

# Outline of Consolidated Financial Results for the First Quarter ended June 30, 2015

July 29, 2015

**Hitachi, Ltd.**

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for the Next Stage of Growth**

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# 1. Outline of Consolidated Financial Results for the First Quarter ended June 30, 2015

# 1-1. Highlights of the First Quarter FY2015 Financial Results\*1

Revenues	<p>2,314.0 billion yen (up 7% / 150.0 billion yen YoY)</p> <ul style="list-style-type: none"> <li>Higher in 7 business segments; High Functional Materials &amp; Components, Social Infrastructure &amp; Industrial Systems, Information &amp; Telecommunication Systems and Automotive Systems, etc.</li> </ul>
Adjusted operating income*2	<p>115.3 billion yen (up 3% / 3.0 billion yen YoY)</p> <ul style="list-style-type: none"> <li>Higher in 7 business segments; Social Infrastructure &amp; Industrial Systems, High Functional Materials &amp; Components and Financial Services, etc.</li> </ul>
EBIT (Earnings before interest and taxes)*3	<p>146.4 billion yen (up 23% / 27.1 billion yen YoY)</p> <ul style="list-style-type: none"> <li>Higher in High Functional Materials &amp; Components, Electronic Systems &amp; Equipment, Others (Logistics and Other services), Social Infrastructure &amp; Industrial Systems and Financial Service.</li> </ul>
Net income attributable to Hitachi, Ltd. stockholders	<p>54.9 billion yen (up 31% / 13.0 billion yen YoY)</p>
Total Hitachi, Ltd. stockholders' equity ratio (Manufacturing, Services and Others)	<p>28.4% (up 0.8 of a point from March 31, 2015)</p>
Core free cash flows*4 (Manufacturing, Services and Others)	<p>71.3 billion yen (up 21.8 billion yen YoY) [Free cash flows (Manufacturing, Services and Others): 32.4 billion yen (decreased 33.8 billion yen YoY)]</p>

\*1 An exchange rate for the FY2015/1Q of 121 yen to the U.S. dollar (FY2014/1Q: 102 yen to the U.S. dollar)

\*2 "Adjusted Operating Income" presented as revenues less cost of sales as well as selling, general and administrative expenses

\*3 Presented as income from continuing operations, before income taxes less interest income plus interest charges.

\*4 Operating cash flows plus collection of lease receivables less cash outflows for the purchase of property, plant and equipment, intangible assets, and leased assets.

## 1-2. Consolidated Statement of Operations\*

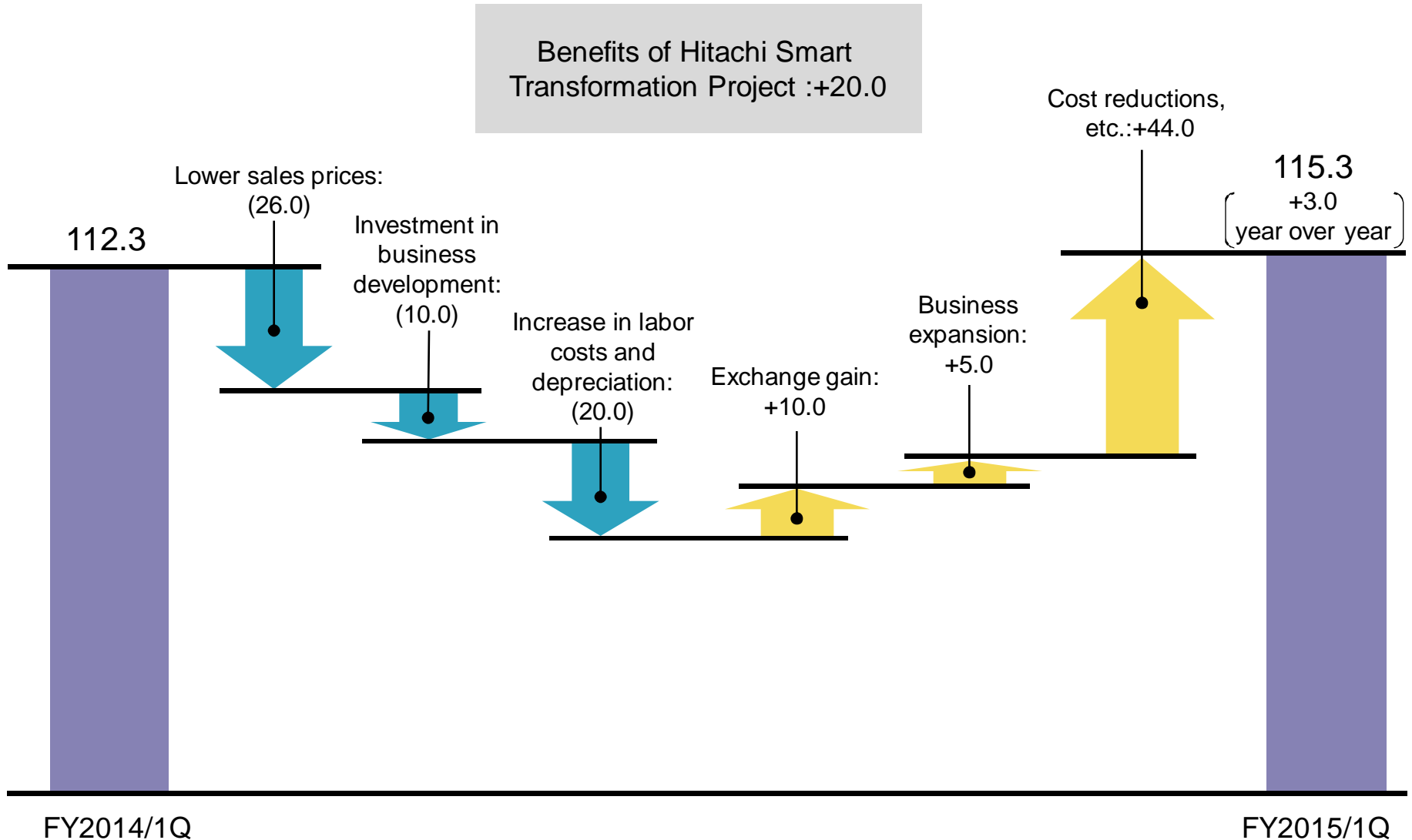
Billions of yen

	FY2014/1Q	FY2015/1Q	Year over year
Revenues	2,164.0	2,314.0	+150.0 [107%]
Adjusted operating income	112.3	115.3	+3.0
EBIT	119.3	146.4	+27.1
Income from continuing operations, before income taxes	115.7	142.6	+26.9
Income taxes	(31.9)	(46.0)	(14.0)
Income from continuing operations	83.7	96.6	+12.8
Loss from discontinued operations	(13.3)	(1.6)	+11.6
Net income	70.4	95.0	+24.5
Net income attributable to Hitachi, Ltd. stockholders	41.8	54.9	+13.0

