1. Qualitative Information Concerning Consolidated Business Results
(1) Summary of Fiscal 2012 First-Quarter Consolidated Business Results

	Three months ended June 30, 2012		
	Yen (billions)	Year over year change (% or billions yen)	U.S. dollars (millions)
Revenues	2,120.7	(1%)	26,844
Operating income	63.5	11.1	805
Income before income taxes	48.8	7.7	619
Net income	20.3	4.1	258
Net income attributable to Hitachi, Ltd.	7.0	4.0	89

During the first quarter of fiscal 2012, the U.S. economy continued to experience a gradual recovery. However, economic turmoil continued in Europe due to credit worries in some countries and also China and other emerging economies slowed further due to lower exports to Europe.

The Japanese economy, meanwhile, staged a recovery, supported by higher public works spending to help the reconstruction after the Great East Japan Earthquake, and by higher consumer spending spurred by government programs. Exports, however, struggled due to the global economic slowdown and persistent yen strength.

Hitachi’s consolidated revenues for the first quarter edged down 1% year over year, to 2,120.7 billion yen, reflecting mainly the sale of the hard disk drive business in fiscal 2011. Positive factors were strong revenues in the Automotive Systems Segment as global automobile demand rebounded; increased revenues in the Construction Machinery Segment and the Power Systems Segment.

Hitachi posted consolidated operating income of 63.5 billion yen, up 11.1 billion yen from the first quarter of fiscal 2011, despite the impact of the sale of the hard disk drive business. The higher operating income overall was attributable to increased operating income in the Automotive Systems, Power Systems and Construction Machinery segments on higher revenues.

Hitachi posted net other deductions of 14.7 billion yen, a 3.4 billion yen change year over year, the result mainly of exchange losses due to the yen’s appreciation.

As a result, Hitachi recorded income before income taxes of 48.8 billion yen, 7.7 billion yen more year over year. After taxes of 28.4 billion yen, Hitachi posted net income of 20.3 billion yen, a year over year increase of 4.1 billion yen. After deducting net income attributable to noncontrolling interests of 13.3 billion yen, Hitachi recorded net income attributable to Hitachi, Ltd. of 7.0 billion yen, up 4.0 billion yen year over year.

(2) Revenues and Operating income (loss) by Segment
Results by segment were as follows:

[Information & Telecommunication Systems]

	Three months ended June 30, 2012		
	Yen (billions)	Year over year change (% or billions yen)	U.S. dollars (millions)
Revenues	371.6	6%	4,704
Operating loss	(1.4)	(3.5)	(18)

The segment recorded revenues of 371.6 billion yen, an increase of 6% year over year, on the back of higher sales in both software and services, and hardware.

The segment recorded an operating loss of 1.4 billion yen, declined 3.5 billion yen year over year, despite improved profitability in hardware. This loss reflected lower earnings year over year in software and services due to lower projects profitability.

[Power Systems]

	Three months ended June 30, 2012		
	Yen (billions)	Year over year change (% or billions yen)	U.S. dollars (millions)
Revenues	190.5	15%	2,412
Operating income	2.4	5.7	31

Segment revenues increased 15% year over year, to 190.5 billion yen. While nuclear power generation systems recorded lower sales, thermal power generation systems performed strongly. The April 2012 taking over of the transmission and distribution business of Japan AE Power Systems Corporation also contributed to increase in revenues.

The segment recorded operating income of 2.4 billion yen, a 5.7 billion yen improvement year over year. This improvement resulted from higher earnings due to increased revenues, as well as the fact that in the same period of the previous fiscal year Hitachi recorded additional expenses at overseas thermal power generation systems projects.

[Social Infrastructure & Industrial Systems]

	Three months ended June 30, 2012		
	Yen (billions)	Year over year change (% or billions yen)	U.S. dollars (millions)
Revenues	238.0	4%	3,014
Operating loss	(2.0)	(3.0)	(26)

Segment revenues increased 4% year over year, to 238.0 billion yen despite lower sales of industrial equipment for the manufacturing industry. The overall increase mainly reflected strong growth in the elevators and escalators business in Japan, in addition to higher sales of railway systems and plant-related equipment and construction in Japan.

