

**FOR IMMEDIATE RELEASE**

**Hitachi Announces Consolidated Financial Results  
for the First Quarter ended June 30, 2016**

**Tokyo, July 29, 2016** --- Hitachi, Ltd. (TSE:6501) today announced its consolidated financial results for the first quarter of fiscal 2016, ended June 30, 2016.

Note: All figures were converted at the rate of 103 yen to the U.S. dollar, the approximate exchange rate on the Tokyo Foreign Exchange Market as of June 30, 2016.

## **Summary**

In billions of yen and U.S. dollars, except Earnings per share attributable to Hitachi, Ltd. stockholders (7).

	Three months ended June 30			
	Yen (billions)		(B)/(A) (%)	U.S. Dollars (billions)
	2015(A)	2016(B)		2016
1. Revenues	2,314.0	2,130.4	92	20.7
2. Adjusted operating income	115.3	91.4	79	0.9
3. EBIT (Earnings before interest and taxes)	146.4	112.4	77	1.1
4. Income from continuing operations, before income taxes	142.6	109.7	77	1.1
5. Net income	95.0	76.8	81	0.7
6. Net income attributable to Hitachi, Ltd. stockholders	54.9	56.4	103	0.5
7. Earnings per share attributable to Hitachi, Ltd. stockholders	(Yen)	(Yen)		(U.S.Dollars)
Basic	11.38	11.69	103	0.11
Diluted	11.36	11.69	103	0.11

Notes: 1. The Company's consolidated financial statements are prepared based on IFRS.

2. "Adjusted operating income" is presented as revenues less cost of sales as well as selling, general and administrative expenses.
3. "EBIT" is presented as income from continuing operations, before income taxes less interest income plus interest charges.
4. The figures are for 940 consolidated subsidiaries and 357 equity-method associates and joint ventures. Consolidated trust accounts are not included into the figures of consolidated subsidiaries.
5. A part of the thermal power generation systems business is classified as discontinued operations in accordance with the provision of IFRS 5, "Non-current Assets Held for Sale and 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 operations are reported separately from continuing operations.

**1. Qualitative Information Concerning Consolidated Business Results**  
**(1) Summary of Fiscal 2016 First-Quarter Consolidated Business Results**

	Three months ended June 30, 2016		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Revenues	2,130.4	(8%)	20,684
Adjusted operating income	91.4	(23.9)	888
EBIT	112.4	(33.9)	1,092
Income from continuing operations, before income taxes	109.7	(32.9)	1,066
Income from continuing operations	76.3	(20.2)	741
Income from discontinued operations	0.4	+2.0	4
Net income	76.8	(18.2)	746
Net income attributable to Hitachi, Ltd. stockholders	56.4	+1.4	548

During the first quarter of fiscal 2016, the year ending March 31, 2017, the global economy remained largely flat, reflecting the instability of financial and foreign exchange markets, fueled by growing concerns over the UK's departure from the EU, and the continued economic slowdown in China and emerging markets, despite improvement in the employment situation and continued recovery of consumer spending in the U.S. Meanwhile, the Japanese economy remained standstill, due to the appreciation of the yen that began at the end of 2015 and other factors.

Hitachi's consolidated revenues for the first quarter declined 8% year over year, to 2,130.4 billion yen. The decline resulted mainly from group-wide decrease in yen-based revenues of overseas subsidiaries after currency translation along with the appreciation of the yen, and smaller year-over-year revenues in the Others Segment, in which Hitachi Transport System, Ltd. was converted to an equity-method associate in May 2016, and in the Smart Life & Ecofriendly Systems Segment, in which the air-conditioning business was reorganized by establishing a joint venture with Johnson Controls Inc. in October 2015. This was despite significant increase in revenues in the Social Infrastructure & Industrial Systems Segment, in which Hitachi acquired AnsaldoBreda S.p.A. (currently renamed as Hitachi Rail Italy S.p.A.) and Ansaldo STS S.p.A. in November 2015.

Adjusted operating income decreased 23.9 billion yen year over year, to 91.4 billion yen, due to a negative impact of foreign currency translation for overseas subsidiaries, and the reorganization of air-conditioning business and Hitachi Transport System.

EBIT decreased 33.9 billion yen year over year, to 112.4 billion yen. This decrease was mainly due to the decline in adjusted operating income, the absence of gains associated

with the sale of its equity interest in Hitachi Tool Engineering, Ltd. by Hitachi Metals, Ltd. which was recorded in the High Functional Materials & Components Segment in the same period last year, and recognizing exchange loss, although gains on the sale of equity interest of Hitachi Transport System were posted.

Income from continuing operations, before income taxes decreased 32.9 billion yen year over year, to 109.7 billion yen. After deducting income taxes of 33.3 billion yen, Hitachi recorded income from continuing operations of 76.3 billion yen, down 20.2 billion yen year over year. After adding income from discontinued operations of 0.4 billion yen, net income decreased 18.2 billion yen year over year, to 76.8 billion yen. After deducting net income attributable to non-controlling interests of 20.3 billion yen, Hitachi recorded net income attributable to Hitachi, Ltd. stockholders of 56.4 billion yen, an increase of 1.4 billion yen year over year.

## **(2) Revenues, Adjusted Operating Income and EBIT by Segment**

Results by segment were as follows:

### **[Information & Telecommunication Systems]**

	Three months ended June 30, 2016		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Revenues	435.0	(4%)	4,224
Adjusted operating income	12.2	+3.2	119
EBIT	0.7	(7.6)	7

Segment revenues were 435.0 billion yen, a decrease of 4% year over year, reflecting the negative impact of foreign currency translation for overseas subsidiaries, and decreased revenues from ATMs for overseas markets, and public systems in which large contracts were recorded in the first quarter of fiscal 2015.

