

Financial Section

Five-Year Summary

Hitachi, Ltd. and Subsidiaries

	Millions of yen				
	2013	2012	2011	2010	2009
For the year:					
Revenues	¥9,041,071	¥9,665,883	¥9,315,807	¥8,968,546	¥10,000,369
Operating income (note)	422,028	412,280	444,508	202,159	127,146
Net income (loss) attributable to Hitachi, Ltd. stockholders	175,326	347,179	238,869	(106,961)	(787,337)
Cash dividends declared	47,690	36,727	36,133	—	9,971
Capital investment (Property, plant and equipment).	742,537	649,234	556,873	546,326	788,466
Depreciation (Property, plant and equipment).	300,664	360,358	382,732	441,697	478,759
R&D expenditures	341,310	412,514	395,180	372,470	416,517
At year-end:					
Total assets	9,809,230	9,418,526	9,185,629	8,964,464	9,403,709
Net property, plant and equipment	2,279,964	2,025,538	2,111,270	2,219,804	2,393,946
Total Hitachi, Ltd. stockholders' equity . . .	2,082,560	1,771,782	1,439,865	1,284,658	1,049,951
Yen					
Per share information:					
Net income (loss) attributable to Hitachi, Ltd. stockholders:					
Basic	¥ 37.28	¥ 76.81	¥ 52.89	¥ (29.20)	¥(236.86)
Diluted	36.29	71.86	49.38	(29.20)	(236.87)
Cash dividends declared	10.0	8.0	8.0	—	3.0
Total Hitachi, Ltd. stockholders' equity . . .	431.13	382.26	318.73	287.13	315.86
Number of employees	326,240	323,540	361,745	359,746	361,796

Note: In order to be consistent with financial reporting principles and practices generally accepted in Japan, operating income is presented as total revenues less cost of sales and selling, general administrative expenses. The Company believes that this is useful to investors in comparing the Company's financial results with those of other Japanese companies. Under accounting principles generally accepted in the United States of America, restructuring charges, net gain or loss on sales and disposal of rental assets and other property and impairment losses for long-lived assets are included as part of operating income.

The restructuring charges mainly represent special termination benefits incurred with the reorganization of our business structures, and as the result of the Company and its subsidiaries reviewing and reshaping the business portfolio.

The Company has changed the number of employees to exclude temporary employees starting from the year ended March 31, 2010. The figure for the year ended March 31, 2009 has been restated to reflect the current year presentation.

Operating and Financial Review

Operating Results

The Year Ended March 31, 2013 Compared with the Year Ended March 31, 2012

Summary

Years ended March 31,	Millions of yen		Percent change
	2013	2012	
Total revenues	¥9,041,071	¥9,665,883	-6%
Income before income taxes	344,537	557,730	-38%
Net income	237,721	412,808	-42%
Net income attributable to Hitachi, Ltd. stockholders	175,326	347,179	-49%

In the year ended March 31, 2013, total revenues decreased 6% compared with the year ended March 31, 2012. Income before income taxes for the year ended March 31, 2013 decreased ¥213.1 billion to ¥344.5 billion, as compared with the year ended March 31, 2012, due primarily to the significant net gain on securities recorded in the year ended March 31, 2012. In the year ended March 31, 2013, net income attributable to Hitachi, Ltd. stockholders was ¥175.3 billion, a decrease of ¥171.8 billion compared with the year ended March 31, 2012.

Analysis of Statement of Operations

Total revenues decreased 6% to ¥9,041.0 billion compared with the year ended March 31, 2012. This was primarily due to the significant decrease in revenues in the Others segment owing to the impact of the sale of the HDD business in the year ended March 31, 2012. This decrease was partially offset by increased revenues in the Power Systems segment due mainly to the acquisition of part of the transmission and distribution business of Japan AE Power Systems Corporation, and also in the Social Infrastructure & Industrial Systems segment due mainly to the strong performance of the elevator and escalator business in China. Our overseas revenues decreased 11% to ¥3,685.9 billion in the year ended March 31, 2013, compared with the year ended March 31, 2012, due primarily to the sale of the HDD business.

Cost of sales was ¥6,743.9 billion, a decrease of 7% compared with the year ended March 31, 2012. The ratio of cost of sales to total revenues was 75%, approximately the same as in the year ended March 31, 2012.

Selling, general and administrative expenses decreased 5% to ¥1,875.0 billion compared with the year ended March 31, 2012. The ratio of selling, general and administrative expenses to total revenues increased 1% to 21% compared with the year ended March 31, 2012.

Impairment losses for long-lived assets decreased ¥8.6 billion to a total of ¥23.2 billion, as compared with the year ended March 31, 2012.

Restructuring charges increased ¥7.4 billion to ¥30.4 billion, as compared with the year ended March 31, 2012.

Interest income increased ¥0.5 billion to ¥13.2 billion, as compared with the year ended March 31, 2012.

Dividend income increased ¥0.8 billion to ¥6.4 billion, as compared with the year ended March 31, 2012.