The segment recorded an operating loss of 2.0 billion yen, a 3.0 billion yen decline year over year due to lower earnings in industrial equipment for the manufacturing industry.

[Electronic Systems & Equipment]

	Three months ended June 30, 2012		
	Yen (billions)	Year over year change (% or billions yen)	U.S. dollars (millions)
Revenues	245.2	0%	3,105
Operating income	9.5	2.3	121

Segment revenues were flat year over year at 245.2 billion yen. While the sales of Hitachi High-Technologies Corporation's medical analysis systems and Hitachi Medical Corporation's ultrasound diagnostic systems increased, Hitachi Kokusai Electric Inc. saw sales decline.

Segment operating income increased 2.3 billion yen, to 9.5 billion yen, reflecting year over year growth in semiconductor manufacturing equipment for mobile-related devices and in medical analysis systems at Hitachi High-Technologies Corporation.

[Construction Machinery]

	Three months ended June 30, 2012		
	Yen (billions)	Year over year change (% or billions yen)	U.S. dollars (millions)
Revenues	199.0	15%	2,520
Operating income	14.1	3.0	179

The segment recorded a 15% year over year increase in revenues, to 199.0 billion yen, despite lower demand in China. The overall increase reflects strong sales of hydraulic excavators in other emerging markets and North America, as well as mining machinery in Asia and Oceania.

Segment operating income increased 3.0 billion yen, to 14.1 billion yen, reflecting the higher revenues and cost reduction.

[High Functional Materials & Components]

	Three months ended June 30, 2012		
	Yen (billions)	Year over year change (% or billions yen)	U.S. dollars (millions)
Revenues	343.1	(1%)	4,344
Operating income	20.0	0.6	253

Segment revenues edged down 1% year over year, to 343.1 billion yen. Although Hitachi Metals, Ltd.'s automotive-related products recorded strong sales, Hitachi Cable, Ltd. saw sales fall due to downward pressure on sales prices resulting from a drop in the price of copper and the withdrawal from unprofitable businesses.

Segment operating income was 20.0 billion yen, an increase of 0.6 billion yen year over year due to cost reduction and other factors.

[Automotive Systems]

	Three months ended June 30, 2012		
	Yen (billions)	Year over year change (% or billions yen)	U.S. dollars (millions)
Revenues	205.0	23%	2,595
Operating income	9.3	6.4	118

Segment revenues increased 23% year over year, to 205.0 billion yen, as a result of growing global automobile demand, mainly in emerging markets, and a recovery from the Great East Japan Earthquake.

The segment recorded operating income of 9.3 billion yen, a 6.4 billion yen year over year increase due to the higher revenues and cost reduction.

[Digital Media & Consumer Products]

	Three months ended June 30, 2012		
	Yen (billions)	Year over year change (% or billions yen)	U.S. dollars (millions)
Revenues	218.5	(6%)	2,766
Operating income	0.0	(3.2)	0

Segment revenues declined 6% year over year, to 218.5 billion yen. This result reflected lower demand for flat-panel TVs, and the impact of the flooding in Thailand and lower sales prices on optical disk drive-related products.

The segment secured positive operating income by promoting structural reform of the flat-panel TV business, although it was down 3.2 billion yen year over year due to falling in sales prices of home air-conditioners and home appliances mainly in the Japanese market.

Note: The optical disk drive operations are conducted by Hitachi-LG Data Storage, Inc. (HLDS), which has a December 31 fiscal year-end, different from Hitachi’s March 31 year-end. Hitachi’s results for the three months ended June 30, 2012 include operating results of HLDS for the three months ended March 31, 2012.

[Financial Services]

	Three months ended June 30, 2012		
	Yen (billions)	Year over year change (% or billions yen)	U.S. dollars (millions)
Revenues	94.6	2%	1,198
Operating income	7.2	0.3	92

The segment reported a 2% year over year increase in revenues, to 94.6 billion yen, due to a strong performance in the overseas business at Hitachi Capital Corporation, particularly in Asia.

Segment operating income increased 0.3 billion yen, to 7.2 billion yen. This reflected higher earnings at Hitachi Capital Corporation due to reduction of credit costs.

