



Outline of Consolidated Financial Results for the First Half of Fiscal 2006

October 31, 2006
Hitachi, Ltd.



Contents

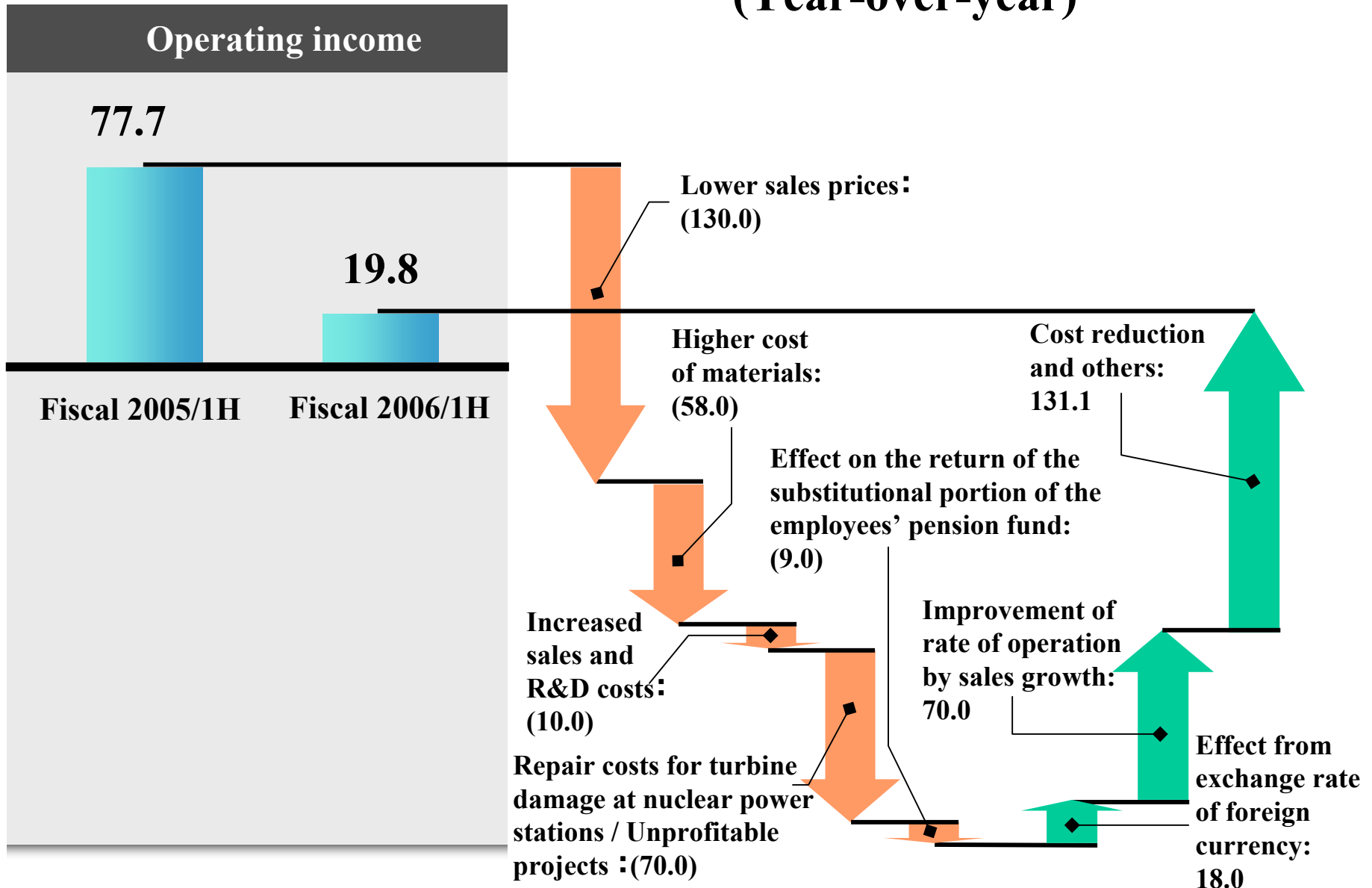
- 1. Outline of Consolidated Financial Results
for the First Half of Fiscal 2006**
2. Outlook for Fiscal 2006
3. Overview by Industry Segment