Other income decreased ¥202.6 billion to ¥26.2 billion as compared with the year ended March 31, 2012. This decrease was due primarily to a decrease in the net gain on securities and the net gain on sale and disposal of rental assets and other property, as compared with the year ended March 31, 2012. Net gain on securities decreased ¥192.4 billion to ¥17.2 billion due primarily to the sale of shares of subsidiaries in conjunction with the sale of the HDD business and the small and medium-sized LCD panel business in the year ended March 31, 2012. Net loss on sale and disposal of rental assets and other property was ¥1.8 billion in the year ended March 31, 2012, compared with the net gain of ¥19.1 billion in the year ended March 31, 2012.

Interest charges decreased ¥1.4 billion to ¥26.7 billion, as compared with the year ended March 31, 2012.

Other deductions decreased ¥0.5 billion to ¥2.4 billion, as compared with the year ended March 31, 2012.

Equity in net loss of affiliated companies increased ¥24.8 billion to ¥40.4 billion compared with the year ended March 31, 2012. This was due primarily to an increase in the loss

resulting from our interest in Renesas Electronics Corporation, our equity-method affiliate in the semiconductor industry.

As a result of the foregoing, income before income taxes decreased ¥213.1 billion to ¥344.5 billion, as compared with the year ended March 31, 2012.

Income taxes decreased ¥38.1 billion to ¥106.8 billion, as compared with the year ended March 31, 2012 due to the decrease in income before income taxes.

Net income decreased ¥175.0 billion to ¥237.7 billion, as compared with the year ended March 31, 2012.

Net income attributable to noncontrolling interests decreased ¥3.2 billion to ¥62.3 billion, as compared with the year ended March 31, 2012.

As a result of the foregoing, net income attributable to Hitachi, Ltd. stockholders decreased ¥171.8 billion to ¥175.3 billion, as compared with the year ended March 31, 2012.

For details of performance by segment, please see “Segment Information” on pages 16 to 35.

Revenues by Geographic Area

Years ended March 31,	Millions of yen		Percent change
	2013	2012	
Japan	¥5,355,119	¥5,534,462	-3%
Outside Japan	3,685,952	4,131,421	-11%
Asia	1,711,141	2,000,989	-14%
North America	804,057	869,014	-7%
Europe	636,840	761,125	-16%
Other Areas	533,914	500,293	7%
Total	¥9,041,071	¥9,665,883	-6%

Japan

Revenues in Japan in the year ended March 31, 2013 were ¥5,355.1 billion, a 3% decrease compared with the year ended March 31, 2012. The decrease was due primarily to decreased revenues in the High Functional Materials &

Components segment owing to lower demand in the electronics field, and decreased revenues in the Others segment owing to the sale of the HDD business in the year ended March 31, 2012. The decrease was partially offset by increased revenues in the Power Systems and Social Infrastructure & Industrial Systems segments.

Asia

Revenues in Asia in the year ended March 31, 2013 were ¥1,711.1 billion, a 14% decrease compared with the year ended March 31, 2012. The decrease was due primarily to decreased revenues in the Construction Machinery segment owing to lower demand in China for hydraulic excavators, and the significant decrease in revenues in the Others segment owing to the sale of the HDD business in the year ended March 31, 2012. The decrease was partially offset by increased revenues in the Social Infrastructure & Industrial Systems segment as a result of strong performance in elevators and escalators, and industrial machinery, and increased revenues in the Information & Telecommunication Systems segment.

North America

Revenues in North America in the year ended March 31, 2013 were ¥804.0 billion, a 7% decrease compared with the year ended March 31, 2012. The decrease was due primarily to decreased revenues in the Electronic Systems & Equipment segment, in particular at Hitachi High-Technologies Corporation, and the significant decrease in revenues in the Others segment owing to the sale of the HDD business in the year ended March 31, 2012. This decrease was partially offset by increased revenues in the Construction Machinery segment reflecting higher demand in the leasing industry and increased revenues in the Power Systems segment.

Europe

Revenues in Europe in the year ended March 31, 2013 were ¥636.8 billion, a 16% decrease compared with the year ended March 31, 2012. The decrease was due primarily to decreased revenues in the Electronic Systems & Equipment segment owing to lower revenues at Hitachi High-Technologies Corporation and Hitachi Medical Corporation, and the significant decline in revenues in the Others segment owing to the sale of the HDD business in the year ended March 31, 2012. This decrease was partially offset by increased revenues in the Power Systems and Social Infrastructure & Industrial Systems segments.

Other Areas

Revenues in other areas in the year ended March 31, 2013 increased 7% to ¥533.9 billion, due primarily to increased revenues in the Power Systems and Social Infrastructure & Industrial Systems segments, as well as higher revenues in the Construction Machinery segment as a result of higher sales from mining machinery mainly in Australia and Africa.

