

**Outline of Consolidated Financial Results  
for the Second Quarter ended  
September 30, 2013**

October 29, 2013

**Hitachi, Ltd.**

# Contents

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**1. Outline of Consolidated Financial Results for  
the Second Quarter ended September 30, 2013**

# 1-1. Highlights of Fiscal 2013 1<sup>st</sup> Half Financial Results

Revenues	Increased 3% YoY, rose 2% compared to previous forecast* <sup>1</sup> <ul style="list-style-type: none"><li>● Higher in the Social Infrastructure &amp; Industrial Systems, Information &amp; Telecommunication Systems and Digital Media &amp; Consumer Products segments, etc.</li></ul>
Operating income	Increased 9.8 billion yen YoY, rose 28.4 billion yen compared to previous forecast* <sup>1</sup> <ul style="list-style-type: none"><li>● Increased in the High Functional Materials &amp; Components, Construction Machinery and Information &amp; Telecommunication Systems segments, etc.</li></ul>
EBIT (Earnings before interest and taxes)* <sup>2</sup>	Increased 17.9 billion yen YoY, rose 22.0 billion yen compared to previous forecast* <sup>1</sup> <ul style="list-style-type: none"><li>● Resulted from improved equity in net earnings of affiliated companies and foreign exchange gains, etc.</li></ul>
Net income attributable to Hitachi, Ltd. stockholders	Increased 2.6 billion yen YoY, rose 17.7 billion yen compared to previous forecast* <sup>1</sup> <ul style="list-style-type: none"><li>● Profitable for 16 consecutive quarters</li></ul>
Total Hitachi, Ltd. stockholders' equity ratio (Manufacturing, Services and Others)	Up 1.0 of a point from March 31, 2013
Core free cash flows* <sup>3</sup> (Manufacturing, Services and Others)	Increased 17.9 billion yen YoY

\*1 Previous forecast announced on July 30, 2013

\*2 Defined income before income taxes less interest income plus interest charges.

\*3 Operating cash flow plus collection of investments in leases less cash outflows for the purchase of property, plant and equipment, intangible assets, software, and the assets to be leased.

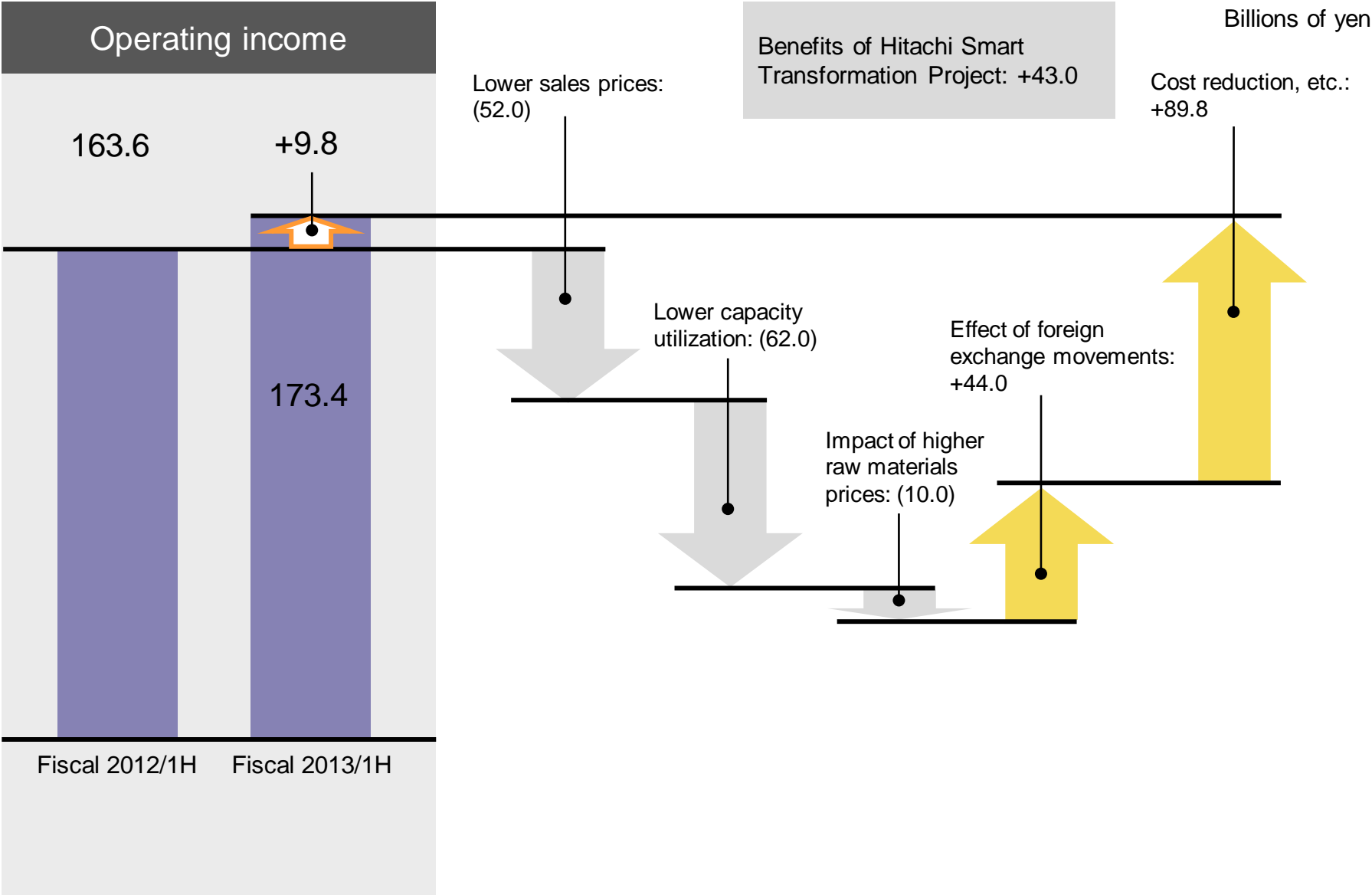
# 1-2. Consolidated Statements of Operations

