[Translation]

Quarterly Report

(The Third Quarter of 145th Business Term)
From October 1, 2013 to December 31, 2013

6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Hitachi, Ltd.

[Cover]

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This is an English translation of the Quarterly Report filed with the Director of the Kanto Local Finance Bureau via Electronic Disclosure for Investors' NETwork ("EDINET") pursuant to the Financial Instruments and Exchange Act of Japan.

The translation of the Confirmation Letter for the original Quarterly Report are included at the end of this document.

This English translation of the Quarterly Report reflected the amendment that was reported in the Amendment Report of the Quarterly Report filed with the Director of the Kanto Local Finance Bureau via EDINET on February 25, 2014.

Unless the context indicates otherwise, the term "Company" refers to Hitachi, Ltd. and the term "Hitachi" refers to the Company and its consolidated subsidiaries.

Unless otherwise stated, in this document, where we present information in millions or hundreds of millions of yen, we have truncated amounts of less than one million or one hundred million, as the case may be. Accordingly, the total of figures presented in columns or otherwise may not equal the total of the individual items. We have rounded all percentages to the nearest percent, one-tenth of one percent or one-hundredth of one percent, as the case may be.

References in this document to the "Financial Instruments and Exchange Act" are to the Financial Instruments and Exchange Act of Japan and other laws and regulations amending and/or supplementing the Financial Instruments and Exchange Act of Japan.

Contents

Part I Information on the Company

I. Overview of the Company

1. Key Financial Data

Consolidated financial data, etc.

(Millions of yen, unless otherwise stated)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013	Year ended March 31, 2013
Revenues	6,468,701 [2,113,133]	6,774,450 [2,303,764]	9,041,071
Income before income taxes	175,675	301,292	344,537
Net income attributable to Hitachi, Ltd. stockholders	50,358 [20,233]	127,268 [94,502]	175,326
Comprehensive income	206,302	507,293	420,680
Total Hitachi, Ltd. Stockholders' equity	1,893,966	2,419,987	2,082,560
Total equity	2,939,944	3,603,331	3,179,287
Total assets	9,646,536	11,006,564	9,809,230
Net income attributable to Hitachi, Ltd. stockholders per share, Basic (yen)	10.80 [4.29]	26.35 [19.56]	37.28
Net income attributable to Hitachi, Ltd. stockholders per share, Diluted (yen)	10.42	26.34	36.29
Total Hitachi, Ltd. stockholders' equity ratio (%)	19.6	22.0	21.2
Cash flows from operating activities	245,335	138,138	583,508
Cash flows from investing activities	(453,655)	(276,365)	(553,457)
Cash flows from financing activities	173,777	237,201	(180,445)
Cash and cash equivalents at end of period	606,589	676,154	527,632

(Notes)
1. Our consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States.
2. Revenues do not include the consumption tax, etc.
3. The figures of "Revenues," "Net income attributable to Hitachi, Ltd. stockholders" and "Net income attributable to Hitachi, Ltd. stockholders per share, Basic" in square bracket are those in the three months ended December 31, 2012 and 2013, respectively.

2. Description of Business

The Company's consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States, and affiliates are disclosed based on the definitions of those accounting principles. The same applies to "II. Business Overview".

There was no material change in principal businesses of Hitachi during the nine months ended December 31, 2013. The Hitachi Group is comprised of the Company and 982 consolidated subsidiaries (including variable interest entities) and 157 equity-method affiliates. Although the consolidated subsidiaries include variable interest entities, there is no variable interest entity included into the figures of consolidated subsidiaries as of December 31, 2013. Also, consolidated trust accounts are not included into the figures of consolidated subsidiaries.

Changes of businesses in each segment and major consolidated subsidiaries during the nine months ended December 31, 2013 were as follows. Effective April 1, 2013, the Company changed the name of the "Others" segment to the "Others (Logistics and Other services)" segment.

Segment	Positioning of principal affiliated companies	
	Manufacturing	Sales and services
Social Infrastructure & Industrial Systems		[Consolidated subsidiaries] (Dissolved by the merger) Hitachi Plant Technologies, Ltd. (Note 1)
Electronic Systems & Equipment (Excluded by the sale of the shares) Electronic Parts Manufacturing Systems (Note 2)	[Consolidated subsidiaries] (Excluded by the sale of the shares) Hitachi Via Mechanics, Ltd. (Note 2)	
High Functional Materials & Components	[Consolidated subsidiaries] (Dissolved by the merger) Hitachi Cable, Ltd. (Note 3)	
Others (Logistics and Other services) (Reclassified its segments) LCD Projectors (Note 4)		

(Notes) 1. Hitachi Plant Technologies, Ltd. merged with the Company as of April 1, 2013.
2. Hitachi Via Mechanics, Ltd. ceased to be a consolidated subsidiary of the Company and Electronic Parts Manufacturing Systems business, which is conducted by Hitachi Via Mechanics, ceased to be Hitachi groups' business on November 1, 2013 due to selling its shares by the Company.
3. Hitachi Cable, Ltd. merged with Hitachi Metals, Ltd. as of July 1, 2013.
4. The LCD Projectors business was transferred from Hitachi Consumer Electronics Co., Ltd. to Hitachi Maxell, Ltd. by way of company split on July 1, 2013. Accordingly, the business was reclassified from the Digital Media & Consumer Products segment to the Others (Logistics and Other services) segment.
5. The Company no longer accounts for Renesas Electronics Corporation as an equity method affiliate on September 30, 2013.

II. Business Overview

1. Risk Factors

There was no new risk factor recognized during the nine months ended December 31, 2013.

There were no material changes in the risk factors stated in the Annual Securities Report for the 144th business term pursuant to the Financial Instruments and Exchange Act of Japan.

2. Material Agreements, etc.

(1) Business Integration

The Company and Mitsubishi Heavy Industries, Ltd. ("MHI") have respectively signed absorption-type company split agreements (the "Absorption-type Company Split Agreements") with the new company established by MHI (the "Integrated Company") in order to integrate the business (the "Business Integration") in fields centered on the thermal power generation systems (the "Integrated Business") by way of company split (the "Company Split") on July 31, 2013.

The Company and MHI, on December 18, 2013, have respectively signed the amendment agreements to the Absorption-type Company Split Agreements, which amended the effective date of the Absorption-type Company Splits with the Integrated Company. The Business Integration became effective on February 1, 2014 in accordance with the amendment agreements.

(2) As Licensee

The material contract renewed during the three months ended December 31, 2013 is as follows.

Licensee	Licensor	Country	Item under contract	Contract description	Contract period
Babcock-Hitachi Kabushiki Kaisha (Consolidated subsidiary)	Siemens AG	Germany	Boilers	License of technology (Note)	From January 1, 1998 to December 31, 2015

(Note) A certain percentage based on the specifications of the item is paid as royalties.

3. Analyses of Consolidated Financial Condition, Operating Results and Cash Flows

(1) Outline of Business Results

Effective from April 1, 2013, the Company adopted earnings before interest and taxes ("EBIT"), which is presented as income before income taxes less interest income plus interest charges, as the measurement for the consolidated operating results.

Results of Operations

During the nine months ended December 31, 2013, the U.S. economy continued to experience a moderate recovery. However, economic stagnant continued in Europe and growth in the Indian, Brazilian and other economies also slowed.

The Japanese economy has improved, due to increased exports and consumer spending spurred by the depreciation of yen and higher share prices in stock market resulting from quantitative easing.

Under these circumstances, total revenues in the nine months ended December 31, 2013 increased 5% compared with the nine months ended December 31, 2012, to ¥6,774.4 billion due mainly to higher revenues in the Information & Telecommunication Systems segment mainly resulting from higher revenues in services business, and in the Social Infrastructure & Industrial Systems segment mainly resulting from strong sales of elevators and escalators in China, and in the Others (Logistics and Other services) and the Automotive Systems segments, etc. This increase was partially offset by lower revenues in the Power Systems segment, where sales of nuclear power generation systems declined.

Cost of sales in the nine months ended December 31, 2013 increased 3% compared with the nine months ended December 31, 2012, to ¥4,985.7 billion, and the ratio of cost of sales to revenues accounted for 74% in the nine months ended December 31, 2013, compared with 75% in the nine months ended December 31, 2012.

Selling, general and administrative expenses in the nine months ended December 31, 2013 increased 8% compared with the nine months ended December 31, 2012, to ¥1,493.1 billion and their ratio to revenues was 22% in the nine months ended December 31, 2013, compared with 21% in the nine months ended December 31, 2012.

Expenses related to competition law was posted in the amount of ¥26.9 billion in the nine months ended December 31, 2013 owing to the fact that Hitachi Automotive Systems, Ltd. has agreed with the United States Department of Justice to conclude a plea agreement regarding alleged violations of U.S. antitrust laws.

Impairment losses for long-lived assets in the nine months ended December 31, 2013 decreased ¥3.8 billion to ¥4.7 billion, as compared with the nine months ended December 31, 2012.

Restructuring charges in the nine months ended December 31, 2013 increased ¥2.8 billion to ¥12.9 billion, as compared with the nine months ended December 31, 2012.

Interest income in the nine months ended December 31, 2013 increased ¥0.1 billion to ¥9.1 billion, as compared with the nine months ended December 31, 2012.

Dividends income in the nine months ended December 31, 2013 increased ¥2.0 billion to ¥6.7 billion, as compared with the nine months ended December 31, 2012.

Other income in the nine months ended December 31, 2013 was ¥56.5 billion, a ¥47.6 billion increase compared with the nine months ended December 31, 2012, due mainly to increased net gain on securities resulting from the sale of some shares in Western Digital Corporation, and increased exchange gain.

Interest charges in the nine months ended December 31, 2013 decreased ¥0.6 billion to ¥19.6 billion, as compared with the nine months ended December 31, 2012.

Loss on sale of stock by an affiliated company was posted in the amount of ¥5.9 billion in the nine months ended December 31, 2013.

Other deductions in the nine months ended December 31, 2013 were ¥1.2 billion, approximately same as the nine months ended December 31, 2012.

Equity in net earning of affiliated companies in the nine months ended December 31, 2013 was ¥4.8 billion compared with net loss of ¥38.5 billion in the nine months ended December 31, 2012.

As a result of the foregoing, income before income taxes in the nine months ended December 31, 2013 increased 72% compared with the nine months ended December 31, 2012, to ¥301.2 billion. EBIT in nine months ended December 31, 2013 increased 67% the nine months ended December 31, 2012, to ¥311.7 billion.

Income taxes amounted to ¥106.1 billion in the nine months ended December 31, 2013, an increase of ¥24.8 billion compared with the nine months ended December 31, 2012.

Net income in the nine months ended December 31, 2013 increased 107% compared with the nine months ended December 31, 2012, to ¥195.1 billion.

Net income attributable to noncontrolling interests amounted to ¥67.8 billion in the nine months ended December 31, 2013, an increase of ¥23.8 billion compared with the nine months ended December 31, 2012.

As a result of the foregoing, net income attributable to Hitachi, Ltd. stockholders in the nine months ended December 31, 2013 increased 153% compared with the nine months ended December 31, 2012, to ¥127.2 billion.

Operations by Segment

The following is an overview of Hitachi's results of operations by segment. Revenues for each segment include intersegment transactions.

Effective April 1, 2013, the Company changed its measurement of segment profitability from operating income, which is presented as total revenues less total cost of sales and selling, general and administrative expenses in order to be consistent with financial reporting principles and practices generally accepted in Japan, to EBIT. Accordingly, the amounts previously reported for the nine months ended December 31, 2012 have been restated in conformity with the new measure of segment profit or loss.

Effective April 1, 2013, the Company changed the name of "Others" to "Others (Logistics and Other services)."

(Information & Telecommunication Systems)

Revenues increased 8% compared with the nine months ended December 31, 2012, to ¥1,337.2 billion, due mainly to increased sales in services business and of ATMs, and the effects of foreign currency fluctuations.

Segment profit increased 24% compared with the nine months ended December 31, 2012, to ¥47.7 billion, due mainly to improved operating income, mainly resulting from higher revenues and progress with cost-cutting programs, and the posting of foreign exchange gain.

(Power Systems)

Revenues decreased 7% compared with the nine months ended December 31, 2012, to ¥575.6 billion, due mainly to a significant decline in revenues from preventive maintenance services for nuclear power generation systems.

Segment profit decreased 29% compared with the nine months ended December 31, 2012, to ¥10.9 billion, due to decreased operating income owing to lower revenues, despite the posting of foreign exchange gain.

(Social Infrastructure & Industrial Systems)

Revenues increased 8% compared with the nine months ended December 31, 2012, to ¥910.9 billion, due mainly to strong sales of elevators and escalators in China and other overseas markets, and solid sales in the railway systems business.

Segment profit increased 13% compared with the nine months ended December 31, 2012, to ¥18.6 billion, due mainly to the posting of foreign exchange gain, equity in net earnings of affiliated companies and gains on the sale of fixed assets. This increase was partially offset by decreased operating income owing to lower earnings in social infrastructure systems business in overseas projects, despite higher earnings in the elevators and escalators business resulting from higher sales.

(Electronic Systems & Equipment)

Revenues increased 3% compared with the nine months ended December 31, 2012, to ¥752.3 bullion, due mainly to higher sales of power tools at Hitachi Koki Co., Ltd. and semiconductor manufacturing equipment, etc. at Hitachi Kokusai Electric Inc.

Segment profit increased 29% compared with the nine months ended December 31, 2012, to ¥24.4 billion, due mainly to increased operating income at Hitachi Kokusai Electric Inc. resulting from higher revenues and the benefits of business structure reforms, and the posting of foreign exchange gain, etc.

(Construction Machinery)

Revenues decreased 2% compared with the nine months ended December 31, 2012, to ¥533.3 billion, due mainly to decreased revenues in North America and lower sales of mining machinery in Asia and Oceania, despite higher sales of hydraulic excavators in China and Japan.

Segment profit increased 12% compared with the nine months ended December 31, 2012, to ¥44.8 billion, due mainly to increased operating income, resulting from the benefit of the effects of foreign currency fluctuations and progress with cost-cutting programs. This increase was partially offset by increased foreign exchange losses in the nine months ended December 31, 2013 and the absence of large gains on the sale of subsidiary shares due to business restructuring posted in the nine months ended December 31, 2012.

(High Functional Materials & Components)

Revenues increased 1% compared with the nine months ended December 31, 2012, to ¥1,016.4 billion, due mainly to solid sales of automobile products and electronics-related materials. This increase was partially offset by sluggish hard disk drive-related demand and the impact of the withdrawal from unprofitable businesses.

Segment profit increased 64% compared with the nine months ended December 31, 2012, to ¥76.0 billion, due mainly to increased operating income mainly resulting from strong sales of automobile related products and the benefits of business structure reforms and the absence of write-offs of inventories associated with a decrease in raw material prices recorded in the nine months ended December 31, 2012, and the posting of foreign exchange gain in the nine months ended December 31, 2013. This increase was partially offset by increased business structure reform-related expenses.

(Automotive Systems)

Revenues increased 9% compared with the nine months ended December 31, 2012, to ¥648.7 billion, due mainly to solid demand in the automotive markets overseas, mainly North America, and last-minute demand ahead of the scheduled consumption tax rate increase in Japan.

