

1. Qualitative Information Concerning Consolidated Business Results
(1) Summary of Fiscal 2010 Third-Quarter (Three Months and Nine Months Ended December 31, 2010) Consolidated Business Results

	Three months ended December 31, 2010			Nine months ended December 31, 2010		
	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)
Revenues	2,263.4	5%	27,944	6,765.8	8%	83,530
Operating income	119.8	53.4	1,480	337.8	296.2	4,171
Income before income taxes	107.0	49.4	1,321	370.8	423.3	4,578
Net Income	80.4	49.2	993	284.8	392.5	3,517
Net Income attributable to Hitachi, Ltd.	62.0	40.2	767	220.1	331.4	2,718

Hitachi's consolidated revenues for the third quarter of fiscal 2010 increased 5% year over year, to 2,263.4 billion yen. In addition to higher revenues in the Construction Machinery segment, centered on emerging countries, this overall increase was attributable to higher year-over-year revenues in the High Functional Materials & Components, Electronic Systems & Equipment and Automotive Systems segments in line with recovering demand in the electronics- and automotive- related fields.

Overseas revenues increased 8% year over year, to 1,003.5 billion yen due to a global recovery in demand.

Hitachi posted consolidated operating income of 119.8 billion yen, improved 53.4 billion yen year over year. This much improved result was attributable to improved revenues and posting of improved year over year operating income in all segments, including the Construction Machinery, Electronic Systems & Equipment, Digital Media & Consumer Products, and High Functional Materials & Components, and reflected progress with business structure reform measures, accelerated initiatives of procurement cost and fixed expenses reduction and project management. Especially, the Information & Telecommunication Systems segment improved even amid ongoing reduction in IT investment in Japan.

Hitachi posted net other deductions of 12.7 billion yen, increased 4.0 billion yen year over year mainly due to the record of exchange losses resulting from the yen's appreciation. As a result, Hitachi recorded income before income taxes of 107.0 billion yen, an improvement of 49.4 billion yen year over year. After income taxes of 26.6 billion yen, Hitachi posted net income of 80.4 billion yen, an improvement of 49.2 billion yen year over year. After deducting net income attributable to noncontrolling interests of 18.3 billion yen, Hitachi posted net income attributable to Hitachi, Ltd. of 62.0 billion yen, a 40.2 billion yen improvement year over year.

For the nine-month period ended December 31, 2010, consolidated revenues increased 8% year over year, to 6,765.8 billion yen. Hitachi recorded operating income of 337.8 billion yen, an improvement of 296.2 billion yen year over year, as all segments posted earnings and earnings growth year over year. Hitachi reported net income attributable to Hitachi, Ltd. of 220.1 billion yen, a year-over-year improvement of 331.4 billion yen.

(2) Revenues and Operating Income by Segment

Results by segment were as follows:

[Information & Telecommunication Systems]

	Three months ended December 31, 2010			Nine months ended December 31, 2010		
	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)
Revenues	388.6	(1%)	4,798	1,163.4	(2%)	14,363
Operating income	18.5	4.5	229	53.0	6.8	655

For the third quarter of fiscal 2010, the segment recorded revenues of 388.6 billion yen, a decrease of 1% year over year, with hardware recording lower sales due to ongoing reductions in IT investment in Japan. This overall decrease came despite robust sales growth in storage solutions, particularly to overseas markets.

Segment operating income increased 4.5 billion yen, to 18.5 billion yen, the result of higher year-over-year operating income from hardware due to cost cutting and other factors.

For the first nine months of fiscal 2010, revenues declined 2% year over year, to 1,163.4 billion yen. Operating income, however, improved 6.8 billion yen year over year, to 53.0 billion yen.

