

Consolidated Statements of Operations by Manufacturing, Services & Others and Financial Services

Hitachi, Ltd. and Subsidiaries
March 31, 2014 and 2013

Billions of yen

	As of March 31, 2014			As of March 31, 2013		
	Manufacturing, Services & Others	Financial Service	Total*	Manufacturing, Services & Others	Financial Service	Total*
Revenues	¥9,416.4	¥338.5	¥9,616.2	¥8,839.6	¥340.2	¥9,041.0
Operating income	500.7	33.1	532.8	393.9	29.2	422.0
EBIT (earnings before interest and taxes)	549.5	34.6	580.1	332.1	29.4	358.0
Income before income taxes	537.8	33.2	568.1	317.9	28.7	344.5
Net income attributable to Hitachi, Ltd. stockholders	253.5	14.3	264.9	164.9	12.7	175.3

* Total figures exclude inter-segment transactions.

Consolidated Statements of Cash Flows by Manufacturing, Services & Others and Financial Services

Hitachi, Ltd. and Subsidiaries
March 31, 2014 and 2013

Billions of yen

	As of March 31, 2014			As of March 31, 2013		
	Manufacturing, Services & Others	Financial Services	Total*1	Manufacturing, Services & Others	Financial Services	Total*1
Cash flows from operating activities	¥ 498.6	¥ (25.9)	¥ 439.4	¥ 503.4	¥105.2	¥ 583.5
Cash flows from investing activities	(393.6)	(124.1)	(491.3)	(478.4)	(63.0)	(553.4)
Free cash flows	104.9	(150.0)	(51.9)	25.0	42.1	30.0
Cash flows from financing activities	(134.6)	163.7	32.9	(170.1)	(44.4)	(180.4)
Effect of exchange rate changes on cash and cash equivalents	48.0	1.3	49.5	56.7	1.8	58.4
Net increase (decrease) in cash and cash equivalents	18.3	15.1	30.5	(88.3)	(0.3)	(91.9)
Cash and cash equivalents at beginning of year	¥ 500.7	¥141.7	¥ 527.6	¥ 589.0	¥142.0	¥ 619.5
Cash and cash equivalents at end of year	519.0	156.7	558.2	500.7	141.7	527.6
Core free cash flows*2	22.4	(202.5)	(186.0)	19.4	46.9	45.7

*1 Total figures exclude inter-segment transactions.

*2 Operating cash flows plus collection of investments in leases less cash outflows for the purchase of property, plant and equipment, intangible assets, software, and the assets to be leased.

Note: Consolidated Financial Statements by Manufacturing, Services & Others and Financial Services represent unaudited financial information prepared by the Company for the purpose of this supplementary information.

Role of the Financial Services Segment

Hitachi's Manufacturing, Services & Others segments and its Financial Services segment are each clearly positioned and managed as distinct businesses with different characteristics. The Manufacturing, Services & Others segments work in coordination with the Financial Services segment to expand the Social Innovation Business.

Increasing the financing receivables owned by Hitachi Capital Corporation, which constitutes the Financial Services segment, is the basis for growth in the financing business and regarded as investment to generate higher returns on equity. Credit rating agencies typically permit a higher level of interest-bearing debt and D/E ratio for financial services companies than for manufacturing and services companies. The credit ratings of Hitachi, Ltd. are assigned by credit rating agencies on the basis of key financial indicators that exclude Hitachi's financial services business.