[Others]

	Three months ended June 30, 2012		
	Yen (billions)	Year over year change (% or billions yen)	U.S. dollars (millions)
Revenues	278.5	(33%)	3,526
Operating income	8.9	(0.9)	113

Segment revenues declined 33% year over year, to 278.5 billion yen although the sales of Hitachi Transport System, Ltd. were flat year over year. The overall decline reflected the sale of hard disk drive business in the previous fiscal year.

Segment operating income decreased 0.9 billion yen year over year, to 8.9 billion yen due mainly to the sale of the hard disk drive business.

Note: Effective on April 1, 2012, Hitachi discontinued the Components & Devices Segment. The businesses, which were previously included in the Components & Devices Segment, have been included in the Others. Figures for each segment, including figures for the previous fiscal year, reflect the changed segmentation.

(3) Revenues by Market

	Three months ended June 30, 2012		
	Yen (billions)	Year over year % change	U.S. dollars (millions)
Japan	1,204.6	2%	15,249
Outside Japan	916.0	(6%)	11,595
Asia	418.1	(15%)	5,292
North America	203.2	5%	2,573
Europe	164.0	(11%)	2,077
Other Areas	130.6	25%	1,653

Revenues in Japan were 1,204.6 billion yen, up 2% year over year. While the Others Segment recorded lower revenues due to the sale of the hard disk drive business, the Automotive Systems, the Information & Telecommunication Systems and the Power Systems segments recorded higher revenues year over year, mainly reflecting a recovery from the Great East Japan Earthquake.

Outside Japan revenues declined 6% year over year, to 916.0 billion yen. The main reasons for the overall decline were the impact of selling the hard disk drive business, which resulted in much lower revenues in the Others Segment. The overall revenue decline came despite higher revenues in the Construction Machinery Segment on strong sales of hydraulic excavators and mining machinery to emerging markets, and in the Automotive Systems Segment because of growth in automobile demand worldwide.

As a result, the ratio of overseas revenues to consolidated revenues was 43%, 2 points lower year over year.

(4) Capital Expenditures, Depreciation and R&D Expenditures

Capital expenditures on a completion basis, excluding leasing assets, increased 39% year over year, to 82.8 billion yen, mainly due to investments for global business expansion.

Depreciation, excluding leasing assets, decreased 23% year over year, to 52.0 billion yen, primarily due to strict selection of capital investments.

R&D expenditures decreased 16% year over year, to 79.0 billion yen, which corresponded to 3.7% of consolidated revenues, reflecting the impact of the sale of the hard disk drive business, although Hitachi made further R&D investments to strengthen the Social Innovation Business.

2. Financial Position

(1) Financial Position

	As of June 30, 2012		
	Yen (billions)	Change from March 31, 2012	U.S. dollars (millions)
Total assets	9,220.3	(198.1)	116,713
Total liabilities	6,510.1	(134.3)	82,407
Interest-bearing debt	2,469.5	73.0	31,260
Total Hitachi, Ltd. stockholders' equity	1,718.2	(53.4)	21,750
Noncontrolling interests	991.8	(10.3)	12,555
Total Hitachi, Ltd. stockholders' equity ratio	18.6%	0.2 point decrease	-
D/E ratio (including noncontrolling interests)	0.91 times	0.05 point increase	-

Total assets as of June 30, 2012 decreased 198.1 billion yen from March 31, 2012, to 9,220.3 billion yen. Interest-bearing debt increased 73.0 billion yen, to 2,469.5 billion yen, mainly due to an increase in working capital because of seasonal factors such as bonus payment. Stockholders' equity declined 53.4 billion yen, to 1,718.2 billion yen because the accumulated other comprehensive loss increased due to appreciation of the yen and stock market slump. As a result, the total Hitachi, Ltd. stockholders' equity ratio was 18.6%. The debt-to-equity ratio, including noncontrolling interests, was 0.91 times.

(2) Cash Flows

	Three months ended June 30, 2012		
	Yen (billions)	Year over year change (billions yen)	U.S. dollars (millions)
Cash flows from operating activities	43.4	43.6	550
Cash flows from investing activities	(89.1)	25.1	(1,129)
Free cash flows	(45.7)	68.7	(579)
Cash flows from financing activities	31.8	(274.1)	403

Operating activities provided net cash of 43.4 billion yen, an improvement of 43.6 billion yen year over year. This improvement reflected the absence of the decline in cash from operations due to inspection delays at customers in the first quarter of fiscal 2011 caused by the impact of the Great East Japan Earthquake.

