

## Hitachi Announces Revisions of Consolidated Interim Business Forecasts for Fiscal 2011

**Tokyo, October 26, 2011** --- Hitachi, Ltd. (NYSE:HIT / TSE:6501) today announced revisions to the Company's consolidated business forecasts for the first half of fiscal 2011, year ending March 31, 2012, which were announced on July 29, in light of recent business performance.

### Revisions of Consolidated Interim Business Forecasts for Fiscal 2011

(From April 1, 2011 to September 30, 2011)

(Millions of yen)

|   | Revenues  | Operating income | Income before income taxes | Net income | Net income attributable to Hitachi, Ltd |
|---|-----------|------------------|----------------------------|------------|---|
| Previous forecast (A)                             | 4,400,000 | 100,000          | 75,000                     | 30,000     | 10,000                                  |
| Revised forecast (B)                              | 4,550,000 | 170,000          | 130,000                    | 75,000     | 50,000                                  |
| (B)-(A)   | 150,000   | 70,000           | 55,000                     | 45,000     | 40,000                                  |
| % change  | 3.4       | 70.0             | 73.3                       | 150.0      | 400.0                                   |
| First half of fiscal 2010 ended September 30,2010 | 4,502,451 | 218,048          | 263,808                    | 204,437    | 158,049                                 |

### Reasons for Revisions

Consolidated revenues for the first half of fiscal 2011 are projected to exceed the previous forecast announced on July 29, 2011, due mainly to improved revenues in the High Functional Materials & Components, Information & Telecommunication Systems, Social Infrastructure & Industrial Systems, and Automotive Systems segments. This is the result of a cohesive effort by the Hitachi Group to recover quickly from the impact of the Great East Japan Earthquake.

Operating income is also expected to be higher than the previous forecast due to improved earnings in all business segments as a result of increased revenues and progress in cutting costs, including fixed costs. Furthermore, although net other deductions are expected to deteriorate due to the impact of the rapid appreciation of the yen and other factors, income before income taxes, net income and net income attributable to Hitachi, Ltd. are all expected to surpass previous forecasts.

Regarding full-year forecasts for fiscal 2011, Hitachi has not revised its previous forecasts because of considerable uncertainty surrounding trends in the global economy, especially in the U.S., Europe and China, the impact of damage from flooding in Thailand, foreign currency fluctuations, and fluctuations in raw materials prices.

### **Cautionary Statement**

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

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

- economic conditions, including consumer spending and plant and equipment investment in Hitachi’s major markets, particularly Japan, Asia, the United States and Europe, as well as levels of demand in the major industrial sectors Hitachi serves, including, without limitation, the information, electronics, automotive, construction and financial sectors;
- exchange rate fluctuations of the yen against other currencies in which Hitachi makes significant sales or in which Hitachi’s assets and liabilities are denominated, particularly against the U.S. dollar and the euro;
- uncertainty as to Hitachi’s ability to access, or access on favorable terms, liquidity or long-term financing;
- uncertainty as to general market price levels for equity securities in Japan, 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 Components & Devices and the Digital Media & Consumer Products segments;
- 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 and other 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 in Japan by earthquakes, tsunamis or other natural disasters, including the possibility of continuing adverse effects on Hitachi's operations as a result of the earthquake and tsunami that struck northeastern Japan on March 11, 2011;
  - uncertainty as to Hitachi's ability to maintain the integrity of its information systems, as well as Hitachi's ability to protect its confidential information or that of its customers;
  - uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its significant employee benefit-related costs; and
  - uncertainty as to Hitachi's ability to attract and retain skilled personnel.

The factors listed above are not all-inclusive and are in addition to other factors contained in Hitachi's periodic filings with the U.S. Securities and Exchange Commission and in other materials published by Hitachi.

#### **About Hitachi, Ltd.**

Hitachi, Ltd., (NYSE: HIT / TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 360,000 employees worldwide. Fiscal 2010 (ended March 31, 2011) consolidated revenues totaled 9,315 billion yen (\$112.2 billion). Hitachi will focus more than ever on the Social Innovation Business, which includes information and telecommunication systems, power systems, environmental, industrial and transportation systems, and social and urban systems, as well as the sophisticated materials and key devices that support them. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

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Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.

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