

Outline of Consolidated Financial Results for the First Quarter ended June 30, 2014

July 31, 2014

Hitachi, Ltd.

Contents

- 1. Outline of Consolidated Financial Results
for the First Quarter ended June 30, 2014**
- 2. Outlook for the First Half of Fiscal 2014**
- 3. Outlook for Fiscal 2014**
- 4. Steady progress on “2015 Mid-term Management
Plan” and Further Growth**

**1. Outline of Consolidated Financial Results
for the First Quarter ended June 30, 2014**

1-1. Highlights of 1st Quarter FY2014 Financial Results

Revenues	2,136.3 billion yen (up 3% / 53.4 billion yen YoY) Higher in the Information & Telecommunication Systems, Electronic Systems & Equipment, Social Infrastructure & Industrial Systems and Automotive Systems segments, etc.
Operating income	80.1 billion yen (up 45% / 24.6 billion yen YoY) <ul style="list-style-type: none"> ● Higher in the Electronic Systems & Equipment, Smart Life & Ecofriendly Systems, Information & Telecommunication Systems and Automotive Systems segments, etc. ● Social Infrastructure & Industrial Systems segment returned profitability.
EBIT (Earnings before interest and taxes)* ¹	85.1 billion yen (up 45% / 26.6 billion yen YoY) <ul style="list-style-type: none"> ● Higher due to positive earnings, etc.
Net income attributable to Hitachi, Ltd. stockholders	28.8 billion yen (up 167% / 18.0 billion yen YoY)
Total Hitachi, Ltd. stockholders' equity ratio (Manufacturing, Services and Others)	27.9% (up 0.5 of a point from March 31, 2014)
Core free cash flows* ² (Manufacturing, Services and Others)	43.5 billion yen (up 52.3 billion yen YoY) [Free cash flows (Manufacturing, Services and Others): 57.2 billion yen (up 73.4 billion yen YoY)]

*1 Defined income before income taxes less interest income plus interest charges.

*2 Operating cash flows plus collection of investments in leases less cash outflows for the purchase of property, plant and equipment, intangible assets, software, and the assets to be leased.