Billions of yen

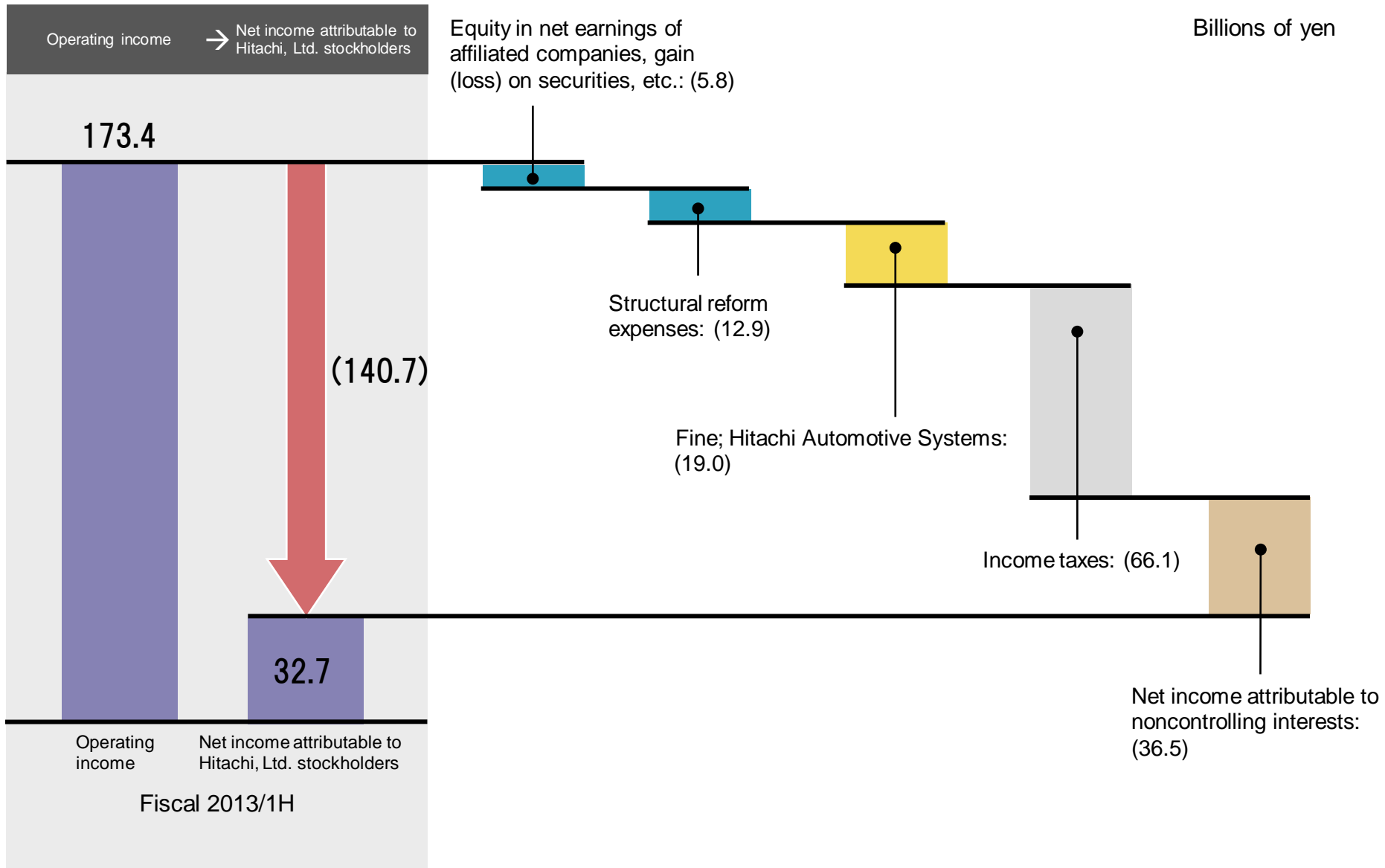
	Fiscal 2012/1H	Fiscal 2013/1H	Year over year	Previous forecast* comparison
Revenues	4,355.5	4,470.6	+115.1 [103%]	+70.6 [102%]
Operating income	163.6	173.4	+9.8	+28.4
EBIT	124.0	142.0	+17.9	+22.0
Net other income (deductions)	(47.3)	(37.9)	+9.4	(7.9)
Income before income taxes	116.2	135.5	+19.2	+20.5
Income taxes	(50.7)	(66.1)	(15.4)	(1.1)
Net income	65.5	69.3	+3.8	+19.3
Net income attributable to noncontrolling interests	(35.3)	(36.5)	(1.2)	(1.5)
Net income attributable to Hitachi, Ltd. stockholders	30.1	32.7	+2.6	+17.7

