

Outline of Consolidated Financial Results for the First Quarter ended June 30, 2016

July 29, 2016

Hitachi, Ltd.

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for the First Quarter ended June 30, 2016**
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1. Outline of Consolidated Financial Results for the First Quarter ended June 30, 2016

1-1. Highlights of the First Quarter FY2016 Financial Results

| | |
|--|---|
| Revenues | 2,130.4 billion yen down 8% / 183.5 billion yen YoY <ul style="list-style-type: none"> ● Decreased YoY due to conversion of Hitachi Transport System, Ltd. into an equity-method associate, reorganization of air-conditioning business and impact of foreign exchange fluctuation. |
| Adjusted operating income*1 | 91.4 billion yen down 21% / 23.9 billion yen YoY <ul style="list-style-type: none"> ● Decreased YoY due mainly to lower revenues. |
| EBIT (Earnings before interest and taxes)*2 | 112.4 billion yen down 23% / 33.9 billion yen YoY <ul style="list-style-type: none"> ● Decreased YoY due to the absence of gain recognized in 1Q FY2015 on the sale of equity interest in Hitachi Tool Engineering, Ltd. by Hitachi Metals, Ltd. and recognition of exchange loss, although gain on business reorganization relating to sale of a part of shares of Hitachi Transport System, Ltd. was recorded. |
| Net income attributable to Hitachi, Ltd. stockholders | 56.4 billion yen up 3% / 1.4 billion yen YoY |
| Total Hitachi, Ltd. stockholders' equity ratio (Manufacturing, Services and Others) | 26.8 % up 1.2 points from March 31, 2016 |
| Free cash flows (Manufacturing, Services and Others) | 113.2 billion yen up 80.8 billion yen YoY |

*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.

