

Supplementary Information for Consolidated Financial Results Based on IFRS for Fiscal 2014

1. Summary

	Fiscal 2013	Fiscal 2014		Fiscal 2015 (Forecast)			
				Six months ending September 30		(D)	(D)/(B)
				(A)	(B)		
Revenues ^{*1}	9,666.4	9,774.9	101%	4,700.0	103%	9,950.0	102%
EBIT (Earnings before interest and taxes) ^{*1,2}	691.2	534.0	77%	210.0	79%	620.0	116%
Percentage of revenues	7.2	5.5	—	4.5	—	6.2	—
Income from continuing operations, before income taxes ^{*1}	678.4	518.9	76%	200.0	77%	600.0	116%
Net income ^{*1}	525.0	343.4	65%	140.0	79%	450.0	131%
Net income attributable to Hitachi, Ltd. stockholders ^{*1}	413.8	217.4	53%	70.0	60%	310.0	143%
Dividend payout ratio (%)	12.3	26.6	—	—	—	—	—
Average exchange rate (yen / U.S.\$)	100	110	—	115	—	115	—

*1 Billions of yen

*2 Presented as income from continuing operations, before income taxes less interest income plus interest charges.

	As of April 1, 2013	As of March 31, 2014	As of March 31, 2015
Interest-bearing debt ^{*1}	2,395.4	3,033.9	3,557.3
Total Hitachi, Ltd. stockholders' equity ratio (Manufacturing, services and others)(%)	23.0	27.8	27.6
D/E ratio (including non-controlling interests) (Manufacturing, services and others)(times)	0.48	0.41	0.41
Number of employees	329,703	323,919	336,670
Japan	208,105	196,597	193,638
Overseas	121,598	127,322	143,032
Number of consolidated subsidiaries ^{*3}	977	959	1,008
Japan	315	284	275
Overseas	662	675	733

*3 Consolidated trust accounts are not included into the figures of consolidated subsidiaries.

2. Consolidated Revenues and EBIT ^{*2}

(1) Business Segment

(Billions of yen)

	Fiscal 2013	Fiscal 2014		(Reference) ^{*4} Fiscal 2014 (C)	Fiscal 2015 (Forecast) ^{*4}				
		(A)	(B)		(B)/(A)	Six months ending September 30		(E)	(E)/(C)
						(D)	(D)/six months ended Sep.30, 2014		
Revenues	Information & Telecommunication Systems	1,943.9	2,034.0	105%	2,034.0	970.0	104%	2,100.0	103%
	Power Systems	727.8	466.7	64%					
	Social Infrastructure & Industrial Systems	1,506.2	1,599.5	106%	2,066.2	920.0	103%	2,140.0	104%
	Electronic Systems & Equipment	1,117.6	1,131.6	101%	1,131.6	540.0	102%	1,180.0	104%
	Construction Machinery	802.9	815.7	102%	815.7	380.0	98%	800.0	98%
	High Functional Materials & Components	1,385.1	1,529.4	110%	1,529.4	810.0	116%	1,670.0	109%
	Automotive Systems	892.4	936.9	105%	936.9	480.0	108%	1,000.0	107%
	Smart Life & Ecofriendly Systems	744.0	754.2	101%	754.2	360.0	95%	650.0	86%
	Others (Logistics and Other services)	1,454.9	1,274.2	88%	1,274.2	590.0	94%	1,220.0	96%
	Financial Services	342.6	356.2	104%	356.2	180.0	103%	370.0	104%
	Subtotal	10,917.7	10,898.9	100%	10,898.9	5,230.0	103%	11,130.0	102%
	Corporate items & Eliminations	(1,251.3)	(1,123.9)	—	(1,123.9)	(530.0)	—	(1,180.0)	—
Total	9,666.4	9,774.9	101%	9,774.9	4,700.0	103%	9,950.0	102%	
EBIT	Information & Telecommunication Systems	114.9	106.0	92%	106.0	41.0	91%	144.0	136%
	Power Systems	178.5	3.8	2%					
	Social Infrastructure & Industrial Systems	78.0	106.5	137%	110.3	11.0	45%	140.0	127%
	Electronic Systems & Equipment	52.3	63.7	122%	63.7	22.0	81%	75.0	118%
	Construction Machinery	63.1	60.5	96%	60.5	15.0	52%	49.0	81%
	High Functional Materials & Components	104.1	123.9	119%	123.9	91.0	145%	164.0	132%
	Automotive Systems	3.4	35.0	—	35.0	27.0	133%	70.0	200%
	Smart Life & Ecofriendly Systems	28.1	34.5	123%	34.5	11.0	59%	22.0	64%
	Others (Logistics and Other services)	22.7	51.0	224%	51.0	16.0	101%	42.0	82%
	Financial Services	32.7	35.4	108%	35.4	22.0	113%	42.0	119%
	Subtotal	678.3	620.7	92%	620.7	256.0	98%	748.0	121%
	Corporate items & Eliminations	12.8	(86.6)	—	(86.6)	(46.0)	—	(128.0)	—
Total	691.2	534.0	77%	534.0	210.0	79%	620.0	116%	