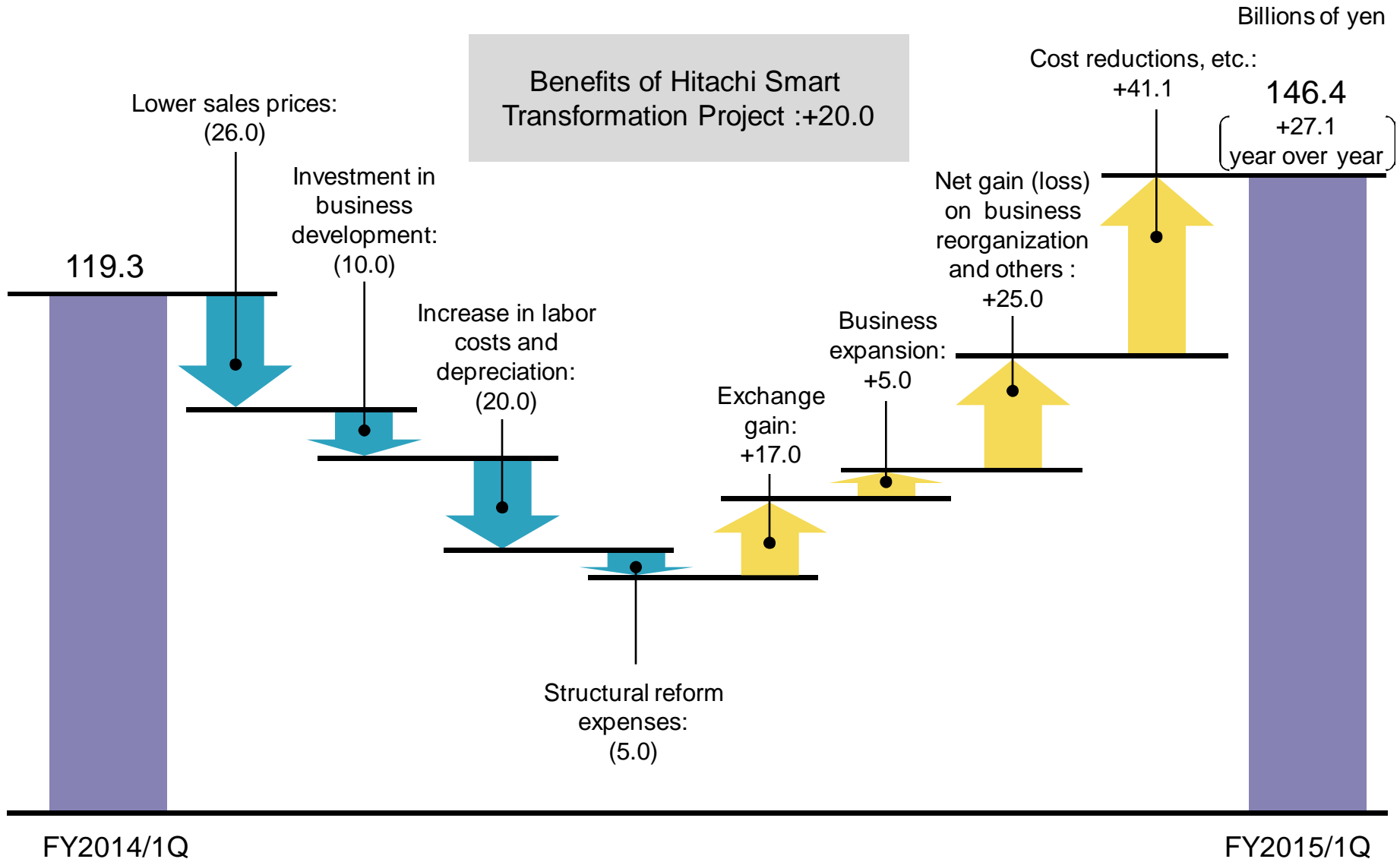
\* A part of the thermal power generation systems business is classified as a discontinued operation in accordance with the provision of IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations," which was not transferred to Mitsubishi Hitachi Power Systems, Ltd as part of the business integration in the thermal power generation systems with Mitsubishi Heavy Industries, Ltd. The results of the discontinued operation are reported separately from continuing operations.

