

## Consolidated Statements of Cash Flows

Hitachi, Ltd. and Subsidiaries  
Years ended March 31, 2013, 2012 and 2011

	Millions of yen		
	2013	2012	2011
<b>Cash flows from operating activities:</b>			
Net income . . . . .	<b>¥237,721</b>	¥412,808	¥303,126
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation . . . . .	<b>300,664</b>	360,358	382,732
Amortization . . . . .	<b>117,355</b>	119,308	115,037
Impairment losses for long-lived assets . . . . .	<b>23,209</b>	31,841	35,170
Deferred income taxes . . . . .	<b>2,394</b>	21,509	3,952
Equity in net loss of affiliated companies . . . . .	<b>40,447</b>	15,571	20,142
Gain on sale of investments in securities and other . . . . .	<b>(24,047)</b>	(228,115)	(72,987)
Impairment of investments in securities . . . . .	<b>4,762</b>	15,096	11,407
(Gain) loss on disposal of rental assets and other property . . . . .	<b>3,119</b>	(18,627)	4,387
(Increase) decrease in receivables . . . . .	<b>71,777</b>	(259,211)	121,606
(Increase) decrease in inventories . . . . .	<b>7,860</b>	(162,594)	(171,275)
(Increase) decrease in prepaid expenses and other current assets . . . . .	<b>(3,442)</b>	987	1,964
Increase (decrease) in payables . . . . .	<b>(187,651)</b>	119,177	47,512
Increase (decrease) in accrued expenses and retirement and severance benefits . . . . .	<b>8,177</b>	(18,430)	22,871
Increase (decrease) in accrued income taxes . . . . .	<b>(25,697)</b>	7,103	3,066
Decrease in other liabilities . . . . .	<b>(22,215)</b>	(13,812)	(26,118)
Net change in lease receivables related to the Company's and its subsidiaries' products . . . . .	<b>12,051</b>	27,012	19,523
Other . . . . .	<b>17,024</b>	17,174	19,439
Net cash provided by operating activities . . . . .	<b>583,508</b>	447,155	841,554
<b>Cash flows from investing activities:</b>			
Capital expenditures . . . . .	<b>(381,731)</b>	(337,502)	(254,460)
Purchase of intangible assets . . . . .	<b>(105,842)</b>	(106,042)	(95,500)
Purchase of tangible assets and software to be leased . . . . .	<b>(335,640)</b>	(269,350)	(268,446)
Proceeds from disposal of property, plant and equipment . . . . .	<b>28,556</b>	47,697	27,427
Proceeds from disposal of tangible assets and software to be leased . . . . .	<b>20,944</b>	17,447	19,866
Collection of investments in leases . . . . .	<b>285,407</b>	244,446	286,356
Purchase of investments in securities and shares of newly consolidated subsidiaries . . . . .	<b>(171,721)</b>	(151,413)	(122,555)
Proceeds from sale of investments in securities and shares of consolidated subsidiaries resulting in deconsolidation . . . . .	<b>80,602</b>	331,007	147,941
Refund of deposit received for sale of investment in affiliated company . . . . .	<b>—</b>	—	(43,550)
Other . . . . .	<b>25,968</b>	28,126	42,575
Net cash used in investing activities . . . . .	<b>(553,457)</b>	(195,584)	(260,346)
<b>Cash flows from financing activities:</b>			
Increase in short-term debt, net . . . . .	<b>74,630</b>	70,105	75,535
Proceeds from long-term debt . . . . .	<b>352,840</b>	388,991	179,324
Payments on long-term debt . . . . .	<b>(509,356)</b>	(544,841)	(790,328)
Proceeds from sale of common stock by subsidiaries . . . . .	<b>2,523</b>	736	415
Dividends paid to Hitachi, Ltd. stockholders . . . . .	<b>(46,564)</b>	(27,018)	(22,466)
Dividends paid to noncontrolling interests . . . . .	<b>(25,827)</b>	(22,206)	(19,575)
Acquisition of common stock for treasury . . . . .	<b>(162)</b>	(126)	(183)
Proceeds from sales of treasury stock . . . . .	<b>25</b>	38	52
Purchase of shares of consolidated subsidiaries from noncontrolling interest holders . . . . .	<b>(28,191)</b>	(39,230)	(3,043)
Proceeds from sale of shares of consolidated subsidiaries to noncontrolling interest holders . . . . .	<b>102</b>	6,188	229
Other . . . . .	<b>(465)</b>	(475)	(4,136)
Net cash used in financing activities . . . . .	<b>(180,445)</b>	(167,838)	(584,176)
Effect of consolidation of securitization entities upon initial adoption of the amended provisions of ASC 810 . . . . .	<b>—</b>	—	12,030
Effect of exchange rate changes on cash and cash equivalents . . . . .	<b>58,449</b>	(18,966)	(31,836)
Net increase (decrease) in cash and cash equivalents . . . . .	<b>(91,945)</b>	64,767	(22,774)
Cash and cash equivalents at beginning of year . . . . .	<b>619,577</b>	554,810	577,584
Cash and cash equivalents at end of year . . . . .	<b>¥527,632</b>	¥619,577	¥554,810

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