1-1. Summary of Financial Results for the First Half of Fiscal 2006

Billions of Yen

	Fiscal 2005/1H	Fiscal 2006/1H	Year-over-year % change
Revenues	4,413.3	4,770.9	108%
Operating income	77.7	19.8	26%
Income before income taxes and minority interests	82.1	25.8	31%
Income (loss) before minority interests	21.1	(34.7)	-
Net income (loss)	(10.9)	(78.0)	-

1-2. Major Factors of Change in Operating Income (Year-over-year)



1-3. Revenues by Market

Billions of Yen

	Fiscal 2005/1H	Ratio	Fiscal 2006/1H	Ratio	Year-over-year % change
Japan	2,741.2	62%	2,820.3	59%	103%
Outside Japan	1,672.0	38%	1,950.6	41%	117%
Asia	726.6	17%	891.2	19%	123%
North America	455.2	10%	514.2	11%	113%
Europe	340.1	8%	380.3	8%	112%
Other Areas	149.9	3%	164.7	3%	110%

Ratio of Overseas Revenues 41%

1-4. Consolidated Statements of Operations

Billions of Yen

	Fiscal 2005/1H	Fiscal 2006/1H	Year-over-year % change
Revenues	4,413.3	4,770.9	108%
Operating income	77.7	19.8	26%
Income before income taxes and minority interests	82.1	25.8	31%
Income taxes	60.9	60.5	99%
Income (loss) before minority interests	21.1	(34.7)	-
Minority interests	32.1	43.3	135%
Net income (loss)	(10.9)	(78.0)	-

1-5. Consolidated Balance Sheets

Billions of Yen

	As of March 31, 2006	As of Sept. 30, 2006	Change from March 31, 2006
Total assets	10,021.1	10,277.4	256.2
Total liabilities	6,476.6	6,812.0	335.4
Interest-bearing debts	2,419.0	2,603.1	184.1
Minority interests	1,036.8	1,064.4	27.6
Stockholders' equity	2,507.7	2,400.9	(106.7)
Stockholders' equity ratio	25.0%	23.4%	1.6 point deterioration
D/E Ratio (Including Minority interests)	0.68 times	0.75 times	0.07 point deterioration

1-6. Consolidated Statements of Cash flows

Billions of Yen

	Fiscal 2005/1H	Fiscal 2006/1H	Year-over-year change
Cash flows from operating activities	221.1	177.5	(43.6)
Cash flows from investing activities	(255.4)	(307.6)	(52.1)
Free cash flows	(34.3)	(130.1)	(95.7)
Cash flows from financing activities	(37.7)	122.0	159.7

1-7. Capital investment, R&D expenditure

(1) Capital investment

Billions of Yen

	Fiscal 2005/1H	Fiscal 2006/1H	Year-over-year % change
Capital investment	459.2	502.7	109%
Leasing assets	280.4	264.3	94%
Other	178.7	238.3	133%

(2) R&D expenditure

Billions of Yen

	Fiscal 2005/1H	Fiscal 2006/1H	Year-over-year % change
R&D expenditure	197.9	201.8	102%
Percentage of revenues	4.5%	4.2%	-

1-8. Revenues by Industry Segment

Billions of Yen

	Fiscal 2005/1H	Fiscal 2006/1H	Year-over-year % change
Information & Telecommunication Systems	1,057.1	1,147.8	109%
Electronic Devices	583.1	645.9	111%
Power & Industrial Systems	1,278.9	1,280.8	100%
Digital Media & Consumer Products	611.8	758.7	124%
High Functional Materials & Components	760.4	870.2	114%
Logistics, Services & Others	570.5	610.9	107%
Financial Services	260.8	263.6	101%
Eliminations & Corporate items	(709.6)	(807.3)	-
Total	4,413.3	4,770.9	108%

1-9. Operating Income (Loss) by Industry Segment

Billions of Yen

	Fiscal 2005/1H	Fiscal 2006/1H	Year-over-year % change
Information & Telecommunication Systems	23.2	13.8	60%
Electronic Devices	9.2	24.0	261%
Power & Industrial Systems	23.2	(45.3)	-
Digital Media & Consumer Products	(16.2)	(34.4)	-
High Functional Materials & Components	48.0	63.8	133%
Logistics, Services & Others	6.8	7.9	116%
Financial Services	16.0	15.7	98%
Eliminations & Corporate items	(32.6)	(25.9)	-
Total	77.7	19.8	26%



