

FOR IMMEDIATE RELEASE

**Hitachi Announces Consolidated Financial Results
for the Third Quarter Ended December 31, 2025**

Tokyo, January 29, 2026 --- Hitachi, Ltd. (TSE:6501) today announced its consolidated financial results for the Third Quarter Ended December 31, 2025

Condensed Quarterly Consolidated Statement of Profit or Loss

(Millions of yen)

	Nine months ended December 31, 2024 (A)	Nine months ended December 31, 2025 (B)	(B)/(A) (%)
Revenues	7,011,222	7,501,797	107
Cost of sales	(5,005,773)	(5,266,907)	105
Gross profit	2,005,449	2,234,890	111
Selling, general and administrative expenses	(1,350,542)	(1,409,175)	104
Adjusted operating income	654,907	825,715	126
Other income	54,869	131,940	240
Other expenses	(45,526)	(51,572)	113
Financial income	6,008	106,394	-
Financial expenses	(31,209)	(1,508)	5
Share of profits (losses) of investments accounted for using the equity method	28,594	16,536	58
EBIT (Earnings before interest and taxes)	667,643	1,027,505	154
Interest income	28,802	25,447	88
Interest charges	(41,818)	(26,755)	64
Income before income taxes	654,627	1,026,197	157
Income taxes	(188,721)	(348,562)	185
Net income	465,906	677,635	145
Net income attributable to:			
Hitachi, Ltd. stockholders	430,785	638,560	148
Non-controlling interests	35,121	39,075	111
Earnings per share attributable to Hitachi, Ltd. stockholders	Yen	Yen	
Basic	93.50	140.36	150
Diluted	93.40	140.24	150

Note: On July 1, 2024, the Company completed a share split into 5 shares for every one common share. The figures for basic and diluted earnings per share attributable to Hitachi, Ltd. stockholders are calculated on the assumption that the Company conducted this split at the beginning of the previous fiscal year.

Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2024 (A)	Nine months ended December 31, 2025 (B)	(B)/(A) (%)
Net income	465,906	677,635	145
Other comprehensive income (OCI)			
Items not to be reclassified into net income			
Net changes in financial assets measured at fair value through OCI	(3,813)	18,502	-
Remeasurements of defined benefit plans	365	47	13
Share of OCI of investments accounted for using the equity method	(2,089)	429	-
Total items not to be reclassified into net income	(5,537)	18,978	-
Items that can be reclassified into net income			
Foreign currency translation adjustments	130,074	318,386	245
Net changes in cash flow hedges	(10,896)	17,476	-
Share of OCI of investments accounted for using the equity method	18,454	20,595	112
Total items that can be reclassified into net income	137,632	356,457	259
Other comprehensive income (OCI)	132,095	375,435	284
Comprehensive income	598,001	1,053,070	176
Comprehensive income attributable to:			
Hitachi, Ltd. stockholders	558,592	1,006,447	180
Non-controlling interests	39,409	46,623	118

Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2025 (A)	As of December 31, 2025 (B)	(B)-(A)
Assets			
Current assets			
Cash and cash equivalents	866,242	1,124,652	258,410
Trade receivables and contract assets	3,496,340	3,650,906	154,566
Inventories	1,566,282	1,873,725	307,443
Investments in securities and other financial assets	318,421	398,332	79,911
Other current assets	350,558	504,856	154,298
Total Current assets	6,597,843	7,552,471	954,628
Non-current assets			
Investments accounted for using the equity method	836,231	594,594	(241,637)
Investments in securities and other financial assets	349,567	569,240	219,673
Property, plant and equipment	1,341,537	1,534,288	192,751
Goodwill	2,486,823	2,678,790	191,967
Other intangible assets	1,199,996	1,242,845	42,849
Other non-current assets	472,816	512,488	39,672
Total Non-current assets	6,686,970	7,132,245	445,275
Total Assets	13,284,813	14,684,716	1,399,903
Liabilities			
Current liabilities			
Short-term debt	73,146	128,871	55,725
Current portion of long-term debt	368,818	388,734	19,916
Other financial liabilities	280,227	294,403	14,176
Trade payables	1,572,764	1,699,183	126,419
Accrued expenses	736,286	658,630	(77,656)
Contract liabilities	2,196,193	2,868,317	672,124
Other current liabilities	680,411	933,969	253,558
Total Current liabilities	5,907,845	6,972,107	1,064,262
Non-current liabilities			
Long-term debt	764,152	538,646	(225,506)
Retirement and severance benefits	247,497	257,349	9,852
Other non-current liabilities	333,902	362,490	28,588
Total Non-current liabilities	1,345,551	1,158,485	(187,066)
Total Liabilities	7,253,396	8,130,592	877,196
Equity			
Hitachi, Ltd. stockholders' equity			
Common stock	464,384	466,666	2,282
Capital surplus	-	4,796	4,796
Retained earnings	4,350,503	4,787,372	436,869
Accumulated other comprehensive income	1,040,791	1,405,479	364,688
(Foreign currency translation adjustments)	890,159	1,223,228	333,069
(Remeasurements of defined benefit plans)	114,167	113,259	(908)
(Net changes in financial assets measured at fair value through OCI)	39,496	56,216	16,720
(Net changes in cash flow hedges)	(3,031)	12,776	15,807
Treasury stock, at cost	(8,587)	(307,858)	(299,271)
Total Hitachi, Ltd. stockholders' equity	5,847,091	6,356,455	509,364
Non-controlling interests	184,326	197,669	13,343
Total Equity	6,031,417	6,554,124	522,707
Total Liabilities and Equity	13,284,813	14,684,716	1,399,903

Condensed Quarterly Consolidated Statement of Changes in Equity

(Millions of yen)

Nine months ended December 31, 2024								
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
Balance at beginning of period	463,417	-	4,084,729	1,160,550	(4,991)	5,703,705	155,898	5,859,603
Changes in equity								
Reclassified into retained earnings	-	-	(663)	663	-	-	-	-
Net income	-	-	430,785	-	-	430,785	35,121	465,906
Other comprehensive income	-	-	-	127,807	-	127,807	4,288	132,095
Dividends to Hitachi, Ltd. stockholders	-	-	(189,207)	-	-	(189,207)	-	(189,207)
Dividends to non-controlling interests	-	-	-	-	-	-	(28,315)	(28,315)
Acquisition of treasury stock	-	-	-	-	(200,236)	(200,236)	-	(200,236)
Disposition of treasury stock	-	(843)	-	-	1,088	245	-	245
Issuance of new shares	967	966	-	-	-	1,933	-	1,933
Transfer to capital surplus from retained earnings	-	902	(902)	-	-	-	-	-
Changes in non-controlling interests	-	(1,025)	-	(25,224)	-	(26,249)	3,712	(22,537)
Total changes in equity	967	-	240,013	103,246	(199,148)	145,078	14,806	159,884
Balance at end of period	464,384	-	4,324,742	1,263,796	(204,139)	5,848,783	170,704	6,019,487

(Millions of yen)

Nine months ended December 31, 2025								
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
Balance at beginning of period	464,384	-	4,350,503	1,040,791	(8,587)	5,847,091	184,326	6,031,417
Changes in equity								
Reclassified into retained earnings	-	-	3,379	(3,379)	-	-	-	-
Net income	-	-	638,560	-	-	638,560	39,075	677,635
Other comprehensive income	-	-	-	367,887	-	367,887	7,548	375,435
Dividends to Hitachi, Ltd. stockholders	-	-	(205,070)	-	-	(205,070)	-	(205,070)
Dividends to non-controlling interests	-	-	-	-	-	-	(32,915)	(32,915)
Acquisition of treasury stock	-	-	-	-	(300,149)	(300,149)	-	(300,149)
Disposition of treasury stock	-	(785)	-	-	878	93	-	93
Issuance of new shares	2,282	2,282	-	-	-	4,564	-	4,564
Transfer to capital surplus from retained earnings	-	-	-	-	-	-	-	-
Changes in non-controlling interests	-	3,299	-	180	-	3,479	(365)	3,114
Total changes in equity	2,282	4,796	436,869	364,688	(299,271)	509,364	13,343	522,707
Balance at end of period	466,666	4,796	4,787,372	1,405,479	(307,858)	6,356,455	197,669	6,554,124

Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2024 (A)	Nine months ended December 31, 2025 (B)	(B)-(A)
Cash flows from operating activities			
Net Income	465,906	677,635	211,729
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	327,131	334,324	7,193
Impairment losses	5,482	19,510	14,028
Income taxes	188,721	348,562	159,841
Share of (profits) losses of investments accounted for using the equity method	(28,594)	(16,536)	12,058
Financial income and expenses	7,008	(63,794)	(70,802)
Net (gain) loss on business reorganization and others	(33,248)	(130,759)	(97,511)
(Gain) loss on sale of property, plant and equipment	(20,676)	2,934	23,610
Change in trade receivables and contract assets	187,947	522,197	334,250
Change in inventories	(154,804)	(248,963)	(94,159)
Change in trade payables	6,255	20,791	14,536
Change in accrued expenses	(85,471)	(103,863)	(18,392)
Change in retirement and severance benefits	(13,635)	6,755	20,390
Other	29,880	8,436	(21,444)
Subtotal	881,902	1,377,229	495,327
Interest received	27,537	27,797	260
Dividends received	22,284	88,000	65,716
Interest paid	(46,298)	(29,236)	17,062
Income taxes paid	(267,264)	(301,892)	(34,628)
Net cash provided by (used in) operating activities	618,161	1,161,898	543,737
Cash flows from investing activities			
Purchase of property, plant and equipment	(142,575)	(217,553)	(74,978)
Purchase of intangible assets	(101,292)	(103,615)	(2,323)
Proceeds from sale of property, plant and equipment, and intangible assets	38,306	10,807	(27,499)
Purchase of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	(276,463)	(165,892)	110,571
Proceeds from sale of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	66,492	290,574	224,082
Other	(6,055)	11,288	17,343
Net cash provided by (used in) investing activities	(421,587)	(174,391)	247,196
Free cash flows	196,574	987,507	790,933
Cash flows from financing activities			
Change in short-term debt, net	495,930	49,665	(446,265)
Proceeds from long-term debt	80,632	61,494	(19,138)
Payments on long-term debt	(77,781)	(385,343)	(307,562)
Proceeds from payments from non-controlling interests	-	736	736
Dividends paid to Hitachi, Ltd. stockholders	(189,173)	(205,037)	(15,864)
Dividends paid to non-controlling interests	(28,494)	(33,239)	(4,745)
Acquisition of common stock for treasury	(200,236)	(300,149)	(99,913)
Proceeds from sales of treasury stock	5	1	(4)
Purchase of shares of consolidated subsidiaries from non-controlling interests	(38)	(2,212)	(2,174)
Net cash provided by (used in) financing activities	80,845	(814,084)	(894,929)
Effect of exchange rate changes on cash and cash equivalents	26,500	84,987	58,487
Change in cash and cash equivalents	303,919	258,410	(45,509)
Cash and cash equivalents at beginning of period	705,367	866,242	160,875
Cash and cash equivalents at end of period	1,009,286	1,124,652	115,366

Segment Information

(1) Segment revenues and profit (loss)

The operating segments of the Company are the components for which separate financial information is available and which is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

The Company discloses its business in five reportable segments, corresponding to categories of activities classified primarily by the similarities for the nature of markets, products and services, and economic characteristics. Several operating segments are aggregated into Energy and Connective Industries for financial reporting purposes so that users of the financial statements better understand the Company's financial position and business performance. The Company aggregates operating segments based on the similarities of economic characteristics mainly using the segment profit (loss) margin ratio of operating segments. The primary products and services included in each reportable segment are as follows:

(a) Digital Systems & Services:

Digital solutions (System integration, Cloud services, Consulting services), IT products (Storage, Servers), Software, and ATMs