\* Previous forecast announced on July 30, 2013

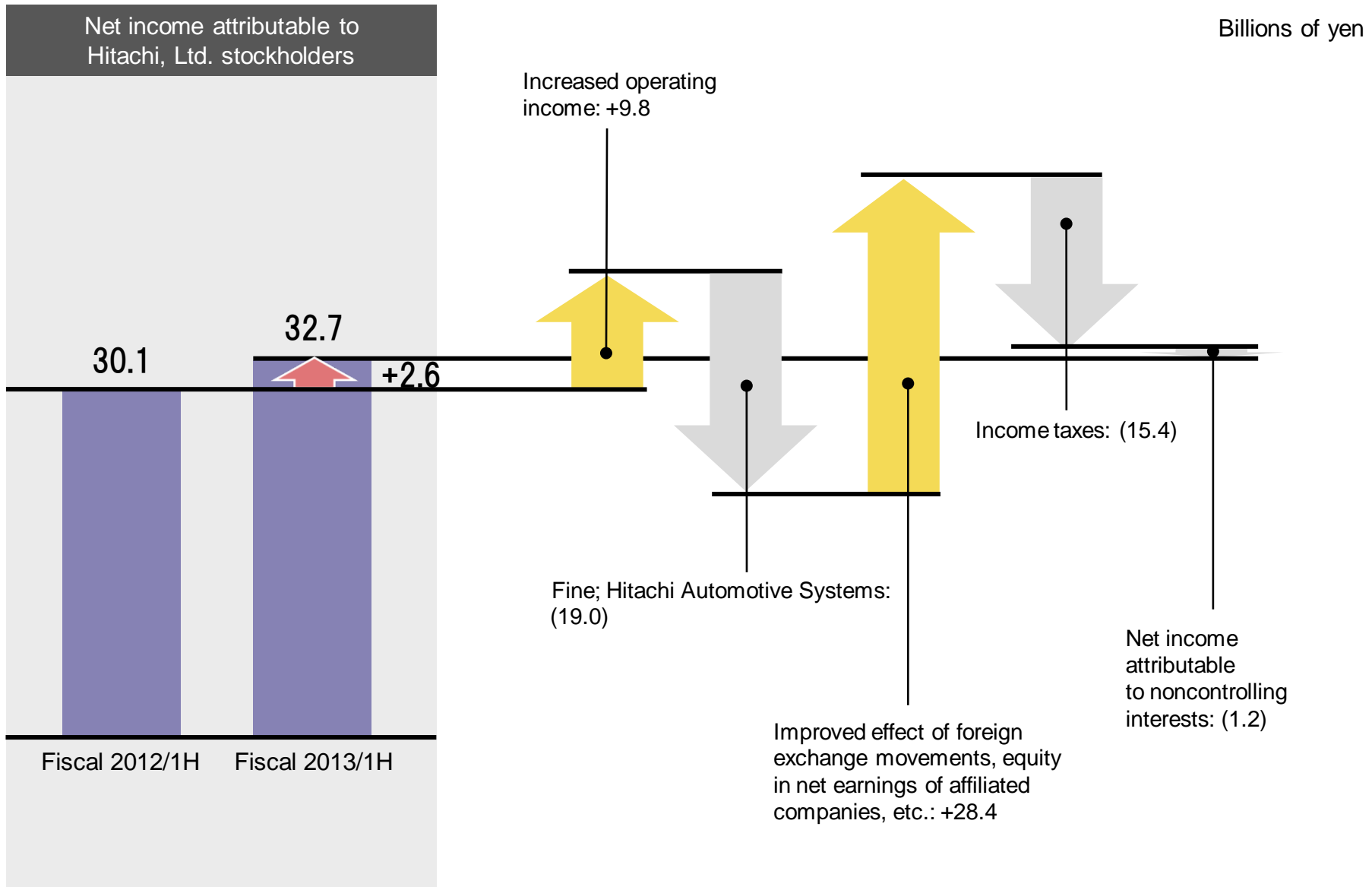
# 1-3. Major Factors for Change in Operating Income (Year over year)



# 1-4. Major Factors for Change in Net Income Attributable to Hitachi, Ltd. Stockholders



# 1-5. Major Factors for Change in Net Income Attributable to Hitachi, Ltd. Stockholders (Year over Year)





## 1-6. Revenues by Market

Billions of yen

	Fiscal 2012/1H	Ratio	Fiscal 2013/1H	Ratio	Year over year
Japan	2,551.7	59%	2,413.0	54%	95%
Outside Japan	1,803.8	41%	2,057.6	46%	114%
Asia	846.5	19%	994.0	22%	117%
China	387.1	9%	494.3	11%	128%
North America	387.2	9%	443.4	10%	114%
Europe	310.2	7%	355.4	8%	115%
Other Areas	259.7	6%	264.6	6%	102%
<b>Total</b>	<b>4,355.5</b>	<b>100%</b>	<b>4,470.6</b>	<b>100%</b>	<b>103%</b>