1-2. Consolidated Statement of Profit or Loss

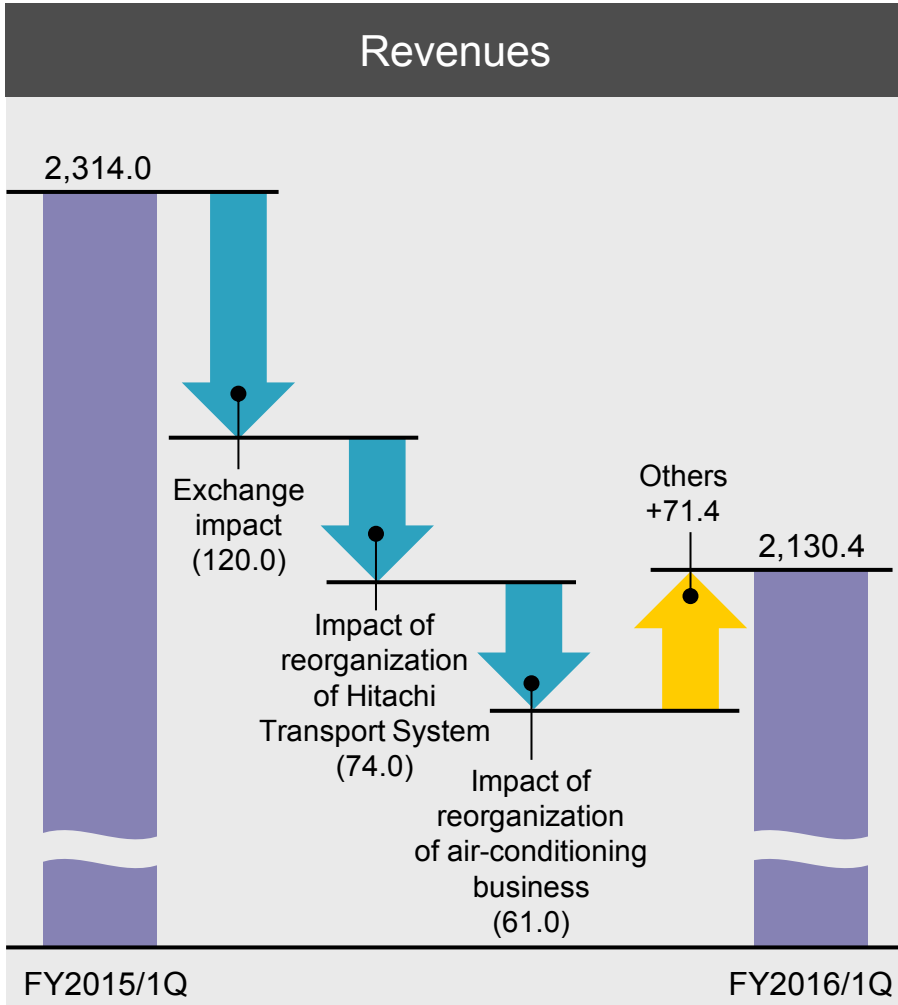
Billions of yen

| | FY2015/1Q | FY2016/1Q | Year over year |
|---|-----------|-----------|------------------|
| Revenues | 2,314.0 | 2,130.4 | (183.5) [92%] |
| Adjusted operating income | 115.3 | 91.4 | (23.9) |
| EBIT | 146.4 | 112.4 | (33.9) |
| Income from continuing operations, before income taxes | 142.6 | 109.7 | (32.9) |
| Income taxes | (46.0) | (33.3) | +12.6 |
| Income from continuing operations | 96.6 | 76.3 | (20.2) |
| Income (loss) from discontinued operations* | (1.6) | 0.4 | +2.0 |
| Net income | 95.0 | 76.8 | (18.2) |
| Net income attributable to Hitachi, Ltd. stockholders | 54.9 | 56.4 | +1.4 |

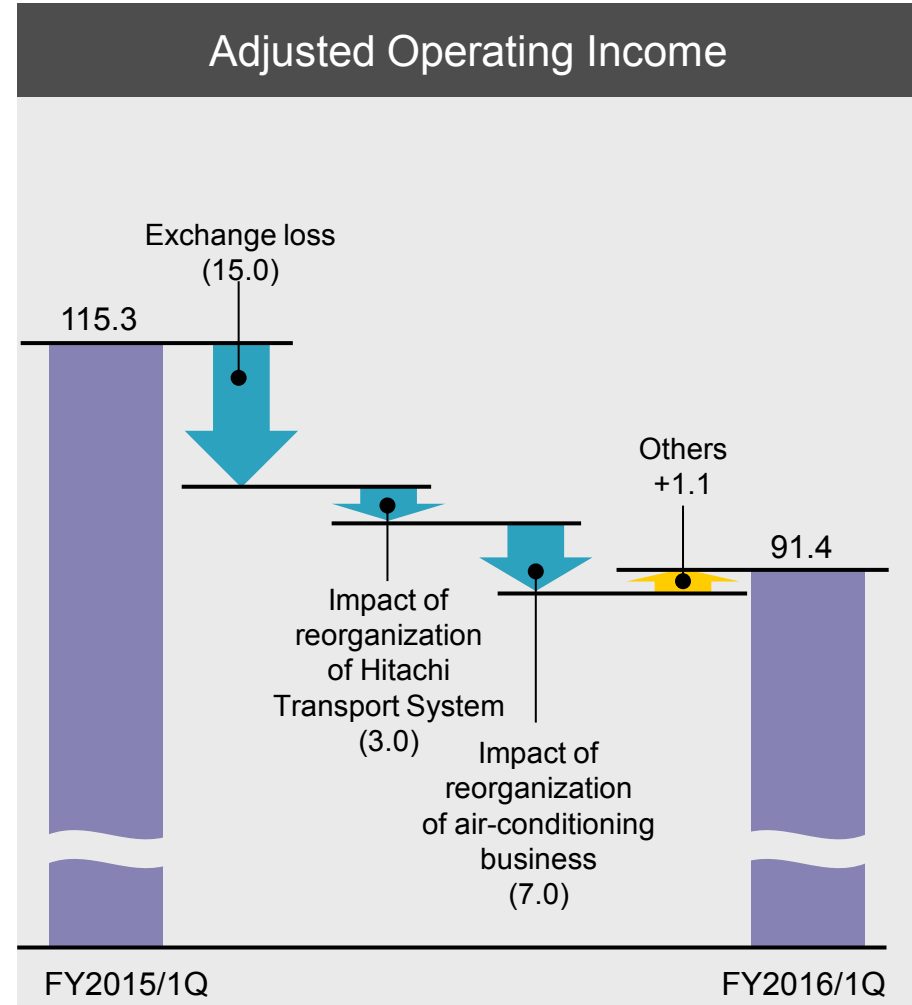
* A part of the thermal power generation systems business is classified as a discontinued operation in accordance with the provision of IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations," which was not transferred to Mitsubishi Hitachi Power Systems, Ltd. as part of the business integration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