# 1-3. Factors Affecting Changes in Adjusted Operating Income (year over year)

Billions of yen

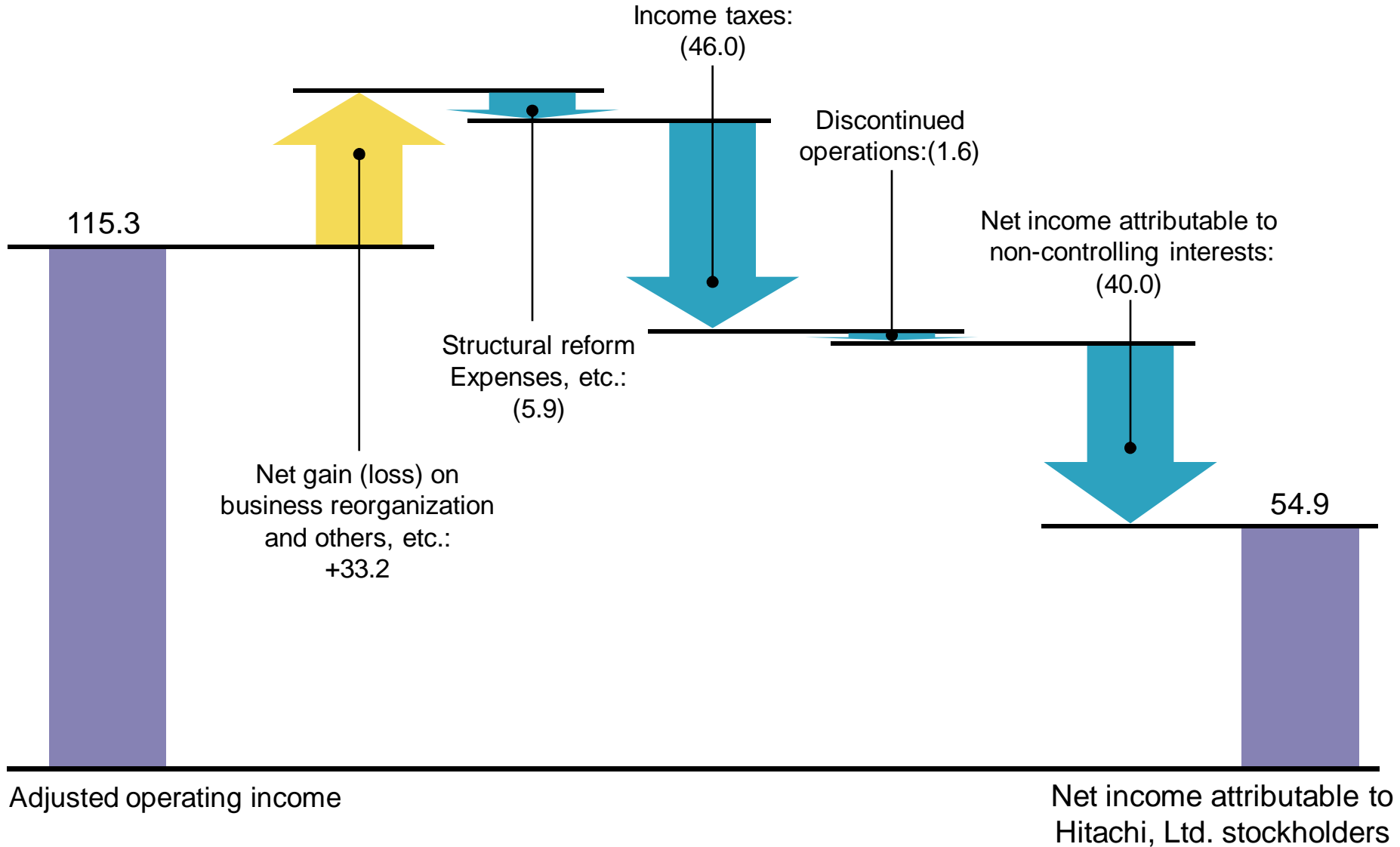


# 1-4. Factors Affecting Changes in EBIT (year over year)



# 1-5. Factors Affecting Changes in Net Income Attributable to Hitachi, Ltd. Stockholders

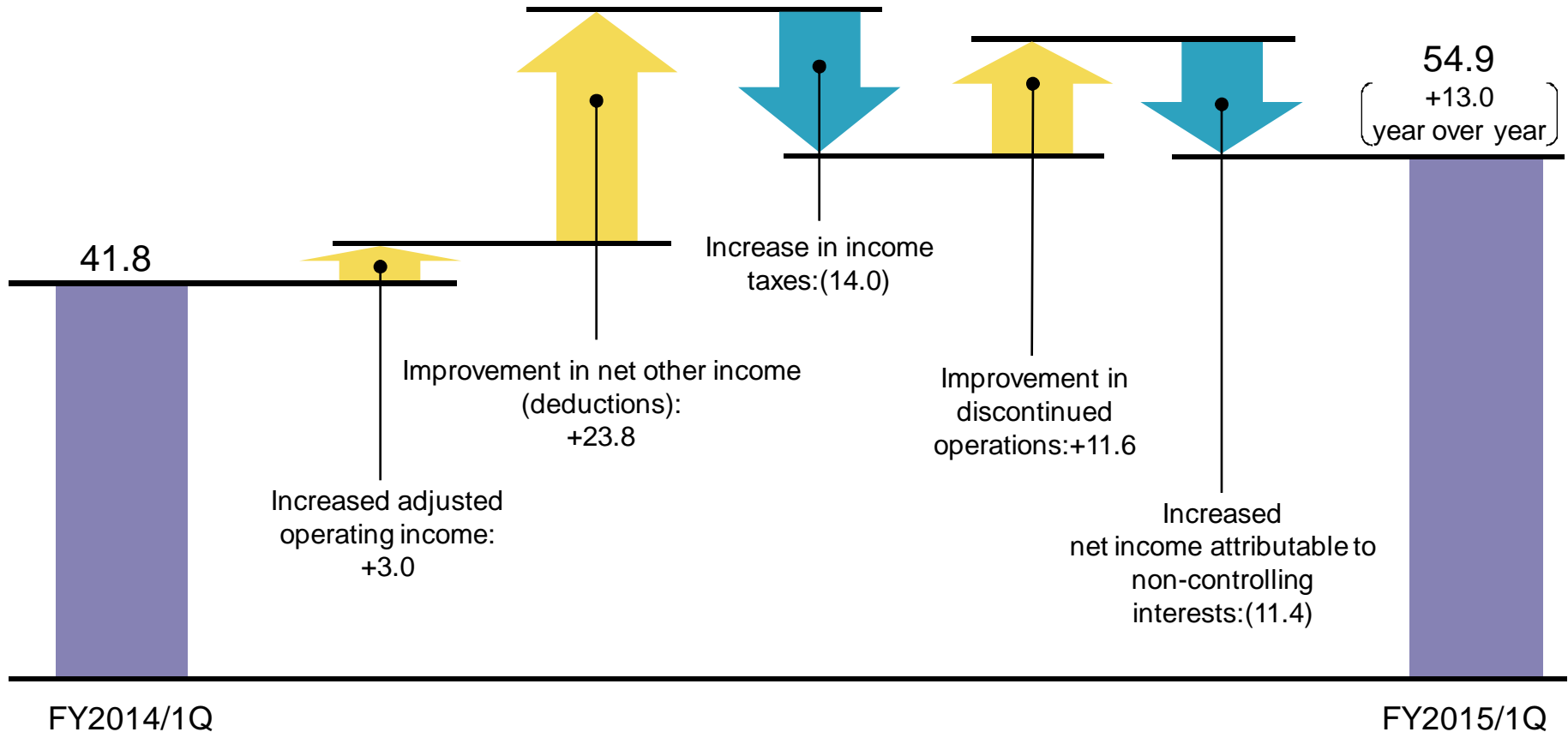
Billions of yen





# 1-6. Factors Affecting Changes in Net Income Attributable to Hitachi, Ltd. Stockholders (year over year)

Billions of yen



# 1-7. Revenues by Market

Billions of yen

	FY2014/1Q		FY2015/1Q		Year over year
		Ratio		Ratio	
Japan	1,096.3	51%	1,118.9	48%	102%
Outside Japan	1,067.6	49%	1,195.0	52%	112%
Asia	515.0	24%	554.2	24%	108%
China	268.6	13%	274.3	12%	102%
ASEAN, India, other areas	246.4	11%	279.8	12%	114%
North America	227.1	10%	322.0	14%	142%
Europe	212.3	10%	207.1	9%	98%
Other Areas	113.0	5%	111.6	5%	99%
<b>Total</b>	<b>2,164.0</b>	<b>100%</b>	<b>2,314.0</b>	<b>100%</b>	<b>107%</b>

Ratio of overseas revenues: 49% → 52%

\* Number of employees:

As of June 30, 2015 339,228 (Japan: 195,306 Overseas: 143,922)

As of March 31, 2015 336,670 (Japan: 193,638 Overseas: 143,032)

\* Number of consolidated subsidiaries:

As of June 30, 2015 1,022 (Japan: 270 Overseas: 752)

As of March 31, 2015 1,008 (Japan: 275 Overseas: 733)

# 1-8. Summary of Consolidated Statements of Profit or Loss by Manufacturing, Services and Others and Financial Services

## ■ Summary of Consolidated Statements of Profit or Loss

Billions of yen

	FY2014/1Q	FY2015/1Q	Year over year
Revenues	2,164.0	2,314.0	+150.0 (107%)
Adjusted operating income	112.3	115.3	+3.0
EBIT	119.3	146.4	+27.1

## ■ Summary of Consolidated Statements of Profit or Loss (Manufacturing, Services and Others)\*

Billions of yen

	FY2014/1Q	FY2015/1Q	Year over year
Revenues	2,107.2	2,257.8	+150.5 (107%)
Adjusted operating income	102.5	102.6	0.0
EBIT	111.5	136.2	+24.7

## ■ Summary of Consolidated Statements of Profit or Loss (Financial Services)\*

Billions of yen

	FY2014/1Q	FY2015/1Q	Year over year
Revenues	86.9	90.7	+3.7 (104%)
Adjusted operating income	8.8	12.1	+3.2
EBIT	9.3	12.6	+3.2

\* Figures here represent information voluntarily prepared by the Company.