## 1-7. Summary of Consolidated Balance Sheets

Billions of yen

	As of March 31, 2013 (A)	As of September 30, 2013 (B)	(B) - (A)
Total assets	9,809.2	10,467.2	+658.0
Trade receivables and Inventories	3,859.1	3,942.8	+83.6
Total liabilities	6,629.9	7,069.3	+439.4
Interest-bearing debt	2,370.0	2,792.3	+422.2
Total Hitachi, Ltd. stockholders' equity	2,082.5	2,250.2	+167.7
Noncontrolling interests	1,096.7	1,147.6	+50.8
Total Hitachi, Ltd. stockholders' equity ratio	21.2%	21.5%	0.3 points increase
D/E ratio (Including noncontrolling interests)	0.75 times	0.82 times	0.07 points increase

# 1-8. Summary of Consolidated Balance Sheets by Manufacturing, Services and Others and Financial Services

## ■ Summary of Consolidated Balance Sheets (Manufacturing, Services and Others)\*

Billions of yen

	As of March 31, 2013 (A)	As of September 30, 2013 (B)	(B) - (A)
Total assets	8,324.4	8,649.8	+325.4
Trade receivables and Inventories	3,444.7	3,399.0	(45.6)
Total liabilities	5,414.7	5,536.2	+121.5
Interest-bearing debt	1,368.8	1,495.1	+126.2
Total Hitachi, Ltd. stockholders' equity	1,932.3	2,090.0	+157.6
Noncontrolling interests	977.3	1,023.5	+46.2
Total Hitachi, Ltd. stockholders' equity ratio	23.2%	24.2%	1.0 points increase
D/E ratio (Including noncontrolling interests)	0.47 times	0.48 times	0.01 points increase

## ■ Summary of Consolidated Balance Sheets (Financial Services)\*

Billions of yen

	As of March 31, 2013 (A)	As of September 30, 2013 (B)	(B) - (A)
Total assets	1,960.9	2,275.5	+314.6
Trade receivables and Inventories	642.3	745.8	+103.5
Total liabilities	1,680.2	1,979.4	+299.2
Interest-bearing debt	1,224.9	1,530.6	+305.7
Total Hitachi, Ltd. stockholders' equity	161.1	171.3	+10.2
Noncontrolling interests	119.6	124.7	+5.1
Total Hitachi, Ltd. stockholders' equity ratio	8.2%	7.5%	0.7 points decrease
D/E ratio (Including noncontrolling interests)	4.36 times	5.17 times	0.81 points increase

\* Figures here represent unaudited information prepared by the Company

# 1-9. Summary of Consolidated Statements of Cash Flows

## ■ Summary of Consolidated Statements of Cash Flows

Billions of yen

	Fiscal 2012/1H	Fiscal 2013/1H	Year over year
Cash flows from operating activities	263.1	203.1	(59.9)
Cash flows from investing activities	(220.8)	(245.5)	(24.6)
Free cash flows	42.2	(42.3)	(84.6)
Core free cash flows	3.2	(98.3)	(101.6)

## ■ Summary of Consolidated Statements of Cash Flows (Manufacturing, Services and Others)\*

Billions of yen

	Fiscal 2012/1H	Fiscal 2013/1H	Year over year
Cash flows from operating activities	228.4	238.0	+9.6
Cash flows from investing activities	(158.7)	(208.3)	(49.5)
Free cash flows	+69.7	29.7	(39.9)
Core free cash flows	(11.4)	6.4	+17.9

## ■ Summary of Consolidated Statements of Cash Flows (Financial Services)\*

Billions of yen

	Fiscal 2012/1H	Fiscal 2013/1H	Year over year
Cash flows from operating activities	41.2	(21.8)	(63.0)
Cash flows from investing activities	(39.3)	(53.0)	(13.6)
Free cash flows	1.8	(74.8)	(76.7)
Core free cash flows	26.5	(99.6)	(126.2)

\* Figures here represent unaudited information prepared by the Company

# 1-10. Consolidated Capital Expenditure, Depreciation and R&D Expenditure

## ■ Consolidated Capital Expenditure (Completion basis, including Leasing Assets)

Billions of yen

	Fiscal 2012/1H	Fiscal 2013/1H	Year over year
Manufacturing, Services and Others	198.0	198.0	100%
Financial Services	169.8	224.8	132%
Total*	364.6	417.3	114%

\* Total figures exclude inter-segment transactions.

## ■ Consolidated Depreciation

Billions of yen

	Fiscal 2012/1H	Fiscal 2013/1H	Year over year
Manufacturing, Services and Others	115.0	129.0	112%
Financial Services	28.5	32.5	114%
Total	143.6	161.6	113%

## ■ Consolidated R&D Expenditure

Billions of yen

	Fiscal 2012/1H	Fiscal 2013/1H	Year over year
Total	165.7	175.1	106%

# 1-11. Revenues, Operating Income and EBIT by Business Group (1)\*1

Billions of yen

		Fiscal 2012/1H	Fiscal 2013/1H	Year over year	Previous forecast*2 comparison
Infrastructure Systems	Revenues	1,484.7	1,556.3	105%	101%
	Operating income	20.5	12.3	(8.1)	+10.3
	EBIT	18.3	14.7	(3.6)	+10.7
Information & Telecommunication Systems	Revenues	1,110.7	1,172.0	106%	103%
	Operating income	38.7	39.6	+0.8	+0.6
	EBIT	34.2	37.2	+2.9	+2.2
Power Systems	Revenues	413.4	376.3	91%	102%
	Operating income	7.4	2.1	(5.2)	+7.1
	EBIT	5.9	3.4	(2.4)	+11.4
Construction Machinery	Revenues	370.6	358.0	97%	94%
	Operating income	22.8	29.4	+6.6	+1.4
	EBIT	29.8	26.6	(3.1)	(1.3)

