

Outline of Consolidated Financial Results for Fiscal 2016

May 12, 2017

Hitachi, Ltd.

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for Fiscal 2016**
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1. Outline of Consolidated Financial Results for Fiscal 2016

1-1. Highlights of FY2016 Financial Results

Revenues	9,162.2 billion yen	down 9% / 872.0 billion yen YoY up 2% compared to previous forecast*4 ● up 3% YoY, when the impacts of business reorganization*5 and foreign exchange are excluded
Adjusted operating income*1	587.3 billion yen	down 7% / 47.5 billion yen YoY up 27.3 billion yen compared to previous forecast*4 ● up 13% YoY, when the impacts of business reorganization*5 and foreign exchange are excluded
EBIT (Earnings before interest and taxes)*2	475.1 billion yen	down 11% / 55.8 billion yen YoY up 25.1 billion yen compared to previous forecast*4
Net income attributable to Hitachi, Ltd. stockholders	231.2 billion yen	up 34% / 59.1 billion yen YoY up 31.2 billion yen compared to previous forecast*4
Total Hitachi, Ltd. stockholders' equity ratio (Manufacturing, Services and Others)	30.7 %	up 5.1 points from March 31, 2016
ROA*3 (Manufacturing, Services and Others)	3.3 %	up 0.7 points from March 31, 2016
Free cash flows (Manufacturing, Services and Others)	485.5 billion yen	up 161.1 billion yen YoY
Operating cash flow margin (Manufacturing, Services and Others)	7.1 %	down 1.5 points from March 31, 2016
The year-end dividend for FY2016	7 yen per share	

*1 "Adjusted Operating Income" is presented as revenues less cost of sales as well as selling, general and administrative expenses.

*2 "EBIT" is presented as income from continuing operations, before income taxes less interest income plus interest charges.

*3 ROA(Return on Asset) = [Net income] / [Total Asset (Average between the end of current fiscal year and the end of previous fiscal year)] x 100

*4 Announced on February 1, 2017

*5 Impacts from conversion of Hitachi Transport System, Ltd. and Hitachi Capital Corporation into equity-method associates, and reorganization of air-conditioning business