Adjusted operating income was 12.2 billion yen, an increase of 3.2 billion yen year over year, due to the effect of structural reform centered on the telecommunications & network business.

EBIT decreased 7.6 billion yen year over year to 0.7 billion yen due to the recognition of structural reform expenses, including impairment loss on fixed assets mainly in the telecommunications & network business, and recognizing exchange loss, despite the increase in adjusted operating income.

**[Social Infrastructure & Industrial Systems]**

	Three months ended June 30, 2016		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Revenues	483.0	11%	4,690
Adjusted operating income	4.3	(6.2)	42
EBIT	(6.1)	(14.7)	(60)

Segment revenues were 483.0 billion yen, up 11% year over year. The increase was due mainly to substantial revenue growth in the rail systems business due to the acquisition of AnsaldoBreda and Ansaldo STS, despite the negative impact of foreign currency translation for overseas subsidiaries.

Adjusted operating income was 4.3 billion yen, a decrease of 6.2 billion yen year over year, mainly due to the impact of foreign currency translation for overseas subsidiaries.

EBIT deteriorated 14.7 billion yen year over year, resulting in a loss of 6.1 billion yen. The deterioration is chiefly due to a decrease in adjusted operating income and recognizing exchange loss.

**[Electronic Systems & Equipment]**

	Three months ended June 30, 2016		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Revenues	255.9	(1%)	2,485
Adjusted operating income	13.6	(2.1)	132
EBIT	11.5	(5.7)	112

Segment revenues were 255.9 billion yen, down 1% year over year. The decline was due to lower revenue at Hitachi Kokusai Electric Inc., reflecting the end of a phase of aggressive capital investment by semiconductor manufacturers, despite increased revenues at Hitachi Koki Co., Ltd. due to the acquisition of Germany-based Metabo AG.

Adjusted operating income was 13.6 billion yen, a decrease of 2.1 billion yen year over year. This decrease mainly reflected lower earnings at Hitachi Kokusai Electric Inc., which experienced lower revenue, despite higher earnings at Hitachi High-Technologies Corporation which recorded firm sales of clinical analyzers.

EBIT decreased 5.7 billion yen year over year to 11.5 billion yen. This decrease was due mainly to decrease in adjusted operating income and recognizing exchange loss.

**[Construction Machinery]**

	Three months ended June 30, 2016		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Revenues	161.3	(9%)	1,566
Adjusted operating income	2.1	(2.8)	21
EBIT	1.4	(3.8)	14

Segment revenues decreased 9% year over year to 161.3 billion yen, mainly reflecting the impact of weaker local currencies in Asia and Africa and continued sluggish market conditions in Asia, including China, as well as the Americas.

Adjusted operating income was 2.1 billion yen, a decrease of 2.8 billion yen year over year, as a result of lower revenues.

EBIT was 1.4 billion yen, a year over year decrease of 3.8 billion yen, reflecting the decline in adjusted operating income and recognizing exchange loss.

**[High Functional Materials & Components]**

	Three months ended June 30, 2016		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Revenues	351.4	(13%)	3,412
Adjusted operating income	27.5	(3.7)	268
EBIT	23.3	(38.9)	227

Segment revenues decreased 13% year over year to 351.4 billion yen. This result mainly reflected a fall in the revenues both of Hitachi Metals and Hitachi Chemical Co., Ltd. due to the negative impact of foreign currency translation for overseas subsidiaries and reduced sales of electronics- and automotive-related products.

Adjusted operating income decreased 3.7 billion yen year over year to 27.5 billion yen due to the negative impact of foreign currency translation for overseas subsidiaries.

EBIT was 23.3 billion yen, down 38.9 billion yen year over year, due mainly to a decrease in adjusted operating income, the absence of gains recognized in the same period last year on the sale of equity interest in Hitachi Tool Engineering by Hitachi Metals, and recognizing exchange loss.

**[Automotive Systems]**

	Three months ended June 30, 2016		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Revenues	232.9	(3%)	2,261
Adjusted operating income	7.3	(3.5)	71
EBIT	7.8	(3.8)	76

Segment revenues were 232.9 billion yen, down 3% year over year due to decrease in domestic sales and the negative impact of foreign currency translation, despite sales growth especially in North America and China, where demand for automobiles was firm.

Adjusted operating income was 7.3 billion yen, down 3.5 billion yen year over year due mainly to higher R&D expenses related to Advanced Driver Assistance Systems in addition to lower income along with decreased domestic sales.

EBIT was 7.8 billion yen, down 3.8 billion yen year over year as a result of the decline in adjusted operating income.

**[Smart Life & Ecofriendly Systems]**

	Three months ended June 30, 2016		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Revenues	139.8	(31%)	1,358
Adjusted operating income	0.6	(6.5)	7
EBIT	3.3	(5.0)	33

Segment revenues decreased 31% year over year to 139.8 billion yen. This decrease mainly reflects the impact of the reorganization of the air-conditioning business.

Adjusted operating income was 0.6 billion yen, down 6.5 billion yen year over year, due to the impact of the reorganization of the air-conditioning business.

EBIT decreased 5.0 billion yen year over year to 3.3 billion yen, mainly as a result of the decline in adjusted operating income.