# 1-9. Summary of Consolidated Financial Position

Billions of yen

	As of March 31, 2015	As of June 30, 2015	Change from March 31, 2015
Total assets	12,433.7	12,516.0	+82.3
Trade receivables and Inventories	4,328.1	4,218.0	(110.0)
Total liabilities	8,137.3	8,115.0	(22.3)
Interest-bearing debt	3,557.3	3,664.4	+107.0
Total Hitachi, Ltd. stockholders' equity	2,942.2	3,013.9	+71.6
Non-controlling interests	1,354.0	1,387.0	+32.9
Total Hitachi, Ltd. stockholders' equity ratio	23.7%	24.1%	0.4 point increase
D/E ratio (Including non-controlling interests)	0.83 times	0.83 times	±0.00 point

# 1-10. Summary of Consolidated Financial Position by Manufacturing, Services and Others and Financial Services

## ■ Summary of Consolidated Financial Position (Manufacturing, Services and Others)\*

Billions of yen

	As of March 31, 2015	As of June 30, 2015	Change from March 31, 2015
Total assets	9,984.4	9,954.5	(29.9)
Trade receivables and Inventories	3,896.8	3,716.2	(180.5)
Total liabilities	6,012.5	5,888.3	(124.2)
Interest-bearing debt	1,627.7	1,650.4	+22.7
Total Hitachi, Ltd. stockholders' equity	2,760.3	2,825.9	+65.5
Non-controlling interests	1,211.5	1,240.2	+28.7
Cash Conversion Cycle	81.8 days	75.7 days	6.1 days decrease
Total Hitachi, Ltd. stockholders' equity ratio	27.6%	28.4%	0.8 point increase
D/E ratio (Including non-controlling interests)	0.41 times	0.41 times	±0.00 point

## ■ Summary of Consolidated Financial Position (Financial Services)\*

Billions of yen

	As of March 31, 2015	As of June 30, 2015	Change from March 31, 2015
Total assets	2,953.6	3,101.3	+147.6
Trade receivables and Inventories	698.5	753.2	+54.6
Total liabilities	2,616.8	2,753.2	+136.4
Interest-bearing debt	2,138.6	2,273.1	+134.4
Total Hitachi, Ltd. stockholders' equity	195.3	201.7	+6.4
Non-controlling interests	141.4	146.3	+4.8
Total Hitachi, Ltd. stockholders' equity ratio	6.6%	6.5%	0.1 point decrease
D/E ratio (Including non-controlling interests)	6.35 times	6.53 times	0.18 point increase

\* Figures here represent information voluntarily prepared by the Company.

# 1-11. Summary of Consolidated Statements of Cash Flows

## ■ Summary of Consolidated Statements of Cash Flows

Billions of yen

	FY2014/1Q	FY2015/1Q	Year over year
Cash flows from operating activities	115.5	105.4	(10.1)
Cash flows from investing activities	(119.9)	(133.9)	(14.0)
Free cash flows	(4.4)	(28.5)	(24.1)
Core free cash flows	(27.0)	(14.5)	+12.5

## ■ Summary of Consolidated Statements of Cash Flows (Manufacturing, Services and Others)\*

Billions of yen

	FY2014/1Q	FY2015/1Q	Year over year
Cash flows from operating activities	156.1	160.0	+3.9
Cash flows from investing activities	(89.8)	(127.6)	(37.7)
Free cash flows	66.3	32.4	(33.8)
Core free cash flows	49.4	71.3	+21.8

## ■ Summary of Consolidated Statements of Cash Flows (Financial Services)\*

Billions of yen

	FY2014/1Q	FY2015/1Q	Year over year
Cash flows from operating activities	(32.6)	(45.8)	(13.2)
Cash flows from investing activities	(33.2)	(21.2)	+11.9
Free cash flows	(65.8)	(67.1)	(1.3)
Core free cash flows	(71.6)	(79.4)	(7.8)

\* Figures here represent information voluntarily prepared by the Company.

# 1-12. Consolidated Capital Expenditure, Depreciation and R&D Expenditure

## ■ Consolidated Capital Expenditure (Completion basis)\*

Billions of yen

	FY2014/1Q	FY2015/1Q	Year over year
Manufacturing, Services and Others	75.4	83.2	110%
Financial Services	16.4	26.8	163%
Total	91.8	110.0	120%

\* From FY2015/1Q, capital expenditures including figures for the previous fiscal year are stated exclusive of investment in lease assets classified as a finance lease, which was previously included in capital expenditures.

## ■ Consolidated Depreciation

Billions of yen

	FY2014/1Q	FY2015/1Q	Year over year
Manufacturing, Services and Others	65.7	71.0	108%
Financial Services	17.8	18.8	105%
Total	83.6	89.8	107%

## ■ Consolidated R&D Expenditure

Billions of yen

	FY2014/1Q	FY2015/1Q	Year over year
Total	79.5	78.2	98%

## 1-13. About the Business Groups

Business Group*	Segment and Subsidiary
Power & Infrastructure Systems Group	Social Infrastructure & Industrial Systems, Electronic Systems & Equipment, Smart Life & Ecofriendly Systems
Information & Telecommunication Systems Group	Information & Telecommunication Systems, Hitachi Transport System
Construction Machinery Group	Construction Machinery
High Functional Materials & Components Group	High Functional Materials & Components
Automotive Systems Group	Automotive Systems
Financial Services	Financial Services

\* Some businesses are not included in the table above.



# 1-14. Revenues, Adjusted Operating Income and EBIT by Business Group (1)\*1

Billions of yen

		FY2014/1Q	FY2015/1Q	Year over year
Power & Infrastructure Systems*2	Revenues	841.3	898.1	107%
	Adjusted operating income	28.2	33.5	+5.2
	EBIT	27.7	34.3	+6.5
Information & Telecommunication Systems	Revenues	582.2	620.3	107%
	Adjusted operating income	12.7	15.9	+3.1
	EBIT	14.0	15.3	+1.3
Construction Machinery	Revenues	187.6	177.3	94%
	Adjusted operating income	12.6	5.0	(7.6)
	EBIT	13.4	5.2	(8.2)

\*1 Figures here represent information voluntarily prepared by the Company.

\*2 Effective on April 1, 2015, "Power Systems" merged with "Infrastructure Systems" and changed its name to "Power & Infrastructure Systems".  
Figures for each group, including figures for the previous fiscal year, reflect the changed segmentation.