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2-1. Outlook for Fiscal 2006

Billions of Yen

	Fiscal 2005	Fiscal 2006 (Forecast)	Year-over-year % change
Revenues	9,464.8	9,740.0	103%
Operating income	256.0	180.0	70%
Income before income taxes and minority interests	274.8	160.0	58%
Income before minority interests	120.5	25.0	21%
Net income (loss)	37.3	(55.0)	-

2-2. Outlook for Revenues of Fiscal 2006 by Industry Segment

Billions of Yen

	Fiscal 2005	Fiscal 2006 (Forecast)	Year-over-year % change
Information & Telecommunication Systems	2,360.9	2,440.0	103%
Electronic Devices	1,204.4	1,250.0	104%
Power & Industrial Systems	2,805.1	2,760.0	98%
Digital Media & Consumer Products	1,305.6	1,520.0	116%
High Functional Materials & Components	1,600.2	1,700.0	106%
Logistics, Services & Others	1,214.7	1,190.0	98%
Financial Services	517.9	490.0	95%
Eliminations & Corporate items	(1,544.3)	(1,610.0)	-
Total	9,464.8	9,740.0	103%

2-3. Outlook for Operating Income (Loss) of Fiscal 2006 by Industry Segment

Billions of Yen

	Fiscal 2005	Fiscal 2006 (Forecast)	Year-over-year % change
Information & Telecommunication Systems	84.6	58.0	68%
Electronic Devices	20.4	45.0	220%
Power & Industrial Systems	92.5	35.0	38%
Digital Media & Consumer Products	(35.7)	(45.0)	-
High Functional Materials & Components	110.0	118.0	107%
Logistics, Services & Others	19.5	19.0	97%
Financial Services	35.0	28.0	80%
Eliminations & Corporate items	(70.4)	(78.0)	-
Total	256.0	180.0	70%



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3-1. Information & Telecommunication Systems

(1) Overview

Billions of Yen

	Fiscal 2005/1H	Fiscal 2006/1H	Year-over-year % change	Fiscal 2006 (Forecast)	Year-over-year % change
Revenues	1,057.1	1,147.8	109%	2,440.0	103%
Software/Services	472.9	536.9	114%	1,080.0	102%
Hardware	584.2	610.9	105%	1,360.0	104%
Operating income	23.2	13.8	60%	58.0	68%
Software/Services	37.0	27.8	75%	81.0	97%
Hardware	(13.8)	(14.0)	-	(23.0)	-

Overview of the First Half of Fiscal 2006

Revenues

[Increase of 9%]

- Growth in Software/Services
 - Healthy growth in solutions, outsourcing businesses
- Growth in Hardware
 - Higher sales of disk array subsystems and HDDs

Operating income

[Decrease of 40%]

- Decline in Software/Services
 - In the same term of the previous year a gain was recorded on the return of the substitutional portion of the employees' pension fund at a subsidiary
- Almost flat in Hardware
 - Lower earnings in telecommunication network systems
 - Narrowing of losses in HDD operations

Outlook for Fiscal 2006

- Software/Services profit will be increased (excluding the effect of the previous year's gain recorded on the return of the substitutional portion of the employees' pension fund)
- Losses in HDD will be increased due to a large price decline

3-1. Information & Telecommunication Systems

(2) Key initiatives and progress

1. Strengthen proposal capabilities to increase orders

- Expand the consulting services business by bolstering the operating structure
 - Increase the number of consultants worldwide to 3,000 in fiscal 2008, from 1,200 in fiscal 2005
 - Consolidation of Hitachi, Ltd.'s consulting services business with Hitachi Consulting Corp. (as of Oct.1st 2006)
- Expand finger vein authentication systems
 - In Japan 21 financial institutions use ATMs equipped with Hitachi's finger vein authentication system (as of Oct.10th 2006)
 - Hitachi's finger vein authentication system is becoming a de facto standard in the financial industry

2. Expand global operations

- Expand SAN/NAS storage solutions
 - Sales of 142 billion yen in 1H/2005 → 162 billion yen in 1H/2006
- Establish operating structure to bolster NGN (next generation network) business
 - Provide engineering services and solutions for various NGN businesses (carrier network business, corporate network business, etc)