1-2. Consolidated Statements of Operations

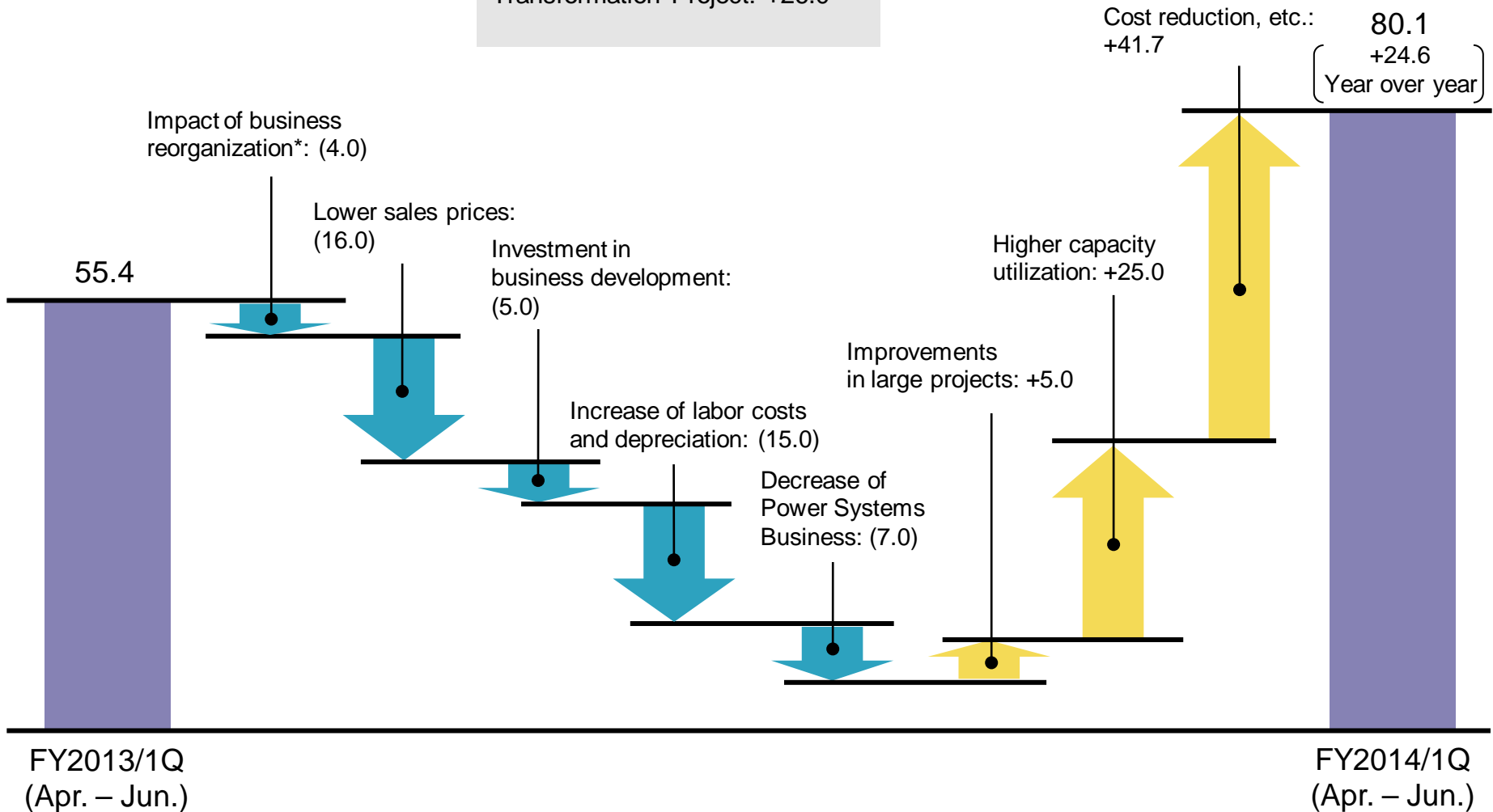
Billions of yen

	FY2013/1Q	FY2014/1Q	Year over year
Revenues	2,082.9	2,136.3	+53.4 [103%]
Operating income	55.4	80.1	+24.6
EBIT	58.5	85.1	+26.6
Net other income (deductions)	0.0	1.1	+1.2
Income before income taxes	55.3	81.3	+25.9
Income taxes	(32.7)	(29.2)	+3.4
Net income	22.6	52.0	+29.4
Net income attributable to noncontrolling interests	(11.8)	(23.2)	(11.3)
Net income attributable to Hitachi, Ltd. stockholders	10.7	28.8	+18.0

1-3. Factors for Change in Operating Income (Year over year)

Billions of yen

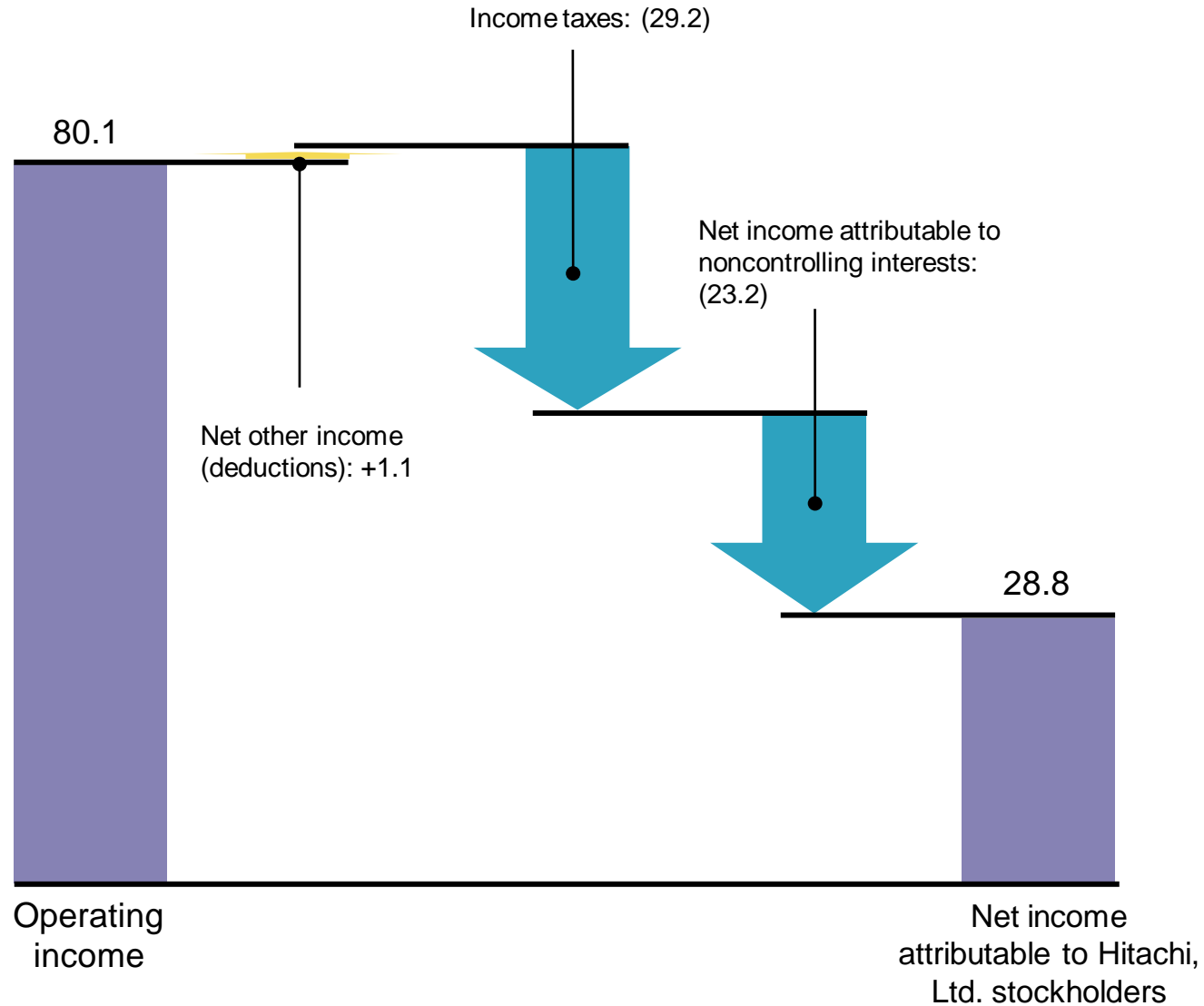
Benefits of Hitachi Smart Transformation Project: +26.0



* The integration of the thermal power generation systems business with Mitsubishi Heavy Industries, Ltd., and the conversion of Hitachi Maxell, Ltd. into an equity-method affiliate.