(b) Energy:

Energy solutions (Power grids, Nuclear)

(c) Mobility:

Railway systems

(d) Connective Industries:

Building systems (Elevators, Escalators), Smart life & ecofriendly systems (Home appliances, Air conditioners), Industrial Machinery & Solutions, Measurement and analytical systems (Semiconductor manufacturing equipment, Clinical analyzers), Industry & distribution solutions, and Water & environment solutions

(e) Others:

Property management and others

Effective from April 1, 2025, the Company changed its business structure in order to realize the Company's transformation into a "True One Hitachi" with digital at its core, and sustainably accelerate the growth of the Social Innovation Business as a digital-centric company. Accordingly, the Company reclassified its reportable segments in five segments as Digital Systems & Services, Energy, Mobility, Connective Industries, and Others. Figures for the nine months ended December 31, 2024 have been restated on the basis of the reclassification.

In addition, from the nine months ended December 31, 2025, the calculation method of the segment profit (loss), previously presented based on Adjusted EBITA (Adjusted Earnings before Interest, Taxes and Amortization), is changed and presented, as a measure of profit (loss) used by the chief operating decision maker mainly in deciding how to allocate resources and in assessing performance. Previously Adjusted EBITA represented the profit (loss) calculated by deducting the selling, general and administrative expenses from the gross profit, adding back the amortization of intangible assets, etc. recognized upon business combinations, and adding the share of profits (losses) of investments accounted for using the equity method. But, from the nine months ended December 31, 2025, it is calculated by deducting the selling, general and administrative expenses from the gross profit, and adding back the amortization of intangible assets, etc. recognized upon business combinations. Adjusted EBITA for the nine months ended December 31, 2024 has been restated on the basis of this change of definition.

The following tables show segment information for the nine months ended December 31, 2024 and 2025.

(Millions of yen)

	Nine months ended December 31, 2024			
	Reportable Segment			
	Digital Systems & Services	Energy	Mobility	Connective Industries
Revenues				
Revenues from External Customers	1,881,720	1,827,191	830,923	2,248,277
Revenues from Intersegment Transactions	127,486	42,143	639	129,510
Total Revenues	2,009,206	1,869,334	831,562	2,377,787
Segment Profit (Loss)	264,845	176,075	56,407	255,550

(Millions of yen)

	Nine months ended December 31, 2024			
	Reportable Segment		Corporate items & Eliminations	Total
	Others	Subtotal		
Revenues				
Revenues from External Customers	193,512	6,981,623	29,599	7,011,222
Revenues from Intersegment Transactions	162,681	462,459	(462,459)	-
Total Revenues	356,193	7,444,082	(432,860)	7,011,222
Segment Profit (Loss)	6,721	759,598	(15,423)	744,175

(Millions of yen)

	Nine months ended December 31, 2025			
	Reportable Segment			
	Digital Systems & Services	Energy	Mobility	Connective Industries
Revenues				
Revenues from External Customers	1,910,847	2,280,027	934,234	2,156,265
Revenues from Intersegment Transactions	130,424	10,660	663	171,433
Total Revenues	2,041,271	2,290,687	934,897	2,327,698
Segment Profit (Loss)	285,144	290,693	71,917	270,087

(Millions of yen)

	Nine months ended December 31, 2025			
	Reportable Segment		Corporate items & Eliminations	Total
	Others	Subtotal		
Revenues				
Revenues from External Customers	194,838	7,476,211	25,586	7,501,797
Revenues from Intersegment Transactions	182,810	495,990	(495,990)	-
Total Revenues	377,648	7,972,201	(470,404)	7,501,797
Segment Profit (Loss)	17,782	935,623	(27,590)	908,033

Segment profit (loss) is measured by Adjusted EBITA. Adjusted EBITA is defined as Adjusted Earnings before Interest, Taxes and Amortization. Adjusted EBITA represents profit (loss) calculated by deducting selling, general and administrative expenses from gross profit, and adding back amortization of intangible assets, etc. recognized upon business combinations.