3. Launch new businesses that leverage Hitachi's collective strengths

- Expand the RFID and traceability solutions business
 - Provide menu of 125 solutions (start of business in June 2006)
- Develop internal control solution business
 - Provide internal control solutions (sales target : 30 billion yen for 3 years period/ start of business in May 2006)

4. Invest in R&D to strengthen product lineup, competitiveness, and in measures to bolster sales capabilities

- Invest in the development of next-generation BladeSymphony and router products
- Invest to improve overseas sales capabilities of platform products

3-1. Information & Telecommunication Systems

(3) Hard Disk Drive Business

Billions of Yen

	Fiscal 2005/1H (Jan. 2005 - Jun. 2005)	Fiscal 2006/1H (Jan. 2006 - Jun. 2006)	Year-over- year % change	Fiscal 2006(Forecast) (Jan. 2006 - Dec. 2006)	Year-over- year % change
Revenues	223.2	252.3	113%	595.0	120%
Operating loss	(24.4)	(18.4)	-	(40.0)	-

1. Strengthen competitiveness with new products and technology

- 1M units of 2.5-inch perpendicular magnetic recording drives shipped since May 2006, approximately 4M units to be shipped by the end of 2006
- Accelerate the introduction of new products, including new 3.5-inch products, etc.

2. Increase production capacity and reduce costs

- Increase production of media and HDD assembly line buildup in China
- Improve production yield by making greater use of new head materials, use smaller sliders to raise production efficiency and reduce scrap costs

3. Enhance sales capabilities

- Increase sales by strengthening partnerships with leading customers (increasing customer acceptance and product qualification for perpendicular magnetic recording drives)

4. Improve operating efficiency

- Use total supply chain management to improve sales and production efficiency
- Raise product quality through total quality control activities

Target : Profitability in fiscal 2007

Note: HDD operations are conducted by Hitachi Global Storage Technologies (Hitachi GST), which has a December 31 fiscal year-end, different from Hitachi's March 31 year-end. Hitachi's results for the first half of fiscal 2006 include operating results of Hitachi GST for the period from January through June 2006.

3-2. Electronic Devices

(1) Overview

Billions of Yen

	Fiscal 2005/1H	Fiscal 2006/1H	Year-over-year % change	Fiscal 2006 (Forecast)	Year-over-year % change
Revenues	583.1	645.9	111%	1,250.0	104%
Operating income	9.2	24.0	261%	45.0	220%

Overview of the First Half of Fiscal 2006

Revenues

[Increase of 11%]

- Hitachi High-Technologies performed well
- Sales of LCD were firm mainly for small and medium-size LCDs

Operating income

[Increase of 161%]

- Hitachi High-Technologies recorded a large increase in profit
- Losses in LCD business decreased

Outlook for Fiscal 2006

- LCD business will return to profitability in Fiscal 2006
- Higher profit will be recorded at Hitachi High-Technologies

3-2. Electronic Devices

(2) Key initiatives and progress in LCD business

Billions of Yen

	Fiscal 2005/1H	Fiscal 2006/1H	Year-over-year % change	Fiscal 2006 (Forecast)	Year-over-year % change
Revenues	94.2	101.0	107%	210.0	110%
Operating income (loss)	(12.8)	(4.3)	-	2.0	-

1. Focus on small and medium-size LCDs

- Increase sales of LCDs for mobile phones, digital still cameras, printers and amusement businesses
- Entry into the automotive applications
- Develop new markets for LCDs (medical and industrial equipment)
- Transfer of LCD TV business to equity-method affiliate IPS Alpha Technology, Ltd. (June 2006)

2. Strengthen sales capabilities and strengthen partnership with leading customers

- Execute a product strategy drawing on Hitachi's superior In-Plane-Switching (IPS) technology and expand its application
- Introduce Hitachi products to more leading global customers of LCDs and expand market share

3. Strengthen cost competitiveness

- Reduce material costs: Target is 20%/year reduction (Locate the optimum suppliers for each material, capture group synergies)
- *Monozukuri* (manufacturing) reforms: Improvement in productivity with much expanded product line-up (Improve yields and throughput, increase back-end production in China)
- Continue to reduce fixed costs