# 1-15. Revenues, Adjusted Operating Income and EBIT by Business Group (2)\*

Billions of yen

		FY2014/1Q	FY2015/1Q	Year over year
High Functional Materials & Components	Revenues	345.3	402.6	117%
	Adjusted operating income	27.1	31.2	+4.1
	EBIT	33.3	62.2	+28.9
Automotive Systems	Revenues	219.6	241.1	110%
	Adjusted operating income	10.7	10.8	+0.1
	EBIT	12.1	11.6	(0.4)
Financial Services	Revenues	86.9	90.7	104%
	Adjusted operating income	8.8	12.1	+3.2
	EBIT	9.3	12.6	+3.2
Total	Revenues	2,164.0	2,314.0	107%
	Adjusted operating income	112.3	115.3	+3.0
	EBIT	119.3	146.4	+27.1

\* Figures here represent information voluntarily prepared by the Company.

# 1-16. Revenues, Adjusted Operating Income and EBIT by Business Segment (1)

Billions of yen

		FY2014/1Q	FY2015/1Q	Year over year
Information & Telecommunication Systems	Revenues	421.3	451.5	107%
	Adjusted operating income	8.6	8.9	+0.2
	EBIT	9.0	8.4	(0.6)
Social Infrastructure & Industrial Systems*	Revenues	397.8	435.7	110%
	Adjusted operating income	5.2	10.6	+5.3
	EBIT	5.3	8.6	+3.3
Electronic Systems & Equipment	Revenues	251.8	258.7	103%
	Adjusted operating income	14.2	15.7	+1.5
	EBIT	13.5	17.2	+3.7
Construction Machinery	Revenues	187.6	177.3	94%
	Adjusted operating income	12.6	5.0	(7.6)
	EBIT	13.4	5.2	(8.2)
High Functional Materials & Components	Revenues	345.3	402.6	117%
	Adjusted operating income	27.1	31.2	+4.1
	EBIT	33.3	62.2	+28.9

\* Effective on April 1, 2015, the "Power Systems" became part of the "Social Infrastructure & Industrial Systems".  
Figures for each segment, including figures for the previous fiscal year, reflect the changed segmentation.

# 1-17. Revenues, Adjusted Operating Income and EBIT by Business Segment (2)

Billions of yen

		FY2014/1Q	FY2015/1Q	Year over year
Automotive Systems	Revenues	219.6	241.1	110%
	Adjusted operating income	10.7	10.8	+0.1
	EBIT	12.1	11.6	(0.4)
Smart Life & Ecofriendly Systems	Revenues	191.6	203.6	106%
	Adjusted operating income	8.8	7.1	(1.6)
	EBIT	8.9	8.4	(0.5)
Others (Logistics and Other services)	Revenues	309.0	305.3	99%
	Adjusted operating income	7.6	10.9	+3.2
	EBIT	8.7	12.2	+3.5
Financial Services	Revenues	86.9	90.7	104%
	Adjusted operating income	8.8	12.1	+3.2
	EBIT	9.3	12.6	+3.2
Corporate items & Eliminations	Revenues	(247.3)	(253.0)	-
	Adjusted operating income	8.3	2.7	(5.6)
	EBIT	5.4	(0.4)	(5.8)
Total	Revenues	2,164.0	2,314.0	107%
	Adjusted operating income	112.3	115.3	+3.0
	EBIT	119.3	146.4	+27.1

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## 2. Outlook for the First Half of Fiscal 2015

### ■ Business Environment

- Global Continuing uncertain situation due to sluggish economic growth mainly in China and oil and resource producing countries, and expansion of financial uncertainty in Europe
- Japan Gradual economic growth driven by an improving employment environment and increases in real wages, etc.
- U.S. Continued economic recovery, mainly supported by recovering consumer spending due to improving employment and income levels
- Europe Heightened financial uncertainty stemming from the Greek fiscal debt crisis
- China Decelerating economic growth due to slowdown in investment and production

### ■ Summary of the First Half of FY2015 Forecast

[Projections for the FY2015/2Q assume an exchange rate of 115 yen to the U.S. dollar and 120 yen to the euro.]

Billions of yen

	FY2014/1H	Previous forecast* (A)	Revised forecast (B)	Year over year	(B)-(A)
Revenues	4,552.0	4,700.0	4,700.0	+147.9 [103%]	±0.0 [100%]
Adjusted operating income	263.7	220.0	220.0	(43.7)	±0.0
EBIT	265.3	210.0	210.0	(55.3)	±0.0
Loss from discontinued operations	(16.3)	(4.0)	(4.0)	12.3	±0.0
Net income attributable to Hitachi, Ltd. stockholders	117.6	70.0	70.0	(47.6)	±0.0

\* Announced on May 14, 2015

## 2-2. Outlook for the First Half of FY2015: Revenues, Adjusted Operating Income and EBIT by Business Group (1)\*1

Billions of yen

		FY2014/1H	FY2015/1H (Forecast)	Year over year	Previous forecast*2 comparison
Power & Infrastructure Systems*3	Revenues	1,801.6	1,860.0	103%	102%
	Adjusted operating income	68.0	40.0	(28.0)	±0.0
	EBIT	70.1	44.0	(26.1)	±0.0
Information & Telecommunication Systems	Revenues	1,265.2	1,310.0	104%	100%
	Adjusted operating income	55.0	58.0	+2.9	±0.0
	EBIT	53.4	52.0	(1.4)	±0.0
Construction Machinery	Revenues	389.1	380.0	98%	100%
	Adjusted operating income	27.7	17.0	(10.7)	±0.0
	EBIT	29.0	15.0	(14.0)	±0.0

\*1 Figures here represent information voluntarily prepared by the Company.

\*2 Announced on May 14, 2015

\*3 Effective on April 1, 2015, "Power Systems" merged with "Infrastructure Systems" and changed its name to "Power & Infrastructure Systems".  
Figures for each group, including figures for the previous fiscal year, reflect the changed segmentation.

2-3. Outlook for the First Half of FY2015:  
Revenues, Adjusted Operating Income and EBIT by Business Group (2)\*1

Billions of yen

		FY2014/1H	FY2015/1H (Forecast)	Year over year	Previous forecast*2 comparison
High Functional Materials & Components	Revenues	699.9	810.0	116%	100%
	Adjusted operating income	52.8	65.0	+12.1	±0.0
	EBIT	62.6	91.0	+28.3	±0.0
Automotive Systems	Revenues	446.2	480.0	108%	100%
	Adjusted operating income	24.8	27.0	+2.1	±0.0
	EBIT	20.2	27.0	+6.7	±0.0
Financial Services	Revenues	174.7	180.0	103%	100%
	Adjusted operating income	18.4	21.0	+2.5	±0.0
	EBIT	19.4	22.0	+2.5	±0.0
Total	Revenues	4,552.0	4,700.0	103%	100%
	Adjusted operating income	263.7	220.0	(43.7)	±0.0
	EBIT	265.3	210.0	(55.3)	±0.0

\*1 Figures here represent information voluntarily prepared by the Company.