1-3. 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

| | FY2015/1Q | | FY2016/1Q | | Year over year |
|------------------------------|-----------|-------|-----------|-------|----------------|
| | | Ratio | | Ratio | |
| Japan | 1,118.9 | 48% | 1,047.0 | 49% | 94% |
| Outside Japan | 1,195.0 | 52% | 1,083.4 | 51% | 91% |
| Asia | 554.2 | 24% | 436.7 | 20% | 79% |
| China | 274.3 | 12% | 221.1 | 10% | 81% |
| ASEAN, India, other areas | 279.8 | 12% | 215.5 | 10% | 77% |
| North America | 322.0 | 14% | 290.8 | 14% | 90% |
| Europe | 207.1 | 9% | 259.0 | 12% | 125% |
| Other Areas | 111.6 | 5% | 96.7 | 5% | 87% |
| Total | 2,314.0 | 100% | 2,130.4 | 100% | 92% |

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 | | |
|---------------------------|-------------------------------------|-----------|------------------|-----------|-----------|------------------|
| | FY2015/1Q | FY2016/1Q | Year over year | FY2015/1Q | FY2016/1Q | Year over year |
| Revenues | 2,257.8 | 2,072.0 | (185.7) [92%] | 2,314.0 | 2,130.4 | (183.5) [92%] |
| Adjusted operating income | 102.6 | 79.8 | (22.7) | 115.3 | 91.4 | (23.9) |
| EBIT | 136.2 | 104.3 | (31.8) | 146.4 | 112.4 | (33.9) |

■ Summary of Consolidated Statements of Cash Flows

Billions of yen

| | Manufacturing, Services and Others* | | | Total | | |
|--------------------------------------|-------------------------------------|-----------|----------------|-----------|-----------|----------------|
| | FY2015/1Q | FY2016/1Q | Year over year | FY2015/1Q | FY2016/1Q | Year over year |
| Cash flows from operating activities | 160.0 | 132.3 | (27.7) | 105.4 | 84.9 | (20.4) |
| Cash flows from investing activities | (127.6) | (19.0) | +108.5 | (133.9) | (81.4) | +52.5 |
| Free cash flows | 32.4 | 113.2 | +80.8 | (28.5) | 3.5 | +32.1 |

* 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 June 30, 2016 | Change from March 31, 2016 | As of March 31, 2016 | As of June 30, 2016 | Change from March 31, 2016 |
| Total assets | 9,917.9 | 8,989.5 | (928.3) | 12,551.0 | 11,658.4 | (892.5) |
| Trade receivables and Inventories | 3,763.6 | 3,344.2 | (419.3) | 4,292.6 | 3,914.4 | (378.1) |
| Total liabilities | 6,133.5 | 5,497.0 | (636.4) | 8,425.4 | 7,836.9 | (588.4) |
| Interest-bearing debt | 1,515.0 | 1,331.9 | (183.0) | 3,604.4 | 3,494.2 | (110.2) |
| Total Hitachi, Ltd. stockholders' equity | 2,540.8 | 2,409.4 | (131.4) | 2,735.0 | 2,596.4 | (138.6) |
| Non-controlling interests | 1,243.5 | 1,083.0 | (160.4) | 1,390.4 | 1,225.0 | (165.4) |
| Cash Conversion Cycle | 71.6 days | 61.0 days | 10.6 days decrease | - | - | - |
| Total Hitachi, Ltd. stockholders' equity ratio | 25.6% | 26.8% | 1.2 points increase | 21.8% | 22.3% | 0.5 points increase |
| D/E ratio (Including non-controlling interests) | 0.40 times | 0.38 times | 0.02 points decrease | 0.87 times | 0.91 times | 0.04 points increase |

* Figures here represent information voluntarily prepared by the Company.