Intersegment transactions are generally recorded at the same prices used in arm's length transactions. Corporate items include corporate expenses not allocated to individual segments, such as expenditures for advanced R&D, and others.

Adjustments to income before income taxes from segment profit (loss) are as follows.

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Segment Profit (Loss)	744,175	908,033
Amortization of Intangible assets, etc. recognized upon business combinations	(89,268)	(82,318)
Other income	54,869	131,940
Other expenses	(45,526)	(51,572)
Financial income	6,008	106,394
Financial expenses	(31,209)	(1,508)
Share of profits (losses) of investments accounted for using the equity method	28,594	16,536
EBIT (Earnings before interest and taxes)	667,643	1,027,505
Interest income	28,802	25,447
Interest charges	(41,818)	(26,755)
Income before income taxes	654,627	1,026,197

(2) Revenues by Market

(Millions of yen)

	Nine months ended December 31, 2024 (A)	Nine months ended December 31, 2025 (B)	(B)/(A) (%)
Japan	2,577,684 37%	2,637,054 35%	102
North America	1,112,313 16%	1,192,734 16%	107
Europe	1,376,297 20%	1,630,869 22%	118
Asia	1,419,177 20%	1,439,455 19%	101
Other Areas	525,751 7%	601,685 8%	114
Overseas Revenues Subtotal	4,433,538 63%	4,864,743 65%	110
Total Revenues	7,011,222 100%	7,501,797 100%	107

Notes

(1) Notes Regarding Going Concern

Not applicable.

(2) Subsequent Events

Repurchase of Shares of Common Stock

The Board of Directors held on January 29, 2026 resolved to authorize the repurchase of its own common stock pursuant to Article 459, Paragraph 1 of the Companies Act of Japan and Article 32 of the Company's Articles of Incorporation, as follows.

(a) Reason for Repurchase

The Company views the return of profits to shareholders through enhancing corporate value from a mid- and long-term perspective, paying stable dividends and repurchasing its own shares flexibly as an important managerial issue. In light of its current financial standing and the progress of asset sales, the Company has decided to execute a share repurchase to further expand shareholder returns.

(b) Outline of the Repurchase

i) Class of shares to be repurchased

Common stock of the Company

ii) Aggregate number of shares to be repurchased

Up to 30 million shares

(0.67% of the number of outstanding shares (excluding treasury stocks))

iii) Aggregate amount of repurchase

Up to 100.0 billion yen

iv) Period of repurchase

From January 30, 2026 to April 30, 2026

v) Method of repurchase

Expected open market purchase through the Tokyo Stock Exchange

(3) Other Notes

(a) Sale of shares of Astemo, Ltd. (hereinafter "Astemo")

On December 16, 2025, the Company entered into an agreement regarding the transfer of a part of common stocks of Astemo, an equity-method associate of the Company in Corporate items of segment information, with Honda Motor Co., Ltd. In accordance with this agreement, the share transfer is expected to be completed in the first quarter of fiscal year ending March 31, 2027 (from April 1, 2026 to June 30, 2026).

The consideration is expected to be approximately 152.3 billion yen. As a result of this transfer of shares, the Company's ownership ratio of shares of Astemo will decrease from 40.0% to 19.0%, and Astemo will cease to be an equity-method associate. Net income attributable to Hitachi, Ltd. stockholders from the share transfer is not material to the consolidated statement of profit or loss for the year ending March 31, 2027.

(b) Sale of shares of Hitachi Construction Machinery Co., Ltd. (hereinafter "Hitachi Construction Machinery")

On November 5, 2025, the Company entered into an agreement regarding the transfer of a part of common stocks of Hitachi Construction Machinery, an equity-method associate of the Company in Corporate items of segment information, with GOLDMAN SACHS JAPAN CO., LTD. and Daiwa Securities Co. Ltd. In accordance with this agreement, the share transfer was completed on November 7, 2025.