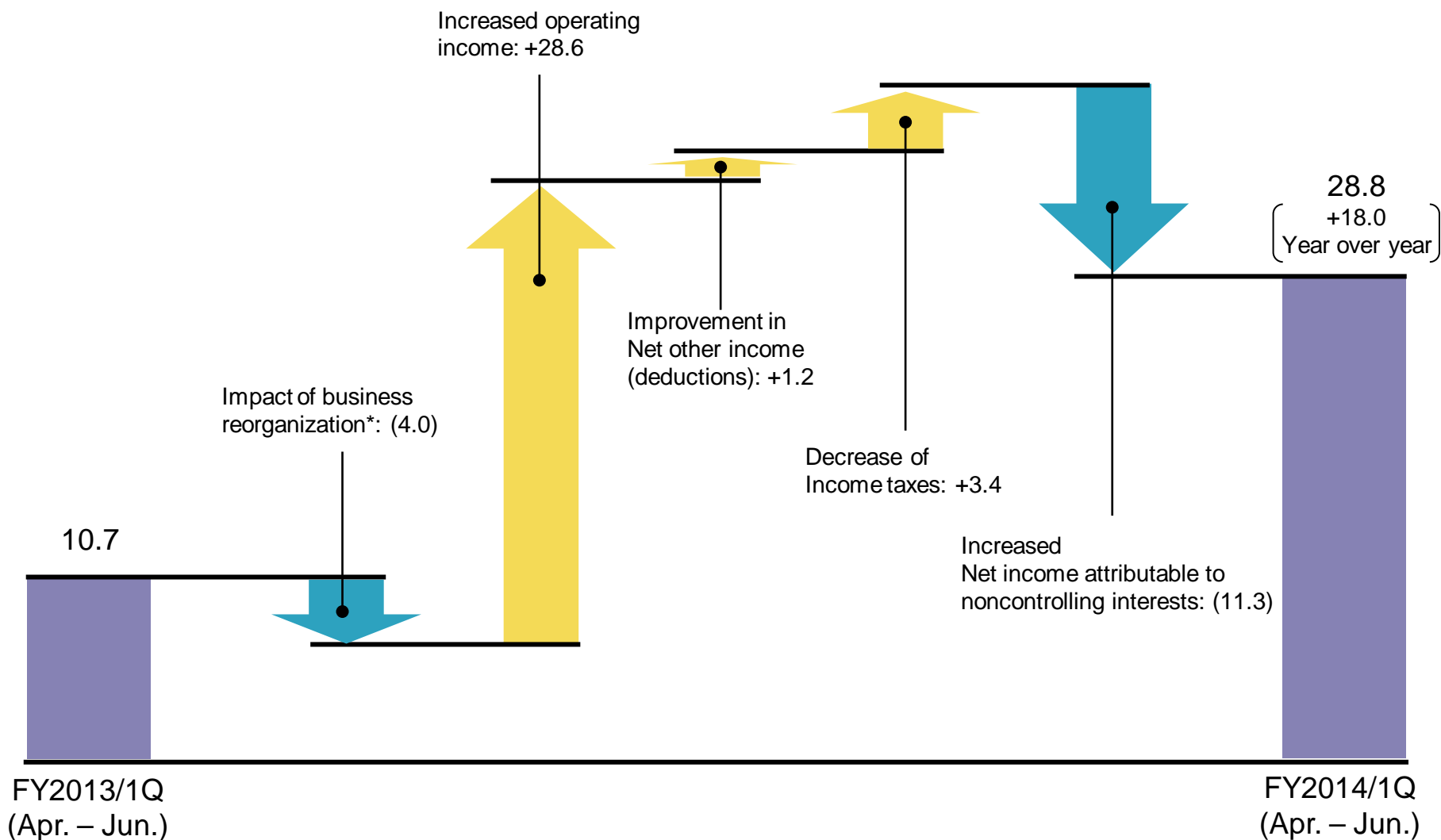
1-4. Factors for Change in Net Income Attributable to Hitachi, Ltd. Stockholders

Billions of yen



1-5. Factors for Change in Net Income Attributable to Hitachi, Ltd. Stockholders (Year over Year)

Billions of yen



* The integration of the thermal power generation systems business with Mitsubishi Heavy Industries, Ltd., and the conversion of Hitachi Maxell, Ltd. into an equity-method affiliate.

1-6. Revenues by Market

Billions of yen

	FY2013/1Q		FY2014/1Q		Year over year
		Ratio		Ratio	
Japan	1,087.7	52%	1,106.7	52%	102%
Outside Japan	995.2	48%	1,029.6	48%	103%
Asia	482.0	23%	483.6	23%	100%
China	225.4	11%	237.1	11%	105%
North America	215.9	11%	222.3	10%	103%
Europe	167.6	8%	211.1	10%	126%
Other Areas	129.6	6%	112.5	5%	87%
Total	2,082.9	100%	2,136.3	100%	103%