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

Billions of yen

| | | FY2015/1Q | FY2016/1Q | Year over year |
|---|---------------------------|-----------|-----------|----------------|
| Information & Telecommunication Systems | Revenues | 451.5 | 435.0 | 96% |
| | Adjusted operating income | 8.9 | 12.2 | +3.2 |
| | EBIT | 8.4 | 0.7 | (7.6) |
| Social Infrastructure & Industrial Systems | Revenues | 435.7 | 483.0 | 111% |
| | Adjusted operating income | 10.6 | 4.3 | (6.2) |
| | EBIT | 8.6 | (6.1) | (14.7) |
| Electronic Systems & Equipment | Revenues | 258.7 | 255.9 | 99% |
| | Adjusted operating income | 15.7 | 13.6 | (2.1) |
| | EBIT | 17.2 | 11.5 | (5.7) |
| Construction Machinery | Revenues | 177.3 | 161.3 | 91% |
| | Adjusted operating income | 5.0 | 2.1 | (2.8) |
| | EBIT | 5.2 | 1.4 | (3.8) |
| High Functional Materials & Components | Revenues | 402.6 | 351.4 | 87% |
| | Adjusted operating income | 31.2 | 27.5 | (3.7) |
| | EBIT | 62.2 | 23.3 | (38.9) |

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

Billions of yen

| | | FY2015/1Q | FY2016/1Q | Year over year |
|----------------------------------|---------------------------|-----------|-----------|----------------|
| Automotive Systems | Revenues | 241.1 | 232.9 | 97% |
| | Adjusted operating income | 10.8 | 7.3 | (3.5) |
| | EBIT | 11.6 | 7.8 | (3.8) |
| Smart Life & Ecofriendly Systems | Revenues | 203.6 | 139.8 | 69% |
| | Adjusted operating income | 7.1 | 0.6 | (6.5) |
| | EBIT | 8.4 | 3.3 | (5.0) |
| Others* | Revenues | 305.3 | 213.1 | 70% |
| | Adjusted operating income | 10.9 | 7.0 | (3.8) |
| | EBIT | 12.2 | 4.8 | (7.4) |
| Financial Services | Revenues | 90.7 | 89.2 | 98% |
| | Adjusted operating income | 12.1 | 10.7 | (1.3) |
| | EBIT | 12.6 | 11.2 | (1.4) |
| Corporate items & Eliminations | Revenues | (253.0) | (231.4) | - |
| | Adjusted operating income | 2.7 | 5.7 | +3.0 |
| | EBIT | (0.4) | 54.3 | +54.7 |
| Total | Revenues | 2,314.0 | 2,130.4 | 92% |
| | Adjusted operating income | 115.3 | 91.4 | (23.9) |
| | EBIT | 146.4 | 112.4 | (33.9) |

* From FY2016, the "Others (Logistics and Other Services)" has been renamed to the "Others".

2. Outlook for Fiscal 2016

2-1. Outlook for FY2016

[Projections for FY2016 assume an exchange rate of 110 yen to the U.S. dollar and 120 yen to the euro.]

Billions of yen

| | FY2015 | FY2016 | | |
|--|----------|----------|--------------------|-------------------------------|
| | | Forecast | Year over year | Previous forecast* comparison |
| Revenues | 10,034.3 | 9,000.0 | (1,034.3) [90%] | ±0.0 [100%] |
| Adjusted operating income | 634.8 | 540.0 | (94.8) | ±0.0 |
| EBIT | 531.0 | 450.0 | (81.0) | ±0.0 |
| Income from continuing operations, before income taxes | 517.0 | 430.0 | (87.0) | ±0.0 |
| Income taxes | (165.2) | (130.0) | +35.2 | ±0.0 |
| Income from continuing operations | 351.8 | 300.0 | (51.8) | ±0.0 |
| Loss from discontinued operations | (57.0) | (5.0) | +52.0 | ±0.0 |
| Net income | 294.7 | 295.0 | +0.2 | ±0.0 |
| Net income attributable to Hitachi, Ltd. stockholders | 172.1 | 200.0 | +27.8 | ±0.0 |

* Announced on May 13, 2016

2-2. Outlook for FY2016: Revenues, Adjusted Operating Income and EBIT by Business Segment (1)

