

FOR IMMEDIATE RELEASE

**Hitachi Announces Consolidated Financial Results
for the First Quarter Ended June 30, 2024**

Tokyo, July 31, 2024 --- Hitachi, Ltd. (TSE:6501) today announced its consolidated financial results for the first quarter of fiscal 2024, ended June 30, 2024

Condensed Quarterly Consolidated Statement of Profit or Loss

(Millions of yen)

	Three months ended June 30, 2023 (A)	Three months ended June 30, 2024 (B)	(B)/(A) (%)
Revenues	2,322,488	2,211,423	95
Cost of sales	(1,748,034)	(1,571,191)	90
Gross profit	574,454	640,232	111
Selling, general and administrative expenses	(443,908)	(442,608)	100
Adjusted operating income	130,546	197,624	151
Other income	1,134	38,278	—
Other expenses	(17,387)	(17,228)	99
Financial income	3,011	21,289	707
Financial expenses	(15,253)	(5)	0
Share of profits (losses) of investments accounted for using the equity method	19,845	18,235	92
EBIT (Earnings before interest and taxes)	121,896	258,193	212
Interest income	11,211	13,385	119
Interest charges	(17,622)	(19,201)	109
Income before income taxes	115,485	252,377	219
Income taxes	(33,813)	(65,623)	194
Net income	81,672	186,754	229
Net income attributable to:			
Hitachi, Ltd. stockholders	70,021	175,325	250
Non-controlling interests	11,651	11,429	98
Earnings per share attributable to Hitachi, Ltd. stockholders	Yen	Yen	
Basic	14.96	37.87	253
Diluted	14.94	37.83	253

Note: On July 1, 2024, the Company completed a share split into 5 shares for every one common share. The figures for basic and diluted earnings per share attributable to Hitachi, Ltd. stockholders are calculated on the assumption that the Company conducted this consolidation at the beginning of the previous fiscal year.

Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2023 (A)	Three months ended June 30, 2024 (B)	(B)/(A) (%)
Net income	81,672	186,754	229
Other comprehensive income (OCI)			
Items not to be reclassified into net income			
Net changes in financial assets measured at fair value through OCI	45,092	160	-
Remeasurements of defined benefit plans	91	365	401
Share of OCI of investments accounted for using the equity method	314	865	275
Total items not to be reclassified into net income	45,497	1,390	3
Items that can be reclassified into net income			
Foreign currency translation adjustments	278,718	236,497	85
Net changes in cash flow hedges	9,710	3,923	40
Share of OCI of investments accounted for using the equity method	15,423	30,726	199
Total items that can be reclassified into net income	303,851	271,146	89
Other comprehensive income (OCI)	349,348	272,536	78
Comprehensive income	431,020	459,290	107
Comprehensive income attributable to:			
Hitachi, Ltd. stockholders	402,514	442,217	110
Non-controlling interests	28,506	17,073	60

Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2024 (A)	As of June 30, 2024 (B)	(B)-(A)
Assets			
Current assets			
Cash and cash equivalents	705,367	845,226	139,859
Trade receivables and contract assets	2,991,316	3,157,010	165,694
Inventories	1,510,647	1,711,258	200,611
Investments in securities and other financial assets	331,280	328,465	(2,815)
Other current assets	315,987	418,287	102,300
Total Current assets	5,854,597	6,460,246	605,649
Non-current assets			
Investments accounted for using the equity method	816,434	860,824	44,390
Investments in securities and other financial assets	320,101	333,416	13,315
Property, plant and equipment	1,221,842	1,281,122	59,280
Goodwill	2,371,678	2,660,640	288,962
Other intangible assets	1,178,750	1,348,638	169,888
Other non-current assets	457,882	459,702	1,820
Total Non-current assets	6,366,687	6,944,342	577,655
Total Assets	12,221,284	13,404,588	1,183,304
Liabilities			
Current liabilities			
Short-term debt	37,827	418,366	380,539
Current portion of long-term debt	187,486	200,506	13,020
Other financial liabilities	266,245	296,918	30,673
Trade payables	1,399,699	1,517,321	117,622
Accrued expenses	697,471	551,070	(146,401)
Contract liabilities	1,658,435	2,038,526	380,091
Other current liabilities	555,437	607,660	52,223
Total Current liabilities	4,802,600	5,630,367	827,767
Non-current liabilities			
Long-term debt	954,709	996,840	42,131
Retirement and severance benefits	246,231	265,727	19,496
Other non-current liabilities	358,141	371,106	12,965
Total Non-current liabilities	1,559,081	1,633,673	74,592
Total Liabilities	6,361,681	7,264,040	902,359
Equity			
Hitachi, Ltd. stockholders' equity			
Common stock	463,417	464,384	967
Capital surplus	-	-	-
Retained earnings	4,084,729	4,165,524	80,795
Accumulated other comprehensive income	1,160,550	1,401,814	241,264
(Foreign currency translation adjustments)	984,432	1,243,493	259,061
(Remeasurements of defined benefit plans)	103,039	102,918	(121)
(Net changes in financial assets measured at fair value through OCI)	50,378	51,497	1,119
(Net changes in cash flow hedges)	22,701	3,906	(18,795)
Treasury stock, at cost	(4,991)	(39,670)	(34,679)
Total Hitachi, Ltd. stockholders' equity	5,703,705	5,992,052	288,347
Non-controlling interests	155,898	148,496	(7,402)
Total Equity	5,859,603	6,140,548	280,945
Total Liabilities and Equity	12,221,284	13,404,588	1,183,304

