

**FOR IMMEDIATE RELEASE**

**Hitachi Announces Consolidated Financial Results  
for the Second Quarter Ended September 30, 2021**

**Tokyo, October 27, 2021** --- Hitachi, Ltd. (TSE:6501) today announced its consolidated financial results for the second quarter of fiscal 2021, ended September 30, 2021

Note: All figures were converted at the rate of 112 yen to the U.S. dollar as of September 30, 2021.

## Summary

	Six months ended September 30			
	Billions of yen		(B)/(A) (%)	Millions of U.S. dollars
	2020(A)	2021(B)		2021
1. Revenues	3,760.0	4,832.6	129	43,149
2. Adjusted operating income	180.7	310.0	172	2,768
3. EBIT (Earnings before interest and taxes)	386.2	425.4	110	3,799
4. Income from continuing operations, before income taxes	384.2	420.1	109	3,751
5. Net income	246.7	364.4	148	3,254
6. Net income attributable to Hitachi, Ltd. stockholders	250.7	322.4	129	2,879
7. Earnings per share attributable to Hitachi, Ltd. stockholders	(Yen)	(Yen)		(U.S.Dollars)
Basic	259.60	333.67	129	2.98
Diluted	259.29	333.24	129	2.98

Notes: 1. The Company's consolidated financial statements are prepared based on IFRS.

2. "Adjusted operating income" is presented as revenues less cost of sales as well as selling, general and administrative expenses.

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

4. The figures are for 873 consolidated subsidiaries and 290 equity-method associates and joint ventures.

5. 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. (currently Mitsubishi Power, Ltd.) for 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.

**Condensed Quarterly Consolidated Statement of Profit or Loss**

	Six months ended September 30			
	Millions of yen		(B)/(A) (%)	Millions of U.S. dollars
	2020 (A)	2021 (B)		2021
Revenues	3,760,057	4,832,665	129	43,149
Cost of sales	(2,801,409)	(3,647,380)	130	(32,566)
Gross profit	958,648	1,185,285	124	10,583
Selling, general and administrative expenses	(777,860)	(875,230)	113	(7,815)
Adjusted operating income	180,788	310,055	172	2,768
Other income	283,232	105,159	37	939
Other expenses	(69,925)	(21,184)	30	(189)
Financial income	2,091	9,282	444	83
Financial expenses	(4,992)	(1,255)	25	(11)
Share of profits (losses) of investments accounted for using the equity method	(4,988)	23,404	-	209
EBIT (Earnings before interest and taxes)	386,206	425,461	110	3,799
Interest income	8,203	7,665	93	68
Interest charges	(10,155)	(13,019)	128	(116)
Income from continuing operations, before income taxes	384,254	420,107	109	3,751
Income taxes	(136,855)	(55,693)	41	(497)
Income from continuing operations	247,399	364,414	147	3,254
Income (loss) from discontinued operations	(686)	0	-	0
Net income	246,713	364,414	148	3,254
Net income attributable to:				
Hitachi, Ltd. stockholders	250,755	322,444	129	2,879
Non-controlling interests	(4,042)	41,970	-	375
Earnings per share from continuing operations, attributable to Hitachi, Ltd. stockholders	Yen	Yen		U.S. Dollars
Basic	260.31	333.67	128	2.98
Diluted	260.00	333.24	128	2.98
Earnings per share attributable to Hitachi, Ltd. stockholders	Yen	Yen		U.S. Dollars
Basic	259.60	333.67	129	2.98
Diluted	259.29	333.24	129	2.98

**Condensed Quarterly Consolidated Statement of Comprehensive Income**

	Six months ended September 30			
	Millions of yen		(B)/(A) (%)	Millions of U.S. dollars
	2020 (A)	2021 (B)		2021
Net income	246,713	364,414	148	3,254
Other comprehensive income (OCI)				
Items not to be reclassified into net income				
Net changes in financial assets measured at fair value through OCI	24,242	(10,276)	-	(92)
Remeasurements of defined benefit plans	-	-	-	-
Share of OCI of investments accounted for using the equity method	528	(232)	-	(2)
Total items not to be reclassified into net income	24,770	(10,508)	-	(94)
Items that can be reclassified into net income				
Foreign currency translation adjustments	7,343	40,409	550	361
Net changes in cash flow hedges	3,131	1,879	60	17
Share of OCI of investments accounted for using the equity method	7,641	15,985	209	143
Total items that can be reclassified into net income	18,115	58,273	322	520
Other comprehensive income (OCI)	42,885	47,765	111	426
Comprehensive income	289,598	412,179	142	3,680
Comprehensive income attributable to:				
Hitachi, Ltd. stockholders	285,855	366,183	128	3,269
Non-controlling interests	3,743	45,996	-	411