**[Others]**

	Three months ended June 30, 2016		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Revenues	213.1	(30%)	2,069
Adjusted operating income	7.0	(3.8)	68
EBIT	4.8	(7.4)	47

Segment revenues were 213.1 billion yen, down 30% year over year, due mainly to the conversion of Hitachi Transport System to an equity-method associate.

Adjusted operating income was 7.0 billion yen, a decrease of 3.8 billion yen year over year, reflecting the decreased revenues.

EBIT decreased 7.4 billion yen year over year to 4.8 billion yen, mainly due to a decline in adjusted operating income.

Note: From FY2016, the "Others (Logistics and Other Services)" has been renamed to the "Others".



**[Financial Services]**

	Three months ended June 30, 2016		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Revenues	89.2	(2%)	867
Adjusted operating income	10.7	(1.3)	104
EBIT	11.2	(1.4)	109

Segment revenues decreased 2% year over year, to 89.2 billion yen. This result was because overall overseas revenues decreased due to foreign currency translation, despite the strong performance of business in the Americas.

Adjusted operating income decreased 1.3 billion yen year over year to 10.7 billion yen due to lower revenues.

EBIT decreased 1.4 billion yen year over year to 11.2 billion yen due to a decline in adjusted operating income.

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**(3) Revenues by Market**

	Three months ended June 30, 2016		
	Yen (billions)	Year over year change	U.S. Dollars (millions)
Japan	1,047.0	(6%)	10,166
Outside Japan	1,083.4	(9%)	10,519
Asia	436.7	(21%)	4,240
North America	290.8	(10%)	2,824
Europe	259.0	25%	2,515
Other Areas	96.7	(13%)	940

Revenues in Japan were 1,047.0 billion yen, down 6% year over year. This was mainly due to a significant fall in revenues in the Others Segment as a result of converting Hitachi Transport System to an equity-method associate.

Overseas revenues decreased 9% year over year, to 1,083.4 billion yen. While revenues increased significantly in the Social Infrastructure & Industrial Systems Segment due to the acquisition of AnsaldoBreda and Ansaldo STS, revenues decreased in the Others Segment as a result of converting Hitachi Transport System to an equity-method associate, the Smart Life & Ecofriendly Systems Segment, in which the air-conditioning business was reorganized, and the Information & Telecommunication Systems Segment and the High Functional Materials & Components Segment, which were negatively affected by foreign currency translation.

As a result, the ratio of overseas revenues to consolidated revenues was 51%, 1 point lower than the same period last year.

**(4) Capital Expenditures, Depreciation and R&D Expenditures**

	Three months ended June 30, 2016		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Capital expenditures [Manufacturing, Services and Others]	65.8	(17.4)	639
Depreciation [Manufacturing, Services and Others]	67.4	(3.5)	655
R&D expenditures	76.4	(1.7)	743

Capital expenditures in Manufacturing, Services and Others were 65.8 billion yen, down 17.4 billion yen year over year, mainly due to decreases in investments made by the Others Segment, owing to converting Hitachi Transport System to an equity-method associate, the Information & Telecommunication Systems Segment, which promoted the careful selection of investment projects, and the Smart Life & Ecofriendly Systems Segment, in which the air-conditioning business was reorganized, despite an increase in investments by the Social Infrastructure & Industrial Systems Segment due to acquisition of AnsaldoBreda and Ansaldo STS.

Depreciation in Manufacturing, Services and Others decreased 3.5 billion yen year over year, to 67.4 billion yen.

Capital expenditures including Financial Services were 95.7 billion yen, while depreciation was 85.9 billion yen.

R&D expenditures were 76.4 billion yen, down 1.7 billion yen year over year. This result mainly reflects the careful selection of development projects in the Information & Telecommunication Systems Segment as part of structural reforms, despite the aggressive promotion of R&D related to the Advanced Driver Assistance System in the Automotive Systems Segment.

## 2. Financial Position

### (1) Financial Position

	As of June 30, 2016		
	Yen (billions)	Change from March 31, 2016 (billion yen)	U.S. Dollars (millions)
Total assets	11,658.4	(892.5)	113,189
Total liabilities	7,836.9	(588.4)	76,087
Interest-bearing debt	3,494.2	(110.2)	33,925
Total Hitachi, Ltd. stockholders' equity	2,596.4	(138.6)	25,208
Non-controlling interests	1,225.0	(165.4)	11,894
Total Hitachi, Ltd. stockholders' equity ratio	22.3%	0.5 points increase	-
D/E ratio (including non-controlling interests)	0.91 times	0.04 points increase	-

### [Manufacturing, Services and Others]

	As of June 30, 2016		
	Yen (billions)	Change from March 31, 2016 (billion yen)	U.S. Dollars (millions)
Total assets	8,989.5	(928.3)	87,277
Total liabilities	5,497.0	(636.4)	53,370
Interest-bearing debt	1,331.9	(183.0)	12,932
Total Hitachi, Ltd. stockholders' equity	2,409.4	(131.4)	23,392
Non-controlling interests	1,083.0	(160.4)	10,515
Cash Conversion Cycle	61.0 days	10.6 days decrease	-
Total Hitachi, Ltd. stockholders' equity ratio	26.8%	1.2 points increase	-
D/E ratio (including non-controlling interests)	0.38 times	0.02 points decrease	-

Total assets in Manufacturing, Services and Others as of June 30, 2016 decreased 928.3 billion yen from March 31, 2016, to 8,989.5 billion yen. This mainly reflected the impact of the appreciation of the yen, converting Hitachi Transport System to an equity-method associate, as well as progress in the collection of trade receivables recorded as of March 31, 2016. Interest-bearing debt in Manufacturing, Services and Others decreased 183.0 billion yen from March 31, 2016, to 1,331.9 billion yen. As of June 30, 2016, the total Hitachi, Ltd. stockholders' equity in Manufacturing, Services and Others decreased 131.4 billion yen from March 31, 2016, to 2,409.4 billion yen, mainly due to a decrease in accumulated other comprehensive income associated

with the foreign exchange fluctuation. As a result, the total Hitachi, Ltd. stockholders' equity ratio in Manufacturing, Services and Others was 26.8% and the debt-to-equity ratio, including non-controlling interests, was 0.38 times.

