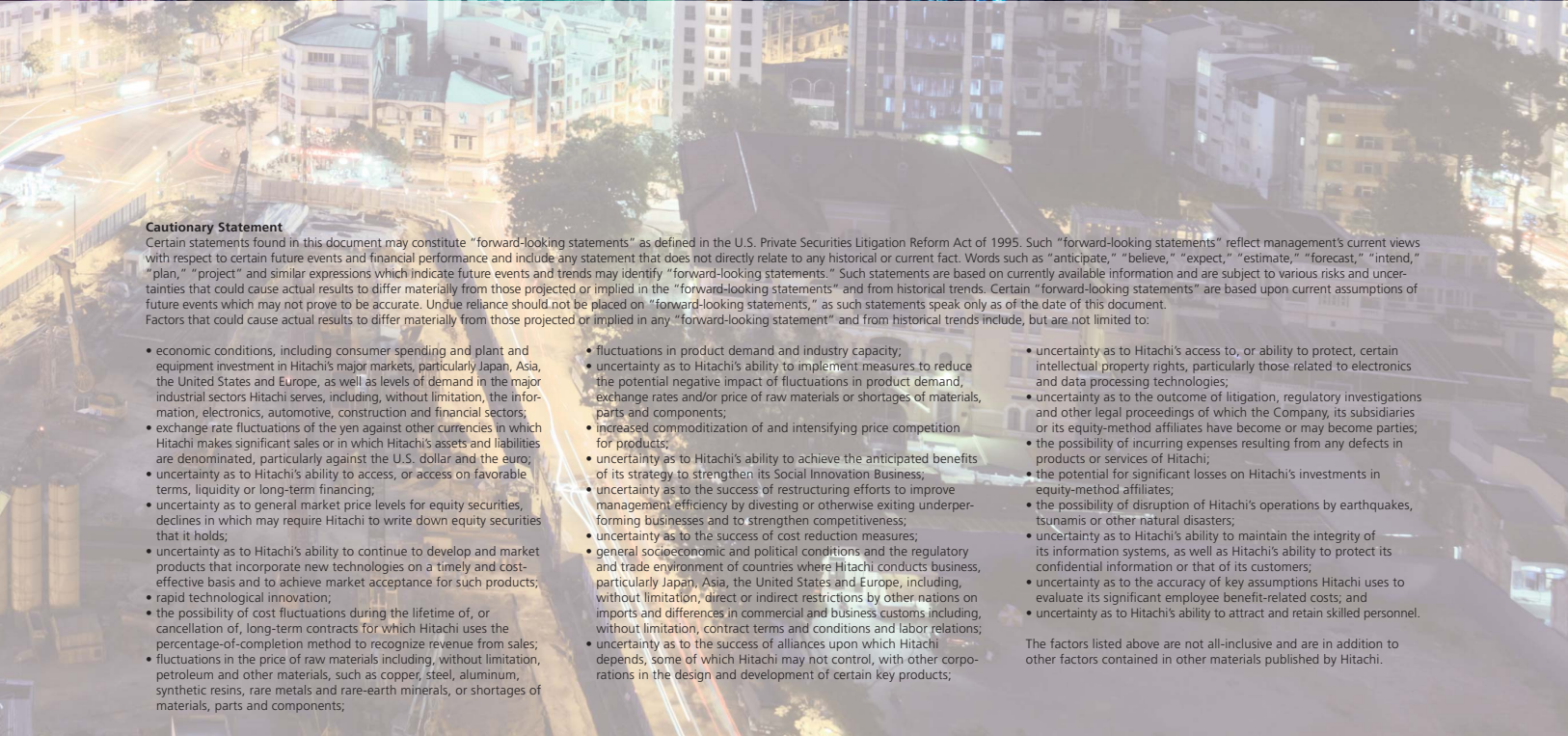


SOCIAL INNOVATION IT'S OUR FUTURE

Contents

- 1 SOCIAL INNOVATION – IT'S OUR FUTURE**
- 2 Management Strategy**
 - 2 Hitachi's History of Transformation (Fiscal 2004 –Fiscal 2013)
 - 4 2015 Mid-term Management Plan – Achieving Growth and Hitachi's Transformation
- 8 To Our Shareholders**
- 10 Special Feature: Hitachi Takes on Global Challenges – Targeting Global Growth**
 - 11 SECTION 1: Message from the CFO
 - 12 SECTION 2: Message from the CMO
 - 13 SECTION 3: Message from the CTO
 - 14 SECTION 4: Message from the CTrO
 - 15 SECTION 5: Message from the CIO
 - 16 SECTION 6: Message from the Head of MONOZUKURI & Quality Assurance
 - 17 SECTION 7: Message from the CPO
 - 18 SECTION 8: Message from the CHRO
 - 19 SECTION 9: Message from the General Counsel
- 20 Financial Highlights**
- 22 Segment Information**
- 24 Foundation for Growth**
 - 24 CSR Management
 - 26 Corporate Governance
 - 28 Risk Management
- 30 Board of Directors**
- 31 Executive Officers**
- 32 Financial Section**
 - 32 Operating and Financial Review
 - 38 Consolidated Balance Sheets
 - 40 Consolidated Statements of Operations / Consolidated Statements of Comprehensive Income
 - 41 Consolidated Statements of Equity
 - 42 Consolidated Statements of Cash Flows
 - 44 Consolidated Balance Sheets by Manufacturing, Services & Others and Financial Services
 - 45 Consolidated Statements of Operations by Manufacturing, Services & Others and Financial Services / Consolidated Statements of Cash Flows by Manufacturing, Services & Others and Financial Services
- 46 Corporate Data**



Cautionary Statement

Certain statements found in this document may constitute "forward-looking statements" as defined in the U.S. Private Securities Litigation Reform Act of 1995. Such "forward-looking statements" reflect management's current views with respect to certain future events and financial performance and include any statement that does not directly relate to any historical or current fact. Words such as "anticipate," "believe," "expect," "estimate," "forecast," "intend," "plan," "project" and similar expressions which indicate future events and trends may identify "forward-looking statements." Such statements are based on currently available information and are subject to various risks and uncertainties that could cause actual results to differ materially from those projected or implied in the "forward-looking statements" and from historical trends. Certain "forward-looking statements" are based upon current assumptions of future events which may not prove to be accurate. Undue reliance should not be placed on "forward-looking statements," as such statements speak only as of the date of this document. Factors that could cause actual results to differ materially from those projected or implied in any "forward-looking statement" and from historical trends include, but are not limited to:

- economic conditions, including consumer spending and plant and equipment investment in Hitachi's major markets, particularly Japan, Asia, the United States and Europe, as well as levels of demand in the major industrial sectors Hitachi serves, including, without limitation, the information, electronics, automotive, construction and financial sectors;