1-2. Consolidated Statement of Profit or Loss

Billions of yen

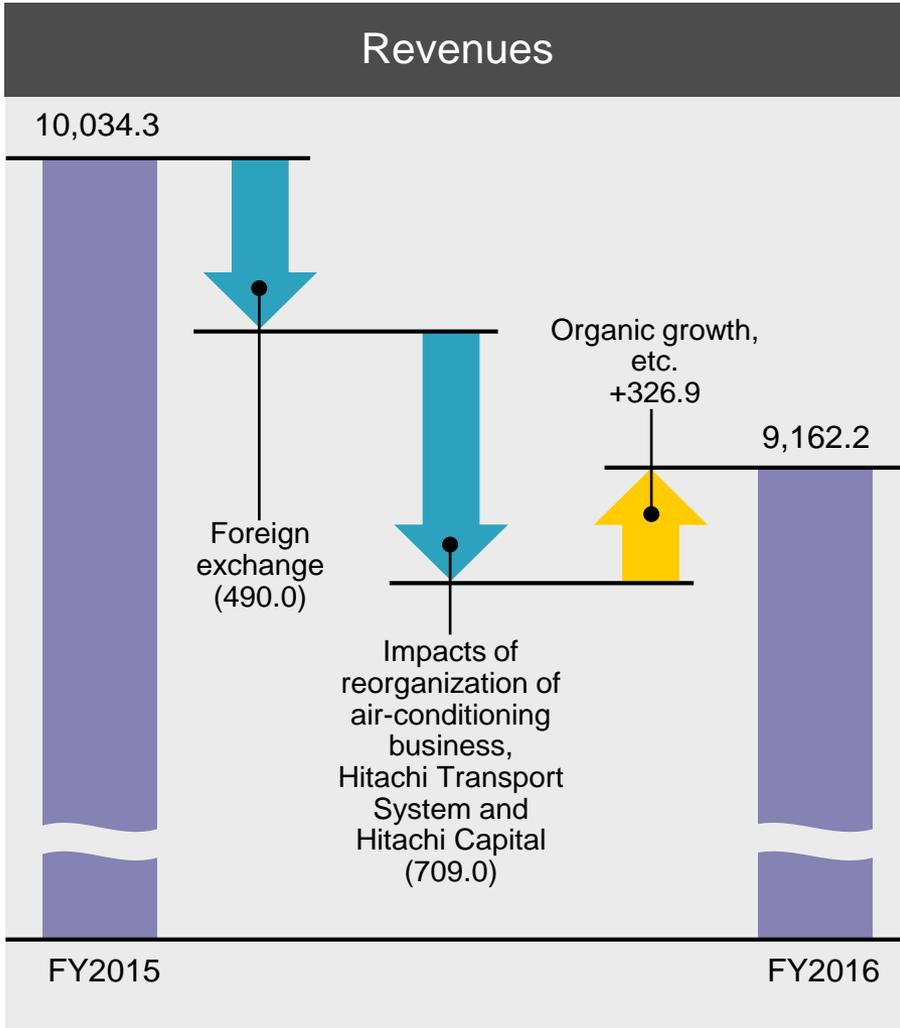
	FY2015	FY2016	Year over year	Previous forecast* ² comparison
Revenues	10,034.3	9,162.2	(872.0) [91%]	+162.2 [102%]
<i>Adjusted operating income ratio</i>	6.3%	6.4%	+0.1%	+0.2%
Adjusted operating income	634.8	587.3	(47.5)	+27.3
<i>EBIT ratio</i>	5.3%	5.2%	(0.1%)	+0.2%
EBIT	531.0	475.1	(55.8)	+25.1
Income from continuing operations, before income taxes	517.0	469.0	(47.9)	+39.0
Income taxes	(165.2)	(125.1)	+40.0	+4.8
Income from continuing operations	351.8	343.9	(7.8)	+43.9
Loss from discontinued operations* ¹	(57.0)	(5.9)	+51.1	(0.9)
Net income	294.7	338.0	+43.2	+43.0
Net income attributable to Hitachi, Ltd. stockholders	172.1	231.2	+59.1	+31.2
Earnings per share	35.65 yen	47.90 yen	+12.25 yen	-

*1 A part of the thermal power generation systems business is classified as discontinued operations in accordance with the provision of IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations," which was not transferred to Mitsubishi Hitachi Power Systems, Ltd. as part of the business integration in the thermal power generation systems with Mitsubishi Heavy Industries, Ltd. The results of the discontinued operations are reported separately from continuing operations.

