

Outline of Consolidated Financial Results for Fiscal 2014

May 14, 2015

Hitachi, Ltd.

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1. Outline of Consolidated Financial Results for Fiscal 2014

1-1. Highlights of Fiscal 2014 Results

Revenues	9,761.9 billion yen (up 2% / 198.1 billion yen YoY, up 2% compared to previous forecast*1) <ul style="list-style-type: none">● Higher in Social Infrastructure & Industrial Systems, High Functional Materials & Components and Information & Telecommunication Systems, etc.
Operating income	600.4 billion yen (up 12% / 62.1 billion yen YoY, down 2.7 billion yen compared to previous forecast*1) <ul style="list-style-type: none">● Achieved highest operating income higher in 8 business segments; Social Infrastructure & Industrial Systems, High Functional Materials & Components, Electronic Systems & Equipment and Information & Telecommunication Systems, etc.
EBIT (Earnings before interest and taxes)*2	551.0 billion yen (down 6% / 34.6 billion yen YoY, down 41.5 billion yen compared to previous forecast*1) <ul style="list-style-type: none">● Lower than FY2013 due to the absence of the gains which were recorded in the previous fiscal year, associated with the integration of the thermal power generation systems business into Mitsubishi Hitachi Power Systems, Ltd., the joint venture company with Mitsubishi Heavy Industries, Ltd., despite the higher operating income● Lower than previous forecast due to promoted business structure reforms in the telecommunications & network system business and the transmission & distribution business
Loss from discontinued operations	(52.7) billion yen (down 47.2 billion yen) <ul style="list-style-type: none">● When Hitachi's thermal power generation systems business was integrated with MHI, some projects, mainly in Europe, remained with Hitachi. A part of these projects have been wrapped up and recognized as "discontinued operations", so net losses of 52.7 billion yen were posted.
Net income attributable to Hitachi, Ltd. stockholders	241.3 billion yen (down 9% / 23.6 billion yen YoY, down 8.6 billion yen compared to previous forecast*1)
Total Hitachi, Ltd. stockholders' equity ratio (Manufacturing, Services and Others)	27.3% (down 0.1 point from March 31, 2014)
Core free cash flows*3 (Manufacturing, Services and Others)	137.2 billion yen (up 114.7 billion yen YoY) [Free cash flows (Manufacturing, Services and Others): 132.7 billion yen (up 27.8 billion yen YoY)]

*1 These figures reflect the effect of discontinued business on the previously forecast announced on February 4, 2015.

*2 Presented as income before income taxes less interest income plus interest charges.

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

1-2. Summary of Consolidated Statements of Operations*1

Billions of yen

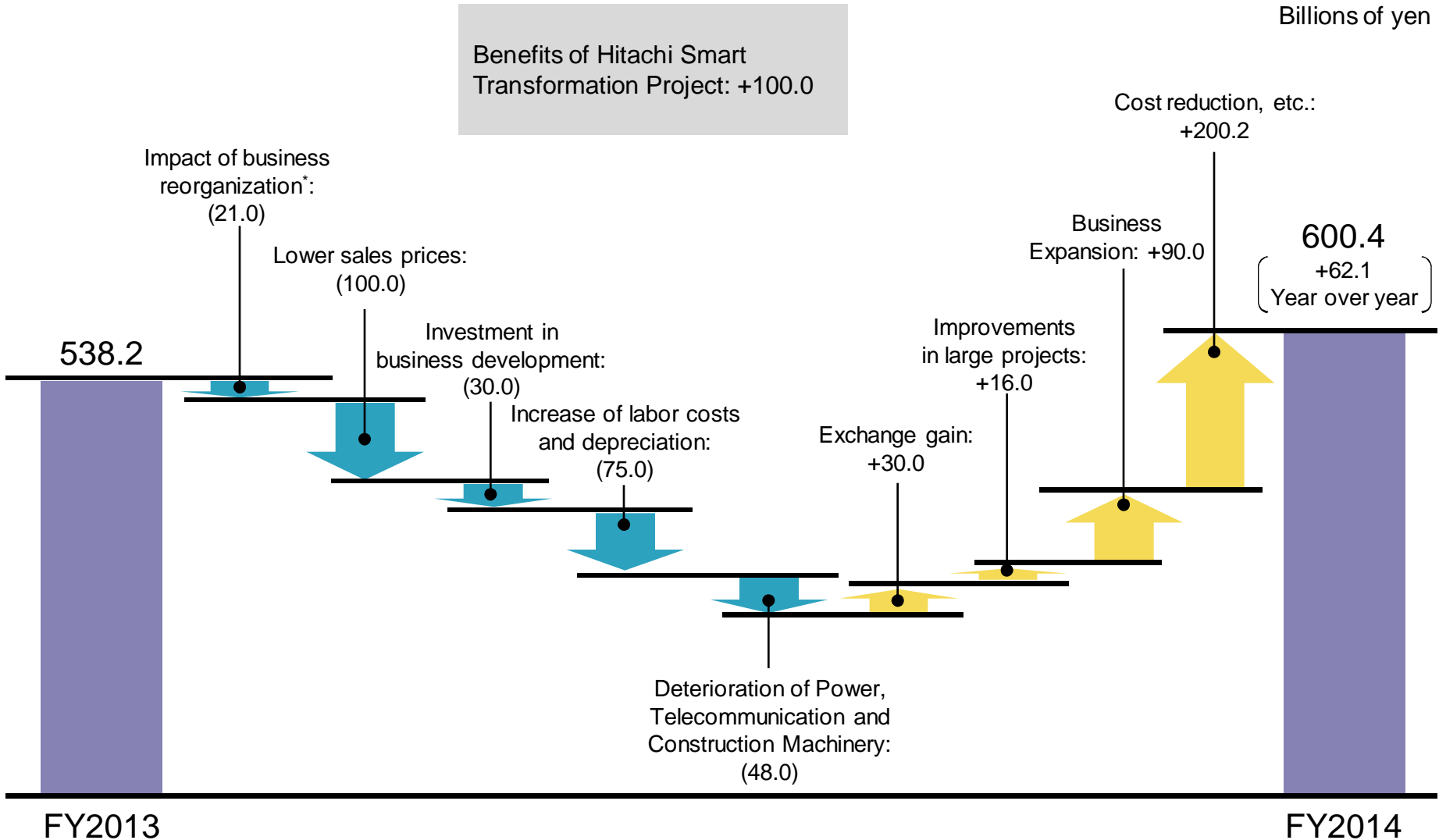
	FY2013	FY2014 / (A)	Year over year	Adjusted previous forecast (Reference) *2 / (B)	(A) - (B)*2
Revenues	9,563.7	9,761.9	+198.1 [102%]	9,577.4	+184.5 [102%]
Operating income	538.2	600.4	+62.1	603.2	(2.7)
EBIT	585.6	551.0	(34.6)	592.5	(41.5)
Net other income (deductions)	35.4	(64.8)	(100.2)	(20.4)	(44.4)
Income from continuing operations, before income taxes	573.6	535.6	(38.0)	582.7	(47.1)
Income taxes	(204.1)	(120.0)	+84.1	(169.9)	+49.9
Income from continuing operations	369.5	415.5	+46.0	412.7	+2.7
Loss from discontinued operations	(5.5)	(52.7)	(47.2)	(52.7)	0.0
Net income	364.0	362.7	(1.2)	360.0	+2.7
Net income attributable to noncontrolling interests	(99.0)	(121.4)	(22.4)	(110.0)	(11.4)
Net income attributable to Hitachi, Ltd. Stockholders	264.9	241.3	(23.6)	250.0	(8.6)