- exchange rate fluctuations of the yen against other currencies in which Hitachi makes significant sales or in which Hitachi's assets and liabilities are denominated, particularly against the U.S. dollar and the euro;
- uncertainty as to Hitachi's ability to access, or access on favorable terms, liquidity or long-term financing;
- uncertainty as to general market price levels for equity securities, declines in which may require Hitachi to write down equity securities that it holds;
- uncertainty as to Hitachi's ability to continue to develop and market products that incorporate new technologies on a timely and cost-effective basis and to achieve market acceptance for such products;
- rapid technological innovation;
- the possibility of cost fluctuations during the lifetime of, or cancellation of, long-term contracts for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- fluctuations in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum, synthetic resins, rare metals and rare-earth minerals, or shortages of materials, parts and components;
- fluctuations in product demand and industry capacity;
- uncertainty as to Hitachi's ability to implement measures to reduce the potential negative impact of fluctuations in product demand, exchange rates and/or price of raw materials or shortages of materials, parts and components;
- 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 restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness;
- uncertainty as to the success of cost reduction measures;
- general socioeconomic and political conditions and the regulatory and trade environment of countries where Hitachi conducts business, particularly Japan, Asia, the United States and Europe, including, without limitation, direct or indirect restrictions by other nations on imports and differences in commercial and business customs including, without limitation, contract terms and conditions and labor relations;
- uncertainty as to the success of alliances upon which Hitachi depends, some of which Hitachi may not control, with other corporations in the design and development of certain key products;
- uncertainty as to Hitachi's access to, or ability to protect, certain intellectual property rights, particularly those related to electronics and data processing technologies;
- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity-method affiliates have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- the potential for significant losses on Hitachi's investments in equity-method affiliates;
- the possibility of disruption of Hitachi's operations by earthquakes, tsunamis or other natural disasters;
- uncertainty as to Hitachi's ability to maintain the integrity of its information systems, as well as Hitachi's ability to protect its confidential information or that of its customers;
- uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its significant employee benefit-related costs; and
- uncertainty as to Hitachi's ability to attract and retain skilled personnel.

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