

FOR IMMEDIATE RELEASE

Hitachi Announces Consolidated Financial Results for Fiscal 2017

Tokyo, April 27, 2018 --- Hitachi, Ltd. (TSE:6501) today announced its consolidated financial results for fiscal 2017, ended March 31, 2018.

Note: All figures were converted at the rate of 106 yen to the U.S. dollar, as of March 31, 2018.

Summary

	Years ended March 31			
	Yen (billions)		(B)/(A) (%)	U.S. Dollars (millions)
	2017(A)	2018(B)		2018
1. Revenues	9,162.2	9,368.6	102	88,383
2. Adjusted operating income	587.3	714.6	122	6,742
3. EBIT (Earnings before interest and taxes)	475.1	644.2	136	6,078
4. Income from continuing operations, before income taxes	469.0	638.6	136	6,025
5. Net income	338.0	490.9	145	4,631
6. Net income attributable to Hitachi, Ltd. stockholders	231.2	362.9	157	3,424
7. Earnings per share attributable to Hitachi, Ltd. stockholders	(Yen)	(Yen)		(U.S.Dollars)
Basic	47.90	75.19	157	0.71
Diluted	47.88	75.12	157	0.71

Notes: 1. The Company's consolidated financial statements are prepared based on IFRS.

2. "Adjusted operating income" is presented as revenues less cost of sales as well as selling, general and administrative expenses.

3. "EBIT" is presented as income from continuing operations, before income taxes less interest income plus interest charges.

4. The figures are for 879 consolidated subsidiaries and 407 equity-method associates and joint ventures.

5. A part of the thermal power generation systems business is classified as discontinued operations 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. for the business integration in the thermal power generation systems with Mitsubishi Heavy Industries, Ltd. The results of the discontinued operations are reported separately from continuing operations.

1. Qualitative Information Concerning Consolidated Business Results

(1) Summary of Fiscal 2017 Consolidated Business Results

	Year ended March 31, 2018		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Revenues	9,368.6	+2%	88,383
Adjusted operating income	714.6	+127.3	6,742
EBIT	644.2	+169.0	6,078
Income from continuing operations, before income taxes	638.6	+169.5	6,025
Income from continuing operations	506.9	+162.9	4,782
Loss from discontinued operations	(16.0)	(10.0)	(151)
Net income	490.9	+152.8	4,631
Net income attributable to Hitachi, Ltd. stockholders	362.9	+131.7	3,424

During fiscal 2017, the year ended March 31, 2018, the global economy expanded at a moderate pace. The U.S. and Japanese economies remained solid, particularly in terms of consumer spending and capital investment, and in China too, the economic growth was steady thanks to an increase in infrastructure investment and consumer spending. In Europe, the economy continued to expand, led by the German economy.

For fiscal 2017, the Hitachi's consolidated revenues increased 2% year over year, to 9,368.6 billion yen. While the revenues were affected by the conversion of Hitachi Transport System, Ltd. and Hitachi Capital Corporation to equity-method associates and the deconsolidation of Hitachi Koki Co., Ltd. in the previous fiscal year, the revenues increased in the Construction Machinery segment where overseas sales rose mainly in China, the High Functional Materials & Components segment where the sales of electronics- and automotive-related products expanded, the Social Infrastructure & Industrial Systems segment where the railway systems business for the U.K. was strong, and the Information & Telecommunication Systems segment where the system integration business remained firm in Japan.

Adjusted operating income increased 127.3 billion yen year over year, to 714.6 billion yen. The increase was mainly in the Construction Machinery segment, in which profit increased thanks to revenue growth, the Social Infrastructure & Industrial Systems segment, in which the profitability of the industry & distribution field, the power and energy business, and the industrial products business improved, and the Information & Telecommunication Systems segment, in which the profitability of the system integration business in Japan improved in addition to the effect of the structural reform implemented in the previous fiscal year.