*1 A part of the thermal power generation systems business is classified as a discontinued operation in accordance with the provision of ASC 205-20, "Presentation of Financial Statements Discontinued Operations," which was not transferred to Mitsubishi Hitachi Power Systems, Ltd for the business integration in the thermal power generation systems with Mitsubishi Heavy Industries, Ltd. The results of the discontinued operation are reported separately from continuing operations. In line with this classification, the results of the business for the year ended March 31, 2014 are reclassified as the discontinued operation.

*2 These figures reflect the effect of discontinued business on the previously forecast announced on February 4, 2015.

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

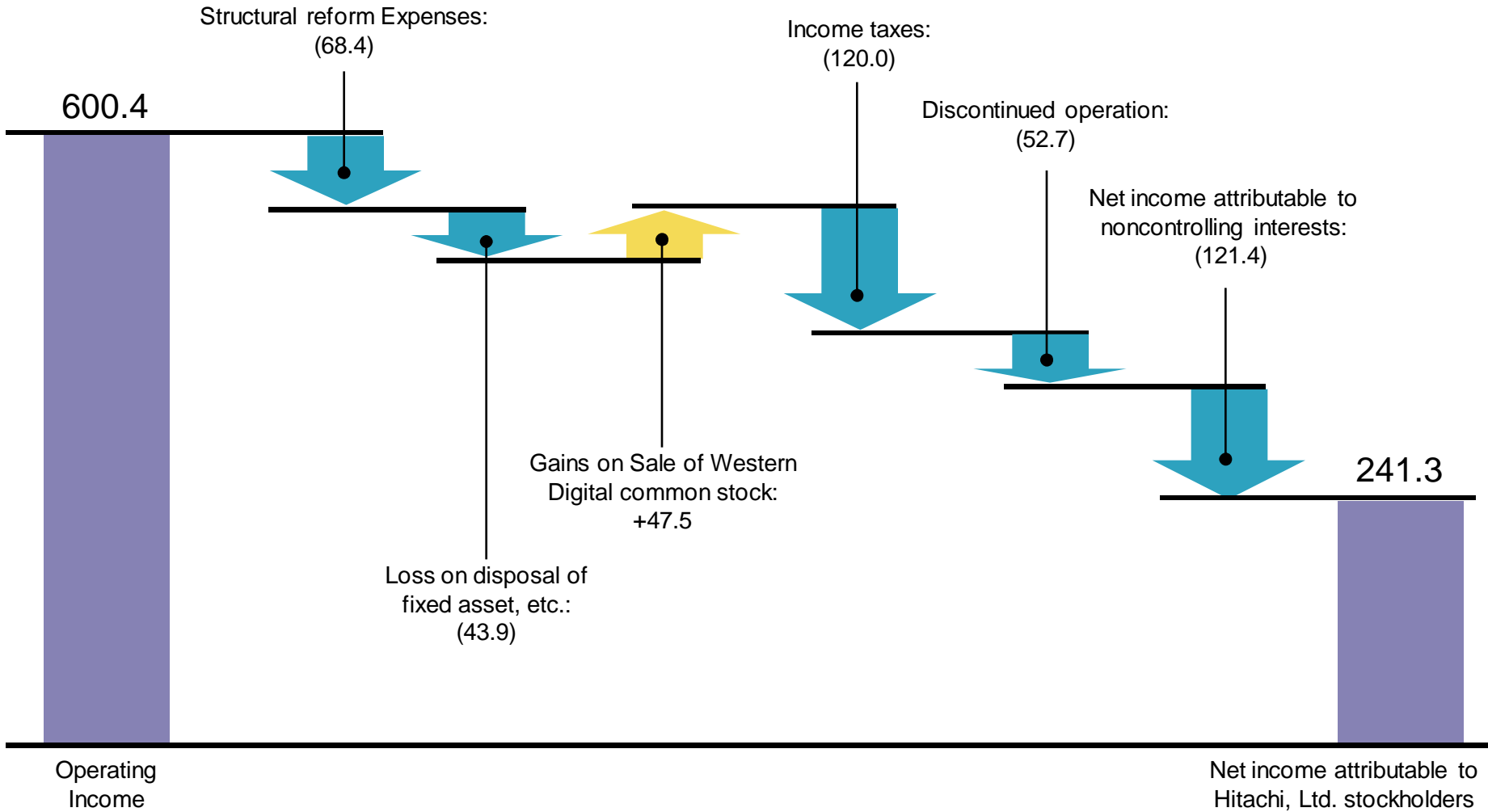
Billions of yen



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

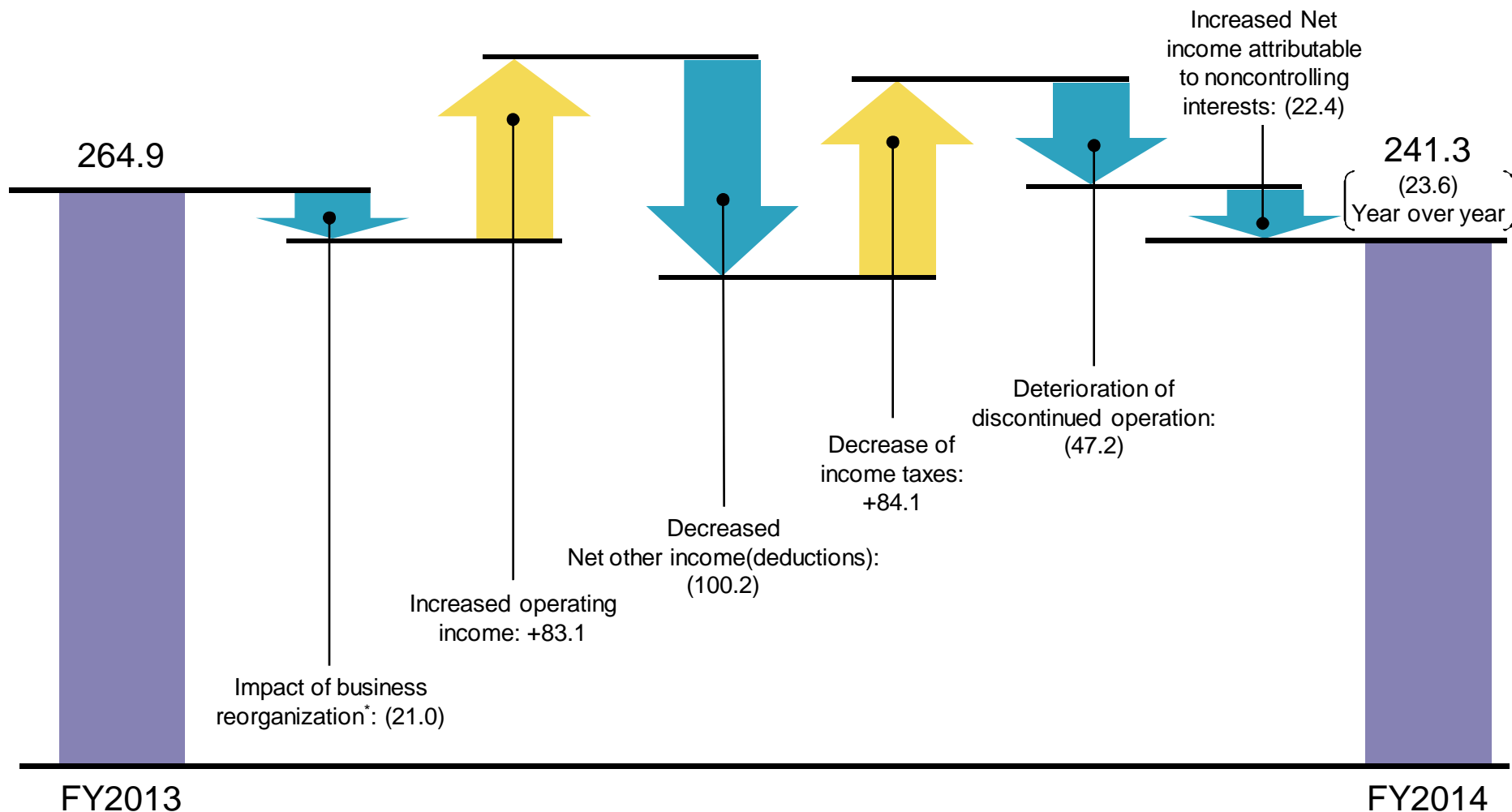
1-4. Factors for Change in Net Income Attributable to Hitachi, Ltd. Stockholders

Billions of yen



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

Billions of yen



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

1-6. Revenues by Market *

Billions of yen

	FY2013		FY2014		Year over year
		Ratio		Ratio	
Japan	5,303.4	55%	5,172.4	53%	98%
Outside Japan	4,260.3	45%	4,589.5	47%	108%
Asia	2,063.5	22%	2,216.6	23%	107%
China	1,073.6	11%	1,157.2	12%	108%
ASEAN, India, other areas	989.9	11%	1,059.4	11%	107%
North America	910.2	10%	1,060.4	11%	117%
Europe	759.7	8%	844.7	8%	111%
Other Areas	526.7	5%	467.5	5%	89%
Total	9,563.7	100%	9,761.9	100%	102%

Ratio of overseas revenues: 45% → 47%

* As the thermal power generation systems business is classified as a discontinued operation for the year ended March 31, 2015, the results related to the discontinued operation for the year ended March, 31, 2014 are reclassified.

1-7. Summary of Consolidated Statements of Operations by Manufacturing, Services and Others and Financial Services*1

■ Summary of Consolidated Statements of Operations

Billions of yen

	FY2013	FY2014	Year over year
Revenues	9,563.7	9,761.9	+198.1 (102%)
Operating income	538.2	600.4	+62.1
EBIT	585.6	551.0	(34.6)

■ Summary of Consolidated Statements of Operations (Manufacturing, Services and Others)*2

Billions of yen

	FY2013	FY2014	Year over year
Revenues	9,364.0	9,557.3	+193.3 (102%)
Operating income	506.1	563.9	+57.7
EBIT	555.0	519.9	(35.0)

■ Summary of Consolidated Statements of Operations (Financial Services)*2

Billions of yen

	FY2013	FY2014	Year over year
Revenues	338.5	355.5	+17.0 (105%)
Operating income	33.1	38.0	+4.9
EBIT	34.6	36.2	+1.5

