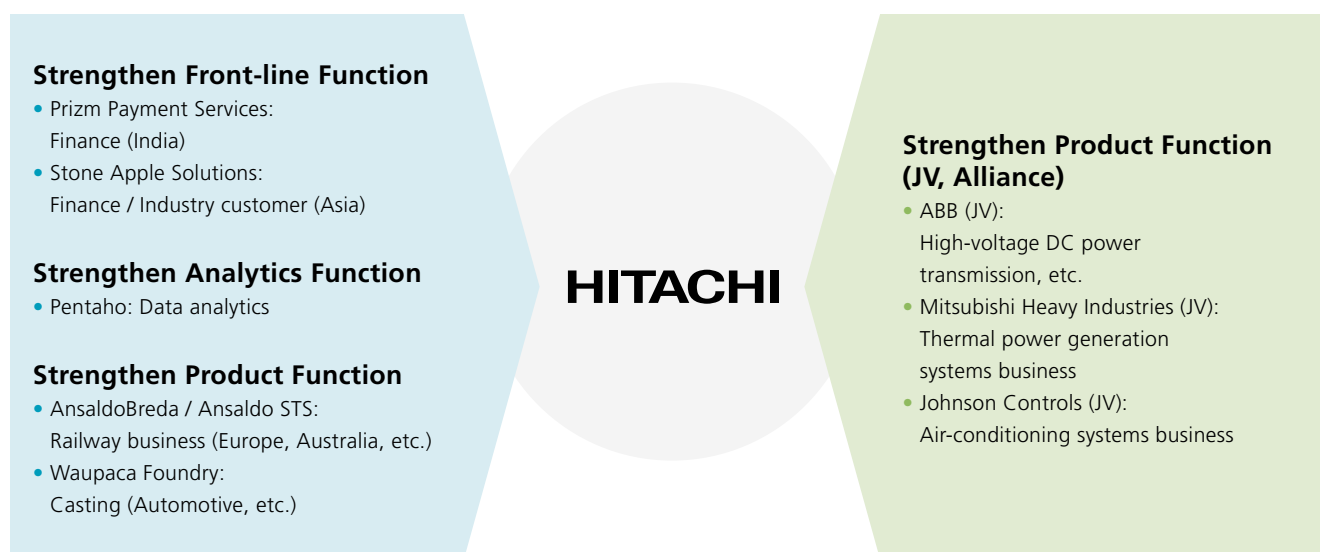
take steps to increase the competitiveness of our product businesses while working aggressively to incorporate external resources, such as the acquisition of Italian companies that manufacture rolling stock and signaling systems.

On the other hand, in regard to businesses where a certain scale is needed on a global basis, we will aggressively advance partnerships with companies that are global leaders. For example, we have established a joint venture with Mitsubishi Heavy Industries, Ltd., in the thermal power generation systems business and will establish another joint venture with Johnson Controls, Inc. of the U.S. in the air-conditioning systems business. In addition to raising the competitiveness of the products themselves, we will increase the value of the total solutions that utilize those products.

In this way, with an ongoing focus on businesses that we need to strengthen on our own and businesses for which we will increase competitiveness through partnerships, we will move forward with business portfolio reforms that are more transparent to external stakeholders.



Acquire necessary resources (customer base, sales channel, technologies) for growth, optimize business portfolios and increase revenue



Finally, what is Hitachi's approach to strengthening corporate governance, and what is its shareholder return policy?

Hitachi adopted a committee system in 2003 and, since that time, we have worked continuously to strengthen corporate governance. Outside directors have been a majority of the Board of Directors since June 2012 and, currently, 8 of the 12 directors are outside directors. Moreover, four of the outside directors are non-Japanese. The outside directors have extensive knowledge, including management experience at global companies. They offer frank opinions, ranging from corporate strategy to issues of each business and product such as growth scenarios for the Hitachi Group, cash flow, and market positioning. As a result, other Company executives and I have become aware of a wide range of issues, and we have been able to utilize these findings in management initiatives. The executive officers, who fulfill the business execution function, and the outside directors, who fulfill the management oversight function, conduct deliberations together in an

open manner, and the opinions of the outside directors are actively reflected in management, without being restricted to the status quo.

In regard to shareholder return, in fiscal 2014, against a backdrop of steady gains in earning power, we raised the annual dividend ¥1.5 per share, to ¥12.0. Moving forward, we will strive to improve our profitability and strengthen our financial position. Our policy will be to target sustained growth through continued investment and to provide stable returns to shareholders. We will respond appropriately to the Corporate Governance Code that was applied in Japan in June 2015, and we will implement management with a greater awareness of ROE and other indicators of capital efficiency. In these ways, we will strive to strengthen corporate governance in an ongoing manner and to increase shareholder value.

Board of Directors

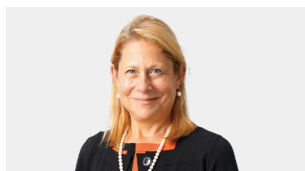
As of June 30, 2015

Outside Directors



Nobuo Katsumata

2003 Representative Director, President and CEO, Member of the Board, Marubeni Corporation
2008 Chairman, Member of the Board, Marubeni Corporation
2011 Director, Hitachi, Ltd.
2013 Senior Corporate Advisor, Member of the Board, Marubeni Corporation Senior Corporate Advisor, Marubeni Corporation (Currently in office)



Cynthia Carroll

1991 General Manager, Foil Products, Alcan Inc.
1996 Managing Director, Aughinish Alumina Ltd., Alcan Inc.
1998 President, Bauxite, Alumina and Speciality Chemicals, Alcan Inc.
2002 President & CEO, Primary Metal Group, Alcan Inc.
2007 CEO, Anglo American plc. (Retired in April 2013)
2013 Director, Hitachi, Ltd.



Sadayuki Sakakibara

2002 President and Representative Member of the Board, Toray Industries, Inc.
2010 Chairman of the Board and Representative Member of the Board, Toray Industries, Inc.
2013 Director, Hitachi, Ltd.
2014 Chairman of the Board and Member of the Board, Toray Industries, Inc.
2015 Chief Senior Advisor and Chief Senior Counselor, Toray Industries, Inc. (Currently in office)



George Buckley

1993 Chief Technology Officer, Motors, Drives and Appliances, Emerson Electric Company
1994 President, US Electrical Motors, Emerson Electric Company
1997 President, Mercury Marine Division and Corporate Vice President, Brunswick Corporation
2000 President and Chief Operating Officer, Brunswick Corporation Chairman and Chief Executive Officer, Brunswick Corporation
2005 Chairman of the Board, President and Chief Executive Officer, 3M Company
2012 Executive Chairman of the Board, 3M Company (Retired in May 2012) Chairman, Arle Capital Partners Limited (Currently in office) Director, Hitachi, Ltd.

Directors



Hiroaki Nakanishi*
Chairman & CEO

1970 Joined Hitachi, Ltd.
2003 General Manager, Global Business Vice President and Executive Officer
2004 Senior Vice President and Executive Officer
2005 Senior Vice President and Executive Officer, Hitachi, Ltd. Chairman and Chief Executive Officer, Hitachi Global Storage Technologies, Inc.
2006 Executive Vice President and Executive Officer, Hitachi, Ltd. (Retired in December 2006)
2009 Executive Vice President and Executive Officer, Hitachi, Ltd.
2010 President, Hitachi, Ltd.
2014 Chairman & CEO and Director, Hitachi, Ltd.



Toshiaki Higashihara*
President & COO

1977 Joined Hitachi, Ltd.
2006 Chief Operating Officer, Information & Telecommunication Systems
2007 Vice President and Executive Officer (Retired in March 2008)
2008 President, Hitachi Power Europe GmbH
2010 President and Chief Executive Officer, Hitachi Plant Technologies, Ltd.
2011 Vice President and Representative Director, Hitachi Plant Technologies, Ltd.
2011 Vice President and Executive Officer, Hitachi, Ltd.
2013 Senior Vice President and Executive Officer, Hitachi, Ltd.
2014 President & COO, Hitachi, Ltd. President & COO and Director, Hitachi, Ltd.



Takashi Miyoshi

1970 Joined Hitachi, Ltd.
2003 General Manager, Finance Executive Officer
2004 Senior Vice President and Executive Officer
2006 Senior Vice President, Executive Officer and Director
2006 Executive Vice President, Executive Officer and Director
2007 Director (Retired in June 2007) Chairman of the Board, Hitachi Global Storage Technologies, Inc.
2008 Executive Vice President and Executive Officer, Hitachi Systems & Services, Ltd. (Currently Hitachi Solutions, Ltd.) President, Chief Executive Officer and Director, Hitachi Systems & Services, Ltd.
2009 Executive Vice President and Executive Officer, Hitachi, Ltd.
2012 Executive Vice President, Executive Officer and Director, Hitachi, Ltd.
2012 Director, Hitachi, Ltd.



Nobuo Mochida

1970 Joined Hitachi Metals, Ltd.
2006 President and Chief Executive Officer and Director, Hitachi Metals, Ltd.
2010 Executive Vice President and Executive Officer, Hitachi, Ltd. (Retired in March 2014) Chairman of the Board, Hitachi Metals, Ltd.
2013 Director, Hitachi Metals, Ltd. (Retired in June 2014)
2014 Director, Hitachi, Ltd.



Louise Pentland

1997 Admitted as a Solicitor (UK)
 2001 Senior Legal Counsel, Nokia Networks, Nokia Corporation
 2004 Vice President and Head of Legal, Enterprise Solutions, Nokia Corporation
 2007 Vice President, Acting Chief Legal Officer and Head of IP Legal, Nokia Corporation
 2008 Senior Vice President and Chief Legal Officer, Nokia Corporation
 2009 Admitted to New York State Bar Association
 2011 Executive Vice President and Chief Legal Officer, Nokia Corporation (Retired in May 2014)
 2015 General Counsel, PayPal, eBay Inc. (Currently in office)
 Director, Hitachi, Ltd.



Harufumi Mochizuki

2002 Director-General for Commerce and Distribution Policy, Minister's Secretariat, Ministry of Economy, Trade and Industry of Japan ("METI")
 2003 Director-General, Small and Medium Enterprise Agency, METI
 2006 Director-General, Agency for Natural Resources and Energy, METI
 2008 Vice-Minister of Economy, Trade and Industry of Japan
 2010 Special Advisor to the Cabinet of Japan (Retired in September 2011)
 Senior Adviser to the Board, Nippon Life Insurance Company (Retired in April 2013)
 2012 Director, Hitachi, Ltd.
 2013 President and Representative Director, Tokyo Small and Medium Business Investment & Consultation Co., Ltd. (Currently in office)



Philip Yeo

1970 Joined Ministry of Defense of Singapore
 1979 Permanent Secretary, Ministry of Defense of Singapore
 1986 Chairman, Economic Development Board of Singapore
 2001 Chairman, Agency for Science, Technology and Research of Singapore
 2007 Senior Advisor for Science and Technology to the Ministry of Trade & Industry, Singapore (Retired in September 2008)
 Special Advisor in Economic Development, Prime Minister's Office, Government of Singapore (Retired in August 2011)
 Chairman, SPRING Singapore (Currently in office)
 2012 Director, Hitachi, Ltd.



Hiroaki Yoshihara

1978 Joined Peat Marwick Mitchell & Co.
 1996 National Managing Partner, the Pacific Rim Practice, KPMG LLP
 1997 The Board Member, KPMG LLP
 2003 Vice Chairman and Global Managing Partner, KPMG International (Retired in April 2007)
 2014 Director, Hitachi, Ltd.

Name	Reasons for appointment
Nobuo Katsumata	Mr. Katsumata was selected as an outside director, since he was expected to reinforce the functional aspects of the Company's Board of Directors by supervising the execution of duties by Executive Officers and others from an independent perspective based on his rich experience and insight as the top executive of a major global company.
Cynthia Carroll	Ms. Carroll was selected as an outside director, since she was expected to reinforce the functional aspects of the Company's Board of Directors by supervising the execution of duties by Executive Officers and others from an independent perspective as well as reflecting her global viewpoint to the Company's Board of Directors based on her rich experience and insight as the top executive of major global companies.
Sadayuki Sakakibara	Mr. Sakakibara was selected as an outside director, since he was expected to reinforce the functional aspects of the Company's Board of Directors by supervising the execution of duties by Executive Officers and others from an independent perspective based on his rich experience and insight as the top executive of a major global company.
George Buckley	Mr. Buckley was selected as an outside director, since he was expected to reinforce the functional aspects of the Company's Board of Directors by supervising the execution of duties by Executive Officers and others from an independent perspective as well as reflecting his global viewpoint to the Company's Board of Directors based on his rich experience and insight as the top executive of major global companies.
Louise Pentland	Ms. Pentland was selected as an outside director, since she was expected to reinforce the functional aspects of the Company's Board of Directors by supervising the execution of duties by Executive Officers and others from an independent perspective as well as reflecting her global viewpoint to the Company's Board of Directors based on deep insight into corporate legal matters and corporate governance gained through her rich experience as the chief legal officer of major global companies.
Harufumi Mochizuki	Mr. Mochizuki was selected as an outside director, since he was expected to reinforce the functional aspects of the Company's Board of Directors by supervising the execution of duties by Executive Officers and others from an independent perspective based on his rich experience and insight in the area of public administration, etc.
Philip Yeo	Mr. Yeo was selected as an outside director, since he was expected to reinforce the functional aspects of the Company's Board of Directors by supervising the execution of duties by Executive Officers and others from an independent perspective as well as reflecting his global viewpoint to the Company's Board of Directors based on his broad experience and insight in such areas as public administration.
Hiroaki Yoshihara	Mr. Yoshihara was selected as an outside director, since he was expected to reinforce the functional aspects of the Company's Board of Directors by supervising the execution of duties by Executive Officers and others from an independent perspective as well as reflecting his global viewpoint to the Company's Board of Directors based on his rich experience and insight in the area of global corporate management and accounting.

Note: Directors are listed by position and in Japanese alphabetical order within each grouping.

* Denotes directors who serve concurrently as executive officers.

Each committee is composed of the following members (Chair underlined):

Nominating Committee: Nobuo Katsumata, Sadayuki Sakakibara, Harufumi Mochizuki, Hiroaki Nakanishi

Audit Committee: Takashi Miyoshi, Nobuo Katsumata, Harufumi Mochizuki, Hiroaki Yoshihara, Nobuo Mochida

Compensation Committee: Harufumi Mochizuki, Nobuo Katsumata, Sadayuki Sakakibara, Toshiaki Higashihara

Executive Officers

As of June 30, 2015

Chairman & CEO



Hiroaki Nakanishi*
General management

President & COO



Toshiaki Higashihara*
Overall operations and energy solutions business

Executive Vice President and Executive Officers



Shinjiro Iwata*
Cost structure reform and information technology strategies



Ryuichi Kitayama*
Marketing and sales



Yutaka Saito*
Information & telecommunication systems business



Koji Tanaka*
Power & infrastructure systems business



Toyoaki Nakamura*
Finance and corporate pension system



Toshikazu Nishino*
Management strategies

Senior Vice President and Executive Officers



Masahiro Kitano
Information & telecommunication systems business (platform business)



Toshiaki Kuzuoka*
Corporate communications and CSR, legal matters, government & external relations, risk management and corporate auditing



Kunizo Sakai
Infrastructure systems business



Kaichiro Sakuma
Information & telecommunication systems business



Hiroshi Sato
Infrastructure systems business (urban planning and development systems business)



Keiichi Shiotsuka
Information & telecommunication systems business (system solutions and service business)

Vice President and Executive Officers

Masakazu Aoki
Industrial products business

Kaoru Kawano
Power & infrastructure systems business (sales operations) and energy solutions business (sales operations)

Yasuo Tanabe
Government & external relations

John Domme
Regional strategies (Americas)

Isao Narukawa
Power systems business (sales operations) and energy solutions business (sales operations)

Ryuichi Otsuki
Social innovation business promotion

Kenichi Kokubo
Regional strategies (China)

Yoshitaka Tsuda
Information & telecommunication systems business (sales operations)

Hide Nobu Nakahata
Human capital

Mitsuaki Nishiyama
Finance and corporate pension system

Shinichiro Omori
Supply chain management (procurement)

Keiji Kojima
Research & development

Alistair Dormer
Infrastructure systems business (rail systems business)

Hiroshi Nakayama
Cost structure reform and supply chain management (MONOZUKURI and quality assurance)

Masaya Watanabe
Healthcare business

Akira Shimizu
Marketing and sales

Katsumi Nagasawa
Power systems business

Note: Executive officers are listed by position and in Japanese alphabetical order within each grouping.
* Denotes executive officers who are representative executive officers.