Segment profit decreased 44% compared with the nine months ended December 31, 2012, to ¥15.1 billion. This decrease was mainly the posting of expenses relating to competition law of ¥19.0 billion owing to the fact that Hitachi Automotive Systems, Ltd. has agreed with the United States Department of Justice to conclude a plea agreement regarding alleged violations of U.S. antitrust laws. This decrease was partially offset by increased operating income due mainly to higher revenues and associated improvement in capacity utilization.

(Digital Media & Consumer Products)

Revenues increased 8% compared with the nine months ended December 31, 2012, to ¥675.1 billion, due mainly to higher sales of room air conditioners and refrigerators resulting from last-minute demand ahead of the scheduled consumption tax rate increase in Japan and higher sales of air-conditioning equipment and refrigerators, etc. in overseas markets.

Segment profit improved ¥4.4 billion, resulting in ¥4.2 billion, compared with the nine months ended December 31, 2012, due mainly to an improvement in operating income mainly resulting from higher revenues and the benefits of business structure reforms in the digital media business.

(Others (Logistics and Other services))

Revenues increased 9% compared with the nine months ended December 31, 2012, to ¥900.1 billion, due mainly to higher revenues at Hitachi Transport System, Ltd. and higher sales of LCD projectors at Hitachi Maxell, Ltd.

Segment profit increased 24% compared with the nine months ended December 31, 2012, to ¥38.9 billion, due mainly to increased operating income at Hitachi Maxell, Ltd. mainly resulting from higher earnings of LCD projectors and the effects of foreign currency fluctuations, and increased dividend income. This increase was partially offset by decreased operating income at Hitachi Transport System, Ltd. owing to a decline in freight volume for automotive-related customers in Japan and cost increases for new projects.

(Financial Services)

Revenues decreased 5% compared with the nine months ended December 31, 2012, to ¥247.0 billion, due mainly to the absence of recording revenues related to a large cancellation in the nine months ended December 31, 2012, despite higher revenues in the overseas business.

Segment profit increased 18% compared with the nine months ended December 31, 2012, to ¥26.4 billion, due to increased operating income, mainly resulting from the consolidation of NBL Co., Ltd. and higher revenues in the overseas business at Hitachi Capital Corporation.

Revenues by Market

Revenues in Japan in the nine months ended December 31, 2013 were ¥3,652.1 billion, a decrease of 4% compared with the nine months ended December 31, 2012, due mainly to lower revenues in the Power Systems segment owing to lower sales of nuclear power generation systems, and in the High Functional Materials & Components and the Financial Services segments, etc.

Overseas revenues were ¥3,122.3 billion, an increase of 17% compared with the nine months ended December 31, 2012, due mainly to higher revenues in China mainly in the Social Infrastructure & Industrial Systems segment and in North America and Europe mainly in the Information & Telecommunication Systems segment.

As a result, the ratio of overseas revenues to total revenues was 46% in the nine months ended December 31, 2013, compared with 41% in the nine months ended December 31, 2012.

(2) Summary of Financial Condition, etc.

Liquidity and Capital Resources

During the nine months ended December 31, 2013, there was no major changes in the Company’s policies of maintaining liquidity and ensuring funds, efforts for improvement in fund management efficiency, and ideas regarding funding sources and fundraising.

Standard & Poor’s Rating Japan changed the Company’s long-term rating from BBB+ to A- on August 2, 2013.

The Company issued the straight bonds of ¥60.0 billion on December 13, 2013 for the purpose of repaying short-term debts (commercial paper) and meeting demand for funds for growth of the Social Innovation Business.

Cash Flows

(Cash flows from operating activities)

Net income in the nine months ended December 31, 2013 increased ¥100.7 billion compared with the nine months ended December 31, 2012, to ¥195.1 billion. Depreciation in the nine months ended December 31, 2013 increased ¥25.8 billion compared with the nine months ended December 31, 2012, to ¥245.5 billion. Increase in inventories in the nine months ended December 31, 2013 increased ¥106.4 billion compared with the nine months ended December 31, 2012, to ¥307.0 billion. Decrease in payables in the nine months ended December 31, 2013 decreased ¥144.5 billion compared with the nine months ended December 31, 2012, to ¥53.0 billion. Decrease in receivables in the nine months ended December 31, 2013 was ¥115.7 billion, a ¥153.3 billion decrease compared with the nine months ended December 31, 2012. Decrease in accrued expenses and retirement and severance benefits in the nine months ended December 31, 2013 increased ¥31.7 billion compared with the nine months ended December 31, 2012, to ¥105.5 billion. As a result of the foregoing, cash flows from operating activities recorded net cash inflow of ¥138.1 billion in the nine months ended December 31, 2013, a decrease of ¥107.1 billion compared with the nine months ended December 31, 2012.

(Cash flows from investing activities)

A net sum of ¥391.2 billion in the nine months ended December 31, 2013 was recorded as investments mainly related to property, plant and equipment, where the collection of investments in leases, the proceeds from disposal of property, plant and equipment and the proceeds from disposal of tangible assets and software to be leased were subtracted from the amount of the capital expenditures, the purchase of intangible assets and the purchase of tangible assets and software to be leased. This net sum increased by ¥24.2 billion compared with the nine months ended December 31, 2012 due mainly to the purchase of tangible assets in the Financial Services segment. Purchase of investments in securities and shares of newly consolidated subsidiaries in the nine months ended December 31, 2013 was ¥22.8 billion. This was decrease of ¥137.6 billion compared with the nine months ended December 31, 2012, due mainly to the purchase of shares of Horizon Nuclear Power Limited in the nine months ended December 31, 2012. Proceeds from sale of investments in securities and shares of consolidated subsidiaries resulting in deconsolidation in the nine months ended December 31, 2013 was ¥94.7 billion. This was increase of ¥35.0 billion compared with the nine months ended December 31, 2012, due mainly to the sale of some shares in Western Digital Corporation. As a result of the foregoing, cash flows from investing activities recorded net cash outflow of ¥276.3 billion in the nine months ended December 31, 2013, a decrease of ¥177.2 billion compared with the nine months ended December 31, 2012.

(Cash flows from financing activities)

Net increase in short-term debt was ¥58.1 billion. This was a decrease of ¥334.4 billion compared with the nine months ended December 31, 2012. A net sum of ¥271.6 billion in the nine months ended December 31, 2013 was recorded as proceeds related to long-term debt, where the proceeds from long-term debt were subtracted from the payments on long-term debt. This net inflow increased by ¥392.9 billion compared with the nine months ended December 31, 2012, due mainly to the issuance of straight bonds and the procurement of new long-term debt for the purpose of meeting demand for funds for growth of the Social Innovation Business. As a result of the foregoing, cash flows from financing activities recorded net cash inflow of ¥237.2 billion in the nine months ended December 31, 2013, an increase of ¥63.4 billion compared with the nine months ended December 31, 2012.

As a result of the foregoing, cash and cash equivalents as of December 31, 2013 was ¥676.1 billion, an increase of ¥148.5 billion from March 31, 2013. Free cash flows, the sum of cash flows from operating and investing activities, were an outflow of ¥138.2 billion in the nine months ended December 31, 2013, a decrease of ¥70.0 billion compared with the nine months ended December 31, 2012.

Assets, Liabilities and Equity

Total assets as of December 31, 2013 were ¥11,006.5 billion, an increase of ¥1,197.3 billion from March 31, 2013. This was due mainly to an increase in inventories, and an increase of the value of foreign currency-denominated assets resulting from the translation due to the depreciation of yen, and an increase of the value of marketable securities in line with higher stock market prices, and the impact of the consolidation of NBL Co., Ltd. for strengthening the financial services business.

Total interest-bearing debt as of December 31, 2013, which is the sum of short-term debt, long-term debt and non-recourse borrowings of consolidated securitization entities, was ¥3,011.6 billion, a ¥641.5 billion increase from March 31, 2013. This was due mainly to an increase in short-term debt and the issuance of straight bonds and the procurement of new long-term debt and the impact of the consolidation of NBL Co., Ltd.

Total Hitachi, Ltd. stockholders' equity as of December 31, 2013 increased by ¥337.4 billion from March 31, 2013, to ¥2,419.9 billion, due mainly to the posting of net income attributable to Hitachi, Ltd. stockholders and a decrease in the accumulated other comprehensive loss resulting from the depreciation of yen and higher stock market prices. As a result, the ratio of stockholders' equity to total assets as of December 31, 2013 was 22.0%, compared with 21.2% as of March 31, 2013.

Noncontrolling interests as of December 31, 2013 increased by ¥86.6 billion from March 31, 2013, to ¥1,183.3 billion.

The ratio of the interest-bearing debt to the total equity (the sum of total Hitachi, Ltd. stockholders' equity and noncontrolling interests) as of December 31, 2013 increased to 0.84, compared with 0.75 as of March 31, 2013.

(3) Challenges Facing Hitachi Group

1) Business and Financial Condition

There was no material change in Hitachi's business strategy during the nine months ended December 31, 2013.

2) Fundamental Policy on the Conduct of Persons Influencing Decision on the Company's Financial and Business Policies

The Group invests a great deal of business resources in fundamental research and in the development of market-leading products and businesses that will bear fruit in the future, and realizing the benefits from these management policies requires that they be continued for a set period of time. For this purpose, the Company keeps its shareholders and investors well informed of not just the business results for each period but also of the Company's business policies for creating value in the future.

The Company does not deny the significance of the vitalization of business activities and performance that can be brought about through a change in management control, but it recognizes the necessity of determining the impact on company value and the interests of all shareholders of the buying activities and buyout proposals of parties attempting to acquire a large share of stock of the Company or a Group company by duly examining the business description, future business plans, past investment activities, and other necessary aspects of such a party.

There is no party that is currently attempting to acquire a large share of the Company's stocks nor is there a specific threat, neither does the Company intend to implement specified so-called anti-takeover measures in advance of the appearance of such a party, but the Company does understand that it is one of the natural duties bestowed upon it by the shareholders and investors to continuously monitor the state of trading of the Company's stock and then to immediately take what the Company deems to be the best action in the event of the appearance of a party attempting to purchase a large share of the Company's stock. In particular, together with outside experts, the Company will evaluate the buyout proposal of the party and hold negotiations with the buyer, and if the Company deems that said buyout will not maintain the Company's value and is not in the best interest of the shareholders, then the Company will quickly determine the necessity, content, etc., of specific countermeasures and prepare to implement them. The same response will also be taken in the event a party attempts to acquire a large percentage of the shares of a Group company.

(4) Research and Development

There was no material changes in the research and development of the Hitachi Group (the Company and consolidated subsidiaries) stated in the Annual Securities Report for the 144th business term pursuant to the Financial Instruments and Exchange Act of Japan. The Hitachi Group's R&D expenditures in the nine months ended December 31, 2013 were ¥259.2 billion, 3.8% of revenues. A breakdown of R&D expenditures by segment is shown below.

(Billions of yen)

Segment	Nine months ended December 31, 2013
Information & Telecommunication Systems	57.3
Power Systems	15.6
Social Infrastructure & Industrial Systems	19.1
Electronic Systems & Equipment	34.0
Construction Machinery	13.4
High Functional Materials & Components	33.0
Automotive Systems	44.2
Digital Media & Consumer Products	13.5
Others (Logistics and Other services)	7.8
Financial Services	0.3
Corporate	20.4
Total	259.2

(5) Employees

The number of employees of the Company increased by 2,617 persons during the nine months ended December 31, 2013, to 36,282 persons. This increase was due mainly to increase in the Social Infrastructure & Industrial Systems segment resulting from the merger in which the Company merged Hitachi Plant Technologies, Ltd. as of April 1, 2013. (The number of employees of the Company decreased by 1,352 persons during the three months ended December 31, 2013, due mainly to the absorption-type company split in which the Company transferred its construction business for power plants, transportation systems and industrial plants and integrate them in Hitachi Plant Engineering & Services, Ltd. as of October 1, 2013.)

There was no material changes in the number of employees of the Hitachi Group (the Company and consolidated subsidiaries).

(6) Property, Plants and Equipment

The major property, plants and equipment materially changed during the nine months ended December 31, 2013 are as follows. This was due mainly to the merger in which the Company merged Hitachi Plant Technologies, Ltd. as of April 1, 2013 and the absorption-type company split in which the Company transferred its construction business for power plants, transportation systems and industrial plants and integrate them in Hitachi Plant Engineering & Services, Ltd. as of October 1, 2013.

The Company

(As of December 31, 2013)

Facility (Main location)	Segment	Details of major facilities and equipment	Book value (Millions of yen)						Number of employees
			Buildings	Machinery and equipment	Land [Area in thousands of m^2]	Lease assets	Others	Total	
Infrastructure Systems Company (Hitachi, Ibaraki)	Information & Telecommuni-cation Systems, Power Systems and Social Infrastructure & Industrial Systems	Manufacturing facilities for industrial machinery and plants, switchboards and calculation control equipment, system development facilities	12,049	10,925	4,001 [839]	2,737	336	30,050	6,452

(7) Forward-Looking Statements

Certain statements found in "3. Analyses of Consolidated Financial Condition, Operating Results and Cash Flows" and other descriptions in this report 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:

- 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;
- the potential for significant losses on Hitachi's investments in equity method affiliates;
- increased commoditization of information technology products and digital media-related products and intensifying price competition for such products, particularly in the Digital Media & Consumer Products segment;
- 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;
- 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 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 elsewhere in this report and in other materials published by Hitachi.

III. Information on the Company

1. Information on the Company's Stock, etc.

(1) Total number of shares, etc.

1) Total number of shares

Class	Total number of shares authorized to be issued (shares)
Common stock	10,000,000,000
Total	10,000,000,000

2) Issued shares

Class	Number of shares issued as of the end of third quarter of fiscal year (shares) (December 31, 2013)	Number of shares issued as of the filing date (shares) (February 12, 2014)	Stock exchange on which the Company is listed	Description
Common stock	4,833,463,387	4,833,463,387	Tokyo, Nagoya	The number of shares per one unit of shares is 1,000 shares.
Total	4,833,463,387	4,833,463,387	—	—

(2) Information on the stock acquisition rights, etc.

Not applicable.

(3) Information on moving strike convertible bonds, etc.

Not applicable.

(4) Information on shareholder right plans

Not applicable.

(5) Changes in the total number of issued shares and the amount of common stock and other

Date	Change in the total number of issued shares (shares)	Balance of the total number of issued shares (shares)	Change in common stock (Millions of yen)	Balance of common stock (Millions of yen)	Change in capital reserve (Millions of yen)	Balance of capital reserve (Millions of yen)
From October 1, 2013 to December 31, 2013	—	4,833,463,387	—	458,790	—	176,757

(6) Major shareholders

Not applicable.

(7) Information on voting rights

Information on voting rights as of September 30, 2013 is stated in this item because the Company does not identify the number of voting rights as of December 31, 2013 due to the lack of information on the number of the Company's shares held by the entity which the Company holds one quarter or more of total voting rights of such entity as of December 31, 2013.

1) Issued shares

(As of September 30, 2013)

Classification	Number of shares (shares)	Number of voting rights	Description
Shares without voting right	―	―	―
Shares with restricted voting right (treasury stock, etc.)	―	―	―
Shares with restricted voting right (others)	―	―	―
Shares with full voting right (treasury stock, etc.)	Common stock 3,296,000	―	―
Shares with full voting right (others)	Common stock 4,805,034,000	4,805,034	―
Shares less than one unit	Common stock 25,133,387	―	―
Number of issued shares	4,833,463,387	―	―
Total number of voting rights	―	4,805,034	―

(Note) The "Shares with full voting right (others)" column includes 26,000 shares registered in the name of Japan Securities Depository Center, Incorporated (account for managing stocks whose shareholders have not transferred titles) and 26 voting rights for those shares.