EBIT also increased 169.0 billion yen year over year, to 644.2 billion yen mainly due to the increase in adjusted operating income, and the posting of an impairment loss in power and energy systems business in the previous fiscal year, despite the absence of gain from reorganization of Hitachi Transportation System, Hitachi Capital, and Hitachi Koki.

Income from continuing operations, before income taxes, increased 169.5 billion yen year over year, to 638.6 billion yen. After deducting income taxes of 131.7 billion yen, Hitachi posted income from continuing operations of 506.9 billion yen, up 162.9 billion yen year over year. Loss from discontinued operations increased 10.0 billion yen year over year, to 16.0 billion yen. Net income increased 152.8 billion yen year over year, to 490.9 billion yen. Net income attributable to Hitachi, Ltd. stockholders increased 131.7 billion yen year over year, to 362.9 billion yen.

Assuming that Hitachi Transport System, Hitachi Capital, and Hitachi Koki were not consolidated in the previous fiscal year, the consolidated revenues increased 4%, the adjusted operating income increased 136.3 billion yen, and EBIT increased 218.0 billion yen year over year on a constant currency basis.

(2) Revenues, Adjusted Operating Income and EBIT by Segment

Please refer to the presentation material.

(3) Outlook for Fiscal 2018

	Year ending March 31, 2019		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Revenues	9,400.0	0%	88,679
Adjusted operating income	750.0	+35.3	7,075
EBIT	750.0	+105.7	7,075
Income from continuing operations, before income taxes	735.0	+96.3	6,934
Net income	530.0	+39.0	5,000
Net income attributable to Hitachi, Ltd. stockholders	400.0	+37.0	3,774

The future business environment surrounding Hitachi is expected to remain uncertain. There are concerns regarding the prospects for the negotiations on Brexit in Europe and trade relationships in various countries, despite the expectation that the global economy, mainly in the U.S., will continue to expand.

Reflecting these business environments, Hitachi forecasts the results shown above for fiscal 2018, the year ending March 31, 2019.

Projections for fiscal 2018 assume exchange rates of 105 yen to the U.S. dollar and 130 yen to the euro.

Hitachi will accelerate the global expansion of its Social Innovation Business through collaborative creation with customers, persist with its business structural reforms and pursue efforts to strengthen its business foundations by reviewing its business portfolio, with the aim of achieving sustainable growth.

2. Financial Position

Since Hitachi Capital, which belonged to the Financial Services segment, was converted into an equity-method associate as of October 3, 2016, the Financial Services segment is not presented as a reportable segment. Therefore, financial position and cash flows by "Manufacturing, Services and Others" and "Financial Services" are no longer presented.

(1) Financial Position

	As of March 31, 2018		
	Yen (billions)	Change from March 31, 2017 (billion yen)	U.S. Dollars (millions)
Total assets	10,106.6	+442.6	95,345
Total liabilities	5,594.9	+28.0	52,782
Interest-bearing debt	1,050.2	(126.3)	9,908
Total Hitachi, Ltd. stockholders' equity	3,278.0	+310.9	30,925
Non-controlling interests	1,233.6	+103.7	11,638
Cash Conversion Cycle	69.7 days	2.5 days decrease	—
Total Hitachi, Ltd. stockholders' equity ratio	32.4%	1.7 points increase	—
D/E ratio (including non-controlling interests)	0.23 times	0.06 points decrease	—

Total assets increased 442.6 billion yen from March 31, 2017, to 10,106.6 billion yen, mainly reflecting M&As such as the acquisition of the air compressor business ("Sullair" business) of Accudyne Industries in July 2017. Interest-bearing debt decreased 126.3 billion yen from March 31, 2017, to 1,050.2 billion yen, as a result of bond redemption and repayment of borrowings. As of March 31, 2018, the total Hitachi, Ltd. stockholders' equity increased 310.9 billion yen from March 31, 2017, to 3,278.0 billion yen. As a result, the total Hitachi, Ltd. stockholders' equity ratio was 32.4%, an improvement of 1.7 points from March 31, 2017. The debt-to-equity ratio, including non-controlling interests, was 0.23 times, a decrease of 0.06 points from March 31, 2017. Cash Conversion Cycle improved 2.5 days from March 31, 2017, to 69.7 days.

