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.

(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.