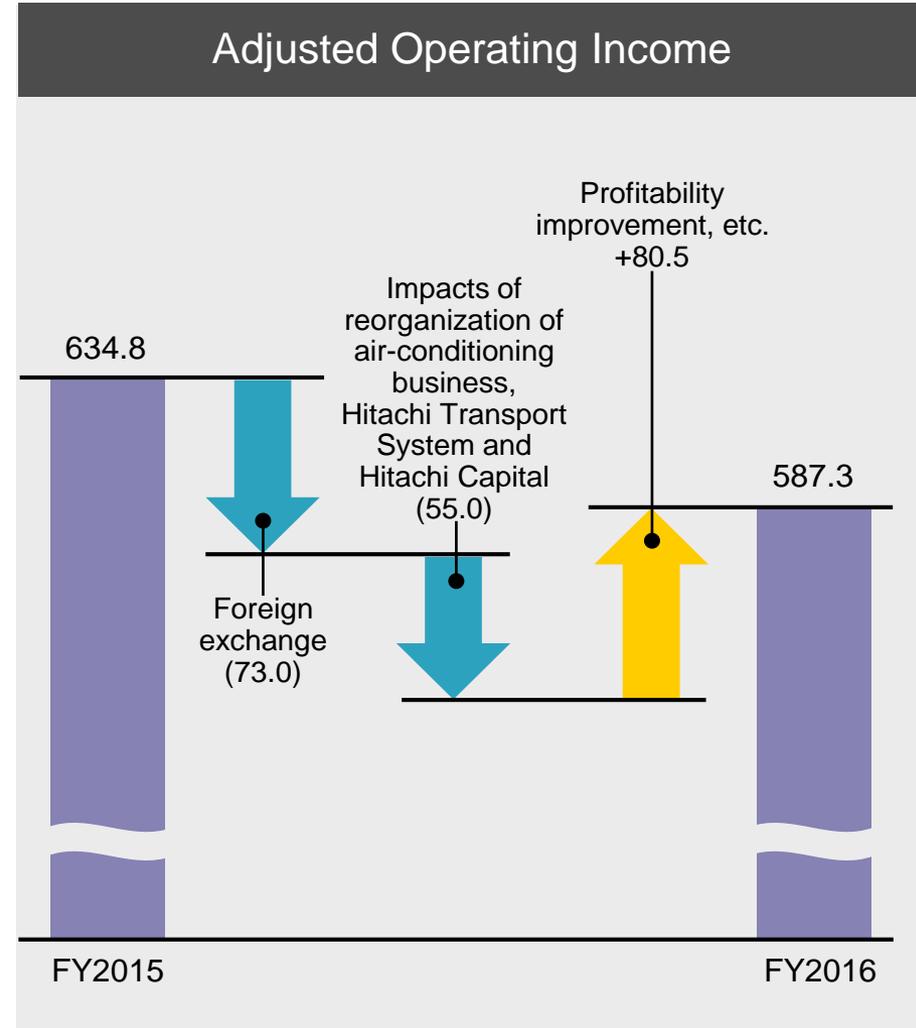
*2 Announced on February 1, 2017

1-3. FY2016: Factors Affecting Changes in Revenues and Adjusted Operating Income (year over year)

Billions of yen



Billions of yen



1-4. Revenues by Market

Billions of yen

	FY2015		FY2016		Year over year
		Ratio		Ratio	
Japan	5,231.5	52%	4,757.6	52%	91%
Outside Japan	4,802.7	48%	4,404.5	48%	92%
Asia	2,112.3	21%	1,860.7	20%	88%
China	1,055.5	10%	928.9	10%	88%
ASEAN, India, other areas	1,056.7	11%	931.7	10%	88%
North America	1,280.3	13%	1,144.0	12%	89%
Europe	951.1	9%	972.6	11%	102%
Other Areas	459.0	5%	427.1	5%	93%
Total	10,034.3	100%	9,162.2	100%	91%

1-5. Summary of Consolidated Statements of Profit or Loss and Summary of Consolidated Statements of Cash Flows

■ Summary of Consolidated Statements of Profit or Loss

Billions of yen

	Manufacturing, Services and Others*			Total		
	FY2015	FY2016	Year over year	FY2015	FY2016	Year over year
Revenues	9,833.9	9,053.3	(780.5) [92%]	10,034.3	9,162.2	(872.0) [91%]
Adjusted operating income	586.8	566.8	(20.0)	634.8	587.3	(47.5)
EBIT	490.2	458.1	(32.1)	531.0	475.1	(55.8)

■ Summary of Consolidated Statements of Cash Flows

Billions of yen

	Manufacturing, Services and Others*			Total		
	FY2015	FY2016	Year over year	FY2015	FY2016	Year over year
Cash flows from operating activities	843.1	638.7	(204.4)	812.2	629.5	(182.6)
Cash flows from investing activities	(518.7)	(153.2)	+365.5	(730.7)	(337.9)	+392.8
Free cash flows	324.4	485.5	+161.1	81.4	291.6	+210.2

* Figures here represent information voluntarily prepared by the company.