^{*4} Effective on April 1, 2015, the "Power Systems" was unified to the "Social Infrastructure & Industrial Systems".
Forecasts for fiscal 2015 show the new segment classifications, and figures for fiscal 2014 using the new segment classifications are also shown for reference.

(2) Business Group ^{*5}

(Billions of yen)

	Fiscal 2013 (A)	Fiscal 2014		(Reference) ^{*6} Fiscal 2014 (C)	Fiscal 2015 (Forecast) ^{*6}				
		(B)	(B)/(A)		Six months ending September 30		(E)	(E)/(C)	
					(D)	(D)/six months ended Sep.30, 2014			
Revenues	Infrastructure Systems	3,367.8	3,485.4	103%					
	Power & Infrastructure Systems				3,952.1	1,820.0	101%	3,970.0	100%
	Information & Telecommunication Systems	2,567.0	2,709.2	106%	2,709.2	1,310.0	104%	2,790.0	103%
	Power Systems	727.8	466.7	64%					
	Construction Machinery	802.9	815.7	102%	815.7	380.0	98%	800.0	98%
	High Functional Materials & Components	1,385.1	1,529.4	110%	1,529.4	810.0	116%	1,670.0	109%
	Automotive Systems	892.4	936.9	105%	936.9	480.0	108%	1,000.0	107%
	Financial Services	342.6	356.2	104%	356.2	180.0	103%	370.0	104%
EBIT	Infrastructure Systems	158.6	204.8	129%					
	Power & Infrastructure Systems				208.6	44.0	63%	237.0	114%
	Information & Telecommunication Systems	130.4	128.1	98%	128.1	52.0	97%	170.0	133%
	Power Systems	178.5	3.8	2%					
	Construction Machinery	63.1	60.5	96%	60.5	15.0	52%	49.0	81%
	High Functional Materials & Components	104.1	123.9	119%	123.9	91.0	145%	164.0	132%
	Automotive Systems	3.4	35.0	—	35.0	27.0	133%	70.0	200%
	Financial Services	32.7	35.4	108%	35.4	22.0	113%	42.0	119%

^{*5} Figures in tables 2-(2), 4, 8, 9 and 10 represent unaudited financial information prepared by the Company for the purpose of this supplementary information.

^{*6} Effective on April 1, 2015, the "Power Systems" and the "Infrastructure Systems" were unified and were renamed "Power & Infrastructure Systems".

Forecasts for fiscal 2015 show the new group classifications, and figures for fiscal 2014 using the new group classifications are also shown for reference.