Condensed Quarterly Consolidated Statement of Changes in Equity

(Millions of yen)

Three months ended June 30, 2023								
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
Balance at beginning of period	462,817	-	3,637,184	846,392	(3,539)	4,942,854	392,713	5,335,567
Changes in equity								
Reclassified into retained earnings	-	-	5,710	(5,710)	-	-	-	-
Net income	-	-	70,021	-	-	70,021	11,651	81,672
Other comprehensive income	-	-	-	332,493	-	332,493	16,855	349,348
Dividends to Hitachi, Ltd. stockholders	-	-	(70,317)	-	-	(70,317)	-	(70,317)
Dividends to non-controlling interests	-	-	-	-	-	-	(27,809)	(27,809)
Acquisition of treasury stock	-	-	-	-	(30,215)	(30,215)	-	(30,215)
Sales of treasury stock	-	(152)	-	-	206	54	-	54
Issuance of new shares	600	600	-	-	-	1,200	-	1,200
Transfer to capital surplus from retained earnings	-	123	(123)	-	-	-	-	-
Changes in non-controlling interests	-	(571)	-	(403)	-	(974)	30	(944)
Total changes in equity	600	-	5,291	326,380	(30,009)	302,262	727	302,989
Balance at end of period	463,417	-	3,642,475	1,172,772	(33,548)	5,245,116	393,440	5,638,556

(Millions of yen)

Three months ended June 30, 2024								
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
Balance at beginning of period	463,417	-	4,084,729	1,160,550	(4,991)	5,703,705	155,898	5,859,603
Changes in equity								
Reclassified into retained earnings	-	-	392	(392)	-	-	-	-
Net income	-	-	175,325	-	-	175,325	11,429	186,754
Other comprehensive income	-	-	-	266,892	-	266,892	5,644	272,536
Dividends to Hitachi, Ltd. stockholders	-	-	(92,662)	-	-	(92,662)	-	(92,662)
Dividends to non-controlling interests	-	-	-	-	-	-	(25,415)	(25,415)
Acquisition of treasury stock	-	-	-	-	(35,686)	(35,686)	-	(35,686)
Sales of treasury stock	-	(791)	-	-	1,007	216	-	216
Issuance of new shares	967	966	-	-	-	1,933	-	1,933
Transfer to capital surplus from retained earnings	-	2,260	(2,260)	-	-	-	-	-
Changes in non-controlling interests	-	(2,435)	-	(25,236)	-	(27,671)	940	(26,731)
Total changes in equity	967	-	80,795	241,264	(34,679)	288,347	(7,402)	280,945
Balance at end of period	464,384	-	4,165,524	1,401,814	(39,670)	5,992,052	148,496	6,140,548

Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended June 30, 2023 (A)	Three months ended June 30, 2024 (B)	(B)-(A)
Cash flows from operating activities			
Net Income	81,672	186,754	105,082
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	121,357	105,110	(16,247)
Impairment losses	2,331	1,095	(1,236)
Income taxes	33,813	65,623	31,810
Share of (profits) losses of investments accounted for using the equity method	(19,845)	(18,235)	1,610
Financial income and expenses	3,403	3,441	38
Net (gain) loss on business reorganization and others	1,238	(17,024)	(18,262)
(Gain) loss on sale of property, plant and equipment	11	(21,136)	(21,147)
Change in trade receivables and contract assets	329,459	302,069	(27,390)
Change in inventories	(125,435)	(120,706)	4,729
Change in trade payables	(57,861)	(45,293)	12,568
Change in accrued expenses	(158,813)	(163,040)	(4,227)
Change in retirement and severance benefits	2,020	(1,283)	(3,303)
Other	40,579	(12,163)	(52,742)
Subtotal	253,929	265,212	11,283
Interest received	9,551	9,928	377
Dividends received	2,691	9,474	6,783
Interest paid	(16,436)	(20,228)	(3,792)
Income taxes paid	(131,574)	(121,266)	10,308
Net cash provided by (used in) operating activities	118,161	143,120	24,959
Cash flows from investing activities			
Purchase of property, plant and equipment	(53,785)	(40,931)	12,854
Purchase of intangible assets	(35,306)	(31,261)	4,045
Proceeds from sale of property, plant and equipment, and intangible assets	4,547	29,016	24,469
Purchase of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	(1,553)	(248,484)	(246,931)
Proceeds from sale of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	51,621	45,458	(6,163)
Other	(5,387)	11,807	17,194
Net cash provided by (used in) investing activities	(39,863)	(234,395)	(194,532)
Free cash flows	78,298	(91,275)	(169,573)
Cash flows from financing activities			
Change in short-term debt, net	115,669	372,645	256,976
Proceeds from long-term debt	-	619	619
Payments on long-term debt	(31,752)	(25,667)	6,085
Dividends paid to Hitachi, Ltd. stockholders	(70,363)	(92,709)	(22,346)
Dividends paid to non-controlling interests	(11,059)	(25,252)	(14,193)
Acquisition of common stock for treasury	(30,215)	(35,686)	(5,471)
Proceeds from sales of treasury stock	54	-	(54)
Net cash provided by (used in) financing activities	(27,666)	193,950	221,616
Effect of exchange rate changes on cash and cash equivalents	41,530	37,184	(4,346)
Change in cash and cash equivalents	92,162	139,859	47,697
Cash and cash equivalents at beginning of period	833,283	705,367	(127,916)
Cash and cash equivalents at end of period	925,445	845,226	(80,219)

Segment Information

(1) Segment revenues and profit (loss)

The operating segments of the Company are the components for which separate financial information is available and which is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

The Company discloses its business in four reportable segments, corresponding to categories of activities classified primarily by the similarities for the nature of markets, products and services, and economic characteristics. Several operating segments are aggregated into Green Energy & Mobility and Connective Industries for financial reporting purposes so that users of the financial statements better understand the Company's financial position and business performance. The Company aggregates operating segments based on the similarities of economic characteristics mainly using the segment profit (loss) margin ratio of operating segments. The primary products and services included in each reportable segment are as follows:

Digital Systems & Services:

Digital solutions (System integration, Consulting, Cloud services), IT products (Storage, Servers), Software, and ATMs

Green Energy & Mobility:

Energy solutions (Power grids, Renewable energy, Nuclear), and Railway systems

Connective Industries:

Building systems (Elevators, Escalators), Smart life & ecofriendly systems (Home appliances, Air conditioners), Measurement and analytical systems (Semiconductor manufacturing equipment, Clinical analyzers), Industry & distribution solutions, Water & environment solutions, and Industrial machinery

Others:

Property management and others

In October 2023, the Company sold a certain number of shares of Hitachi Astemo, Ltd. (Hitachi Astemo). As a result, Hitachi Astemo and its subsidiaries, which were included in the Automotive Systems segment, became equity-method associates of the Company. Accordingly, the Automotive Systems segment ceased to be operating segments, but the segment figures for the three months ended June 30, 2023 and 2024 are disclosed individually to enhance fair disclosure. The Company includes its share of profits (losses) of investments accounted for using the equity method of Hitachi Astemo and its subsidiaries after the transfer of shares from the third quarter of the fiscal year ended March 31, 2024 in Corporate items & Eliminations.

The following tables show segment information for the three months ended June 30, 2023 and 2024.