Liquidity and Capital Resources

Our management considers maintaining an appropriate level of liquidity and securing adequate funds for current and future business operations to be important financial objectives. Through efficient management of working capital and selective investment in new plants and equipment, we are working to optimize the efficiency of capital utilization throughout our business operations. We endeavor to improve our group cash management by centralizing such management among us and our overseas financial subsidiaries. Our internal sources of funds include cash flows generated by operating activities and cash on hand. Our management also considers short-term investments to be an immediately available source of funds. In addition, we raise funds both in the capital markets and from Japanese

and international commercial banks in response to our capital requirements. Our management's policy is to finance capital expenditures primarily by internally generated funds and to a lesser extent by funds raised through the issuance of debt and equity securities in domestic and foreign capital markets. In order to flexibly access funding, we maintain our shelf registration with the maximum outstanding balance of ¥300.0 billion.

We maintain commitment line agreements with a number of domestic banks under which we may borrow in order to ensure efficient access to necessary funds. These commitment line agreements generally provide for a one-year term, renewable upon mutual agreement between us and each of the lending banks, as well as another commitment line agreement with a contract term of three years and two months ending in July 2016. These committed credit arrangements are, in general, subject to financial and other covenants and conditions both prior to and after drawdown, the most restrictive of which require maintenance of minimum issuer rating or long-term debt ratings from Rating and Investment Information, Inc. (R&I) of BBB-. As of March 31, 2013, our unused commitment lines totaled ¥515.8 billion, including these of ¥400.0 billion which the Company maintained.

We receive debt ratings from Moody's Japan K.K. (Moody's), Standard & Poor's Rating Japan (S&P), as well as R&I. Our debt ratings (long-term/short-term) were: A3/P-2 by Moody's; BBB+/A-2 by S&P and A+/a-1 by R&I as of March 31, 2013. Subsequently after the year ended March 31, 2013, our long-term credit rating with S&P was upgraded to A- on August 2, 2013. With our current ratings, we believe that our access to the global capital markets will remain sufficient for our financing needs. We seek to improve our credit ratings in order to ensure financial flexibility for liquidity and capital management, and to continue to maintain access to sufficient funding resources through the capital markets.

Cash Flows

Summarized cash flows from operating, investing and financing activities for the years ended March 31, 2013 and 2012 are shown below.

Years ended March 31,	Millions of yen	
	2013	2012
Net cash provided by operating activities	¥583,508	¥447,155
Net cash used in investing activities	(553,457)	(195,584)
Net cash used in financing activities	(180,445)	(167,838)
Effect of exchange rate changes on cash and cash equivalents	58,449	(18,966)
Net increase (decrease) in cash and cash equivalents	(91,945)	64,767
Cash and cash equivalents at beginning of year	619,577	554,810
Cash and cash equivalents at end of year	¥527,632	¥619,577

Cash Flows from Operating Activities

Net income amounted to ¥237.7 billion in the year ended March 31, 2013, a decrease of ¥175.0 billion compared to the year ended March 31, 2012, due mainly to a decrease in net gain on securities. In the year ended March 31, 2012, an increase of ¥259.2 billion in trade receivables was recorded due primarily to the effects of delay in shipment of products and customers' acceptance inspection caused by the Great East Japan Earthquake, whereas in the year ended March 31, 2013, a decrease of ¥71.7 billion was recorded due to collection of receivables proceeded. A decrease of ¥7.8 billion in inventories was recorded in the year ended March 31, 2013, whereas an increase of ¥162.5 billion had been recorded in the year ended March 31, 2012 due to the same effect. Compared with the increase in payables of ¥119.1 billion in the year ended March 31, 2012, a decrease of ¥187.6 billion was recorded in the year ended March 31, 2013. As a result, the net cash provided by operating activities in the year ended March 31, 2013 increased by ¥136.3 billion to ¥583.5 billion.

Cash Flows from Investing Activities

A net sum of ¥488.3 billion in the year ended March 31, 2013 was recorded as investment related to property, plant and equipment, where the collection of investments in leases, the proceeds from disposal of property, plant and equipment and the proceeds from disposal of tangible assets and software to be leased were subtracted from the amount of the capital expenditures, the purchase of intangible assets and the purchase of tangible assets and software to be leased, an increase of ¥85.0 billion from the year ended March 31, 2012. In addition, purchase of investments in securities and shares of newly consolidated subsidiaries increased by ¥20.3 billion and amounted to ¥171.7 billion, mainly as a result of stock acquisition of Horizon Nuclear Power Limited. Proceeds from sale of investments in securities and shares of consolidated subsidiaries resulting in deconsolidation decreased by ¥250.4 billion and amounted to ¥80.6 billion owing to share transfer of Viviti Technologies Ltd. in the year ended March 31, 2012, despite the sale of shares of TCM Corporation in the year ended March 31, 2013. As a result, net cash used in investing activities in the year ended March 31, 2013 was ¥553.4 billion, an increase of ¥357.8 billion from the year ended March 31, 2012.

Cash Flows from Financing Activities

Net increase in short-term debt in the year ended March 31, 2013 was ¥74.6 billion due primarily to the issuance of commercial paper in response to increased working capital, an increase of ¥4.5 billion compared with the year ended March 31, 2012. A net sum of ¥156.5 billion was recorded as payments related to long-term debt, where the proceeds from long-term debt were subtracted from the payments on long-term debt, an increase of ¥0.6 billion from the year ended March 31, 2012. A sum of ¥46.5 billion was paid in dividends in the year ended March 31, 2013, an increase of ¥19.5 billion compared with the year ended March 31, 2012.