1-6. Summary of Consolidated Financial Position

Billions of yen

	Manufacturing, Services and Others*			Total		
	As of March 31, 2016	As of March 31, 2017	Change from March 31, 2016	As of March 31, 2016	As of March 31, 2017	Change from March 31, 2016
Total assets	9,917.9	9,663.9	(254.0)	12,551.0	9,663.9	(2,887.0)
Trade receivables and Inventories	3,763.6	3,659.0	(104.5)	4,292.6	3,659.0	(633.5)
Total liabilities	6,133.5	5,566.9	(566.6)	8,425.4	5,566.9	(2,858.5)
Interest-bearing debt	1,515.0	1,176.6	(338.4)	3,604.4	1,176.6	(2,427.8)
Total Hitachi, Ltd. stockholders' equity	2,540.8	2,967.0	+426.2	2,735.0	2,967.0	+232.0
Non-controlling interests	1,243.5	1,129.9	(113.5)	1,390.4	1,129.9	(260.5)
Cash Conversion Cycle	71.6 days	72.2 days	0.6 days increase	—	—	—
Total Hitachi, Ltd. stockholders' equity ratio	25.6%	30.7%	5.1 points increase	21.8%	30.7%	8.9 points increase
D/E ratio (Including non-controlling interests)	0.40 times	0.29 times	0.11 points decrease	0.87 times	0.29 times	0.58 points decrease

* Figures here represent information voluntarily prepared by the company.

1-7. Revenues, Adjusted Operating Income and EBIT by Business Segment (1)

Billions of yen

		FY2015*1		FY2016*1		Year over year		Previous forecast*2 comparison	
Information & Telecommunication Systems	Revenues		2,109.3		1,982.8		94%		97%
	Adjusted operating income	6.7%	141.3	7.7%	152.9	+1.0%	+11.6	+0.7%	+9.9
	EBIT	5.2%	109.1	3.9%	76.4	(1.3%)	(32.6)	+0.2%	+1.4
Social Infrastructure & Industrial Systems	Revenues		2,333.1		2,331.9		100%		100%
	Adjusted operating income	3.5%	81.3	3.3%	77.0	(0.2%)	(4.3)	(0.3%)	(7.9)
	EBIT	1.2%	29.1	(0.9%)	(19.9)	(2.1%)	(49.1)	(2.2%)	(49.9)
Electronic Systems & Equipment	Revenues		1,127.6		1,170.3		104%		102%
	Adjusted operating income	5.9%	67.0	7.0%	81.5	+1.1%	+14.5	+0.3%	+4.5
	EBIT	5.7%	64.3	5.7%	66.7	0.0%	+2.4	0.0%	+1.7
Construction Machinery	Revenues		758.3		753.9		99%		108%
	Adjusted operating income	3.0%	22.6	3.5%	26.3	+0.5%	+3.6	(0.2%)	+0.3
	EBIT	3.4%	25.8	3.0%	22.7	(0.4%)	(3.1)	+0.7%	+6.7
High Functional Materials & Components	Revenues		1,564.0		1,464.6		94%		101%
	Adjusted operating income	8.1%	125.9	8.2%	119.9	+0.1%	(5.9)	(0.1%)	(1.0)
	EBIT	9.8%	153.5	8.4%	123.3	(1.4%)	(30.2)	+0.1%	+3.3

*1 Italic figures indicate adjusted operating income ratio or EBIT ratio.

*2 Announced on February 1, 2017

1-8. Revenues, Adjusted Operating Income and EBIT by Business Segment (2)