2) Treasury stock, etc.

(As of September 30, 2013)

Name of shareholder	Address	Number of shares held under own name (shares)	Number of shares held under the names of others (shares)	Total shares held (shares)	Ownership percentage to the total number of issued shares (%)
Hitachi, Ltd.	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo	3,125,000	―	3,125,000	0.06
Aoyama Special Steel Co., Ltd.	9-11, Shinkawa 2-chome, Chuo-ku, Tokyo	10,000	―	10,000	0.00
ISHII DENKOSHA Co., Ltd.	1-11, Oroshishinmachi 3-chome, Higashi-ku, Niigata-shi, Niigata	1,000	―	1,000	0.00
SAITA KOUGYOU CO., LTD.	5-3, Takinogawa 5-chome, Kita-ku, Tokyo	88,000	―	88,000	0.00
NIKKO SHOKAI CO., LTD.	9-5, Minami-Shinagawa 4-chome, Shinagawa-ku, Tokyo	5,000	―	5,000	0.00
Nitto Jidosha Kiki K.K.	3268, Nagaoka, Ibarakimachi, Higashiibaraki-gun, Ibaraki	52,000	―	52,000	0.00
Mizuho Co., Inc.	4-1, Koishikawa 5-chome, Bunkyo-ku, Tokyo	15,000	―	15,000	0.00
Total	―	3,296,000	―	3,296,000	0.07

2. Change in Senior Management

Changes in the senior managements from the filing date of the Annual Securities Report for the 144th business term pursuant to the Financial Instruments and Exchange Act of Japan to December 31, 2013 were as follows.

Change in Responsibility of Executive Officers (Effective October 1, 2013)

Name	New Position (Responsibility of Executive Officer as authorized by the Board of Directors)	Former Position (Responsibility of Executive Officer as authorized by the Board of Directors)
Shigeru Azuhata..............	Representative Executive Officer Executive Vice President and Executive Officer (Research & development and medical systems business)	Representative Executive Officer Executive Vice President and Executive Officer (Research & development, environmental strategies and medical systems business)
Shinjiro Iwata..................	Representative Executive Officer Executive Vice President and Executive Officer (Information & telecommunication systems business and information technology strategies)	Representative Executive Officer Executive Vice President and Executive Officer (Information & telecommunication systems business and information technology)
Junzo Nakajima	Executive Vice President and Executive Officer (Regional strategies (Asia Pacific))	Executive Vice President and Executive Officer (Hitachi group global business (Asia Pacific))
Toyoaki Nakamura	Representative Executive Officer Executive Vice President and Executive Officer (Finance, corporate pension system and consumer business)	Representative Executive Officer Executive Vice President and Executive Officer (Management strategies, finance, corporate pension system and consumer business)
Nobuo Mochida	Representative Executive Officer Executive Vice President and Executive Officer (High functional materials & components, supply chain management (MONOZUKURI and quality assurance) and automotive systems business)	Representative Executive Officer Executive Vice President and Executive Officer (High functional materials & components, quality assurance, production engineering and automotive systems business)
Toshiaki Kuzuoka...........	Representative Executive Officer Senior Vice President and Executive Officer (Corporate communications and CSR, legal matters, government & external relations, risk management and corporate auditing)	Senior Vice President and Executive Officer (Human capital, legal and corporate communications, government & external relations, corporate brand and corporate auditing)
Masahide Tanigaki..........	Representative Executive Officer Senior Vice President and Executive Officer (Marketing and sales)	Representative Executive Officer Senior Vice President and Executive Officer (Sales operations, Hitachi group global business and corporate export regulation)
Shinichiro Omori	Vice President and Executive Officer (Supply chain management (procurement))	Vice President and Executive Officer (Procurement)
Yoshifumi Kanda............	Vice President and Executive Officer (Marketing and sales, and power systems business (sales operations))	Vice President and Executive Officer (Sales operations and power systems business (sales operations))
Ryuichi Kitayama	Vice President and Executive Officer (Marketing and sales)	Vice President and Executive Officer (Hitachi group global business (China))
Kazuhiro Kurihara	Vice President and Executive Officer (Marketing and sales, and medical systems business)	Vice President and Executive Officer (Sales operations (market strategies) and medical systems business)
Akira Shimizu.................	Vice President and Executive Officer (Marketing and sales)	Vice President and Executive Officer (Hitachi group global business)

IV. Financial Information

Refer to the consolidated financial statements incorporated in this Quarterly Report.

Part II Information on Guarantors, etc. for the Company

Not applicable.

CONSOLIDATED BALANCE SHEETS
Hitachi, Ltd. and Subsidiaries
December 31, 2013 and March 31, 2013

	Millions of yen	
Assets	December 31, 2013	March 31, 2013
Current assets:		
Cash and cash equivalents (note 6)	676,154	527,632
Short-term investments (note 3)	9,430	10,444
Trade receivables:		
Notes (notes 4, 6, 13 and 22)	154,572	110,316
Accounts (notes 4, 6 and 22)	2,411,535	2,311,460
Investments in leases (notes 6 and 22)	273,828	270,899
Current portion of financial assets transferred to consolidated securitization entities (notes 6 and 22)	53,498	23,365
Inventories (note 5)	1,741,495	1,437,399
Prepaid expenses and other current assets	625,651	498,623
Total current assets	5,946,163	5,190,138
Investments and advances, including affiliated companies (note 3)	887,474	781,984
Property, plant and equipment:		
Land	532,563	518,313
Buildings	1,989,730	1,942,634
Machinery and equipment	5,186,785	5,207,010
Construction in progress	136,289	115,340
	7,845,367	7,783,297
Less accumulated depreciation	5,395,978	5,503,333
Net property, plant and equipment	2,449,389	2,279,964
Intangible assets (note 7):		
Goodwill	325,886	290,387
Other intangible assets	424,217	415,009
Total intangible assets	750,103	705,396
Financial assets transferred to consolidated securitization entities (notes 6 and 22)	178,478	131,379
Other assets (note 22)	794,957	720,369
Total assets	11,006,564	9,809,230

See accompanying notes to consolidated financial statements.

Liabilities and Equity	December 31, 2013	March 31, 2013
	Millions of yen	
Current liabilities:		
Short-term debt	915,336	673,850
Current portion of long-term debt	383,537	260,185
Current portion of non-recourse borrowings of consolidated securitization entities (note 6)	51,345	26,399
Trade payables:		
Notes	13,403	15,462
Accounts	1,269,033	1,219,402
Accrued expenses (note 13)	842,699	924,591
Income taxes	28,405	56,278
Advances received	434,422	359,795
Other current liabilities	518,574	428,179
Total current liabilities	4,456,754	3,964,141
Long-term debt	1,519,094	1,306,747
Non-recourse borrowings of consolidated securitization entities (note 6)	142,293	102,898
Retirement and severance benefits	868,588	913,211
Other liabilities	416,504	342,946
Total liabilities	7,403,233	6,629,943
Commitments and contingencies (note 13)		
Equity:		
Common stock (note 9)	458,790	458,790
Capital surplus	619,187	622,946
Retained earnings (note 11)	1,449,687	1,370,723
Accumulated other comprehensive loss	(105,811)	(368,334)
Treasury stock, at cost (note 10)	(1,866)	(1,565)
Total Hitachi, Ltd. stockholders' equity (note 12)	2,419,987	2,082,560
Noncontrolling interests (note 12)	1,183,344	1,096,727
Total equity	3,603,331	3,179,287
Total liabilities and equity	11,006,564	9,809,230

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS
AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Hitachi, Ltd. and Subsidiaries
Nine months ended December 31, 2013 and 2012

Consolidated Statements of Operations

	Millions of yen	
	2013	2012
Revenues	6,774,450	6,468,701
Cost of sales	(4,985,777)	(4,858,661)
Selling, general and administrative expenses	(1,493,192)	(1,378,105)
Expenses related to competition law (note 14)	(26,918)	-
Impairment losses for long-lived assets (note 15)	(4,740)	(8,560)
Restructuring charges (note 16)	(12,987)	(10,156)
Interest income	9,101	8,931
Dividend income	6,732	4,705
Other income (note 17)	56,567	8,910
Interest charges	(19,604)	(20,299)
Loss on sale of stock by an affiliated company	(5,915)	-
Other deductions (note 17)	(1,280)	(1,272)
Equity in net earning (loss) of affiliated companies	4,855	(38,519)
Income before income taxes	301,292	175,675
Income taxes	(106,137)	(81,289)
Net income	195,155	94,386
Less net income attributable to noncontrolling interests	67,887	44,028
Net income attributable to Hitachi, Ltd. stockholders	127,268	50,358
Net income attributable to Hitachi, Ltd. stockholders per share (note 18):		Yen
Basic	26.35	10.80
Diluted	26.34	10.42

Consolidated Statements of Comprehensive Income

	Millions of yen	
	2013	2012
Net income	195,155	94,386
Other comprehensive income arising during the period		
Foreign currency translation adjustments	170,163	67,073
Pension liability adjustments	49,040	51,382
Net unrealized holding gain on available-for-sale securities	106,772	7,226
Cash flow hedges	(13,837)	(13,765)
Total other comprehensive income arising during the period	312,138	111,916
Comprehensive income	507,293	206,302
Less comprehensive income attributable to noncontrolling interests	116,248	68,118
Comprehensive income attributable to Hitachi, Ltd. stockholders	391,045	138,184

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS
AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Hitachi, Ltd. and Subsidiaries
Three months ended December 31, 2013 and 2012

Consolidated Statements of Operations

	Millions of yen	
	2013	2012
Revenues	2,303,764	2,113,133
Cost of sales	(1,683,474)	(1,586,189)
Selling, general and administrative expenses	(498,290)	(458,613)
Expenses related to competition law (note 14)	(7,857)	-
Impairment losses for long-lived assets (note 15)	(2,921)	(2,330)
Restructuring charges (note 16)	(1,811)	(5,632)
Interest income	2,742	3,017
Dividend income	1,895	1,544
Other income (note 17)	55,485	15,113
Interest charges	(6,788)	(6,570)
Other deductions (note 17)	(328)	(2,910)
Equity in net earning (loss) of affiliated companies	3,318	(11,146)
Income before income taxes	165,735	59,417
Income taxes	(39,945)	(30,544)
Net income	125,790	28,873
Less net income attributable to noncontrolling interests	31,288	8,640
Net income attributable to Hitachi, Ltd. stockholders	94,502	20,233
Net income attributable to Hitachi, Ltd. stockholders per share (note 18):		Yen
Basic	19.56	4.29
Diluted	19.56	4.19

Consolidated Statements of Comprehensive Income

	Millions of yen	
	2013	2012
Net income	125,790	28,873
Other comprehensive income arising during the period		
Foreign currency translation adjustments	101,214	108,135
Pension liability adjustments	17,341	18,657
Net unrealized holding gain on available-for-sale securities	23,041	23,249
Cash flow hedges	(14,166)	(14,796)
Total other comprehensive income arising during the period	127,430	135,245
Comprehensive income	253,220	164,118
Less comprehensive income attributable to noncontrolling interests	60,917	46,350
Comprehensive income attributable to Hitachi, Ltd. stockholders	192,303	117,768

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Hitachi, Ltd. and Subsidiaries
Nine months ended December 31, 2013 and 2012

	Millions of yen	
	2013	2012
Cash flows from operating activities:		
Net income	195,155	94,386
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	245,543	219,716
Amortization	89,628	85,751
Impairment losses for long-lived assets	4,740	8,560
Equity in net (earning) loss of affiliated companies	(4,855)	38,519
Gain on sale of investments in securities and other	(37,750)	(11,268)
Impairment of investments in securities	1,496	4,461
(Gain) loss on disposal of rental assets and other property	(2,846)	1,291
Decrease in receivables	115,751	269,055
Increase in inventories	(307,060)	(200,561)
Increase in prepaid expenses and other current assets	(78,417)	(3,485)
Decrease in payables	(53,029)	(197,603)
Decrease in accrued expenses and retirement and severance benefits	(105,542)	(73,787)
Increase (decrease) in accrued income taxes	2,999	(39,445)
Increase in other current liabilities	61,967	20,843
Net change in lease receivables related to the Company's and its subsidiaries' products	5,991	10,663
Other	4,367	18,239
Net cash provided by operating activities	138,138	245,335
Cash flows from investing activities:		
Capital expenditures	(279,166)	(271,885)
Purchase of intangible assets	(83,316)	(72,381)
Purchase of tangible assets and software to be leased	(307,778)	(255,690)
Proceeds from disposal of property, plant and equipment	20,775	15,801
Proceeds from disposal of tangible assets and software to be leased	22,716	12,446
Collection of investments in leases	235,514	204,671
Purchase of investments in securities and shares of newly consolidated subsidiaries	(22,860)	(160,554)
Proceeds from sale of investments in securities and shares of consolidated subsidiaries resulting in deconsolidation	94,728	59,687
Other	43,022	14,250
Net cash used in investing activities	(276,365)	(453,655)
Cash flows from financing activities:		
Increase in short-term debt, net	58,130	392,569
Proceeds from long-term debt	545,619	242,311
Payments on long-term debt	(273,942)	(363,614)
Proceeds from sale of common stock by subsidiaries	5,591	1,988
Dividends paid to Hitachi, Ltd. stockholders	(48,287)	(46,672)
Dividends paid to noncontrolling interests	(23,888)	(24,408)
Acquisition of common stock for treasury	(315)	(107)
Proceeds from sales of treasury stock	16	21
Purchase of shares of consolidated subsidiaries from noncontrolling interest holders	(25,462)	(28,031)
Proceeds from sale of shares of consolidated subsidiaries from noncontrolling interest holders	-	102
Other	(261)	(382)
Net cash provided by financing activities	237,201	173,777
Effect of exchange rate changes on cash and cash equivalents	49,548	21,555
Net increase (decrease) in cash and cash equivalents	148,522	(12,988)
Cash and cash equivalents at beginning of period	527,632	619,577
Cash and cash equivalents at end of period	676,154	606,589

See accompanying notes to consolidated financial statements.

HITACHI, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2013

(1) Nature of Operations

Hitachi, Ltd. (the Company) is a Japanese corporation, whose principal office is located in Japan. The Company's and its subsidiaries' businesses are global and diverse, and include manufacturing and services such as information and telecommunication systems, power systems, social infrastructure and industrial systems, electronic systems and equipment, construction machinery, high functional materials and components, automotive systems, digital media and consumer products and others including logistics and other services, as well as financial services.

(2) Basis of Presentation and Summary of Significant Accounting Policies

(a) Basis of Presentation

The Company and its domestic subsidiaries keep their books of account in accordance with the financial accounting standards of Japan, and its foreign subsidiaries in accordance with mainly those of the countries of their domicile.

The consolidated financial statements presented herein have been prepared to reflect the adjustments which are necessary to conform to accounting principles generally accepted in the United States of America. Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements. Actual results could differ from those estimates.