As a result, net cash used in financing activities in the year ended March 31, 2013 was ¥180.4 billion, an increase of ¥12.6 billion from the year ended March 31, 2012.

As a result of the above items, in the year ended March 31, 2013, cash and cash equivalents decreased ¥91.9 billion from the year ended March 31, 2012 to ¥527.6 billion. Free cash flows, the sum of cash flows from operating and investing activities, represented an inflow of ¥30.0 billion in the year ended March 31, 2013, a decrease of ¥221.5 billion compared with the year ended March 31, 2012.

Assets, Liabilities and Equity

As of March 31, 2013, total assets amounted to ¥9,809.2 billion, an increase of ¥390.7 billion from March 31, 2012. The increase was due primarily to an increase in property, plant and equipment as a result of the stock acquisition of Horizon Nuclear Power Limited and an increase in trade accounts receivables as a result of increased revenues. Total cash and cash equivalents and short-term investments as of March 31, 2013 amounted to ¥538.0 billion, a decrease of ¥93.0 billion from the level as of March 31, 2012.

As of March 31, 2013, total interest-bearing debt, which represents the sum of short-term debt, long-term debt and non-recourse borrowings of consolidated securitization entities, amounted to ¥2,370.0 billion, a decrease of ¥26.3 billion from March 31, 2012. This decrease was due primarily to the decrease of nonrecourse borrowings of consolidated securitization entities owing to the collection of receivables transferred to securitization entities. As of March 31, 2013, short-term debt, consisting mainly of borrowings from banks and commercial paper, amounted to ¥673.8 billion, an increase of ¥142.4 billion from March 31, 2012, due primarily to the issuance of commercial paper in response to increased working capital. As of March 31, 2013, long-term debt (excluding current portion), consisting mainly of debentures,

debentures with stock acquisition rights, medium-term notes and loans principally from banks and insurance companies, amounted to ¥1,306.7 billion, an increase of ¥57.8 billion from March 31, 2012, due primarily to the issuance of straight bonds by Hitachi Capital Corporation, despite a part of long-term debt becoming current liability and conversion of the Company's bonds with stock acquisition rights into stocks.

As of March 31, 2013, total Hitachi, Ltd. stockholders' equity amounted to ¥2,082.5 billion, an increase of ¥310.7 billion from March 31, 2012. The increase was due primarily to the reporting of net income attributable to Hitachi, Ltd. stockholders and the conversion of the Company's bonds with stock acquisition rights into stocks. As a result, the ratio of total Hitachi, Ltd. stockholders' equity to total assets as of March 31, 2013 was 21.2% compared with 18.8% as of March 31, 2012.

As of March 31, 2013, noncontrolling interests amounted to ¥1,096.7 billion, an increase of ¥94.5 billion from March 31, 2012.

The ratio of interest-bearing debt to total equity (the sum of total Hitachi, Ltd. stockholders' equity and noncontrolling interests) decreased to 0.75, compared with 0.86 as of March 31, 2012. This was due to the decrease in interest-bearing debt as well as the increase in Hitachi Ltd. stockholders' equity as a result of the recording of net income attributable to Hitachi, Ltd. stockholders, as stated above.

Consolidated Balance Sheets

Hitachi, Ltd. and Subsidiaries
March 31, 2013 and 2012

	Millions of yen	
Assets	2013	2012
Current assets:		
Cash and cash equivalents	¥ 527,632	¥ 619,577
Short-term investments	10,444	11,562
Trade receivables:		
Notes	110,316	117,951
Accounts	2,311,460	2,225,519
Net trade receivables	2,421,776	2,343,470
Investments in leases	270,899	235,744
Current portion of financial assets transferred to consolidated securitization entities	23,365	86,071
Inventories	1,437,399	1,413,252
Prepaid expenses and other current assets	498,623	452,510
Total current assets	5,190,138	5,162,186
Investments and advances, including affiliated companies	781,984	744,493
Property, plant and equipment:		
Land	518,313	464,093
Buildings	1,942,634	1,847,292
Machinery and equipment	5,207,010	5,109,865
Construction in progress	115,340	90,687
	7,783,297	7,511,937
Less accumulated depreciation	5,503,333	5,486,399
Net property, plant and equipment	2,279,964	2,025,538
Intangible assets:		
Goodwill	290,387	214,707
Other intangible assets	415,009	395,255
Total intangible assets	705,396	609,962
Financial assets transferred to consolidated securitization entities	131,379	205,411
Other assets	720,369	670,936
Total assets	¥9,809,230	¥9,418,526