Corporate Governance

Hitachi and eight of its listed subsidiaries are companies with Nominating Committee, etc. under the Companies Act of Japan. By demarcating responsibilities for management oversight and those for the execution of business operations, Hitachi is working to create a framework for quick business operation, while making management highly transparent.

In addition, Hitachi is executing business strategies formulated to enable the Group to demonstrate its collective strengths. Moreover, some of Hitachi's Directors and Executive Officers serve concurrently as Directors and Executive Officers at Group companies, thereby strengthening integrated management of the Group and improving

management oversight of Group companies. In these ways, Hitachi is working to increase corporate value.

Starting in June 2015, the Japan's "Corporate Governance Code" applies to companies listed on domestic stock exchanges in Japan. Hitachi agrees with the basic approach of the Code, which is that the Code's appropriate implementation will contribute to the development and success of companies, investors and the Japanese economy as a whole through individual companies' self-motivated actions so as to achieve sustainable growth and increase corporate value over the mid- to long-term. Moving forward, Hitachi will work to further strengthen corporate governance.

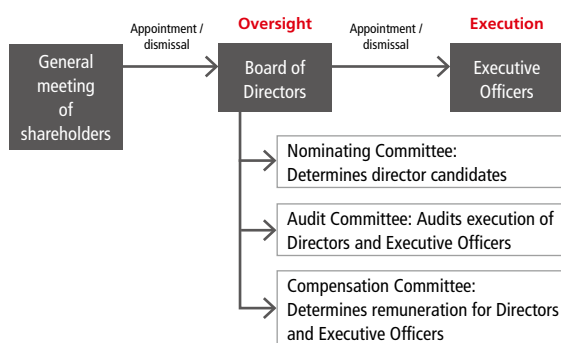
Initiatives to Strengthen Corporate Governance

1. Realizing quick, highly transparent management

Transition to a company with Committee System (currently a company with Nominating Committee, etc.) (June 2003~)

Major Points of Change

- Establishment of three committees in the Board of Directors (Nominating, Audit, and Compensation Committees), and appointment of Executive Officers (separation of oversight and execution).
- The Board of Directors approves basic management policy for the Group and implements oversight of the execution of the duties of Executive Officers and Directors.
- Appointment of outside directors is required (with outside directors as a majority of each committee).



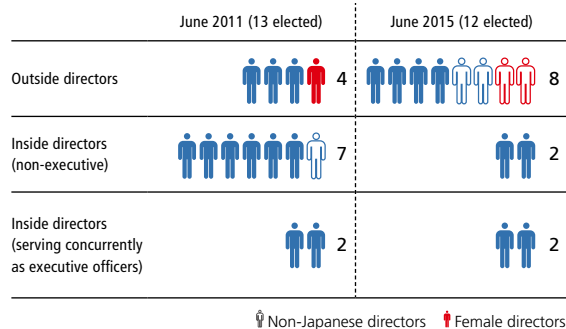
2. Accelerating global management, strengthening oversight function

Increased number of outside directors including non-Japanese directors; outside directors became majority (June 2012~)

Major Aims

- Reflect global, diverse viewpoints in management, further strengthen oversight function

Composition of Board of Directors



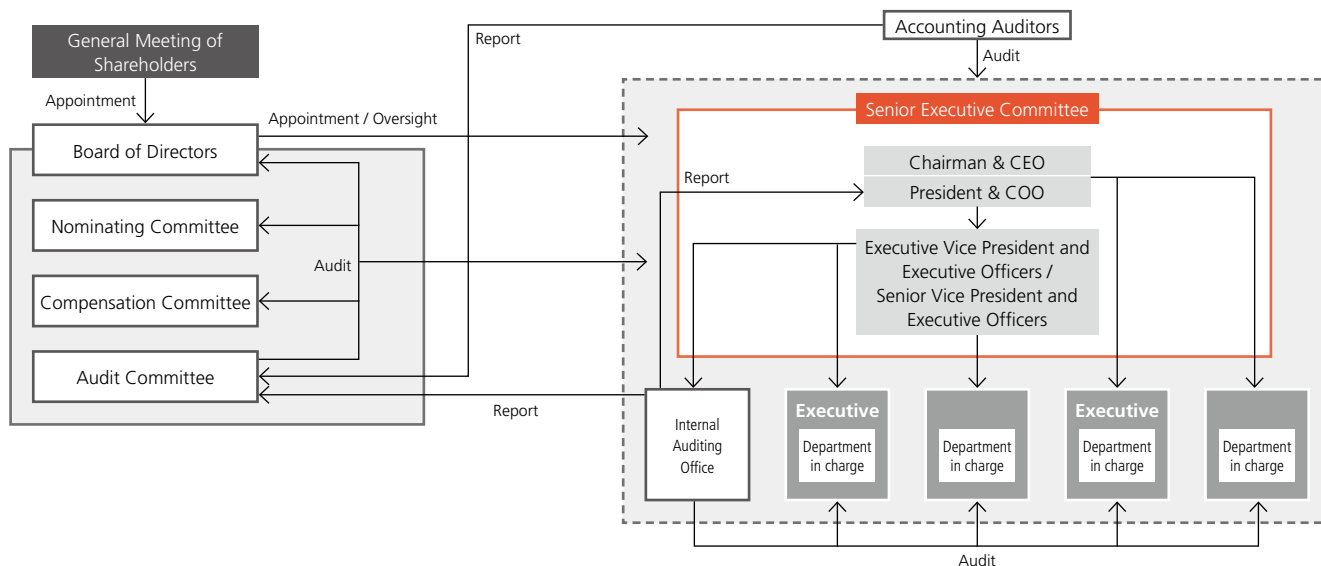
3. Clarification of responsibility / authority

Introduced in-house company system (October 2009~) and in-house rating system (April 2010~)

Major Aims

- Clarify responsibility and authority for total of 40 in-house companies and Group companies, take thorough approach to rapid management through independent profitability
- Determine scope of delegation of investment authority to each in-house company in accordance with in-house rating, increase management speed
- Hold Hitachi IR Day, an IR event at which the leaders of each in-house company explain principal business strategies and management initiatives that support the achievement of the goals of the Mid-term Management Plan

Corporate Government Framework



Board of Directors

The Board of Directors approves basic management policy for the Hitachi Group and supervises the execution of the duties of Executive Officers and Directors to sustainably enhance corporate value and shareholders' common interests. The basic management policy includes the medium-term management plan and annual budget compilation. The Board of Directors focuses on strategic issues related to the basic management policy as well as other items to be resolved that are provided in laws, regulations, the Articles of Incorporation, and Board of Directors Regulations. As of June 30, 2015, the Board of Directors was made up of 12 Directors, and two of them concurrently serve as Executive Officers. Hitachi aims to reinforce the supervisory function of the Board of Directors, of which eight outside Directors, including non-Japanese, account for the majority, reflecting their global and diverse viewpoints.

Within the Board of Directors, there are three statutory committees—the Nominating Committee, the Audit Committee, and the Compensation Committee—with outside Directors accounting for the majority of members of each committee. The Board of Directors meetings were held 9 days during the fiscal year ended March 31, 2015, and the attendance rate of Directors at these meetings was 99%. To assist with the duties of the Board of Directors and each committee, staffs who are not subject to orders and instructions of Executive Officers are assigned.

Attendance at meetings of the Board of Directors by each outside director in the fiscal year ended March 31, 2015

Name	Attendance
Nobuo Katsumata	9 out of 9 days
Cynthia Carroll	9 out of 9 days
Sadayuki Sakakibara	8 out of 9 days
George Buckley	9 out of 9 days
Harufumi Mochizuki	9 out of 9 days
Philip Yeo	9 out of 9 days
Hiroaki Yoshihara	8 out of 8 days

Furthermore, Hitachi formulated and published Corporate Governance Guidelines outlining the framework of corporate governance, such as the function and composition of the Board of Directors, qualifications for Directors, and criteria for assessing the independence of outside Directors.

Corporate Governance Guidelines of Hitachi, Ltd.
<http://www.hitachi.com/IR-e/corporate/governance/guidelines.html>

Qualification for the outside Directors and criteria for the independency

In regard to the election of an outside Director, the Company's Nominating Committee considers the following criteria for independence. In addition, the Committee also considers whether the outside Director has outstanding character and insight and whether the Outside Director has worked in a leadership position in such fields as business, law, administration, accounting or education or has experience at policy-making levels.

In regard to the independence of an outside Director, the Company considers an outside director to be independent if none of the following items are applicable.

- His or her immediate family member is, or has been within the last three years, a director or an executive officer, of the Company or any of its subsidiaries;
- He or she is currently an executive director, an executive officer or an employee of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds 2% of any of the companies' consolidated gross revenues;
- He or she has received during any of the last three fiscal years more than ¥10 million in direct compensation for his or her service as a specialist in law, accounting or tax, or as a consultant from the Company, other than director compensations; or
- He or she serves as an executive officer or director of a not-for-profit organization, and the Company's discretionary charitable contributions to the organization in any of the last three fiscal years are more than ¥10 million and 2% of that organization's annual gross revenues.

(1) Nominating Committee

The Nominating Committee has the authority to determine particular proposals submitted to the general meeting of shareholders for the election and dismissal of Directors. The Nominating Committee consists of four Directors, three of whom are outside Directors.

The Nominating Committee meetings were held seven days during the fiscal year ended March 31, 2015.

(2) Audit Committee

The Audit Committee has the authority to audit the execution of duties of Directors and Executive Officers and to determine on proposals submitted to the general meeting of shareholders for the election and dismissal of accounting auditors. The Audit Committee consists of five Directors, including three outside Directors and two standing Audit Committee members.

The Audit Committee meetings were held 14 days during the fiscal year ended March 31, 2015.

(3) Compensation Committee

The Compensation Committee has the authority to determine remuneration policies for Directors and Executive Officers and remuneration for individuals based on these policies. The Compensation Committee consists of four Directors, three of whom are outside Directors.

The Compensation Committee meetings were held seven days during the fiscal year ended March 31, 2015.

Composition of the Board of Directors and Each Committee

	Number of persons	Outside Directors	Directors	Chairman
Board of Directors	12	8*1	4	Director
Nominating Committee	4	3	1	Outside Director
Audit Committee	5	3	2	Director
Compensation Committee	4	3	1	Outside Director

*1. In regard to the outside directors, Hitachi has notified all outside Directors as independent directors to each of the stock exchanges in Japan where the Company is listed.

Executive Officers

Executive Officers decide on matters delegated to them by the Board of Directors and execute Hitachi's business affairs within the scope of assignments determined by the Board of Directors. As of June 30, 2015, Hitachi had 31 Executive Officers.

Senior Executive Committee

The Senior Executive Committee is a council to ensure that the President deliberately decides on important managerial matters, which may affect the business of Hitachi or the Hitachi Group, through discussing these matters from diverse viewpoints. This committee consists of nine members as of June 30, 2015: Chairman & CEO, President & COO, six Executive Vice President and Executive Officers, and one Senior Vice President and Executive Officer.

Director and Executive Officer Compensation

Compensation for Directors and Executive Officers is commensurate with the ability required of them as well as their responsibilities, while compensation packages at other companies are also taken into consideration.

The compensation for Directors consists of a monthly salary and a year-end allowance. The monthly salary is decided by making adjustments to the basic salary that reflects full-time or part-time status, committee membership and position, and travel from place of residence, among other factors. The year-end allowance is a pre-determined amount equivalent to about 20% of the Director's annual income based on the monthly salary, although this amount may be reduced depending on Hitachi's performance. Directors concurrently serving as Executive Officers are not paid compensation as Directors.

The compensation for Executive Officers consists of a monthly salary and a performance-linked component. The monthly salary is decided by adjusting a basic amount set in accordance with the relevant position to reflect the results of an assessment. The performance-linked component is set within a range equivalent to about 40% of the Executive Officer's annual income, adjusted based on Hitachi and individual performance.

The compensation structure for Directors and Executive Officers was re-examined starting with compensation for the fiscal year ended March 31, 2009, and the retirement allowance was abolished.

Compensation for Directors and Executive Officers for the fiscal year ended March 31, 2015, is as follows:

Category	Total amount of compensation, etc. (Millions of yen)	Total amount of each type (Millions of yen)		Number of persons
		Monthly salary	Year-end allowance and performance-linked component	
Directors (excluding outside Directors)	127* ³	114* ³	13	6* ²
Outside Directors	247* ³	234* ³	13	9
Executive Officers	1,946	1,329	616	29
Total	2,322	1,678	644	44

*2 The number of Directors excludes two Directors who concurrently serve as Executive Officers.

*3 The amount of compensation to Directors and outside Directors respectively includes the monthly salary for three Directors and two outside Directors who retired due to expiration of their term of office at the close of the 145th Annual General Meeting of Shareholders held on June 20, 2014.

In addition, Directors or Executive Officers for whom compensation from Hitachi and its subsidiaries is not less than ¥100 million and the amount of their compensation are as follows:

Name	Company	Category	Total amount of compensation, etc. (Millions of yen)	Total amount of each type (Millions of yen)	
				Monthly salary	Performance-linked component
Hiroaki Nakanishi	Hitachi, Ltd.	Executive Officer* ⁴	192	132	60
Toshiaki Higashihara	Hitachi, Ltd.	Executive Officer* ⁴	143	99	44
Junzo Nakajima* ⁵	Hitachi East Asia Ltd. (Consolidated subsidiary)* ⁶	Director	103	75	28

*4 Although concurrently serving as Director, Messrs. Hiroaki Nakanishi and Toshiaki Higashihara do not receive compensation as Director.

*5 Although concurrently served as Executive Officer of Hitachi for the fiscal year ended March 31, 2015, Mr. Junzo Nakajima did not receive compensation as Executive Officer of Hitachi.

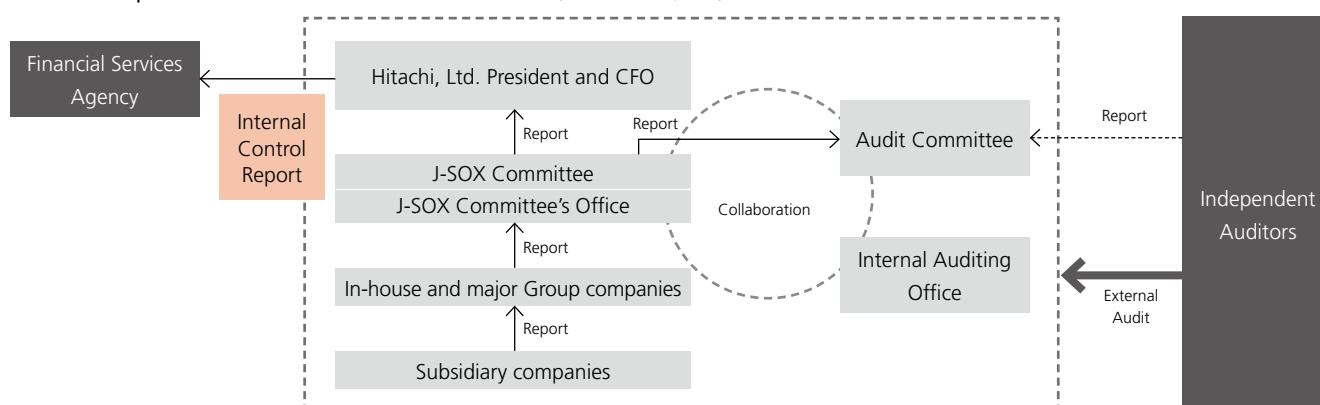
*6 The compensation paid in Hongkong dollar is converted into yen by average exchange rate for each quarter of the fiscal year ended March 31, 2015.

Internal Control over Financial Reporting

To ensure the reliability of the financial reporting for the Group as a whole, the Hitachi Group has documented control procedures, from company-level controls to process-level controls, in accordance with policies determined by the J-SOX Committee. In regard to assessment of the internal control over financial reporting, Hitachi is advancing the

establishment of systems for objective assessment at each in-house company and major Group company. The J-SOX Committee's Office summarizes the assessment results of each company to confirm the effectiveness of internal control on a Group-wide, consolidated basis.

Hitachi Group Internal Control Assessment Framework (As of March 31, 2015)



Accountability

In accordance with its disclosure policy, Hitachi is implementing the fair and appropriate disclosure of such information as management strategies and financial information. In addition, Hitachi is aggressively conducting dialogues through such means as meetings with shareholders and investors, IR events, and the general meeting of shareholders.