3. Consolidated Overseas Revenues by Business Segment

(Billions of yen)

	Fiscal 2013 (A)	Fiscal 2014		Fiscal 2015 (Forecast)			
		(B)	(B)/(A)	(C)	(C)/(B)		
Information & Telecommunication Systems	595.3	671.0	113%				
Power Systems	277.1	50.8	18%				
Social Infrastructure & Industrial Systems	535.5	646.4	121%				
Electronic Systems & Equipment	617.4	638.2	103%				
Construction Machinery	571.1	594.0	104%				
High Functional Materials & Components	615.5	758.8	123%				
Automotive Systems	435.3	486.1	112%				
Smart Life & Ecofriendly Systems	266.0	312.7	118%				
Others (Logistics and Other services)	472.7	377.1	80%				
Financial Services	110.5	135.1	122%				
Subtotal	4,496.8	4,670.6	104%				
Corporate items & Eliminations	(140.7)	(116.1)	—				
Total	4,356.1	4,554.5	105%			4,950.0	109%

4. Overseas Production (Total Revenues of Overseas Manufacturing Subsidiaries) ^{*5}

	Fiscal 2013 (A)	Fiscal 2014	
		(B)	(B)/(A)
Overseas production (billions of yen)	2,332.2	2,398.3	103%
Percentage of revenues (%)	24	25	—
Percentage of overseas revenues (%)	54	53	—

5. Consolidated Capital Expenditure by Business Segment in Manufacturing, Services and Others and Financial Services (Completion basis, including Leasing Assets)

(Billions of yen)

	Fiscal 2013	Fiscal 2014		Fiscal 2015 (Forecast)	
	(A)	(B)	(B)/(A)	(C)	(C)/(B)
Information & Telecommunication Systems	41.0	46.1	112%		
Power Systems	19.6	24.0	122%		
Social Infrastructure & Industrial Systems	36.7	36.0	98%		
Electronic Systems & Equipment	27.5	20.7	75%		
Construction Machinery	37.4	20.9	56%		
High Functional Materials & Components	65.6	76.2	116%		
Automotive Systems	76.5	77.4	101%		
Smart Life & Ecofriendly Systems	17.4	18.0	103%		
Others (Logistics and Other services)	67.7	52.2	77%		
Corporate items	3.4	4.1	122%		
Manufacturing, Services and Others	393.1	375.9	96%		
Financial Services	477.5	494.4	104%	540.0	109%
Eliminations	(20.8)	(19.4)	-	(10.0)	-
Total	849.8	850.9	100%	910.0	107%

6. Consolidated Depreciation by Business Segment in Manufacturing, Services and Others and Financial Services

(Billions of yen)

	Fiscal 2013	Fiscal 2014		Fiscal 2015 (Forecast)	
	(A)	(B)	(B)/(A)	(C)	(C)/(B)
Information & Telecommunication Systems	37.6	40.0	106%		
Power Systems	14.2	7.9	56%		
Social Infrastructure & Industrial Systems	22.5	24.6	109%		
Electronic Systems & Equipment	11.5	15.6	135%		
Construction Machinery	31.0	31.9	103%		
High Functional Materials & Components	55.7	62.3	112%		
Automotive Systems	29.0	35.2	121%		
Smart Life & Ecofriendly Systems	17.9	18.9	106%		
Others (Logistics and Other services)	36.0	34.2	95%		
Corporate items	3.4	3.5	103%		
Manufacturing, Services and Others	259.3	274.5	106%		
Financial Services	71.8	76.1	106%	80.0	105%
Total	331.2	350.7	106%	380.0	108%

7. Consolidated R&D Expenditure by Business Segment

(Billions of yen)

	Fiscal 2013	Fiscal 2014		Fiscal 2015 (Forecast)	
	(A)	(B)	(B)/(A)	(C)	(C)/(B)
Information & Telecommunication Systems	75.9	69.0	91%		
Power Systems	19.2	11.5	60%		
Social Infrastructure & Industrial Systems	28.1	31.9	113%		
Electronic Systems & Equipment	48.0	49.6	103%		
Construction Machinery	18.8	17.8	95%		
High Functional Materials & Components	44.6	46.3	104%		
Automotive Systems	60.7	61.0	101%		
Smart Life & Ecofriendly Systems	11.5	11.2	97%		
Others (Logistics and Other services)	18.0	8.0	44%		
Corporate items	28.6	27.8	97%		
Manufacturing, Services and Others	353.7	334.5	95%		
Financial Services	0.6	0.3	46%		
Total	354.4	334.8	94%	355.0	106%
Percentage of revenues (%)	3.7	3.4	-	3.6	-