[Power Systems]

	Three months ended December 31, 2010			Nine months ended December 31, 2010		
	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)
Revenues	183.7	(7%)	2,268	568.5	(3%)	7,019
Operating income	4.3	1.8	54	18.6	12.3	230

For the third quarter of fiscal 2010, the segment revenues declined 7% year over year, to 183.7 billion yen, the result mainly of lower year over year sales from thermal power generation systems due to some projects being pushed back. Furthermore, in nuclear power generation systems, although the construction of new plants in Japan performed steadily, lower sales were recorded from preventative maintenance services.

Segment operating income improved 1.8 billion yen year over year, to 4.3 billion yen due to improved project management, progress with cost reduction and other factors.

For the first nine months of fiscal 2010, the segment saw revenues decrease 3%, to 568.5 billion yen, while operating income improved 12.3 billion yen, to 18.6 billion yen.

[Social Infrastructure & Industrial Systems]

	Three months ended December 31, 2010			Nine months ended December 31, 2010		
	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)
Revenues	275.6	2%	3,403	784.5	(2%)	9,686
Operating income	11.9	2.2	148	22.7	13.9	280

For the third quarter of fiscal 2010, segment revenues increased 2% year over year, to 275.6 billion yen. In addition to higher plant-related equipment and construction sales, this was due to strong growth in sales of elevators and escalators to China.

Segment operating income improved 2.2 billion yen year over year, to 11.9 billion yen, reflecting higher sales of plant-related equipment and construction, and elevators and escalators.

For the first nine months of fiscal 2010, the segment saw revenues decline 2%, to 784.5 billion yen. However, operating income improved 13.9 billion yen year over year, to 22.7 billion yen.

[Electronic Systems & Equipment]

	Three months ended December 31, 2010			Nine months ended December 31, 2010		
	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)
Revenues	245.5	9%	3,032	774.6	14%	9,563
Operating income	7.3	6.8	91	23.6	36.4	292

For the third quarter of fiscal 2010, the segment recorded a 9% year over year rise in revenues, to 245.5 billion yen. This result came on the back of higher sales of semiconductor-related manufacturing equipment, electronic component processing equipment and others in line with rebounding capital expenditures in the electronics field.

Segment operating income improved 6.8 billion yen year over year, to 7.3 billion yen due to higher sales of semiconductor-related manufacturing equipment and other products.

For the first nine months of fiscal 2010, the segment recorded a 14% year over year rise in revenues to 774.6 billion yen. Segment operating income improved 36.4 billion yen, to 23.6 billion yen.

[Construction Machinery]

	Three months ended December 31, 2010			Nine months ended December 31, 2010		
	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)
Revenues	181.8	29%	2,245	516.2	29%	6,374
Operating income	12.8	10.2	159	31.1	26.9	384

For the third quarter of fiscal 2010, segment revenues increased 29% year over year, to 181.8 billion yen. In addition to growth in sales of hydraulic excavators and other products, especially to emerging economies in Asia and elsewhere, the segment revenues reflected the effect of making Indian company Telco Construction Equipment Co., Ltd. a consolidated subsidiary in March 2010.

Segment operating income improved 10.2 billion yen year over year, to 12.8 billion yen due to higher revenues.

For the first nine months of fiscal 2010, segment revenues jumped 29% year over year, to 516.2 billion yen. Operating income improved 26.9 billion yen, to 31.1 billion yen.

[High Functional Materials & Components]

	Three months ended December 31, 2010			Nine months ended December 31, 2010		
	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)
Revenues	363.0	11%	4,483	1,063.5	17%	13,131
Operating income	23.7	5.7	293	73.9	50.9	913

For the third quarter of fiscal 2010, segment revenues rose 11% year over year, to 363.0 billion yen. This result reflects growth at Hitachi Metals, Ltd., Hitachi Cable, Ltd. and Hitachi Chemical Co., Ltd. due to healthy demand for automotive-related components and other products.

Segment operating income improved 5.7 billion yen year over year, to 23.7 billion yen, thanks to higher revenues.