In the fiscal year ended March 31, 2015, the Company held quarterly results presentations, as well as a presentation on the progress of the 2015 Mid-term Management Plan. In addition, continuing on from the fiscal year ended March 31, 2014, the Company held Hitachi IR Day 2014, an IR event at which leaders explained principal business strategies and management initiatives in accordance with the Mid-term Management Plan. Furthermore, to deepen understanding of the rail systems business, Hitachi offered tours of the Kasado Works, and in addition the Company held approximately 740 individual meetings with institutional investors and analysts in Japan and overseas. Moreover, twice per year management leaders visit institutional investors in North America, Europe, and Asia to explain management policies, business trends, and other matters.

Hitachi is working to utilize the opinions obtained through these IR activities as feedback within the Company and to reflect them in management and business administration.

Hitachi is taking steps to implement aggressive information disclosure, such as providing presentation materials, videos, and performance and stock price graphs on our website for shareholders and investors.

Information for shareholders and investors
<http://www.hitachi.com/IR-e/>

Major information disclosure publications

Financial results / Quarterly financial results

Annual securities reports / Quarterly reports

Business reports / Interim business reports

Annual reports

Hitachi Group sustainability reports

Message from Outside Directors



George Buckley

Impressions of Hitachi's Corporate Governance

Corporate governance is a topic some aspect of which is discussed at every board meeting. I believe the Company has made great strides in recent years regarding corporate governance. Hitachi formulated and disclosed its Corporate Governance Guidelines which outline qualifications for outside directors, etc. in May 2012, to increase the transparency of its management. I think the governance of Hitachi is very positive. The Board meetings are conducted very openly and great credit is due to the chair of the Board for encouraging this.

Furthermore, I think the corporation is very open to different reforms and different standards of governance. For example, in 2014, we changed the committee structure. Under the new structure, outside directors became chairs of the nominating committee and compensation committee. In this way, we are adopting a more western-style governance. I believe we have carried out reforms effectively, and accordingly our corporate governance is being modeled by other companies. When I have spoken to investors in Hitachi, they really admire what Hitachi is doing and say they wish other companies would do more.

Issues to Address

As an outside director of Hitachi, I think Hitachi's strengths are its magnificent technology and the breadth of its business. It is one of the 10 greatest modern companies in the world. It has enormous strengths. However, we still don't always leverage those strengths as effectively as we could. This is an important issue we need to address. What I recommend to companies is that our main mission is to create increasing shareholder value every year. That's the real mission. But, of course, we also need to make Hitachi a happy place to work, a secure place for employees, and a good place for customers and all stakeholders. We need to keep the interests of all of our stakeholders in mind, not just one.

I think another issue, not only for Hitachi, but for many Japanese companies is a cultural one. Japanese people rightly have a strong positive belief in their society and in the power of the group. But a downside of this is that it sometimes slows action and our willingness to adapt to changing economic and competitive circumstances. Since the world outside is changing ever faster, to remain competitive, we have to be willing to change more, to adapt better and to reform faster. If we reform slower than our competitors, they will overtake us and, ultimately, that could be very hard for the corporation and

threaten our survival. Japanese companies need to push harder for better growth, better margins and better cash management, while not forgetting the many good aspects of their work culture. Hitachi needs to retain the good aspects of Japanese culture, while adopting some new behaviors and methodology.

We can see the reason for this very clearly. Thirty five years ago, Japanese companies were the most creative and competitive in the world. Yet today, many have been overtaken by their foreign contemporaries. These competitors adapted and learned from Japanese companies and, in some cases, the "students" are now doing better than their "teachers." We must not allow that to happen at Hitachi.

Going forward, we therefore need to pursue efforts to make Hitachi a more sustainably- competitive company. If we become a more sustainably-competitive company, we become more prosperous; and if the company becomes more prosperous, the company becomes more secure for everyone; employees, investors, customers and suppliers alike. Faster, profitable growth must be our goal, inside an ethical and legal framework.

Approach to Value Creation

I believe there are five great value-creating activities that will help us become a globally competitive company; sales growth, margin enhancement, improving working capital terms, legally and morally lowering our taxation burden, and working to improve our P/E (price/earnings) ratio. Each of these previous activities contributes to value creation.

Then, we should approach these activities with six competitive vectors, six sets of tools if you like. These tools are the cost of the product, technology and innovation, distribution, customer service, brand and marketing, and people. We always have to remember nothing in the company would get done if it wasn't for the people. So, it's people who change the company, and people who drive reforms. It's people who will innovate. It's really the people and how we inspire, motivate and reward them that are the keys to this whole puzzle. It's the single most important thing, people.

To truly become a sustainably-competitive company, we can't just be good at technology, but bad at cost. We can't just be good at cost, and bad at technology. We can't just have great distribution, but have bad products. Therefore, I believe that a balanced approach to these six vectors will allow us to accomplish this difficult but essential task going forward.



Cynthia Carroll

Impressions on Change at Hitachi

Over the last couple of years, Hitachi has broadened the makeup of the board, where today, the majority of the board is comprised of outside directors and is functioning under international governance standards. Hitachi's executive team aims to be world-class in all aspects of the Hitachi businesses. There is clear recognition that in order to become truly global, diversity of thinking and experiences is key, as the executives seek input from the board. The breadth of the board discussions and the level of engagement and interaction have continually progressed as we often challenge and debate issues. The executives are listening, reflecting, and responding to input.

Another change relates to the development of the Social Innovation Business. I attended the Hitachi Social Innovation Forum in Las Vegas, and was impressed by the diversity of solutions being developed by Hitachi in conjunction with our customers and suppliers from across an enormous range of businesses, industries and social environments. In my opinion, no other company in the world has the expertise and the technical and innovative capability to serve such a broad consumer base. The Social Innovation Business represents the catalyst in becoming a truly global corporation.

Hitachi's Strengths

I have been hugely impressed with the people that I have met at Hitachi. The leadership of the company is dedicated and has vast experience. In addition, the receptiveness and openness of the Chairman & CEO and President & COO are evident as they actively seek different perspectives and inputs. Hitachi employees have enormous opportunities to learn and develop across businesses and across geographies in a company that has the potential to be the leader in virtually all of its businesses. I can't imagine a more exciting place to work as a young person beginning a career.

Another strength of Hitachi is that the company produces the highest quality products and is very sophisticated in its technology and innovation. It is a company with name recognition and is respected throughout the world. Together, these strengths represent enormous levers for further value creation and enhancement.

Becoming a Global Company

Our objective of having over 50% of our revenues from outside of Japan has now been achieved this year, and this demonstrates Hitachi's ability to become a global company. The Social Innovation Business is the business platform for further global growth. Across Hitachi, we need to leverage the scale, scope and expertise of the company to ensure organizational efficiency (reducing redundancy), agile decision making and responsiveness to the needs of our customers while constantly seeking innovative solutions for today and for the future. Our ability to integrate our marketing and sales of our products across customers and geographies is an enormous opportunity and this will take creativity and teamwork.

In promoting globalization to achieve higher profit ratios and cash flow levels than our competitors, Hitachi is supporting more diversification. There is a recognition that globalization starts with the top team in exposing people to alternative perspectives in various parts of the world. Many of the newcomers at Hitachi are speaking English while Hitachi is recruiting people from different backgrounds, different nationalities, different experiences, and different educational exposures, which I believe is very important. This is particularly critical with respect to marketing and commercial matters. The board members themselves are worldly and recognize the need to diversify in order to become truly global.

It is up to everyone in the Hitachi Group to achieve success as One Hitachi. Each of us has a role to play in this endeavor. Creating One Hitachi will happen by working together, respecting input from one another and working as a team, both within each business and across the Hitachi Group.

Finally, I believe Hitachi must have a keen awareness of our competition, constantly driving towards outperformance and seeking opportunities for growth and value creation. We need to be aware of our strengths and where we need to improve. The recent decision on the acquisition of the rail business in Italy is an example of how we identified a complementary business to the broader rail business that would catapult us into an improved market position while capturing synergies. This kind of strategic initiative will clearly enhance our global position.

Risk Management

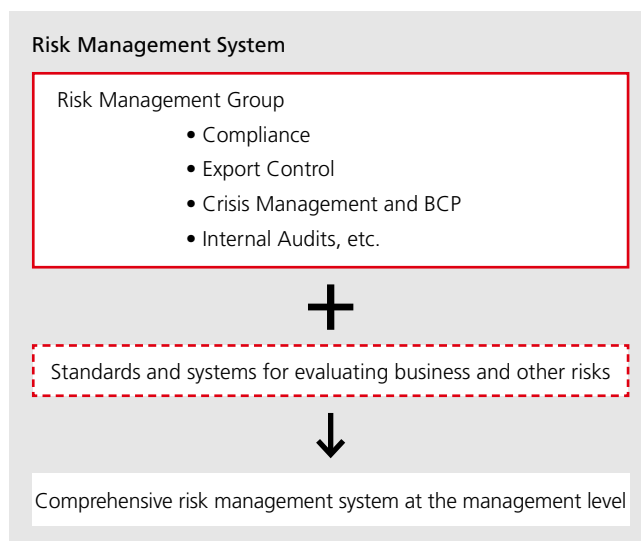
Hitachi conducts business activities in a wide range of fields in markets around the world.

To prevent a variety of risk factors from having adverse effects on business continuity, the Hitachi Group is taking steps to strengthen risk management, such as utilizing a system with overall responsibility for compliance for the Hitachi Group.

Reinforcement of Risk Management System

The entire Hitachi Group is reinforcing its risk management system to address increasingly globalized and complex risks.

Under Hitachi, Ltd.'s Head of Risk Management, each business operation assigns an executive as its risk management officer to manage risks mainly concerned with compliance, export control, disasters, and crime, and to respond adequately in coordination among the entire Group. Furthermore, Hitachi has started to build a comprehensive risk management system that contains standards and procedures for evaluating any risks that may affect business.



Compliance Reporting System

Hitachi has instituted a Group-wide whistleblowing system to prevent illegal and unethical behavior, to promptly address infractions, and to enhance our ability to self-regulate. In this system, reports go directly to the Compliance Department at Hitachi or to an outside attorney. This system can be used not only by Hitachi employees but also by former employees, temporary staff, and suppliers.

In addition, we have implemented the Channel to the Board of Directors system to allow employees to directly report problems anonymously to Hitachi directors. The facts related to all reports are subject to thorough investigation and checking, and people who have identified themselves in the reports are informed of the investigation results. We make every effort to appropriately deal with situations, including taking remedial action where necessary.

Preventing Bribery and Corrupt Practices

To deal with global bribery and corruption risks, in fiscal 2013 we referred to the US Foreign Corrupt Practices Act Resource Guide*¹ and other documents to develop various corruption risk scenarios. These were used as the basis for a survey conducted at Hitachi Group companies outside Japan. By analyzing the survey results, we identified several companies at risk from corruption. We are monitoring and working with those companies with the goal of reducing corruption worldwide.

*1 The US Foreign Corrupt Practices Act consists of antibribery provisions regarding foreign government officials and transparent accounting provisions within the Securities Exchange Act. Enforced by the Department of Justice, it prohibits bribes to foreign government officials. Transparent accounting, enforced by the Securities and Exchange Commission, requires companies to show transactions fairly and accurately in their accounting records and to maintain effective internal control over accounting.

Preventing Violations of Fair Competition Laws

Hitachi engages in business based on the principles of conformance with the law and business ethics and fair and disciplined competition. However, Hitachi, Ltd. was found to have impaired the fairness of a public bid in fiscal 2002 and was penalized in September 2006, October 2008, and March 2009 for violating the Japanese Antimonopoly Law. In November 2012, a subsidiary dealing in automotive components was penalized by the Japan Fair Trade Commission for violating the Antimonopoly Law. In September 2013, the same company was prosecuted by the US Department of Justice for violating American antitrust laws, resulting in a plea bargain.

We are working to prevent further violations and to broaden awareness of compliance issues, including publicizing messages from top executives, developing company regulations, conducting regular audits, and providing education and training to employees based on a compliance manual. In fiscal 2014, we held group education sessions on the Antimonopoly Law for all Hitachi sales managers, with 957 taking part.

Through these initiatives we will continue working to improve and enhance our compliance framework.

Export Control

For basic export control policies, we adopt the Hitachi Standards of Corporate Conduct,*2 which state: "We shall help maintain international peace and security through compliance with trade-related laws and regulations." We established the Corporate Regulations concerning Security Export Control based on this policy in 1987. We carry out strict export control practices according to laws and regulations, screening all goods and technologies intended for export for such factors as destination countries and regions as well as intended end use and end users. We provide guidance and educational support to Hitachi Group companies to ensure that all Group companies follow the same export control policies. In fiscal 2014, we held workshops for Group companies in the United States, Europe, and China and other Asian countries providing practical training on export control. E-learning programs on export control basics and US re-export controls were introduced and taken by around 22,000 employees at 106 Group companies worldwide.

*2 Hitachi Standards of Corporate Conduct: Created by Hitachi, Ltd. to ensure full awareness of Hitachi's mission and role and to enable Hitachi to continue to grow as a truly global enterprise.

Creating BCPs*3 in Key Operations Worldwide

Given the close relation of our business to social infrastructure, we are enhancing our BCPs to ensure that the impact of risks does not disrupt our business and thereby significantly affect society. In December 2006, we issued the Hitachi Group Guidelines for Developing Business Continuity Plans in Japanese. In fiscal 2010 these were translated into English and Chinese for distribution to all Hitachi Group companies worldwide to ensure our response readiness for large disasters and other risks.

When the Great East Japan Earthquake struck in March 2011, our BCPs enabled quick responses and swift decision making. However, issues emerged including identification of secondary and other suppliers, cloud storage and multiplexing of production information, and the need to secure alternate transportation and fuel sources.

Based on the lessons learned from this disaster, in October 2011 we released and distributed new BCP guidelines for departmental implementation to further improve our BCPs. Hitachi Group operations in Japan completed their preparation and review of BCPs, based on applicability to their operations, by the end of fiscal 2011. BCPs for large earthquakes and novel strains of influenza have been prepared for 49 Hitachi, Ltd. business sites and 96 Group companies.

On top of these efforts, since fiscal 1998, Hitachi, Ltd. has held annual earthquake simulation drills at key operations in Japan. In March 2015, Hitachi High-Technologies Corporation in the Naka area of Ibaraki Prefecture held a drill simulating a potential large-scale earthquake. Directed by the head of the Naka area, managers in charge of their divisions confirmed the action plans in emergency situations based on BCPs.

In fiscal 2013, Hitachi appointed personnel in charge of risk-response policies at its main overseas bases and around 300 companies prepared BCPs with the goal of completing them for key operations by the end of fiscal 2013. These BCPs are aimed at strengthening our ability to respond to business risks, including large disasters, novel strains of influenza, political instability, and social disruption, as well as acts of terrorism. Moving forward, we intend to further expand the scope of our BCPs.

*3 BCP: Business Continuity Plan

Improving Safety for Employees Sent to Dangerous Regions

Responding to the hostage incident in Algeria in January 2013,*4 President Hiroaki Nakanishi reinforced his policy in February 2013 of ensuring the safety of employees sent outside Japan. Survey missions of in-house and outside experts are now sent beforehand to areas at high risk of war, terrorism, and other threats. Even after employees are dispatched to such areas, we conduct additional local surveys every six months as a means of confirming the effectiveness of our safety policies. In fiscal 2014, survey missions were sent to several countries in Africa and the Middle East. In addition, we have introduced a range of safety measures in the light of recent terrorist incidents involving Japanese and other nationals, including providing timely alerts to employees. These and other steps underscore our commitment to ensuring the safety of our employees working around the globe.

Hitachi is also contributing to safety measures at other Japanese corporations operating outside Japan. To help enhance collaboration between the private and public sectors in this area, Hitachi executives participated in the Council for Public-Private Cooperation for Overseas Safety organized by Japan's Ministry of Foreign Affairs, and in June 2014 Hitachi took part in a public-private kidnap incident preparatory training exercise.

*4 Incident in January 2013 in which an armed terrorist group attacked a natural gas refining plant in Algeria. There were more than 30 victims, including 10 Japanese.

CSR Management

As a global company, we share our stakeholders' values and pursue sustainable growth by integrating management strategies and CSR. We align our CSR activities with our Mid-term Management Plan to realize the Hitachi Group Vision, creating both social and economic value.