(b) Principles of Consolidation

The consolidated financial statements include the accounts of the Company, its majority-owned subsidiaries and all variable interest entities (VIEs) for which the Company or any of its consolidated entities is the primary beneficiary. The definition of a VIE is included in Accounting Standards Codification (ASC) 810, "Consolidation." This guidance addresses how a business enterprise should evaluate whether it has a controlling financial interest in an entity through means other than voting rights and accordingly should consolidate the entity. The consolidated financial statements include accounts of certain subsidiaries whose closing dates differ from December 31 by 93 days or less to either comply with local statutory requirements or facilitate timely reporting. There have been no significant transactions, which would materially affect the Company's financial position and results of operations, with such subsidiaries during the period from their closing dates to December 31. Intercompany accounts and significant intercompany transactions have been eliminated in consolidation.

Investments in corporate joint ventures and affiliated companies, where the Company has the ability to exercise significant influence over operational and financial policies generally by holding 20 - 50% ownership, are accounted for under the equity method. Investments where the Company does not have significant influence are accounted for under the cost method.

(c) Income Taxes

The Company computes interim income tax provisions by applying an estimated annual effective tax rate, which is reasonably determined considering the factors that will affect the tax rate including non-taxable transactions, tax credits and valuation allowances, to income before income taxes in accordance with the provisions for interim reporting included in ASC 740, "Income Taxes." The effect of a change in judgment about the realization of deferred tax assets in future years is recognized in the interim period in which the change occurs.

(d) Subsequent Events

The Company has evaluated up to February 12, 2014, the date on which its consolidated financial statements were available to be issued in accordance with the provisions of ASC 855, "Subsequent Events."

(3) Investments in Securities and Affiliated Companies

Short-term investments as of December 31, 2013 and March 31, 2013 are as follows:

	Millions of yen	
	December 31, 2013	March 31, 2013
Investments in securities:		
Available-for-sale securities		
Government debt securities	6,202	6,502
Corporate debt securities	3,018	3,725
Other securities	210	197
Held-to-maturity securities	-	20
	9,430	10,444

Investments and advances, including affiliated companies as of December 31, 2013 and March 31, 2013 are as follows:

	Millions of yen	
	December 31, 2013	March 31, 2013
Investments in securities:		
Available-for-sale securities		
Equity securities	386,902	280,491
Government debt securities	1,251	956
Corporate debt securities	10,147	15,066
Other securities	12,496	9,618
Held-to-maturity securities	360	356
Cost-method investments	55,167	53,990
Investments in affiliated companies	269,480	259,967
Advances and other	151,671	161,540
	887,474	781,984

The following tables are summaries of the amortized cost basis, gross unrealized holding gains, gross unrealized holding losses and aggregate fair value of available-for-sale securities by the consolidated balance sheet classifications as of December 31, 2013 and March 31, 2013.

	Millions of yen			
	December 31, 2013			
	Amortized cost basis	Gross gains	Gross losses	Aggregate fair value
Short-term investments:				
Government debt securities	6,202	-	-	6,202
Corporate debt securities	3,000	18	-	3,018
Other securities	208	2	-	210
	9,410	20	-	9,430
Investments and advances:				
Equity securities	131,212	256,001	311	386,902
Government debt securities	1,230	21	-	1,251
Corporate debt securities	8,908	1,251	12	10,147
Other securities	12,045	451	-	12,496
	153,395	257,724	323	410,796
	162,805	257,744	323	420,226

	Millions of yen			
	March 31, 2013			
	Amortized cost basis	Gross gains	Gross losses	Aggregate fair value
Short-term investments:				
Government debt securities	6,501	1	-	6,502
Corporate debt securities	3,387	344	6	3,725
Other securities	196	1	-	197
	10,084	346	6	10,424
Investments and advances:				
Equity securities	155,625	125,775	909	280,491
Government debt securities	931	25	-	956
Corporate debt securities	12,997	2,093	24	15,066
Other securities	9,285	333	-	9,618
	178,838	128,226	933	306,131
	188,922	128,572	939	316,555

The following tables are summaries of gross unrealized holding losses on available-for-sale securities and the fair value of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, as of December 31, 2013 and March 31, 2013.

	Millions of yen			
	December 31, 2013			
	Less than 12 months		12 months or longer	
	Aggregate fair value	Gross losses	Aggregate fair value	Gross losses
Investments and advances:				
Equity securities	192	23	1,534	288
Corporate debt securities	851	12	-	-
	1,043	35	1,534	288

	Millions of yen			
	March 31, 2013			
	Less than 12 months		12 months or longer	
	Aggregate fair value	Gross losses	Aggregate fair value	Gross losses
Short-term investments:				
Corporate debt securities	-	-	994	6
Investments and advances:				
Equity securities	4,904	601	1,219	308
Corporate debt securities	39	11	987	13
	4,943	612	2,206	321
	4,943	612	3,200	327

Equity securities consist primarily of stocks issued by Japanese and the U.S.A. listed companies. Government debt securities consist primarily of Japan treasury bonds. Corporate debt securities consist primarily of structured bonds.

The following table represents the purchases, proceeds from the sale, gross realized gains on the sale, and gross realized losses on the sale of available-for-sale securities for the nine months ended December 31, 2013 and 2012.

	Millions of yen	
	Nine months ended December 31, 2013	Nine months ended December 31, 2012
Purchases	3,431	7,218
Proceeds from the sale	91,128	6,828
Gross realized gains on the sale	45,512	2,940
Gross realized losses on the sale	2	30

The following table represents the purchases, proceeds from the sale, gross realized gains on the sale, and gross realized losses on the sale of available-for-sale securities for the three months ended December 31, 2013 and 2012.

	Millions of yen	
	Three months ended December 31, 2013	Three months ended December 31, 2012
Purchases	545	772
Proceeds from the sale	85,877	3,537
Gross realized gains on the sale	44,409	1,760
Gross realized losses on the sale	-	24

The contractual maturities of debt securities and other securities classified as investments and advances in the consolidated balance sheet as of December 31, 2013 are as follows:

	Millions of yen		
	Held-to-maturity	Available-for-sale	Total
Due within five years	359	6,956	7,315
Due after five years through ten years	1	1,981	1,982
Due after ten years	-	14,957	14,957
	360	23,894	24,254

Expected redemptions may differ from contractual maturities because some of these securities are redeemable at the option of the issuers.

The aggregate carrying amounts of cost-method investments which were not evaluated for impairment as of December 31, 2013 and March 31, 2013 were ¥55,167 million and ¥53,953 million, respectively, mainly because it was not practicable to estimate the fair value of the investments due to lack of a market price and difficulty in estimating fair value without incurring excessive cost and the Company did not identify any events or changes in circumstances that might have had a significant adverse effect on their fair value.

(4) Allowances for doubtful receivables

Allowances for doubtful receivables as of December 31, 2013 and March 31, 2013 are as follows:

	Millions of yen	
	December 31, 2013	March 31, 2013
Allowances for doubtful receivables	34,506	31,134

(5) Inventories

Inventories as of December 31, 2013 and March 31, 2013 are summarized as follows:

	Millions of yen	
	December 31, 2013	March 31, 2013
Finished goods	655,543	584,435
Work in process	819,938	601,305
Raw materials	266,014	251,659
	1,741,495	1,437,399

(6) Securitizations

The Company and certain subsidiaries securitize certain financial assets, such as lease, trade and mortgage loans receivable, and arrange other forms of asset-backed financing for the purpose of providing diversified and stable fund raising as part of their ongoing securitization activities. Historically, they have used third-party Special Purpose Entities (SPEs) to execute securitization transactions funded with commercial paper and other borrowings. These securitization transactions are similar to those used by many financial institutions.

Investors in these entities only have recourse to the assets owned by the entity and not to their general credit, unless noted below. The Company and certain subsidiaries do not provide non-contractual support to SPEs and do not have implicit support arrangements with any SPEs. The majority of their involvement with SPEs related to the securitization activities are assisting in the formation and financing of an entity, providing limited credit enhancements, servicing the assets and receiving fees for services provided.

A portion of these lease, trade and mortgage loans receivable is transferred to SPEs sponsored by financial institutions, which operate those SPEs as a part of their businesses. Accordingly, the amount of assets transferred by the Company and its subsidiaries is considerably small compared to the total assets of the SPEs sponsored by these financial institutions that purchase a large amount of assets from entities other than the Company and its subsidiaries. In certain transactions, investors have recourse with a scope that is considerably limited.

The transferred assets have similar risks and characteristics to the Company's and certain subsidiaries' receivables recorded on the consolidated balance sheets. Accordingly, the performance, such as collections or expected credit loss, of these transferred assets has been similar to the receivables recorded on the consolidated balance sheets for the Company and certain subsidiaries; however, the blended performance of the pools of transferred assets reflects the eligibility screening requirements that the Company and certain subsidiaries apply to determine which receivables are selected for transfer. Therefore, the blended performance may differ from receivables recorded on the consolidated balance sheets.

Consolidated SPEs

The Company consolidated SPEs mainly because the Company has both the power to direct the activities of the SPEs that most significantly impact the SPEs' economic performance and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the SPEs. The consolidated SPEs are mainly trusts for the securitizations of lease receivables and mortgage loans receivable.

The tables below summarize the assets and liabilities of the consolidated SPEs as of December 31, 2013 and March 31, 2013 by type of transferred financial assets that those SPEs hold:

	Millions of yen			
	December 31, 2013			
	Lease Receivables	Mortgage loans receivable	Others	Total
Cash and cash equivalents	8,624	2,054	1,231	11,909
Current portion of financial assets transferred to consolidated securitization entities	34,479	9,585	9,434	53,498
Financial assets transferred to consolidated securitization entities	57,609	111,964	8,905	178,478
Current portion of non-recourse borrowings of consolidated securitization entities:				
Loans, mainly from banks	14,402	-	2,257	16,659
Beneficial interests in trusts	16,587	11,448	6,651	34,686
	30,989	11,448	8,908	51,345
Non-recourse borrowings of consolidated securitization entities:				
Loans, mainly from banks	20,401	-	3,197	23,598
Beneficial interests in trusts	28,563	85,655	4,477	118,695
	48,964	85,655	7,674	142,293

	Millions of yen			
	March 31, 2013			
	Lease receivables	Mortgage loans receivable	Others	Total
Cash and cash equivalents	3,617	2,458	961	7,036
Current portion of financial assets transferred to consolidated securitization entities	5,476	10,944	6,945	23,365
Financial assets transferred to consolidated securitization entities	3,411	127,380	588	131,379
Current portion of non-recourse borrowings of consolidated securitization entities:				
Loans, mainly from banks	2,360	-	-	2,360
Beneficial interests in trusts	4,371	13,196	6,472	24,039
	6,731	13,196	6,472	26,399
Non-recourse borrowings of consolidated securitization entities:				
Beneficial interests in trusts	205	102,580	113	102,898

The assets and liabilities of the consolidated SPEs on the table above exclude intercompany balances that are eliminated in consolidation. Substantially, all of the assets of the consolidated SPEs can only be used to settle obligations of those SPEs.

Transfers to unconsolidated entities

The following information is related to financial assets transferred to unconsolidated entities and accounted for as sales. Those financial assets are transferred mainly to SPEs sponsored by financial institutions.

Securitizations of lease receivables:

Hitachi Capital Corporation and certain other subsidiaries sold lease receivables to unconsolidated SPEs and other entities. During the nine months ended December 31, 2013 and 2012, proceeds from the transfer of lease receivables were ¥74,317 million and ¥67,293 million, respectively, and net gains recognized on those transfers were ¥2,480 million and ¥3,109 million, respectively. During the three months ended December 31, 2013 and 2012, proceeds from the transfer of lease receivables were ¥23,497 million and ¥5,330 million, respectively, and during the three months ended December 31, 2013, a net gains recognized on those transfers was ¥731 million. The subsidiaries retained servicing responsibilities, but did not record a servicing asset or liability because the cost to service the receivables approximated the servicing income.

The amounts of initial fair value of the subordinated interests for the nine months ended December 31, 2013 and 2012 were ¥9,561 million and ¥8,868 million, respectively. The amounts of initial fair value of the subordinated interests for the three months ended December 31, 2013 and 2012 were ¥3,458 million and ¥410 million, respectively. The subordinated interests relating to securitizations of lease receivables are initially classified as Level 3 assets within the fair value hierarchy. The initial fair value of the subordinated interests is determined based on economic assumptions including weighted-average life, expected credit risks, and discount rates.

Quantitative information about delinquencies, net credit losses, and components of lease receivables subject to transfer and other assets managed together as of and for the nine months ended December 31, 2013 and as of and for the year ended March 31, 2013 is as follows:

	Millions of yen		
	December 31, 2013		
	Total principal amount of receivables	Principal amount of receivables 90 days or more past due	Net credit loss
Total assets managed or transferred:			
Lease receivables	1,132,258	395	274
Assets transferred	(275,318)		
Assets held in portfolio	856,940		

	Millions of yen		
	March 31, 2013		
	Total principal amount of receivables	Principal amount of receivables 90 days or more past due	Net credit loss
Total assets managed or transferred:			
Lease receivables	953,372	195	433
Assets transferred	(264,864)		
Assets held in portfolio	688,508		

As of December 31, 2013 and March 31, 2013, the amounts of the maximum exposures to losses were ¥102,839 million and ¥88,490 million, respectively. They mainly consist of the subordinated interests and the obligations to purchase assets with a scope that is considerably limited relating to these securitizations of lease receivables. As of December 31, 2013 and March 31, 2013, the amounts of the subordinated interests measured at fair value relating to these securitizations of lease receivables were ¥61,297 million and ¥53,081 million, respectively.

Securitizations of trade receivables:
The Company and certain subsidiaries sold trade receivables to unconsolidated SPEs and other entities. During the nine months ended December 31, 2013 and 2012, proceeds from the transfer of trade receivables were ¥499,855 million and ¥407,366 million, respectively, and net losses recognized on those transfers were ¥1,606 million and ¥786 million, respectively. During the three months ended December 31, 2013 and 2012, proceeds from the transfer of trade receivables were ¥180,234 million and ¥127,683 million, respectively, and net losses recognized on those transfers were ¥796 million and ¥94 million, respectively. The Company and certain subsidiaries retained servicing responsibilities, but did not record a servicing asset or liability because the cost to service the receivables approximated the servicing income.

The amounts of initial fair value of the subordinated interests for the nine months ended December 31, 2013 and 2012 were ¥6,972 million and ¥12,931 million, respectively. The amounts of initial fair value of the subordinated interests for the three months ended December 31, 2013 and 2012 were ¥4,422 million and ¥1,008 million, respectively. The subordinated interests relating to securitizations of trade receivables are initially classified as Level 3 assets within the fair value hierarchy. The initial fair value of the subordinated interests is determined based on economic assumptions including weighted-average life, expected credit risks, discount rates, and prepayment rates.