The consideration was 68,100 million yen. As a result of this transfer of shares, the Company's ownership ratio of shares of Hitachi Construction Machinery decreased from 25.4% to 18.4%, and Hitachi Construction Machinery ceased to be an equity-method associate. Net income attributable to Hitachi, Ltd. stockholders from the share transfer is not material to the consolidated statement of profit or loss for the year ending March 31, 2026.

(c) Acquisition of synvert Holding GmbH (hereinafter “synvert”)

On September 22, 2025, GlobalLogic Inc. (hereinafter “GL”), a consolidated subsidiary of the Company in the Digital Systems & Services segment, and Bonus Technology, Inc. (hereinafter “Bonus”) which is a subsidiary of GL located in the U.S., signed an agreement with Maxburg Beteiligungen III GmbH & Co. KG, MixMax 2020 Beteiligungs GmbH & Co. KG, which are held by Maxburg Capital Partners, as well as individual shareholders to acquire synvert which is a leading consulting firm in the data and AI space, in order to accelerate the deployment of HMAX, Hitachi's solution suite advancing operational autonomy and business model innovation through Agentic and Physical AI, solving customer and societal challenges in the AI era. On November 3, 2025, based on the agreement, Bonus acquired 100% of the outstanding shares of synvert, and synvert became a wholly owned subsidiary of the Company.

The following table summarizes the fair value of the consideration paid for synvert and the provisional amounts of the assets acquired, liabilities assumed and goodwill recognized as of the acquisition date.

	(Millions of yen)
Cash and cash equivalents	2,551
Trade receivables and contract assets	3,854
Other current assets	1,904
Goodwill (not deductible for tax purposes)	45,647
Other intangible assets	25,084
Other non-current assets	302
Total	<u>79,342</u>
Short-term debt	10,935
Other current liabilities	4,013
Other non-current liabilities	8,602
Total	<u>23,550</u>
Cash paid for the acquisition	<u>55,792</u>

The goodwill mainly comprises excess earning power and expected synergies arising from the acquisition.

The Company is currently evaluating the fair values to be assigned to assets and liabilities of synvert at the acquisition date and therefore the above amounts are subject to change. In addition, the Cash paid for the acquisition may vary due to transaction price adjustment.

In addition to this acquisition, Bonus repaid 44 million euro (8,052 million yen) of certain loans owed by synvert from a financial institution, and the repayment is included in Purchase of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method) under Cash flows from investing activities in the Condensed Quarterly Consolidated Statement of Cash Flows for the nine months ended December 31, 2025.

The operating results of synvert for the period from the acquisition date to December 31, 2025 were not material.

On a pro forma basis, revenues and net income attributable to Hitachi, Ltd. stockholders using an assumed acquisition date for synvert of April 1, 2025 would not differ materially from the amounts reported in the Condensed Quarterly Consolidated Statement of Profit or Loss for the nine months ended December 31, 2025.

Summary of Consolidated Business Results, etc.

For detailed information, please refer to the Presentation Material "Outline of Consolidated Financial Results for the Third Quarter Ended December 31, 2025" (disclosed on January 29) on TDnet and our website.

(<https://www.hitachi.com/en/ir/library/fr/>)

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 report.

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, as well as levels of demand in the major industrial sectors Hitachi serves;
- 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;
- 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;
- 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;
- credit conditions of Hitachi's customers and suppliers;
- 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 Hitachi's ability to response to tightening of regulations to prevent climate change;
- 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 Hitachi's ability to attract and retain skilled personnel;
- 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 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;
- estimates, fluctuations in cost and cancellation of long-term projects for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- increased commoditization of and intensifying price competition for products;
- fluctuations in demand of products, etc. and industry capacity;
- uncertainty as to Hitachi's ability to implement measures to reduce the potential negative impact of fluctuations in demand of products, etc., exchange rates and/or price of raw materials or shortages of materials, parts and components;
- uncertainty as to the success of cost structure overhaul;
- 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;
- the potential for significant losses on Hitachi's investments in equity-method associates and joint ventures;
- 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;
- uncertainty as to Hitachi's access to, or ability to protect, certain intellectual property; and
- uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its employee benefit-related costs.

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

*This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.