\*1 Figures here represent unaudited information prepared by the Company

\*2 Previous forecast announced on July 30, 2013

# 1-12. Revenues, Operating Income and EBIT by Business Group (2)\*1

Billions of yen

		Fiscal 2012/1H	Fiscal 2013/1H	Year over year	Previous forecast*2 comparison
High Functional Materials & Components	Revenues	748.4	739.4	99%	103%
	Operating income	40.0	51.6	+11.6	+4.6
	EBIT	38.6	52.3	+13.6	+7.3
Automotive Systems	Revenues	401.8	426.7	106%	107%
	Operating income	19.2	20.8	+1.5	+2.8
	EBIT	18.2	2.0	(16.2)	(15.9)
Financial Services	Revenues	179.6	163.6	91%	102%
	Operating income	13.7	16.0	+2.3	+1.0
	EBIT	15.5	17.4	+1.8	+2.4
Total	Revenues	4,355.5	4,470.6	103%	102%
	Operating income	163.6	173.4	+9.8	+28.4
	EBIT	124.0	142.0	+17.9	+22.0

\*1 Figures here represent unaudited information prepared by the Company

\*2 Previous forecast announced on July 30, 2013

# 1-13. Revenues, Operating Income and EBIT by Business Segment (1)

Billions of yen

		Fiscal 2012/1H	Fiscal 2013/1H	Year over year	Previous forecast* comparison
Information & Telecommunication Systems	Revenues	832.9	884.7	106%	104%
	Operating income	27.2	31.3	+4.1	+3.3
	EBIT	22.4	28.9	+6.5	+4.9
Power Systems	Revenues	413.4	376.3	91%	102%
	Operating income	7.4	2.1	(5.2)	+7.1
	EBIT	5.9	3.4	(2.4)	+11.4
Social Infrastructure & Industrial Systems	Revenues	545.3	597.3	110%	100%
	Operating income	3.1	2.6	(0.5)	+4.6
	EBIT	3.2	6.3	+3.1	+5.3
Electronic Systems & Equipment	Revenues	510.5	499.8	98%	102%
	Operating income	19.7	10.6	(9.1)	+3.6
	EBIT	17.1	9.3	(7.8)	+3.3
Construction Machinery	Revenues	370.6	358.0	97%	94%
	Operating income	22.8	29.4	+6.6	+1.4
	EBIT	29.8	26.6	(3.1)	(1.3)
High Functional Materials & Components	Revenues	674.3	669.5	99%	103%
	Operating income	38.1	49.2	+11.0	+3.2
	EBIT	37.5	49.2	+11.6	+5.2

\* Previous forecast announced on July 30, 2013



# 1-14. Revenues, Operating Income and EBIT by Business Segment (2)

Billions of yen

		Fiscal 2012/1H	Fiscal 2013/1H	Year over year	Previous forecast*1 comparison
Automotive Systems	Revenues	401.8	426.7	106%	107%
	Operating income	19.2	20.8	+1.5	+2.8
	EBIT	18.2	2.0	(16.2)	(15.9)
Digital Media & Consumer Products	Revenues	428.7	459.1	107%	102%
	Operating income	(2.4)	(0.8)	+1.5	+2.1
	EBIT	(2.0)	(1.0)	+0.9	+1.9
Others (Logistics and Other services)*2	Revenues	556.6	574.9	103%	106%
	Operating income	20.8	18.5	(2.2)	+1.5
	EBIT	21.4	22.5	+1.0	+5.5
Financial Services	Revenues	179.6	163.6	91%	102%
	Operating income	13.7	16.0	+2.3	+1.0
	EBIT	15.5	17.4	+1.8	+2.4
Corporate items & Eliminations	Revenues	(558.7)	(539.8)	-	-
	Operating income	(6.5)	(6.6)	(0.1)	(2.6)
	EBIT	(45.3)	(22.9)	+22.3	(0.9)
Total	Revenues	4,355.5	4,470.6	103%	102%
	Operating income	163.6	173.4	+9.8	+28.4
	EBIT	124.0	142.0	+17.9	+22.0

\*1 Previous forecast announced on July 30, 2013

\*2 On April 1, 2013, the former "Others" was renamed "Others (Logistics and Other services)."

Business Group	Segment and Subsidiary
Infrastructure Systems Group	Social Infrastructure & Industrial Systems Segment, Electronic Systems & Equipment Segment, Digital Media & Consumer Products Segment
Information & Telecommunication Systems Group	Information & Telecommunication Systems Segment, Hitachi Transport System
Power Systems Group	Power Systems Segment
Construction Machinery Group	Construction Machinery Segment
High Functional Materials & Components Group	High Functional Materials & Components Segment, Hitachi Maxell
Automotive Systems Group	Automotive Systems Segment
Financial Services	Financial Services Segment

Some businesses are not included in the table above.