**[Financial Services]**

	As of June 30, 2016		
	Yen (billions)	Change from March 31, 2016 (billion yen)	U.S. Dollars (millions)
Total assets	3,031.6	(59.7)	29,434
Total liabilities	2,697.1	(47.2)	26,186
Interest-bearing debt	2,351.2	+11.7	22,828
Total Hitachi, Ltd. stockholders' equity	193.9	(7.4)	1,883
Non-controlling interests	140.5	(5.1)	1,365
Total Hitachi, Ltd. stockholders' equity ratio	6.4%	0.1 points decrease	-
D/E ratio (including non-controlling interests)	7.03 times	0.29 points increase	-

Total assets in Financial Services as of June 30, 2016 decreased 59.7 billion yen from March 31, 2016, to 3,031.6 billion yen. This mainly reflected the impact of the appreciation of the yen. Interest-bearing debt in Financial Services increased 11.7 billion yen from March 31, 2016, to 2,351.2 billion yen, mainly due to an increase in demand for funds in line with business expansion. The total Hitachi, Ltd. stockholders' equity in Financial Services decreased 7.4 billion yen from March 31, 2016, to 193.9 billion yen. As a result, the total Hitachi, Ltd. stockholders' equity ratio in Financial Services was 6.4% and the debt-to-equity ratio, including non-controlling interests, was 7.03 times.

Accordingly, consolidated total assets as of June 30, 2016 decreased 892.5 billion yen from March 31, 2016 to 11,658.4 billion yen. Interest-bearing debt decreased 110.2 billion yen to 3,494.2 billion yen, and total Hitachi, Ltd. stockholders' equity decreased 138.6 billion yen from March 31, 2016, to 2,596.4 billion yen. As a result, total Hitachi, Ltd. stockholders' equity ratio was 22.3%, up 0.5 points from March 31, 2016. The debt-to-equity ratio, including non-controlling interests, increased 0.04 points from March 31, 2016 to 0.91 times.

## (2) Cash Flows

	Three months ended June 30, 2016		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Cash flows from operating activities	84.9	(20.4)	825
Cash flows from investing activities	(81.4)	+52.5	(790)
Free cash flows	3.5	+32.1	35
Cash flows from financing activities	34.3	+26.9	334

## Cash Flows [Manufacturing, Services and Others]

	Three months ended June 30, 2016		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Cash flows from operating activities	132.3	(27.7)	1,285
Cash flows from investing activities	(19.0)	+108.5	(185)
Free cash flows	113.2	+80.8	1,100
Cash flows from financing activities	(87.9)	(41.2)	(854)

Operating activities in Manufacturing, Services and Others provided net cash of 132.3 billion yen, 27.7 billion yen less than in the same period last year. This decrease mainly reflected declines in net income. Investing activities in Manufacturing, Services and Others used net cash of 19.0 billion yen, 108.5 billion yen less than in the same period last year. This decrease mainly reflected the absence of the acquisition of Pentaho Corporation in the U.S., a big data analysis software company, which was recorded in the same period last year, in addition to gains in relation to the sale of shares of Hitachi Transport System. Free cash flows in Manufacturing, Services and Others, the sum of cash flows from operating and investing activities, were positive 113.2 billion yen, an increase of 80.8 billion yen year over year. Financing activities in Manufacturing, Services and Others used net cash of 87.9 billion yen, an increase of 41.2 billion yen from the same period last year, due to repayment of corporate bonds and debts.

**[Financial Services]**

	Three months ended June 30, 2016		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Cash flows from operating activities	(46.0)	(0.1)	(447)
Cash flows from investing activities	(38.6)	(17.4)	(376)
Free cash flows	(84.7)	(17.5)	(822)
Cash flows from financing activities	92.5	(7.2)	898

Operating activities in Financial Services used net cash of 46.0 billion yen, flat from the same period last year. Investing activities in Financial Services used net cash of 38.6 billion yen, 17.4 billion yen more than in the same period last year. This mainly reflected the acquisition of the vendor financing business of CreekrIDGE Capital. LLC in the U.S. Free cash flows in Financial Services, the sum of cash flows from operating and investing activities, were negative 84.7 billion yen, a spending increase of 17.5 billion yen year over year. Financing activities in Financial Services provided net cash of 92.5 billion yen, a decrease of 7.2 billion yen year over year.

As a result, consolidated operating activities for the first quarter of fiscal 2016 provided net cash of 84.9 billion yen, 20.4 billion yen less than in the same period last year. Investing activities used net cash of 81.4 billion yen, 52.5 billion yen less than in the same period last year. Free cash flows were positive 3.5 billion yen, an improvement of 32.1 billion yen year over year. Financing activities provided net cash of 34.3 billion yen, an increase of 26.9 billion yen from the same period last year.