Billions of yen

		FY2015*1		FY2016*1		Year over year		Previous forecast*2 comparison	
Automotive Systems	Revenues		1,001.1		992.2		99%		102%
	Adjusted operating income	6.2%	61.9	5.7%	56.3	(0.5%)	(5.5)	0.0%	+1.3
	EBIT	5.4%	53.9	6.6%	65.8	+1.2%	+11.8	+0.4%	+5.8
Smart Life & Ecofriendly Systems	Revenues		681.0		557.3		82%		101%
	Adjusted operating income	3.5%	23.8	4.0%	22.4	+0.5%	(1.3)	+1.1%	+6.4
	EBIT	6.2%	41.9	5.7%	31.8	(0.5%)	(10.1)	+0.8%	+4.8
Others*3	Revenues		1,252.7		653.7		52%		101%
	Adjusted operating income	4.2%	52.5	3.4%	22.4	(0.8%)	(30.0)	+0.9%	+6.4
	EBIT	3.2%	40.6	3.2%	20.6	0.0%	(19.9)	+1.0%	+6.6
Financial Services*4	Revenues		365.3		179.2		49%		100%
	Adjusted operating income	12.4%	45.2	11.9%	21.3	(0.5%)	(23.8)		±0.0
	EBIT	12.8%	46.6	12.7%	22.8	(0.1%)	(23.8)		±0.0
Corporate items & Eliminations	Revenues		(1,158.4)		(924.1)		-		-
	Adjusted operating income		13.0		6.8		(6.1)		+7.2
	EBIT		(34.2)		64.7		+98.9		+44.5
Total	Revenues		10,034.3		9,162.2		91%		102%
	Adjusted operating income	6.3%	634.8	6.4%	587.3	+0.1%	(47.5)	+0.2%	+27.3
	EBIT	5.3%	531.0	5.2%	475.1	(0.1%)	(55.8)	+0.2%	+25.1

*1 Italic figures indicate adjusted operating income ratio or EBIT ratio. *2 Announced on February 1, 2017

*3 From FY2016, the "Others (Logistics and Other Services)" has been renamed to the "Others" due to conversion of Hitachi Transport System, Ltd. into an equity-method associate on May 19, 2016.

*4 As Hitachi Capital Corporation was converted into an equity-method associate as of October 3, 2016, there is no company which belongs to the Financial Services Segment. Accordingly, only the result for the first half of fiscal 2016 was recorded in this segment for FY2016.

2. Outlook for Fiscal 2017

2-1. Outlook for FY2017

- Projections for the FY2017 assume an exchange rate of 110 yen to the U.S. dollar and 115 yen to the euro.
- Reflecting the conversion of Hitachi Kokusai Electric Inc. into an equity-method affiliate

Billions of yen

	FY2016	FY2017	
		Forecast	Year over year
Revenues	9,162.2	9,050.0	(112.2) [99%]
<i>Adjusted operating income ratio</i>	6.4%	7.0%	+0.6%
Adjusted operating income	587.3	630.0	+42.6
<i>EBIT ratio</i>	5.2%	6.4%	+1.2%
EBIT	475.1	580.0	+104.8
Income from continuing operations, before income taxes	469.0	570.0	+100.9
Income taxes	(125.1)	(160.0)	(34.8)
Income from continuing operations	343.9	410.0	+66.0
Loss from discontinued operations	(5.9)	(5.0)	+0.9
Net income	338.0	405.0	+66.9
Net income attributable to Hitachi, Ltd. stockholders	231.2	300.0	+68.7
Earnings per share	47.90 yen	62.14 yen	+14.24 yen

2-3. Outlook for FY2017: Revenues, Adjusted Operating Income and EBIT by Business Segment (1)

Billions of yen

		FY2016 ^{*1}	FY2017			
			Forecast ^{*1}		Year over year	
Information & Telecommunication Systems	Revenues	1,982.8		2,040.0		103%
	Adjusted operating income	7.7% 152.9	8.3%	169.0	+0.6%	+16.0
	EBIT	3.9% 76.4	6.9%	141.0	+3.0%	+64.5
Social Infrastructure & Industrial Systems	Revenues	2,331.9		2,320.0		99%
	Adjusted operating income	3.3% 77.0	5.6%	130.0	+2.3%	+52.9
	EBIT	(0.9%) (19.9)	5.1%	119.0	+6.0%	+138.9
Electronic Systems & Equipment ^{*2}	Revenues	1,170.3		980.0		84%
	Adjusted operating income	7.0% 81.5	6.3%	62.0	(0.7%)	(19.5)
	EBIT	5.7% 66.7	5.9%	58.0	+0.2%	(8.7)
Construction Machinery	Revenues	753.9		810.0		107%
	Adjusted operating income	3.5% 26.3	5.4%	44.0	+1.9%	+17.6
	EBIT	3.0% 22.7	4.8%	39.0	+1.8%	+16.2
High Functional Materials & Components	Revenues	1,464.6		1,560.0		107%
	Adjusted operating income	8.2% 119.9	9.0%	141.0	+0.8%	+21.0
	EBIT	8.4% 123.3	8.1%	126.0	(0.3%)	+2.6

*1 Italic figures indicate adjusted operating income ratio or EBIT ratio.