Management Strategies and CSR

Hitachi's Vision

We created our Group Vision in May 2013, at the start of the 2015 Mid-term Management Plan, with the aims of delivering innovations that help to answer society's challenges and of building a safe, secure, comfortable, and fair society. The Group Vision indicates the path to the next stage of growth.

Hitachi delivers innovations that answer society's challenges. With our talented team and proven experience in global markets, we can inspire the world.

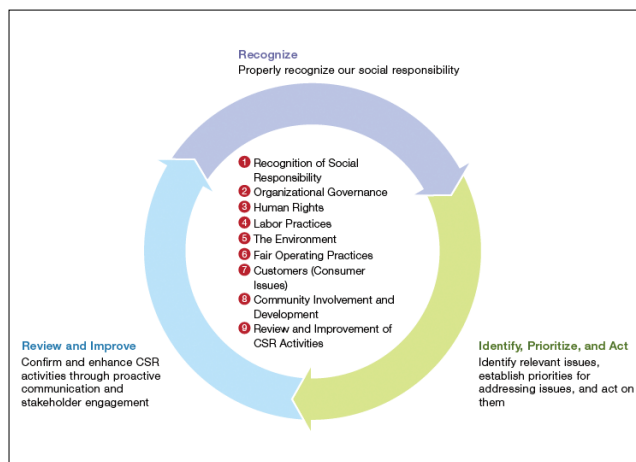
For Hitachi, CSR is about realizing the world we envision in our Group Vision.

Hitachi's CSR Activities

To realize the Hitachi Group Vision, which draws on our Corporate Credo and Founding Spirit that form the core of our CSR, we have been sharing throughout the Group our CSR policy, created in 2005, as the basis of our CSR activities. Looking toward the next Mid-term Management Plan that will start from fiscal 2016, we have shifted the CSR policy to a framework based on ISO 26000 to further integrate management and CSR strategies. From fiscal 2014, we have been further improving communications with our stakeholders to recognize and fulfill our social responsibilities. We will also reinforce the PDCA

cycle to ensure execution of our activities and to improve the quality of our management.

CSR Management Framework



2015 Mid-term Management Plan and Non-financial Performance

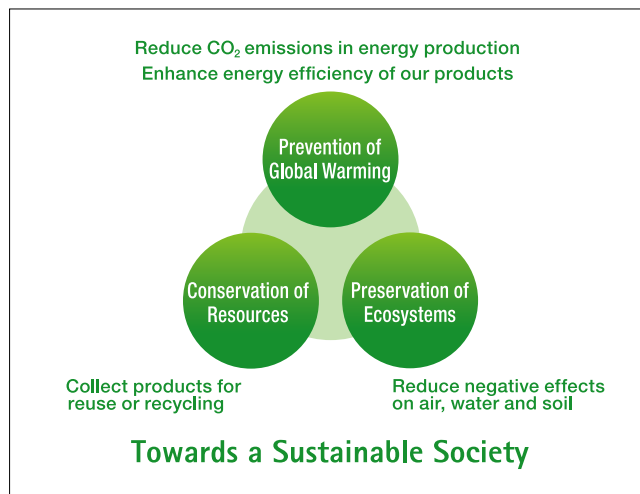
In addition to financial activities, improved non-financial performance aimed at addressing Hitachi's key issues plays a crucial role in achieving the 2015 Mid-term Management Plan goals. We set targets for non-financial activities related to key management policies and started these activities in fiscal 2013.

Management Focus	Material Issues for Hitachi	
	Fiscal 2015 Targets	Fiscal 2014 Results
Innovation: Strengthen service businesses that maximize IT utilization and bring about innovation	Sustainable Business	
	Expand R&D centers	Promoted R&D in 7 areas globally (as of June 2015)
	Increase R&D staff by 500 people	Japan: about 200 people Outside Japan: about 300 people
	Strengthen Open Innovation	Japan: 246 cases Outside Japan: 85 cases
Global: Deliver innovation to customers and society globally	Caring for the Environment	
	Eco-Product sales ratio: 90%	93%
	Diversity Management	
	Diversity among directors	Outside directors: 8 Non-Japanese: 4 (of which 2 are women) (as of June 2015, out of 12 directors)
Transformation: Transform Hitachi: To deliver innovation by standardized and speedy operation	Respect for Human Rights	
	Female senior executives	Appointed female head of CSR and Environmental Strategy Division as senior executive-level director on April 1, 2015. Complete appointment by fiscal 2015
	Female managers (Hitachi, Ltd.) Fiscal 2020 target: 1,000 women	434 women
	Implement due diligence on business and human rights	Created guide for conducting human rights due diligence and shared with Group companies
Transformation: Transform Hitachi: To deliver innovation by standardized and speedy operation	Public Policy Initiatives	
	Engage in dialogue with government officials	Policy council participation
	Provide forums for stakeholder dialogue	Events held in Europe and Australia
	Diversity Management	
Transformation: Transform Hitachi: To deliver innovation by standardized and speedy operation	Sustainable Business	
	Promotion of global human capital management strategy	Introduction of Global Grading System, which applies to all managers in the Hitachi Group worldwide, as a common platform for job evaluations, assessing the value of management duties against a common standard
	Sustainable Business	
	Promotion of Hitachi Smart Transformation Project Target outcome (aggregated fiscal 2011-15): 400 billion yen	Total up to fiscal 2014: 320 billion yen

Environmental Activities

Accompanying economic and social development around the world, a range of environmental problems, such as climate change, resource depletion, and ecosystem destruction, are becoming increasingly severe. At Hitachi, we aim to achieve the environmental management described in our Environmental Vision—which in turn aspires to help create a sustainable society—by employing our company's resources to reduce the burden of human activities on the environment. We are committed to global warming prevention, resource conservation, and ecosystems preservation as the three pillars of our vision. Our goal is to achieve a more sustainable society by promoting global production that reduces the environmental burden of a product throughout its life cycle.

Hitachi's Environmental Vision



Environmentally Conscious Products and Services

We develop environmentally conscious products called Eco-Products as part of our initiative to reduce the environmental burden of our products and services as much as possible. Eco-Products must meet criteria used in the design and development stages, when we evaluate the extent to which their environmental burden can be reduced. To promote their development, we have set targets for raising the Eco-Product sales ratio, a figure measuring Eco-Product sales against total product sales. Eco-Products that meet even more demanding requirements are designated as Eco-Products Select. We are also working to produce more of these products.

In fiscal 2014, our Eco-Product sales ratio reached 93% and we increased the number of Eco-Products Select models by 133, bringing the total to 343 products.

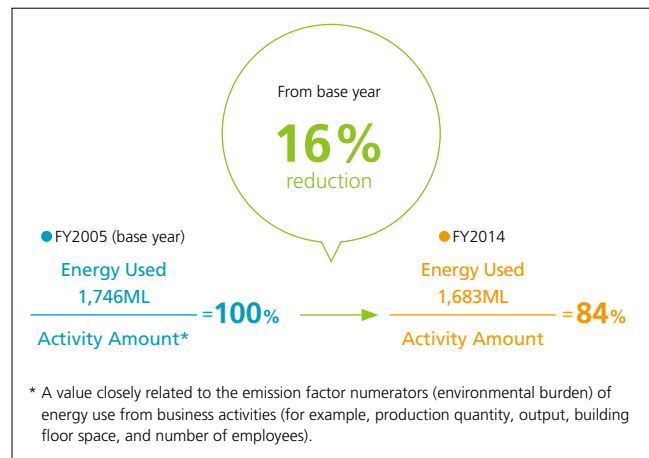
Environmentally Conscious Production

We have set targets for efficient energy use, waste amounts, chemical substance emissions, and water use to reduce the environmental burden of our business activities.

Promoting Global Warming Countermeasures

Hitachi is working to reduce the energy use per unit as one way to use energy more efficiently to reduce the environmental burden of our business activities. To achieve further reductions, we are systematically installing high-efficiency equipment and devices, from LED lighting to inverter air conditioners, and increasing the efficiency of our energy usage by improving manufacturing processes.

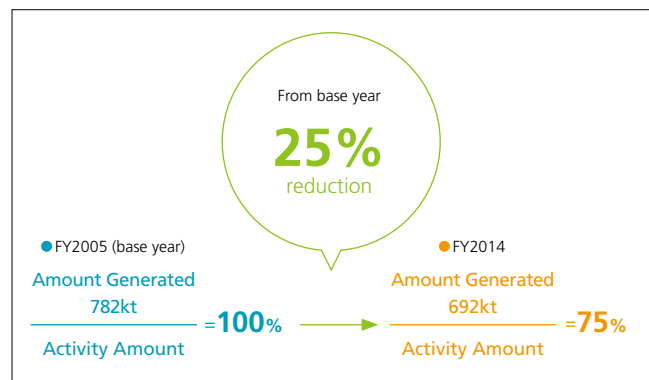
Reduction in Energy Use per Unit



Waste Reduction Initiatives

Hitachi has set targets for waste and valuables generation in factories and offices around the world.

Reduction in Waste and Valuables Generated per Unit



10-Year Financial Data

Hitachi, Ltd. and subsidiaries

U.S. GAAP

For the year:	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Revenues	¥9,464,801	¥10,247,903	¥11,226,735	¥10,000,369	¥8,968,546	¥9,315,807
Operating income	256,012	182,512	345,516	127,146	202,159	444,508
EBIT (earnings before interest and taxes)	289,959	214,218	335,729	(275,239)	77,815	443,812
Net income (loss) attributable to Hitachi, Ltd. stockholders	37,320	(32,799)	(58,125)	(787,337)	(106,961)	238,869
Cash flows from operating activities	690,875	615,042	791,837	558,947	798,299	841,554
Cash flows from investing activities	(501,362)	(786,170)	(637,618)	(550,008)	(530,595)	(260,346)
Free cash flows	189,513	(171,128)	154,219	8,939	267,704	581,208
Cash flows from financing activities	(261,638)	121,259	(185,556)	284,388	(502,344)	(584,176)
Cash dividends declared	36,641	19,974	19,947	9,971	—	36,133
Capital expenditures (Property, plant and equipment)	954,706	1,048,572	969,087	788,466	546,326	556,873
Depreciation (Property, plant and equipment)	451,170	472,175	541,470	478,759	441,697	382,732
R&D expenditures	405,079	412,534	428,171	416,517	372,470	395,180
At year-end:						
Total assets	10,021,195	10,644,259	10,530,847	9,403,709	8,964,464	9,185,629
Property, plant and equipment	2,460,186	2,688,977	2,653,918	2,393,946	2,219,804	2,111,270
Total Hitachi, Ltd. stockholders' equity	2,507,773	2,442,797	2,170,612	1,049,951	1,284,658	1,439,865
Interest-bearing debt	2,419,044	2,687,450	2,531,506	2,820,109	2,367,143	2,521,551
Number of employees	327,324	349,996	347,810	361,796	359,746	361,745
Per share data:						
Net income (loss) attributable to Hitachi, Ltd. stockholders:						
Basic	¥11.20	¥(9.84)	¥(17.48)	¥(236.86)	¥(29.20)	¥52.89
Diluted	10.84	(9.87)	(17.77)	(236.87)	(29.20)	49.38
Cash dividends declared	11.0	6.0	6.0	3.0	—	8.0
Total Hitachi, Ltd. stockholders' equity	752.91	734.66	652.95	315.86	287.13	318.73
Financial ratios:						
Operating income ratio	2.7	1.8	3.1	1.3	2.3	4.8
EBIT ratio	3.1	2.1	3.0	-2.8	0.9	4.8
Return on revenues	0.4	-0.3	-0.5	-7.9	-1.2	2.6
Return on equity (ROE)	1.5	-1.3	-2.5	-48.9	-9.2	17.5
Return on assets (ROA)	0.4	-0.3	-0.6	-8.4	-1.2	2.6
D/E ratio (including noncontrolling interests) (times)	0.68	0.76	0.76	1.29	1.04	1.03
Total Hitachi, Ltd. stockholders' equity ratio	25.0	22.9	20.6	11.2	14.3	15.7

- Notes: 1. In order to be consistent with financial reporting principles and practices generally accepted in Japan, operating income is presented as total revenues less cost of sales and selling, general and administrative expenses. The Company believes that this is useful to investors in comparing the Company's financial results with those of other Japanese companies. Under accounting principles generally accepted in the United States of America, restructuring charges, net gain or loss on sales and disposal of rental assets and other property and impairment losses for long-lived assets are included as part of operating income.
2. The restructuring charges mainly represent special termination benefits incurred with the reorganization of our business structures, and as the result of the Company and its subsidiaries reviewing and reshaping the business portfolio.
3. EBIT is presented as income before income taxes less interest income plus interest charges.
4. The Company has changed the number of employees to exclude temporary employees starting from the year ended March 31, 2010. The figures for the prior years have been restated to reflect the current year's presentation.
5. Effective from FY2014, a part of the thermal power generation systems business is classified as a discontinued operation in accordance with the provision of ASC 205-20, "Presentation of Financial Statements - Discontinued Operations," which was not transferred to MITSUBISHI HITACHI POWER SYSTEMS, LTD. for the business integration in the thermal power generation systems with Mitsubishi Heavy Industries, Ltd. The results of the discontinued operation are reported separately from continuing operations. In line with this classification, "Revenues" and "Operating income" for FY2013 are reclassified.

Millions of yen			
FY2011	FY2012	FY2013	FY2014
¥9,665,883	¥9,041,071	¥9,563,791	¥9,761,970
412,280	422,028	538,288	600,479
573,218	358,015	585,662	551,018
347,179	175,326	264,975	241,301
447,155	583,508	439,406	447,348
(195,584)	(553,457)	(491,363)	(610,255)
251,571	30,051	(51,957)	(162,907)
(167,838)	(180,445)	32,968	250,335
36,727	47,690	50,711	57,944
649,234	742,537	849,877	848,716
360,358	300,664	329,833	349,614
412,514	341,310	351,426	335,515
9,418,526	9,809,230	11,016,899	12,395,379
2,025,538	2,279,964	2,342,091	2,564,105
1,771,782	2,082,560	2,651,241	2,930,309
2,396,454	2,370,079	2,823,049	3,354,616
323,540	326,240	320,725	333,150
			Yen
¥76.81	¥37.28	¥54.86	¥49.97
71.86	36.29	54.85	49.93
8.0	10.0	10.5	12.0
382.26	431.13	549.02	606.87
			%
4.3	4.7	5.6	6.2
5.9	4.0	6.1	5.6
3.6	1.9	2.8	2.5
21.6	9.1	11.2	8.6
3.7	1.8	2.4	1.9
0.86	0.75	0.73	0.78
18.8	21.2	24.1	23.6

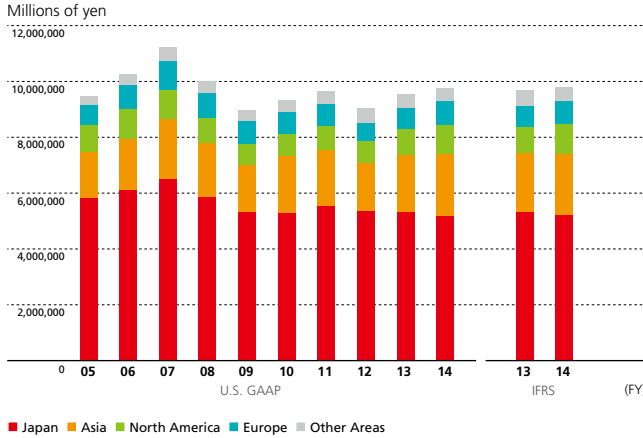
IFRS	Millions of yen	
For the year:	FY2013	FY2014
Revenues	¥9,666,446	¥9,774,930
Adjusted operating income	604,798	641,325
EBIT	691,230	534,059
Net income attributable to Hitachi, Ltd. stockholders	413,877	217,482
Net cash provided by operating activities	306,777	451,825
Net cash used in investing activities	(550,179)	(612,545)
Free cash flows	(243,402)	(160,720)
Net cash provided by financing activities	228,840	233,206
Cash dividends declared	50,711	57,944
Capital expenditures (Property, plant and equipment)	849,864	850,953
Depreciation (Property, plant and equipment)	331,228	350,783
R&D expenditures	354,487	334,814
At year-end:		
Total assets	11,098,191	12,433,727
Property, plant and equipment	2,258,933	2,472,497
Total Hitachi, Ltd. stockholders' equity	2,668,657	2,942,281
Interest-bearing debt	3,033,985	3,557,356
Number of employees	323,919	336,670
		Yen
Per share data:		
Earnings per share attributable to Hitachi, Ltd. stockholders:		
Basic	¥85.69	¥45.04
Diluted	85.66	45.00
Cash dividends declared	10.5	12.0
Total Hitachi, Ltd. stockholders' equity	552.62	609.35
		%
Financial ratios:		
Adjusted operating income ratio	6.3	6.6
EBIT ratio	7.2	5.5
Return on revenues	4.3	2.2
Return on equity (ROE)	17.5	7.8
Return on assets (ROA)	3.7	1.7
D/E ratio (including noncontrolling interests) (times)	0.78	0.83
Total Hitachi, Ltd. stockholders' equity ratio	24.0	23.7

Notes: 1. In order to be consistent with financial reporting principles and practices generally accepted in Japan, adjusted operating income is presented as total revenues less cost of sales and selling, general administrative expenses. The Company believes that this is useful to investors in comparing the Company's financial results with those of other Japanese companies.