*1 As the thermal power generation systems business is classified as a discontinued operation for the year ended March 31, 2015, the results related to the discontinued operation for the year ended March, 31, 2014 are reclassified.

*2 Figures here represent unaudited information prepared by the Company

1-8. Summary of Consolidated Balance Sheets

Billions of yen

	As of March 31, 2014	As of March 31, 2015	Change from March 31, 2014
Total assets	11,016.8	12,395.3	+1,378.4
Trade receivables and Inventories	4,204.9	4,801.9	+597.0
Total liabilities	7,164.4	8,121.0	+956.6
Interest-bearing debt	2,823.0	3,354.6	+531.5
Total Hitachi, Ltd. stockholders' equity	2,651.2	2,930.3	+279.0
Noncontrolling interests	1,201.2	1,344.0	+142.7
Total Hitachi, Ltd. stockholders' equity ratio	24.1%	23.6%	0.5 point decrease
D/E ratio (Including noncontrolling interests)	0.73 times	0.78 times	0.05 point increase

1-9. Summary of Consolidated Balance Sheets by Manufacturing, Services and Others and Financial Services

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

Billions of yen

	As of March 31, 2014	As of March 31, 2015	Change from March 31, 2014
Total assets	9,067.9	10,080.7	+1,012.8
Trade receivables and Inventories	3,558.4	3,905.2	+346.8
Total liabilities	5,512.0	6,128.8	+616.8
Interest-bearing debt	1,418.2	1,589.2	+171.0
Total Hitachi, Ltd. stockholders' equity	2,483.8	2,747.8	+263.9
Noncontrolling interests	1,072.0	1,204.1	+132.0
Cash Conversion Cycle	81.3 days	81.5 days	0.2 days increase
Total Hitachi, Ltd. stockholders' equity ratio	27.4%	27.3%	0.1 point decrease
D/E ratio (Including noncontrolling interests)	0.40 times	0.40 times	±0.00 point

■ Summary of Consolidated Balance Sheets (Financial Services)*

Billions of yen

	As of March 31, 2014	As of March 31, 2015	Change from March 31, 2014
Total assets	2,446.1	2,810.3	+364.2
Trade receivables and Inventories	878.3	1,158.4	+280.0
Total liabilities	2,138.1	2,475.9	+337.8
Interest-bearing debt	1,647.1	1,973.6	+326.5
Total Hitachi, Ltd. stockholders' equity	178.4	193.6	+15.2
Noncontrolling interests	129.5	140.6	+11.1
Total Hitachi, Ltd. stockholders' equity ratio	7.3%	6.9%	0.4 point decrease
D/E ratio (Including noncontrolling interests)	5.35 times	5.90 times	0.55 point increase

* Figures here represent unaudited information prepared by the Company

1-10. Summary of Consolidated Statements of Cash Flows

■ Summary of Consolidated Statements of Cash Flows

Billions of yen

	FY2013	FY2014	Year over year
Cash flows from operating activities	439.4	447.3	+7.9
Cash flows from investing activities	(491.3)	(610.2)	(118.8)
Free cash flows	(51.9)	(162.9)	(110.9)
Core free cash flows	(186.0)	(175.0)	+11.0