8. Summarized Consolidated Statements of Financial Position by Manufacturing, Services and Others and Financial Services⁵

(Billions of yen)

	As of April 1, 2013			As of March 31, 2014			As of March 31, 2015		
	Manufacturing, Services and Others	Financial Services	Total ⁷	Manufacturing, Services and Others	Financial Services	Total ⁷	Manufacturing, Services and Others	Financial Services	Total ⁷
Total Assets	8,287.8	1,971.2	9,777.0	9,006.7	2,595.6	11,098.1	9,984.4	2,953.6	12,433.7
Current assets	4,444.5	809.0	4,849.0	4,596.9	1,082.2	5,262.0	5,115.2	1,184.8	5,882.4
Cash and cash equivalents	496.4	141.7	523.3	521.4	156.7	560.6	654.7	119.7	701.7
Trade receivables	2,078.5	452.6	2,300.4	2,221.6	588.7	2,573.3	2,448.9	695.2	2,870.0
Lease receivables	126.8	172.2	281.7	69.8	266.9	321.4	55.9	299.5	337.3
Inventories	1,379.5	0.0	1,379.5	1,335.5	2.6	1,339.0	1,447.8	3.3	1,458.1
Other current assets	363.0	42.3	364.0	448.4	67.0	467.6	507.7	66.9	515.1
Non-current assets	3,843.3	1,162.2	4,927.9	4,409.7	1,513.3	5,836.1	4,869.2	1,768.8	6,551.3
Investments accounted for using the equity method	245.0	20.7	246.9	600.3	18.3	599.4	682.2	19.4	681.6
Investments in securities and other financial assets	641.5	435.6	1,042.5	743.3	588.3	1,291.0	772.6	709.8	1,449.7
Lease receivables	24.7	410.8	410.1	65.3	574.8	610.8	47.3	669.7	680.6
Property, plant and equipment	1,990.9	197.9	2,196.1	2,019.6	235.3	2,258.9	2,204.7	268.0	2,472.4
Intangible assets	630.8	54.2	685.1	679.3	52.8	732.2	873.7	59.8	933.5
Other non-current assets	310.0	42.7	346.9	301.7	43.6	343.6	288.4	41.8	333.2
Total Liabilities and Equity	8,287.8	1,971.2	9,777.0	9,006.7	2,595.6	11,098.1	9,984.4	2,953.6	12,433.7
Total Liabilities	5,403.7	1,686.0	6,619.4	5,434.2	2,287.2	7,229.3	6,012.5	2,616.8	8,137.3
Current liabilities	3,510.1	806.9	3,887.3	3,591.9	1,157.1	4,300.4	3,962.9	1,270.5	4,779.4
Short-term debt	547.7	282.3	685.3	501.8	422.5	775.5	574.4	514.3	977.7
Current portion of long-term debt	183.0	149.2	286.4	250.3	347.9	541.4	193.0	357.9	483.5
Other financial liabilities	249.0	61.4	285.1	249.1	43.5	269.5	262.8	58.5	296.4
Trade payables	1,190.8	256.2	1,241.0	1,279.6	276.3	1,347.1	1,388.5	273.0	1,426.5
Other current liabilities	1,339.4	57.7	1,389.3	1,310.9	66.7	1,366.7	1,544.0	66.7	1,595.3
Non-current liabilities	1,893.6	879.1	2,732.1	1,842.2	1,130.1	2,928.9	2,049.6	1,346.2	3,357.9
Long-term debt	661.6	795.5	1,423.6	714.0	1,039.9	1,717.0	860.2	1,266.3	2,096.1
Other financial liabilities	30.4	34.5	63.6	55.8	45.1	99.7	77.7	42.2	117.5
Retirement and severance benefits	928.3	9.5	937.8	772.1	7.7	779.8	717.9	6.2	724.2
Other non-current liabilities	273.3	39.4	306.8	300.2	37.2	332.2	393.7	31.3	420.0
Total Equity	2,884.0	285.2	3,157.5	3,572.5	308.4	3,868.8	3,971.9	336.8	4,296.3
Hitachi, Ltd. stockholders' equity	1,904.3	167.4	2,058.7	2,503.4	178.5	2,668.6	2,760.3	195.3	2,942.2
Non-controlling interests	979.7	117.7	1,098.8	1,069.0	129.8	1,200.1	1,211.5	141.4	1,354.0
Interest-bearing debt	1,392.4	1,227.0	2,395.4	1,466.1	1,810.4	3,033.9	1,627.7	2,138.6	3,557.3
Total Hitachi, Ltd. stockholders' equity ratio	23.0%	8.5%	21.1%	27.8%	6.9%	24.0%	27.6%	6.6%	23.7%
D/E ratio (including non-controlling interests) (times)	0.48	4.30	0.76	0.41	5.87	0.78	0.41	6.35	0.83