\*2 Announced on May 14, 2015



## 2-4. Outlook for the First Half of FY2015: Revenues, Adjusted Operating Income and EBIT by Business Segment (1)

Billions of yen

		FY2014/1H	FY2015/1H (Forecast)	Year over year	Previous forecast*1 comparison
Information & Telecommunication Systems	Revenues	936.9	970.0	104%	100%
	Adjusted operating income	46.9	47.0	0.0	±0.0
	EBIT	44.9	41.0	(3.9)	±0.0
Social Infrastructure & Industrial Systems*2	Revenues	896.5	920.0	103%	100%
	Adjusted operating income	24.8	10.0	(14.8)	±0.0
	EBIT	24.4	11.0	(13.4)	±0.0
Electronic Systems & Equipment	Revenues	528.0	540.0	102%	100%
	Adjusted operating income	28.5	22.0	(6.5)	±0.0
	EBIT	27.0	22.0	(5.0)	±0.0
Construction Machinery	Revenues	389.1	380.0	98%	100%
	Adjusted operating income	27.7	17.0	(10.7)	±0.0
	EBIT	29.0	15.0	(14.0)	±0.0
High Functional Materials & Components	Revenues	699.9	810.0	116%	100%
	Adjusted operating income	52.8	65.0	+12.1	±0.0
	EBIT	62.6	91.0	+28.3	±0.0

\*1 Announced on May 14, 2015

\*2 Effective on April 1, 2015, the "Power Systems" became part of the "Social Infrastructure & Industrial Systems".  
Figures for each segment, including figures for the previous fiscal year, reflect the changed segmentation.

## 2-5. Outlook for the First Half of FY2015: Revenues, Adjusted Operating Income and EBIT by Business Segment (2)

Billions of yen

		FY2014/1H	FY2015/1H (Forecast)	Year over year	Previous forecast* comparison
Automotive Systems	Revenues	446.2	480.0	108%	100%
	Adjusted operating income	24.8	27.0	+2.1	±0.0
	EBIT	20.2	27.0	+6.7	±0.0
Smart Life & Ecofriendly Systems	Revenues	376.9	400.0	106%	111%
	Adjusted operating income	14.6	8.0	(6.6)	±0.0
	EBIT	18.6	11.0	(7.6)	±0.0
Others (Logistics and Other services)	Revenues	625.7	590.0	94%	100%
	Adjusted operating income	16.4	16.0	(0.4)	±0.0
	EBIT	15.7	16.0	+0.2	±0.0
Financial Services	Revenues	174.7	180.0	103%	100%
	Adjusted operating income	18.4	21.0	+2.5	±0.0
	EBIT	19.4	22.0	+2.5	±0.0
Corporate items & Eliminations	Revenues	(522.3)	(570.0)	-	-
	Adjusted operating income	8.3	(13.0)	(21.3)	±0.0
	EBIT	2.9	(46.0)	(48.9)	±0.0
Total	Revenues	4,552.0	4,700.0	103%	100%
	Adjusted operating income	263.7	220.0	(43.7)	±0.0
	EBIT	265.3	210.0	(55.3)	±0.0

\* Announced on May 14, 2015

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### **3. Outlook for Fiscal 2015**

### 3-1. Outlook for FY2015: Revenues, Adjusted Operating Income and EBIT by Business Group (1)\*1

Billions of yen

		FY2014	FY2015 (Forecast)	Year over year	Previous forecast*2 comparison
Power & Infrastructure Systems*3	Revenues	3,952.1	4,010.0	101%	101%
	Adjusted operating income	189.9	225.0	+35.0	±0.0
	EBIT	208.6	237.0	+28.3	±0.0
Information & Telecommunication Systems	Revenues	2,709.2	2,790.0	103%	100%
	Adjusted operating income	157.7	185.0	+27.2	±0.0
	EBIT	128.1	170.0	+41.8	±0.0
Construction Machinery	Revenues	815.7	800.0	98%	100%
	Adjusted operating income	59.8	50.0	(9.8)	±0.0
	EBIT	60.5	49.0	(11.5)	±0.0

\*1 Figures here represent information voluntarily prepared by the Company.

\*2 Announced on May 14, 2015

\*3 Effective on April 1, 2015, "Power Systems" merged with "Infrastructure Systems" and changed its name to "Power & Infrastructure Systems".  
Figures for each group, including figures for the previous fiscal year, reflect the changed segmentation.

### 3-2. Outlook for FY2015: Revenues, Adjusted Operating Income and EBIT by Business Group (2)\*1

Billions of yen

		FY2014	FY2015 (Forecast)	Year over year	Previous forecast*2 comparison
High Functional Materials & Components	Revenues	1,529.4	1,670.0	109%	100%
	Adjusted operating income	120.8	146.0	+25.1	±0.0
	EBIT	123.9	164.0	+40.0	±0.0
Automotive Systems	Revenues	936.9	1,000.0	107%	100%
	Adjusted operating income	47.4	68.0	+20.5	±0.0
	EBIT	35.0	70.0	+34.9	±0.0
Financial Services	Revenues	356.2	370.0	104%	100%
	Adjusted operating income	38.9	41.0	+2.0	±0.0
	EBIT	35.4	42.0	+6.5	±0.0
Total	Revenues	9,774.9	9,950.0	102%	100%
	Adjusted operating income	641.3	680.0	+38.6	±0.0
	EBIT	534.0	620.0	+85.9	±0.0

\*1 Figures here represent information voluntarily prepared by the Company.

\*2 Announced on May 14, 2015

### 3-3. Outlook for FY2015: Revenues, Adjusted Operating Income and EBIT by Business Segment (1)

Billions of yen

		FY2014	FY2015 (Forecast)	Year over year	Previous forecast*1 comparison
Information & Telecommunication Systems	Revenues	2,034.0	2,100.0	103%	100%
	Adjusted operating income	135.1	158.0	+22.8	±0.0
	EBIT	106.0	144.0	+37.9	±0.0
Social Infrastructure & Industrial Systems*2	Revenues	2,066.2	2,140.0	104%	100%
	Adjusted operating income	88.9	131.0	+42.0	±0.0
	EBIT	110.3	140.0	+29.6	±0.0
Electronic Systems & Equipment	Revenues	1,131.6	1,180.0	104%	100%
	Adjusted operating income	72.5	76.0	+3.4	±0.0
	EBIT	63.7	75.0	+11.2	±0.0
Construction Machinery	Revenues	815.7	800.0	98%	100%
	Adjusted operating income	59.8	50.0	(9.8)	±0.0
	EBIT	60.5	49.0	(11.5)	±0.0
High Functional Materials & Components	Revenues	1,529.4	1,670.0	109%	100%
	Adjusted operating income	120.8	146.0	+25.1	±0.0
	EBIT	123.9	164.0	+40.0	±0.0

\*1 Announced on May 14, 2015

\*2 Effective on April 1, 2015, the "Power Systems" became part of the "Social Infrastructure & Industrial Systems".  
Figures for each segment, including figures for the previous fiscal year, reflect the changed segmentation.