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

Billions of yen

	FY2013	FY2014	Year over year
Cash flows from operating activities	498.6	591.9	+93.3
Cash flows from investing activities	(393.6)	(459.1)	(65.4)
Free cash flows	104.9	132.7	+27.8
Core free cash flows	22.4	137.2	+114.7

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

Billions of yen

	FY2013	FY2014	Year over year
Cash flows from operating activities	(25.9)	(101.5)	(75.5)
Cash flows from investing activities	(124.1)	(173.5)	(49.3)
Free cash flows	(150.0)	(275.0)	(124.9)
Core free cash flows	(202.5)	(289.8)	(87.2)

* Figures here represent unaudited information prepared by the Company

1-11. Consolidated Capital Expenditure, Depreciation and R&D Expenditure

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

Billions of yen

	FY2013	FY2014	Year over year
Manufacturing, Services and Others	389.6	374.3	96%
Financial Services	478.5	493.1	103%
Total*	849.8	848.7	100%

* Total figures exclude inter-segment transactions.

■ Consolidated Depreciation

Billions of yen

	FY2013	FY2014	Year over year
Manufacturing, Services and Others	261.2	275.0	105%
Financial Services	68.5	74.5	109%
Total	329.8	349.6	106%

■ Consolidated R&D Expenditure

Billions of yen

	FY2013	FY2014	Year over year
Total	351.4	335.5	95%

1-12. Revenues, Operating Income and EBIT by Business Group (1)*1, 2

Billions of yen

		FY2013	FY2014 / (A)	Year over year	Adjusted previous forecast (Reference)*3 / (B)	(A) – (B)*3
Infrastructure Systems ^{†1, 2}	Revenues	3,358.2	3,559.3	106%	3,480.0	102%
	Operating income	137.9	182.0	+44.0	179.0	+3.0
	EBIT	139.4	193.6	+54.1	174.0	+19.6
Information & Telecommunication Systems ^{†1}	Revenues	2,546.2	2,698.8	106%	2,680.0	101%
	Operating income	123.0	137.9	+14.9	143.0	(5.0)
	EBIT	109.7	116.3	+6.5	132.0	(15.6)
Power Systems	Revenues	724.9	472.6	65%	480.0	98%
	Operating income	22.1	(6.1)	(28.3)	6.0	(12.1)
	EBIT	158.4	(2.8)	(161.3)	22.0	(24.8)
Construction Machinery	Revenues	767.3	779.9	102%	700.0	111%
	Operating income	73.9	54.7	(19.1)	58.0	(3.2)
	EBIT	63.3	55.6	(7.6)	59.0	(3.3)

*1 Figures here represent unaudited information prepared by the Company

*2 As the thermal power generation systems business is classified as a discontinued operation for the year ended March 31, 2015, the results related to the discontinued operation for the year ended March, 31, 2014 are reclassified.

*3 These figures reflect the effect of discontinued business on the previously forecast announced on February 4, 2015.

†1, 2 See notes concerning individual business groups and business segments (page 38)

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

Billions of yen

		FY2013	FY2014 / (A)	Year over year	Adjusted previous forecast (Reference)*3 / (B)	(A) – (B)*3
High Functional Materials & Components†3	Revenues	1,363.2	1,504.5	110%	1,480.0	102%
	Operating income	101.7	123.0	+21.2	120.0	+3.0
	EBIT	96.5	129.2	+32.7	112.0	+17.2
Automotive Systems	Revenues	892.1	936.9	105%	930.0	101%
	Operating income	47.3	56.1	+8.7	60.0	(3.8)
	EBIT	4.9	34.9	+30.0	46.0	(11.0)
Financial Services	Revenues	338.5	355.5	105%	360.0	99%
	Operating income	33.1	38.0	+4.9	37.0	+1.0
	EBIT	34.6	36.2	+1.5	36.0	+0.2
Total	Revenues	9,563.7	9,761.9	102%	9,577.4	102%
	Operating income	538.2	600.4	+62.1	603.2	(2.7)
	EBIT	585.6	551.0	(34.6)	592.5	(41.5)

*1 Figures here represent unaudited information prepared by the Company

*2 As the thermal power generation systems business is classified as a discontinued operation for the year ended March 31, 2015, the results related to the discontinued operation for the year ended March, 31, 2014 are reclassified.

*3 These figures reflect the effect of discontinued business on the previously forecast announced on February 4, 2015.

†3 See notes concerning individual business groups and business segments (page 38)

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

Billions of yen

		FY2013	FY2014 / (A)	Year over year	Adjusted previous forecast (Reference)*2 / (B)	(A) – (B)*2
Information & Telecommunication Systems†4	Revenues	1,934.9	2,032.1	105%	2,020.0	101%
	Operating income	106.5	116.2	+9.6	120.0	(3.7)
	EBIT	96.3	93.6	(2.6)	110.0	(16.3)
Power Systems	Revenues	724.9	472.6	65%	480.0	98%
	Operating income	22.1	(6.1)	(28.3)	6.0	(12.1)
	EBIT	158.4	(2.8)	(161.3)	22.0	(24.8)
Social Infrastructure & Industrial Systems†4	Revenues	1,501.4	1,646.8	110%	1,570.0	105%
	Operating income	59.0	84.7	+25.6	88.0	(3.2)
	EBIT	61.1	101.5	+40.4	83.0	+18.5
Electronic Systems & Equipment	Revenues	1,116.7	1,132.3	101%	1,150.0	98%
	Operating income	59.1	69.4	+10.3	65.0	+4.4
	EBIT	52.6	59.9	+7.2	60.0	0.0
Construction Machinery	Revenues	767.3	779.9	102%	700.0	111%
	Operating income	73.9	54.7	(19.1)	58.0	(3.2)
	EBIT	63.3	55.6	(7.6)	59.0	(3.3)
High Functional Materials & Components	Revenues	1,363.2	1,504.5	110%	1,480.0	102%
	Operating income	101.7	123.0	+21.2	120.0	+3.0
	EBIT	96.5	129.2	+32.7	112.0	+17.2

*1 As the thermal power generation systems business is classified as a discontinued operation for the year ended March 31, 2015, the results related to the discontinued operation for the year ended March, 31, 2014 are reclassified.

*2 These figures reflect the effect of discontinued business on the previously forecast announced on February 4, 2015.