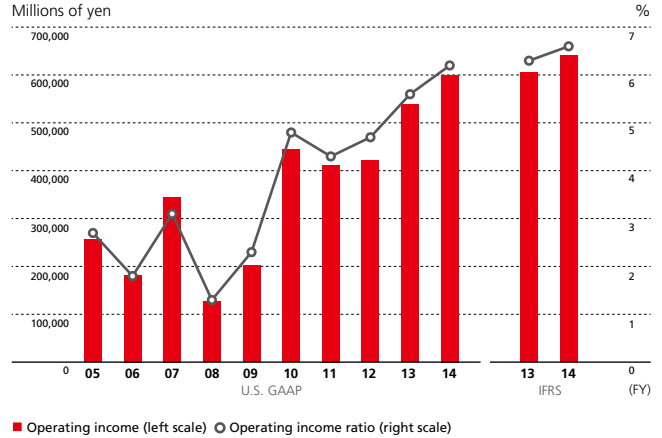
2. A part of the thermal power generation systems business is classified as a discontinued operation in accordance with the provision of IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations," which was not transferred to MITSUBISHI HITACHI POWER SYSTEMS, LTD for the business integration in the thermal power generation systems with Mitsubishi Heavy Industries, Ltd. The results of the discontinued operation are reported separately from continuing operations.

Financial Highlights

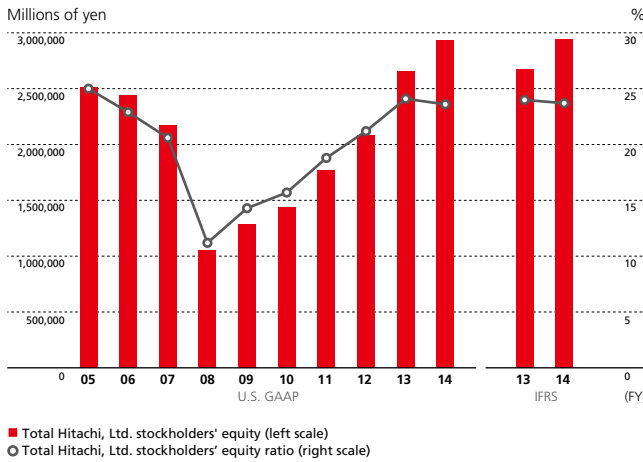
Revenues



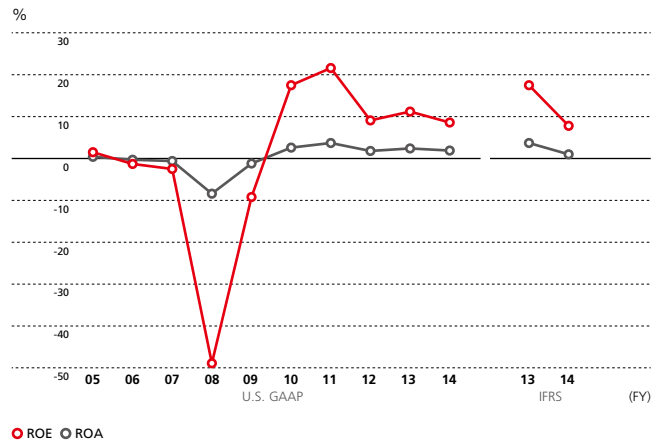
Operating income (Adjusted operating income) / Operating income (Adjusted operating income) ratio



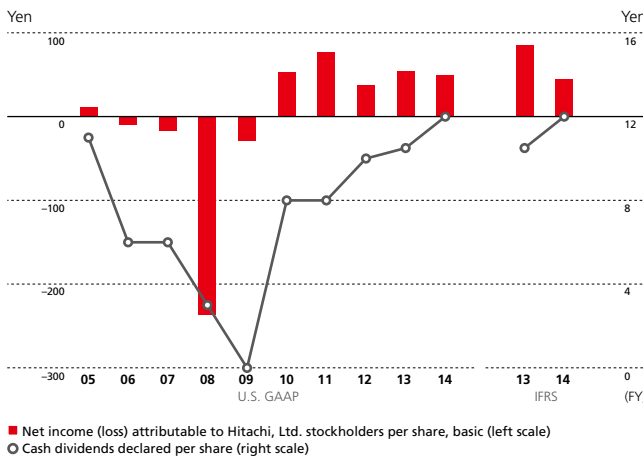
Total Hitachi, Ltd. stockholders' equity / Total Hitachi, Ltd. stockholders' equity ratio



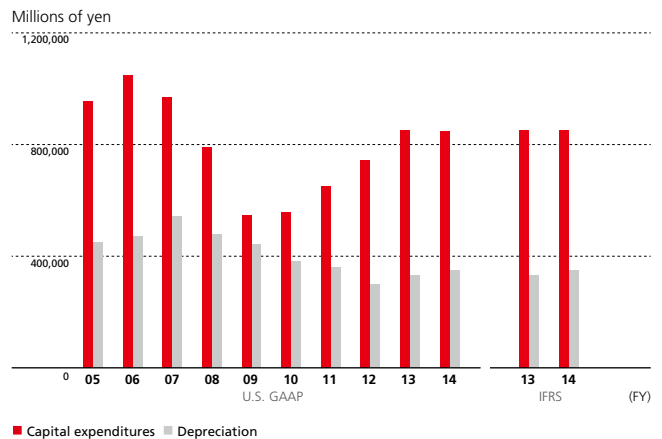
Return on equity (ROE) / Return on assets (ROA)



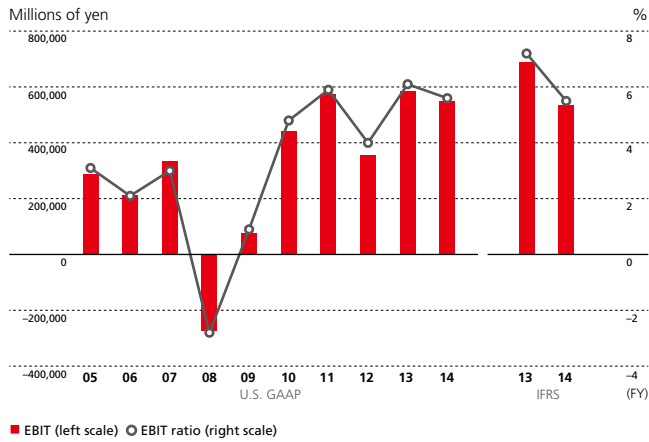
Net income (loss) attributable to Hitachi, Ltd. stockholders per share, basic / Cash dividends declared per share



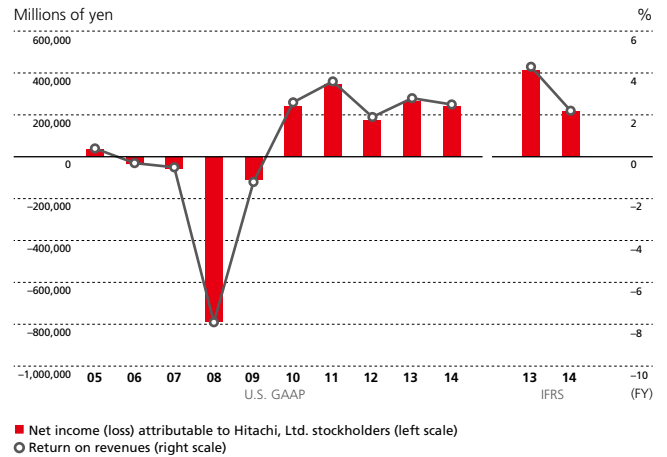
Capital expenditures / Depreciation



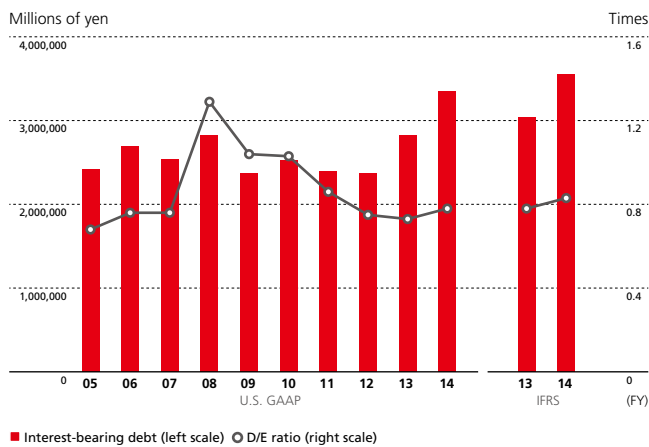
EBIT / EBIT ratio



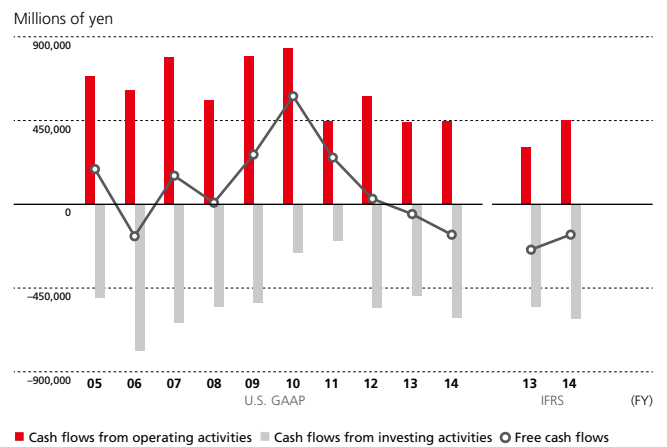
Net income (loss) attributable to Hitachi, Ltd. stockholders / Return on revenues



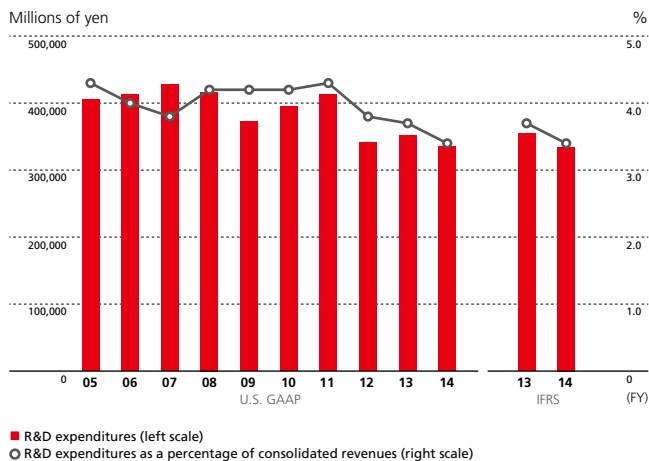
Interest-bearing debt / D/E ratio



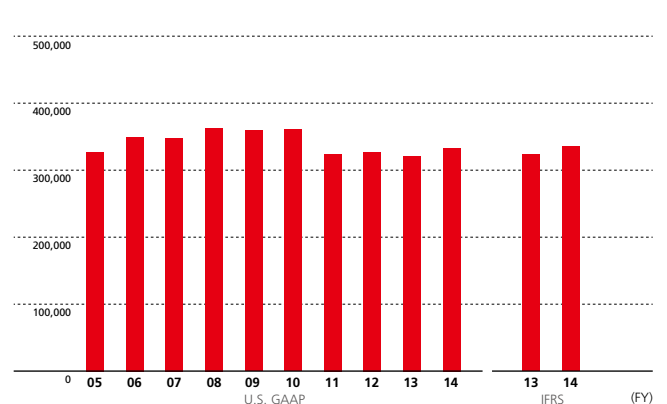
Cash flows



R&D expenditures / R&D expenditures as a percentage of consolidated revenues



Number of employees



Segment Information

■ Revenues (left scale) ■ Operating income ratio (Adjusted operating income ratio) (right scale) ■ EBIT ratio (right scale)

Information & Telecommunication Systems

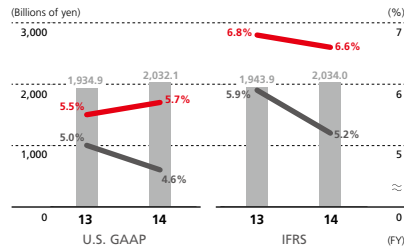


Hitachi Virtual Storage Platform G1000

Main products and services

Systems Integration, Consulting, Cloud Services, Servers, Storage, Software, Telecommunications & Network, ATMs

Revenues and Profit



Share of Revenues

FY2014 (IFRS)

19%

Overseas Revenue Ratio

FY2014 (IFRS)

33%

Power Systems

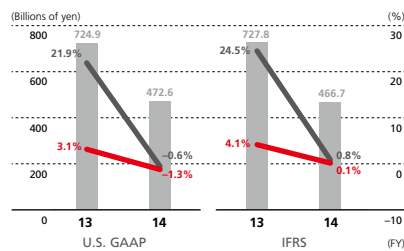


5MW Downwind-type Wind Turbines
Hitachi Wind Power Ltd.
Fukushima wind power station in Kashima

Main products and services

Thermal, Nuclear and Renewable Energy Power Generation Systems, Transmission & Distribution Systems

Revenues and Profit



Share of Revenues

FY2014 (IFRS)

4%

Overseas Revenue Ratio

FY2014 (IFRS)

11%

Social Infrastructure & Industrial Systems

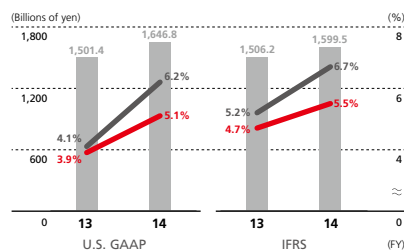


Class800 train for the UK Intercity Express Programme (IEP)

Main products and services

Industrial Machinery and Plants, Elevators, Escalators, Rail Systems

Revenues and Profit



Share of Revenues

FY2014 (IFRS)

15%

Overseas Revenue Ratio

FY2014 (IFRS)

40%

Electronic Systems & Equipment

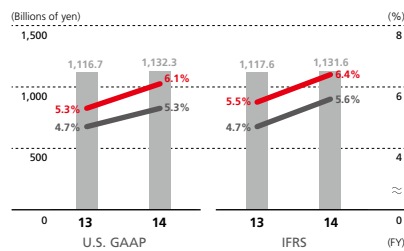


Proton Beam Therapy System "PROBEAT-RT"
Proton Beam Therapy Center, Hokkaido University Hospital

Main products and services

Semiconductor Manufacturing Equipment, Test and Measurement Equipment, Advanced Industrial Products, Medical Electronics Equipment, Power Tools

Revenues and Profit



Share of Revenues

FY2014 (IFRS)

10%

Overseas Revenue Ratio

FY2014 (IFRS)

56%

Construction Machinery

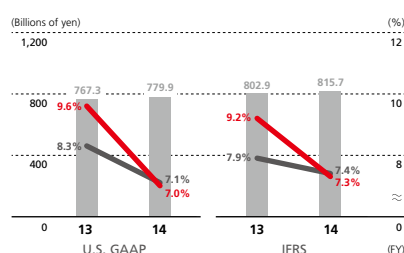


Hitachi Construction Machinery's Ultra Large Hydraulic Excavator and Mining Dump Truck

Main products and services

Hydraulic Excavators, Wheel Loaders, Mining Machinery

Revenues and Profit



Share of Revenues

FY2014 (IFRS)

7%

Overseas Revenue Ratio

FY2014 (IFRS)

73%

■ Revenues (left scale) ■ Operating income ratio (Adjusted operating income ratio) (right scale) ■ EBIT ratio (right scale)

