1. Qualitative Information Concerning Consolidated Business Results
(1) Summary of Fiscal 2011 First-Quarter Consolidated Business Results

	Three months ended June 30, 2011		
	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)
Revenues	2,150.6	0%	26,552
Operating income	52.4	(36.0)	647
Income before income taxes	41.1	(103.1)	508
Net income	16.2	(101.2)	201
Net income attributable to Hitachi, Ltd.	2.9	(83.1)	36

During the first quarter of fiscal 2011, the operating environment remained harsh, not in the least because of the catastrophic damage caused by the Great East Japan Earthquake of March 11, and ensuing power supply restrictions, disruptions to supply chains for parts and components and other factors. The Hitachi Group suffered damage to a large number of buildings and production facilities. However, due to cohesive group-wide efforts to quickly restore operations, production had resumed across the board at most sites by the end of April 2011. The Hitachi Group also worked to help affected areas recover quickly from the natural disaster, including by providing support for the resumption of operations at affected thermal power plants.

Hitachi's consolidated revenues for the first quarter were flat year over year, at 2,150.6 billion yen, despite most segments experiencing the effects of the Great East Japan Earthquake. One reason was higher revenues in the Others Segment, resulting from Hitachi Transport System, Ltd. making Vantec Corporation a consolidated subsidiary in April 2011, as well as strong growth in third-party logistics solutions. In addition, the Construction Machinery Segment produced strong revenues, mainly in emerging countries, and the Information & Telecommunication Systems Segment saw revenues rise year on year, notably in storage solutions for overseas customers.

Overseas revenues declined 1% year over year, to 973.5 billion yen.

Hitachi posted consolidated operating income of 52.4 billion yen, down 36.0 billion yen from the first quarter of fiscal 2010, even though the Construction Machinery and Information & Telecommunication Systems segments posted higher year-over-year earnings despite the impact of the Great East Japan Earthquake. The overall decline mainly reflected lower earnings from the Components & Devices, Power Systems segments and others.

Hitachi posted net other deductions of 11.2 billion yen, 67.0 billion yen worse than the net other income in the corresponding quarter of the previous fiscal year. The year-over-year change was attributable to gains on the sale of securities recorded in the first quarter of fiscal 2010 resulting from the transfer of shares of IPS Alpha Technology, Ltd. to Panasonic Corporation. There were no large sales of shares in the first quarter of fiscal 2011.

As a result, Hitachi recorded income before income taxes of 41.1 billion yen, 103.1 billion yen less year over year. After taxes of 24.8 billion yen, Hitachi posted net income of 16.2 billion yen, a year-over-year decline of 101.2 billion yen. After deducting net income attributable to noncontrolling interests of 13.3 billion yen, Hitachi posted net income attributable to Hitachi, Ltd. of 2.9 billion yen, down 83.1 billion yen year over year.

(2) Revenues and Operating Income by Segment

Results by segment were as follows:

[Information & Telecommunication Systems]

	Three months ended June 30, 2011		
	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)
Revenues	350.7	1%	4,331
Operating income	2.1	1.9	26

The segment recorded revenues of 350.7 billion yen, an increase of 1% year over year, despite lower hardware sales caused by the shortage of parts and components for some products in the wake of the Great East Japan Earthquake. The higher overall revenues resulted from increased sales of consulting services and of software and services for storage, mainly for overseas customers, which lifted software and services revenues year over year.

Segment operating income improved 1.9 billion yen year over year to 2.1 billion yen, due to higher earnings in hardware, reflecting increased earnings from storage solutions stemming from growth in high-end models.

[Power Systems]

	Three months ended June 30, 2011		
	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)
Revenues	166.3	(6%)	2,054
Operating loss	(3.2)	(7.8)	(40)

Segment revenues dropped 6% year over year to 166.3 billion yen. In addition to lower sales of nuclear power generation systems in the aftermath of the Great East Japan Earthquake, the lower segment revenues also resulted from some thermal power generation system projects being pushed back.

The segment recorded an operating loss of 3.2 billion yen, declined 7.8 billion year over year. This loss mainly reflected the impact of the Great East Japan Earthquake and lower revenues.