†4 See notes concerning individual business groups and business segments (page 38)

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

Billions of yen

		FY2013	FY2014 / (A)	Year over year	Adjusted previous forecast (Reference)*2 / (B)	(A) – (B)*2
Automotive Systems	Revenues	892.1	936.9	105%	930.0	101%
	Operating income	47.3	56.1	+8.7	60.0	(3.8)
	EBIT	4.9	34.9	+30.0	46.0	(11.0)
Smart Life & Ecofriendly Systems†5	Revenues	740.0	780.1	105%	760.0	103%
	Operating income	19.8	27.9	+8.1	26.0	+1.9
	EBIT	25.4	32.1	+6.6	31.0	+1.1
Others (Logistics and Other services) †5	Revenues	1,388.9	1,210.7	87%	1,180.0	103%
	Operating income	30.8	40.4	+9.6	36.0	+4.4
	EBIT	19.7	51.3	+31.5	38.0	+13.3
Financial Services	Revenues	338.5	355.5	105%	360.0	99%
	Operating income	33.1	38.0	+4.9	37.0	+1.0
	EBIT	34.6	36.2	+1.5	36.0	+0.2
Corporate items & Eliminations	Revenues	(1,204.6)	(1,089.9)	-	(1,052.5)	-
	Operating income	(15.4)	(4.1)	+11.2	(12.7)	+8.5
	EBIT	(27.6)	(40.8)	(13.2)	(4.4)	(36.4)
Total	Revenues	9,563.7	9,761.9	102%	9,577.4	102%
	Operating income	538.2	600.4	+62.1	603.2	(2.7)
	EBIT	585.6	551.0	(34.6)	592.5	(41.5)

*1 As the thermal power generation systems business is classified as a discontinued operation for the year ended March 31, 2015, the results related to the discontinued operation for the year ended March, 31, 2014 are reclassified.

*2 These figures reflect the effect of discontinued business on the previously forecast announced on February 4, 2015.

†5 See notes concerning individual business groups and business segments (page 38)

2. Progress of Hitachi Smart Transformation Project

Benefits of the Hitachi Smart Transformation Project for FY2014: 100.0 billion yen

FY2014 cost reduction target of 90.0 billion yen → Achieved 100.0 billion yen

Main Initiatives and Progress up to FY2014

1. Initiatives to reform cost structure and strengthen cash generation

(1) Recovery of earnings

- Strengthen procurement capability by making further progress integrating and centralizing procurement and standardizing the items procured to reduce direct material costs
- Made progress transferring administrative financial and accounting operations in Japan to Genpact with BPO
- Made progress consolidating administrative human resource operations in Japan under Hitachi Management Partner, Corp.'s standardized system
- Partial BPO of overseas HR operations
- Continued to promote global logistics reforms
 - Shared logistics IT platform and Started shared transportation through links between businesses

(2) Improved cash flow

- Refined global procurement and improved cash flow
 - Expanded global procurement scheme utilizing each company's functions; Hitachi High-Tech, Hitachi Capital, and Hitachi Transport System

2. Business process reforms

- Revamp business management through operational reforms (pipeline management, etc.) encompassing administrative operations and the core value chain
- Raise operating efficiency by reviewing procedural overlaps and simplifying operations

3. Outlook for Fiscal 2015

■ Business Environment

- Global : Continuing uncertain situation due to risks of sluggishly economic growth, etc. mainly in oil and resource producing countries
- Japan : Gradual economic growth driven by improving employment environment and recovery in capital expenditure, etc.
- U.S. : Economic recovery, mainly supported by recovering consumer spending and housing investment due to improving employment and income levels
- Europe : Continuing geopolitical risks, and financial uncertainty mainly in southern European countries
- China : Decelerating economic growth due to a slowdown in investment and production
- Southeast Asia : Economic stagnation due to geopolitical risk and slowdown in China's economic growth

■ Summary of the FY2015 Forecast

[Projections for FY2015 assume an exchange rate of 115 yen to the U.S. dollar and 120 yen to the euro.]

Billions of yen

	FY2014	FY2015 (Forecast)		
	US-GAAP	US-GAAP (Reference)	Year over year	IFRS
Revenues	9,761.9	9,900.0	+138.0 [101%]	9,950.0
Operating income	600.4	660.0	+59.5	680.0*
EBIT	551.0	650.0	+98.9	620.0
Net income attributable to Hitachi, Ltd. Stockholders	241.3	330.0	+88.6	310.0

* This column refers to an "Adjusted Operating Income" presented as revenues less cost of sales as well as selling, general and administrative expenses.

3-2. Outlook for FY2015 (2)*1

[Projections for FY2015 assume an exchange rate of 115 yen to the U.S. dollar and 120 yen to the euro.]

Billions of yen

	FY2014	FY2015 (Forecast)		FY2015 (Forecast)
	US-GAAP	US-GAAP (Reference)	Year over year	IFRS
Revenues	9,761.9	9,900.0	+138.0 [101%]	9,950.0
Operating income	600.4	660.0	+59.5	680.0*2
EBIT	551.0	650.0	+98.9	620.0
Net other income (deductions)	(64.8)	(30.0)	+34.8	-
Income from continuing operations, before income taxes	535.6	630.0	+94.3	600.0
Income taxes	(120.0)	(156.0)	(35.9)	(146.0)
Income from continuing operations	415.5	474.0	+58.4	454.0
Loss from discontinued operations	(52.7)	(4.0)	+48.7	(4.0)
Net income	362.7	470.0	+107.2	450.0
Net income attributable to noncontrolling interests	(121.4)	(140.0)	(18.5)	(140.0)
Net income attributable to Hitachi, Ltd. Stockholders	241.3	330.0	+88.6	310.0

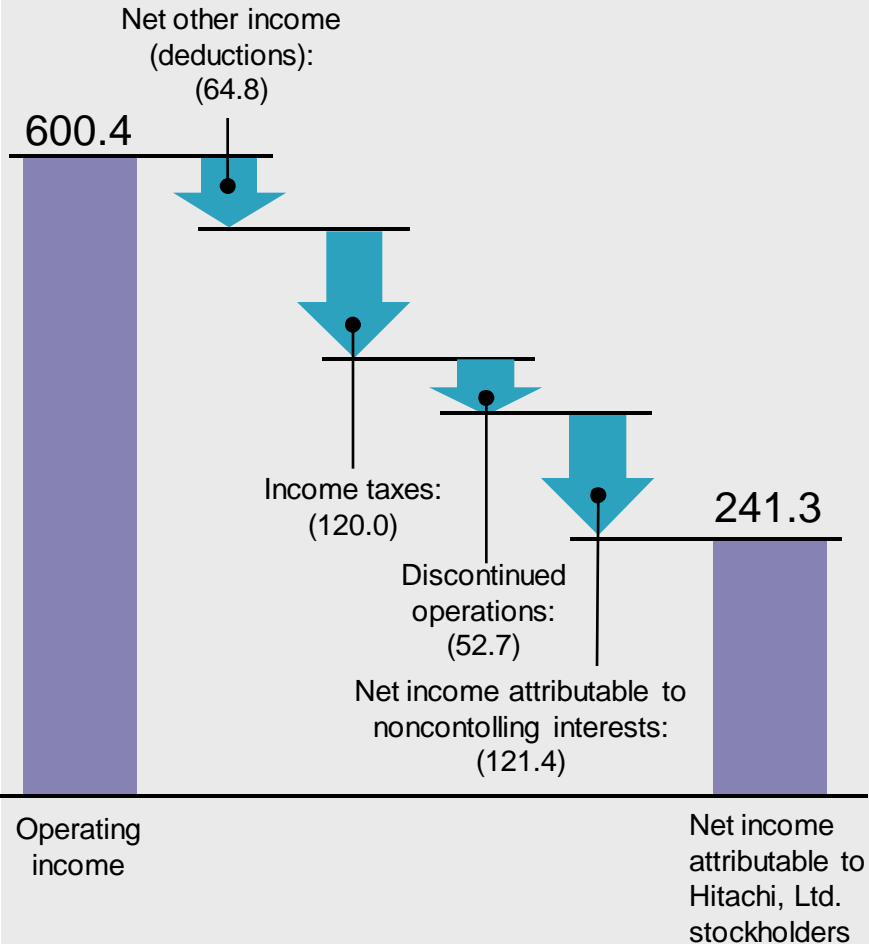
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*2 This column refers to an "Adjusted Operating Income" presented as revenues less cost of sales as well as selling, general and administrative expenses.