Billions of yen

| | | FY2015 | FY2016 (Forecast) | Year over year | Previous forecast* comparison |
|---|---------------------------|---------|----------------------|----------------|----------------------------------|
| Information & Telecommunication Systems | Revenues | 2,109.3 | 2,040.0 | 97% | 100% |
| | Adjusted operating income | 141.3 | 143.0 | +1.6 | ±0.0 |
| | EBIT | 109.1 | 84.0 | (25.1) | ±0.0 |
| Social Infrastructure & Industrial Systems | Revenues | 2,333.1 | 2,340.0 | 100% | 100% |
| | Adjusted operating income | 81.3 | 100.0 | +18.6 | ±0.0 |
| | EBIT | 29.1 | 110.0 | +80.8 | ±0.0 |
| Electronic Systems & Equipment | Revenues | 1,127.6 | 1,180.0 | 105% | 100% |
| | Adjusted operating income | 67.0 | 65.0 | (2.0) | ±0.0 |
| | EBIT | 64.3 | 61.0 | (3.3) | ±0.0 |
| Construction Machinery | Revenues | 758.3 | 700.0 | 92% | 97% |
| | Adjusted operating income | 22.6 | 26.0 | +3.3 | (8.0) |
| | EBIT | 25.8 | 16.0 | (9.8) | (9.0) |
| High Functional Materials & Components | Revenues | 1,564.0 | 1,500.0 | 96% | 100% |
| | Adjusted operating income | 125.9 | 132.0 | +6.0 | ±0.0 |
| | EBIT | 153.5 | 124.0 | (29.5) | ±0.0 |

* Announced on May 13, 2016

2-3. Outlook for FY2016: Revenues, Adjusted Operating Income and EBIT by Business Segment (2)

Billions of yen

| | | FY2015 | FY2016 (Forecast)*1 | Year over year | Previous forecast*2 comparison |
|----------------------------------|---------------------------|-----------|------------------------|----------------|-----------------------------------|
| Automotive Systems | Revenues | 1,001.1 | 1,000.0 | 100% | 100% |
| | Adjusted operating income | 61.9 | 60.0 | (1.9) | ±0.0 |
| | EBIT | 53.9 | 59.0 | +5.0 | ±0.0 |
| Smart Life & Ecofriendly Systems | Revenues | 681.0 | 610.0 | 90% | 100% |
| | Adjusted operating income | 23.8 | 16.0 | (7.8) | ±0.0 |
| | EBIT | 41.9 | 19.0 | (22.9) | ±0.0 |
| Others | Revenues | 1,252.7 | 645.0 | 51% | 100% |
| | Adjusted operating income | 52.5 | 11.0 | (41.5) | ±0.0 |
| | EBIT | 40.6 | 9.0 | (31.6) | ±0.0 |
| Financial Services | Revenues | 365.3 | 220.0 | 60% | 169% |
| | Adjusted operating income | 45.2 | 26.0 | (19.2) | +11.0 |
| | EBIT | 46.6 | 28.0 | (18.6) | +12.0 |
| Corporate items & Eliminations | Revenues | (1,158.4) | (1,235.0) | - | - |
| | Adjusted operating income | 13.0 | (39.0) | (52.0) | (3.0) |
| | EBIT | (34.2) | (60.0) | (25.7) | (3.0) |
| Total | Revenues | 10,034.3 | 9,000.0 | 90% | 100% |
| | Adjusted operating income | 634.8 | 540.0 | (94.8) | ±0.0 |
| | EBIT | 531.0 | 450.0 | (81.0) | ±0.0 |

*1 Figures for FY2016(forecast) reflect the conversion of Hitachi Transport System, Ltd. and Hitachi Capital Corporation into equity-method associates, respectively in the "Others" and the "Financial Services".

*2 Announced on May 13, 2016

3. Topics

Status of business portfolio reform

- Converted Hitachi Transport System, Ltd. to an equity-method associate on May 19
- Postponed the date of the transfer of the shares of Hitachi Capital Corporation to October 2016 or later

Status of business in the U.K.

- Revenues in the U.K. (1Q) 73.6 billion yen; revenues composition ratio 3%
- The direct impact of the decision of the U.K. to leave the EU on the Hitachi Group business in the U.K. and Europe is minor.