High Functional Materials & Components

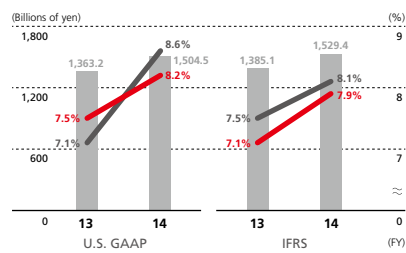


Hitachi Chemical's Molded Plastic Rear Door Modules for Automotive

Main products and services

Semiconductor and Display Related Materials, Circuit Boards and Materials, Automotive Parts (Molded Plastics, etc.), Energy Storage Devices, Specialty Steels, Magnetic Materials and Components, High Grade Casting Components and Materials, Wires and Cables

Revenues and Profit



Share of Revenues

FY2014 (IFRS)

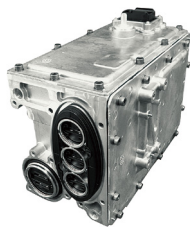
14%

Overseas Revenue Ratio

FY2014 (IFRS)

50%

Automotive Systems

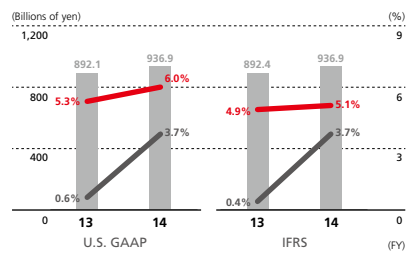


Hitachi Automotive Systems' Inverter

Main products and services

Engine Management Systems, Electric Powertrain Systems, Drive Control Systems, Car Information Systems

Revenues and Profit



Share of Revenues

FY2014 (IFRS)

9%

Overseas Revenue Ratio

FY2014 (IFRS)

52%

Smart Life & Ecofriendly Systems

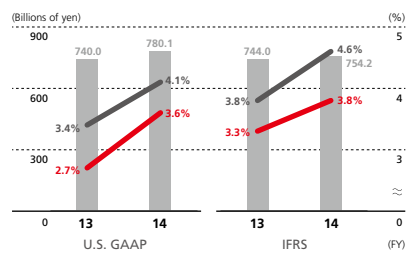


Hitachi Appliances' Large Capacity Refrigerator "Vacuum Compartment" X series

Main products and services

Air-Conditioning Equipment, Room Air Conditioners, Refrigerators, Washing Machines

Revenues and Profit



Share of Revenues

FY2014 (IFRS)

7%

Overseas Revenue Ratio

FY2014 (IFRS)

41%

Others (Logistics and Other services)

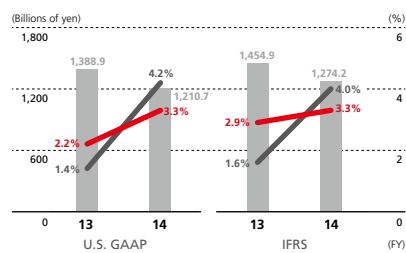


Hitachi Transport System's truck and Metropolitan East Distribution Center

Main products and services

Logistics, Optical Disk Drives, Property Management

Revenues and Profit



Share of Revenues

FY2014 (IFRS)

12%

Overseas Revenue Ratio

FY2014 (IFRS)

30%

Financial Services

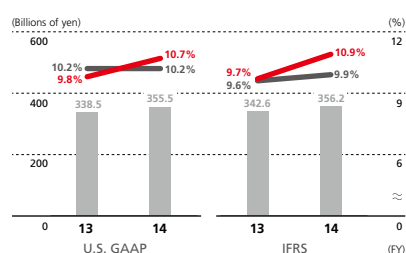


Hitachi Capital's Hitachi Corporate Card

Main products and services

Leasing, Loan Guarantees

Revenues and Profit



Share of Revenues

FY2014 (IFRS)

3%

Overseas Revenue Ratio

FY2014 (IFRS)

38%

Operating and Financial Review

Operating Results

The Company's consolidated financial statements have been prepared in conformity with IFRS since the year ended March 31, 2015. The figures in the year ended March 31, 2014 are also based on IFRS.

Summary

Years ended March 31:	Billions of yen		Percent change
	2014	2015	
Revenues	¥9,666.4	¥9,774.9	1%
EBIT*	691.2	534.0	-23%
Income from continuing operations, before income taxes	678.4	518.9	-24%
Net income attributable to Hitachi, Ltd. stockholders	413.8	217.4	-47%

* EBIT represents earnings before interest and taxes, which is presented as income from continuing operations, before income taxes less interest income plus interest charges.

Analysis of Statement of Operations

Revenues increased 1% to ¥9,774.9 billion, as compared with the year ended March 31, 2014. This increase was attributable to increased revenues in every segment, particularly the Information & Telecommunication Systems, Social Infrastructure & Industrial Systems and High Functional Materials & Component segments, except for the Power Systems and Others (Logistics and Other services) segments.

Selling, general and administrative expenses increased 3% to ¥1,935.3 billion, as compared with the year ended March 31, 2014, and the ratio of selling, general and administrative expenses to revenues was 20%, which was the same level as the year ended March 31, 2014.

Other income decreased ¥199.1 billion to ¥9.4 billion and other expenses increased ¥3.2 billion to ¥167.7 billion, as compared with the year ended March 31, 2014. The details are as follows.

Net loss on sales and disposal of fixed assets increased ¥9.7 billion to ¥16.8 billion, as compared with the year ended March 31, 2014. This increase was due mainly to loss on disposal of fixed assets related to software in the Information & Telecommunication Systems segment.

Impairment losses decreased ¥1.0 billion to ¥42.1 billion, as compared with the year ended March 31, 2014. The Power Systems segment recognized impairment losses for the transmission & distribution equipment business.

Net loss on business reorganization and others in the year ended March 31, 2015 was ¥55.0 billion, as compared with net gain of ¥198.0 billion in the year ended March 31, 2014 owing to the effects of the integration of the thermal power generation systems business into MITSUBISHI HITACHI POWER SYSTEMS, LTD.

Restructuring charges was ¥26.6 billion, which was almost the same as the year ended March 31, 2014. This mainly consisted of special termination benefits expensed for the voluntary early retirement program to rationalize the domestic workforce at Hitachi Chemical Company, Ltd. in the High Functional Materials & Components segment.

Expenses related to competition law and others decreased ¥50.9 billion to ¥25.8 billion, as compared with the year ended March 31, 2014, despite posting expenses in relation to settlements of certain losses involving dispute with customers. This decrease was due mainly to the absence of expenses related to a plea agreement with the United States Department of Justice regarding alleged violations of U.S. antitrust laws in the Automotive Systems segment in the year ended March 31, 2014.

Financial income (excluding interest income) decreased ¥25.7 billion to ¥7.7 billion and financial expenses (excluding interest charges) increased ¥1.3 billion to ¥3.2 billion, as compared with the year ended March 31, 2014, respectively. This was due mainly to the loss on financial instruments measured at fair value through profit or loss ("FVTPL financial instruments") and exchange loss in the year ended March 31, 2015, while net gain on FVTPL financial instruments and currency exchange gain were recorded in the year ended March 31, 2014, respectively.

Share of profits of investments accounted for using the equity method increased ¥35.7 billion to ¥46.6 billion due mainly to profits of investments in MITSUBISHI HITACHI POWER SYSTEMS, LTD., as compared with the year ended March 31, 2014.

EBIT decreased ¥157.1 billion to ¥534.0 billion, as compared with the year ended March 31, 2014.

Interest income decreased ¥1.6 billion to ¥12.5 billion and interest charges increased ¥0.6 billion to ¥27.5 billion, as compared with the year ended March 31, 2014, respectively.

Income from continuing operations, before income taxes decreased ¥159.5 billion to ¥518.9 billion, as compared with the year ended March 31, 2014.

Income taxes decreased ¥24.4 billion to ¥122.0 billion, as compared with the year ended March 31, 2014, due mainly to deferred tax assets newly recognized in the year ended March 31, 2015.

Loss from discontinued operations increased ¥46.5 billion to ¥53.5 billion, as compared with the year ended March 31, 2014.

Net income decreased ¥181.5 billion to ¥343.4 billion, as compared with the year ended March 31, 2014.

Net income attributable to non-controlling interests increased ¥14.8 billion to ¥125.9 billion, as compared with the year ended March 31, 2014.

As a result of the foregoing, net income attributable to Hitachi, Ltd. stockholders decreased ¥196.3 billion to ¥217.4 billion, as compared with the year ended March 31, 2014.

Operations by Segment

The following is an overview of results of operations by segment. Revenues for each segment include intersegment transactions. Segment profit is measured by EBIT.

(Information & Telecommunication Systems)

Revenues increased 5% to ¥2,034.0 billion, as compared with the year ended March 31, 2014, due mainly to solid performances by system solutions business centered on public systems and financial systems and higher revenues from storage solutions business as a result of the effects of foreign exchange rate fluctuations. This increase was also attributable to the positive impact of the consolidation of Prizm Payment Services Pvt. Ltd. in India and the establishment of Hitachi Systems Power Services, Ltd., both of which were implemented in March 2014. However, the increase in revenues was partially offset by decreased revenues in the telecommunications & network business owing to lower demand.

Segment profit decreased ¥8.9 billion to ¥106.0 billion, as compared with the year ended March 31, 2014. This decrease was due mainly to significantly lower profits in the telecommunications & network business and posting of loss on sales and disposal of fixed assets and impairment loss, which was partially offset by the effect of termination of unprofitable projects in the system solutions business.

(Power Systems)

Revenues decreased 36% to ¥466.7 billion, as compared with the year ended March 31, 2014, due mainly to the effect of the transfer of the thermal power generation systems business. This decrease was partially offset by an increase in preventive maintenance services for nuclear power generation systems business.

Segment profit decreased ¥174.7 billion to ¥3.8 billion, as compared with the year ended March 31, 2014, due mainly to lower revenues. This decrease was also attributable to increased losses and posting impairment losses on property, plant and equipment in the transmission & distribution business, and the absence of net gain on business reorganization and others associated with the transfer of thermal power generation systems business in the year ended March 31, 2014. However, the decreased profit was partially offset by posting of share of profits of investments accounted for using the equity method for MITSUBISHI HITACHI POWER SYSTEMS, LTD.

(Social Infrastructure & Industrial Systems)

Revenues increased 6% to ¥1,599.5 billion, as compared with the year ended March 31, 2014. This was due mainly to higher sales in the elevators and escalators business mainly in China, the industrial equipment business, and the railway systems business in the U.K.

Segment profit increased ¥28.5 billion to ¥106.5 billion, as compared with the year ended March 31, 2014. This increase was due mainly to higher profits in the elevators and escalators business and the industrial equipment business associated with higher revenues, reduced effect of unprofitable overseas infrastructure projects that occurred in the year ended March 31, 2014 and posting of net gain on business reorganization and others related to Mitsubishi-Hitachi Metals Machinery, Inc.

(Electronic Systems & Equipment)

Revenues increased 1% to ¥1,131.6 billion, as compared with the year ended March 31, 2014. This increase was attributable to higher revenues at Hitachi Kokusai Electric Inc., resulting primarily from higher sales of semiconductor manufacturing equipment, and higher revenues at Hitachi Koki Co., Ltd., resulting from higher sales in Asia and North America and the effect of foreign exchange rate fluctuations. On the other hand, revenues at Hitachi High-Technologies Corporation decreased due mainly to winding down the LCDs manufacturing equipment business and lower sales of advanced industrial products and of mobile phones in the U.S., which was partially offset by higher sales of medical analysis systems and semiconductor manufacturing equipment.

Segment profit increased ¥11.4 billion to ¥63.7 billion, as compared with the year ended March 31, 2014. This increase was due mainly to increased revenues and the effects of business restructuring.

(Construction Machinery)

Revenues increased 2% to ¥815.7 billion, as compared with the year ended March 31, 2014. This increase was due mainly to the positive impact of foreign exchange rate fluctuations and higher sales of hydraulic excavators and other items in North America and Europe, partially offset by lower demand in China and Southeast Asia.

Segment profit decreased ¥2.5 billion to ¥60.5 billion, as compared with the year ended March 31, 2014. This decrease was due mainly to substantially lower sales in China and decline in profitability owing to changes in product mix.

(High Functional Materials & Components)

Revenues increased 10% to ¥1,529.4 billion, as compared with the year ended March 31, 2014. This increase was due mainly to the effects of the consolidation of Waupaca Foundry Holdings, Inc. by Hitachi Metals, Ltd. and solid performances for automobile products for overseas including North America and China and certain electronics-related materials.

Segment profit increased ¥19.7 billion to ¥123.9 billion, as compared with the year ended March 31, 2014. This increase was due mainly to higher revenues, posting gain on sale of shares of a consolidated subsidiary by Hitachi Metals, Ltd., the effect of cost reduction and an increase in exchange gain, partially offset by posting of restructuring charges associated with the voluntarily early retirement program implemented by Hitachi Chemical Company, Ltd.

(Automotive Systems)

Revenues increased 5% to ¥936.9 billion, as compared with the year ended March 31, 2014. This increase was attributable to robust demand in overseas automobile markets, such as North America and China.

Segment profit increased ¥31.5 billion to ¥35.0 billion, as compared with the year ended March 31, 2014, due mainly to the increased revenues and a decrease in expenses related to competition law and others.

(Smart Life & Ecofriendly Systems)

Revenues increased 1% to ¥754.2 billion, as compared with the year ended March 31, 2014. This increase was attributable to higher sales in overseas markets for the air-conditioning business and the home appliance business, partially offset by the decreased sales due to the effects of the consumption tax rate increase.

Segment profit increased ¥6.4 billion to ¥34.5 billion, as compared with the year ended March 31, 2014, due mainly to the increase in revenues.

(Others (Logistics and Other services))

Revenues decreased 12% to ¥1,274.2 billion, as compared with the year ended March 31, 2014. This decrease was attributable to the conversion of Hitachi Maxell, Ltd., which had been a consolidated subsidiary, into an equity-method affiliate, which was partially offset by increased revenues at Hitachi Transport System, Ltd. due mainly to launch of large-scale projects and the consolidation of domestic and overseas companies in the year ended March 31, 2014.

Segment profit increased ¥28.2 billion to ¥51.0 billion, as compared with the year ended March 31, 2014, despite lower revenues. This increase was due mainly to a decrease in expenses related to business restructuring and posting of gain on sales and disposal of fixed assets.

(Financial Services)

Revenues increased 4% to ¥356.2 billion, as compared with the year ended March 31, 2014. This increase was due mainly to strong performance in the overseas business, particularly in Europe.

Segment profit increased ¥2.6 billion to ¥35.4 billion, as compared with the year ended March 31, 2014, due mainly to the increase in revenues.

Revenues by Geographic Area

The following is an overview of revenues attributed to geographic areas based on customer location.

Years ended March 31:	Billions of yen		Percent change
	2014	2015	
Japan	¥5,310.3	¥5,220.3	-2%
Overseas Revenues Subtotal	4,356.1	4,554.5	5%
Asia	2,127.4	2,178.2	2%
North America	914.5	1,064.1	16%
Europe	772.6	841.9	9%
Other Areas	541.3	470.2	-13%
Total Revenues	¥9,666.4	¥9,774.9	1%

Japan

Revenues in Japan were ¥5,220.3 billion, a decrease of 2% compared with the year ended March 31, 2014. This decrease was due mainly to the decrease in revenues in the Power Systems segment owing to the effects of the integration of the thermal power generation systems business, and the decrease in revenues in the Others (Logistics and Other services) segment owing to the conversion of Hitachi Maxell, Ltd. into an equity-method affiliate, partially offset by the increases in revenues in the Information & Telecommunication Systems segment.

Overseas

Overseas revenues increased 5% to ¥4,554.5 billion, as compared with the year ended March 31, 2014, and the ratio to total revenues was 47%, compared with 45% for the year ended March 31, 2014.

(Asia)

Revenues in Asia were ¥2,178.2 billion, an increase of 2% compared with the year ended March 31, 2014. This increase was due mainly to the increases in revenues in the Social Infrastructure & Industrial Systems segment, which reported higher sales of elevators and escalators in China, and in the Information & Telecommunication Systems, High Functional Materials & Components and Smart Life & Ecofriendly Systems segment, partially offset by the decreases in revenues in the Power Systems, Construction Machinery and Others (Logistics and Other services) segments.

(North America)

Revenues in North America were ¥1,064.1 billion, an increase of 16% compared with the year ended March 31, 2014. This increase was due mainly to the increase in revenues in the High Functional Materials & Components segment as a result of the effects of the consolidation of Waupaca Foundry Holdings, Inc. by Hitachi Metals, Ltd., and in the Information & Telecommunication Systems, Construction Machinery and Automotive Systems segments, partially offset by the decreases in revenues in the Power Systems and Others (Logistics and Other services) segments.