Cash and cash equivalents was 682.9 billion yen as of June 30, 2016, down 16.3 billion yen from the end of the previous fiscal year.

### 3. Outlook for Fiscal 2016

	Year ending March 31, 2017		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Revenues	9,000.0	(10%)	87,379
Adjusted operating income	540.0	(94.8)	5,243
EBIT	450.0	(81.0)	4,369
Income from continuing operations, before income taxes	430.0	(87.0)	4,175
Income from continuing operations	300.0	(51.8)	2,913
Loss from discontinued operations	(5.0)	+52.0	(49)
Net income	295.0	+0.2	2,864
Net income attributable to Hitachi, Ltd. stockholders	200.0	+27.8	1,942

Regarding the business environment surrounding Hitachi, although the U.S. economy continues to recover on the back of an improvement in employment levels and recovery in consumer spending, Europe is likely to enter a recessionary phase due to a slowdown in trade and investment, and the instability of financial and foreign currency markets, following the result of referendum on Brexit. In China, growth also continues to slow amid weak investment, especially in the real estate industry and the manufacturing industry, which is struggling with overcapacity. Emerging economies in Southeast Asia and other regions also continue to experience decelerating growth amid increased uncertainty in the global economy and persistently low oil and resource prices. In Japan, there are concerns of slowdown in exports due to the continuous appreciation of the yen under the volatile currency condition, although the economy is expected to recover due to the postponement of the consumption tax increase and the acceleration of economic stimulus measures.

Considering this environment, Hitachi does not change its forecast of financial result for fiscal 2016 announced on May 13, 2016 at this point.

The assumed exchange rates as of May 13, 2016 were at 110 yen to the U.S. dollar and 120 yen to the euro.



Other

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries causing changes in scope of consolidation)

None

(2) Changes in accounting policy and estimate.

None

### **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;
- 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;
- 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;
- the possibility of cost fluctuations during the lifetime of, or cancellation of, long-term contracts for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- credit conditions of Hitachi’s customers and suppliers;
- fluctuations in 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 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;
- 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;
- the potential for significant losses on Hitachi’s investments in equity-method associates and joint ventures;
- 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 cost structure overhaul;
- uncertainty as to Hitachi's ability to attract and retain skilled personnel;
- uncertainty as to Hitachi's access to, or ability to protect, certain intellectual property rights;
- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity-method associates and joint ventures have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- the 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; and
- uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its employee benefit-related costs.

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

**Condensed Quarterly Consolidated Statements of Profit or Loss**

	Three months ended June 30			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions) 2016
	2015 (A)	2016 (B)		
Revenues	2,314,023	2,130,467	92	20,684
Cost of sales	(1,711,256)	(1,584,227)	93	(15,381)
Gross profit	602,767	546,240	91	5,303
Selling, general and administrative expenses	(487,377)	(454,757)	93	(4,415)
Adjusted operating income	115,390	91,483	79	888
Other income	29,127	45,174	155	439
Other expenses	(12,387)	(11,942)	96	(116)
Financial income	9,807	3,480	35	34
Financial expenses	(11)	(13,524)	—	(131)
Share of profits (losses) of investments accounted for using the equity method	4,542	(2,200)	—	(21)
EBIT (Earnings before interest and taxes)	146,468	112,471	77	1,092
Interest income	3,007	2,545	85	25
Interest charges	(6,781)	(5,262)	78	(51)
Income from continuing operations, before income taxes	142,694	109,754	77	1,066
Income taxes	(46,057)	(33,385)	72	(324)
Income from continuing operations	96,637	76,369	79	741
Income (loss) from discontinued operations	(1,603)	433	—	4
Net income	95,034	76,802	81	746
Net income attributable to:				
Hitachi, Ltd. stockholders	54,958	56,450	103	548
Non-controlling interests	40,076	20,352	51	198

**Condensed Quarterly Consolidated Statements of Comprehensive Income**

	Three months ended June 30			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions) 2016
	2015 (A)	2016 (B)		
Net income	95,034	76,802	81	746
Other comprehensive income (OCI)				
Items not to be reclassified into net income				
Net changes in financial assets measured at fair value through OCI	8,280	(31,479)	—	(306)
Remeasurements of defined benefit plans	52	(464)	—	(5)
Share of OCI of investments accounted for using the equity method	379	(488)	—	(5)
Total items not to be reclassified into net income	8,711	(32,431)	—	(315)
Items that can be reclassified into net income				
Foreign currency translation adjustments	45,461	(181,068)	—	(1,758)
Net changes in cash flow hedges	(18,504)	10,736	—	104
Share of OCI of investments accounted for using the equity method	23,494	(25,732)	—	(250)
Total items that can be reclassified into net income	50,451	(196,064)	—	(1,904)
Other comprehensive income (OCI)	59,162	(228,495)	—	(2,218)
Comprehensive income (loss)	154,196	(151,693)	—	(1,473)
Comprehensive income (loss) attributable to:				
Hitachi, Ltd. stockholders	100,910	(109,564)	—	(1,064)
Non-controlling interests	53,286	(42,129)	—	(409)