⁷ Total Figures exclude inter-segment transactions.

9. Consolidated Statements of Profit or Loss by Manufacturing, Services and Others and Financial Services^{*5} (Billions of yen)

	Fiscal 2013			Fiscal 2014		
	Manufacturing, Services and Others	Financial Services	Total ^{*7}	Manufacturing, Services and Others	Financial Services	Total ^{*7}
Revenues	9,467.7	342.6	9,666.4	9,569.8	356.2	9,774.9
EBIT(Earnings before interest and taxes) ^{*2}	659.5	32.7	691.2	499.9	35.4	534.0
Income from continuing operations, before income taxes	647.1	32.7	678.4	485.5	35.4	518.9
Net income attributable to Hitachi, Ltd. stockholders	403.7	12.5	413.8	206.0	14.3	217.4

10. Consolidated Statements of Cash Flows by Manufacturing, Services and Others and Financial Services^{*5} (Billions of yen)

	Fiscal 2013			Fiscal 2014		
	Manufacturing, Services and Others	Financial Services	Total ^{*7}	Manufacturing, Services and Others	Financial Services	Total ^{*7}
Cash flows from operating activities	460.8	(125.0)	306.7	586.4	(85.9)	451.8
Cash flows from investing activities	(387.7)	(187.8)	(550.1)	(449.1)	(191.3)	(612.5)
Free cash flows	73.1	(312.9)	(243.4)	137.2	(277.3)	(160.7)
Cash flows from financing activities	(103.7)	326.6	228.8	(69.1)	236.8	233.2
Effect of exchange rate changes on cash and cash equivalents	55.6	1.3	51.8	65.1	3.4	68.5
Net increase (decrease) in cash and cash equivalents	25.0	15.0	37.3	133.2	(37.0)	141.0
Cash and cash equivalents at beginning of the year	496.4	141.7	523.3	521.4	156.7	560.6
Cash and cash equivalents at end of the year	521.4	156.7	560.6	654.7	119.7	701.7
Core free cash flows ^{*8}	(9.2)	(366.5)	(377.3)	138.1	(292.1)	(176.4)

^{*8} Operating cash flows plus collection of lease receivables less cash outflows for the purchase of property, plant and equipment, intangible assets, and leased assets.

11. Information & Telecommunication Systems

(1) Revenues and EBIT^{*2,9}

(Billions of yen)

	Fiscal 2014 (A)	Fiscal 2015 (Forecast)			
		Six months ending September 30		(C)	(C)/(A)
		(B)	(B)/six months ended Sep. 30.2014		
Revenues	2,034.0	970.0	104%	2,100.0	103%
System Solutions ^{*10}	1,240.5	588.9	103%	1,278.6	103%
Platform ^{*11}	1,019.0	497.6	103%	1,094.1	107%
Eliminations & Others ^{*12}	(225.5)	(116.5)	-	(272.8)	-
EBIT	106.0	41.0	91%	144.0	136%
System Solutions ^{*10}	58.1	22.3	106%	92.1	158%
Platform ^{*11}	47.7	19.8	84%	62.5	131%
Eliminations & Others ^{*12}	0.1	(1.2)	-	(10.6)	-

*9 Figures for each subsegment include intersegment transactions.

*10 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.

*11 Sales, maintenance and related services for software, server, storage, telecommunication & network equipment, etc.

*12 Figures for intersegment transactions, etc.