Liabilities and Equity	Millions of yen	
	2013	2012
Current liabilities:		
Short-term debt	¥ 673,850	¥ 531,446
Current portion of long-term debt	260,185	384,110
Current portion of non-recourse borrowings of consolidated securitization entities	26,399	97,004
Trade payables:		
Notes	15,462	24,025
Accounts	1,219,402	1,301,759
Accrued expenses	924,591	896,096
Income taxes	56,278	75,217
Advances received	359,795	362,895
Other current liabilities	428,179	438,321
Total current liabilities	3,964,141	4,110,873
Long-term debt	1,306,747	1,248,851
Non-recourse borrowings of consolidated securitization entities	102,898	135,043
Retirement and severance benefits	913,211	890,977
Other liabilities	342,946	258,787
Total liabilities	6,629,943	6,644,531
Commitments and contingencies		
Equity:		
Common stock		
4,833,463,387 and 4,637,785,317 shares issued as of March 31, 2013 and 2012, respectively	458,790	427,775
Capital surplus	622,946	600,243
Legal reserve and retained earnings	1,370,723	1,242,110
Accumulated other comprehensive loss	(368,334)	(496,896)
Treasury stock, at cost	(1,565)	(1,450)
Total Hitachi, Ltd. stockholders' equity	2,082,560	1,771,782
Noncontrolling interests	1,096,727	1,002,213
Total equity	3,179,287	2,773,995
Total liabilities and equity	¥9,809,230	¥9,418,526

To Our Shareholders

Special Feature

Financial Highlights

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Consolidated Statements of Operations

Hitachi, Ltd. and Subsidiaries
Years ended March 31, 2013, 2012 and 2011

	Millions of yen		
	2013	2012	2011
Revenues:			
Product sales	¥7,829,413	¥8,528,292	¥8,376,287
Financial and other services	1,211,658	1,137,591	939,520
Total revenues	9,041,071	9,665,883	9,315,807
Cost of sales:			
Product sales	(5,859,912)	(6,447,009)	(6,292,555)
Financial and other services	(884,079)	(831,962)	(674,878)
Total cost of sales	(6,743,991)	(7,278,971)	(6,967,433)
Selling, general and administrative expenses	(1,875,052)	(1,974,632)	(1,903,866)
Impairment losses for long-lived assets.	(23,209)	(31,841)	(35,170)
Restructuring charges	(30,498)	(23,097)	(5,757)
Interest income	13,229	12,653	13,267
Dividend income	6,415	5,551	4,240
Other income	26,220	228,906	69,730
Interest charges	(26,707)	(28,141)	(24,878)
Other deductions	(2,494)	(3,010)	(13,597)
Equity in net loss of affiliated companies	(40,447)	(15,571)	(20,142)
Income before income taxes	344,537	557,730	432,201
Income taxes	(106,816)	(144,922)	(129,075)
Net income	237,721	412,808	303,126
Less net income attributable to noncontrolling interests	62,395	65,629	64,257
Net income attributable to Hitachi, Ltd. stockholders	¥ 175,326	¥ 347,179	¥ 238,869
			Yen
Net income attributable to Hitachi, Ltd. stockholders per share:			
Basic	¥37.28	¥76.81	¥52.89
Diluted	36.29	71.86	49.38

Consolidated Statements of Comprehensive Income

Hitachi, Ltd. and Subsidiaries
Years ended March 31, 2013, 2012 and 2011

	Millions of yen		
	2013	2012	2011
Net income	¥237,721	¥412,808	¥303,126
Other comprehensive income (loss) arising during the year			
Foreign currency translation adjustments	181,814	23,462	(87,379)
Pension liability adjustments	(12,040)	(44,149)	16,076
Net unrealized holding gain (loss) on available-for-sale securities	41,386	2,962	(5,352)
Cash flow hedges	(28,201)	(2,502)	1,988
Total other comprehensive income (loss) arising during the year	182,959	(20,227)	(74,667)
Comprehensive income	420,680	392,581	228,459
Less comprehensive income attributable to noncontrolling interests	117,490	49,446	47,427
Comprehensive income attributable to Hitachi, Ltd. stockholders	¥303,190	¥343,135	¥181,032