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## 2. Outlook for Fiscal 2013

### ■ Business Environment

- **Japan** : Moderate economic recovery underpinned by correction of the strong yen and pick-up in exports
- **U.S.** : Concerns about the impact of the debt ceiling problem
- **Europe** : Persistent government finance and employment problems
- **China, India and Brazil** : Economic growth is expected to slow

### ■ Summary of the Fiscal 2013 Forecast

[Projections for the second half of fiscal 2013 assume an exchange rate of 95 yen to the U.S.dollar and 125 yen to the euro.]

Billions of yen

	Fiscal 2012	Fiscal 2013 (Forecast) *	Year over year	Previous forecast comparison
Revenues	9,041.0	9,200.0	+158.9 [102%]	±0.0 [100%]
Operating income	422.0	500.0	+77.9	±0.0
EBIT	358.0	440.0	+81.9	±0.0
Net income attributable to Hitachi, Ltd. stockholders	175.3	210.0	+34.6	±0.0

\* There have been no revisions from forecasts announced on July 30, 2013

## 2-2. Outlook for Fiscal 2013 (2)

[Projections for the second half of fiscal 2013 assume an exchange rate of 95 yen to the U.S.dollar and 125 yen to the euro.]

Billions of yen

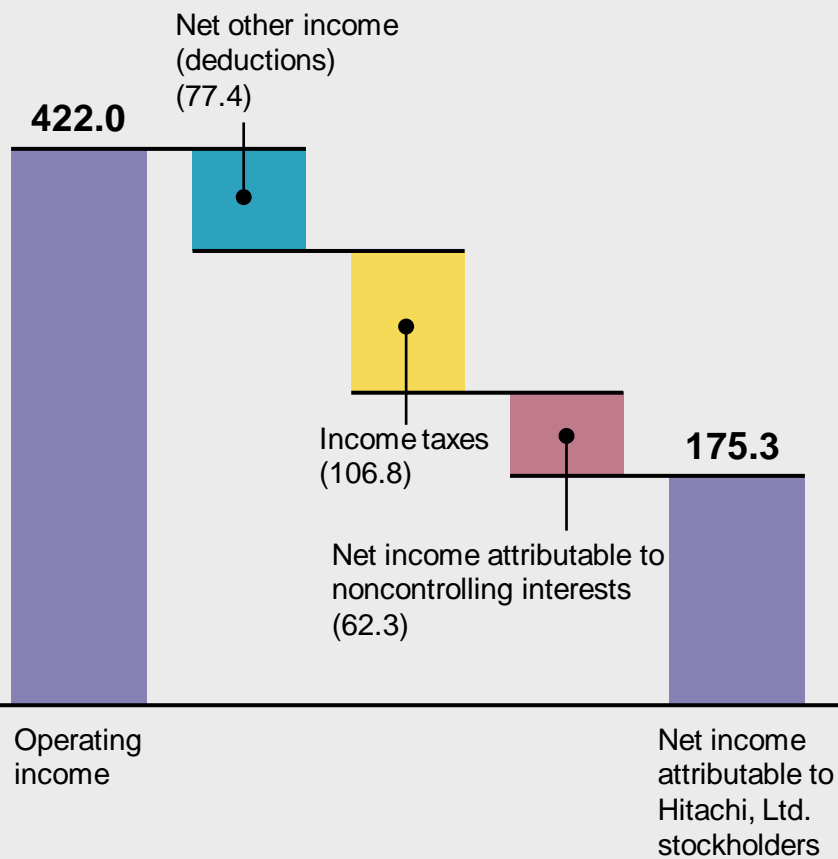
	Fiscal 2012	Fiscal 2013 (Forecast)	Year over year	Previous forecast* comparison
Revenues	9,041.0	9,200.0	+158.9 [102%]	±0.0 [100%]
Operating income	422.0	500.0	+77.9	±0.0
EBIT	358.0	440.0	+81.9	±0.0
Net other income (deductions)	(77.4)	(75.0)	+2.4	±0.0
Income before income taxes	344.5	425.0	+80.4	±0.0
Income taxes	(106.8)	(120.0)	(13.1)	±0.0
Net income	237.7	305.0	+67.2	±0.0
Net income attributable to noncontrolling interests	(62.3)	(95.0)	(32.6)	±0.0
Net income attributable to Hitachi, Ltd. stockholders	175.3	210.0	+34.6	±0.0