3-3. Factors of Net Income Attributable to Hitachi, Ltd. Stockholders (US-GAAP)

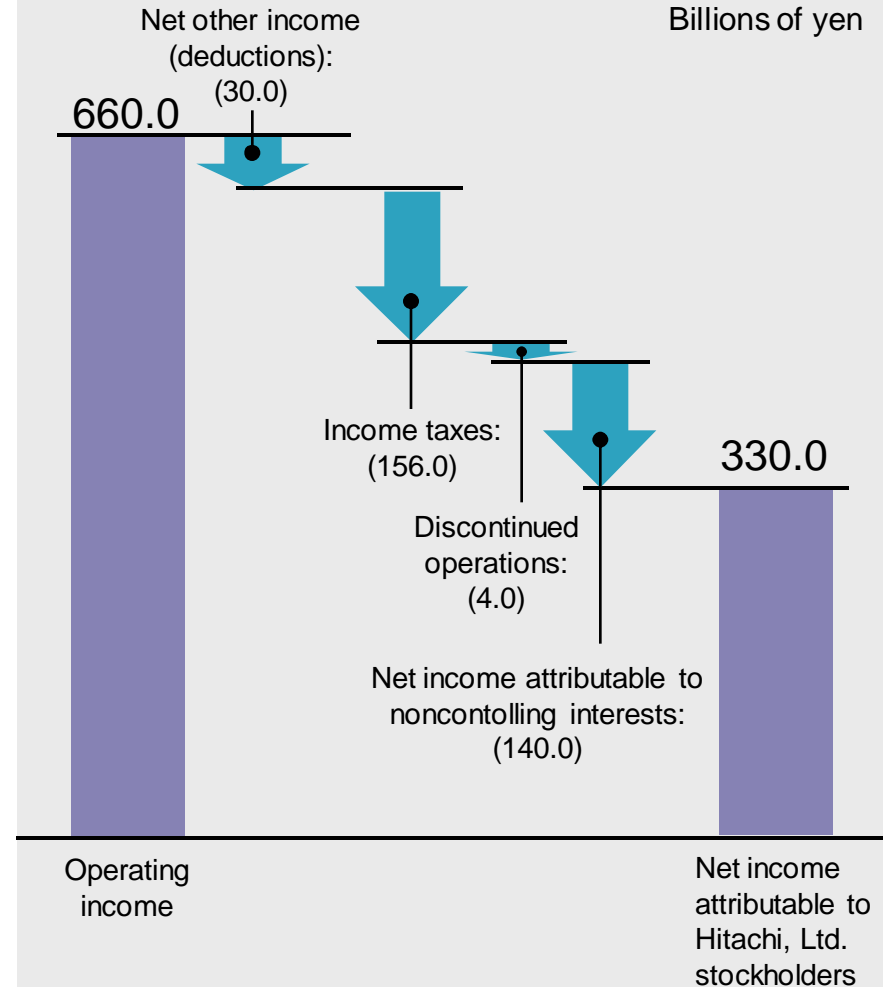
FY2014

Billions of yen



FY2015 (Forecast)

Billions of yen



3-4. Outlook for FY2015: Revenues, Operating income and EBIT by Business Group (1)*1, 2

Billions of yen

		FY2014	FY2015 (Forecast)		
		US-GAAP	US-GAAP (Reference)	Year over year	IFRS
Power & Infrastructure Systems†6	Revenues	4,031.9	3,970.0	98%	3,970.0
	Operating income	175.9	217.0	+41.0	225.0
	EBIT	191.0	230.0	+38.9	237.0
Information & Telecommunication Systems	Revenues	2,698.8	2,780.0	103%	2,790.0
	Operating income	137.9	162.0	+24.0	185.0
	EBIT	116.3	158.0	+41.6	170.0
Construction Machinery	Revenues	779.9	760.0	97%	800.0
	Operating income	54.7	45.0	(9.7)	50.0
	EBIT	55.6	47.0	(8.6)	49.0

*1 Figures here represent unaudited information prepared by the Company

*2 "Operating income" is presented as "Adjusted operating income" in IFRS
(an "Adjusted Operating Income" presented as revenues less cost of sales as well as selling, general and administrative expenses)

†6 See notes concerning individual business groups and business segments (page 38)

3-5. Outlook for FY2015: Revenues, Operating income and EBIT by Business Group (2)*1, 2

Billions of yen

		FY2014	FY2015 (Forecast)		
		US-GAAP	US-GAAP (Reference)	Year over year	IFRS
High Functional Materials & Components	Revenues	1,504.5	1,640.0	109%	1,670.0
	Operating income	123.0	144.0	+20.9	146.0
	EBIT	129.2	162.0	+32.7	164.0
Automotive Systems	Revenues	936.9	1,000.0	107%	1,000.0
	Operating income	56.1	70.0	+13.8	68.0
	EBIT	34.9	70.0	+35.0	70.0
Financial Services	Revenues	355.5	370.0	104%	370.0
	Operating income	38.0	40.0	+1.9	41.0
	EBIT	36.2	41.0	+4.7	42.0
Total	Revenues	9,761.9	9,900.0	101%	9,950.0
	Operating income	600.4	660.0	+59.5	680.0
	EBIT	551.0	650.0	+98.9	620.0

*1 Figures here represent unaudited information prepared by the Company

*2 "Operating income" is presented as "Adjusted operating income" in IFRS

(an "Adjusted Operating Income" presented as revenues less cost of sales as well as selling, general and administrative expenses)

3-6. Outlook for FY2015: Revenues, Operating income and EBIT by Business Segment (1)*

Billions of yen

		FY2014	FY2015 (Forecast)		
		US-GAAP	US-GAAP (Reference)	Year over year	IFRS
Information & Telecommunication Systems	Revenues	2,032.1	2,100.0	103%	2,100.0
	Operating income	116.2	140.0	+23.7	158.0
	EBIT	93.6	132.0	+38.3	144.0
Social Infrastructure & Industrial Systems†7	Revenues	2,119.5	2,140.0	101%	2,140.0
	Operating income	78.5	124.0	+45.4	131.0
	EBIT	98.7	133.0	+34.2	140.0
Electronic Systems & Equipment	Revenues	1,132.3	1,180.0	104%	1,180.0
	Operating income	69.4	75.0	+5.5	76.0
	EBIT	59.9	75.0	+15.0	75.0
Construction Machinery	Revenues	779.9	760.0	97%	800.0
	Operating income	54.7	45.0	(9.7)	50.0
	EBIT	55.6	47.0	(8.6)	49.0
High Functional Materials & Components	Revenues	1,504.5	1,640.0	109%	1,670.0
	Operating income	123.0	144.0	+20.9	146.0
	EBIT	129.2	162.0	+32.7	164.0