Consolidated Statements of Equity

Hitachi, Ltd. and Subsidiaries
Years ended March 31, 2013, 2012 and 2011

	Millions of yen		
	2013	2012	2011
Common stock:			
Balance at beginning of year	¥ 427,775	¥ 409,129	¥ 408,810
Change in common stock:			
Conversion of convertible bonds	31,015	18,646	319
Total change in common stock	31,015	18,646	319
Balance at end of year	¥ 458,790	¥ 427,775	¥ 409,129
Capital surplus:			
Balance at beginning of year	¥ 600,243	¥ 603,133	¥ 620,577
Change in capital surplus:			
Conversion of convertible bonds	31,015	18,646	319
Equity transactions and other	(8,307)	(21,527)	(8,229)
Sales of treasury stock	(5)	(9)	(9,534)
Total change in capital surplus	22,703	(2,890)	(17,444)
Balance at end of year	¥ 622,946	¥ 600,243	¥ 603,133
Legal reserve and retained earnings:			
Balance at beginning of year	¥1,242,110	¥ 922,036	¥ 713,479
Change in legal reserve and retained earnings:			
Effect on retained earnings due to consolidation of securitization entities upon initial adoption of the amended provisions of ASC* 810	—	—	(7,732)
Net income	175,326	347,179	238,869
Dividends to Hitachi, Ltd. stockholders	(46,713)	(27,105)	(22,580)
Total change in legal reserve and retained earnings	128,613	320,074	208,557
Balance at end of year	¥1,370,723	¥1,242,110	¥ 922,036
Accumulated other comprehensive loss:			
Balance at beginning of year	¥ (496,896)	¥ (493,062)	¥(432,057)
Change in accumulated other comprehensive loss:			
Effect on accumulated other comprehensive loss due to consolidation of securitization entities upon initial adoption of the amended provisions of ASC 810	—	—	(2,977)
Equity transactions and other	698	210	(191)
Other comprehensive income (loss), net of reclassification adjustments	127,864	(4,044)	(57,837)
Total change in accumulated other comprehensive loss	128,562	(3,834)	(61,005)
Balance at end of year	¥ (368,334)	¥ (496,896)	¥(493,062)
Treasury stock, at cost:			
Balance at beginning of year	¥ (1,450)	¥ (1,371)	¥ (26,151)
Change in treasury stock, at cost:			
Acquisition of treasury stock	(162)	(126)	(183)
Sales of treasury stock	47	47	24,963
Total change in treasury stock, at cost	(115)	(79)	24,780
Balance at end of year	¥ (1,565)	¥ (1,450)	¥ (1,371)

* ASC: Accounting Standards Codification

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To Our Shareholders

Special Feature

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Corporate Data

	Millions of yen		
	2013	2012	2011
Total Hitachi, Ltd. stockholders' equity:			
Balance at beginning of year	¥1,771,782	¥1,439,865	¥1,284,658
Change in total Hitachi, Ltd. stockholders' equity:			
Effect on retained earnings due to consolidation of securitization entities upon initial adoption of the amended provisions of ASC 810	—	—	(7,732)
Effect on accumulated other comprehensive loss due to consolidation of securitization entities upon initial adoption of the amended provisions of ASC 810	—	—	(2,977)
Conversion of convertible bonds	62,030	37,292	638
Equity transactions and other	(7,609)	(21,317)	(8,420)
Net income	175,326	347,179	238,869
Other comprehensive income (loss), net of reclassification adjustments	127,864	(4,044)	(57,837)
Dividends to Hitachi, Ltd. stockholders	(46,713)	(27,105)	(22,580)
Acquisition of treasury stock	(162)	(126)	(183)
Sales of treasury stock	42	38	15,429
Total change in total Hitachi, Ltd. stockholders' equity	310,778	331,917	155,207
Balance at end of year	¥2,082,560	¥1,771,782	¥1,439,865
Noncontrolling interests:			
Balance at beginning of year	¥1,002,213	¥1,001,524	¥ 983,187
Change in noncontrolling interests:			
Effect on retained earnings due to consolidation of securitization entities upon initial adoption of the amended provisions of ASC 810	—	—	(5,225)
Effect on accumulated other comprehensive loss due to consolidation of securitization entities upon initial adoption of the amended provisions of ASC 810	—	—	(1,985)
Equity transactions and other	1,186	(26,464)	(1,696)
Net income	62,395	65,629	64,257
Other comprehensive income (loss), net of reclassification adjustments	55,095	(16,183)	(16,830)
Dividends to noncontrolling interests	(24,162)	(22,293)	(20,184)
Total change in noncontrolling interests	94,514	689	18,337
Balance at end of year	¥1,096,727	¥1,002,213	¥1,001,524
Total equity:			
Balance at beginning of year	¥2,773,995	¥2,441,389	¥2,267,845
Change in total equity:			
Effect on retained earnings due to consolidation of securitization entities upon initial adoption of the amended provisions of ASC 810	—	—	(12,957)
Effect on accumulated other comprehensive loss due to consolidation of securitization entities upon initial adoption of the amended provisions of ASC 810	—	—	(4,962)
Conversion of convertible bonds	62,030	37,292	638
Equity transactions and other	(6,423)	(47,781)	(10,116)
Net income	237,721	412,808	303,126
Other comprehensive income (loss), net of reclassification adjustments	182,959	(20,227)	(74,667)
Dividends to Hitachi, Ltd. stockholders	(46,713)	(27,105)	(22,580)
Dividends to noncontrolling interests	(24,162)	(22,293)	(20,184)
Acquisition of treasury stock	(162)	(126)	(183)
Sales of treasury stock	42	38	15,429
Total change in total equity	405,292	332,606	173,544
Balance at end of year	¥3,179,287	¥2,773,995	¥2,441,389