(2) Cash Flows

	Year ended March 31, 2018		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Cash flows from operating activities	727.1	+97.5	6,860
Cash flows from investing activities	(474.3)	(136.3)	(4,475)
Free cash flows	252.8	(38.7)	2,385
Cash flows from financing activities	(321.4)	(111.9)	(3,033)

Operating activities provided net cash of 727.1 billion yen, 97.5 billion yen more than in the previous fiscal year, due to an increase in net income. Investing activities used net cash of 474.3 billion yen, 136.3 billion yen more than in the previous fiscal year, reflecting an increase in expenditure related to M&As, including the acquisition of the Sullair business, and the absence of proceeds from the sale of part of shares in Hitachi Transport System and Hitachi Capital and from the sale of the shares of Hitachi Koki recorded in the previous fiscal year. This was despite a significant decrease in purchase of leased assets as a result of the conversion of Hitachi Capital into an equity-method associate in the previous fiscal year. Free cash flows were positive 252.8 billion yen, a decrease of 38.7 billion yen year over year. Financing activities used net cash of 321.4 billion yen, 111.9 billion yen more than in the previous fiscal year, due to a decrease in proceeds from issuance of debt as a result of the conversion of Hitachi Capital into an equity-method associate.

Accordingly, cash and cash equivalents were 697.9 billion yen, down 67.2 billion yen from the end of the previous fiscal year.

In case of comparing the cash flows on a consolidated basis with the cash flows in a "Manufacturing, Services and Others" in the previous fiscal year, the details are as follows;

Operating activities provided net cash of 727.1 billion yen, 88.4 billion yen more than in the previous fiscal year, due to an increase in net income. Investing activities used 474.3 billion yen, 321.0 billion yen more than 153.2 billion yen in the previous fiscal year because of an increase in expenditure related to M&As, including the acquisition of the Sullair business and the absence of proceeds from the sale of part of the shares in Hitachi Transport System and Hitachi Capital and from the sale of the shares of Hitachi Koki recorded in the previous fiscal year. Free cash flows were positive 252.8 billion yen, 232.6 billion yen less than 485.5 billion yen in the previous fiscal year. Financing activities used 321.4 billion yen, 45.7 billion yen less than 367.1 billion yen in the previous fiscal year, due to a decrease in repayment of borrowings.

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;
- 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;
- 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;
- 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;
- 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 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 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;
- increased commoditization of and intensifying price competition for products;
- uncertainty as to Hitachi’s ability to attract and retain skilled personnel;
- 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;
- the potential for significant losses on Hitachi’s investments in equity-method associates and joint ventures;
- 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 cost structure overhaul;
- uncertainty as to Hitachi’s access to, or ability to protect, certain intellectual property;
- 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 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; and
- uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its employee benefit-related costs.

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

3. Basic Stance on Accounting Standard Selection

Hitachi, Ltd. applied International Financial Reporting Standards (IFRS), starting with the consolidated financial statements in its annual securities report for fiscal 2014, the year ended March 31, 2015. IFRS was applied in response to globalization, with the primary goal of building a uniform standard for evaluating operating results, standardizing operations, and improving management efficiency of the Hitachi Group.