Quantitative information about delinquencies, net credit loss, and components of trade receivables subject to transfer and other assets managed together as of and for the nine months ended December 31, 2013 and as of and for the year ended March 31, 2013 is as follows:

	Millions of yen		
	December 31, 2013		
	Total principal amount of receivables	Principal amount of receivables 90 days or more past due	Net credit loss
Total assets managed or transferred:			
Trade receivables	1,110,642	3,147	982
Assets transferred	(290,194)		
Assets held in portfolio	820,448		

	Millions of yen		
	March 31, 2013		
	Total principal amount of receivables	Principal amount of receivables 90 days or more past due	Net credit loss
Total assets managed or transferred:			
Trade receivables	1,042,802	1,957	2,095
Assets transferred	(290,172)		
Assets held in portfolio	752,630		

As of December 31, 2013 and March 31, 2013, the amounts of the maximum exposures to losses were ¥52,183 million and ¥62,586 million, respectively. They mainly consist of the subordinated interests and the obligations to purchase assets with a scope that is considerably limited relating to these securitizations of trade receivables. As of December 31, 2013 and March 31, 2013, the amounts of the subordinated interests relating to these securitizations of trade receivables were ¥26,941 million and ¥33,325 million, respectively.

(7) Goodwill and Other Intangible Assets

Goodwill and other intangible assets included in other assets as of December 31, 2013 and March 31, 2013 are as follows:

Millions of yen

	December 31, 2013			March 31, 2013		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
Goodwill	325,886	-	325,886	290,387	-	290,387
Amortized intangible assets:						
Software	796,727	653,050	143,677	784,570	646,331	138,239
Software for internal use	585,839	447,282	138,557	568,637	434,299	134,338
Patents	80,593	76,020	4,573	80,401	75,190	5,211
Other	247,263	123,849	123,414	232,941	110,117	122,824
	1,710,422	1,300,201	410,221	1,666,549	1,265,937	400,612
Indefinite-lived intangible assets	13,996	-	13,996	14,397	-	14,397

(8) Retirement and Severance Benefits

Net periodic benefit cost for the contributory funded benefit pension plans and the unfunded lump-sum payment plans for the nine months ended December 31, 2013 and 2012 consists of the following components:

Millions of yen

	Nine months ended December 31, 2013	Nine months ended December 31, 2012
Service cost	65,873	52,452
Interest cost	19,524	33,304
Expected return on plan assets for the period	(26,579)	(26,574)
Amortization of prior service benefit	(12,104)	(16,799)
Amortization of actuarial loss	66,937	72,466
Transfer to defined contribution pension plan	1,249	(104)
Settlements loss	496	-
Employees' contributions	(120)	(48)
	115,276	114,697

Net periodic benefit cost for the contributory funded benefit pension plans and the unfunded lump-sum payment plans for the three months ended December 31, 2013 and 2012 consists of the following components:

	Millions of yen	
	Three months ended December 31, 2013	Three months ended December 31, 2012
Service cost	21,174	17,223
Interest cost	6,526	10,971
Expected return on plan assets for the period	(8,863)	(8,769)
Amortization of prior service benefit	(4,038)	(5,590)
Amortization of actuarial loss	22,370	23,901
Employees' contributions	(41)	(16)
	37,128	37,720

(9) Common Stock
Issued shares of common stock as of December 31, 2013 and March 31, 2013 are as follows:

	Issued shares	
	December 31, 2013	March 31, 2013
Issued shares of common stock	4,833,463,387	4,833,463,387

(10) Treasury Stock
Shares of treasury stock as of December 31, 2013 and March 31, 2013 are as follows:

	Shares	
	December 31, 2013	March 31, 2013
Shares of treasury stock	3,332,146	2,899,151

(11) Dividends

Decision	Class of Shares	Cash dividends (Millions of yen)	Appropriation from	Cash dividends per share (Yen)	Record date	Effective Date
The Board of Directors on May 10, 2013	Common stock	24,152	Retained earnings	5.0	March 31, 2013	May 28, 2013
The Board of Directors on October 29, 2013	Common stock	24,151	Retained earnings	5.0	September 30, 2013	November 26, 2013

(12) Equity

The changes in the equity for the nine months ended December 31, 2013 and 2012 are summarized as follows:

	Millions of yen		
	Nine months ended December 31, 2013		
	Total Hitachi, Ltd. stockholders' equity	Noncontrolling interests	Total equity
Balance at beginning of period	2,082,560	1,096,727	3,179,287
Dividends to Hitachi, Ltd. stockholders	(48,304)	-	(48,304)
Dividends to noncontrolling interests	-	(23,253)	(23,253)
Equity transactions and other	(5,314)	(6,378)	(11,692)
Comprehensive income			
Net income	127,268	67,887	195,155
Other comprehensive income, net of income taxes and reclassification adjustments:			
Foreign currency translation adjustments	127,471	42,692	170,163
Pension liability adjustments	46,433	2,607	49,040
Net unrealized holding gain on available-for-sale securities	104,524	2,248	106,772
Cash flow hedges	(14,651)	814	(13,837)
Comprehensive income	391,045	116,248	507,293
Balance at end of period	2,419,987	1,183,344	3,603,331

	Millions of yen		
	Nine months ended December 31, 2012		
	Total Hitachi, Ltd. stockholders' equity	Noncontrolling interests	Total equity
Balance at beginning of period	1,771,782	1,002,213	2,773,995
Dividends to Hitachi, Ltd. stockholders	(46,713)	-	(46,713)
Dividends to noncontrolling interests	-	(22,182)	(22,182)
Equity transactions and other	30,713	(2,171)	28,542
Comprehensive income			
Net income	50,358	44,028	94,386
Other comprehensive income, net of income taxes and reclassification adjustments:			
Foreign currency translation adjustments	46,795	20,278	67,073
Pension liability adjustments	46,030	5,352	51,382
Net unrealized holding gain on available-for-sale securities	8,486	(1,260)	7,226
Cash flow hedges	(13,485)	(280)	(13,765)
Comprehensive income	138,184	68,118	206,302
Balance at end of period	1,893,966	1,045,978	2,939,944

The changes in accumulated other comprehensive loss, net of income taxes, for the nine months ended December 31, 2013 are as follows:

	Millions of yen				
	Nine months ended December 31, 2013				
	Foreign currency translation adjustments	Pension liability adjustments	Net unrealized holding gain on available-for-sale securities	Cash flow hedges	Total
Balance at beginning of period	(91,314)	(308,724)	61,482	(29,778)	(368,334)
Equity transactions and other	(475)	(915)	132	4	(1,254)
Other comprehensive income, net of reclassification adjustment					
Other comprehensive income arising during the period	128,543	1,136	132,757	(14,087)	248,349
Reclassification adjustments for realized net loss included in net income	(1,072)	45,297	(28,233)	(564)	15,428
Other comprehensive income, net of reclassification adjustment	127,471	46,433	104,524	(14,651)	263,777
Balance at end of period	35,682	(263,206)	166,138	(44,425)	(105,811)

The following table represents the reclassification adjustments for realized net (gain) loss included in net income by each classification of other comprehensive income for the nine months and three months ended December 31, 2013 with location in consolidated statements of operations.

	Millions of yen	
	Nine months ended December 31, 2013	
	Reclassification adjustments for realized net loss included in net income	Location
Foreign currency translation adjustments:		
	(1,072)	Other income
Before-tax amount	(1,072)	Income before income taxes
Tax benefit (expense)	-	Income taxes
Net-of-tax amount	(1,072)	Net income attributable to Hitachi, Ltd. stockholders
Pension liability adjustment:		
Prior service benefit	(10,334)	(a)
Actuarial loss	62,890	(a)
Before-tax amount	52,556	Income before income taxes
Tax benefit (expense)	(7,259)	Income taxes
Net-of-tax amount	45,297	Net income attributable to Hitachi, Ltd. stockholders
Net unrealized holding gain on available-for-sale securities:		
	(45,361)	Other income
Before-tax amount	(45,361)	Income before income taxes
Tax benefit (expense)	17,128	Income taxes
Net-of-tax amount	(28,233)	Net income attributable to Hitachi, Ltd. stockholders
Cash flow hedges:		
Forward exchange contracts	(455)	Other income
Cross currency swap agreements	(918)	Other income
Interest rate swaps	505	Interest charges
Before-tax amount	(868)	Income before income taxes
Tax benefit (expense)	304	Income taxes
Net-of-tax amount	(564)	Net income attributable to Hitachi, Ltd. stockholders
Reclassification adjustments for realized net loss included in net income	15,428	Net income attributable to Hitachi, Ltd. stockholders

(a) These accumulated other comprehensive income (loss) components are included in the computation of net periodic benefit cost (see note 8).

	Millions of yen	
	Three months ended December 31, 2013	
	Reclassification adjustments for realized net gain included in net income	Location
Foreign currency translation adjustments:		
	1,323	Other income
Before-tax amount	1,323	Income before income taxes
Tax benefit (expense)	-	Income taxes
Net-of-tax amount	1,323	Net income attributable to Hitachi, Ltd. stockholders
Pension liability adjustment:		
Prior service benefit	(3,805)	(a)
Actuarial loss	22,141	(a)
Before-tax amount	18,336	Income before income taxes
Tax benefit (expense)	(2,015)	Income taxes
Net-of-tax amount	16,321	Net income attributable to Hitachi, Ltd. stockholders
Net unrealized holding gain on available-for-sale securities:		
	(44,350)	Other income
Before-tax amount	(44,350)	Income before income taxes
Tax benefit (expense)	16,783	Income taxes
Net-of-tax amount	(27,567)	Net income attributable to Hitachi, Ltd. stockholders
Cash flow hedges:		
Forward exchange contracts	290	Other income
Cross currency swap agreements	(895)	Other income
Interest rate swaps	217	Interest charges
Before-tax amount	(388)	Income before income taxes
Tax benefit (expense)	41	Income taxes
Net-of-tax amount	(347)	Net income attributable to Hitachi, Ltd. stockholders
Reclassification adjustments for realized net gain included in net income	(10,270)	Net income attributable to Hitachi, Ltd. stockholders

(a) These accumulated other comprehensive income (loss) components are included in the computation of net periodic benefit cost (see note 8).

(13) Commitments and Contingencies

The Company and its subsidiaries are contingently liable for loan guarantees to its affiliates and others in the amount of approximately ¥81,119 million as of December 31, 2013.

Hitachi Capital Corporation (HCC) and subsidiaries in financial services segment provide guarantees to financial institutions for extending loans to customers of the subsidiaries. As of December 31, 2013, the undiscounted maximum potential future payments under such guarantees amounted to ¥276,370 million. For providing these guarantees, the subsidiaries obtain collateral appropriate for the amount of the guarantees, and therefore, the Company considers the risk to be low. The Company accrued ¥9,804 million as an obligation to stand ready to perform over the term of the guarantees in the event the customer cannot make scheduled payments.

The Company and HCC provide loan commitments to affiliates and others.
The outstanding balance of loan commitments as of December 31, 2013 is as follows:

	Millions of yen
Total commitment available	40,585
Less amount utilized	281
Balance available	40,304

The amount of total commitment available in the table above includes lines of credits which require an additional credit approval prior to funding, and it may not be fully utilized.

The Company and certain subsidiaries have line of credit arrangements with banks in order to secure a financing source for business operations. The unused lines of credit as of December 31, 2013 amounted to ¥503,467 million, primarily related to unused lines of credit belonging to the Company. The Company maintains commitment line agreements with a number of banks and pays commitment fees as consideration. These commitment agreements generally provide a one-year term, and are subject to renewal at the end of the term. The unused availability under these agreements as of December 31, 2013 amounted to ¥200,000 million. The Company also maintains another commitment line agreement, whose three years and two months term ends in July 2016, with financing companies. The unused availability under this agreement as of December 31, 2013 amounted to ¥200,000 million.

It is a common practice in Japan for companies, in the ordinary course of business, to receive promissory notes in the settlement of trade accounts receivable and to subsequently discount such notes to banks or to transfer them by endorsement to suppliers in the settlement of accounts payable. As of December 31, 2013 and March 31, 2013, the Company and subsidiaries were contingently liable for trade notes discounted and endorsed in the following amounts:

	Millions of yen	
	December 31, 2013	March 31, 2013
Notes discounted	1,040	2,149
Notes endorsed	1,812	2,707
	2,852	4,856

The Company and its subsidiaries provide warranties for certain of their products. The accrued product warranty costs are based primarily on historical experience of actual warranty claims. The changes in accrued product warranty costs for the nine months ended December 31, 2013 and 2012 are summarized as follows:

	Millions of yen	
	Nine months ended December 31, 2013	Nine months ended December 31, 2012
Balance at beginning of period	40,114	41,356
Expense recognized upon issuance of warranties	9,627	7,791
Usage	(9,101)	(8,982)
Acquisitions and divestitures	(156)	81
Other, including effect of foreign currency translation	1,504	986
Balance at end of period	41,988	41,232

The changes in accrued product warranty costs for the three months ended December 31, 2013 and 2012 are summarized as follows:

	Millions of yen	
	Three months ended December 31, 2013	Three months ended December 31, 2012
Balance at beginning of period	39,819	38,709
Expense recognized upon issuance of warranties	3,859	3,533
Usage	(3,113)	(2,980)
Acquisitions and divestitures	(156)	-
Other, including effect of foreign currency translation	1,579	1,970
Balance at end of period	41,988	41,232

In December 2006, the Company and a subsidiary in Europe received requests for information from the European Commission in respect of alleged antitrust violations relating to liquid crystal displays.

In November 2007, a subsidiary in the U.S.A. received a grand jury subpoena in connection with the investigation conducted by the Antitrust Division of the U.S. Department of Justice in respect of alleged antitrust violations relating to cathode ray tubes. In addition, in November 2007, two subsidiaries in Asia and in Europe received requests for information from the European Commission. Furthermore, in November 2007, a subsidiary in Canada received requests for information from the Canadian Competition Bureau.

In June 2009, a subsidiary in Japan received a grand jury subpoena in connection with the investigation conducted by the Antitrust Division of the U.S. Department of Justice and received requests for information from the European Commission, and a subsidiary in Korea was investigated in Singapore by the Competition Commission of Singapore, all in respect of alleged antitrust violations relating to optical disk drives. In September 2011, the Korean subsidiary received a notice of discontinuation of the investigation from the Competition Commission of Singapore. In November 2011, the Japanese subsidiary paid a fine in relation to the investigation from the Antitrust Division of the U.S. Department of Justice. In July 2012, the Japanese subsidiary received a statement of objections from the European Commission in respect of alleged antitrust violations.

In July 2011, a subsidiary and an affiliated company in Japan received a statement of objections from the European Commission in respect of alleged antitrust violations relating to high-voltage power cables. These companies accrued the reasonably estimated amount for the loss.

In July 2011, a subsidiary in the U.S.A. was investigated by and received a grand jury subpoena from the Antitrust Division of the U.S. Department of Justice, the Company and a subsidiary in Europe received requests for information from the European Commission, and a subsidiary in Canada received requests for information from the Canadian Competition Bureau, all in respect of alleged antitrust violations relating to automotive equipment. In November 2013, a subsidiary in Japan, which had been also primarily responsible for responding to the investigation from the Antitrust Division of the U.S. Department of Justice, paid a fine.

The Company and its subsidiaries and affiliated companies have cooperated with the competent authorities. Depending upon the outcome of these matters, fines or surcharge payments, the amount of which is uncertain, may be imposed on them. Also, in connection with pending and settled antitrust violations, civil disputes, including class action lawsuits, involving the Company and some of these companies have arisen in a number of countries, including in the U.S.A. and Canada. A reasonably estimated amount was accrued for the potential losses in relation to certain of these civil disputes.