For the first nine months of fiscal 2010, segment revenues increased 17% year over year, to 1,063.5 billion yen. Operating income improved 50.9 billion yen, to 73.9 billion yen.

[Automotive Systems]

	Three months ended December 31, 2010			Nine months ended December 31, 2010		
	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)
Revenues	182.0	10%	2,247	546.7	21%	6,749
Operating income	5.1	2.2	64	16.1	30.3	199

For the third quarter of fiscal 2010, segment revenues rose 10% year over year, to 182.0 billion yen on the back of a global recovery in demand, particularly in emerging countries. This growth came despite the impact of the scaling back of a government program in Japan to spur vehicle sales.

Operating income improved 2.2 billion yen year over year, to 5.1 billion yen on account of improved capacity utilization in line with recovering demand, and the benefits of business structure reforms.

For the first nine months of fiscal 2010, segment revenues rose 21% year over year, to 546.7 billion yen. Operating income improved 30.3 billion yen, to 16.1 billion yen.

[Components & Devices]

	Three months ended December 31, 2010			Nine months ended December 31, 2010		
	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)
Revenues	201.3	0%	2,486	616.1	10%	7,606
Operating income	9.6	5.1	119	39.9	48.5	493

For the third quarter of fiscal 2010, segment revenues were largely unchanged compared with the corresponding period of the previous fiscal year at 201.3 billion yen, with higher sales of HDDs, mainly for use in PCs and servers, negated by lower sales of displays, chiefly for game consoles.

Operating income improved 5.1 billion yen, to 9.6 billion yen, due to higher earnings in HDD operations on increased sales, the contribution from new products, cost reduction and others.

For the first nine months of fiscal 2010, segment revenues increased 10% year over year, to 616.1 billion yen, and operating income improved 48.5 billion yen, to 39.9 billion yen.

Note: HDD operations are conducted by Hitachi Global Storage Technologies (Hitachi GST), which has a December 31 fiscal year-end, different from Hitachi's March 31 year-end. Hitachi's results for the three months ended December 31, 2010 include operating results of Hitachi GST for the three months ended September 30, 2010.

[Digital Media & Consumer Products]

	Three months ended December 31, 2010			Nine months ended December 31, 2010		
	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)
Revenues	248.8	5%	3,072	755.7	8%	9,330
Operating income	9.9	6.6	122	20.8	28.8	258

For the third quarter of fiscal 2010, the segment recorded a 5% increase in revenues year over year, to 248.8 billion yen, despite optical disk drive-related products recording lower sales due to lackluster demand. The segment revenue growth reflected higher year over year sales of commercially packaged air conditioners, as well as growth in sales of flat-panel TVs, room air-conditioners, refrigerators and other products, thanks to a surge in demand before changes to the eco-points system in Japan.

Operating income improved 6.6 billion yen year over year, to 9.9 billion yen due to strong performances from products eligible for eco-points. However, optical disk drive-related products saw earnings decline in line with lower sales.

For the first nine months of fiscal 2010, segment revenues rose 8% year over year, to 755.7 billion yen. Operating income improved 28.8 billion yen, to 20.8 billion yen.

Note: The optical disk drive operations are conducted by Hitachi-LG Data Storage, Inc. (HLDS), which has a December 31 fiscal year-end, different from Hitachi's March 31 year-end. Hitachi's results for the three months ended December 31, 2010 include operating results of HLDS for the three months ended September 30, 2010.

[Financial Services]

	Three months ended December 31, 2010			Nine months ended December 31, 2010		
	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)
Revenues	91.3	1%	1,128	278.0	(13%)	3,433
Operating income	6.6	3.3	82	17.9	12.0	221

For the third quarter of fiscal 2010, the segment reported a 1% year-over-year increase in revenues, to 91.3 billion yen. This result was due to healthy growth in outsourcing and other businesses that generate revenues from commission services at Hitachi Capital Corporation.