(2) Storage Solutions

(Billions of yen)

	Fiscal 2013 (A)	Fiscal 2014		Fiscal 2015 (Forecast)			
		(B)	(B)/(A)	Six months ending September 30		(D)	(D)/(B)
				(C)	(C)/six months ended Sep. 30.2014		
Revenues	439.0	485.0	110%	230.0	106%	510.0	105%

June 25, 2015

Hitachi, Ltd.

Reference: Consolidated Adjusted Operating Income ^{*1,2}

(1) Business Segment

(Billions of yen)

	Fiscal 2013 (A)	Fiscal 2014		(Reference) ⁻³ Fiscal 2014 (C)	Fiscal 2015 (Forecast) ⁻³				
		(B)	(B)/(A)		Six months ending September 30		(E)	(E)/(C)	
					(D)	(D)/six months ended Sep.30, 2014			
Adjusted Operating Income	Information & Telecommunication Systems	131.5	135.1	103%	135.1	47.0	100%	158.0	117%
	Power Systems	30.1	0.6	2%					
	Social Infrastructure & Industrial Systems	70.7	88.3	125%	88.9	10.0	40%	131.0	147%
	Electronic Systems & Equipment	61.8	72.5	117%	72.5	22.0	77%	76.0	105%
	Construction Machinery	73.6	59.8	81%	59.8	17.0	61%	50.0	84%
	High Functional Materials & Components	98.8	120.8	122%	120.8	65.0	123%	146.0	121%
	Automotive Systems	43.9	47.4	108%	47.4	27.0	109%	68.0	143%
	Smart Life & Ecofriendly Systems	24.5	28.4	116%	28.4	8.0	55%	18.0	63%
	Others (Logistics and Other services)	42.2	41.8	99%	41.8	16.0	97%	43.0	103%
	Financial Services	33.0	38.9	118%	38.9	21.0	114%	41.0	105%
	Subtotal	610.5	634.2	104%	634.2	233.0	91%	731.0	115%
	Corporate items & Eliminations	(5.7)	7.1	—	7.1	(13.0)	—	(51.0)	—
	Total	604.7	641.3	106%	641.3	220.0	83%	680.0	106%

(2) Business Group

(Billions of yen)

	Fiscal 2013 (A)	Fiscal 2014		(Reference) ⁻⁴ Fiscal 2014 (C)	Fiscal 2015 (Forecast) ⁻⁴				
		(B)	(B)/(A)		Six months ending September 30		(E)	(E)/(C)	
					(D)	(D)/six months ended Sep.30, 2014			
Adjusted Operating Income	Infrastructure Systems	157.1	189.3	120%					
	Power & Infrastructure Systems				189.9	40.0	59%	225.0	118%
	Information & Telecommunication Systems	155.3	157.7	102%	157.7	58.0	105%	185.0	117%
	Power Systems	30.1	0.6	2%					
	Construction Machinery	73.6	59.8	81%	59.8	17.0	61%	50.0	84%
	High Functional Materials & Components	98.8	120.8	122%	120.8	65.0	123%	146.0	121%
	Automotive Systems	43.9	47.4	108%	47.4	27.0	109%	68.0	143%
	Financial Services	33.0	38.9	118%	38.9	21.0	114%	41.0	105%

*1 Figures in tables (1) and (2) represent unaudited financial information prepared by the Company for the purpose of this supplementary information.

*2 "Adjusted Operating Income" presented as revenues less cost of sales as well as selling, general and administrative expenses.

*3 Effective on April 1, 2015, the "Power Systems" was unified to the "Social Infrastructure & Industrial Systems".

Forecasts for fiscal 2015 show the new segment classifications, and figures for fiscal 2014 using the new segment classifications are also shown for reference.

*4 Effective on April 1, 2015, the "Power Systems" and the "Infrastructure Systems" were unified and were renamed "Power & Infrastructure Systems".

Forecasts for fiscal 2015 show the new group classifications, and figures for fiscal 2014 using the new group classifications are also shown for reference.

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;
- 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 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 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;
- 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 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 potential for significant losses on Hitachi's investments in equity-method associates and joint ventures;
- 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;
- 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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