**Condensed Quarterly Consolidated Statement of Financial Position**

	Millions of yen		(B)-(A)	Millions of U.S. dollars
	As of March 31, 2021 (A)	As of September 30, 2021 (B)		As of September 30, 2021
<b>Assets</b>				
Current assets				
Cash and cash equivalents	1,015,886	880,966	(134,920)	7,866
Trade receivables and contract assets	2,734,476	2,562,110	(172,366)	22,876
Inventories	1,653,395	1,855,257	201,862	16,565
Investments in securities and other financial assets	328,153	338,295	10,142	3,020
Other current assets	211,390	287,188	75,798	2,564
<b>Total Current assets</b>	<b>5,943,300</b>	<b>5,923,816</b>	<b>(19,484)</b>	<b>52,891</b>
Non-current assets				
Investments accounted for using the equity method	472,105	386,782	(85,323)	3,453
Investments in securities and other financial assets	534,324	598,768	64,444	5,346
Property, plant and equipment	2,408,887	2,390,796	(18,091)	21,346
Goodwill	1,161,210	2,012,092	850,882	17,965
Other intangible assets	964,830	1,192,751	227,921	10,650
Other non-current assets	368,197	374,517	6,320	3,344
<b>Total Non-current assets</b>	<b>5,909,553</b>	<b>6,955,706</b>	<b>1,046,153</b>	<b>62,105</b>
<b>Total Assets</b>	<b>11,852,853</b>	<b>12,879,522</b>	<b>1,026,669</b>	<b>114,996</b>
<b>Liabilities</b>				
Current liabilities				
Short-term debt	416,635	1,433,523	1,016,888	12,799
Current portion of long-term debt	274,392	242,854	(31,538)	2,168
Other financial liabilities	288,973	232,307	(56,666)	2,074
Trade payables	1,515,954	1,496,195	(19,759)	13,359
Accrued expenses	698,553	657,497	(41,056)	5,871
Contract liabilities	933,844	931,767	(2,077)	8,319
Other current liabilities	468,579	404,026	(64,553)	3,607
<b>Total Current liabilities</b>	<b>4,596,930</b>	<b>5,398,169</b>	<b>801,239</b>	<b>48,198</b>
Non-current liabilities				
Long-term debt	1,706,329	1,637,277	(69,052)	14,619
Retirement and severance benefits	433,954	428,788	(5,166)	3,828
Other non-current liabilities	657,408	665,056	7,648	5,938
<b>Total Non-current liabilities</b>	<b>2,797,691</b>	<b>2,731,121</b>	<b>(66,570)</b>	<b>24,385</b>
<b>Total Liabilities</b>	<b>7,394,621</b>	<b>8,129,290</b>	<b>734,669</b>	<b>72,583</b>
<b>Equity</b>				
Hitachi, Ltd. stockholders' equity				
Common stock	460,790	461,731	941	4,123
Capital surplus	84,040	71,765	(12,275)	641
Retained earnings	2,710,604	2,984,796	274,192	26,650
Accumulated other comprehensive income	273,561	309,500	35,939	2,763
(Foreign currency translation adjustments)	110,727	149,437	38,710	1,334
(Remeasurements of defined benefit plans)	80,300	79,224	(1,076)	707
(Net changes in financial assets measured at fair value through OCI)	135,022	121,036	(13,986)	1,081
(Net changes in cash flow hedges)	(52,488)	(40,197)	12,291	(359)
Treasury stock, at cost	(3,493)	(2,901)	592	(26)
<b>Total Hitachi, Ltd. stockholders' equity</b>	<b>3,525,502</b>	<b>3,824,891</b>	<b>299,389</b>	<b>34,151</b>
Non-controlling interests	932,730	925,341	(7,389)	8,262
<b>Total Equity</b>	<b>4,458,232</b>	<b>4,750,232</b>	<b>292,000</b>	<b>42,413</b>
<b>Total Liabilities and Equity</b>	<b>11,852,853</b>	<b>12,879,522</b>	<b>1,026,669</b>	<b>114,996</b>