Target : Profitability in fiscal 2006

3-3. Power & Industrial Systems

(1) Overview

Billions of Yen

	Fiscal 2005/1H	Fiscal 2006/1H	Year-over-year % change	Fiscal 2006 (Forecast)	Year-over-year % change
Revenues	1,278.9	1,280.8	100%	2,760.0	98%
Operating income (loss)	23.2	(45.3)	-	35.0	38%

Overview of the First Half of Fiscal 2006

Revenues

[Almost flat]

- Steady growth in industrial machinery
- Growth in sales of Hitachi Construction Machinery, and elevators and escalators, particularly overseas
- Growth in sales of automotive systems
- Revenues declined due to consolidation of air-conditioning systems operations in Digital Media & Consumer Products segment through the establishment of Hitachi Appliances

Operating loss

[Loss of 45.3 billion yen]

- A lump-sum charge for repair cost for turbine damage at nuclear power stations
- A lump-sum charge for additional cost at overseas thermal power plant
- Strong growth in Hitachi Construction Machinery
- Higher earnings in elevators and escalators, automotive systems, etc.

Outlook for Fiscal 2006

- Increase of losses in power business (lump-sum charges for repair cost for turbine damage at nuclear power stations and cost overruns at overseas thermal power plant)
- Steady growth in sales and profit of Hitachi Construction Machinery, elevators and escalators and industrial machinery
- Revenues will decline due to move of air-conditioning systems operations to Digital Media & Consumer Products segment through the establishment of Hitachi Appliances

3-3. Power & Industrial Systems

(2) Key initiatives and progress in nuclear power plant business

1. Measures relating to turbine damage at Hamaoka Nuclear Power Station No. 5 operated by Chubu Electric Power Co., Inc., and Unit 2 of Shika Nuclear Power Station operated by Hokuriku Electric Power Company

- The cause of the damage was investigated and improvement measures relating to the equipment and equipment management announced (on October 27)
- The entire Hitachi Group is being focused on restoring the turbines to an operational condition

2. Strengthen the nuclear power plant business as a core Hitachi business

- Reinforce technology development capabilities through unified management of Hitachi's Power Systems Group, research laboratories and their relevant sections in business departments
 - Bolster R&D facilities, develop engineering tools, and reduce costs through development process reforms
- Reinforce system for winning new orders for overseas nuclear power plants
 - Strengthen system through the establishment of the Overseas Nuclear Power Plant Project in the Supervisory Office for Power Systems
 - Win more orders for ABWRs (Advanced Boiling Water Reactors) through greater cooperation with GE; launch ESBWR (Economic Simplified Boiling Water Reactor) also in cooperation with GE
- Develop next-generation nuclear power technologies
 - Established the Energy Development Project in the Supervisory Office for Power Systems; continuing to develop ESBWR

3-3. Power & Industrial Systems

(3) Key strategies and progress in overseas thermal power plant business

● Responding to rising costs of overseas thermal power plant projects

- Reinforce systems by establishing a countermeasures unit
 - The unit will take the lead in reinforcing systems, including management of construction progress, detailed inspection of construction processes and real-time cost controls, etc.
- Improve construction work efficiency
 - Improve efficiency through direct ordering by Hitachi of local construction work

● Strategies for expanding the overseas thermal power plant business

- Focus on technologies and products where the company has a dominant lead
 - Focus on coal-fired thermal power plants (boilers, steam turbines, generators, environmental protection systems)
 - Develop global businesses and conduct project management closely tied to each region by delegating responsibility to overseas operating companies
 - North America: Strengthen system for cooperation between Hitachi Power Systems America, Ltd. and engineering companies
 - Europe: Strengthen sales, procurement, engineering and EPC* management through Hitachi Power Europe GmbH
 - Reinforce overseas project management capabilities and risk management
 - Promoting initiatives to enhance estimation, contract and engineering capabilities (expanding the number of legal personnel, setting up databases for managing procurement items, etc.)
- *EPC: Engineering, Procurement and Construction

3-3. Power & Industrial Systems

(4) Key initiatives and progress in other businesses

1. Railway Systems

- Increase production capacity for cars for the U.K., new Shinkansen lines in Japan, and aluminum cars
 - 1.5-fold increase in car production capacity of Kasado Works (Yamaguchi Prefecture) (investment of approx. 6 billion yen)