Segment operating income improved 3.3 billion yen, to 6.6 billion yen. In addition to higher revenues, this was due to recording earnings related to receivables that were recorded as gains on sale up through March 31, 2010 in line with the consolidation of securitization entities from April 1, 2010, based on new U.S. GAAP accounting standards. The improvement also reflected reduced financing costs at Hitachi Capital Corporation.

For the first nine months of fiscal 2010, segment revenues decreased 13%, to 278.0 billion yen. Operating income improved 12.0 billion yen, to 17.9 billion yen.

[Others]

	Three months ended December 31, 2010			Nine months ended December 31, 2010		
	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)
Revenues	189.6	1%	2,342	564.9	2%	6,975
Operating income	8.9	5.0	110	21.7	10.5	269

For the third quarter of fiscal 2010, segment revenues edged up 1% year over year, to 189.6 billion yen, due to higher revenues at Hitachi Transport System, Ltd. on healthy growth in third-party logistics solutions.

Segment operating income improved 5.0 billion yen year over year, to 8.9 billion yen, mainly due to higher earnings in line with increased revenues at Hitachi Transport System, Ltd.

For the first nine months of fiscal 2010, the segment recorded a 2% year-over-year increase in revenues to 564.9 billion yen, and operating income improved 10.5 billion yen, to 21.7 billion yen.

(3) Revenues by Market

	Three months ended December 31, 2010			Nine months ended December 31, 2010		
	Yen (billions)	Year-over-year change	U.S. dollars (millions)	Yen (billions)	Year-over-year change	U.S. dollars (millions)
Japan	1,259.9	2%	15,555	3,783.5	4%	46,710
Outside Japan	1,003.5	8%	12,389	2,982.3	13%	36,820
Asia	515.1	20%	6,360	1,537.8	27%	18,985
North America	192.0	6%	2,370	572.5	7%	7,069
Europe	188.5	(15%)	2,328	551.8	(8%)	6,813
Other Areas	107.7	13%	1,330	320.2	13%	3,953

Revenues in Japan in the third quarter of fiscal 2010 were 1,259.9 billion yen, up 2% year over year. One reason was higher revenues in the Digital Media & Consumer Products Segments driven by the impact of the eco-points system and a summer heatwave in Japan. The result also reflected higher revenues mainly in the High Functional Materials & Components, Automotive Systems, and Social Infrastructure & Industrial Systems segments in line with recovering demand in the electronics- and automotive-related fields, among other factors.

Outside Japan revenues increased 8%, to 1,003.5 billion yen. In addition to higher sales in the Construction Machinery Segment, mainly to emerging countries, the Electronic Systems & Equipment, High Functional Materials & Components, Components & Devices and Automotive Systems segments posted strong revenue growth because of recovering demand in the electronics- and automotive-related fields.

As a result, the ratio of overseas revenues to consolidated revenues increased 1 point year over year to 44%.

For the first nine months of fiscal 2010, revenues in Japan increased 4% year over year, to 3,783.5 billion yen. Overseas revenues increased 13%, to 2,982.3 billion yen.

(4) Capital Investment, Depreciation and R&D Expenditures

Capital investment on a completion basis, excluding leasing assets, increased 34% year over year, to 69.1 billion yen, primarily due to investments for boosting production to meet recovering demand.

Depreciation, excluding leasing assets, decreased 16% year over year, to 74.4 billion yen, primarily due to the strict selection of capital investments through the previous quarter.

R&D expenditures increased 6% year over year, to 95.5 billion yen, which corresponded to 4.2% of consolidated revenues. The increase was due mainly to further R&D investment to strengthen the Social Innovation Business.

For the first nine months of fiscal 2010, capital investments on a completion basis, excluding leasing assets, increased 6%, to 189.4 billion yen. Depreciation, excluding leasing assets, declined 16%, to 224.7 billion yen. R&D expenditures were up 8% at 290.4 billion yen, corresponding to 4.3% of consolidated revenues.