**Condensed Quarterly Consolidated Statement of Changes in Equity**

Millions of yen

Six months ended September 30, 2020								
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
Balance at beginning of period	459,862	464,795	2,296,208	(57,070)	(3,809)	3,159,986	1,106,753	4,266,739
Changes in equity								
Reclassified into retained earnings	-	-	7,653	(7,653)	-	-	-	-
Net income (loss)	-	-	250,755	-	-	250,755	(4,042)	246,713
Other comprehensive income	-	-	-	35,100	-	35,100	7,785	42,885
Dividends to Hitachi, Ltd. stockholders	-	-	(48,311)	-	-	(48,311)	-	(48,311)
Dividends to non-controlling interests	-	-	-	-	-	-	(19,300)	(19,300)
Acquisition of treasury stock	-	-	-	-	(51)	(51)	-	(51)
Sales of treasury stock	-	107	-	-	471	578	-	578
Issuance of new shares	928	928	-	-	-	1,856	-	1,856
Changes in non-controlling interests	-	(465,830)	(12,704)	(5,424)	-	(483,958)	(434,377)	(918,335)
Total changes in equity	928	(464,795)	197,393	22,023	420	(244,031)	(449,934)	(693,965)
Balance at end of period	460,790	-	2,493,601	(35,047)	(3,389)	2,915,955	656,819	3,572,774

Millions of yen

Six months ended September 30, 2021								
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
Balance at beginning of period	460,790	84,040	2,710,604	273,561	(3,493)	3,525,502	932,730	4,458,232
Changes in equity								
Reclassified into retained earnings	-	-	4,923	(4,923)	-	-	-	-
Net income	-	-	322,444	-	-	322,444	41,970	364,414
Other comprehensive income	-	-	-	43,739	-	43,739	4,026	47,765
Dividends to Hitachi, Ltd. stockholders	-	-	(53,175)	-	-	(53,175)	-	(53,175)
Dividends to non-controlling interests	-	-	-	-	-	-	(32,423)	(32,423)
Acquisition of treasury stock	-	-	-	-	(146)	(146)	-	(146)
Sales of treasury stock	-	(296)	-	-	738	442	-	442
Issuance of new shares	941	941	-	-	-	1,882	-	1,882
Changes in non-controlling interests	-	(12,920)	-	(2,877)	-	(15,797)	(20,962)	(36,759)
Total changes in equity	941	(12,275)	274,192	35,939	592	299,389	(7,389)	292,000
Balance at end of period	461,731	71,765	2,984,796	309,500	(2,901)	3,824,891	925,341	4,750,232

Millions of U.S. Dollars

Six months ended September 30, 2021								
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
Balance at beginning of period	4,114	750	24,202	2,443	(31)	31,478	8,328	39,806
Changes in equity								
Reclassified into retained earnings	-	-	44	(44)	-	-	-	-
Net income	-	-	2,879	-	-	2,879	375	3,254
Other comprehensive income	-	-	-	391	-	391	36	426
Dividends to Hitachi, Ltd. stockholders	-	-	(475)	-	-	(475)	-	(475)
Dividends to non-controlling interests	-	-	-	-	-	-	(289)	(289)
Acquisition of treasury stock	-	-	-	-	(1)	(1)	-	(1)
Sales of treasury stock	-	(3)	-	-	7	4	-	4
Issuance of new shares	8	8	-	-	-	17	-	17
Changes in non-controlling interests	-	(115)	-	(26)	-	(141)	(187)	(328)
Total changes in equity	8	(110)	2,448	321	5	2,673	(66)	2,607
Balance at end of period	4,123	641	26,650	2,763	(26)	34,151	8,262	42,413