(Millions of yen)

	Three months ended June 30, 2023			
	Reportable Segment			
	Digital Systems & Services	Green Energy & Mobility	Connective Industries	Automotive Systems
Revenues				
Revenues from External Customers	508,731	615,421	653,412	491,416
Revenues from Intersegment Transactions	37,250	12,521	41,936	2,756
Total Revenues	545,981	627,942	695,348	494,172
Segment Profit (Loss)	52,463	43,150	67,837	14,084

(Millions of yen)

	Three months ended June 30, 2023			
	Reportable Segment		Corporate items & Eliminations	Total
	Others	Subtotal		
Revenues				
Revenues from External Customers	48,240	2,317,220	5,268	2,322,488
Revenues from Intersegment Transactions	59,765	154,228	(154,228)	-
Total Revenues	108,005	2,471,448	(148,960)	2,322,488
Segment Profit (Loss)	698	178,232	(7,244)	170,988

(Millions of yen)

	Three months ended June 30, 2024			
	Reportable Segment			
	Digital Systems & Services	Green Energy & Mobility	Connective Industries	Automotive Systems
Revenues				
Revenues from External Customers	593,857	870,216	675,872	-
Revenues from Intersegment Transactions	40,215	14,028	38,142	-
Total Revenues	634,072	884,244	714,014	-
Segment Profit (Loss)	78,390	85,925	79,304	-

(Millions of yen)

	Three months ended June 30, 2024			
	Reportable Segment		Corporate items & Eliminations	Total
	Others	Subtotal		
Revenues				
Revenues from External Customers	61,619	2,201,564	9,859	2,211,423
Revenues from Intersegment Transactions	52,852	145,237	(145,237)	-
Total Revenues	114,471	2,346,801	(135,378)	2,211,423
Segment Profit (Loss)	(386)	243,233	(705)	242,528

Segment profit (loss) is measured by Adjusted EBITA. Adjusted EBITA is defined as Adjusted Earnings before Interest, Taxes and Amortization. Adjusted EBITA represents profit (loss) calculated by deducting selling, general and administrative expenses from gross profit, adding back amortization of intangible assets, etc. recognized upon business combinations, and adding or deducting share of profits (losses) of investments accounted for using the equity method.

Intersegment transactions are generally recorded at the same prices used in arm's length transactions. Corporate items include corporate expenses not allocated to individual segments, such as expenditures for advanced R&D, a part of net gain (loss) on share of profits (losses) of investments accounted for using the equity method, and others.

Adjustments to income before income taxes from segment profit (loss) are as follows.

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Segment Profit (Loss)	170,988	242,528
Amortization of Intangible assets, etc. recognized upon business combinations	(20,597)	(26,669)
Other income	1,134	38,278
Other expenses	(17,387)	(17,228)
Financial income	3,011	21,289
Financial expenses	(15,253)	(5)
EBIT (Earnings before interest and taxes)	121,896	258,193
Interest income	11,211	13,385
Interest charges	(17,622)	(19,201)
Income before income taxes	115,485	252,377

(2) Revenues by Market

(Millions of yen)

	Three months ended June 30, 2023 (A)	Three months ended June 30, 2024 (B)	(B)/(A) (%)
Japan	804,348 35%	790,335 36%	98
North America	417,546 18%	379,077 17%	91
Europe	369,923 16%	427,506 19%	116
Asia	583,620 25%	451,106 21%	77
Other Areas	147,051 6%	163,399 7%	111
Overseas Revenues Subtotal	1,518,140 65%	1,421,088 64%	94
Total Revenues	2,322,488 100%	2,211,423 100%	95

Notes

(1) Notes Regarding Going Concern

Not applicable.

(2) Subsequent Events

Sale of all shares of Johnson Controls-Hitachi Air Conditioning Holding (UK) Ltd (“JCH”)

Hitachi Global Life Solutions, Inc. (“Hitachi GLS”), a consolidated subsidiary of the Company in the Connective Industries segment, has reached an agreement with Robert Bosch GmbH (“Bosch”) regarding the transfer of all shares of JCH, an equity-method associate of the Company, established with Johnson Controls, Inc. as an air conditioning joint venture. On July 23, 2024, Hitachi GLS and Bosch have entered into a share purchase agreement.

Based on the agreement, Hitachi GLS will transfer all of its own 40% shares of JCH to Bosch, and JCH will cease to be an equity-method associate when the transaction is settled. The transaction is planned to be settled by the first quarter of fiscal year ending March 31, 2026.