[Social Infrastructure & Industrial Systems]

	Three months ended June 30, 2011		
	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)
Revenues	229.8	(1%)	2,837
Operating income	0.9	(1.5)	12

Segment revenues inched down 1% year over year, to 229.8 billion yen. Higher sales of railway systems, mainly for overseas markets, and strong sales of elevators and escalators in China were negated by lower year-over-year sales of plant-related equipment and construction.

The segment posted operating income of 0.9 billion yen, down 1.5 billion yen year over year, primarily on account of lower sales and the impact of the Great East Japan Earthquake.

[Electronic Systems & Equipment]

	Three months ended June 30, 2011		
	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)
Revenues	246.1	(2%)	3,039
Operating income	7.1	1.8	89

The segment recorded a 2% year-over-year decrease in revenues to 246.1 billion yen, due to lower sales in the semiconductor- and display-related products, parts and components sales businesses at Hitachi High-Technologies Corporation as a result of the Great East Japan Earthquake. On the other hand, Hitachi Medical Corporation recorded higher sales, which is the result of consolidating Aloka Co., Ltd. in January 2011.

Segment operating income improved 1.8 billion yen year over year, to 7.1 billion yen, reflecting higher earnings at Hitachi Kokusai Electric Inc. and Hitachi Koki Co., Ltd. mainly due to progress with cost-cutting programs.

[Construction Machinery]

	Three months ended June 30, 2011		
	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)
Revenues	172.5	6%	2,130
Operating income	11.0	4.0	136

The segment posted a 6% year over year increase in revenues, to 172.5 billion yen, despite the impact of the Great East Japan Earthquake and lower demand in China. The overall increase reflects the growth in sales of hydraulic excavators and others, driven by the demand in Asian countries and other emerging markets, as well as the U.S. and other industrial countries.

Despite the impact of the Great East Japan Earthquake, segment operating income improved 4.0 billion yen year over year, to 11.0 billion yen due to higher revenues.

[High Functional Materials & Components]

	Three months ended June 30, 2011		
	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)
Revenues	347.0	0%	4,285
Operating income	19.3	(6.8)	239

Segment revenues were flat year over year, at 347.0 billion yen. Sales declined at Hitachi Chemical Co., Ltd. due to the suspension of operations at some factories within the exclusion zone created by the Japanese government after the accident at the Fukushima Daiichi Nuclear Power Station owned by The Tokyo Electric Power Company, Incorporated. On the other hand, Hitachi Cable, Ltd. and Hitachi Metals, Ltd. recorded higher sales year over year.

Segment operating income dropped 6.8 billion yen year over year, to 19.3 billion yen. Although earnings improved at Hitachi Cable due to higher sales and cost-cutting, Hitachi Chemical and Hitachi Metals recorded lower year-over-year earnings.

[Automotive Systems]

	Three months ended June 30, 2011		
	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)
Revenues	177.1	(4%)	2,188
Operating income	2.0	0.1	26

Segment revenues declined 4% year over year, to 177.1 billion yen, as a result of lower automobile production mainly in Japan after the Great East Japan Earthquake.

Despite the lower revenues, segment operating income improved 0.1 billion yen year over year, to 2.0 billion yen, reflecting mainly the benefits of cost reductions.

Note: Effective from April 1, 2011, there was a change in segmentation between the Automotive Systems and the Components & Devices segments. Figures for each segment, including figures for the first quarter of fiscal 2010, reflect the new segmentations.

[Components & Devices]

	Three months ended June 30, 2011		
	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)
Revenues	177.7	(8%)	2,195
Operating income	4.9	(14.1)	61

Segment revenues declined 8% year over year, to 177.7 billion yen, as HDD operations posted lower sales due to lower sales prices.

Segment operating income dropped 14.1 billion yen, to 4.9 billion yen, on account of lower HDD earnings resulting from decreased sales.

Notes 1: Effective from April 1, 2011, there was a change in segmentation between the Automotive Systems and the Components & Devices segments. Figures for each segment, including figures for the first quarter of fiscal 2010, reflect the new segmentations.