In August 2012, a subsidiary in Europe received a complaint filed by a customer in Europe seeking compensation for consequential losses of EUR 1,058 million (¥153,549 million), additional costs and interest allegedly incurred by the delay in the construction process of a power plant against, jointly and severally, the Company, the subsidiary in Europe, a consortium including the Company and the subsidiary in Europe, and two other companies. In addition, in October 2013, the subsidiary in Europe received an additional complaint requesting compensation for consequential losses of EUR 239 million (¥34,738 million). Although the Company, the subsidiary in Europe and the consortium will vigorously defend themselves against this lawsuit, there can be no assurance that they will not be held liable for any amounts claimed.

In December 2013, the Company, a subsidiary in Europe, and a consortium consisting of the Company and the subsidiary in Europe, jointly and severally received a request from a customer in Europe to refer a dispute to arbitration seeking compensation for EUR 606 million (¥88,015 million) including consequential losses allegedly incurred by the delay in the construction process of a power plant. Although the Company, the subsidiary in Europe, and the consortium consisting of the Company and the subsidiary in Europe, will vigorously defend themselves against this claim, there can be no assurance that they will not be held liable for any amounts claimed.

Depending upon the outcome of the above legal proceedings, there may be an adverse effect on the consolidated financial position or results of operations. Currently the Company is unable to estimate the adverse effect, if any, of many of these proceedings. Accordingly, except as otherwise stated, no accrual for potential loss has been made. The actual amount of fines, surcharge payments or any other payments resulting from these legal proceedings may be different from the accrued amounts.

In addition to the above, the Company and its subsidiaries are subject to several legal proceedings and claims which have arisen in the ordinary course of business and have not been finally adjudicated. These actions when ultimately concluded and determined will not, in the opinion of management, have a material adverse effect on the consolidated financial position or results of operations of the Company and subsidiaries.

(14) Expenses Related to Competition Law

During the nine months ended December 31, 2013, a subsidiary in the Automotive Systems segment agreed with the United States Department of Justice to conclude a plea agreement paying a fine in the amount of US$195 million (¥19,061 million), regarding violations of U.S. antitrust laws occurring in connection with the sales of certain automotive parts to certain OEM customers. In addition, for the nine months and the three months ended December 31, 2013, the company accrued the reasonably estimated amounts for the potential losses in certain civil disputes, including class action lawsuits, occurring in connection with investigations and alleged antitrust violations in the U.S.A.

(15) Impairment Losses for Long-Lived Assets

For the nine months ended December 31, 2012, the majority of the impairment losses were recorded on property, plant and equipment located in Japan. The Information & Telecommunication Systems segment recognized impairment losses of ¥4,780 million, primarily due to reduced cash flows generated from certain assets associated with customers in the financial service businesses. The Electronic Systems & Equipment segment recognized impairment losses of ¥1,450 million, primarily due to reorganization of production bases for video and wireless network businesses. The fair value estimates used to determine these losses were based primarily on discounted future cash flows.

For the three months ended December 31, 2012, the majority of the impairment losses were recorded on property, plant and equipment located in Japan. The Information & Telecommunication Systems segment recognized impairment losses of ¥2,189 million, primarily due to reorganization of business bases in order to optimally allocate management resources to better enhance the competitiveness. The fair value estimates used to determine these losses were based primarily on discounted future cash flows.

(16) Restructuring Charges

Certain losses incurred in the reorganization of the Company's operations are considered restructuring charges. Components and related amounts of the restructuring charges, before the related tax effects, for the nine months ended December 31, 2013 and 2012 are as follows:

	Millions of yen	
	Nine months ended December 31, 2013	Nine months ended December 31, 2012
Special termination benefits	12,987	10,152
Loss on fixed assets	-	4
	12,987	10,156

The restructuring charges during the three months ended December 31, 2013 and 2012 consist of special termination benefits. The amounts of the restructuring charges, before the related tax effects, for the three months ended December 31, 2013 and 2012 are ¥1,811 million and ¥5,632 million, respectively.

The Company and certain subsidiaries provided special termination benefits to those employees voluntarily leaving the companies. The accrued special termination benefits were recognized at the time voluntary termination was offered and benefits were accepted by the employees. An analysis of the accrued special termination benefits for the nine months ended December 31, 2013 and 2012 is as follows:

	Millions of yen	
	Nine months ended December 31, 2013	Nine months ended December 31, 2012
Balance at beginning of the period	15,293	7,487
New charges	12,987	10,152
Cash payments	(23,988)	(11,779)
Divestiture	(1,707)	-
Foreign currency exchange rate changes	44	28
Balance at end of the period	2,629	5,888

An analysis of the accrued special termination benefits for the three months ended December 31, 2013 and 2012 is as follows:

	Millions of yen	
	Three months ended December 31, 2013	Three months ended December 31, 2012
Balance at beginning of the period	7,427	3,265
New charges	1,811	5,632
Cash payments	(4,914)	(3,076)
Divestiture	(1,707)	-
Foreign currency exchange rate changes	12	67
Balance at end of the period	2,629	5,888

The following represents the significant restructuring activities for the nine months ended December 31, 2013 by reportable segment:

1. The Digital Media & Consumer Products segment restructured due to withdrawal from the TV parts business. The accrued special termination benefits expensed during the nine months ended December 31, 2013 amounted to ¥4,223 million. The liabilities for special termination benefits amounting to ¥1,148 million as of December 31, 2013 will be paid by March 31, 2014. Total restructuring charges during the nine months ended December 31, 2013 consisted of special termination benefits.

2. The Information & Telecommunication Systems segment restructured in order to rationalize the workforce of its software service business. The accrued special termination benefits expensed during the nine months ended December 31, 2013 amounted to ¥4,018 million. The liabilities for special termination benefits amounting to ¥956 million as of December 31, 2013 will be paid by March 31, 2014. Total restructuring charges during the nine months ended December 31, 2013 consisted of special termination benefits.

3. The High Functional Materials & Components segment restructured in order to reorganize its wires, cables and other relevant products business, which was undertaken to address the deterioration of the business environment. The accrued special termination benefits expensed during the nine months ended December 31, 2013 amounted to ¥2,642 million. The liabilities for special termination benefits amounting to ¥301 million as of December 31, 2013 will be paid by March 31, 2014. Total restructuring charges during the nine months ended December 31, 2013 consisted of special termination benefits.

The restructuring charges for the nine months ended December 31, 2012 mainly consist of special termination benefits for the early-terminated employees of subsidiaries for the purpose of improving profitability in the Information & Telecommunication Systems segment and the High Functional Materials & Components segment by rationalizing its workforce.

The restructuring charges for the three months ended December 31, 2013 mainly consist of special termination benefits for the early-terminated employees of subsidiaries for the purpose of improving profitability in the Information & Telecommunication Systems segment by rationalizing its workforce.

The restructuring charges for the three months ended December 31, 2012 mainly consist of special termination benefits for the early-terminated employees of subsidiaries for the purpose of improving profitability in the High Functional Materials & Components segment by rationalizing its workforce.

(17) Other Income and Other Deductions

The following items are included in other income or other deductions for the nine months ended December 31, 2013 and 2012.

	Millions of yen	
	Nine months ended December 31, 2013	Nine months ended December 31, 2012
Net gain on securities	34,357	5,453
Net gain (loss) on sale and disposal of rental assets and other property	1,606	(763)
Exchange gain	18,833	2,997

The following items are included in other income or other deductions for the three months ended December 31, 2013 and 2012.

	Millions of yen	
	Three months ended December 31, 2013	Three months ended December 31, 2012
Net gain (loss) on securities	36,512	(2,008)
Net gain (loss) on sale and disposal of rental assets and other property	2,183	(730)
Exchange gain	16,790	15,113

The major component of net gain on securities for the nine months and three months ended December 31, 2013 is related to a sale of shares of Western Digital Corporation.

The major component of net gain on securities for the nine months ended December 31, 2012 is related to a sale of shares of TCM Corporation, a former subsidiary.

(18) Net Income Per Share Information

The reconciliations of the numbers and the amounts used in the basic and diluted net income attributable to Hitachi, Ltd. stockholders per share computations for the nine months ended December 31, 2013 and 2012 are as follows :

		Number of shares
	Nine months ended December 31, 2013	Nine months ended December 31, 2012
Weighted average number of shares on which basic net income per share is calculated	4,830,318,575	4,663,338,021
Effect of dilutive securities:		
Unsecured convertible bonds (8th series)	-	167,464,491
Number of shares on which diluted net income per share is calculated	4,830,318,575	4,830,802,512

		Millions of yen
	Nine months ended December 31, 2013	Nine months ended December 31, 2012
Net income attributable to Hitachi, Ltd. stockholders	127,268	50,358
Effect of dilutive securities:		
Unsecured convertible bonds (8th series)	-	23
Other	(56)	(24)
Net income attributable to Hitachi, Ltd. stockholders on which diluted net income per share is calculated	127,212	50,357

		Yen
Net income attributable to Hitachi, Ltd. stockholders per share:		
Basic	26.35	10.80
Diluted	26.34	10.42

The reconciliations of the numbers and the amounts used in the basic and diluted net income attributable to Hitachi, Ltd. stockholders per share computations for the three months ended December 31, 2013 and 2012 are as follows:

	Number of shares	
	Three months ended December 31, 2013	Three months ended December 31, 2012
Weighted average number of shares on which basic net income per share is calculated	4,830,189,779	4,712,072,654
Effect of dilutive securities:		
Unsecured convertible bonds (8th series)	-	118,694,143
Number of shares on which diluted net income per share is calculated	4,830,189,779	4,830,766,797

	Millions of yen	
	Three months ended December 31, 2013	Three months ended December 31, 2012
Net income attributable to Hitachi, Ltd. stockholders	94,502	20,233
Effect of dilutive securities:		
Unsecured convertible bonds (8th series)	-	6
Other	(19)	(0)
Net income attributable to Hitachi, Ltd. stockholders on which diluted net income per share is calculated	94,483	20,239

	Yen	
Net income attributable to Hitachi, Ltd. stockholders per share:		
Basic	19.56	4.29
Diluted	19.56	4.19

(19) Concentrations of Credit Risk

The Company and its subsidiaries generally do not have significant concentrations of credit risk to any counterparties nor any regions because they are diversified and spread globally.

(20) Derivative Instruments and Hedging Activities

Overall risk profile

The major manufacturing bases of the Company and its subsidiaries are located in Japan and Asia. The selling bases are located globally, and the Company and its subsidiaries generated approximately 50% of their sales from overseas for the nine months ended December 31, 2013. These overseas sales are mainly denominated in the U.S. dollar or Euro. As a result, the Company and its subsidiaries are exposed to market risks from changes in foreign currency exchange rates.

The Company's financing subsidiaries mainly in the U.K. issue variable rate medium-term notes mainly through the Euro markets to finance their overseas long-term operating capital. As a result, the Company and its subsidiaries are exposed to market risks from changes in foreign currency exchange rates and interest rates.

The Company and its subsidiaries are also exposed to credit-related losses in the event of non-performance by counterparties to derivative financial instruments, but it is not expected that any counterparties will fail to meet their obligations because most of the counterparties are internationally recognized financial institutions that are rated A or higher and contracts are diversified into a number of major financial institutions.

The Company and its subsidiaries have an insignificant amount of derivative instruments containing credit-risk-related contingent features, such as provisions that require the Company's debt to maintain an investment grade credit rating from each of the major credit rating agencies.

Risk management policy

The Company and its subsidiaries assess foreign currency exchange rate risk and interest rate risk by regularly monitoring changes in these exposures and by evaluating hedging opportunities. It is the Company's principal policy not to enter into derivative financial instruments for speculation purposes.

Foreign currency exchange rate risk management

The Company and its subsidiaries have assets and liabilities which are exposed to foreign currency exchange rate risk and, as a result, they enter into forward exchange contracts and cross currency swap agreements for the purpose of hedging these risk exposures.

In order to fix the future net cash flows principally from trade receivables and payables recognized, which are denominated in foreign currencies, the Company and its subsidiaries on a monthly basis measure the volume and due date of future net cash flows by currency. In accordance with the Company's policy, a certain portion of measured net cash flows is covered using comprehensive forward exchange contracts, which principally mature within one year. If necessary, the Company and its subsidiaries establish the risk control policy and the risk management approach specific to each transaction by reviewing the business characteristics, the structure of the income and expenditure, and conditions of the contract. The Company and its subsidiaries hedge the risk exposure arising from specific transactions based on the risk control policy and the risk management approach.

The Company and its subsidiaries enter into cross currency swap agreements with the same maturities as underlying debt to fix cash flows from long-term debt denominated in foreign currencies. The hedging relationship between the derivative financial instrument and its hedged item is highly effective in achieving offsetting changes in foreign currency exchange rates.

Interest rate risk management

The Company's and its subsidiaries' exposure to interest rate risk is related principally to long-term debt obligations. Management believes it is prudent to minimize the variability caused by interest rate risk.

To meet this objective, the Company and its subsidiaries principally enter into interest rate swaps to manage fluctuations in cash flows. The interest rate swaps entered into are receive-variable, pay-fixed interest rate swaps. Under the interest rate swaps, the Company and certain subsidiaries receive variable interest rate payments on long-term debt associated with medium-term notes and make fixed interest rate payments, thereby creating fixed interest rate long-term debt.

Certain financing subsidiaries mainly finance a portion of their operations using long-term debt with a fixed interest rate and lend funds at variable interest rates. Therefore, such subsidiaries are exposed to interest rate risk. Management believes it is prudent to minimize the variability caused by interest rate risk. To meet this objective, certain financing subsidiaries principally enter into interest rate swaps converting the fixed rate to a variable rate to manage fluctuations in fair value resulting from interest rate risk. Under the interest rate swaps, certain financing subsidiaries receive fixed interest rate payments associated with long-term debt, including medium-term notes, and make variable interest rate payments, thereby creating variable-rate long-term debt.

The hedging relationship between the interest rate swaps and its hedged item is highly effective in achieving offsetting changes in cash flows and fair value resulting from interest rate risk.

Fair value hedge

Changes in the fair value of both recognized assets and liabilities, and derivative financial instruments designated as fair value hedges of these assets and liabilities are recognized in other income (deductions). Derivative financial instruments designated as fair value hedges include forward exchange contracts associated with operating transactions, cross currency swap agreements and interest rate swaps associated with financing transactions.

Cash flow hedge

Foreign currency exposure:

Changes in the fair value of forward exchange contracts designated and qualifying as cash flow hedges of forecasted transactions are reported in accumulated other comprehensive income (AOCI). These amounts are reclassified into earnings in the same period as the hedged items affect earnings.

Interest rate exposure:

Changes in fair values of interest rate swaps designated as hedging instruments for the variability of cash flows associated with long-term debt obligations are reported in AOCI. These amounts subsequently are reclassified into interest charges as a yield adjustment in the same period in which the hedged debt obligations affect earnings.

(21) Fair Value

ASC 820,"Fair Value Measurement" establishes a fair value hierarchy that prioritizes the use of observable inputs in markets over the use of unobservable inputs when measuring fair value as follows:

Level 1
Quoted prices for identical assets or liabilities in active markets.

Level 2
Quoted prices for similar assets or liabilities in active markets; quoted prices associated with transactions that are not distressed for identical or similar assets or liabilities in markets that are not active; or valuations whose significant inputs are derived from or corroborated by observable market data.

Level 3
Valuations using inputs that are not observable.