Consolidated Statement of Profit or Loss

	Years ended March 31			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions) 2018
	2017 (A)	2018 (B)		
Revenues	9,162,264	9,368,614	102	88,383
Cost of sales	(6,782,677)	(6,866,522)	101	(64,779)
Gross profit	2,379,587	2,502,092	105	23,605
Selling, general and administrative expenses	(1,792,278)	(1,787,462)	100	(16,863)
Adjusted operating income	587,309	714,630	122	6,742
Other income	100,742	12,068	12	114
Other expenses	(146,568)	(140,686)	96	(1,327)
Financial income	7,091	7,005	99	66
Financial expenses	(26,206)	(11,243)	43	(106)
Share of profits (losses) of investments accounted for using the equity method	(47,186)	62,483	—	589
EBIT (Earnings before interest and taxes)	475,182	644,257	136	6,078
Interest income	12,923	14,928	116	141
Interest charges	(19,014)	(20,539)	108	(194)
Income from continuing operations, before income taxes	469,091	638,646	136	6,025
Income taxes	(125,112)	(131,708)	105	(1,243)
Income from continuing operations	343,979	506,938	147	4,782
Loss from discontinued operations	(5,950)	(16,020)	269	(151)
Net income	338,029	490,918	145	4,631
Net income attributable to:				
Hitachi, Ltd. stockholders	231,261	362,988	157	3,424
Non-controlling interests	106,768	127,930	120	1,207

Consolidated Statement of Comprehensive Income

	Years ended March 31			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions) 2018
	2017 (A)	2018 (B)		
Net income	338,029	490,918	145	4,631
Other comprehensive income (OCI)				
Items not to be reclassified into net income				
Net changes in financial assets measured at fair value through OCI	59,934	1,530	3	14
Remeasurements of defined benefit plans	46,086	22,753	49	215
Share of OCI of investments accounted for using the equity method	(1,887)	3,302	—	31
Total items not to be reclassified into net income	104,133	27,585	26	260
Items that can be reclassified into net income				
Foreign currency translation adjustments	(64,761)	(8,042)	12	(76)
Net changes in cash flow hedges	21,303	5,703	27	54
Share of OCI of investments accounted for using the equity method	1,166	(45)	—	(0)
Total items that can be reclassified into net income	(42,292)	(2,384)	6	(22)
Other comprehensive income (OCI)	61,841	25,201	41	238
Comprehensive income	399,870	516,119	129	4,869
Comprehensive income attributable to:				
Hitachi, Ltd. stockholders	299,397	382,341	128	3,607
Non-controlling interests	100,473	133,778	133	1,262

Consolidated Statement of Financial Position

	Yen (millions)		(B)-(A)	U.S. Dollars (millions)
	As of March 31, 2017 (A)	As of March 31, 2018 (B)		As of March 31, 2018
Total Assets	9,663,917	10,106,603	442,686	95,345
Current assets	5,002,606	5,151,800	149,194	48,602
Cash and cash equivalents	765,242	697,964	(67,278)	6,585
Trade receivables	2,433,149	2,501,414	68,265	23,598
Inventories	1,225,907	1,375,232	149,325	12,974
Investments in securities and other financial assets	388,792	373,324	(15,468)	3,522
Other current assets	189,516	203,866	14,350	1,923
Non-current assets	4,661,311	4,954,803	293,492	46,743
Investments accounted for using the equity method	691,251	743,407	52,156	7,013
Investments in securities and other financial assets	758,350	716,431	(41,919)	6,759
Property, plant and equipment	1,998,411	2,124,827	126,416	20,046
Intangible assets	919,201	1,054,370	135,169	9,947
Other non-current assets	294,098	315,768	21,670	2,979

Total Liabilities and Equity	9,663,917	10,106,603	442,686	95,345
Total Liabilities	5,566,922	5,594,932	28,010	52,782
Current liabilities	3,720,859	3,795,394	74,535	35,806
Short-term debt	196,357	121,439	(74,918)	1,146
Current portion of long-term debt	190,233	117,191	(73,042)	1,106
Other financial liabilities	274,270	254,735	(19,535)	2,403
Trade payables	1,402,233	1,536,983	134,750	14,500
Other current liabilities	1,657,766	1,765,046	107,280	16,651
Non-current liabilities	1,846,063	1,799,538	(46,525)	16,977
Long-term debt	790,013	811,664	21,651	7,657
Retirement and severance benefits	635,684	575,156	(60,528)	5,426
Other non-current liabilities	420,366	412,718	(7,648)	3,894
Total Equity	4,096,995	4,511,671	414,676	42,563
Hitachi, Ltd. stockholders' equity	2,967,085	3,278,024	310,939	30,925
Common stock	458,790	458,790	0	4,328
Capital surplus	577,573	575,809	(1,764)	5,432
Retained earnings	1,793,570	2,105,395	311,825	19,862
Accumulated other comprehensive income	141,068	142,167	1,099	1,341
(Foreign currency translation adjustments)	78,987	60,807	(18,180)	574
(Remeasurements of defined benefit plans)	(847)	22,675	23,522	214
(Net changes in financial assets measured at fair value through OCI)	192,110	174,588	(17,522)	1,647
(Net changes in cash flow hedges)	(129,182)	(115,903)	13,279	(1,093)
Treasury stock, at cost	(3,916)	(4,137)	(221)	(39)
Non-controlling interests	1,129,910	1,233,647	103,737	11,638