Ratio of overseas revenues: 48% → 48%

1-7. Summary of Consolidated Balance Sheets

Billions of yen

	As of March 31, 2014	As of June 30, 2014	Change from March 31, 2014
Total assets	11,016.8	10,882.9	(133.9)
Trade receivables and Inventories	4,204.9	4,052.1	(152.8)
Total liabilities	7,164.4	7,037.7	(126.6)
Interest-bearing debt	2,823.0	2,904.4	+81.3
Total Hitachi, Ltd. stockholders' equity	2,651.2	2,635.7	(15.4)
Noncontrolling interests	1,201.2	1,209.4	+8.2
Total Hitachi, Ltd. stockholders' equity ratio	24.1%	24.2%	0.1 points increase
D/E ratio (Including noncontrolling interests)	0.73 times	0.76 times	0.03 points increase

1-8. Summary of Consolidated Balance Sheets by Manufacturing, Services and Others and Financial Services

■ Summary of Consolidated Balance Sheets (Manufacturing, Services and Others)*

Billions of yen

	As of March 31, 2014	As of June 30, 2014	Change from March 31, 2014
Total assets	9,067.9	8,854.7	(213.1)
Trade receivables and Inventories	3,558.4	3,341.2	(217.1)
Total liabilities	5,512.0	5,309.7	(202.3)
Interest-bearing debt	1,418.2	1,419.5	+1.2
Total Hitachi, Ltd. stockholders' equity	2,483.8	2,466.7	(17.1)
Noncontrolling interests	1,072.0	1,078.3	+6.2
Cash Conversion Cycle	81.3 days	73.0 days [74.5 days as of June 30, 2013]	(8.3) days [(1.5) days change from June 30, 2013]
Total Hitachi, Ltd. stockholders' equity ratio	27.4%	27.9%	0.5 points increase
D/E ratio (Including noncontrolling interests)	0.40 times	0.40 times	±0

■ Summary of Consolidated Balance Sheets (Financial Services)*

Billions of yen

	As of March 31, 2014	As of June 30, 2014	Change from March 31, 2014
Total assets	2,446.1	2,524.2	+78.0
Trade receivables and Inventories	878.3	944.4	+66.0
Total liabilities	2,138.1	2,211.6	+73.5
Interest-bearing debt	1,647.1	1,722.5	+75.4
Total Hitachi, Ltd. stockholders' equity	178.4	180.3	+1.9
Noncontrolling interests	129.5	132.2	+2.6
Total Hitachi, Ltd. stockholders' equity ratio	7.3%	7.1%	0.2 points decrease
D/E ratio (Including noncontrolling interests)	5.35 times	5.51 times	0.16 points increase

* Figures here represent unaudited information prepared by the Company

1-9. Summary of Consolidated Statements of Cash Flows

■ Summary of Consolidated Statements of Cash Flows

Billions of yen

	FY2013/1Q	FY2014/1Q	Year over year
Cash flows from operating activities	42.9	109.0	+66.1
Cash flows from investing activities	(148.0)	(119.3)	+28.6
Free cash flows	(105.1)	(10.3)	+94.8
Core free cash flows	(128.1)	(29.7)	+98.4

■ Summary of Consolidated Statements of Cash Flows (Manufacturing, Services and Others)*

Billions of yen

	FY2013/1Q	FY2014/1Q	Year over year
Cash flows from operating activities	105.9	155.3	+49.3
Cash flows from investing activities	(122.1)	(98.0)	+24.0
Free cash flows	(16.1)	57.2	+73.4
Core free cash flows	(8.7)	43.5	+52.3

■ Summary of Consolidated Statements of Cash Flows (Financial Services)*

Billions of yen

	FY2013/1Q	FY2014/1Q	Year over year
Cash flows from operating activities	(56.0)	(40.1)	+15.9
Cash flows from investing activities	(39.8)	(22.6)	+17.2
Free cash flows	(95.8)	(62.7)	+33.1
Core free cash flows	(113.9)	(68.4)	+45.4

* Figures here represent unaudited information prepared by the Company

1-10. Consolidated Capital Expenditure, Depreciation and R&D Expenditure

■ Consolidated Capital Expenditure (Completion basis, including Leasing Assets)

Billions of yen

	FY2013/1Q	FY2014/1Q	Year over year
Manufacturing, Services and Others	92.3	78.6	85%
Financial Services	121.6	103.7	85%
Total*	211.4	178.6	84%

* Total figures exclude inter-segment transactions.

■ Consolidated Depreciation

Billions of yen

	FY2013/1Q	FY2014/1Q	Year over year
Manufacturing, Services and Others	63.7	64.2	101%
Financial Services	16.2	17.3	107%
Total	80.0	81.6	102%

■ Consolidated R&D Expenditure

Billions of yen

	FY2013/1Q	FY2014/1Q	Year over year
Total	81.8	79.8	98%

■ Composition of Business Group

Business Group	Segment and Subsidiary
Infrastructure Systems Group	Social Infrastructure & Industrial Systems Segment, Electronic Systems & Equipment Segment, Smart Life & Ecofriendly Systems Segment
Information & Telecommunication Systems Group	Information & Telecommunication Systems Segment, Hitachi Transport System
Power Systems Group	Power Systems Segment
Construction Machinery Group	Construction Machinery Segment
High Functional Materials & Components Group	High Functional Materials & Components Segment
Automotive Systems Group	Automotive Systems Segment
Financial Services	Financial Services Segment

Some businesses are not included in the table above.