### 3-4. Outlook for FY2015: Revenues, Adjusted Operating Income and EBIT by Business Segment (2)

Billions of yen

		FY2014	FY2015 (Forecast)	Year over year	Previous forecast* comparison
Automotive Systems	Revenues	936.9	1,000.0	107%	100%
	Adjusted operating income	47.4	68.0	+20.5	±0.0
	EBIT	35.0	70.0	+34.9	±0.0
Smart Life & Ecofriendly Systems	Revenues	754.2	690.0	91%	106%
	Adjusted operating income	28.4	18.0	(10.4)	±0.0
	EBIT	34.5	22.0	(12.5)	±0.0
Others (Logistics and Other services)	Revenues	1,274.2	1,220.0	96%	100%
	Adjusted operating income	41.8	43.0	+1.1	±0.0
	EBIT	51.0	42.0	(9.0)	±0.0
Financial Services	Revenues	356.2	370.0	104%	100%
	Adjusted operating income	38.9	41.0	+2.0	±0.0
	EBIT	35.4	42.0	+6.5	±0.0
Corporate items & Eliminations	Revenues	(1,123.9)	(1,220.0)	-	-
	Adjusted operating income	7.1	(51.0)	(58.1)	±0.0
	EBIT	(86.6)	(128.0)	(41.3)	±0.0
Total	Revenues	9,774.9	9,950.0	102%	100%
	Adjusted operating income	641.3	680.0	+38.6	±0.0
	EBIT	534.0	620.0	+85.9	±0.0

\* Announced on May 14, 2015

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## **4. Development of the Social Innovation Business for the Next Stage of Growth**



### Progress on the “2015 Mid-term Management Plan” and Evolution of the Social Innovation Business

- Business Structure Reforms
  - Executes business structure reforms in IT platform, T&D business and others
- Progress of Autonomous Decentralized Global Management
  - The Chief Executives will make investments in the Social Innovation Business and are responsible for profits / losses in global regions - the Americas, China, Asia / Pacific, and Europe / Russia / Middle East and other areas (“EMEA•CIS”)
  - Business plans for the Americas will focus on energy, healthcare and security, while plans for China are mainly targeting healthcare and the smart logistics fields
- Information & Telecommunication Systems
  - Completed the acquisition of Pentaho Corporation by Hitachi Data Systems Corporation  
Utilize its data analytics-related services as a Big Data-analytics platform in Hitachi Group
  - Commenced delivery of private cloud services to ANA(All Nippon Airways)
  - Started sale of BPO services to address the adoption of the Social Security and Tax Number System in Japan
  - Accelerated structure reforms such as cost reductions and optimal personnel assignments in the telecommunications business in the Japanese domestic platform business
- Social Infrastructure & Industrial Systems
  - Received the first order for the Thameslink traffic management for Network Rail in U.K.
  - Concluded a contract to supply and install train signaling systems in Myanmar
  - Completed a formal contract to establish a joint venture for transformer business in Myanmar
  - Signed a formal contract with ABB to establish a joint venture for high-voltage direct current (HVDC) transmission in Japan

### Progress on the “2015 Mid-term Management Plan” and Evolution of the Social Innovation Business

- Electronic Systems & Equipment
  - Planned absorption-type merger of Hitachi Medical and Hitachi Aloka Medical in April 2016 to strengthen the healthcare business
  - Selected by Johns Hopkins Medicine in the U.S. and Nagamori Cancer Center in Kyoto, Japan to provide proton beam therapy systems
  - Hitachi Kokusai Electric reorganized broadcasting transmitter business in North America
- High Functional Materials & Components
  - Strengthen position in the North American automotive market with the acquisition of Waupaca Foundry Holdings, Inc. in November 2014 by Hitachi Metals
  - Hitachi Metals will establish a neodymium magnet joint venture in China in December 2015
- Automotive Systems
  - Inaugurated a new automotive plant to produce engine control, etc. in Chennai, the Republic of India
  - Announced decision to establish a new automotive systems company that produces chassis-based products, etc. in Chongqing City, China
  - Announced to deliver prismatic lithium-ion batteries with a high output power density of 5,000 W/kg for GM’s 2016 Chevrolet Malibu Hybrid
- Smart Life & Ecofriendly Systems
  - Planned establishment of a global HVAC joint venture with Johnson Controls in the latter half of 2015 to strengthen the air conditioning systems business

Benefits of the Hitachi Smart Transformation Project for FY2015/1Q: 20.0 billion yen

Making steady progress to achieve increased FY2015 cost reduction target of 110.0 billion yen, up from 100.0 billion yen

### Main Initiatives and Progress Through the First Quarter of FY2015

#### 1. Initiatives to Reform Cost Structure and Strengthen Cash Generation

##### (1) Improving earnings

- Promoted sales activity based on achievements from the Hitachi Smart Transformation Project ex. Hitachi High-Technologies installed video conference system at 360 sites, and reduced travel expenses and communication costs
- Expanded and enhanced the scope of centralized procurement that includes overseas business sites
- Improved engineering efficiency and enhanced global business responsiveness by using ESO
- Expanded BPO for finance and indirect HR duties in Japan
- Expanded application of global logistics reforms

##### (2) Improving cash flow

- Expanded the global procurement scheme (collaboration with Hitachi High-Technologies, Hitachi Capital, and Hitachi Transport System)
- Set key management indicators according to business characteristics and strictly enforced controls

##### (3) Effective cash management

- Introduced cross-border RMB pooling system

#### 2. Business Process Reforms

- Pushed ahead with the introduction of pipeline management for business projects
- Started overhaul of business processes in core value chains by introducing pipeline management

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## Supplementary Information

## Revenues, Adjusted operating income and EBIT \*1

Billions of yen

	Fiscal 2014		Fiscal 2015					
	1Q	1H	1Q		1H (Forecast)		Total (Forecast)	
				Year over year		Year over year		Year over year
Revenues	421.3	936.9	451.5	107%	970.0	104%	2,100.0	103%
System Solutions*2	256.6	570.1	271.8	106%	588.9	103%	1,278.6	103%
Platform*3	223.1	483.9	231.9	104%	497.6	103%	1,094.1	107%
Eliminations & Others*4	(58.5)	(117.1)	(52.2)	-	(116.5)	-	(272.8)	-
Adjusted Operating Income	8.6	46.9	8.9	+0.2	47.0	0.0	158.0	+22.8
System Solutions*2	(1.9)	21.6	6.7	+8.6	23.6	+1.9	95.4	+17.7
Platform*3	7.1	24.1	1.4	(5.6)	23.9	(0.2)	70.2	+12.5
Eliminations & Others*4	3.5	1.1	0.6	-	(0.5)	-	(7.6)	-
EBIT	9.0	44.9	8.4	(0.6)	41.0	(3.9)	144.0	+37.9
System Solutions*2	(1.3)	21.1	6.8	+8.1	22.3	+1.1	92.1	+33.9
Platform*3	7.1	23.6	0.4	(6.6)	19.8	(3.8)	62.5	+14.7
Eliminations & Others*4	3.3	0.1	1.1	-	(1.2)	-	(10.6)	-

## Storage Solutions

Billions of yen

	Fiscal 2014		Fiscal 2015					
	1Q	1H	1Q		1H (Forecast)		Total (Forecast)	
				Year over year		Year over year		Year over year
Revenues	104.0	218.0	117.0	113%	230.0	106%	510.0	105%

\*1 Figures for each subsegment include intersegment transactions.