(Europe)

Revenues in Europe were ¥841.9 billion, an increase of 9% compared with the year ended March 31, 2014. This increase was due mainly to the increases in revenues in the Social Infrastructure & Industrial Systems segment, which reported increased revenues from the railway systems business in the U.K., in the Electronic Systems & Equipment segment, which reported higher sales of semiconductor manufacturing equipment and medical analysis systems at Hitachi High-Technologies Corporation, and in the Financial Services segment, which reported increased revenues in the U.K.

(Other Areas)

Revenues in other areas were ¥470.2 billion, a decrease of 13% compared with the year ended March 31, 2014. This decrease was due mainly to the decrease in revenues in the Power Systems segment owing to the effects of the integration of the thermal power generation systems business, partially offset by the increase in revenues in the Construction Machinery segment due to increased sales of mining machinery in Africa and Australia, etc.

Liquidity and Capital Resources

Our management considers maintaining an appropriate level of liquidity and securing adequate funds for current and future business operations to be important financial objectives. Through efficient management of working capital and selective investment in new plants and equipment, we are working to optimize the efficiency of capital utilization throughout our business operations. We endeavor to improve our group cash management by centralizing such management among us and our overseas financial subsidiaries. Our internal sources of funds include cash flows generated by operating activities and cash on hand. Our management also considers short-term investments to be an immediately available source of funds. In addition, we raise funds both in the capital markets and from Japanese and international commercial banks in response to our capital requirements. Our management's policy is to finance capital expenditures primarily by internally generated funds and to a lesser extent by funds raised through the issuance of debt and equity securities in domestic and foreign capital markets. In order to flexibly access funding, we maintain our shelf registration with the maximum outstanding balance of ¥300.0 billion and issued the straight bonds of ¥60.0 billion on December 13, 2013 for the purpose of repaying short-term debts (commercial paper) and meeting demand for funds for growth of the Social Innovation Business.

We maintain commitment line agreements with a number of domestic banks under which we may borrow in order to ensure efficient access to necessary funds. These commitment line agreements generally provide for a one-year term, renewable upon mutual agreement between us and each of the lending banks, as well as another commitment line agreement with a contract term of three years and two months ending in July 2016. These committed credit arrangements are, in general, subject to financial and other covenants and conditions both prior to and after drawdown, the most restrictive of which require maintenance of minimum issuer rating or long-term debt ratings from Rating and Investment Information, Inc. (R&I) of BBB-. As of March 31, 2015, our unused commitment lines totaled ¥524.7 billion, including these of ¥400.0 billion which the Company maintained.

We receive debt ratings from Moody's Japan K.K. (Moody's), Standard & Poor's Rating Japan (S&P), as well as R&I. Our debt ratings as of March 31, 2015 were as follows.

Rating Company	Long-term	Short-term
Moody's	A3	P-2
S&P	A-	A-2
R&I	A+	a-1

With our current ratings, we believe that our access to the global capital markets will remain sufficient for our financing needs. We seek to improve our credit ratings in order to ensure financial flexibility for liquidity and capital management, and to continue to maintain access to sufficient funding resources through the capital markets.

Cash Flows

Years ended March 31:	Billions of yen	
	2014	2015
Net cash provided by operating activities	¥ 306.7	¥ 451.8
Net cash used in investing activities	(550.1)	(612.5)
Net cash provided by financing activities	228.8	233.2
Effect of exchange rate changes		
on cash and cash equivalents	51.8	68.5
Net increase in cash and cash equivalents	37.3	141.0
Cash and cash equivalents at beginning of year	523.3	560.6
Cash and cash equivalents at end of year	¥ 560.6	¥ 701.7

(Cash Flows from Operating Activities)

Net income in the year ended March 31, 2015 decreased ¥181.5 billion to ¥343.4 billion, as compared with the year ended March 31, 2014. Increase in trade receivables in the year ended March 31, 2015 decreased ¥199.1 billion to ¥201.4 billion, as compared with the year ended March 31, 2014, due mainly to promoting collection. Increase in inventories in the year ended March 31, 2015 increased ¥74.0 billion to ¥116.3 billion, as compared with the year ended March 31, 2014. Decrease in trade payables was ¥18.0 billion in the year ended March 31, 2015, compared with the increase in trade payables of ¥33.7 billion in the year ended March 31, 2014. As a result of the foregoing, the net cash provided by operating activities was ¥451.8 billion in the year ended March 31, 2015, an increase of ¥145.0 billion compared with the year ended March 31, 2014.

(Cash Flows from Investing Activities)

A net sum of ¥568.6 billion in the year ended March 31, 2015 was recorded as investments related to property, plant and equipment, where the proceeds from sale of property, plant, equipment and intangible assets, the proceeds from sale of leased assets and the collection of lease receivables were subtracted from the amount of the purchase of property, plant and equipment, the purchase of intangible assets and the purchase of leased assets, a decrease of ¥39.0 billion from the year ended March 31, 2014. Purchase of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method) increased by ¥57.3 billion and amounted to ¥152.8 billion, due mainly to the acquisition related to Waupaca Foundry Holdings, Inc. in the year ended March 31, 2015. Proceeds from sale of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method) decreased by ¥8.0 billion and amounted to ¥121.6 billion in the year ended March 31, 2015. As a result of the foregoing, the net cash used in investing activities was ¥612.5 billion in the year ended March 31, 2015, an increase of ¥62.3 billion compared with the year ended March 31, 2014.

(Cash Flows from Financing Activities)

Net increase in short-term debt in the year ended March 31, 2015 was ¥136.9 billion, whereas net decrease of ¥66.2 billion was recorded in the year ended March 31, 2014. A net sum of ¥206.0 billion was recorded as proceeds related to long-term debt, where the payments on long-term debt were subtracted from the proceeds from long-term debt, a decrease of ¥192.2 billion from the year ended March 31, 2014. As a result of the foregoing, the net cash provided by financing activities was ¥233.2 billion in the year ended March 31, 2015, an increase of ¥4.3 billion from the year ended March 31, 2014.

As a result of the above items, as of March 31, 2015, cash and cash equivalents amounted to ¥701.7 billion, net increase of ¥141.0 billion from March 31, 2014. Free cash flows, the sum of cash flows from operating and investing activities, represented an outflow of ¥160.7 billion in the year ended March 31, 2015, a decrease of ¥82.6 billion from the year ended March 31, 2014.

Assets, Liabilities and Equity

As of March 31, 2015, total assets amounted to ¥12,433.7 billion, an increase of ¥1,335.5 billion from March 31, 2014. This increase was due primarily to increases in the value of assets denominated in foreign currency owing to the depreciation of yen, the acquisition of Waupaca Foundry Holdings, Inc. and increases in trade receivables resulting from increased revenues. Cash and cash equivalents as of March 31, 2015 amounted to ¥701.7 billion, an increase of ¥141.0 billion from the amount as of March 31, 2014.

As of March 31, 2015, total interest-bearing debt, the sum of short-term debt and long-term debt, amounted to ¥3,557.3 billion, an increase of ¥523.3 billion from March 31, 2014. As of March 31, 2015, short-term debt, consisting mainly of borrowings from banks and commercial paper, amounted to ¥977.7 billion, an increase of ¥202.1 billion from March 31, 2014, due mainly to the issuance of commercial paper by the Company. As of March 31, 2015, long-term debt (excluding current portion), consisting mainly of debentures, debentures with stock acquisition rights, medium-term notes and loans principally from banks and insurance companies, amounted to ¥2,096.1 billion, an increase of ¥379.1 billion from March 31, 2014, due mainly to increased demand for investment funds to achieve growth in the Social Innovation Business, funding for the acquisition of Waupaca Foundry Holdings Inc., and higher demand for funds in line with business expansion in the Financial Services segment.

As of March 31, 2015, total Hitachi, Ltd. stockholders' equity amounted to ¥2,942.2 billion, an increase of ¥273.6 billion from March 31, 2014, due primarily to posting of net income attributable to Hitachi, Ltd. stockholders and an increase in the accumulated other comprehensive income owing primarily to the depreciation of yen. As a result, the ratio of total Hitachi, Ltd. stockholders' equity to total assets as of March 31, 2015 was 23.7%, compared with 24.0% as of March 31, 2014.

Non-controlling interests as of March 31, 2015 was ¥1,354.0 billion, an increase of ¥153.8 billion from March 31, 2014.

Total equity (the sum of total Hitachi, Ltd. stockholders' equity and non-controlling interests) as of March 31, 2015 was ¥4,296.3 billion, an increase of ¥427.5 billion from March 31, 2014. The ratio of interest-bearing debt to total equity increased to 0.83, compared with 0.78 as of March 31, 2014.

Consolidated Statements of Financial Position

Hitachi, Ltd. and Subsidiaries
March 31, 2015 and 2014

	Millions of yen	
Assets	2014	2015
Current assets		
Cash and cash equivalents	¥ 560,657	¥ 701,703
Trade receivables	2,573,386	2,870,042
Lease receivables	321,438	337,353
Inventories	1,339,001	1,458,119
Other current assets	467,601	515,195
Total current assets	5,262,083	5,882,412
Non-current assets		
Investments accounted for using the equity method	599,490	681,623
Investments in securities and other financial assets	1,291,000	1,449,734
Lease receivables	610,830	680,620
Property, plant and equipment	2,258,933	2,472,497
Intangible assets	732,238	933,582
Other non-current assets	343,617	333,259
Total non-current assets	5,836,108	6,551,315
Total assets	¥11,098,191	¥12,433,727

	Millions of yen	
	2014	2015
Liabilities		
Current liabilities		
Short-term debt	¥ 775,516	¥ 977,701
Current portion of long-term debt	541,449	483,521
Other financial liabilities	269,501	296,425
Trade payables	1,347,184	1,426,523
Accrued expenses	709,671	759,191
Advances received	296,265	374,241
Other current liabilities	360,858	461,876
Total current liabilities	4,300,444	4,779,478
Non-current liabilities		
Long-term debt	1,717,020	2,096,134
Other financial liabilities	99,742	117,535
Retirement and severance benefits	779,876	724,223
Other non-current liabilities	332,278	420,015
Total non-current liabilities	2,928,916	3,357,907
Total liabilities	7,229,360	8,137,385
Equity		
Hitachi, Ltd. stockholders' equity		
Common stock	458,790	458,790
Capital surplus	617,496	608,416
Retained earnings	1,277,970	1,477,517
Accumulated other comprehensive income	317,547	401,100
Treasury stock, at cost	(3,146)	(3,542)
Total Hitachi, Ltd. stockholders' equity	2,668,657	2,942,281
Non-controlling interests	1,200,174	1,354,061
Total equity	3,868,831	4,296,342
Total liabilities and equity	¥11,098,191	¥12,433,727

Consolidated Statements of Profit or Loss

Hitachi, Ltd. and Subsidiaries
Years ended March 31, 2015 and 2014

	Millions of yen	
	2014	2015
Revenues	¥ 9,666,446	¥ 9,774,930
Cost of sales	(7,173,747)	(7,198,232)
Gross profit	2,492,699	2,576,698
Selling, general and administrative expenses	(1,887,901)	(1,935,373)
Other income	208,531	9,415
Other expenses	(164,537)	(167,781)
Financial income	33,446	7,727
Financial expenses	(1,931)	(3,284)
Share of profits of investments accounted for using the equity method	10,923	46,657
EBIT (Earnings before interest and taxes)	691,230	534,059
Interest income	14,181	12,529
Interest charges	(26,913)	(27,594)
Income from continuing operations, before income taxes	678,498	518,994
Income taxes	(146,540)	(122,075)
Income from continuing operations	531,958	396,919
Loss from discontinued operation	(6,955)	(53,501)
Net income	¥ 525,003	¥ 343,418
Net income attributable to:		
Hitachi, Ltd. stockholders	413,877	217,482
Non-controlling interests	111,126	125,936
		Yen
Earnings per share from continuing operations, attributable to		
Hitachi, Ltd. stockholders		
Basic	¥87.13	¥56.12
Diluted	87.10	56.08
Earnings per share attributable to Hitachi, Ltd. stockholders		
Basic	85.69	45.04
Diluted	85.66	45.00

Consolidated Statements of Comprehensive Income

Hitachi, Ltd. and Subsidiaries
Years ended March 31, 2015 and 2014

	Millions of yen	
	2014	2015
Net income	¥525,003	¥343,418
Other comprehensive income (OCI)		
Items not to be reclassified into net income		
Net changes in financial assets measured at fair value through OCI	102,732	57,957
Remeasurements of defined benefit plans	64,206	27,039
Share of OCI of investments accounted for using the equity method	280	5,633
Total items not to be reclassified into net income	167,218	90,629
Items that can be reclassified into net income		
Foreign currency translation adjustments	122,114	188,619
Net changes in cash flow hedges	(20,014)	(16,850)
Share of OCI of investments accounted for using the equity method	26,093	(74,604)
Total items that can be reclassified into net income	128,193	97,165
Other comprehensive income (OCI)	295,411	187,794
Comprehensive income	¥820,414	¥531,212
Comprehensive income attributable to:		
Hitachi, Ltd. stockholders	665,372	337,578
Non-controlling interests	155,042	193,634

Consolidated Statements of Changes in Equity

Hitachi, Ltd. and Subsidiaries
Years ended March 31, 2015 and 2014

	Millions of yen							
	2014							
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Noncontrolling interests	Total equity
Balance at beginning of year	¥458,790	¥622,946	¥ 907,970	¥ 70,567	¥(1,565)	¥2,058,708	¥1,098,859	¥3,157,567
Changes in equity								
Reclassified into retained earnings	-	-	4,427	(4,427)	-	-	-	-
Net income	-	-	413,877	-	-	413,877	111,126	525,003
Other comprehensive income	-	-	-	251,495	-	251,495	43,916	295,411
Dividends to Hitachi, Ltd. stockholders	-	-	(48,304)	-	-	(48,304)	-	(48,304)
Dividends to non-controlling interests	-	-	-	-	-	-	(26,345)	(26,345)
Acquisition of treasury stock	-	-	-	-	(4,431)	(4,431)	-	(4,431)
Sales of treasury stock	-	429	-	-	2,850	3,279	-	3,279
Changes in non-controlling interests	-	(5,879)	-	(88)	-	(5,967)	(27,382)	(33,349)
Total changes in equity	-	(5,450)	370,000	246,980	(1,581)	609,949	101,315	711,264
Balance at end of year	¥458,790	¥617,496	¥1,277,970	¥317,547	¥(3,146)	¥2,668,657	¥1,200,174	¥3,868,831

	Millions of yen							
	2015							
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Noncontrolling interests	Total equity
Balance at beginning of year	¥458,790	¥617,496	¥1,277,970	¥317,547	¥(3,146)	¥2,668,657	¥1,200,174	¥3,868,831
Changes in equity								
Reclassified into retained earnings	-	-	37,597	(37,597)	-	-	-	-
Net income	-	-	217,482	-	-	217,482	125,936	343,418
Other comprehensive income	-	-	-	120,096	-	120,096	67,698	187,794
Dividends to Hitachi, Ltd. stockholders	-	-	(55,532)	-	-	(55,532)	-	(55,532)
Dividends to non-controlling interests	-	-	-	-	-	-	(32,578)	(32,578)
Acquisition of treasury stock	-	-	-	-	(421)	(421)	-	(421)
Sales of treasury stock	-	3	-	-	25	28	-	28
Changes in non-controlling interests	-	(9,083)	-	1,054	-	(8,029)	(7,169)	(15,198)
Total changes in equity	-	(9,080)	199,547	83,553	(396)	273,624	153,887	427,511
Balance at end of year	¥458,790	¥608,416	¥1,477,517	¥401,100	¥(3,542)	¥2,942,281	¥1,354,061	¥4,296,342