Notes: Changes in presentation have been made due to materiality of some accounts balances as a result of business reorganization and others.

'Investments in securities and other financial assets,' which were included in 'Other current assets' as of March 31, 2017, have been reclassified and presented separately. 'Lease receivables,' which were separately presented under current and non-current assets, have been included in 'Investments in securities and other financial assets' under current and non-current assets, respectively. 'Other financial liabilities,' which were separately presented under non-current liabilities, have been included in 'Other non-current liabilities.' The consolidated statement of financial position as of March 31, 2017 has been reclassified in order to reflect these changes in presentation.

Consolidated Statement of Changes in Equity

Yen (millions)

	Yen (millions)							
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
As of March 31, 2016	458,790	586,790	1,609,761	83,543	(3,806)	2,735,078	1,390,492	4,125,570
Reclassified into retained earnings	-	-	10,486	(10,486)	-	-	-	-
Net income	-	-	231,261	-	-	231,261	106,768	338,029
Other comprehensive Income (loss)	-	-	-	68,136	-	68,136	(6,295)	61,841
Cash dividends	-	-	(57,938)	-	-	(57,938)	(38,283)	(96,221)
Changes in treasury stock	-	(15)	-	-	(110)	(125)	-	(125)
Equity transactions and other	-	(9,202)	-	(125)	-	(9,327)	(322,772)	(332,099)
Total changes in equity	-	(9,217)	183,809	57,525	(110)	232,007	(260,582)	(28,575)
As of March 31, 2017	458,790	577,573	1,793,570	141,068	(3,916)	2,967,085	1,129,910	4,096,995
Reclassified into retained earnings	-	-	16,428	(16,428)	-	-	-	-
Net income	-	-	362,988	-	-	362,988	127,930	490,918
Other comprehensive income	-	-	-	19,353	-	19,353	5,848	25,201
Cash dividends	-	-	(67,591)	-	-	(67,591)	(34,395)	(101,986)
Changes in treasury stock	-	(27)	-	-	(221)	(248)	-	(248)
Equity transactions and other	-	(1,737)	-	(1,826)	-	(3,563)	4,354	791
Total changes in equity	-	(1,764)	311,825	1,099	(221)	310,939	103,737	414,676
As of March 31, 2018	458,790	575,809	2,105,395	142,167	(4,137)	3,278,024	1,233,647	4,511,671

U.S. Dollars (millions)

	U.S. Dollars (millions)							
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
As of March 31, 2017	4,328	5,449	16,920	1,331	(37)	27,991	10,660	38,651
Reclassified into retained earnings	-	-	155	(155)	-	-	-	-
Net income	-	-	3,424	-	-	3,424	1,207	4,631
Other comprehensive income	-	-	-	183	-	183	55	238
Cash dividends	-	-	(638)	-	-	(638)	(324)	(962)
Changes in treasury stock	-	(0)	-	-	(2)	(2)	-	(2)
Equity transactions and other	-	(16)	-	(17)	-	(34)	41	7
Total changes in equity	-	(17)	2,942	10	(2)	2,933	979	3,912
As of March 31, 2018	4,328	5,432	19,862	1,341	(39)	30,925	11,638	42,563