**Condensed Quarterly Consolidated Statements of Financial Position**

	Yen (millions)		(B)-(A)	U.S. Dollars (millions)
	As of March 31, 2016 (A)	As of June 30, 2016 (B)		As of June 30, 2016
Total Assets	12,551,005	11,658,434	(892,571)	113,189
Current assets	5,872,555	5,544,144	(328,411)	53,827
Cash and cash equivalents	699,315	682,922	(16,393)	6,630
Trade receivables	2,992,770	2,561,978	(430,792)	24,874
Lease receivables	338,758	352,362	13,604	3,421
Inventories	1,299,855	1,352,518	52,663	13,131
Other current assets	541,857	594,364	52,507	5,771
Non-current assets	6,678,450	6,114,290	(564,160)	59,362
Investments accounted for using the equity method	676,960	712,069	35,109	6,913
Investments in securities and other financial assets	1,329,974	1,177,127	(152,847)	11,428
Lease receivables	727,485	730,279	2,794	7,090
Property, plant and equipment	2,500,226	2,234,767	(265,459)	21,697
Intangible assets	1,070,403	947,108	(123,295)	9,195
Other non-current assets	373,402	312,940	(60,462)	3,038
Total Liabilities and Equity	12,551,005	11,658,434	(892,571)	113,189
Total Liabilities	8,425,435	7,836,940	(588,495)	76,087
Current liabilities	4,994,216	4,636,681	(357,535)	45,016
Short-term debt	871,417	829,243	(42,174)	8,051
Current portion of long-term debt	651,518	676,517	24,999	6,568
Other financial liabilities	280,048	300,044	19,996	2,913
Trade payables	1,451,918	1,312,475	(139,443)	12,742
Other current liabilities	1,739,315	1,518,402	(220,913)	14,742
Non-current liabilities	3,431,219	3,200,259	(230,960)	31,070
Long-term debt	2,081,520	1,988,485	(93,035)	19,306
Other financial liabilities	115,155	88,737	(26,418)	862
Retirement and severance benefits	783,670	737,298	(46,372)	7,158
Other non-current liabilities	450,874	385,739	(65,135)	3,745
Total Equity	4,125,570	3,821,494	(304,076)	37,102
Hitachi, Ltd. stockholders' equity	2,735,078	2,596,434	(138,644)	25,208
Common stock	458,790	458,790	0	4,454
Capital surplus	586,790	586,702	(88)	5,696
Retained earnings	1,609,761	1,638,510	28,749	15,908
Accumulated other comprehensive income (loss)	83,543	(83,747)	(167,290)	(813)
(Foreign currency translation adjustments)	118,635	(1,045)	(119,680)	(10)
(Remeasurements of defined benefit plans)	(42,337)	(40,089)	2,248	(389)
(Net changes in financial assets measured at fair value through OCI)	147,852	113,838	(34,014)	1,105
(Net changes in cash flow hedges)	(140,607)	(156,451)	(15,844)	(1,519)
Treasury stock, at cost	(3,806)	(3,821)	(15)	(37)
Non-controlling interests	1,390,492	1,225,060	(165,432)	11,894

**Condensed Quarterly Consolidated Statements of Changes in Equity**

Yen (millions)

	Yen (millions)							
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
As of March 31, 2015	458,790	608,416	1,477,517	401,100	(3,542)	2,942,281	1,354,061	4,296,342
Reclassified into retained earnings	-	-	927	(927)	-	-	-	-
Net income	-	-	54,958	-	-	54,958	40,076	95,034
Other comprehensive income	-	-	-	45,952	-	45,952	13,210	59,162
Cash dividends	-	-	(28,971)	-	-	(28,971)	(20,800)	(49,771)
Changes in treasury stock	-	1	-	-	(79)	(78)	-	(78)
Equity transactions and other	-	(259)	-	73	-	(186)	477	291
Total changes in equity	-	(258)	26,914	45,098	(79)	71,675	32,963	104,638
As of June 30, 2015	458,790	608,158	1,504,431	446,198	(3,621)	3,013,956	1,387,024	4,400,980
As of March 31, 2016	458,790	586,790	1,609,761	83,543	(3,806)	2,735,078	1,390,492	4,125,570
Reclassified into retained earnings	-	-	1,268	(1,268)	-	-	-	-
Net income	-	-	56,450	-	-	56,450	20,352	76,802
Other comprehensive loss	-	-	-	(166,014)	-	(166,014)	(62,481)	(228,495)
Cash dividends	-	-	(28,969)	-	-	(28,969)	(20,551)	(49,520)
Changes in treasury stock	-	(3)	-	-	(15)	(18)	-	(18)
Equity transactions and other	-	(85)	-	(8)	-	(93)	(102,752)	(102,845)
Total changes in equity	-	(88)	28,749	(167,290)	(15)	(138,644)	(165,432)	(304,076)
As of June 30, 2016	458,790	586,702	1,638,510	(83,747)	(3,821)	2,596,434	1,225,060	3,821,494

U.S. Dollars (millions)

	U.S. Dollars (millions)							
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
As of March 31, 2016	4,454	5,697	15,629	811	(37)	26,554	13,500	40,054
Reclassified into retained earnings	-	-	12	(12)	-	-	-	-
Net income	-	-	548	-	-	548	198	746
Other comprehensive loss	-	-	-	(1,612)	-	(1,612)	(607)	(2,218)
Cash dividends	-	-	(281)	-	-	(281)	(200)	(481)
Changes in treasury stock	-	(0)	-	-	(0)	(0)	-	(0)
Equity transactions and other	-	(1)	-	(0)	-	(1)	(998)	(998)
Total changes in equity	-	(1)	279	(1,624)	(0)	(1,346)	(1,606)	(2,952)
As of June 30, 2016	4,454	5,696	15,908	(813)	(37)	25,208	11,894	37,102