**Condensed Quarterly Consolidated Statement of Cash Flows**

	Six months ended September 30			
	Millions of yen		(B)-(A)	Millions of U.S. Dollars
	2020 (A)	2021 (B)		2021
<b>Cash flows from operating activities</b>				
Net Income	246,713	364,414	117,701	3,254
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	225,857	263,048	37,191	2,349
Impairment losses	41,605	2,072	(39,533)	19
Income taxes	136,855	55,693	(81,162)	497
Share of (profits) losses of investments accounted for using the equity method	4,988	(23,404)	(28,392)	(209)
Financial income and expenses	445	892	447	8
Net (gain) loss on business reorganization and others	(282,424)	(97,540)	184,884	(871)
(Gain) loss on sale of property, plant and equipment	(27)	(6,864)	(6,837)	(61)
Change in trade receivables and contract assets	261,231	173,636	(87,595)	1,550
Change in inventories	(90,468)	(232,911)	(142,443)	(2,080)
Change in trade payables	(152,436)	(27,268)	125,168	(243)
Change in accrued expenses	(18,022)	(43,136)	(25,114)	(385)
Change in retirement and severance benefits	(7,940)	(14,064)	(6,124)	(126)
Other	(73,885)	(130,613)	(56,728)	(1,166)
Subtotal	292,492	283,955	(8,537)	2,535
Interest received	6,762	8,487	1,725	76
Dividends received	12,308	7,099	(5,209)	63
Interest paid	(10,308)	(12,546)	(2,238)	(112)
Income taxes paid	(86,763)	(125,527)	(38,764)	(1,121)
Net cash provided by (used in) operating activities	214,491	161,468	(53,023)	1,442
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(113,636)	(138,828)	(25,192)	(1,240)
Purchase of intangible assets	(50,078)	(66,258)	(16,180)	(592)
Proceeds from sale of property, plant and equipment, and intangible assets	17,214	35,523	18,309	317
Purchase of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	(1,006,259)	(921,457)	84,802	(8,227)
Proceeds from sale of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	435,737	106,152	(329,585)	948
Other	13,138	33,439	20,301	299
Net cash provided by (used in) investing activities	(703,884)	(951,429)	(247,545)	(8,495)
<b>Free cash flows</b>	<b>(489,393)</b>	<b>(789,961)</b>	<b>(300,568)</b>	<b>(7,053)</b>
<b>Cash flows from financing activities</b>				
Change in short-term debt, net	1,125,074	895,309	(229,765)	7,994
Proceeds from long-term debt	16,026	26,699	10,673	238
Payments on long-term debt	(110,664)	(167,850)	(57,186)	(1,499)
Proceeds from payments from non-controlling interests	2,593	-	(2,593)	-
Dividends paid to Hitachi, Ltd. stockholders	(48,223)	(53,127)	(4,904)	(474)
Dividends paid to non-controlling interests	(18,540)	(33,165)	(14,625)	(296)
Acquisition of common stock for treasury	(51)	(146)	(95)	(1)
Proceeds from sales of treasury stock	578	442	(136)	4
Purchase of shares of consolidated subsidiaries from non-controlling interests	(532,955)	(21,607)	511,348	(193)
Other	(19)	(16)	3	(0)
Net cash provided by (used in) financing activities	433,819	646,539	212,720	5,773
Effect of exchange rate changes on cash and cash equivalents	3,125	8,502	5,377	76
Change in cash and cash equivalents	(52,449)	(134,920)	(82,471)	(1,205)
Cash and cash equivalents at beginning of period	812,331	1,015,886	203,555	9,070
Cash and cash equivalents at end of period	759,882	880,966	121,084	7,866

**Segment Information**

**(1) Business Segments**

	Six months ended September 30			
	Millions of yen		(B)/(A) (%)	Millions of U.S. dollars 2021
	2020 (A)	2021 (B)		
IT	947,494 23%	976,636 19%	103	8,720
Energy	398,829 10%	675,046 13%	169	6,027
Industry	362,500 9%	393,053 7%	108	3,509
Mobility	538,724 13%	709,498 14%	132	6,335
Smart Life	607,445 15%	511,047 10%	84	4,563
Automotive Systems	323,412 8%	755,956 15%	234	6,750
Hitachi Construction Machinery	360,902 9%	473,692 9%	131	4,229
Hitachi Metals	340,831 8%	456,352 9%	134	4,075
Others	208,674 5%	217,474 4%	104	1,942
Subtotal	4,088,811 100%	5,168,754 100%	126	46,150
Corporate items & Eliminations	(328,754)	(336,089)	-	(3,001)
<b>Total Revenues</b>	<b>3,760,057</b>	<b>4,832,665</b>	<b>129</b>	<b>43,149</b>
IT	108,051 58%	112,384 37%	104	1,003
Energy	(7,096) (4%)	(809) 0%	-	(7)
Industry	13,983 7%	25,559 8%	183	228
Mobility	39,827 21%	44,986 15%	113	402
Smart Life	46,130 25%	36,273 12%	79	324
Automotive Systems	(18,749) (10%)	22,349 7%	-	200
Hitachi Construction Machinery	10,403 6%	37,566 12%	361	335
Hitachi Metals	(12,364) (7%)	15,270 5%	-	136
Others	7,533 4%	11,896 4%	158	106
Subtotal	187,718 100%	305,474 100%	163	2,727
Corporate items & Eliminations	(6,930)	4,581	-	41
<b>Total Adjusted operating income</b>	<b>180,788</b>	<b>310,055</b>	<b>172</b>	<b>2,768</b>
IT	97,820 70%	106,793 26%	109	954
Energy	(10,563) (7%)	13,828 3%	-	123
Industry	15,705 11%	25,765 6%	164	230
Mobility	41,385 29%	67,698 17%	164	604
Smart Life	45,634 33%	91,644 23%	201	818
Automotive Systems	(27,376) (20%)	21,198 5%	-	189
Hitachi Construction Machinery	5,990 4%	43,394 11%	724	387
Hitachi Metals	(38,799) (27%)	15,991 4%	-	143
Others	10,494 7%	19,769 5%	188	177
Subtotal	140,290 100%	406,080 100%	289	3,626
Corporate items & Eliminations	245,916	19,381	-	173
<b>Total EBIT</b>	<b>386,206</b>	<b>425,461</b>	<b>110</b>	<b>3,799</b>