2. Financial Position

(1) Financial Position

	As of December 31, 2010		
	Yen (billions)	Change from March 31, 2010	U.S. dollars (millions)
Total assets	9,305.2	340.7	114,879
Total liabilities	6,855.0	158.4	84,631
Interest-bearing debt	2,824.3	457.1	34,868
Total Hitachi, Ltd. stockholders' equity	1,449.6	165.0	17,897
Noncontrolling interests	1,000.4	17.2	12,352
Total Hitachi, Ltd. stockholders' equity ratio	15.6%	1.3 point improvement	-
D/E ratio (including noncontrolling interests)*1	1.15 times	0.23 point improvement	-
D/E ratio (including noncontrolling interests)*2	0.95 times	0.09 point improvement	-

*1: Including liabilities (current and noncurrent) associated with the consolidation of securitization entities.

*2: Excluding liabilities (current and noncurrent) associated with the consolidation of securitization entities.

Total assets as of December 31, 2010 increased 340.7 billion yen from March 31, 2010, to 9,305.2 billion yen. This resulted from the recording of financial assets that had been transferred off the balance sheet to securitization entities in accordance with the application of new U.S. GAAP accounting standards effective April 1, 2010. Similarly, interest-bearing liabilities increased by 457.1 billion yen, to 2,824.3 billion yen due to the recording of liabilities associated with the consolidation of securitization entities. Stockholders' equity increased 165.0 billion yen, to 1,449.6 billion yen from March 31, 2010 due mainly to the improvement in net income attributable to Hitachi, Ltd. As a result, the total Hitachi, Ltd. stockholders' equity ratio was 15.6%. The debt-to-equity ratio, including noncontrolling interests, was 1.15. Excluding the impact of adopting new accounting standards, the debt-to-equity ratio, including noncontrolling interests,

improved 0.09 points to 0.95.

(2) Cash Flows

	Three months ended December 31, 2010			Nine months ended December 31, 2010		
	Yen (billions)	Year-over-year change	U.S. dollars (millions)	Yen (billions)	Year-over-year change	U.S. dollars (millions)
Cash flows from operating activities	42.0	(12.5)	520	419.6	32.4	5,181
Cash flows from investing activities	(49.0)	39.3	(605)	(154.6)	189.6	(1,909)
Free cash flows	(6.9)	26.8	(86)	264.9	222.0	3,271
Cash flows from financing activities	(65.3)	(207.2)	(806)	(259.2)	(135.6)	(3,200)

Operating activities in the third quarter of fiscal 2010 provided net cash of 42.0 billion yen, a year-over-year decrease of 12.5 billion yen, due mainly to an increase in inventories to be sold at the end of the fiscal year. This year over year decrease was despite a marked improvement in net income.

Investing activities used net cash of 49.0 billion yen, 39.3 billion yen less year over year, mainly due to the strict selection of capital expenditures.

Free cash flows, the sum of cash flows from operating and investing activities, was a negative figure of 6.9 billion yen.

Financing activities used net cash of 65.3 billion yen due to the progress in debt repayment and increased dividend payments.

The net result of the above items was a decrease of 77.1 billion yen in cash and cash equivalents, to 556.6 billion yen.

For the first nine months of fiscal 2010, operating activities provided net cash of 419.6 billion yen, an increase of 32.4 billion yen year over year. This reflected a marked improvement in net income.

Investing activities during the same period used net cash of 154.6 billion yen, 189.6 billion yen less year over year. This decrease was attributable to the strict selection of investments, including the acquisition of property, plant and equipment, and shares. It also reflected the selling of certain shareholdings.

Free cash flows, the sum of cash flows from operating and investing activities, was 264.9 billion yen, a 222.0 billion yen improvement year over year.