1-12. Revenues, Operating Income and EBIT by Business Group (1)*1

Billions of yen

		FY2013/1Q	FY2014/1Q	Year over year
Infrastructure Systems ^{†1, 2}	Revenues	680.4	739.8	109%
	Operating income	2.6	23.7	+21.1
	EBIT	6.9	24.1	+17.1
Information & Telecommunication Systems ^{†1}	Revenues	526.9	576.5	109%
	Operating income	3.2	7.4	+4.1
	EBIT	4.2	8.2	+3.9
Power Systems	Revenues	155.5	87.9	57%
	Operating income	(5.8)	(15.5)	(9.7)
	EBIT	(4.1)	(16.0)	(11.9)
Construction Machinery	Revenues	178.5	182.2	102%
	Operating income	11.7	11.2	(0.5)
	EBIT	6.1	11.8	+5.7

*1 Figures here represent unaudited information prepared by the Company

†1, 2 See notes concerning individual business groups and business segments (page 34)

1-13. Revenues, Operating Income and EBIT by Business Group (2)*1

Billions of yen

		FY2013/1Q	FY2014/1Q	Year over year
High Functional Materials & Components†3	Revenues	338.1	340.0	101%
	Operating income	26.0	26.3	+0.3
	EBIT	25.2	29.5	+4.2
Automotive Systems	Revenues	207.8	219.6	106%
	Operating income	9.7	11.8	+2.1
	EBIT	9.8	11.6	+1.7
Financial Services	Revenues	81.7	97.4	119%
	Operating income	8.2	9.1	+0.8
	EBIT	9.4	10.4	+0.9
Total	Revenues	2,082.9	2,136.3	103%
	Operating income	55.4	80.1	+24.6
	EBIT	58.5	85.1	+26.6

*1 Figures here represent unaudited information prepared by the Company

†3 See notes concerning individual business groups and business segments (page 34)

1-14. Revenues, Operating Income and EBIT by Business Segment (1)

Billions of yen

		FY2013/1Q	FY2014/1Q	Year over year
Information & Telecommunication Systems ^{†4}	Revenues	387.5	418.2	108%
	Operating income	0.0	3.9	+3.8
	EBIT	0.9	3.8	+2.8
Power Systems	Revenues	155.5	87.9	57%
	Operating income	(5.8)	(15.5)	(9.7)
	EBIT	(4.1)	(16.0)	(11.9)
Social Infrastructure & Industrial Systems ^{†4}	Revenues	266.6	286.4	107%
	Operating income	(0.5)	2.1	+2.7
	EBIT	1.3	2.7	+1.3
Electronic Systems & Equipment	Revenues	225.6	252.6	112%
	Operating income	0.3	12.9	+12.6
	EBIT	1.2	11.9	+10.6
Construction Machinery	Revenues	178.5	182.2	102%
	Operating income	11.7	11.2	(0.5)
	EBIT	6.1	11.8	+5.7
High Functional Materials & Components	Revenues	338.1	340.0	101%
	Operating income	26.0	26.3	+0.3
	EBIT	25.2	29.5	+4.2

†4 See notes concerning individual business groups and business segments (page 34)

1-15. Revenues, Operating Income and EBIT by Business Segment (2)

Billions of yen

		FY2013/1Q	FY2014/1Q	Year over year
Automotive Systems	Revenues	207.8	219.6	106%
	Operating income	9.7	11.8	+2.1
	EBIT	9.8	11.6	+1.7
Smart Life & Ecofriendly Systems ^{†5}	Revenues	188.1	200.6	107%
	Operating income	2.8	8.5	+5.7
	EBIT	4.2	9.5	+5.2
Others (Logistics and Other services) ^{†5}	Revenues	304.0	289.9	95%
	Operating income	4.8	5.8	+0.9
	EBIT	7.8	6.8	(0.9)
Financial Services	Revenues	81.7	97.4	119%
	Operating income	8.2	9.1	+0.8
	EBIT	9.4	10.4	+0.9
Corporate items & Eliminations	Revenues	(251.0)	(239.0)	-
	Operating income	(2.0)	3.6	+5.6
	EBIT	(3.7)	2.9	+6.7
Total	Revenues	2,082.9	2,136.3	103%
	Operating income	55.4	80.1	+24.6
	EBIT	58.5	85.1	+26.6

^{†5} See notes concerning individual business groups and business segments (page 34)

2. Outlook for the First Half of Fiscal 2014

■ Business Environment

- Japan Gradual economic growth driven mainly by bold implementation of national growth strategies by the government
- U.S. Continued moderate economic recovery on the back of improving employment and income levels
- Europe Protracted economic slowdown centered on southern Europe, Risk of the Ukraine crisis spreading to the euro zone economy
- China Signs of restoring growth, with improving corporate production activity supported mainly by government economic stimulus measures

■ Summary of the First Half of FY2014 Forecast

[Projections for the FY2014/2Q assume an exchange rate of 98 yen to the U.S. dollar and 130 yen to the euro.]