Consolidated Statement of Cash Flows

	Years ended March 31		
	Yen (millions)		U.S. Dollars (millions)
	2017	2018	2018
Cash flows from operating activities			
Net income	338,029	490,918	4,631
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	415,183	364,432	3,438
Change in receivables	(196,824)	47,216	445
Change in inventories	(22,731)	(181,207)	(1,710)
Change in payables	111,589	97,923	924
Other	(15,664)	(92,114)	(869)
Net cash provided by (used in) operating activities	629,582	727,168	6,860
Cash flows from investing activities			
Purchase of property, plant and equipment	(316,116)	(349,388)	(3,296)
Purchase of intangible assets	(101,034)	(90,924)	(858)
Purchase of leased assets	(292,943)	(3,263)	(31)
Proceeds from sale of property, plant and equipment, and intangible assets	52,208	27,448	259
Proceeds from sale of leased assets	14,539	9,628	91
Collection of lease receivables	180,726	—	—
Proceeds from sale (purchase) of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method), net	71,653	(64,936)	(613)
Other	53,012	(2,893)	(27)
Net cash provided by (used in) investing activities	(337,955)	(474,328)	(4,475)
Free cash flows	291,627	252,840	2,385
Cash flows from financing activities			
Change in interest-bearing debt	(118,314)	(218,409)	(2,060)
Dividends paid to stockholders	(57,935)	(67,568)	(637)
Dividends paid to non-controlling interests	(36,508)	(32,066)	(303)
Other	3,221	(3,411)	(32)
Net cash provided by (used in) financing activities	(209,536)	(321,454)	(3,033)
Effect of exchange rate changes on cash and cash equivalents	(16,164)	1,336	13
Change in cash and cash equivalents	65,927	(67,278)	(635)
Cash and cash equivalents at beginning of year	699,315	765,242	7,219
Cash and cash equivalents at end of year	765,242	697,964	6,585

Segment Information

(1) Business Segments

	Years ended March 31			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions)
	2017 (A)	2018 (B)		
Information & Telecommunication Systems	1,982,821 20%	2,008,907 20%	101	18,952
Social Infrastructure & Industrial Systems	2,331,931 23%	2,375,012 23%	102	22,406
Electronic Systems & Equipment	1,170,375 12%	1,086,551 11%	93	10,250
Construction Machinery	753,947 7%	959,153 9%	127	9,049
High Functional Materials & Components	1,464,687 14%	1,657,537 16%	113	15,637
Automotive Systems	992,284 10%	1,001,036 10%	101	9,444
Smart Life & Ecofriendly Systems	557,315 6%	540,152 5%	97	5,096
Others	653,794 6%	557,776 6%	85	5,262
Financial Services	179,212 2%	— —%	—	—
Subtotal	10,086,366 100%	10,186,124 100%	101	96,096
Corporate items & Eliminations	(924,102)	(817,510)	—	(7,712)
Revenues Total	9,162,264	9,368,614	102	88,383
Information & Telecommunication Systems	152,926 26%	189,221 27%	124	1,785
Social Infrastructure & Industrial Systems	77,034 13%	115,560 17%	150	1,090
Electronic Systems & Equipment	81,597 14%	86,992 12%	107	821
Construction Machinery	26,325 4%	92,548 13%	352	873
High Functional Materials & Components	119,954 21%	121,866 17%	102	1,150
Automotive Systems	56,362 10%	49,569 7%	88	468
Smart Life & Ecofriendly Systems	22,473 4%	25,109 4%	112	237
Others	22,425 4%	21,437 3%	96	202
Financial Services	21,336 4%	— —%	—	—
Subtotal	580,432 100%	702,302 100%	121	6,625
Corporate items & Eliminations	6,877	12,328	—	116
Adjusted operating income Total	587,309	714,630	122	6,742
Information & Telecommunication Systems	76,458 19%	139,279 22%	182	1,314
Social Infrastructure & Industrial Systems	(19,993) (5%)	101,257 16%	—	955
Electronic Systems & Equipment	66,772 16%	88,852 14%	133	838
Construction Machinery	22,735 5%	97,095 16%	427	916
High Functional Materials & Components	123,342 30%	98,672 16%	80	931
Automotive Systems	65,830 16%	42,429 7%	64	400
Smart Life & Ecofriendly Systems	31,840 8%	33,352 5%	105	315
Others	20,630 5%	21,874 4%	106	206
Financial Services	22,841 6%	— —%	—	—
Subtotal	410,455 100%	622,810 100%	152	5,876
Corporate items & Eliminations	64,727	21,447	—	202
EBIT Total	475,182	644,257	136	6,078