Investing activities used net cash of 89.1 billion yen, 25.1 billion yen less than in the corresponding quarter of the previous fiscal year. This result mainly reflected lower outlays related to corporate acquisitions than in the previous fiscal year.

Free cash flows, the sum of cash flows from operating and investing activities, was a negative 45.7 billion yen, but this was a 68.7 billion yen improvement year over year.

Financing activities provided net cash of 31.8 billion yen, a 274.1 billion yen decrease year over year, due to lower short-term debt than in the corresponding quarter of the previous fiscal year, which had been increased to secure liquidity of cash reserves after the Great East Japan Earthquake.

The net result was a decrease of 17.1 billion yen in cash and cash equivalents, to 602.4 billion yen.

3. Outlook for First Half of Fiscal 2012 and the Full Year of Fiscal 2012

	The first half of fiscal 2012 ending September 30, 2012		
	Yen (billions)	Year over year change (% or billions yen)	U.S. dollars (millions)
Revenues	4,300.0	(6%)	57,333
Operating income	150.0	(20.6)	2,000
Income before income taxes	120.0	(13.0)	1,600
Net income	70.0	(7.7)	933
Net income attributable to Hitachi, Ltd.	30.0	(20.9)	400

	Year ending March 31, 2013		
	Yen (billions)	Year over year change (% or billions yen)	U.S. dollars (millions)
Revenues	9,100.0	(6%)	121,333
Operating income	480.0	67.7	6,400
Income before income taxes	420.0	(137.7)	5,600
Net income	295.0	(117.8)	3,933
Net income attributable to Hitachi, Ltd.	200.0	(147.1)	2,667

Note: All fiscal 2012 outlook figures were converted using 75 yen to the U.S. dollar.

In terms of the overall business environment going forward, credit worries in Europe are expected to drag on, while at the same time there is a slowdown building in China and other emerging economies. These and other factors are increasing uncertainty about the outlook for the global economy. In Japan, while the economy is staging a gentle recovery on the back of demand associated with reconstruction after the Great East Japan Earthquake, there are many issues to address such as the yen’s strength and unstable electric energy supply.

Hitachi is projecting the consolidated results in the table above for fiscal 2012, which are the same as the projections issued with the fiscal 2011 results on May 10, 2012. Hitachi has not revised its overall forecasts for the first half of fiscal 2012 and the full year of fiscal 2012, although some segments are expected to be affected by the economic condition.

Projections for fiscal 2012 assume exchange rates of 75 yen to the U.S. dollar and 100 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) Application of simple accounting treatment and/or specific accounting treatment in preparing the quarterly consolidated financial statements

Yes

Hitachi computes interim income tax provisions by applying an estimated annual effective tax rate, which is reasonably determined considering the factors that will affect the tax rate including non-taxable transactions, tax credits and valuation allowances, to income before income taxes.

(3) Changes in accounting principles, procedures and presentation methods for preparing quarterly consolidated financial statements.

Yes

Effective on April 1, 2012, Hitachi, Ltd. and its domestic subsidiaries changed their depreciation method for property, plant and equipment mainly from the declining-balance method to the straight-line method.

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, including, without limitation, the information, electronics, automotive, construction and financial sectors;
- 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;
- the potential for significant losses on Hitachi's investments in equity method affiliates;
- increased commoditization of information technology products and digital media-related products and intensifying price competition for such products, particularly in the Digital Media & Consumer Products segments;
- 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;
- rapid technological innovation;
- 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;
- 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;
- 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 achieve the anticipated benefits of its strategy to strengthen its Social Innovation Business;
- uncertainty as to the success of restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness;
- uncertainty as to the success of cost reduction measures;
- 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 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 access to, or ability to protect, certain intellectual property rights, particularly those related to electronics and data processing technologies;
- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity method affiliates 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 earthquakes, tsunamis or other natural disasters;
- 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 the accuracy of key assumptions Hitachi uses to evaluate its significant employee benefit-related costs; and
- uncertainty as to Hitachi's ability to attract and retain skilled personnel.

The factors listed above are not all-inclusive and are in addition to other factors contained in other materials published by Hitachi.