* "Operating income" is presented as "Adjusted operating income" in IFRS
(an "Adjusted Operating Income" presented as revenues less cost of sales as well as selling, general and administrative expenses)

†7 See notes concerning individual business groups and business segments (page 38)

3-7. Outlook for FY2015: Revenues, Operating income and EBIT by Business Segment (2)*

Billions of yen

		FY2014	FY2015 (Forecast)		
		US-GAAP	US-GAAP (Reference)	Year over year	IFRS
Automotive Systems	Revenues	936.9	1,000.0	107%	1,000.0
	Operating income	56.1	70.0	+13.8	68.0
	EBIT	34.9	70.0	+35.0	70.0
Smart Life & Ecofriendly Systems	Revenues	780.1	650.0	83%	650.0
	Operating income	27.9	18.0	(9.9)	18.0
	EBIT	32.1	22.0	(10.1)	22.0
Others (Logistics and Other services)	Revenues	1,210.7	1,210.0	100%	1,220.0
	Operating income	40.4	35.0	(5.4)	43.0
	EBIT	51.3	39.0	(12.3)	42.0
Financial Services	Revenues	355.5	370.0	104%	370.0
	Operating income	38.0	40.0	+1.9	41.0
	EBIT	36.2	41.0	+4.7	42.0
Corporate items & Eliminations	Revenues	(1,089.9)	(1,150.0)	-	(1,180.0)
	Operating income	(4.1)	(31.0)	(26.8)	(51.0)
	EBIT	(40.8)	(71.0)	(30.1)	(128.0)
Total	Revenues	9,761.9	9,900.0	101%	9,950.0
	Operating income	600.4	660.0	+59.5	680.0
	EBIT	551.0	650.0	+98.9	620.0

* "Operating income" is presented as "Adjusted operating income" in IFRS
(an "Adjusted Operating Income" presented as revenues less cost of sales as well as selling, general and administrative expenses)

4. Overview by Business Segment

■ Business Results and Forecasts*

Billions of yen

	FY2014	FY2015 (Forecast)		
	US-GAAP	US-GAAP (Reference)	Year over year	IFRS
Revenues	2,032.1	2,100.0	103%	2,100.0
Operating income	116.2	140.0	+23.7	158.0
EBIT	93.6	132.0	+38.3	144.0

■ Operation Overview*

- Revenues :

Projecting higher revenues, mainly as a result of solid performance in the system solutions business centered on financial systems, expansion of services business globally, and foreign exchange movements, etc.

- Operating income, EBIT :

Forecasting higher profit, mainly due to an increase in higher revenues, progress in cost structure reforms, and a decline in expenses related to business structure reforms

* "Operating income" is presented as "Adjusted operating income" in IFRS
(an "Adjusted Operating Income" presented as revenues less cost of sales as well as selling, general and administrative expenses)

■ Business Results and Forecasts*

Billions of yen

	FY2014	FY2015 (Forecast)		
	US-GAAP	US-GAAP (Reference)	Year over year	IFRS
Revenues	2,119.5	2,140.0	101%	2,140.0
Operating income	78.5	124.0	+45.4	131.0
EBIT	98.7	133.0	+34.2	140.0

■ Operation Overview*

- Revenues :

Expecting revenues to increase, mainly as a result of the rail systems business in the U.K. and continued strong performance in the elevators and escalators business in China and in the industrial equipment business

- Operating income, EBIT :

Forecasting higher profit, mainly due to higher revenues and progress with business structure reforms in the power systems business

* "Operating income" is presented as "Adjusted operating income" in IFRS
 (an "Adjusted Operating Income" presented as revenues less cost of sales as well as selling, general and administrative expenses)

†7 See notes concerning individual business groups and business segments (page 38)

■ Business Results and Forecasts*

Billions of yen

	FY2014	FY2015 (Forecast)		
	US-GAAP	US-GAAP (Reference)	Year over year	IFRS
Revenues	1,132.3	1,180.0	104%	1,180.0
Operating income	69.4	75.0	+5.5	76.0
EBIT	59.9	75.0	+15.0	75.0

■ Operation Overview*

- Revenues :

Forecasting higher revenues, mainly due to the Science & Medical Systems business at Hitachi High-Technologies and continued strong performance in the healthcare business

- Operating income, EBIT :

Forecasting higher profit, mainly due to higher revenues and progress with business structure reforms

* "Operating income" is presented as "Adjusted operating income" in IFRS
 (an "Adjusted Operating Income" presented as revenues less cost of sales as well as selling, general and administrative expenses)

■ Business Results and Forecasts*

Billions of yen

	FY2014	FY2015 (Forecast)		
	US-GAAP	US-GAAP (Reference)	Year over year	IFRS
Revenues	779.9	760.0	97%	800.0
Operating income	54.7	45.0	(9.7)	50.0
EBIT	55.6	47.0	(8.6)	49.0

■ Operation Overview*

- Revenues :

Forecasting lower revenues on a substantial decline in demand projected in China, although demand is expected to remain strong in North America

- Operating income, EBIT :

Forecasting lower profit in line with projected lower revenues

* "Operating income" is presented as "Adjusted operating income" in IFRS
 (an "Adjusted Operating Income" presented as revenues less cost of sales as well as selling, general and administrative expenses)

■ Business Results and Forecasts*

Billions of yen

	FY2014	FY2015 (Forecast)		
	US-GAAP	US-GAAP (Reference)	Year over year	IFRS
Revenues	1,504.5	1,640.0	109%	1,670.0
Operating income	123.0	144.0	+20.9	146.0
EBIT	129.2	162.0	+32.7	164.0

■ Operation Overview*

- Revenues :

Forecasting an increase in revenues due to solid growth mainly due to the acquisition of Waupaca Foundry Holdings, Inc., a major U.S. iron casting company, and in automotive-related products and electronics-related products

- Operating income, EBIT :

Projecting higher profit due to an increase in revenues, cost reductions and continued progress with business structure reforms

* "Operating income" is presented as "Adjusted operating income" in IFRS
(an "Adjusted Operating Income" presented as revenues less cost of sales as well as selling, general and administrative expenses)

■ Business Results and Forecasts*

Billions of yen

	FY2014	FY2015 (Forecast)		
	US-GAAP	US-GAAP (Reference)	Year over year	IFRS
Revenues	936.9	1,000.0	107%	1,000.0
Operating income	56.1	70.0	+13.8	68.0
EBIT	34.9	70.0	+35.0	70.0

■ Operation Overview*

- Revenues :

