

**FOR IMMEDIATE RELEASE**

## **Hitachi Announces Consolidated Financial Results for Fiscal 2013**

**Tokyo, May 12, 2014** --- Hitachi, Ltd. (TSE:6501) today announced its consolidated financial results for fiscal 2013, ended March 31, 2014.

- Notes: 1. All figures, except for the outlook for fiscal 2014, were converted at the rate of 103 yen to the U.S. dollar, the approximate exchange rate on the Tokyo Foreign Exchange Market as of March 31, 2014.
2. Operating income is presented in accordance with financial reporting principles and practices generally accepted in Japan.

**Summary**

In millions of yen and U.S. dollars, except Net income attributable to Hitachi, Ltd. stockholders per share (7).

	The years ended March 31			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions)
	2013(A)	2014(B)		2014
1. Revenues	9,041,071	9,616,202	106	93,361
2. Operating income	422,028	532,811	126	5,173
3. EBIT (Earnings before interest and taxes)	358,015	580,153	162	5,633
4. Income before income taxes	344,537	568,182	165	5,516
5. Net income	237,721	364,030	153	3,534
6. Net income attributable to Hitachi, Ltd. stockholders	175,326	264,975	151	2,573
7. Net income attributable to Hitachi, Ltd. stockholders per share	(Yen)	(Yen)		(U.S.Dollars)
Basic	37.28	54.86	147	0.53
Diluted	36.29	54.85	151	0.53

Notes: 1. The Company's consolidated financial statements are prepared based on U.S.GAAP.

2. Operating income is presented in accordance with financial reporting principles and practices generally accepted in Japan.

3. EBIT is defined income before income taxes less interest income plus interest charges.

4. The figures are for 947 consolidated subsidiaries and 231 equity-method affiliates. Although the consolidated subsidiaries include Variable interest entities, there is no Variable interest entity included into the figures of consolidated subsidiaries in this period. Also, consolidated trust accounts are not included into the figures of consolidated subsidiaries.

## 1. Qualitative Information Concerning Consolidated Business Results

### (1) Summary of Fiscal 2013 Consolidated Business Results

	Year ended March 31, 2014		
	Yen (billions)	Year over year change (% or billion yen)	U.S. Dollars (millions)
Revenues	9,616.2	6%	93,361
Operating income	532.8	110.7	5,173
EBIT (Earnings before interest and taxes)	580.1	222.1	5,633
Income before income taxes	568.1	223.6	5,516
Net income	364.0	126.3	3,534
Net income attributable to Hitachi, Ltd. stockholders	264.9	89.6	2,573

During fiscal 2013, the year ended March 31, 2014, the U.S. continued to experience an economic recovery, as evidenced by improving employment and wage levels. However, Europe's issues with governmental finances and employment challenges persisted. India, Brazil, Indonesia and other economies saw further slowdowns due to currency protection and tighter monetary policies to control inflation. These, along with the volatile political situation in Thailand, resulted in continued uncertainty surrounding the global economic outlook.

Meanwhile, the Japanese economy saw growth driven by the correction of the yen's appreciation and higher share prices resulting from aggressive quantitative easing, as well as growth in personal consumption driven by improved consumer sentiment. Furthermore, the Japanese economy remained on a recovery track, supported mainly by last-minute demand in the latter half of the fiscal year ahead of the country's scheduled consumption tax rate increase.

Within the overall business environment, the Hitachi Group worked to expand its businesses in global markets by leveraging its Social Innovation Business. At the same time, Hitachi worked to strengthen its management base through the Hitachi Smart Transformation Project.

Hitachi's consolidated revenues for fiscal 2013 increased 6% year over year, to 9,616.2 billion yen. This increase resulted mainly from the higher year over year revenues from the services business and other businesses in the Information & Telecommunication Systems Segment, and a strong performance in China by the Social Infrastructure & Industrial Systems Segment's elevator and escalator business. Conversely, revenues in the Power System Segment declined year over year due to the integration of the thermal power generation systems business into Mitsubishi Hitachi Power Systems, Ltd., the joint venture company with Mitsubishi Heavy Industries, Ltd., and other factors.