Consolidated Statements of Cash Flows

Hitachi, Ltd. and Subsidiaries
Years ended March 31, 2013, 2012 and 2011

	Millions of yen		
	2013	2012	2011
Cash flows from operating activities:			
Net income	¥237,721	¥412,808	¥303,126
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	300,664	360,358	382,732
Amortization	117,355	119,308	115,037
Impairment losses for long-lived assets	23,209	31,841	35,170
Deferred income taxes	2,394	21,509	3,952
Equity in net loss of affiliated companies	40,447	15,571	20,142
Gain on sale of investments in securities and other	(24,047)	(228,115)	(72,987)
Impairment of investments in securities	4,762	15,096	11,407
(Gain) loss on disposal of rental assets and other property	3,119	(18,627)	4,387
(Increase) decrease in receivables	71,777	(259,211)	121,606
(Increase) decrease in inventories	7,860	(162,594)	(171,275)
(Increase) decrease in prepaid expenses and other current assets	(3,442)	987	1,964
Increase (decrease) in payables	(187,651)	119,177	47,512
Increase (decrease) in accrued expenses and retirement and severance benefits	8,177	(18,430)	22,871
Increase (decrease) in accrued income taxes	(25,697)	7,103	3,066
Decrease in other liabilities	(22,215)	(13,812)	(26,118)
Net change in lease receivables related to the Company's and its subsidiaries' products	12,051	27,012	19,523
Other	17,024	17,174	19,439
Net cash provided by operating activities	583,508	447,155	841,554
Cash flows from investing activities:			
Capital expenditures	(381,731)	(337,502)	(254,460)
Purchase of intangible assets	(105,842)	(106,042)	(95,500)
Purchase of tangible assets and software to be leased	(335,640)	(269,350)	(268,446)
Proceeds from disposal of property, plant and equipment	28,556	47,697	27,427
Proceeds from disposal of tangible assets and software to be leased	20,944	17,447	19,866
Collection of investments in leases	285,407	244,446	286,356
Purchase of investments in securities and shares of newly consolidated subsidiaries	(171,721)	(151,413)	(122,555)
Proceeds from sale of investments in securities and shares of consolidated subsidiaries resulting in deconsolidation	80,602	331,007	147,941
Refund of deposit received for sale of investment in affiliated company	—	—	(43,550)
Other	25,968	28,126	42,575
Net cash used in investing activities	(553,457)	(195,584)	(260,346)
Cash flows from financing activities:			
Increase in short-term debt, net	74,630	70,105	75,535
Proceeds from long-term debt	352,840	388,991	179,324
Payments on long-term debt	(509,356)	(544,841)	(790,328)
Proceeds from sale of common stock by subsidiaries	2,523	736	415
Dividends paid to Hitachi, Ltd. stockholders	(46,564)	(27,018)	(22,466)
Dividends paid to noncontrolling interests	(25,827)	(22,206)	(19,575)
Acquisition of common stock for treasury	(162)	(126)	(183)
Proceeds from sales of treasury stock	25	38	52
Purchase of shares of consolidated subsidiaries from noncontrolling interest holders	(28,191)	(39,230)	(3,043)
Proceeds from sale of shares of consolidated subsidiaries to noncontrolling interest holders	102	6,188	229
Other	(465)	(475)	(4,136)
Net cash used in financing activities	(180,445)	(167,838)	(584,176)
Effect of consolidation of securitization entities upon initial adoption of the amended provisions of ASC 810	—	—	12,030
Effect of exchange rate changes on cash and cash equivalents	58,449	(18,966)	(31,836)
Net increase (decrease) in cash and cash equivalents	(91,945)	64,767	(22,774)
Cash and cash equivalents at beginning of year	619,577	554,810	577,584
Cash and cash equivalents at end of year	¥527,632	¥619,577	¥554,810

To Our Shareholders

Special Feature

Financial Highlights

Segment Information

Research and Development/
Intellectual Property

Management Structure

Financial Section/
Corporate Data

Consolidated Balance Sheets by Manufacturing, Services & Others and Financial Services