Notes: 1. Revenues by business segment include intersegment transactions.

2. In January 2021, Hitachi Automotive Systems, Ltd., a consolidated subsidiary of the Company, integrated management with Keihin Corporation, Showa Corporation, and Nissin Kogyo Co., Ltd and established Hitachi Astemo, Ltd. Subsequently, on April 1, 2021, in addition to the current five sectors which are the areas of focus of the Social Innovation Business, Hitachi Astemo, Ltd. was spun off from the Smart Life segment and positioned as a business alongside the five sectors. Also, this change will facilitate swift decision-making to establish a structure that will achieve smooth integration and growth strategies, create synergies and further accelerate the growth of the business. As a result, effective from April 1, 2021, the Automotive systems segment is identified as a separate reportable segment. Figures for the six months ended September 30, 2020 have been restated on the basis of the reclassification.

**(2) Revenues by Market**

	Six months ended September 30			
	Millions of yen		(B)/(A) (%)	Millions of U.S. dollars
	2020 (A)	2021 (B)		2021
Japan	1,833,652 49%	1,912,476 40%	104	17,076
Asia	817,435 22%	1,248,156 26%	153	11,144
North America	472,778 12%	726,105 15%	154	6,483
Europe	404,333 11%	617,774 12%	153	5,516
Other Areas	231,859 6%	328,154 7%	142	2,930
Overseas Revenues Subtotal	1,926,405 51%	2,920,189 60%	152	26,073
Total Revenues	3,760,057 100%	4,832,665 100%	129	43,149



**Notes**

**(1) Notes Regarding Going Concern**

Not applicable.

## **Cautionary Statement**

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

Factors that could cause actual results to differ materially from those projected or implied in any “forward-looking statement” and from historical trends include, but are not limited to:

- exacerbation of social and economic impacts of the spread of COVID-19;
- economic conditions, including consumer spending and plant and equipment investment in Hitachi’s major markets, as well as levels of demand in the major industrial sectors Hitachi serves;
- exchange rate fluctuations of the yen against other currencies in which Hitachi makes significant sales or in which Hitachi’s assets and liabilities are denominated;
- uncertainty as to Hitachi’s ability to access, or access on favorable terms, liquidity or long-term financing;
- uncertainty as to general market price levels for equity securities, declines in which may require Hitachi to write down equity securities that it holds;
- fluctuations in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum, synthetic resins, rare metals and rare-earth minerals, or shortages of materials, parts and components;
- estimates, fluctuations in cost and cancellation of long-term projects for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- increased commoditization of and intensifying price competition for products;
- uncertainty as to Hitachi’s ability to attract and retain skilled personnel;
- uncertainty as to Hitachi’s ability to continue to develop and market products that incorporate new technologies on a timely and cost-effective basis and to achieve market acceptance for such products;
- fluctuations in demand of products, etc. and industry capacity;
- uncertainty as to Hitachi’s ability to implement measures to reduce the potential negative impact of fluctuations in demand of products, etc., exchange rates and/or price of raw materials or shortages of materials, parts and components;
- credit conditions of Hitachi’s customers and suppliers;
- 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;
- 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;
- the potential for significant losses on Hitachi’s investments in equity-method associates and joint ventures;
- uncertainty as to the success of cost structure overhaul;
- 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 the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity-method associates and joint ventures have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- uncertainty as to Hitachi’s ability to maintain the integrity of its information systems, as well as Hitachi’s ability to protect its confidential information or that of its customers;
- uncertainty as to Hitachi’s access to, or ability to protect, certain intellectual property; and
- uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its employee benefit-related costs.

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

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