\*2 System integration, sales, maintenance and related services of software and hardware for financial, public, enterprise and social infrastructure (power, rail, telecommunication, etc.) sectors, consulting, etc.

\*3 Sales, maintenance and related services for software, server, storage, telecommunication & network equipment, etc.

\*4 Figures for intersegment transactions, etc.

# Consolidated Overseas Revenues by Business Segment

Billions of yen

	FY2014/1Q	FY2015/1Q	Year over year
Information & Telecommunication Systems	137.9	160.5	116%
Social Infrastructure & Industrial Systems*	158.4	176.2	111%
Electronic Systems & Equipment	158.7	161.5	102%
Construction Machinery	146.7	133.7	91%
High Functional Materials & Components	163.3	234.2	143%
Automotive Systems	117.8	139.7	119%
Smart Life & Ecofriendly Systems	79.6	94.9	119%
Others (Logistics and Other services)	96.1	91.4	95%
Financial Services	31.2	34.8	112%
Corporate items & Eliminations	(22.3)	(32.2)	-
<b>Total</b>	<b>1,067.6</b>	<b>1,195.0</b>	<b>112%</b>

\* Effective on April 1, 2015, the "Power Systems" became part of the "Social Infrastructure & Industrial Systems".  
Figures for each segment, including figures for the previous fiscal year, reflect the changed segmentation.

# Consolidated Capital Expenditure by Business Segment in Manufacturing, Services and Others and Financial Services\*1 (Completion basis)

Billions of yen

		Fiscal 2014		Fiscal 2015			
		1Q	Total	1Q	Year over year	Total (Forecast)	Year over year
	Information & Telecommunication Systems	13.6	43.9	12.8	94%		
	Social Infrastructure & Industrial Systems <sup>*2</sup>	10.8	60.1	12.8	119%		
	Electronic Systems & Equipment	5.0	20.4	3.9	79%		
	Construction Machinery	4.7	17.8	3.5	75%		
	High Functional Materials & Components	12.1	74.8	17.0	140%		
	Automotive Systems	15.2	77.4	14.0	92%		
	Smart Life & Ecofriendly Systems	3.4	18.0	4.8	141%		
	Others (Logistics and Other services)	9.0	49.2	13.6	151%		
	Corporate items	1.2	4.1	0.4	37%		
	Manufacturing, Services and Others	75.4	366.1	83.2	110%	380.0	104%
	Financial Services	16.4	65.0	26.8	163%	120.0	184%
	<b>Total</b>	<b>91.8</b>	<b>431.2</b>	<b>110.0</b>	<b>120%</b>	<b>500.0</b>	<b>116%</b>

\*1 From FY2015/1Q, capital expenditures including figures for the previous fiscal year are stated exclusive of investment in lease assets classified as a finance lease, which was previously included in capital expenditures. The amount of investment in lease assets classified as a finance lease in each period was 89.5 billion yen for the first quarter of FY 2014, 105.2 billion yen for the first quarter of FY2015, and is forecasted 420.0 billion yen for the FY 2015. The total amount of investment in lease assets classified as a finance lease and capital expenditures was 177.6 billion yen for the first quarter of FY 2014, 211.1 billion yen for the first quarter of FY 2015, and is forecasted 910.0 billion yen for the FY 2015.

\*2 Effective on April 1, 2015, the "Power Systems" became part of the "Social Infrastructure & Industrial Systems".  
Figures for each segment, including figures for the previous fiscal year, reflect the changed segmentation.

# Consolidated Depreciation by Business Segment in Manufacturing, Services and Others and Financial Services

Billions of yen

		Fiscal 2014		Fiscal 2015			
		1Q	Total	1Q	Year over year	Total(Forecast)	Year over year
	Information & Telecommunication Systems	9.3	40.0	11.5	124%		
	Social Infrastructure & Industrial Systems*	8.1	32.5	7.4	91%		
	Electronic Systems & Equipment	3.3	15.6	4.0	121%		
	Construction Machinery	8.2	31.9	8.1	98%		
	High Functional Materials & Components	14.6	62.3	16.3	112%		
	Automotive Systems	8.0	35.2	9.0	114%		
	Smart Life & Ecofriendly Systems	4.5	18.9	4.8	107%		
	Others (Logistics and Other services)	8.6	34.2	8.7	101%		
	Corporate items	0.8	3.5	0.8	96%		
	Manufacturing, Services and Others	65.7	274.5	71.0	108%	300.0	109%
	Financial Services	17.8	76.1	18.8	105%	80.0	105%
	<b>Total</b>	<b>83.6</b>	<b>350.7</b>	<b>89.8</b>	<b>107%</b>	<b>380.0</b>	<b>108%</b>

\* Effective on April 1, 2015, the "Power Systems" became part of the "Social Infrastructure & Industrial Systems".  
Figures for each segment, including figures for the previous fiscal year, reflect the changed segmentation.



# Consolidated R&D Expenditure by Business Segment

Billions of yen

		Fiscal 2014		Fiscal 2015			
		1Q	Total	1Q	Year over year	Total(Forecast)	Year over year
	Information & Telecommunication Systems	17.7	69.0	14.9	84%		
	Social Infrastructure & Industrial Systems*	9.3	43.5	9.9	106%		
	Electronic Systems & Equipment	10.8	49.6	11.0	101%		
	Construction Machinery	4.3	17.8	4.5	105%		
	High Functional Materials & Components	11.1	46.3	11.4	103%		
	Automotive Systems	15.4	61.0	16.5	107%		
	Smart Life & Ecofriendly Systems	2.8	11.2	3.0	105%		
	Others (Logistics and Other services)	1.6	8.0	1.2	75%		
	Corporate items	6.0	27.8	5.5	93%		
	Manufacturing, Services and Others	79.4	334.5	78.2	98%		
	Financial Services	0.0	0.3	0.0	23%		
	<b>Total</b>	<b>79.5</b>	<b>334.8</b>	<b>78.2</b>	<b>98%</b>	<b>355.0</b>	<b>106%</b>
	Percentage of revenues (%)	3.7	3.4	3.4	-	3.6	-

\* Effective on April 1, 2015, the "Power Systems" became part of the "Social Infrastructure & Industrial Systems". Figures for each segment, including figures for the previous fiscal year, reflect the changed segmentation.

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;
- 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 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;
- credit conditions of Hitachi’s customers and suppliers;
- 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;
- increased commoditization of and intensifying price competition for products;
- 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;
- 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 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;
- the potential for significant losses on Hitachi’s investments in equity-method associates and joint ventures;
- 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;
- 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.

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