Railway business:

- Hitachi will utilize the manufacturing base in the U.K. to cope with the U.K.'s domestic demand, and bases of Hitachi Rail Italy S.p.A. and Ansaldo STS S.p.A. in the European continent for other European demands

Nuclear energy business:

- The process for reactor design approval of ABWR is on schedule to be completed by the end of 2017, and construction of the first plant is planned to start in 2019.

Supplementary Information

Consolidated Overseas Revenues by Business Segment

Billions of yen

| | FY2015/1Q | FY2016/1Q | | FY2016(Forecast) | |
|--|----------------|----------------|----------------|------------------|----------------|
| | | | Year over year | | Year over year |
| Information & Telecommunication Systems | 160.5 | 140.7 | 88% | / | / |
| Social Infrastructure & Industrial Systems | 176.2 | 221.4 | 126% | | |
| Electronic Systems & Equipment | 161.5 | 161.7 | 100% | | |
| Construction Machinery | 133.7 | 119.0 | 89% | | |
| High Functional Materials & Components | 234.2 | 200.1 | 85% | | |
| Automotive Systems | 139.7 | 138.7 | 99% | | |
| Smart Life & Ecofriendly Systems | 94.9 | 31.6 | 33% | | |
| Others | 91.4 | 58.6 | 64% | | |
| Financial Services | 34.8 | 32.1 | 92% | | |
| Corporate items & Eliminations | (32.2) | (20.9) | - | | |
| Total | 1,195.0 | 1,083.4 | 91% | | |

Consolidated Capital Expenditure by Business Segment (Completion basis)

Billions of yen

| | | FY2015/1Q | FY2016/1Q | | FY2016 (Forecast) | |
|--|--|--------------|-------------|----------------|-------------------|----------------|
| | | | | Year over year | | Year over year |
| | Information & Telecommunication Systems | 12.8 | 8.3 | 65% | | |
| | Social Infrastructure & Industrial Systems | 12.8 | 14.0 | 110% | | |
| | Electronic Systems & Equipment | 3.9 | 2.8 | 73% | | |
| | Construction Machinery | 3.5 | 3.8 | 108% | | |
| | High Functional Materials & Components | 17.0 | 17.0 | 100% | | |
| | Automotive Systems | 14.0 | 11.4 | 82% | | |
| | Smart Life & Ecofriendly Systems | 4.8 | 1.0 | 21% | | |
| | Others | 13.6 | 5.9 | 44% | | |
| | Corporate items | 0.4 | 1.1 | 249% | | |
| | Manufacturing, Services and Others | 83.2 | 65.8 | 79% | 380.0 | 96% |
| | Financial Services | 26.8 | 29.9 | 112% | 70.0 | 52% |
| | Total | 110.0 | 95.7 | 87% | 450.0 | 85% |

Consolidated Depreciation by Business Segment

Billions of yen

| | | FY2015/1Q | FY2016/1Q | | FY2016 (Forecast) | |
|--|--|-------------|-------------|----------------|-------------------|----------------|
| | | | | Year over year | | Year over year |
| | Information & Telecommunication Systems | 11.5 | 12.6 | 109% | | |
| | Social Infrastructure & Industrial Systems | 7.4 | 7.5 | 101% | | |
| | Electronic Systems & Equipment | 4.0 | 4.0 | 99% | | |
| | Construction Machinery | 8.1 | 7.9 | 98% | | |
| | High Functional Materials & Components | 16.3 | 15.6 | 96% | | |
| | Automotive Systems | 9.0 | 10.2 | 112% | | |
| | Smart Life & Ecofriendly Systems | 4.8 | 2.5 | 53% | | |
| | Others | 8.7 | 6.2 | 71% | | |
| | Corporate items | 0.8 | 0.7 | 89% | | |
| | Manufacturing, Services and Others | 71.0 | 67.4 | 95% | 300.0 | 104% |
| | Financial Services | 18.8 | 18.5 | 99% | 50.0 | 65% |
| | Total | 89.8 | 85.9 | 96% | 350.0 | 95% |