2: 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 June 30, 2011 include operating results of Hitachi GST for the three months ended March 31, 2011.

[Digital Media & Consumer Products]

	Three months ended June 30, 2011		
	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)
Revenues	233.1	(9%)	2,878
Operating income	3.2	(3.8)	41

Segment revenues declined 9% year over year, to 233.1 billion yen. Optical disk drive-related products recorded lower sales year over year, which is the result of parts and components shortages after the Great East Japan Earthquake and the yen's appreciation. Another factor was lower year-over-year sales of flat-panel TVs due to lower sales prices and other factors. However, room air conditioners posted higher sales, mainly in Japan, spurred by demand for upgrading to energy-saving models.

Segment operating income declined 3.8 billion yen to 3.2 billion yen, despite the strong performance from room air conditioners. The overall decline reflected decreased earnings from optical disk drive-related products and flat-panel TVs in line with lower sales.

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 June 30, 2011 include operating results of HLDS for the three months ended March 31, 2011.

[Financial Services]

	Three months ended June 30, 2011		
	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)
Revenues	92.4	(2%)	1,142
Operating income	6.9	1.7	85

The segment reported a 2% year-over-year decrease in revenues, to 92.4 billion yen, due to lower revenues in the finance services business at Hitachi Capital Corporation in the aftermath of the Great East Japan Earthquake. However, the overseas business and new business, including debt collection services, generated higher revenues.

Segment operating income improved 1.7 billion yen, to 6.9 billion yen, reflecting higher earnings at Hitachi Capital because of increased revenues from the overseas and new businesses and reduced credit costs.

[Others]

	Three months ended June 30, 2011		
	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)
Revenues	226.9	26%	2,802
Operating income	5.7	(0.2)	72

Segment revenues increased 26% year over year, to 226.9 billion yen, on healthy growth in sales in third-party logistics solutions, in addition to the effect of Hitachi Transport System making Vantec a consolidated subsidiary in April 2011.

Segment operating income declined 0.2 billion yen, to 5.7 billion yen. Although earnings increased at Hitachi Transport System in line with higher revenues, the Great East Japan Earthquake affected overall earnings.

(3) Revenues by Market

	Three months ended June 30, 2011		
	Yen (billions)	Year-over-year % change	U.S. dollars (millions)
Japan	1,177.1	0%	14,533
Outside Japan	973.5	(1%)	12,019
Asia	490.8	(2%)	6,060
North America	194.0	1%	2,396
Europe	184.5	(2%)	2,278
Other Areas	104.0	9%	1,285

Revenues in Japan were 1,177.1 billion yen, unchanged year over year. The Others Segment posted higher revenues at Hitachi Transport System due to the consolidation of Vantec and strong sales growth in third-party logistics solutions, and others. However, the Components & Devices, Electronic Systems & Equipment, and Automotive Systems segments all saw revenues decline.

Outside Japan revenues declined 1% year over year, to 973.5 billion yen. The consolidation of Vantec at Hitachi Transport System led to higher revenues in the Others Segment, and the Construction Machinery and Electronic Systems & Equipment segments also posted higher revenues. However, revenues declined in the Digital Media & Consumer Products and Power Systems segments.

As a result, the ratio of overseas revenues to consolidated revenues was 45%, flat year over year.

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

Capital investment on a completion basis, excluding leasing assets, increased 27% year over year, to 59.7 billion yen, primarily due to investments for stepping up global business development.

Depreciation, excluding leasing assets, decreased 11% year over year, to 67.2 billion yen, primarily due to strict selection of capital investments.

R&D expenditures increased 2% year over year to 94.0 billion yen, which corresponded to 4.4% of consolidated revenues. The increase was due mainly to further R&D investment to strengthen the Social Innovation Business.