Billions of yen

	FY2013/1H	Previous forecast* (A)	Revised forecast (B)	Year over year	(B)-(A)
Revenues	4,470.6	4,400.0	4,450.0	(20.6) [100%]	+50.0 [101%]
Operating Income	173.4	175.0	185.0	+11.5	+10.0
EBIT	142.0	160.0	170.0	+27.9	+10.0
Net income	69.3	100.0	105.0	+35.6	+5.0
Net income attributable to Hitachi, Ltd. stockholders	32.7	55.0	60.0	+27.2	+5.0

2-2. Outlook for the First Half of FY2014: Revenues, Operating income and EBIT by Business Group (1)*1

Billions of yen

		FY2013/1H	FY2014/1H (Forecast)	Year over year	Previous forecast*2 comparison
Infrastructure Systems†1, 2	Revenues	1,492.8	1,590.0	107%	101%
	Operating income	19.7	46.0	+26.2	+7.0
	EBIT	25.0	46.0	+20.9	+7.0
Information & Telecommunication Systems†1	Revenues	1,163.4	1,230.0	106%	103%
	Operating income	39.0	51.0	+11.9	+5.0
	EBIT	36.9	46.0	+9.0	+5.0
Power Systems	Revenues	376.3	210.0	56%	91%
	Operating income	2.1	(27.0)	(29.1)	(16.0)
	EBIT	3.4	(25.0)	(28.4)	(16.0)
Construction Machinery	Revenues	358.0	340.0	95%	97%
	Operating income	29.4	21.0	(8.4)	(6.0)
	EBIT	26.6	23.0	(3.6)	(4.0)

*1 Figures here represent unaudited information prepared by the Company

*2 Announced on May 12, 2014

†1, 2 See notes concerning individual business groups and business segments (page 34)

2-3. Outlook for the First Half of FY2014: Revenues, Operating income and EBIT by Business Group (2)*1

Billions of yen

		FY2013/1H	FY2014/1H (Forecast)	Year over year	Previous forecast*2 comparison
High Functional Materials & Components†3	Revenues	669.5	690.0	103%	100%
	Operating income	49.2	52.0	+2.7	+3.0
	EBIT	49.2	52.0	+2.7	+6.0
Automotive Systems	Revenues	426.7	460.0	108%	100%
	Operating income	20.8	28.0	+7.1	±0.0
	EBIT	2.0	28.0	+25.9	±0.0
Financial Services	Revenues	163.6	180.0	110%	106%
	Operating income	16.0	17.0	+0.9	+1.0
	EBIT	17.4	18.0	+0.5	+1.0
Total	Revenues	4,470.6	4,450.0	100%	101%
	Operating income	173.4	185.0	+11.5	+10.0
	EBIT	142.0	170.0	+27.9	+10.0

*1 Figures here represent unaudited information prepared by the Company

*2 Announced on May 12, 2014

†3 See notes concerning individual business groups and business segments (page 34)

2-4. Outlook for the First Half of FY2014: Revenues, Operating income and EBIT by Business Segment (1)

Billions of yen

		FY2013/1H	FY2014/1H (Forecast)	Year over year	Previous forecast*1 comparison
Information & Telecommunication Systems†4	Revenues	876.1	910.0	104%	103%
	Operating income	30.7	40.0	+9.2	+5.0
	EBIT	28.7	35.0	+6.2	+5.0
Power Systems	Revenues	376.3	210.0	56%	91%
	Operating income	2.1	(27.0)	(29.1)	(16.0)
	EBIT	3.4	(25.0)	(28.4)	(16.0)
Social Infrastructure & Industrial Systems†4	Revenues	620.1	670.0	108%	102%
	Operating income	3.2	15.0	+11.7	+2.0
	EBIT	6.6	13.0	+6.3	+1.0
Electronic Systems & Equipment	Revenues	499.8	530.0	106%	100%
	Operating income	10.6	19.0	+8.3	+20
	EBIT	9.3	18.0	+8.6	+10
Construction Machinery	Revenues	358.0	340.0	95%	97%
	Operating income	29.4	21.0	(8.4)	(6.0)
	EBIT	26.6	23.0	(3.6)	(4.0)
High Functional Materials & Components	Revenues	669.5	690.0	103%	100%
	Operating income	49.2	52.0	+2.7	+3.0
	EBIT	49.2	52.0	+2.7	+6.0

*1 Announced on May 12, 2014

†4 See notes concerning individual business groups and business segments (page 34) © Hitachi, Ltd. 2014. All rights reserved.

2-5. Outlook for the First Half of FY2014: Revenues, Operating income and EBIT by Business Segment (2)

Billions of yen

		FY2013/1H	FY2014/1H (Forecast)	Year over year	Previous forecast*1 comparison
Automotive Systems	Revenues	426.7	460.0	108%	100%
	Operating income	20.8	28.0	+7.1	±0
	EBIT	2.0	28.0	+25.9	±0
Smart Life & Ecofriendly Systems ^{†5}	Revenues	372.8	390.0	105%	103%
	Operating income	5.8	12.0	+6.1	+3.0
	EBIT	8.9	15.0	+6.0	+5.0
Others (Logistics and Other services) ^{†5}	Revenues	664.0	590.0	89%	97%
	Operating income	11.8	14.0	+2.1	±0
	EBIT	12.5	13.0	+0.4	±0
Financial Services	Revenues	163.6	180.0	110%	106%
	Operating income	16.0	17.0	+0.9	+1.0
	EBIT	17.4	18.0	+0.5	+1.0
Corporate items & Eliminations	Revenues	(556.7)	(520.0)	-	-
	Operating income	(6.7)	(6.0)	+0.7	+16.0
	EBIT	(22.9)	(20.0)	+2.9	+11.0
Total	Revenues	4,470.6	4,450.0	100%	101%
	Operating income	173.4	185.0	+11.5	+10.0
	EBIT	142.0	170.0	+27.9	+10.0

*1 Announced on May 12, 2014

†5 See notes concerning individual business groups and business segments (page 34) © Hitachi, Ltd. 2014. All rights reserved.