*2 Reflecting the conversion of Hitachi Kokusai Electric Inc. into an equity-method affiliate

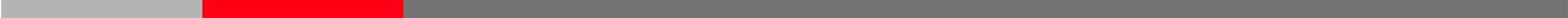
2-4. Outlook for FY2017: Revenues, Adjusted Operating Income and EBIT by Business Segment (2)

Billions of yen

		FY2016*1	FY2017			
			Forecast*1		Year over year	
Automotive Systems	Revenues	992.2		1,000.0		101%
	Adjusted operating income	<i>5.7%</i> 56.3	<i>6.2%</i>	62.0	<i>+0.5%</i>	+5.6
	EBIT	<i>6.6%</i> 65.8	<i>6.1%</i>	61.0	<i>(0.5%)</i>	(4.8)
Smart Life & Ecofriendly Systems	Revenues	557.3		550.0		99%
	Adjusted operating income	<i>4.0%</i> 22.4	<i>4.2%</i>	23.0	<i>+0.2%</i>	+0.5
	EBIT	<i>5.7%</i> 31.8	<i>5.3%</i>	29.0	<i>(0.4%)</i>	(2.8)
Others	Revenues	653.7		560.0		86%
	Adjusted operating income	<i>3.4%</i> 22.4	<i>3.0%</i>	17.0	<i>(0.4%)</i>	(5.4)
	EBIT	<i>3.2%</i> 20.6	<i>2.5%</i>	14.0	<i>(0.7%)</i>	(6.6)
Financial Services*2	Revenues	179.2		-		-
	Adjusted operating income	<i>11.9%</i> 21.3		-		(21.3)
	EBIT	<i>12.7%</i> 22.8		-		(22.8)
Corporate items & Eliminations	Revenues	(924.1)		(770.0)		-
	Adjusted operating income	6.8		(18.0)		(24.8)
	EBIT	64.7		(7.0)		(71.7)
Total	Revenues	9,162.2		9,050.0		99%
	Adjusted operating income	<i>6.4%</i> 587.3	<i>7.0%</i>	630.0	<i>+0.6%</i>	+42.6
	EBIT	<i>5.2%</i> 475.1	<i>6.4%</i>	580.0	<i>+1.2%</i>	+104.8

*1 Italic figures indicate adjusted operating income ratio or EBIT ratio.

*2 As Hitachi Capital Corporation was converted into an equity-method associate as of October 3, 2016, there is no company which belongs to the Financial Services Segment from FY2016-3Q.



Supplementary Information

Consolidated Overseas Revenues by Business Segment

Billions of yen

	FY2015	FY2016		FY2017	
			Year over year	Forecast	Year over year
Information & Telecommunication Systems	703.5	594.6	85%		
Social Infrastructure & Industrial Systems	872.5	919.4	105%		
Electronic Systems & Equipment	642.3	707.9	110%		
Construction Machinery	525.5	527.9	100%		
High Functional Materials & Components	885.2	828.2	94%		
Automotive Systems	575.9	568.7	99%		
Smart Life & Ecofriendly Systems	231.1	110.8	48%		
Others	350.0	168.7	48%		
Financial Services*	139.6	64.4	46%		
Corporate items & Eliminations	(123.1)	(86.5)	-		
Total	4,802.7	4,404.5	92%	4,500.0	102%

* As Hitachi Capital Corporation was converted into an equity-method associate as of October 3, 2016, there is no company which belongs to the Financial Services Segment. Accordingly, only the result for the first half of fiscal 2016 was recorded in this segment for FY2016.