Forecasting higher revenues as a result of strong business performance overseas, particularly in North America where automobile sales are strong

- Operating income, EBIT :

Forecasting an increase in profit due to higher revenues and lower expenses related to the competition act and other laws recorded in the previous fiscal year

* "Operating income" is presented as " Adjusted operating income" in IFRS
 (an "Adjusted Operating Income" presented as revenues less cost of sales as well as selling, general and administrative expenses)

■ Business Results and Forecasts*

Billions of yen

	FY2014	FY2015 (Forecast)		
	US-GAAP	US-GAAP (Reference)	Year over year	IFRS
Revenues	780.1	650.0	83%	650.0
Operating income	27.9	18.0	(9.9)	18.0
EBIT	32.1	22.0	(10.1)	22.0

■ Operation Overview*

- Revenues :

Forecasting lower revenues due to the establishment of a joint venture with Johnson Controls, Inc. in the air conditioning system business, despite strong performance in the home appliance business in Japan and overseas

- Operating income, EBIT :

Forecasting lower profit as a consequence of business reorganization, despite increased profit in the home appliance business

* "Operating income" is presented as "Adjusted operating income" in IFRS
 (an "Adjusted Operating Income" presented as revenues less cost of sales as well as selling, general and administrative expenses)

Business Group*	Segment and Subsidiary
Power & Infrastructure Systems Group ^{†6}	Social Infrastructure & Industrial Systems segment ^{†7} , Electronic Systems & Equipment segment, Smart Life & Ecofriendly Systems segment
Information & Telecommunication Systems Group	Information & Telecommunication Systems Segment, Hitachi Transport System
Power Systems Group	Power Systems Segment
Construction Machinery Group	Construction Machinery Segment
High Functional Materials & Components Group	High Functional Materials & Components segment
Automotive Systems Group	Automotive Systems Segment
Financial Services	Financial Services Segment

* Some businesses are not included in the table above.

†6, 7 See notes concerning individual business groups and business segments (page 38)

- †1 Effective on April 1, 2014, Hitachi Information & Control Solutions and Ibaraki Hitachi Information Service (both companies merged and changed its corporate name to Hitachi Industry & Control Solutions on April 1, 2014), which were previously included in the “Information & Telecommunication Systems”, have been included in the “Infrastructure Systems”. Figures for each group, including figures for the previous fiscal year, reflect the changed segmentation.
- †2 Effective on April 1, 2014, Hitachi-LG Data Storage, Hitachi Consumer Electronics and Hitachi Media Electronics, which were previously included in the “Infrastructure Systems”, have not been included in the group. Figures for each group, including figures for the previous fiscal year, reflect the changed segmentation.
- †3 Effective on April 1, 2014, Hitachi Maxell, which were previously included in the “High Functional Materials & Components”, has not been included in the group. Figures for each group, including figures for the previous fiscal year, reflect the changed segmentation.
- †4 Effective on April 1, 2014, Hitachi Information & Control Solutions and Ibaraki Hitachi Information Service (both companies merged and changed its corporate name to Hitachi Industry & Control Solutions on April 1, 2014), which were previously included in the “Information & Telecommunication Systems”, have been included in the “Social Infrastructure & Industrial Systems”. Figures for each segment, including figures for the previous fiscal year, reflect the changed segmentation.
- †5 Effective on April 1, 2014, Hitachi-LG Data Storage, Hitachi Consumer Electronics and Hitachi Media Electronics, which were previously included in the “Digital Media & Consumer Products”, have been included in “Others (Logistics and Other services)”. The “Digital Media & Consumer Products” has been renamed to the “Smart Life & Ecofriendly Systems” based on these changes, and Hitachi Appliances and Hitachi Consumer Marketing have been included in this segment. Figures for each segment, including figures for the previous fiscal year, reflect the changed segmentation.
- †6 Effective on April 1, 2015, “Power Systems” merged with “Infrastructure Systems” and changed its name to “Power & Infrastructure Systems”. Forecasts for fiscal 2015 show the new group classifications, and figures for fiscal 2014 using the new group classifications are also shown for reference.
- †7 Effective on April 1, 2015, “Power Systems” have been included in “Social Infrastructure & Industrial Systems”. Forecasts for fiscal 2015 show the new group classifications, and figures for fiscal 2014 using the new group classifications are also shown for reference.

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

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

- economic conditions, including consumer spending and plant and equipment investment in Hitachi’s major markets, particularly Japan, Asia, the United States and Europe, as well as levels of demand in the major industrial sectors Hitachi serves, including, without limitation, the information, electronics, automotive, construction and financial sectors;
- exchange rate fluctuations of the yen against other currencies in which Hitachi makes significant sales or in which Hitachi’s assets and liabilities are denominated, particularly against the U.S. dollar and the euro;
- uncertainty as to Hitachi’s ability to access, or access on favorable terms, liquidity or long-term financing;
- uncertainty as to general market price levels for equity securities, declines in which may require Hitachi to write down equity securities that it holds;
- uncertainty as to Hitachi’s ability to continue to develop and market products that incorporate new technologies on a timely and cost-effective basis and to achieve market acceptance for such products;
- rapid technological innovation;
- the possibility of cost fluctuations during the lifetime of, or cancellation of, long-term contracts for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- fluctuations in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum, synthetic resins, rare metals and rare-earth minerals, or shortages of materials, parts and components;
- fluctuations in product demand and industry capacity;
- uncertainty as to Hitachi’s ability to implement measures to reduce the potential negative impact of fluctuations in product demand, exchange rates and/or price of raw materials or shortages of materials, parts and components;
- increased commoditization of and intensifying price competition for products;
- uncertainty as to Hitachi’s ability to achieve the anticipated benefits of its strategy to strengthen its Social Innovation Business;
- uncertainty as to the success of acquisitions of other companies, joint ventures and strategic alliances and the possibility of incurring related expenses;
- uncertainty as to the success of restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness;
- uncertainty as to the success of cost reduction measures;
- general socioeconomic and political conditions and the regulatory and trade environment of countries where Hitachi conducts business, particularly Japan, Asia, the United States and Europe, including, without limitation, direct or indirect restrictions by other nations on imports and differences in commercial and business customs including, without limitation, contract terms and conditions and labor relations;
- uncertainty as to the success of alliances upon which Hitachi depends, some of which Hitachi may not control, with other corporations in the design and development of certain key products;
- uncertainty as to Hitachi’s access to, or ability to protect, certain intellectual property rights, particularly those related to electronics and data processing technologies;
- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity-method affiliates have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- the potential for significant losses on Hitachi’s investments in equity-method affiliates;
- the possibility of disruption of Hitachi’s operations by natural disasters such as earthquakes and tsunamis, the spread of infectious diseases, and geopolitical and social instability such as terrorism and conflict;
- uncertainty as to Hitachi’s ability to maintain the integrity of its information systems, as well as Hitachi’s ability to protect its confidential information or that of its customers;
- uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its significant employee benefit-related costs; and
- uncertainty as to Hitachi’s ability to attract and retain skilled personnel.

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

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