\* Previous forecast announced on July 30, 2013

## 2-3. Major Factors of Net Income Attributable to Hitachi, Ltd. Stockholders

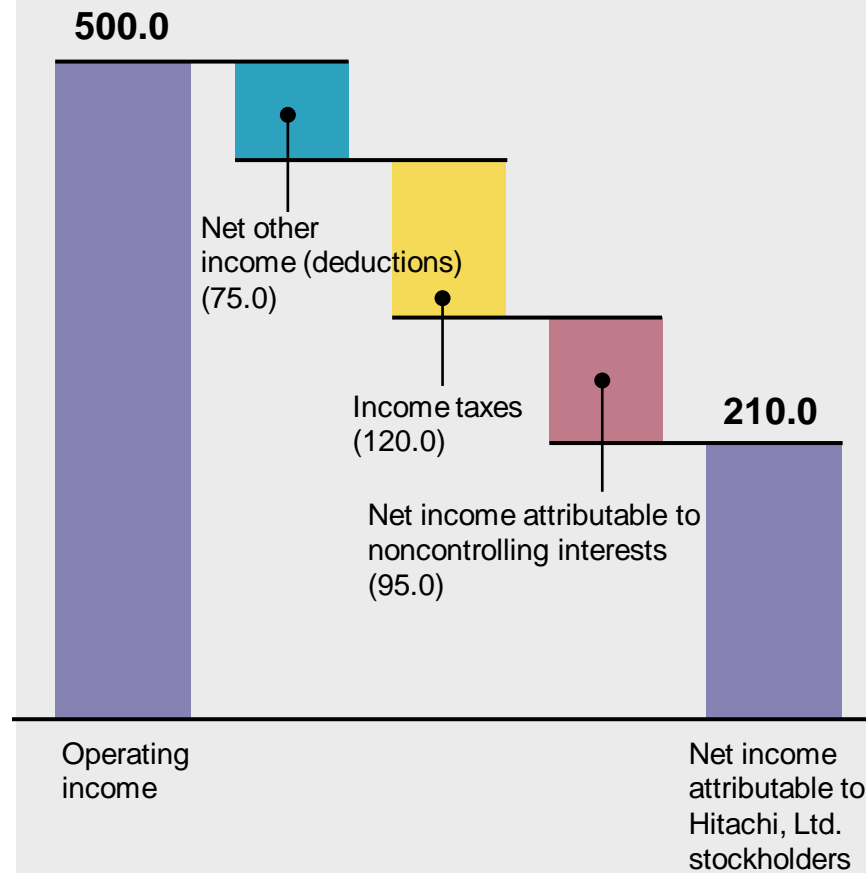
### Fiscal 2012

Billions of yen



### Fiscal 2013 (Forecast)

Billions of yen



## 2-4. Outlook for Fiscal 2013: Revenues, Operating income and EBIT by Business Group (1)\*1

Billions of yen

		Fiscal 2012	Fiscal 2013 (Forecast)	Year over year	Previous forecast*2 comparison
Infrastructure Systems	Revenues	3,146.6	3,390.0	108%	103%
	Operating income	84.2	111.0	+26.7	(2.0)
	EBIT	94.9	107.0	+12.0	+3.0
Information & Telecommunication Systems	Revenues	2,338.4	2,460.0	105%	102%
	Operating income	126.2	143.0	+16.7	(3.0)
	EBIT	125.5	132.0	+6.4	(4.0)
Power Systems	Revenues	904.6	750.0	83%	100%
	Operating income	29.9	15.0	(14.9)	±0.0
	EBIT	30.0	14.0	(16.0)	±0.0
Construction Machinery	Revenues	756.0	800.0	106%	100%
	Operating income	54.6	82.0	+27.3	±0.0
	EBIT	58.1	78.0	+19.8	±0.0

\*1 Figures here represent unaudited information prepared by the Company

\*2 Previous forecast announced on July 30, 2013

## 2-5. Outlook for Fiscal 2013: Revenues, Operating income and EBIT by Business Group (2)\*1

Billions of yen

		Fiscal 2012	Fiscal 2013 (Forecast)	Year over year	Previous forecast*2 comparison
High Functional Materials & Components	Revenues	1,475.9	1,490.0	101%	102%
	Operating income	61.4	105.0	+43.5	+15.0
	EBIT	52.6	103.0	+50.3	+15.0
Automotive Systems	Revenues	806.8	840.0	104%	102%
	Operating income	35.4	42.0	+6.5	+1.0
	EBIT	36.4	23.0	(13.4)	(18.0)
Financial Services	Revenues	340.2	320.0	94%	97%
	Operating income	29.2	31.0	+1.7	+1.0
	EBIT	29.4	33.0	+3.5	+3.0
Total	Revenues	9,041.0	9,200.0	102%	100%
	Operating income	422.0	500.0	+77.9	±0.0
	EBIT	358.0	440.0	+81.9	±0.0

\*1 Figures here represent unaudited information prepared by the Company

\*2 Previous forecast announced on July 30, 2013



## 2-6. Outlook for Fiscal 2013: Revenues, Operating income and EBIT by Business Segment (1)

Billions of yen

		Fiscal 2012	Fiscal 2013 (Forecast)	Year over year	Previous forecast* comparison
Information & Telecommunication Systems	Revenues	1,786.5	1,860.0	104%	102%
	Operating income	104.6	120.0	+15.3	±0.0
	EBIT	104.2	110.0	+5.7	±0.0
Power Systems	Revenues	904.6	750.0	83%	100%
	Operating income	29.9	15.0	(14.9)	±0.0
	EBIT	30.0	14.0	(16.0)	±0.0
Social Infrastructure & Industrial Systems	Revenues	1,313.8	1,430.0	109%	104%
	Operating income	60.2	61.0	+0.7	(5.0)
	EBIT	63.3	62.0	(1.3)	(1.0)
Electronic Systems & Equipment	Revenues	1,014.3	1,110.0	109%	102%
	Operating income	29.3	50.0	+20.6	+3.0
	EBIT	32.4	48.0	+15.5	+4.0
Construction Machinery	Revenues	756.0	800.0	106%	100%
	Operating income	54.6	82.0	+27.3	±0.0
	EBIT	58.1	78.0	+19.8	±0.0
High Functional Materials & Components	Revenues	1,336.4	1,340.0	100%	102%
	Operating income	58.4	98.0	+39.5	+14.0
	EBIT	50.7	95.0	+44.2	+12.0