Consolidated Capital Expenditure by Business Segment (Completion basis)

Billions of yen

	FY2015	FY2016		FY2017	
			Year over year	Forecast	Year over year
Information & Telecommunication Systems	49.4	31.6	64%		
Social Infrastructure & Industrial Systems	61.2	63.1	103%		
Electronic Systems & Equipment	20.0	23.4	117%		
Construction Machinery	23.7	14.0	59%		
High Functional Materials & Components	85.8	99.9	116%		
Automotive Systems	72.5	50.4	70%		
Smart Life & Ecofriendly Systems	17.0	5.7	34%		
Others	56.3	17.9	32%		
Corporate items	8.6	3.5	42%		
Manufacturing, Services and Others	394.8	310.0	79%	350.0	113%
Financial Services*	133.6	67.5	51%	-	-
Total	528.5	377.5	71%	350.0	93%

* As Hitachi Capital Corporation was converted into an equity-method associate as of October 3, 2016, there is no company which belongs to the Financial Services Segment. Accordingly, only the result for the first half of fiscal 2016 was recorded in this segment for FY2016.

Consolidated Depreciation by Business Segment

Billions of yen

	FY2015	FY2016		FY2017	
			Year over year	Forecast	Year over year
Information & Telecommunication Systems	49.3	47.7	97%		
Social Infrastructure & Industrial Systems	31.6	29.1	92%		
Electronic Systems & Equipment	15.8	17.4	110%		
Construction Machinery	35.1	30.7	88%		
High Functional Materials & Components	64.5	64.2	100%		
Automotive Systems	38.7	41.7	108%		
Smart Life & Ecofriendly Systems	15.4	10.5	68%		
Others	35.5	18.5	52%		
Corporate items	3.0	3.4	113%		
Manufacturing, Services and Others	289.3	263.6	91%	270.0	102%
Financial Services*	77.2	39.1	51%	-	-
Total	366.5	302.7	83%	270.0	89%

* As Hitachi Capital Corporation was converted into an equity-method associate as of October 3, 2016, there is no company which belongs to the Financial Services Segment. Accordingly, only the result for the first half of fiscal 2016 was recorded in this segment for FY2016.

Consolidated R&D Expenditure by Business Segment

Billions of yen

	FY2015	FY2016		FY2017	
			Year over year	Forecast	Year over year
Information & Telecommunication Systems	59.6	50.1	84%		
Social Infrastructure & Industrial Systems	47.4	48.7	103%		
Electronic Systems & Equipment	49.3	53.6	109%		
Construction Machinery	18.8	19.0	101%		
High Functional Materials & Components	46.9	46.1	98%		
Automotive Systems	69.9	70.6	101%		
Smart Life & Ecofriendly Systems	9.4	6.9	74%		
Others	6.3	5.4	86%		
Corporate items	25.6	23.0	90%		
Manufacturing, Services and Others	333.6	323.8	97%		
Financial Services*	0.1	0.0	63%		
Total	333.7	323.9	97%	350.0	108%
Percentage of revenues (%)	3.3	3.5	-	3.9	-

* As Hitachi Capital Corporation was converted into an equity-method associate as of October 3, 2016, there is no company which belongs to the Financial Services Segment. Accordingly, only the result for the first half of fiscal 2016 was recorded in this segment for FY2016.

■ Revenues, Adjusted operating income and EBIT*2

Billions of yen

	FY2015	FY2016			FY2017	
			Year over year	Previous forecast*6 comparison	Forecast	Year over year
Revenues	2,109.3	1,982.8	94%	97%	2,040.0	103%
Front Business*3	1,429.8	1,389.7	97%	98%	1,447.0	104%
IT Platform & Products*4	786.5	736.4	94%	98%	719.0	98%
Eliminations & Others*5	(107.0)	(143.3)	-	-	(126.0)	-
Adjusted Operating Income	141.3	152.9	+11.6	+9.9	169.0	+16.0
Front Business	120.5	118.7	(1.8)	(1.2)	140.0	+21.2
IT Platform & Products	19.9	29.3	+9.3	+2.3	39.0	+9.6
Eliminations & Others	0.8	4.8	+4.0	+8.8	(10.0)	(14.8)
EBIT	109.1	76.4	(32.6)	+1.4	141.0	+64.5
Front Business	114.1	95.9	(18.2)	(21.0)	137.0	+41.0
IT Platform & Products	10.7	(17.3)	(28.0)	(1.3)	14.0	+31.3
Eliminations & Others	(15.7)	(2.1)	+13.6	+23.8	(10.0)	(7.8)

*1 From FY2016, "System Solutions" and "Platform" were renamed to "Front Business" and "IT Platform & Products".