3. Outlook for Fiscal 2014

3-1. Outlook for FY2014: Revenues, Operating income and EBIT by Business Group (1)*1

Billions of yen

		FY2013	FY2014 (Forecast)	Year over year	Previous forecast*2 comparison
Infrastructure Systems†1, 2	Revenues	3,358.2	3,470.0	103%	100%
	Operating income	137.9	174.0	+36.0	±0.0
	EBIT	139.4	173.0	+33.5	±0.0
Information & Telecommunication Systems†1	Revenues	2,546.2	2,600.0	102%	100%
	Operating income	123.0	162.0	+38.9	±0.0
	EBIT	109.7	151.0	+41.2	±0.0
Power Systems	Revenues	777.3	500.0	64%	96%
	Operating income	16.7	(14.0)	(30.7)	(19.0)
	EBIT	152.9	2.0	(150.9)	(19.0)
Construction Machinery	Revenues	767.3	690.0	90%	92%
	Operating income	73.9	56.0	(17.9)	(20.0)
	EBIT	63.3	56.0	(7.3)	(20.0)

*1 Figures here represent unaudited information prepared by the Company

*2 Announced on May 12, 2014

†1, 2 See notes concerning individual business groups and business segments (page 34)

3-2. Outlook for FY2014: Revenues, Operating income and EBIT by Business Group (2)*1

Billions of yen

		FY2013	FY2014 (Forecast)	Year over year	Previous forecast*2 comparison
High Functional Materials & Components†3	Revenues	1,363.2	1,400.0	103%	100%
	Operating income	101.7	108.0	+6.2	±0.0
	EBIT	96.5	97.0	+0.4	±0.0
Automotive Systems	Revenues	892.1	940.0	105%	100%
	Operating income	47.3	60.0	+12.6	±0.0
	EBIT	4.9	60.0	+55.0	±0.0
Financial Services	Revenues	338.5	350.0	103%	100%
	Operating income	33.1	33.0	(0.1)	±0.0
	EBIT	34.6	34.0	(0.6)	±0.0
Total	Revenues	9,616.2	9,400.0	98%	100%
	Operating income	532.8	560.0	+27.1	±0.0
	EBIT	580.1	520.0	(60.1)	±0.0

*1 Figures here represent unaudited information prepared by the Company

*2 Announced on May 12, 2014

†3 See notes concerning individual business groups and business segments (page 34)

3-3. Outlook for FY2014: Revenues, Operating income and EBIT by Business Segment (1)

Billions of yen

		FY2013	FY2014 (Forecast)	Year over year	Previous forecast*1 comparison
Information & Telecommunication Systems†4	Revenues	1,934.9	1,950.0	101%	100%
	Operating income	106.5	136.0	+29.4	±0.0
	EBIT	96.3	126.0	+29.6	±0.0
Power Systems	Revenues	777.3	500.0	64%	96%
	Operating income	16.7	(14.0)	(30.7)	(19.0)
	EBIT	152.9	2.0	(150.9)	(19.0)
Social Infrastructure & Industrial Systems†4	Revenues	1,501.4	1,570.0	105%	100%
	Operating income	59.0	90.0	+30.9	±0.0
	EBIT	61.1	86.0	+24.8	±0.0
Electronic Systems & Equipment	Revenues	1,116.7	1,160.0	104%	100%
	Operating income	59.1	60.0	+0.8	±0.0
	EBIT	52.6	59.0	+6.3	±0.0
Construction Machinery	Revenues	767.3	690.0	90%	92%
	Operating income	73.9	56.0	(17.9)	(20.0)
	EBIT	63.3	56.0	(7.3)	(20.0)
High Functional Materials & Components	Revenues	1,363.2	1,400.0	103%	100%
	Operating income	101.7	108.0	+6.2	±0.0
	EBIT	96.5	97.0	+0.4	±0.0

*1 Announced on May 12, 2014

†4 See notes concerning individual business groups and business segments (page 34) © Hitachi, Ltd. 2014. All rights reserved.

3-4. Outlook for FY2014: Revenues, Operating income and EBIT by Business Segment (2)

Billions of yen

		FY2013	FY2014 (Forecast)	Year over year	Previous forecast*1 comparison
Automotive Systems	Revenues	892.1	940.0	105%	100%
	Operating income	47.3	60.0	+12.6	±0.0
	EBIT	4.9	60.0	+55.0	±0.0
Smart Life & Ecofriendly Systems ^{†5}	Revenues	740.0	740.0	100%	100%
	Operating income	19.8	24.0	+4.1	±0.0
	EBIT	25.4	28.0	+2.5	±0.0
Others (Logistics and Other services) ^{†5}	Revenues	1,388.9	1,250.0	90%	100%
	Operating income	30.8	38.0	+7.1	±0.0
	EBIT	19.7	36.0	+16.2	±0.0
Financial Services	Revenues	338.5	350.0	103%	100%
	Operating income	33.1	33.0	(0.1)	±0.0
	EBIT	34.6	34.0	(0.6)	±0.0
Corporate items & Eliminations	Revenues	(1,204.6)	(1,150.0)	-	-
	Operating income	(15.4)	(31.0)	(15.5)	+39.0
	EBIT	(27.6)	(64.0)	(36.3)	+39.0
Total	Revenues	9,616.2	9,400.0	98%	100%
	Operating income	532.8	560.0	+27.1	±0.0
	EBIT	580.1	520.0	(60.1)	±0.0

*1 Announced on May 12, 2014

†5 See notes concerning individual business groups and business segments (page 34) © Hitachi, Ltd. 2014. All rights reserved.