Notes: 1. Revenues by business segment include intersegment transactions.

2. As Hitachi Capital Corporation was converted into an equity-method associate as of October 3, 2016, there is no company which belongs to the Financial Services Segment from the beginning of the third quarter of the year ended March 31, 2017.

(2) Revenues by Market

	Years ended March 31			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions) 2018
	2017 (A)	2018 (B)		
Japan	4,757,685 52%	4,643,080 50%	98	43,803
Asia	1,860,716 20%	2,081,150 22%	112	19,633
North America	1,144,029 12%	1,177,581 13%	103	11,109
Europe	972,661 11%	964,474 10%	99	9,099
Other Areas	427,173 5%	502,329 5%	118	4,739
Overseas Revenues Subtotal	4,404,579 48%	4,725,534 50%	107	44,581
Total Revenues	9,162,264 100%	9,368,614 100%	102	88,383

Notes

(1) Notes Regarding Going Concern

Not applicable.

(2) Subsequent Events

Hitachi, Ltd. ("the Company") announced that the Board of Directors today resolved to partially amend its Articles of Incorporation to change in the number of shares per one unit, and to propose the matter for share consolidation to the 149th Annual General Meeting of Shareholders of the Company to be held in June 2018.

Please refer to the News Release "Notification of Change in Number of Shares per One Unit, Share Consolidation, and Partial Amendments to the Articles of Incorporation" announced today for detailed information.

Per share information

	Years ended March 31		
	2017	2018	2018
	(Yen)	(Yen)	(U.S.Dollars)
Hitachi, Ltd. stockholders' equity per share	614.56	679.00	6.41
Earnings per share from continuing operations, attributable to Hitachi, Ltd. stockholders			
Basic	49.13	78.50	0.74
Diluted	49.12	78.43	0.74
Earnings per share from discontinued operations, attributable to Hitachi, Ltd. stockholders			
Basic	(1.23)	(3.32)	(0.03)
Diluted	(1.23)	(3.32)	(0.03)
Earnings per share attributable to Hitachi, Ltd. stockholders			
Basic	47.90	75.19	0.71
Diluted	47.88	75.12	0.71

The reconciliations of the numbers and the amounts used in the basic and diluted earnings per share attributable to Hitachi, Ltd. stockholders computations are as follows:

	Years ended March 31		
	2017	2018	2018
	(Number of shares)	(Number of shares)	
Weighted average number of shares on which basic earnings per share is calculated	4,828,127,659	4,827,874,323	
Effect of dilutive securities			
Stock options	1,530,325	4,288,188	
Number of shares on which diluted earnings per share is calculated	4,829,657,984	4,832,162,511	
	(Millions of yen)	(Millions of yen)	(Millions of U.S. dollars)
Net income from continuing operations, attributable to Hitachi, Ltd. stockholders			
Basic	237,211	379,008	3,576
Effect of dilutive securities:			
Other	(0)	-	-
Diluted	237,211	379,008	3,576
Net loss from discontinued operations, attributable to Hitachi, Ltd. stockholders			
Basic	(5,950)	(16,020)	(151)
Effect of dilutive securities:			
Other	-	-	-
Diluted	(5,950)	(16,020)	(151)
Net income attributable to Hitachi, Ltd. stockholders			
Basic	231,261	362,988	3,424
Effect of dilutive securities:			
Other	(0)	-	-
Diluted	231,261	362,988	3,424

###