The consideration is 1.4 billion U.S. dollars (approximately 195.0 billion yen), and an expected gain on the sale of JCH shares in the amount of approximately 125.0 billion yen will be recognized in Other income in the consolidated statement of profit or loss for the fiscal year when the transfer is completed. The final consideration will be determined after certain adjustments.

Please refer to the News Release “Capital Reorganization of Air Conditioning Joint Venture” announced on July 23, 2024, for detailed information.

(3) Other Notes

Acquisition of Thales’ ground transportation systems business

On August 3, 2021, Hitachi Rail Ltd. (hereinafter “Hitachi Rail”), a consolidated subsidiary of the Company in the Green Energy & Mobility segment, signed an agreement with Thales S.A. (hereinafter “Thales”) to acquire the ground transportation systems business in order to expand the rail signalling systems business globally. Based on the agreement, Hitachi Rail invested 100% in CENTELEC UK LIMITED (hereinafter “CENTELEC”), which was carved out from Thales, and the acquisition was completed on May 31, 2024. As a result, CENTELEC became a subsidiary of the Company.

The following table summarizes the fair value of the consideration paid for CENTELEC and the provisional amounts of the assets acquired, liabilities assumed and goodwill recognized as of the acquisition date.

	(Millions of yen)
Cash and cash equivalents	85,017
Trade receivables and contract assets	212,453
Inventories	46,064
Other current assets	50,776
Property, plant and equipment	28,556
Goodwill (not deductible for tax purposes)	139,952
Other intangible assets	120,280
Other non-current assets	16,693
Total	<u>699,791</u>
Short-term debt	25,024
Trade payables	102,805
Contract liabilities	130,115
Other current liabilities	72,204
Long-term debt	12,756
Retirement and severance benefits	19,992
Other non-current liabilities	31,905
Total	<u>394,801</u>
Cash paid for the acquisition	<u>304,990</u>

The goodwill mainly comprises excess earning power and expected synergies arising from the acquisition.

The Company is currently evaluating the fair values to be assigned to assets and liabilities of CENTELEC at the acquisition date and therefore the above amounts are subject to change. In addition, the Cash paid for the acquisition may vary due to transaction price adjustment.

Acquisition related costs of 5,420 million yen have been posted up to the year ended March 31, 2024, and approximately 4,500 million yen is expected to be recorded for the year ending March 31, 2025. Acquisition related costs included in Other expenses in the condensed quarterly consolidated statement of profit or loss for the three months ended June 30, 2024 and 2023 were 4,233 million yen and 381 million yen, respectively.

In addition to this acquisition, Hitachi Rail repaid 143 million euro (24,210 million yen) of certain loans owed by CENTELEC from Thales, and the repayment is included in Purchase of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method) under Cash flows from investing activities in the condensed quarterly consolidated statement of cash flows for the three months ended June 30, 2024.

The operating results of CENTELEC for the period from the acquisition date to June 30, 2024 were not material.

On a pro forma basis, revenues and net income attributable to Hitachi, Ltd. stockholders using an assumed acquisition date for CENTELEC of April 1, 2024 would not differ materially from the amounts reported in the condensed quarterly consolidated statement of profit or loss for the three months ended June 30, 2024.

Summary of Consolidated Business Results, etc.

For detailed information, please refer to the Presentation Material "Outline of Consolidated Financial Results for the First Quarter Ended June 30, 2024" (posted on July 31) on our website. (<https://www.hitachi.com/IR-e/library/fr/index.html>)

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 report.

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

- economic conditions, including consumer spending and plant and equipment investment in Hitachi's major markets, 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;
- 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;
- credit conditions of Hitachi's customers and suppliers;
- 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 Hitachi's ability to respond to tightening of regulations to prevent climate change;
- 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 Hitachi's ability to attract and retain skilled personnel;
- 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;
- 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;
- estimates, fluctuations in cost and cancellation of long-term projects for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- increased commoditization of and intensifying price competition for products;
- fluctuations in demand of products, etc. and industry capacity;
- uncertainty as to Hitachi's ability to implement measures to reduce the potential negative impact of fluctuations in demand of products, etc., exchange rates and/or price of raw materials or shortages of materials, parts and components;
- uncertainty as to the success of cost structure overhaul;
- 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;
- 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;
- uncertainty as to Hitachi's access to, or ability to protect, certain intellectual property; 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 elsewhere in this report and in other materials published by Hitachi.

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