Investments in debt and equity securities

Investment securities of which quoted market prices are available to determine their fair value are included in Level 1. Level 1 securities include available-for-sale securities such as listed stocks on exchange markets, debt securities such as Japan treasury bonds and U.S.A. treasury bonds and exchange traded funds.

In the absence of an active market for investment securities, quoted prices for similar investment securities, quoted prices associated with transactions that are not distressed for identical or similar investment securities or other relevant information including market interest rate curves, referenced credit spreads or default rates, are used to determine fair value. These investments are included in Level 2. Level 2 securities include short-term investments and available-for-sale securities such as listed stocks traded over-the-counter, investment funds and debt securities traded over-the-counter.

In infrequent circumstances, the significant inputs of fair value for investment securities are unobservable and such investment are included in Level 3. The Company uses price information provided by financial institutions to evaluate these investments while corroborating the information mainly with prices estimated using an income approach based on its own valuation models or a market approach such as comparison with prices of similar securities. Level 3 securities include available-for-sale securities such as subordinated debentures and structured bonds with little market activity.

Derivatives

Closing prices are used for derivatives included in Level 1, which are traded on active markets. The majority of derivatives are traded on over-the-counter markets, which the Company does not deem to represent active markets. Derivative assets and liabilities for which fair value is based on quoted prices associated with transactions that are not distressed, in markets that are not active, or based on models using interest rate curves and forward and spot prices for currencies and commodities are included in Level 2. Derivatives included in Level 2 primarily consist of interest rate swaps, cross-currency swaps and foreign currency and commodity forward and option contracts. In infrequent circumstances, the significant inputs of fair value are unobservable and the Company mainly uses an income or market approach to corroborate relevant information provided by financial institutions. These derivatives are included in Level 3.

Subordinated interests resulting from securitization
When fair value is determined using observable inputs, including prices of recent transactions in markets that are not distressed, subordinated interests are included in Level 2. When significant inputs are not observable, fair value is determined based on economic assumptions used in measuring the fair value of the subordinated interests, including weighted-average life, expected credit risks, and discount rates, and the subordinated interests are included in Level 3.
The Company uses its own valuation models to evaluate these investments categorized within Level 3 and periodically reviews the appropriateness of consistent application of the models as well as updating of the inputs in consideration of recent changes in economic conditions. The Company also analyses whether the sensitivity in the valuation of these investments has any material adverse effects on the consolidated financial statements.

The following tables present the assets and liabilities that are measured at fair value on a recurring basis and the fair value hierarchy classification as of December 31, 2013 and March 31, 2013. The carrying values on the consolidated balance sheets are recorded by the fair value of these assets and liabilities:

	Millions of yen			
	December 31, 2013			
		Fair value hierarchy classification		
	Total	Level 1	Level 2	Level 3
Assets:				
Investments in securities				
Equity securities	386,902	385,987	915	-
Government debt securities	7,453	7,131	322	-
Corporate debt securities	13,165	-	4,945	8,220
Other	12,706	12,029	677	-
Derivatives	13,114	-	13,114	-
Subordinated interests resulting from securitization	88,236	-	-	88,236
	521,576	405,147	19,973	96,456
Liabilities:				
Derivatives	(92,747)	-	(92,747)	-

	Millions of yen			
	March 31, 2013			
		Fair value hierarchy classification		
	Total	Level 1	Level 2	Level 3
Assets:				
Investments in securities				
Equity securities	280,491	279,727	764	-
Government debt securities	7,458	7,132	326	-
Corporate debt securities	18,791	-	5,154	13,637
Other	9,815	9,246	569	-
Derivatives	12,017	-	12,017	-
Subordinated interests resulting from securitization	84,688	-	-	84,688
	413,260	296,105	18,830	98,325
Liabilities:				
Derivatives	(60,953)	-	(60,953)	-

The following tables present the changes in Level 3 instruments measured on a recurring basis for the nine months ended December 31, 2013 and 2012.

	Millions of yen		
	Nine months ended December 31, 2013		
	Corporate debt securities	Subordinated interests resulting from securitization	Total
Balance at beginning of period	13,637	84,688	98,325
Purchases	-	16,534	16,534
Sales	(1,937)	-	(1,937)
Settlements	(3,736)	(18,222)	(21,958)
Total gains or losses (realized/unrealized)			
Included in earnings (a)	(3)	140	137
Included in other comprehensive income	259	5,096	5,355
Balance at end of period	8,220	88,236	96,456
The amount of total gains or losses for the period included in earnings attributable to the change in unrealized gains or losses relating to assets still held at December 31, 2013	-	-	-

(a) Level 3 gains or losses included in earnings for the nine months ended December 31, 2013 are reported in other income (deductions) for corporate debt securities and are reported in revenue for subordinated interests resulting from securitization.

	Millions of yen		
	Nine months ended December 31, 2012		
	Corporate debt securities	Subordinated interests resulting from securitization	Total
Balance at beginning of period	24,264	66,313	90,577
Purchases	-	19,506	19,506
Sales	(661)	-	(661)
Settlements	(7,799)	(16,911)	(24,710)
Total gains or losses (realized/unrealized)			
Included in earnings (a)	-	230	230
Included in other comprehensive income	841	823	1,664
Balance at end of period	16,645	69,961	86,606
The amount of total gains or losses for the period included in earnings attributable to the change in unrealized gains or losses relating to assets still held at December 31, 2012	-	-	-

(a) Level 3 gains or losses included in earnings for the nine months ended December 31, 2012 are reported in revenue.

The following tables present the changes in Level 3 instruments measured on a recurring basis for the three months ended December 31, 2013 and 2012.

	Millions of yen		
	Three months ended December 31, 2013		
	Corporate debt securities	Subordinated interests resulting from securitization	Total
Balance at beginning of period	10,563	83,755	94,318
Purchases	-	7,881	7,881
Sales	(1,937)	-	(1,937)
Settlements	(639)	(5,490)	(6,129)
Total gains or losses (realized/unrealized)			
Included in earnings (a)	(1)	42	41
Included in other comprehensive income	234	2,048	2,282
Balance at end of period	8,220	88,236	96,456
The amount of total gains or losses for the period included in earnings attributable to the change in unrealized gains or losses relating to assets still held at December 31, 2013	-	-	-

(a) Level 3 gains or losses included in earnings for the three months ended December 31, 2013 are reported in other income (deductions) for corporate debt securities and are reported in revenue for subordinated interests resulting from securitization.

	Millions of yen		
	Three months ended December 31, 2012		
	Corporate debt securities	Subordinated interests resulting from securitization	Total
Balance at beginning of period	18,052	71,910	89,962
Purchases	-	500	500
Sales	(661)	-	(661)
Settlements	(1,300)	(5,505)	(6,805)
Total gains or losses (realized/unrealized)			
Included in earnings (a)	-	60	60
Included in other comprehensive income	554	2,996	3,550
Balance at end of period	16,645	69,961	86,606
The amount of total gains or losses for the period included in earnings attributable to the change in unrealized gains or losses relating to assets still held at December 31, 2012	-	-	-

(a) Level 3 gains or losses included in earnings for the three months ended December 31, 2012 are reported in revenue.

Assets that are measured at fair value during the period on a non-recurring basis because they are deemed to be impaired are not included in the above tables.

The Company writes down the carrying amount of equity-method and cost-method investments on the consolidated balance sheets when the Company deems the decline of fair value to be other-than-temporary. The fair value of the equity-method investments which are listed on an active market is included in Level 1. The fair value of equity-method investments determined using an income approach, based on discounted cash flows using unobservable inputs is included in Level 3. Also, a weighted-average fair value determined using both a market approach and an income approach, which incorporate both observable inputs, such as quoted market prices of comparable companies, and discounted cash flow using unobservable inputs, is included in Level 3. The Company calculates discounted cash flows of these equity-method investments based on business forecasts, market trends, and assumptions of projected business plans. The Company uses both a market approach and an income approach to determine the fair value of the cost-method investments. The fair value based on observable inputs such as quoted market prices of similar investments is included in Level 2. The fair value primarily based on discounted cash flows using unobservable inputs based on business forecasts, market trends, and assumptions of projected business plans is included in Level 3.

The Company also writes down the carrying amount of long-lived assets on the consolidated balance sheets mainly when the Company deems the carrying amount of certain long-lived assets is not recoverable and exceeds its fair value. The Company mainly uses an income approach or a market approach to calculate the fair value of long-lived assets. These measurements are included in Level 3 since they are based primarily on discounted cash flows using unobservable inputs based on business forecasts, market trends, and assumptions of projected business plans.

The following tables present the assets measured at fair value on a non-recurring basis and the gains or losses recognized for the nine months ended December 31, 2013 and 2012.

	Millions of yen			
	Nine months ended December 31, 2013			
	Fair value hierarchy classification			Total gains
	Level 1	Level 2	Level 3	(losses)
Long-lived assets (a)				
High Functional Materials & Components segment	-	-	128	(2,399)
Digital Media & Consumer Products segment	-	-	19	(1,297)
Other	-	-	11	(1,044)
Total	-	-	158	(4,740)

(a) The carrying value as of December 31, 2013 is not equal to the fair value at the time of impairment because of depreciation expense subsequent to impairment.

	Millions of yen			
	Nine months ended December 31, 2012			
	Fair value hierarchy classification			Total gains
	Level 1	Level 2	Level 3	(losses)
Long-lived assets (a)				
Information & Telecommunication Systems segment	-	-	10	(4,780)
Electronic Systems & Equipment segment	-	-	195	(1,450)
Other	-	-	1,614	(2,330)
Total	-	-	1,819	(8,560)

(a) The carrying value as of December 31, 2012 is not equal to the fair value at the time of impairment because of depreciation expense subsequent to impairment.

The following tables present the assets measured at fair value on a non-recurring basis and the gains or losses recognized for the three months ended December 31, 2013 and 2012.

	Millions of yen			
	Three months ended December 31, 2013			
	Fair value hierarchy classification			Total gains
	Level 1	Level 2	Level 3	(losses)
Long-lived assets				
High Functional Materials & Components segment	-	-	5	(2,216)
Other	-	-	10	(705)
Total	-	-	15	(2,921)

	Millions of yen			
	Three months ended December 31, 2012			
	Fair value hierarchy classification			Total gains
	Level 1	Level 2	Level 3	(losses)
Long-lived assets				
Information & Telecommunication Systems segment	-	-	3	(2,189)
Other	-	-	0	(141)
Total	-	-	3	(2,330)

(22) Financing Receivables and Allowance for Doubtful Receivables

The Company classifies financing receivables aggregated and categorized as finance leases, installment loans, mortgage loans, and other financing receivables, based on the nature of risks and characteristics as described below.

Financing receivables from equipment leases, installment arrangements, mortgage loans, and other receivables with a contractual maturity of one year or more are subject to disclosure as reported in this note. Trade receivables from sale of products or services that have contractual maturities of one year or less are excluded from this note. Finance lease receivables are recorded based on the total minimum payments to be received and unguaranteed residual values less executory costs and unearned income. Installment loans, mortgage loans and other financing receivables are reported on the amortized cost basis.

Finance leases are receivables from lease arrangements, including products manufactured by the Company and certain of its subsidiaries, such as information technology equipment, manufacturing machinery and equipment and construction machinery, typically secured by underlying assets. The primary locations of finance leases are Japan, U.S.A., U.K. and China. The lease term ranges mainly from three to six years. The non-specific allowance for doubtful receivables is collectively determined on the basis of past collection experience, consideration of current economic conditions and changes in our customer collection trends as well as other factors that may affect the customers' ability to pay.

Installment loans represent receivables from arrangements with customers and dealers to provide financing primarily for products manufactured by the Company and certain of its subsidiaries, such as manufacturing machinery. Installment loans are typically secured by underlying assets. The primary locations of installment loans are Japan, U.S.A., U.K. and China. The loan term is generally less than three years. The non-specific allowance is collectively determined on the basis of past collection experience, consideration of current economic conditions and changes in our customer collection trends as well as other factors that may affect the customers' ability to pay.

Mortgage loans are financing receivables from residential loan arrangements for individuals. Mortgage loans are usually arranged with collateral. The location of mortgage loans is Japan; more than fifty percent of mortgage loans are arranged for employees of the Company and its domestic subsidiaries. The term of mortgage loans is usually less than 30 years. The non-specific allowance is collectively determined on the basis of past collection experience, consideration of current economic conditions and changes in our customer collection trends as well as other factors that may affect the customers' ability to pay.

Other financing receivables are the financing service receivables provided by the subsidiaries in the financial services segment such as factoring, loan servicing, and other forms of commercial financing. The contractual maturities associated with those services generally range over one to three years. The non-specific allowance is collectively determined on the basis of past collection experience, consideration of current economic conditions and changes in our customer collection trends as well as other factors that may affect the customers' ability to pay.

In addition, common to all financing receivables, the Company and its subsidiaries individually evaluate collectability of financing receivables either by discounted cash flow analyses when they determine principal and interest of a financing receivable cannot be collected or by estimating the fair value of related collateral when applicable and further estimating the allowance for doubtful receivables. The Company and its subsidiaries have proprietary credit quality indicators appropriate to the unique characteristics of their operations and the nature of their financing receivable portfolios. Based on such indicators as the duration of overdue payments, the unpaid amounts, the existence of extended payment terms, evaluation by third-party credit agencies, and the degree of debtors' excessive debt, the Company and its subsidiaries classify and monitor their financial receivables into two categories: the individually evaluated receivables, and the collectively evaluated receivables.

Interest income for long-term financing receivables is recognized on the accrual basis.

As of December 31, 2013 and March 31, 2013, financing receivables include past due receivables in the amount of ¥41,458 million and ¥28,055 million, respectively. Of these amounts, financing receivables past due 90 days or more and still accruing interest amounted to ¥13,272 million and ¥7,802 million, respectively.

The following tables present the allowance for doubtful receivables and recorded investment in financing receivables as of December 31, 2013 and 2012, and changes in the allowance for the nine months ended December 31, 2013 and 2012.

	Millions of yen				
	December 31, 2013				
	Finance leases	Installment loans	Mortgage loans	Other financing receivables	Total
Allowance for doubtful receivables					
Balance, March 31, 2013	9,946	2,209	153	5,082	17,390
Provision	5,240	2,119	59	3,462	10,880
Recovery	(2,592)	(812)	(40)	(2,979)	(6,423)
Write off	(334)	(1,130)	-	(1,064)	(2,528)
Acquisitions and divestitures	1,820	73	-	165	2,058
Balance, December 31, 2013	14,080	2,459	172	4,666	21,377
Applicable to amounts; Individually evaluated for impairment	8,238	824	56	3,508	12,626
Applicable to amounts; Collectively evaluated for impairment	5,842	1,635	116	1,158	8,751
Financing receivables					
Balance, December 31, 2013	871,026	297,176	156,030	354,932	1,679,164
Applicable to amounts; Individually evaluated for impairment	21,343	978	212	8,174	30,707
Applicable to amounts; Collectively evaluated for impairment	849,683	296,198	155,818	346,758	1,648,457

	Millions of yen				
	December 31, 2012				
	Finance leases	Installment loans	Mortgage loans	Other financing receivables	Total
Allowance for doubtful receivables					
Balance, March 31, 2012	7,680	1,912	210	6,509	16,311
Provision	4,749	1,282	55	2,526	8,612
Recovery	(2,790)	(344)	(101)	(670)	(3,905)
Write off	(298)	(879)	(1)	(1,709)	(2,887)
Balance, December 31, 2012	9,341	1,971	163	6,656	18,131
Applicable to amounts; Individually evaluated for impairment	4,970	603	52	4,130	9,755
Applicable to amounts; Collectively evaluated for impairment	4,371	1,368	111	2,526	8,376
Financing receivables					
Balance, December 31, 2012	712,550	176,565	180,675	268,540	1,338,330
Applicable to amounts; Individually evaluated for impairment	16,475	753	135	8,217	25,580
Applicable to amounts; Collectively evaluated for impairment	696,075	175,812	180,540	260,323	1,312,750

The following tables present the changes in the allowance for the three months ended December 31, 2013 and 2012.