\* Previous forecast announced on July 30, 2013

## 2-7. Outlook for Fiscal 2013: Revenues, Operating income and EBIT by Business Segment (2)

Billions of yen

		Fiscal 2012	Fiscal 2013 (Forecast)	Year over year	Previous forecast*1 comparison
Automotive Systems	Revenues	806.8	840.0	104%	102%
	Operating income	35.4	42.0	+6.5	+1.0
	EBIT	36.4	23.0	(13.4)	(18.0)
Digital Media & Consumer Products	Revenues	818.5	850.0	104%	104%
	Operating income	(5.3)	0.0	+5.3	±0.0
	EBIT	(0.9)	(3.0)	(2.0)	±0.0
Others (Logistics and Other services)*2	Revenues	1,111.0	1,180.0	106%	103%
	Operating income	40.1	45.0	+4.8	±0.0
	EBIT	33.5	45.0	+11.4	+2.0
Financial Services	Revenues	340.2	320.0	94%	97%
	Operating income	29.2	31.0	+1.7	+1.0
	EBIT	29.4	33.0	+3.5	+3.0
Corporate items & Eliminations	Revenues	(1,147.5)	(1,280.0)	-	-
	Operating income	(14.7)	(44.0)	(29.2)	(14.0)
	EBIT	(79.3)	(65.0)	+14.3	(2.0)
Total	Revenues	9,041.0	9,200.0	102%	100%
	Operating income	422.0	500.0	+77.9	±0.0
	EBIT	358.0	440.0	+81.9	±0.0

\*1 Previous forecast announced on July 30, 2013

\*2 On April 1, 2013, the former "Others" was renamed "Others (Logistics and Other services)."

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### **3. Toward Achieving “2015 Mid-term Management Plan”**

### Promote transformation of business processes and Group structure to achieve the goals of the 2015 Mid-term Management Plan

#### Production Costs

- Promote global SCM reforms
  - Completed SCM reforms at 3 business entities. Plan to expand application to another 9 business entities in fiscal 2013.
  - Completed building a shared PSI\*1 system for mass production-type businesses (Started trial operation in September)
- Expanded application of modular design
  - Established dedicated team, providing consultation to each business entity

#### Direct Materials Costs

- Expand centralized purchasing globally (Targeting a 34% centralized purchasing ratio in fiscal 2013)
- Lower materials expenses by utilizing global corporate procurement bases
  - Improve global procurement ratio
  - Shorten development lead time by collaborating with Hitachi China Materials Technology Innovation Center
- Strengthen skills of employees at global corporate procurement bases
  - Running a basic training program for national staff (Started e-Learning program in English and Chinese in September)

#### Indirect Costs

- Promote headquarters reforms: Redefined the roles and functions of headquarters to focus on strategy formulation and implementation
- Promote global logistics reforms by leveraging Hitachi Transport System's expertise
  - Established a project team to build an efficient global logistics framework (October)
- Step up global development of shared services and BPO\*2

\*1 PSI: Production Sales Inventory

\*2 BPO: Business Process Outsourcing

### 1. Global Expansion of the Social Innovation Business

- Selected by UK's Department for Transport to provide an additional 270 rail carriages for the Intercity Express Programme (July)
- Started Proof of Concept projects to improve healthcare services with the National Health Service England (Greater Manchester) (October)
- Agreed to establish a joint venture for manufacturing transformers in Taichung, Taiwan (scheduled to commence production in April 2015)

### 2. Strengthening Global Management System and Financial Base

- Initiated headquarters reforms to promote global Hitachi Group growth (October)
- Established the Healthcare Business Strategy Division (October)
- Restructure elevator and escalator business in Japan to strengthen and expand this business (scheduled for April 2014)
  - The Urban Planning and Development Systems Company will focus on global corporate functions and development oversight functions.
  - Plan to transfer the design, manufacturing and sales divisions related to elevator and escalator business in Japan to Hitachi Building Systems to provide one-stop solutions.
- S&P raised its credit rating of Hitachi to A- (August)

### 3. Group Structural Reforms

- Integrate the thermal power generation systems business with Mitsubishi Heavy Industries to strengthen global competitiveness and expand business (plan to establish a new company in January 2014)
- Plan to consolidate company that mainly operates TEPCO's administrative systems (in March 2014), and expand IT services in the social infrastructure field
- Transfer all Hitachi Via Mechanics' shares to The Longreach Group (scheduled for November)

### 4. Promote Solution Provision by Leveraging Financial Services

- Create a global factoring scheme to achieve stable material procurement and improve cash flows
  - Established a new company in October to promote the scheme in China. The scheme is already in place in Japan, the U.S. and Thailand.
- Fuse products and financial services to expand the Social Innovation Business
  - Expand wind and solar power generation services businesses (Currently implementing 6 projects)
  - Won order for providing solutions to support energy cost reductions in North America
  - Expand orders of products for emerging markets using leasing, trade finance, etc.
- Strengthen financial advisory functions for expanding orders in the Social Innovation Business

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;
- 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 Digital Media & Consumer Products segment;
- 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;
- 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 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 by earthquakes, tsunamis 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 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.

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