Consolidated Statements of Cash Flows

Hitachi, Ltd. and Subsidiaries
Years ended March 31, 2015 and 2014

	Millions of yen	
	2014	2015
Cash flows from operating activities:		
Net income	¥ 525,003	¥ 343,418
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	455,343	481,021
Impairment losses	43,116	42,109
Income taxes	146,543	121,467
Share of profits of investments accounted for using the equity method	(10,892)	(46,589)
Financial income and expenses	(11,939)	7,897
Net (gain) loss on business reorganization and others	(198,032)	55,016
Losses on sale of property, plant and equipment	4,597	16,355
Increase in trade receivables	(400,550)	(201,423)
Increase in inventories	(42,265)	(116,328)
Increase in other assets	(80,315)	(19,724)
Increase (decrease) in trade payables	33,739	(18,041)
Decrease in retirement and severance benefits	(66,086)	(65,602)
Increase in other liabilities	84,150	7,608
Other	(56,702)	4,278
Subtotal	425,710	611,462
Interest received	14,580	13,423
Dividends received	13,972	14,525
Interest paid	(27,517)	(28,225)
Income taxes paid	(119,968)	(159,360)
Net cash provided by operating activities	306,777	451,825
Cash flows from investing activities:		
Purchase of property, plant and equipment	(391,598)	(358,141)
Purchase of intangible assets	(119,386)	(128,808)
Purchase of leased assets	(432,871)	(444,223)
Proceeds from sale of property, plant and equipment, and intangible assets	40,840	32,528
Proceeds from sale of leased assets	35,634	27,122
Collection of lease receivables	259,697	302,899
Purchase of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	(95,509)	(152,842)
Proceeds from sale of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	129,677	121,616
Other	23,337	(12,696)
Net cash used in investing activities	(550,179)	(612,545)

	Millions of yen	
	2014	2015
Cash flows from financing activities:		
Increase (decrease) in short-term debt, net	(66,270)	136,973
Proceeds from long-term debt	777,069	835,140
Payments on long-term debt	(378,741)	(629,063)
Proceeds from payments from non-controlling interests	5,602	3,171
Dividends paid to Hitachi, Ltd. stockholders	(48,194)	(55,443)
Dividends paid to non-controlling interests	(25,882)	(32,143)
Acquisition of common stock for treasury	(4,431)	(421)
Proceeds from sales of treasury stock	16	28
Purchase of shares of consolidated subsidiaries from non-controlling interests	(29,450)	(25,232)
Proceeds from partial sales of shares of consolidated subsidiaries to non-controlling interests	-	427
Other	(879)	(231)
Net cash provided by financing activities	228,840	233,206
Effect of exchange rate changes on cash and cash equivalents	51,862	68,560
Net increase in cash and cash equivalents	37,300	141,046
Cash and cash equivalents at beginning of year	523,357	560,657
Cash and cash equivalents at end of year	¥ 560,657	¥ 701,703

Summarized Consolidated Statements of Financial Position by Manufacturing, Services & Others and Financial Services

Hitachi, Ltd. and Subsidiaries
March 31, 2015 and 2014

Billions of yen

	As of March 31, 2014			As of March 31, 2015		
	Manufacturing, Services and Others	Financial Services	Total*	Manufacturing, Services and Others	Financial Services	Total*
Assets						
Current assets	¥4,596.9	¥1,082.2	¥ 5,262.0	¥5,115.2	¥1,184.8	¥ 5,882.4
Cash and cash equivalents	521.4	156.7	560.6	654.7	119.7	701.7
Trade receivables	2,221.6	588.7	2,573.3	2,448.9	695.2	2,870.0
Lease receivables	69.8	266.9	321.4	55.9	299.5	337.3
Inventories	1,335.5	2.6	1,339.0	1,447.8	3.3	1,458.1
Other current assets	448.4	67.0	467.6	507.7	66.9	515.1
Non-current assets	4,409.7	1,513.3	5,836.1	4,869.2	1,768.8	6,551.3
Investments accounted for using the equity method	600.3	18.3	599.4	682.2	19.4	681.6
Investments in securities and other financial assets	743.3	588.3	1,291.0	772.6	709.8	1,449.7
Lease receivables	65.3	574.8	610.8	47.3	669.7	680.6
Property, plant and equipment	2,019.6	235.3	2,258.9	2,204.7	268.0	2,472.4
Intangible assets	679.3	52.8	732.2	873.7	59.8	933.5
Other non-current assets	301.7	43.6	343.6	288.4	41.8	333.2
Total assets	¥9,006.7	¥2,595.6	¥11,098.1	¥9,984.4	¥2,953.6	¥12,433.7
Liabilities and Equity						
Current liabilities	¥3,591.9	¥1,157.1	¥ 4,300.4	¥3,962.9	¥1,270.5	¥ 4,779.4
Short-term debt	501.8	422.5	775.5	574.4	514.3	977.7
Current portion of long-term debt	250.3	347.9	541.4	193.0	357.9	483.5
Other financial liabilities	249.1	43.5	269.5	262.8	58.5	296.4
Trade payables	1,279.6	276.3	1,347.1	1,388.5	273.0	1,426.5
Other current liabilities	1,310.9	66.7	1,366.7	1,544.0	66.7	1,595.3
Non-current liabilities	1,842.2	1,130.1	2,928.9	2,049.6	1,346.2	3,357.9
Long-term debt	714.0	1,039.9	1,717.0	860.2	1,266.3	2,096.1
Other financial liabilities	55.8	45.1	99.7	77.7	42.2	117.5
Retirement and severance benefits	772.1	7.7	779.8	717.9	6.2	724.2
Other non-current liabilities	300.2	37.2	332.2	393.7	31.3	420.0
Total liabilities	5,434.2	2,287.2	7,229.3	6,012.5	2,616.8	8,137.3
Hitachi, Ltd. stockholders' equity	2,503.4	178.5	2,668.6	2,760.3	195.3	2,942.2
Non-controlling interests	1,069.0	129.8	1,200.1	1,211.5	141.4	1,354.0
Total equity	3,572.5	308.4	3,868.8	3,971.9	336.8	4,296.3
Total liabilities and Equity	¥9,006.7	¥2,595.6	¥11,098.1	¥9,984.4	¥2,953.6	¥12,433.7
Interest-bearing debt	¥1,466.1	¥1,810.4	¥ 3,033.9	¥1,627.7	¥2,138.6	¥ 3,557.3
Total Hitachi, Ltd. stockholders' equity ratio	27.8%	6.9%	24.0%	27.6%	6.6%	23.7%
D/E ratio (including non-controlling interests) (times)	0.41	5.87	0.78	0.41	6.35	0.83

* Total figures exclude inter-segment transactions.

Consolidated Statements of Profit or Loss by Manufacturing, Services & Others and Financial Services

Hitachi, Ltd. and Subsidiaries
March 31, 2015 and 2014

Billions of yen

	As of March 31, 2014			As of March 31, 2015		
	Manufacturing, Services and Others	Financial Services	Total*	Manufacturing, Services and Others	Financial Services	Total*
Revenues	¥9,467.7	¥342.6	¥9,666.4	¥9,569.8	¥356.2	¥9,774.9
EBIT(Earnings before interest and taxes)	659.5	32.7	691.2	499.9	35.4	534.0
Income from continuing operations, before income taxes	647.1	32.7	678.4	485.5	35.4	518.9
Net income attributable to Hitachi, Ltd. stockholders	403.7	12.5	413.8	206.0	14.3	217.4

* Total figures exclude inter-segment transactions.

Consolidated Statements of Cash Flows by Manufacturing, Services & Others and Financial Services

Hitachi, Ltd. and Subsidiaries
March 31, 2015 and 2014

Billions of yen

	As of March 31, 2014			As of March 31, 2015		
	Manufacturing, Services and Others	Financial Services	Total* ¹	Manufacturing, Services and Others	Financial Services	Total* ¹
Cash flows from operating activities	¥ 460.8	¥(125.0)	¥ 306.7	¥ 586.4	¥ (85.9)	¥ 451.8
Cash flows from investing activities	(387.7)	(187.8)	(550.1)	(449.1)	(191.3)	(612.5)
Free cash flows	73.1	(312.9)	(243.4)	137.2	(277.3)	(160.7)
Cash flows from financing activities	(103.7)	326.6	228.8	(69.1)	236.8	233.2
Effect of exchange rate changes on cash and cash equivalents	55.6	1.3	51.8	65.1	3.4	68.5
Net increase (decrease) in cash and cash equivalents	25.0	15.0	37.3	133.2	(37.0)	141.0
Cash and cash equivalents at beginning of the year	496.4	141.7	523.3	521.4	156.7	560.6
Cash and cash equivalents at end of the year	¥ 521.4	¥ 156.7	¥ 560.6	¥ 654.7	¥ 119.7	¥ 701.7
Core free cash flows* ²	(9.2)	(366.5)	(377.3)	138.1	(292.1)	(176.4)

*¹ Total figures exclude inter-segment transactions.

*² Operating cash flows plus collection of lease receivables less cash outflows for the purchase of property, plant and equipment, intangible assets, and leased assets.

Note: Consolidated Financial Statements by Manufacturing, Services & Others and Financial Services represent unaudited financial information prepared by the Company for the purpose of this supplementary information.

Role of the Financial Services Segment

Hitachi's Manufacturing, Services & Others segments and its Financial Services segment are each clearly positioned and managed as distinct businesses with different characteristics. The Manufacturing, Services & Others segments work in coordination with the Financial Services segment to expand the Social Innovation Business.

Increasing the financing receivables owned by Hitachi Capital Corporation, which constitutes the Financial Services segment, is the basis for growth in the financing business and regarded as investment to generate higher returns on equity. Credit rating agencies typically permit a higher level of interest-bearing debt and D/E ratio for financial services companies than for manufacturing and services companies. The credit ratings of Hitachi, Ltd. are assigned by credit rating agencies on the basis of key financial indicators that exclude Hitachi's financial services business.

Corporate Data / Stock Information

As of March 31, 2015

Corporate Name

Hitachi, Ltd. (Kabushiki Kaisha Hitachi Seisakusho)

URL

<http://www.hitachi.com/>

Principal Office

6-6, Marunouchi 1-chome,
Chiyoda-ku, Tokyo, 100-8280, Japan

Founded

1910 (Incorporated in 1920)

Capital Stock

458,790 million yen

Number of Employees (IFRS)

336,670

Number of Shares Issued

Common Stock: 4,833,463,387 shares

Number of Shareholders

379,564

Administrator of Shareholders' Register

Tokyo Securities Transfer Agent Co., Ltd.
Nippon Building 4th Floor, 6-2, Otemachi
2-chome, Chiyoda-ku, Tokyo, 100-0004,
Japan

Stock Exchange Listings

Tokyo, Nagoya

Accounting Auditor

Ernst & Young ShinNihon LLC

Investor Relations Contacts

JAPAN

Hitachi, Ltd.
6-6, Marunouchi 1-chome,
Chiyoda-ku, Tokyo, 100-8280
TEL: +81-3-3258-1111
E-mail: IR@hdq.hitachi.co.jp

U.S.A.

Hitachi America, Ltd.
50 Prospect Avenue,
Tarrytown, NY 10591
TEL: +1-914-333-2987
E-mail: investor.info@hal.hitachi.com

U.K.

Hitachi Europe Ltd.
Whitebrook Park, Lower Cookham Road,
Maidenhead Berkshire SL6 8YA
TEL: +44-1628-585714

10 Largest Shareholders

Name	Share Ownership	
	Number of Shares (shares)	Percentage of Total (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	301,833,000	6.24
Japan Trustee Services Bank, Ltd. (Trust Account)	221,101,215	4.57
Hitachi Employees' Shareholding Association	99,966,384	2.07
Nippon Life Insurance Company	93,265,195	1.93
NATS CUMCO* ¹	84,223,880	1.74
STATE STREET BANK AND TRUST COMPANY 505225	78,072,703	1.62
THE BANK OF NEW YORK MELLON SA/NV 10	74,820,713	1.55
The Dai-ichi Life Insurance Company, Limited	71,361,222* ²	1.48
STATE STREET BANK WEST CLIENT-TREATY 505234	64,907,327	1.34
STATE STREET BANK AND TRUST COMPANY	58,732,405	1.22

*1 NATS CUMCO is the nominee name of the depository bank, Citibank, N.A., for the aggregate of Hitachi's American Depositary Receipts (ADRs) holders.

*2 The number of shares held by The Dai-ichi Life Insurance Company, Limited includes its contribution of 6,560,000 shares to the retirement allowance trust (the holder of said shares, as listed in the Shareholders' Register, is "Dai-ichi Life Insurance Account, Retirement Allowance Trust, Mizuho Trust & Banking Co., Ltd.").

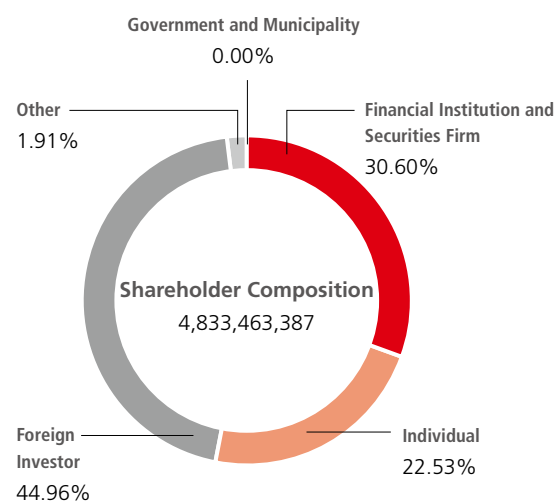
Ratings

Rating Agency	Long-term	Short-term
Moody's	A3	P-2
Standard & Poor's (S&P)	A-	A-2
Rating and Investment Information, Inc. (R&I)	A+	a-1

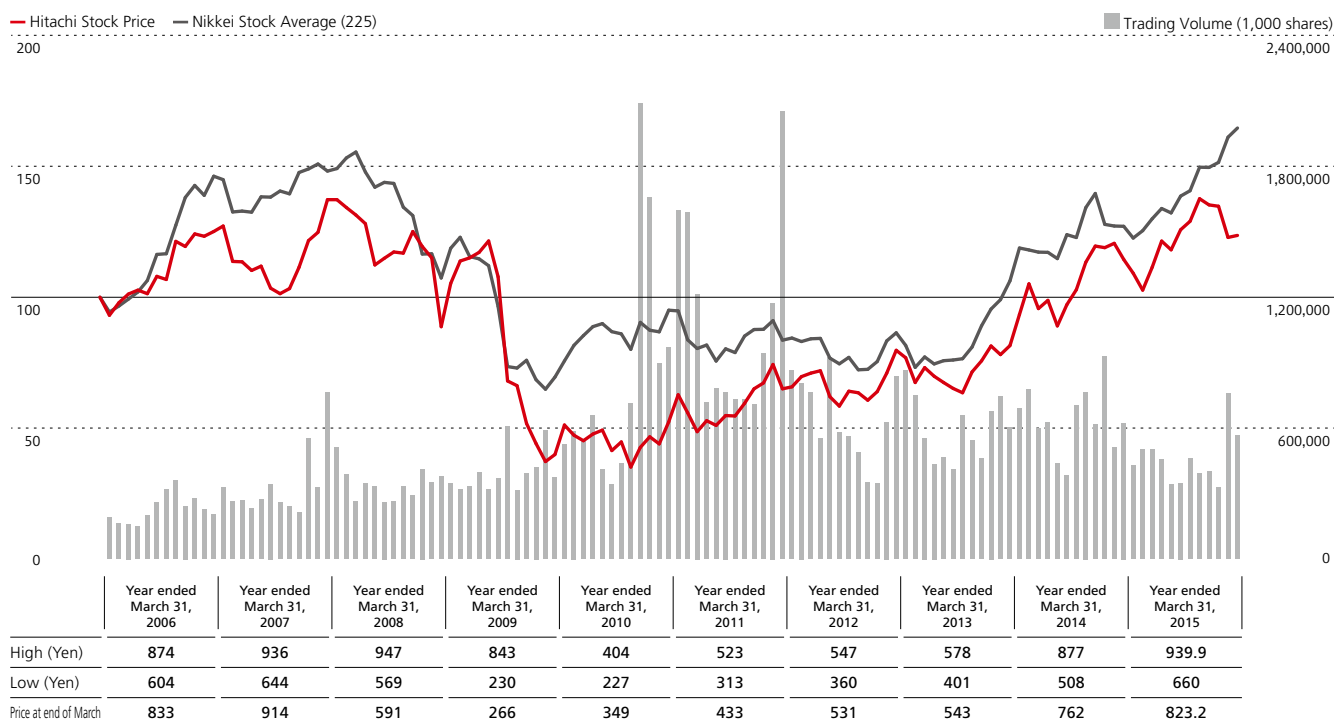
Shareholder Composition

Class of Shareholders	Number of Shareholders	Share Ownership (shares)
Financial Institution and Securities Firm	408	1,479,129,762
Individual	374,327	1,088,836,131
Foreign Investor	1,323	2,172,972,552
Other	3,502	92,478,374
Government and Municipality	4	46,568
Total	379,564	4,833,463,387

* Treasury stock is included in "Other."



Stock Price and Trading Volume



* The closing price on March 31, 2005 equals 100.

HITACHI
Inspire the Next