4. Steady Progress on “2015 Mid-term Management Plan” and Further Growth

**Top Line Growth + Cash Generation
= Earning Power Reinforcement**

1. Top Line Growth by Accelerated Global Development of the Social Innovation Business

- Japan : Advanced the smart city business, beginning with Kashiwa-no-ha Smart City
(Started operation of the Kashiwa-no-ha AEMS*1 and opened Hitachi Collaboration Square Kashiwa-no-ha)
- Global : Launched new storage platforms realizing non-disruptive migration with state-of-the-art virtualization technology
- Poland : Received order for finger vein authentication systems from major ATM operator ITCARD S.A.
- Lithuania : Came to an agreement with Government of Lithuania to discuss for establishment of the project company for nuclear power project
- Brazil : Delivered compressors for an oil and gas floating production, storage and offloading system (FPSO) for the state oil company Petrobras
- Saudi Arabia : Signed maintenance agreement for canned motor pumps manufactured by Teikoku Electric Mfg. Co., Ltd.
- China : Selected to deliver the world’s fastest*2 elevators for the tallest skyscraper in Guangzhou
- Americas : Bolster automotive product manufacturing capacity in line with stronger alliance with global automakers
(Mexico: establish new plant, U.S.: expand plant)

2. Strengthen Global Management Structure

- Rail Systems business:
Created the Global CEO post to oversee and promote global strategies
- Information & Telecommunication Systems business:
 - Strengthen global services by posting an executive officer in North America
 - Acquired Information Management Group Limited of the U.K. to bolster the European Big Data business
- Infrastructure Systems business:
 - Acquired Valcom S.r.l. of Italy to strengthen engineering capabilities in the overseas oil and gas industries
 - Strengthen overseas frontline engineering capabilities
(Created the Regional Director post in six overseas regions,
Launched Hitachi Infrastructure Systems (Asia) Pte. Ltd.)
- Held the Hitachi Group China Business Strategy Conference 2014 in Beijing, China

3. Promote Global Talent Management

- Introduced a Global Performance Management system in order to maximize performance by strengthening the alignment between management and individual objectives.
Expanding the system globally.

- Benefits of the Hitachi Smart Transformation Project for the FY2014/1Q: 26.0 billion yen
Advanced cost reduction target in FY2014 from 90 billion yen to 100 billion yen and making steady progress
- Extend reforms in each cost area and accelerate process-focused-reforms from the optimal overall E2E perspective. Strengthen earnings power and cash generation capacity.
- Main initiatives and progress in the FY2014/1Q
 - Global logistics reforms:
Commenced joint Group transportation using GWPF*1 between China and Japan (June 2014)
→ Plan to expand to transportation between South East Asia and Japan
 - Global SCM reforms:
Commenced full-scale operation of the global shared PSI*2 system for mass production operations (April 2014)
→ Utilize to optimize SCM such as revising production system, consolidating warehouses, etc.
 - Refine global procurement:
 - Launched a new global procurement scheme using professional functions within the Group, including those of Hitachi High-Technologies Corporation, Hitachi Capital Corporation, and Hitachi Transport System, Ltd. (April 2014)
→ Plan to expand to Europe and China
 - Upgrading and expanding the global supplier database

*1 GWPF: Gate Way Plat Form: Shared storage and distribution bases for the Group.

*2 PSI : Production, Sales and Inventory

■ Individual Business Groups

- †1 Effective on April 1, 2014, Hitachi Information & Control Solutions and Ibaraki Hitachi Information Service (both companies merged and changed its corporate name to Hitachi Industry & Control Solutions on April 1, 2014), which were previously included in the “Information & Telecommunication Systems”, have been included in the “Infrastructure Systems”.
Figures for each group, including figures for the previous fiscal year, reflect the changed segmentation.
- †2 Effective on April 1, 2014, Hitachi-LG Data Storage, Hitachi Consumer Electronics and Hitachi Media Electronics, which were previously included in the “Infrastructure Systems”, have not been included in the group.
Figures for each group, including figures for the previous fiscal year, reflect the changed segmentation.
- †3 Effective on April 1, 2014, Hitachi Maxell, which were previously included in the “High Functional Materials & Components”, has not been included in the group.
Figures for each group, including figures for the previous fiscal year, reflect the changed segmentation.

■ Individual Business segments

- †4 Effective on April 1, 2014, Hitachi Information & Control Solutions and Ibaraki Hitachi Information Service (both companies merged and changed its corporate name to Hitachi Industry & Control Solutions on April 1, 2014), which were previously included in the “Information & Telecommunication Systems”, have been included in the “Social Infrastructure & Industrial Systems”.
Figures for each segment, including figures for the previous fiscal year, reflect the changed segmentation.
- †5 Effective on April 1, 2014, Hitachi-LG Data Storage, Hitachi Consumer Electronics and Hitachi Media Electronics, which were previously included in the “Digital Media & Consumer Products”, have been included in “Others (Logistics and Other services)”. The “Digital Media & Consumer Products” has been renamed to the “Smart Life & Ecofriendly Systems” based on these changes, and Hitachi Appliances and Hitachi Consumer Marketing have been included in this segment.
Figures for each segment, including figures for the previous fiscal year, reflect the changed segmentation.

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.

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