2. Urban Planning & Development Systems

- Strengthen operating structure for overall energy services business
 - Centralizing of the divisions concerned in the Urban Planning & Development Systems group (April 2006)

3. Social Infrastructures

- Reinforce operating structure to strengthen social infrastructure business
 - Launch of Hitachi Plant Technologies, Ltd. (April 2006)

4. Automotive Systems

- Strengthen next-generation growth areas
 - Strengthening of car information systems business (launch of public tender offer for Clarion Co., Ltd. in October 2006)
 - Strengthening in area of automotive equipment maintenance and after-market services (Hitachi Mobile Co., Ltd. became a wholly-owned subsidiary in April 2006)

5. Construction Machinery

- Expand production capacity to meet growing global demand
 - Hitachi Construction Machinery to build new plant in Hitachinaka city that will manufacture parts for hydraulic excavators, wheel loaders and other products (announced September 2006)

3-4. Digital Media & Consumer Products

(1) Overview

Billions of Yen

	Fiscal 2005/1H	Fiscal 2006/1H	Year-over-year % change	Fiscal 2006 (Forecast)	Year-over-year % change
Revenues	611.8	758.7	124%	1,520.0	116%
Operating loss	(16.2)	(34.4)	-	(45.0)	-

Overview of the First Half of Fiscal 2006

Revenues

[Increase of 24%]

- Growth in FPD TVs
- Sales boosted by formation of Hitachi Appliances merging Hitachi Air Conditioning Systems and Hitachi Home & Life Solutions

Operating loss

[Loss of 34.4 billion yen]

- Sluggish sales of DVD recorders, etc.
- Sluggish sales of room air conditioners
- Higher investments in marketing of FPD TVs

Outlook for Fiscal 2006

- FPD TVs and other digital media products will post increase of sales
- Higher investment in marketing of FPD TVs
- Losses of room air conditioners will grow due to sluggish sales
- Revenues will increase due to addition of air-conditioning systems operation from Power & Industrial Systems segment through the establishment of Hitachi Appliances

3-4. Digital Media & Consumer Products

(2) Key initiatives and progress in Flat-Panel TV Business

	Fiscal 2005/1H	Fiscal 2006/1H	Fiscal 2006 (Forecast)
Plasma TV shipments (units)	180,000	320,000	800,000
LCD TV shipments (units)	90,000	200,000	500,000

1. Strengthen product competitiveness and upgrade R&D capabilities

- Expand lineup of plasma TVs matched to characteristics of each market (release of 50-inch models, 60-inch full-HD models, and models for China's HD standard)
- Introduce new models twice a year (spring and autumn)
- Consolidate Fujitsu Hitachi Plasma Display's development, design and procurement divisions in Hitachi

2. Strengthen cost-competitiveness

- Reduce panel production costs by launching a 3rd plant of Fujitsu Hitachi Plasma Display

3. Boost production capability and bolster business infrastructure

- Expand plasma panel production capacity: 200 thousand units/month in October 2006,
300 thousand units/month in 2Q of fiscal 2007
[investment in a 3rd plant of Fujitsu Hitachi Plasma Display: 85.0 billion yen]
- Expand flat-panel TV production capacity: Completion of new factory in Europe (Czech Republic) in 2007,
5.4 million units/year in fiscal 2008
- Build global total supply chain management system

4. Enhance global sales capabilities

- Strengthen sales channels in each region
(Europe and U.S.: Sell products through major retailers; China: Increase number of sales locations)
- Strengthen the Hitachi brand (Increase investment in marketing, conduct worldwide brand campaign)

Target: Profitability in fiscal 2007

3-4. Digital Media & Consumer Products

(3) Key Initiatives and progress for Consumer Business

1. Reconstruction of room air conditioner business

- **Strengthen marketing activities**
 - Introduce competitive, high-value-added products based on the customer's perspective for the year end sales season
 - Increase sales and profits by expanding the ratio of high-end models
 - Promote new PR campaigns that utilize the strength of the Hitachi's brand
- **Strengthen cost-competitiveness**
 - Comprehensive use of TSCM (Total Supply Chain Management) to drastically trim loss costs
 - Decrease investment in dies by consolidated use of common chassis (commercial model and room air conditioner)
- **Strengthen sales capabilities**
 - Strengthen sales system of dealerships in which Hitachi has an investment and implement support measures by supplying chain stores (regional retailers) with special models
- **Expansion of global business**
 - Increase product line up and expand sales channel of air conditioners in Europe, India and Brazil
 - Maintain top position in Taiwan region and roll out inverter products
 - In India, expand the room air conditioner business by targeting the affluent