Hitachi, Ltd. and Subsidiaries
March 31, 2013 and 2012

Billions of yen

	As of March 31, 2013			As of March 31, 2012		
	Manufacturing, Services & Others	Financial Services	Total*	Manufacturing, Services & Others	Financial Services	Total*
Assets						
Current assets:						
Cash and cash equivalents	¥ 500.7	¥ 141.7	¥ 527.6	¥ 589.0	¥ 142.0	¥ 619.5
Trade receivables.	2,007.2	642.3	2,421.7	1,999.5	593.5	2,343.4
Investments in leases	84.4	203.0	270.8	86.6	169.6	235.7
Current portion of financial assets transferred to consolidated securitization entities.	5.1	18.1	23.3	5.6	80.3	86.0
Inventories.	1,437.4	0.0	1,437.3	1,413.2	0.0	1,413.2
Others.	499.7	50.7	509.0	499.0	37.3	464.0
Total current assets	4,534.7	1,056.0	5,190.1	4,593.2	1,023.1	5,162.1
Investments and advances	720.6	112.3	781.9	685.4	92.0	744.4
Property, plant and equipment	2,074.7	206.3	2,279.9	1,828.4	198.4	2,025.5
Financial assets transferred to consolidated securitization entities.	—	131.3	131.3	—	205.4	205.4
Other assets	994.2	454.8	1,425.7	887.6	431.6	1,280.8
Total Assets	¥8,324.4	¥1,960.9	¥9,809.2	¥7,994.7	¥1,950.6	¥9,418.5
Liabilities and Equity						
Current liabilities:						
Short-term debt and current portion of long-term debt	¥ 690.9	¥ 407.9	¥ 934.0	¥ 615.2	¥ 491.6	¥ 915.5
Current portion of non-recourse borrowings of consolidated securitization entities.	5.1	21.2	26.3	5.6	91.3	97.0
Trade payables	1,181.6	256.2	1,234.8	1,284.0	269.9	1,325.7
Others.	1,659.8	142.1	1,768.8	1,671.1	138.1	1,772.5
Total current liabilities.	3,537.6	827.5	3,964.1	3,576.1	991.1	4,110.8
Long-term debt.	672.7	692.8	1,306.7	801.9	501.9	1,248.8
Non-recourse borrowings of consolidated securitization entities.	—	102.8	102.8	—	135.0	135.0
Other noncurrent liabilities.	1,204.3	56.9	1,256.1	1,089.4	65.6	1,149.7
Total Liabilities	5,414.7	1,680.2	6,629.9	5,467.6	1,693.8	6,644.5
Total Hitachi, Ltd. stockholders' equity	1,932.3	161.1	2,082.5	1,635.8	146.6	1,771.7
Noncontrolling interests	977.3	119.6	1,096.7	891.3	110.2	1,002.2
Total Equity	2,909.7	280.7	3,179.2	2,527.1	256.8	2,773.9
Total Liabilities and Equity	¥8,324.4	¥1,960.9	¥9,809.2	¥7,994.7	¥1,950.6	¥9,418.5
Interest-bearing debt	¥1,368.8	¥1,224.9	¥2,370.0	¥1,422.8	¥1,220.0	¥2,396.4
D/E ratio (including noncontrolling interests) (times).	0.47	4.36	0.75	0.56	4.75	0.86
Total Hitachi, Ltd. stockholders' equity ratio (%)	23.2	8.2	21.2	20.5	7.5	18.8

* Total figures exclude inter-segment transactions.

Consolidated Statements of Operations by Manufacturing, Services & Others and Financial Services

Hitachi, Ltd. and Subsidiaries
March 31, 2013 and 2012

	As of March 31, 2013			As of March 31, 2012		
	Manufacturing, Services & Others	Financial Services	Total*	Manufacturing, Services & Others	Financial Services	Total*
Revenues	¥8,839.6	¥340.2	¥9,041.0	¥9,457.4	¥353.2	¥9,665.8
Operating income.	393.9	29.2	422.0	383.8	30.2	412.2
Income before income taxes	317.9	28.7	344.5	529.0	29.6	557.7
Net income attributable to Hitachi, Ltd. stockholders	164.9	12.7	175.3	341.0	7.7	347.1

* Total figures exclude inter-segment transactions.

Consolidated Statements of Cash Flows by Manufacturing, Services & Others and Financial Services

Hitachi, Ltd. and Subsidiaries
March 31, 2013 and 2012

	As of March 31, 2013			As of March 31, 2012		
	Manufacturing, Services & Others	Financial Services	Total*	Manufacturing, Services & Others	Financial Services	Total*
Cash flows from operating activities	¥503.4	¥105.2	¥583.5	¥442.7	¥ 17.8	¥447.1
Cash flows from investing activities	(478.4)	(63.0)	(553.4)	(229.6)	14.4	(195.5)
Cash flows from financing activities	(170.1)	(44.4)	(180.4)	(138.6)	0.7	(167.8)
Effect of exchange rate changes on cash and cash equivalents.	56.7	1.8	58.4	(19.1)	0.1	(18.9)
Net increase (decrease) in cash and cash equivalents.	(88.3)	(0.3)	(91.9)	55.4	33.2	64.7
Cash and cash equivalents at beginning of year	589.0	142.0	619.5	533.6	108.8	554.8
Cash and cash equivalents at end of year	¥500.7	¥141.7	¥527.6	¥589.0	¥142.0	¥619.5

* Total figures exclude inter-segment transactions.

Note: Consolidated Financial Statements by Manufacturing, Services & Others and Financial Services represent unaudited financial information prepared by the Company for the purpose of this supplementary information.

Role of the Financial Services Segment

Hitachi's Manufacturing, Services & Others segments and its Financial Services segment are each clearly positioned and managed as distinct businesses with different characteristics. The Manufacturing, Services & Others segments work in coordination with the Financial Services segment to expand the Social Innovation Business.

Increasing the financing receivables owned by Hitachi Capital Corporation, which constitutes the Financial Services segment, is the basis for growth in the financing business and regarded as investment to generate higher returns on equity. Credit rating agencies typically permit a higher level of interest-bearing debt and D/E ratio for financial services companies than for manufacturing and service companies. The credit ratings of Hitachi, Ltd. are assigned by credit rating agencies on the basis of key financial indicators that exclude Hitachi's financial services business.