**Condensed Quarterly Consolidated Statements of Cash Flows**

	Three months ended June 30		
	Yen (millions)		U.S. Dollars (millions)
	2015	2016	2016
Cash flows from operating activities			
Net income	95,034	76,802	746
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	121,450	116,425	1,130
Change in receivables	295,344	231,126	2,244
Change in inventories	(125,442)	(120,572)	(1,171)
Change in payables	(120,184)	(971)	(9)
Other	(160,770)	(217,819)	(2,115)
Net cash provided by (used in) operating activities	105,432	84,991	825
Cash flows from investing activities			
Purchase of property, plant and equipment	(85,339)	(82,462)	(801)
Purchase of intangible assets	(18,390)	(20,251)	(197)
Purchase of leased assets	(119,927)	(122,009)	(1,185)
Proceeds from sale of property, plant, equipment, and intangible assets	1,713	5,545	54
Proceeds from sale of leased assets	5,529	4,098	40
Collection of lease receivables	103,722	89,074	865
Proceeds from sale (purchase) of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method), net	(40,476)	47,935	465
Other	19,191	(3,331)	(32)
Net cash provided by (used in) investing activities	(133,977)	(81,401)	(790)
Free cash flows	(28,545)	3,590	35
Cash flows from financing activities			
Change in interest-bearing debt	58,719	82,928	805
Dividends paid to stockholders	(29,014)	(29,007)	(282)
Dividends paid to non-controlling interests	(21,763)	(18,301)	(178)
Other	(540)	(1,257)	(12)
Net cash provided by (used in) financing activities	7,402	34,363	334
Effect of exchange rate changes on cash and cash equivalents	9,433	(54,346)	(528)
Change in cash and cash equivalents	(11,710)	(16,393)	(159)
Cash and cash equivalents at beginning of period	701,703	699,315	6,789
Cash and cash equivalents at end of period	689,993	682,922	6,630

**Segment Information**

**(1) Business Segments**

	Three months ended June 30			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions) 2016
	2015 (A)	2016 (B)		
Information & Telecommunication Systems	451,584 18%	435,078 18%	96	4,224
Social Infrastructure & Industrial Systems	435,744 17%	483,052 20%	111	4,690
Electronic Systems & Equipment	258,759 10%	255,929 11%	99	2,485
Construction Machinery	177,355 7%	161,302 7%	91	1,566
High Functional Materials & Components	402,693 16%	351,409 15%	87	3,412
Automotive Systems	241,104 9%	232,921 10%	97	2,261
Smart Life & Ecofriendly Systems	203,685 8%	139,829 6%	69	1,358
Others	305,324 12%	213,104 9%	70	2,069
Financial Services	90,785 3%	89,284 4%	98	867
Subtotal	2,567,033 100%	2,361,908 100%	92	22,931
Corporate items & Eliminations	(253,010)	(231,441)	—	(2,247)
Revenues Total	2,314,023	2,130,467	92	20,684
Information & Telecommunication Systems	8,927 8%	12,223 14%	137	119
Social Infrastructure & Industrial Systems	10,609 9%	4,357 5%	41	42
Electronic Systems & Equipment	15,748 14%	13,613 16%	86	132
Construction Machinery	5,008 4%	2,147 2%	43	21
High Functional Materials & Components	31,296 28%	27,595 32%	88	268
Automotive Systems	10,873 10%	7,316 9%	67	71
Smart Life & Ecofriendly Systems	7,194 6%	690 1%	10	7
Others	10,900 10%	7,003 8%	64	68
Financial Services	12,132 11%	10,753 13%	89	104
Subtotal	112,687 100%	85,697 100%	76	832
Corporate items & Eliminations	2,703	5,786	—	56
Adjusted operating income Total	115,390	91,483	79	888
Information & Telecommunication Systems	8,423 6%	757 1%	9	7
Social Infrastructure & Industrial Systems	8,646 6%	(6,146) (10%)	—	(60)
Electronic Systems & Equipment	17,283 12%	11,500 20%	67	112
Construction Machinery	5,235 3%	1,433 3%	27	14
High Functional Materials & Components	62,298 42%	23,372 40%	38	227
Automotive Systems	11,690 8%	7,800 13%	67	76
Smart Life & Ecofriendly Systems	8,427 6%	3,348 6%	40	33
Others	12,236 8%	4,824 8%	39	47
Financial Services	12,660 9%	11,222 19%	89	109
Subtotal	146,898 100%	58,110 100%	40	564
Corporate items & Eliminations	(430)	54,361	—	528
EBIT Total	146,468	112,471	77	1,092

Notes: Revenues by business segment include intersegment transactions.



**(2) Revenues by Market**

	Three months ended June 30			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions) 2016
	2015 (A)	2016 (B)		
Japan	1,118,941 48%	1,047,047 49%	94	10,166
Asia	554,250 24%	436,700 20%	79	4,240
North America	322,063 14%	290,889 14%	90	2,824
Europe	207,110 9%	259,057 12%	125	2,515
Other Areas	111,659 5%	96,774 5%	87	940
Overseas Revenues Subtotal	1,195,082 52%	1,083,420 51%	91	10,519
Total Revenues	2,314,023 100%	2,130,467 100%	92	20,684

**Supplementary Information for Condensed Quarterly Financial Results  
for the First Quarter ended June 30, 2016**

**Consolidated Financial Statements by Manufacturing, Services and Others and Financial Services**

**(1) Summarized Quarterly Consolidated Statements of Financial Position by Manufacturing, Services and Others and Financial Services**

(Billions of yen)