Consolidated R&D Expenditure by Business Segment

Billions of yen

| | FY2015/1Q | FY2016/1Q | | FY2016 (Forecast) | |
|--|-------------|-------------|----------------|-------------------|----------------|
| | | | Year over year | | Year over year |
| Information & Telecommunication Systems | 14.9 | 13.1 | 88% | | |
| Social Infrastructure & Industrial Systems | 9.9 | 10.9 | 110% | | |
| Electronic Systems & Equipment | 11.0 | 11.2 | 102% | | |
| Construction Machinery | 4.5 | 4.1 | 92% | | |
| High Functional Materials & Components | 11.4 | 11.2 | 99% | | |
| Automotive Systems | 16.5 | 18.1 | 110% | | |
| Smart Life & Ecofriendly Systems | 3.0 | 1.5 | 50% | | |
| Others | 1.2 | 0.9 | 76% | | |
| Corporate items | 5.5 | 4.9 | 89% | | |
| Manufacturing, Services and Others | 78.2 | 76.4 | 98% | | |
| Financial Services | 0.0 | 0.0 | - | | |
| Total | 78.2 | 76.4 | 98% | 350.0 | 105% |
| Percentage of revenues (%) | 3.4 | 3.6 | - | 3.9 | - |

■ Revenues, Adjusted operating income and EBIT*2

Billions of yen

| | FY2015 | | FY2016/1Q | | FY2016 (Forecast) | | |
|---------------------------|--------|---------|-----------|----------------|-------------------|----------------|--------------------------------|
| | 1Q | Total | | Year over year | | Year over year | Previous forecast*6 comparison |
| Revenues | 451.5 | 2,109.3 | 435.0 | 96% | 2,040.0 | 97% | 100% |
| Front Business*3 | 305.3 | 1,429.8 | 294.7 | 97% | 1,420.0 | 99% | 100% |
| IT Platform & Products*4 | 179.0 | 786.5 | 171.6 | 96% | 750.0 | 95% | 100% |
| Eliminations & Others*5 | (32.8) | (107.0) | (31.3) | - | (130.0) | - | - |
| Adjusted operating income | 8.9 | 141.3 | 12.2 | +3.2 | 143.0 | +1.6 | ±0.0 |
| Front Business | 10.4 | 120.5 | 11.7 | +1.3 | 120.0 | (0.5) | ±0.0 |
| IT Platform & Products | (1.5) | 19.9 | (1.0) | +0.4 | 27.0 | +7.0 | ±0.0 |
| Eliminations & Others | 0.0 | 0.8 | 1.5 | - | (4.0) | - | - |
| EBIT | 8.4 | 109.1 | 0.7 | (7.6) | 84.0 | (25.1) | ±0.0 |
| Front Business | 10.8 | 114.1 | 11.1 | +0.2 | 117.0 | +2.8 | ±0.0 |
| IT Platform & Products | (2.7) | 10.7 | (10.2) | (7.5) | (16.0) | (26.7) | ±0.0 |
| Eliminations & Others | 0.2 | (15.7) | (0.1) | - | (17.0) | - | - |

*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 May 13, 2016

■ Average Foreign Exchange Rate*1

| | FY2015 | | FY2016 | | Yen |
|------|-------------|-------|--------|--------------------|-----|
| | 1Q | Total | 1Q | Total (Forecast)*2 | |
| | U.S. dollar | 121 | 120 | 108 | 110 |
| Euro | 134 | 133 | 122 | 120 | |

■ Foreign Exchange Sensitivity*3,4

| | Revenues | Adjusted operating income | Billions of yen |
|-------------|----------|---------------------------|-----------------|
| U.S. dollar | 15.0 | 2.5 | |
| Euro | 4.0 | 1.0 | |

■ Number of employees and consolidated subsidiaries

| | As of March 31, 2016 | As of June 30, 2016 |
|---------------------------------------|----------------------|---------------------|
| Number of employees | 335,244 | 313,904 |
| Japan | 187,936 | 178,379 |
| Overseas | 147,308 | 135,525 |
| Number of consolidated subsidiaries*5 | 1,056 | 940 |
| Japan | 262 | 233 |
| Overseas | 794 | 707 |

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

*2 Assumed exchange rate was left unchanged from that as of May 13, 2016.

*3 Impact of exchange rate fluctuation (FY2016 impact by one yen depreciation from FY2016 forecasted rate)

*4 Figures here represent information voluntarily prepared by the Company.

*5 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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