2. Financial Position

(1) Financial Position

	As of June 30, 2011		
	Yen (billions)	Change from March 31, 2011	U.S. dollars (millions)
Total assets	9,433.6	248.0	116,465
Total liabilities	6,988.5	244.3	86,278
Interest-bearing debt	2,860.0	338.5	35,309
Total Hitachi, Ltd. stockholders' equity	1,440.2	0.4	17,781
Noncontrolling interests	1,004.8	3.2	12,405
Total Hitachi, Ltd. stockholders' equity ratio	15.3%	0.4 point decrease	-
D/E ratio (including noncontrolling interests)	1.17 times	0.14 point increase	-

Total assets as of June 30, 2011 increased 248.0 billion yen from March 31, 2011, to 9,433.6 billion yen. Interest-bearing debt increased 338.5 billion yen from March 31, 2011, to 2,860.0 billion yen, because of an increase in working capital due to seasonal factors, as well as an increase in short-term debt, mainly in the form of commercial paper, to ensure the Company was ready to cope with jittery credit markets after the Great East Japan Earthquake. Stockholders' equity increased 0.4 billion yen, to 1,440.2 billion yen. As a result, the total Hitachi, Ltd. stockholders' equity ratio was 15.3%. The debt-to-equity ratio, including noncontrolling interests, was 1.17.

(2) Cash Flows

	Three months ended June 30, 2011		
	Yen (billions)	Year-over-year change	U.S. dollars (millions)
Cash flows from operating activities	(0.2)	(131.7)	(3)
Cash flows from investing activities	(114.3)	(34.7)	(1,411)
Free cash flows	(114.5)	(166.4)	(1,414)
Cash flows from financing activities	306.0	279.4	3,778

Operating activities used net cash of 0.2 billion yen, a 131.7 billion yen change from the net cash provided in the first quarter of fiscal 2010. This result was mainly due to a decrease in net income as a result of the impact of the Great East Japan Earthquake.

Investing activities used net cash of 114.3 billion yen, 34.7 billion yen more year over year. This result mainly reflected the large ammount of sale of certain securities in the first quarter of fiscal 2010.

Free cash flows, the sum of cash flows from operating and investing activities, was a negative 114.5 billion yen.

Financing activities provided net cash of 306.0 billion yen, 279.4 billion yen more year over year. The increase was due to an increase in short-term debt mainly from the issue of commercial paper.

The net result of the above items was an increase of 190.1 billion yen in cash and cash equivalents, to 744.9 billion yen.

3. Outlook for Six Months Period Ending September 30, 2011

	The first half of fiscal 2011 ending September 30, 2011		
	Yen (billions)	Year-over-year change (% or billions yen)	U.S. dollars (millions)
Revenues	4,400.0	(2%)	55,000
Operating income	100.0	(118.0)	1,250
Income before income taxes	75.0	(188.8)	938
Net Income	30.0	(174.4)	375
Net Income attributable to Hitachi, Ltd.	10.0	(148.0)	125

Note: First half of fiscal 2011 outlook figures were converted using 80 yen to the U.S. dollar.

In terms of the overall business environment going forward, while the parts and components supply problem stemming from the Great East Japan Earthquake is expected to be gradually resolved, power supply shortages and other problems are expected to persist. In addition, causes for concern abound such as an expected strengthening of the yen, and growing uncertainty about the global economic outlook. The situation remains unpredictable.

Under these circumstances, Hitachi has revised consolidated forecasts for the first half of fiscal 2011 issued on June 9, 2011, as per the forecasts in the table above. Regarding full-year forecasts, Hitachi has not revised its previous forecasts at this time because of considerable uncertainty. This uncertainty includes trends in the global economy, especially in the U.S., Europe and China, foreign currency fluctuations, and fluctuations in raw materials prices.

Projections for the second quarter of fiscal 2011 assume exchange rates of 80 yen to the U.S. dollar and 110 yen to the euro.

Other

(1) Changes in significant subsidiaries during the period (changes in significant 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 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 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 technologies 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, 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;
- 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 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 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, tsunamis or other natural disasters, including the possibility of continuing adverse effects on Hitachi's operations as a result of the earthquake and tsunami that struck northeastern Japan on March 11, 2011;
- 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 Hitachi's periodic filings with the U.S. Securities and Exchange Commission and in other materials published by Hitachi.