*2 Figures for each subsegment include intersegment transactions.

*3 System integration, sales, maintenance and related services of software and hardware for financial, public, enterprise and social infrastructure (power, rail, telecommunication, etc.) sectors, consulting, etc.

*4 Sales, maintenance and services of server, storage, telecommunication & network equipment and related software, etc.

*5 Figures for intersegment transactions, etc.

*6 Announced on February 1, 2017

■ Revenues of Lumada Business

Billions of yen

	FY2016	FY2017 (Forecast)
Lumada business	900.0	950.0
1) Lumada core business	120.0	190.0
2) Lumada SI business	780.0	760.0

1) Lumada core business:

Service business that converts customers data into valuable insight through AI and analytics, and improves management indicators or offers problem solutions

2) Lumada SI business:

SI business which is deployed within the IoT area (industry / manufacturing and social infrastructure area) that is led by the Lumada core business

■ Case Accumulation

- Number of cases 203 (as of March 31, 2017), increased by 13 cases during the 4th quarter

- including solutions such as sewerage treatment system using ICT control technology of blowers, and predictive diagnostics system of product defect for manufacturers, etc.

■ Average Foreign Exchange Rate*1

Yen

	FY2015	FY2016	FY2017 (Forecast)
U.S. dollar	120	108	110
Euro	133	119	115

■ Foreign Exchange Sensitivity*2,3

Billions of yen

	Revenues	Adjusted operating income
U.S. dollar	17.0	2.0
Euro	5.0	1.0

■ Number of employees and consolidated subsidiaries

	As of March 31, 2016	As of March 31, 2017
Number of employees	335,244	303,887
Japan	187,936	169,744
Overseas	147,308	134,143
Number of consolidated subsidiaries*4	1,056	864
Japan	262	208
Overseas	794	656

■ Overseas Production*3

	FY2015	FY2016	Year over year
Overseas Production (billions of yen)	2,652.2	2,536.9	96%
Percentage of revenues	26%	28%	-
Percentage of overseas revenues	55%	58%	-

*1 Exchange rate applied for calculating profits and losses of overseas companies (average rate for the period)

*2 Impact of exchange rate fluctuation (FY2017 impact by one yen depreciation from FY2017 forecasted rate)

*3 Figures here represent information voluntarily prepared by the company.

*4 Consolidated trust accounts are not included into the figures of consolidated subsidiaries.

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;
- 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;
- 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;
- the possibility of cost fluctuations during the lifetime of, or cancellation of, long-term contracts for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- credit conditions of Hitachi’s customers and suppliers;
- fluctuations in 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 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;
- increased commoditization of and intensifying price competition for products;
- uncertainty as to Hitachi’s ability to achieve the anticipated benefits of its strategy to strengthen its Social Innovation Business;
- uncertainty as to the success of acquisitions of other companies, joint ventures and strategic alliances and the possibility of incurring related expenses;
- uncertainty as to the success of restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness;
- the potential for significant losses on Hitachi’s investments in equity-method associates and joint ventures;
- 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 cost structure overhaul;
- uncertainty as to Hitachi’s ability to attract and retain skilled personnel;
- uncertainty as to Hitachi’s access to, or ability to protect, certain intellectual property rights;
- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity-method associates and joint ventures have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- the possibility of disruption of Hitachi’s operations by natural disasters such as earthquakes and tsunamis, the spread of infectious diseases, and geopolitical and social instability such as terrorism and conflict;
- uncertainty as to Hitachi’s ability to maintain the integrity of its information systems, as well as Hitachi’s ability to protect its confidential information or that of its customers; 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 in other materials published by Hitachi.

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