	Millions of yen				
	December 31, 2013				
	Finance leases	Installment loans	Mortgage loans	Other financing receivables	Total
Allowance for doubtful receivables					
Balance, September 30, 2013	12,407	2,511	153	5,767	20,838
Provision	2,180	458	25	955	3,618
Recovery	(389)	(273)	(6)	(1,694)	(2,362)
Write off	(118)	(237)	-	(362)	(717)
Balance, December 31, 2013	14,080	2,459	172	4,666	21,377

	Millions of yen				
	December 31, 2012				
	Finance leases	Installment loans	Mortgage loans	Other financing receivables	Total
Allowance for doubtful receivables					
Balance, September 30, 2012	8,497	1,882	188	5,947	16,514
Provision	1,974	488	12	1,237	3,711
Recovery	(1,081)	(90)	(37)	(194)	(1,402)
Write off	(49)	(309)	-	(334)	(692)
Balance, December 31, 2012	9,341	1,971	163	6,656	18,131

In addition, as of December 31, 2013 and March 31, 2013, the amounts of impaired loans relating to receivables which arose from sales of products or services were ¥37,184 million and ¥44,558 million, respectively.

(23) Acquisitions and Divestitures

On November 23, 2012, the Company purchased all of the outstanding 54,000,000,200 shares of Horizon Nuclear Power Limited (Horizon) from RWE npower plc and E.ON UK plc for ¥88,886 million in the Power Systems segment. Accordingly, the Company obtained control of Horizon and it became a wholly owned subsidiary effective November 23, 2012 (the acquisition date).

Horizon operates a nuclear power development business in the U.K. The Company made the acquisition to lead a program of building new nuclear power plants in the U.K.

The following table summarizes the consideration paid for Horizon, the assets acquired and liabilities assumed and recognized as of the acquisition date.

	Millions of yen
Current assets	2,873
Non-current assets (excluding intangible assets)	51,195
Intangible assets	
Goodwill (not deductible for tax purposes)	31,945
Other intangible assets	3,931
	89,944
Current liabilities	(927)
Non-current liabilities	(131)
	(1,058)
Cash paid for acquisition	(88,886)

The acquired intangible assets are related to the activities to obtain the necessary site licenses and consents to build and subsequently operate nuclear power stations.

The results of operations of Horizon for the period from the acquisition date to December 31, 2012 were not material.

On a pro forma basis, revenue, net income attributable to Hitachi, Ltd. stockholders and the per share information of the Company with assumed acquisition date for Horizon of April 1, 2011 would not differ materially from the amounts reported in the accompanying consolidated financial statements as of and for the nine months and three months ended December 31, 2012.

(24) Subsequent Events

On June 11, 2013, the Company executed a definitive agreement for the business integration of its thermal power generation systems business with Mitsubishi Heavy Industries, Ltd. (MHI).

On July 31, 2013, in accordance with the definitive agreement, MHI and the Company executed absorption-type company split agreements with the integrated company established by MHI in order to transfer their business centered on the thermal power generation systems.

On February 1, 2014, the effective date of the company split, the company transferred its integrated business in accordance with the absorption-type company split agreement, which was amended on December 18, 2013. The Company will apply the provisions of deconsolidation and initial measurements of an equity method investee to this transaction. The assets and liabilities transferred to the integrated company will be evaluated at appropriate book value and shares of the integrated company will be recorded at fair value as of the effective date. The effects of the transaction to our financial statements are currently being evaluated as well.

(25) Segment Information

The operating segments of the Company are the components for which separate financial information is available and for which segment profit or loss amounts are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company has aggregated certain operating segments into reportable segments for financial reporting purposes, since such aggregation helps financial statement users better understand the Company's performance.

The reportable segments correspond to categories of activities classified primarily by markets, products and services.

The Company discloses its business in ten reportable segments: Information & Telecommunication Systems, Power Systems, Social Infrastructure & Industrial Systems, Electronic Systems & Equipment, Construction Machinery, High Functional Materials & Components, Automotive Systems, Digital Media & Consumer Products, Others (Logistics and Other services) and Financial Services.

The primary products and services included in each segment are as follows:

Information & Telecommunication Systems:
Systems integration, Outsourcing services, Software, Disk array subsystems, Servers, Mainframes, Telecommunication equipment and ATMs

Power Systems:
Thermal, Nuclear and Renewable energy power generation systems and Transmission & distribution systems

Social Infrastructure & Industrial Systems:
Industrial machinery and plants, Elevators, Escalators and Railway systems

Electronic Systems & Equipment:
Semiconductor and LCDs manufacturing equipment, Test and measurement equipment, Medical electronics equipment, Power tools and Electronic parts manufacturing systems

Construction Machinery:
Hydraulic excavators, Wheel loaders and Mining machinery

High Functional Materials & Components:
Semiconductor and display related materials, Circuit boards and materials, Specialty steels, Magnetic materials and components, High grade casting components and materials, Wires and cables and Copper products

Automotive Systems:
Engine management systems, Electric powertrain systems, Drive control systems and Car information systems

Digital Media & Consumer Products:
Air-conditioning equipment, Room air conditioner, Refrigerators, Washing machines, Optical disk drives and Flat-panel TVs

Others (Logistics and Other services):
Logistics, Batteries, LCD projectors, Information storage media, Property management and others

Financial Services:
Leasing and Loan guarantees

Effective April 1, 2013, the Company changed the name of Others to Others (Logistics and Other services).

Effective April 1, 2013, the Company changed its measurement of segment profitability from operating income to earnings before interest and taxes (EBIT). Accordingly, the amounts previously reported for the nine months ended December 31, 2012 and the three months ended December 31, 2012 have been restated in conformity with the new measure of segment profit or loss.

The following tables show segment information for the nine months ended December 31, 2013 and 2012.

Revenues from Outside Customers

	Millions of yen	
	Nine months ended December 31, 2013	Nine months ended December 31, 2012
Information & Telecommunication Systems	1,196,696	1,106,496
Power Systems	521,972	560,257
Social Infrastructure & Industrial Systems	791,051	710,880
Electronic Systems & Equipment	662,097	641,739
Construction Machinery	531,778	543,190
High Functional Materials & Components	964,219	953,340
Automotive Systems	646,975	590,725
Digital Media & Consumer Products	605,415	572,278
Others (Logistics and Other services)	624,570	558,983
Financial Services	229,450	230,066
Subtotal	6,774,223	6,467,954
Corporate items	227	747
Total	6,774,450	6,468,701

Revenues from Intersegment Transactions

	Millions of yen	
	Nine months ended December 31, 2013	Nine months ended December 31, 2012
Information & Telecommunication Systems	140,522	135,869
Power Systems	53,694	59,002
Social Infrastructure & Industrial Systems	119,908	131,361
Electronic Systems & Equipment	90,205	87,260
Construction Machinery	1,553	3,387
High Functional Materials & Components	52,234	52,950
Automotive Systems	1,793	2,130
Digital Media & Consumer Products	69,778	54,718
Others (Logistics and Other services)	275,603	264,201
Financial Services	17,557	30,195
Subtotal	822,847	821,073
Corporate items and Eliminations	(822,847)	(821,073)
Total	-	-

Total Revenues

	Millions of yen	
	Nine months ended December 31, 2013	Nine months ended December 31, 2012
Information & Telecommunication Systems	1,337,218	1,242,365
Power Systems	575,666	619,259
Social Infrastructure & Industrial Systems	910,959	842,241
Electronic Systems & Equipment	752,302	728,999
Construction Machinery	533,331	546,577
High Functional Materials & Components	1,016,453	1,006,290
Automotive Systems	648,768	592,855
Digital Media & Consumer Products	675,193	626,996
Others (Logistics and Other services)	900,173	823,184
Financial Services	247,007	260,261
Subtotal	7,597,070	7,289,027
Corporate items and Eliminations	(822,620)	(820,326)
Total	6,774,450	6,468,701

Segment Profit (Loss)

	Millions of yen	
	Nine months ended December 31, 2013	Nine months ended December 31, 2012
Information & Telecommunication Systems	47,714	38,599
Power Systems	10,952	15,431
Social Infrastructure & Industrial Systems	18,643	16,531
Electronic Systems & Equipment	24,434	18,899
Construction Machinery	44,806	39,911
High Functional Materials & Components	76,071	46,408
Automotive Systems	15,120	27,224
Digital Media & Consumer Products	4,290	(206)
Others (Logistics and Other services)	38,986	31,379
Financial Services	26,460	22,408
Subtotal	307,476	256,584
Corporate items and Eliminations	4,319	(69,541)
Total Segment profit	311,795	187,043
Interest income	9,101	8,931
Interest charges	(19,604)	(20,299)
Income before income taxes	301,292	175,675

Intersegment transactions are recorded at the same prices used in transactions with third parties. Corporate items include unallocated corporate expenses, such as leading edge R&D expenditures, and others.

Operating Income

	Millions of yen	
	Nine months ended December 31, 2013	Nine months ended December 31, 2012
Information & Telecommunication Systems	49,186	43,153
Power Systems	6,372	14,015
Social Infrastructure & Industrial Systems	12,273	14,504
Electronic Systems & Equipment	24,052	20,327
Construction Machinery	46,873	32,138
High Functional Materials & Components	73,262	46,203
Automotive Systems	32,344	25,988
Digital Media & Consumer Products	2,521	(2,341)
Others (Logistics and Other services)	32,795	29,655
Financial Services	25,143	19,876
Subtotal	304,821	243,518
Corporate items and Eliminations	(9,340)	(11,583)
Total	295,481	231,935

Operating income is presented as total revenues less total cost of sales and selling, general administrative expenses in order to be consistent with financial reporting principles and practices generally accepted in Japan.

The following tables show segment information for the three months ended December 31, 2013 and 2012.

Revenues from Outside Customers

	Millions of yen	
	Three months ended December 31, 2013	Three months ended December 31, 2012
Information & Telecommunication Systems	406,527	365,049
Power Systems	181,878	188,527
Social Infrastructure & Industrial Systems	273,628	255,516
Electronic Systems & Equipment	220,887	189,672
Construction Machinery	174,844	174,890
High Functional Materials & Components	328,472	314,077
Automotive Systems	221,436	190,164
Digital Media & Consumer Products	190,672	181,679
Others (Logistics and Other services)	227,642	180,314
Financial Services	77,692	73,159
Subtotal	2,303,678	2,113,047
Corporate items	86	86
Total	2,303,764	2,113,133

Revenues from Intersegment Transactions

	Millions of yen	
	Three months ended December 31, 2013	Three months ended December 31, 2012
Information & Telecommunication Systems	45,921	44,356
Power Systems	17,485	17,236
Social Infrastructure & Industrial Systems	40,007	41,385
Electronic Systems & Equipment	31,534	28,739
Construction Machinery	427	1,085
High Functional Materials & Components	18,388	17,856
Automotive Systems	547	792
Digital Media & Consumer Products	25,397	16,520
Others (Logistics and Other services)	97,553	86,176
Financial Services	5,633	7,493
Subtotal	282,892	261,638
Corporate items and Eliminations	(282,892)	(261,638)
Total	-	-

Total Revenues

	Millions of yen	
	Three months ended December 31, 2013	Three months ended December 31, 2012
Information & Telecommunication Systems	452,448	409,405
Power Systems	199,363	205,763
Social Infrastructure & Industrial Systems	313,635	296,901
Electronic Systems & Equipment	252,421	218,411
Construction Machinery	175,271	175,975
High Functional Materials & Components	346,860	331,933
Automotive Systems	221,983	190,956
Digital Media & Consumer Products	216,069	198,199
Others (Logistics and Other services)	325,195	266,490
Financial Services	83,325	80,652
Subtotal	2,586,570	2,374,685
Corporate items and Eliminations	(282,806)	(261,552)
Total	2,303,764	2,113,133

Segment Profit (Loss)

	Millions of yen	
	Three months ended December 31, 2013	Three months ended December 31, 2012
Information & Telecommunication Systems	18,738	16,146
Power Systems	7,475	9,503
Social Infrastructure & Industrial Systems	12,254	13,279
Electronic Systems & Equipment	15,132	1,796
Construction Machinery	18,133	10,078
High Functional Materials & Components	26,832	8,819
Automotive Systems	13,110	8,981
Digital Media & Consumer Products	5,341	1,826
Others (Logistics and Other services)	16,464	9,929
Financial Services	9,040	6,854
Subtotal	142,519	87,211
Corporate items and Eliminations	27,262	(24,241)
Total Segment profit	169,781	62,970
Interest income	2,742	3,017
Interest charges	(6,788)	(6,570)
Income before income taxes	165,735	59,417

Intersegment transactions are recorded at the same prices used in transactions with third parties. Corporate items include unallocated corporate expenses, such as leading edge R&D expenditures, and others.

Operating Income

	Millions of yen	
	Three months ended December 31, 2013	Three months ended December 31, 2012
Information & Telecommunication Systems	17,795	15,943
Power Systems	4,197	6,548
Social Infrastructure & Industrial Systems	9,641	11,314
Electronic Systems & Equipment	13,416	537
Construction Machinery	17,426	9,338
High Functional Materials & Components	23,983	8,007
Automotive Systems	11,510	6,715
Digital Media & Consumer Products	3,413	94
Others (Logistics and Other services)	14,196	8,803
Financial Services	9,066	6,105
Subtotal	124,643	73,404
Corporate items and Eliminations	(2,643)	(5,073)
Total	122,000	68,331

Operating income is presented as total revenues less total cost of sales and selling, general administrative expenses in order to be consistent with financial reporting principles and practices generally accepted in Japan.

[Cover]

[Document Filed]	Confirmation Letter
[Applicable Law]	Article 24-4-8, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Filed to]	Director, Kanto Local Finance Bureau
[Filing Date]	February 12, 2014
[Company Name]	Kabushiki Kaisha Hitachi Seisakusho
[Company Name in English]	Hitachi, Ltd.
[Title and Name of Representative]	Hiroaki Nakanishi, President
[Name and title of CFO]	Toyoaki Nakamura, Executive Vice President and Executive Officer
[Address of Head Office]	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo
[Place Where Available for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo) Nagoya Stock Exchange, Inc. (8-20, Sakae 3-chome, Naka-ku, Nagoya)

1. Matters Related to Adequacy of Statements Contained in the Annual Securities Report

   Mr. Hiroaki Nakanishi, President, and Mr. Toyoaki Nakamura, Executive Vice President and Executive Officer, confirmed that statements contained in the Quarterly Report for the third quarter of 145th fiscal year (from October 1, 2013 to December 31, 2013) were adequate under the Financial Instruments and Exchange Act.

2. Special Notes

   None.