	As of March 31, 2016			As of June 30, 2016		
	Manufacturing, Services and Others	Financial Services	Total	Manufacturing, Services and Others	Financial Services	Total
Total Assets	9,917.9	3,091.4	12,551.0	8,989.5	3,031.6	11,658.4
Current assets	4,995.6	1,256.8	5,872.5	4,563.8	1,294.2	5,544.1
Cash and cash equivalents	660.9	157.0	699.3	633.6	163.1	682.9
Trade receivables	2,472.0	710.7	2,992.7	2,001.6	722.5	2,561.9
Lease receivables	45.6	311.9	338.7	35.8	324.5	352.3
Inventories	1,291.5	3.7	1,299.8	1,342.6	3.3	1,352.5
Other current assets	525.3	73.3	541.8	550.0	80.5	594.3
Non-current assets	4,922.3	1,834.6	6,678.4	4,425.6	1,737.4	6,114.2
Investments accounted for using the equity method	676.3	20.4	676.9	710.4	20.4	712.0
Investments in securities and other financial assets	681.6	675.9	1,329.9	608.3	592.4	1,177.1
Lease receivables	38.2	729.8	727.4	27.1	719.8	730.2
Property, plant and equipment	2,193.6	307.5	2,500.2	1,934.0	299.9	2,234.7
Intangible assets	1,007.7	62.6	1,070.4	880.1	66.9	947.1
Other non-current assets	324.6	38.1	373.4	265.5	37.8	312.9
Total Liabilities and Equity	9,917.9	3,091.4	12,551.0	8,989.5	3,031.6	11,658.4
Total Liabilities	6,133.5	2,744.4	8,425.4	5,497.0	2,697.1	7,836.9
Current liabilities	4,095.5	1,323.2	4,994.2	3,630.2	1,336.9	4,636.6
Short-term debt	529.8	497.6	871.4	396.0	563.6	829.2
Current portion of long-term debt	234.9	485.6	651.5	224.8	488.6	676.5
Other financial liabilities	265.5	40.1	280.0	283.7	36.4	300.0
Trade payables	1,379.0	228.9	1,451.9	1,259.3	188.9	1,312.4
Other current liabilities	1,686.1	70.8	1,739.3	1,466.3	59.2	1,518.4
Non-current liabilities	2,038.0	1,421.1	3,431.2	1,866.7	1,360.2	3,200.2
Long-term debt	750.3	1,356.2	2,081.5	711.0	1,298.9	1,988.4
Other financial liabilities	85.0	28.7	115.1	65.2	25.4	88.7
Retirement and severance benefits	774.1	9.5	783.6	727.9	9.3	737.2
Other non-current liabilities	428.5	26.6	450.8	362.5	26.5	385.7
Total Equity	3,784.3	347.0	4,125.5	3,492.4	334.5	3,821.4
Hitachi, Ltd. stockholders' equity	2,540.8	201.3	2,735.0	2,409.4	193.9	2,596.4
Non-controlling interests	1,243.5	145.7	1,390.4	1,083.0	140.5	1,225.0
Interest-bearing debt	1,515.0	2,339.5	3,604.4	1,331.9	2,351.2	3,494.2
Total Hitachi, Ltd. stockholders' equity ratio	25.6%	6.5%	21.8%	26.8%	6.4%	22.3%
D/E ratio (including non-controlling interests) (times)	0.40	6.74	0.87	0.38	7.03	0.91

**(2) Summarized Quarterly Consolidated Statements of Profit or Loss by Manufacturing, Services and Others and Financial Services**

(Billions of yen)

	Fiscal 2015 Three months ended June 30			Fiscal 2016 Three months ended June 30		
	Manufacturing, Services and Others	Financial Services	Total	Manufacturing, Services and Others	Financial Services	Total
Revenues	2,257.8	90.7	2,314.0	2,072.0	89.2	2,130.4
Adjusted operating income	102.6	12.1	115.3	79.8	10.7	91.4
EBIT	136.2	12.6	146.4	104.3	11.2	112.4
Income from continuing operations, before income taxes	132.6	12.6	142.6	101.9	11.2	109.7
Net income attributable to Hitachi, Ltd. stockholders	52.1	5.0	54.9	55.1	4.5	56.4

**(3) Summarized Quarterly Consolidated Statements of Cash Flows by Manufacturing, Services and Others and Financial Services**

(Billions of yen)

	Fiscal 2015 Three months ended June 30			Fiscal 2016 Three months ended June 30		
	Manufacturing, Services and Others	Financial Services	Total	Manufacturing, Services and Others	Financial Services	Total
Cash flows from operating activities	160.0	(45.8)	105.4	132.3	(46.0)	84.9
Cash flows from investing activities	(127.6)	(21.2)	(133.9)	(19.0)	(38.6)	(81.4)
Free cash flows	32.4	(67.1)	(28.5)	113.2	(84.7)	3.5
Cash flows from financing activities	(46.6)	99.7	7.4	(87.9)	92.5	34.3
Effect of exchange rate changes on cash and cash equivalents	8.9	0.4	9.4	(52.6)	(1.7)	(54.3)
Change in cash and cash equivalents	(5.1)	33.0	(11.7)	(27.3)	6.0	(16.3)
Cash and cash equivalents at beginning of period	654.7	119.7	701.7	660.9	157.0	699.3
Cash and cash equivalents at end of period	649.5	152.8	689.9	633.6	163.1	682.9

Notes: 1. Figures here represent information voluntarily prepared by the Company.

2. Total Figures exclude inter-segment transactions.

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