Financing activities used net cash of 259.2 billion yen, 135.6 billion yen more than the corresponding nine-month period of the previous fiscal year. In addition to the repayment of debt, this was due to higher dividend payments.

Free cash flows increased in both the three- and nine-month periods due to the consolidation of securitization entities in accordance with the application of new U.S. GAAP accounting standards effective from April 1, 2010. However, the application of these standards had almost the same effect on cash outflows in financing activities.

3. Outlook for Fiscal 2010

	Year ending March 31, 2011		
	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)
Revenues	9,300.0	4%	116,250
Operating income	440.0	237.8	5,500
Income before income taxes	430.0	366.4	5,375
Net Income	305.0	389.3	3,813
Net Income attributable to Hitachi, Ltd.	230.0	336.9	2,875

Note: All fiscal 2010 outlook figures were converted using 80 yen to the U.S. dollar.

The above forecasts for fiscal 2010 are based on a steady contribution from the Social Innovation Business, accelerated global expansion, the benefits of business structure reforms, and progress with ongoing cost-containment initiatives on procurement costs and fixed expenses. The forecast also takes into account the uncertainty surrounding the global economic outlook and expected impact of the yen's appreciation.

Hitachi is forecasting overall revenues in line with its previous projections. The Company expects to see higher revenues than its previous forecast announced on October 28, 2010 in the Automotive Systems, Digital Media & Consumer Products, Social Infrastructure & Industrial Systems, and Components & Devices segments. This is due to recovering demand in the electronics- and automotive-related fields, as well as the benefits of economic stimulus measures around the world, among other factors. However, Hitachi also expects lower revenues in the Power Systems segment, where some projects have been pushed back, as well as the High Functional Materials & Components segment.

Hitachi has raised its projection for operating income from its previous forecast. The revised projection is based mainly on improved earnings in the Digital Media & Consumer Products, Components & Devices and Social Infrastructure & Industrial Systems segments due to stepped-up cost-cutting activities, including fixed expenses. Accompanied with an improvement in net other deductions, Hitachi has also raised its forecasts for income before income taxes, net income and net income attributable to Hitachi, Ltd.

Hitachi is assuming exchange rates of 80 yen to the U.S. dollar and 110 yen to the euro for the fourth quarter of fiscal 2010.

Other

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries causing changes in scope of consolidation).

None

(2) Application of simple accounting treatment and/or specific accounting treatment in preparing the quarterly consolidated financial statements.

Yes

(3) Changes in accounting principles, procedures and presentation methods for preparing quarterly consolidated financial statements.

Yes

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 investments in Hitachi’s major markets, particularly Japan, Asia, the United States and Europe, as well as levels of demand in the major industrial sectors which Hitachi serves, including, without limitation, the information, electronics, automotive, construction and financial sectors;
- exchange rate fluctuations for the yen and other currencies in which Hitachi makes significant sales or in which Hitachi’s assets and liabilities are denominated, particularly against the U.S. dollar and the euro;
- 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 in Japan, declines in which may require Hitachi to write down equity securities that it holds;
- the potential for significant losses on Hitachi’s investments in equity method affiliates;
- increased commoditization of information technology products and digital media-related products and intensifying price competition for such products, particularly in the Components & Devices and the Digital Media & Consumer Products segments;
- uncertainty as to Hitachi’s ability to continue to develop and market products that incorporate new technology on a timely and cost-effective basis and to achieve market acceptance for such products;
- rapid technological innovation;
- 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;
- fluctuations in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum and synthetic resins and 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 and shortages of materials, parts and components;

- 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 restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness and other cost reduction measures;
- general socio-economic 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, or 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 affiliates have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- the possibility of disruption of Hitachi's operations in Japan by earthquakes or other natural disasters;
- 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 and that of its customers;
- uncertainty as to the accuracy of key assumptions Hitachi uses to value 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 Hitachi's periodic filings with the U.S. Securities and Exchange Commission and in other materials published by Hitachi.