2. Strengthening the washing machine, refrigerator and vacuum cleaner businesses

- **Washing machine: Strengthen development capabilities to bring out new products**
 - The end-of-2006 sales season is being targeted for the launch of high-value-added models
- **Refrigerator: Maintain leading share of market with capacity of 500 liters and larger**
 - Launch of new models that have the industry's largest capacity (535 liters) but the same width as previous models (October and November, 2006)
- **Vacuum Cleaner: Regain market share by release of high-value-added models**
 - Launch of new, clean-exhaust vacuum cleaner model (November, 2006) which is the world's first to achieve a dust capture rate of 99.999%

3-5. High Functional Materials & Components

Overview

Billions of Yen

	Fiscal 2005/1H	Fiscal 2006/1H	Year-over-year % change	Fiscal 2006 (Forecast)	Year-over-year % change
Revenues	760.4	870.2	114%	1,700.0	106%
Operating income	48.0	63.8	133%	118.0	107%

Overview of Fiscal 2006

Revenues

[Increase 14%]

- Hitachi Chemical: Increase mainly in electronics-related field
- Hitachi Metals: Increase mainly in automotive fields
- Hitachi Cable: Increase mainly in electric wire and cables

Operating income

[Increase 33%]

- Increase of earnings due to sales growth and cost reduction at Hitachi Chemical, Hitachi Metals and Hitachi Cable

Outlook for Fiscal 2006

- Continuous growth in Hitachi Chemical, Hitachi Metals and Hitachi Cable

3-6. Logistics, Services & Others / Financial Services

Logistics, Services & Others

Billions of Yen

	Fiscal 2005/1H	Fiscal 2006/1H	Year-over-year % change	Fiscal 2006 (Forecast)	Year-over-year % change
Revenues	570.5	610.9	107%	1,190.0	98%
Operating income	6.8	7.9	116%	19.0	97%

Financial Services

Billions of Yen

	Fiscal 2005/1H	Fiscal 2006/1H	Year-over-year % change	Fiscal 2006 (Forecast)	Year-over-year % change
Revenues	260.8	263.6	101%	490.0	95%
Operating income	16.0	15.7	98%	28.0	80%

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:

- fluctuations in product demand and industry capacity, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products segment;
- uncertainty as to Hitachi’s ability to continue to develop and market products that incorporate new technology on a timely and cost-effective basis and to achieve market acceptance for such products;
- rapid technological change, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products segment;
- increasing commoditization of information technology products, and intensifying price competition in the market for such products, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products segment;
- fluctuations in rates of exchange for the yen and other currencies in which Hitachi makes significant sales or in which Hitachi’s assets and liabilities are denominated, particularly between the yen and the U.S. dollar;
- uncertainty as to Hitachi’s ability to implement measures to reduce the potential negative impact of fluctuations in product demand and/or exchange rates;
- general socio-economic and political conditions and the regulatory and trade environment of Hitachi’s major markets, particularly, the United States, Japan and elsewhere in Asia, including, without limitation, a return to stagnation or deterioration of the Japanese economy, or direct or indirect restriction by other nations on imports;
- uncertainty as to Hitachi’s access to, or ability to protect, certain intellectual property rights, particularly those related to electronics and data processing technologies;
- uncertainty as to the results of litigation and legal proceedings of which the Company, its subsidiaries or its equity method affiliates have become or may become parties;
- possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- uncertainty as to the success of restructuring efforts to improve management efficiency and to strengthen competitiveness;
- uncertainty as to the success of alliances upon which Hitachi depends, some of which Hitachi may not control, with other corporations in the design and development of certain key products;
- uncertainty as to Hitachi’s ability to access, or access on favorable terms, liquidity or long-term financing; and
- uncertainty as to general market price levels for equity securities in Japan, declines in which may require Hitachi to write down equity securities it holds.

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

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