Hitachi posted operating income of 532.8 billion yen, up 110.7 billion yen year over year. This is largely due to higher year over year operating income in the High Functional Materials & Components, Electronic Systems & Equipment, Construction Machinery, Automotive Systems, and Digital Media & Consumer Products. However, operating income declined in the Power Systems Segment due to lower revenues

and in the Social Infrastructure & Industrial Systems Segment due to lower project profitability.

EBIT increased 222.1 billion yen year over year, to 580.1 billion yen.

Hitachi posted net other income of 35.3 billion yen, a 112.8 billion yen improvement year over year. This was mainly the result of the gain associated with the integration of the thermal power generation systems business.

As a result, Hitachi recorded income before income taxes of 568.1 billion yen, up 223.6 billion yen year over year.

After deducting taxes of 204.1 billion yen, Hitachi posted net income of 364.0 billion yen, up 126.3 billion yen year over year. After deducting net income attributable to noncontrolling interests of 99.0 billion yen, Hitachi posted net income attributable to Hitachi, Ltd. stockholders of 264.9 billion yen, up 89.6 billion yen.

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

Results by segment were as follows:

### [Information & Telecommunication Systems]

	Year ended March 31, 2014		
	Yen (billions)	Year over year change (% or billion yen)	U.S. Dollars (millions)
Revenues	1,954.9	9%	18,980
Operating income	110.0	5.3	1,068
EBIT	98.5	(5.6)	957

For fiscal 2013, the segment recorded revenues of 1,954.9 billion yen, an increase of 9% year over year. The higher overall revenues mainly resulted from increased sales from the services business and ATMs, as well as foreign currency fluctuations.

The segment recorded operating income of 110.0 billion yen, an increase of 5.3 billion yen year over year. This increase was mainly the result of higher revenues.

EBIT was 98.5 billion yen, a decrease of 5.6 billion yen year over year, mainly reflecting the recording of expenses related to business structure reforms.

**[Power Systems]**

	Year ended March 31, 2014		
	Yen (billions)	Year over year change (% or billion yen)	U.S. Dollars (millions)
Revenues	777.3	(14%)	7,547
Operating income	16.7	(13.1)	162
EBIT	152.9	122.9	1,485

For fiscal 2013, segment revenues declined 14% year over year, to 777.3 billion yen, due mainly to a decline in the volume of work for nuclear power generation systems, and the integration of the thermal power generation systems business to Mitsubishi Hitachi Power Systems, Ltd., a joint venture with Mitsubishi Heavy Industries, Ltd. intended to bolster the international competitiveness of this business.

The segment recorded operating income of 16.7 billion yen, down 13.1 billion yen year over year in line with the lower revenues.

EBIT increased 122.9 billion yen year over year to 152.9 billion yen. The increase was mainly due to the gain associated with the integration of the thermal power generation systems business.

**[Social Infrastructure & Industrial Systems]**

	Year ended March 31, 2014		
	Yen (billions)	Year over year change (% or billion yen)	U.S. Dollars (millions)
Revenues	1,446.6	10%	14,045
Operating income	56.7	(3.4)	551
EBIT	59.1	(4.1)	574

For fiscal 2013, segment revenues were 1,446.6 billion yen, up 10% year over year. This increase was mainly due to higher sales in the infrastructure systems business and in the overseas rail systems business, as well as in the elevators and escalators business in China.

The segment recorded operating income of 56.7 billion yen, down 3.4 billion yen year over year. Although the segment recorded higher earnings in the elevators and escalators business and the rail systems business on increased revenues, earnings declined mainly due to the lower profitability of overseas projects in the infrastructure systems business.

EBIT was 59.1 billion yen, a decline of 4.1 billion yen year over year, primarily due to lower operating income.

**[Electronic Systems & Equipment]**

	Year ended March 31, 2014		
	Yen (billions)	Year over year change (% or billion yen)	U.S. Dollars (millions)
Revenues	1,116.7	10%	10,842
Operating income	59.1	29.7	574
EBIT	52.6	20.2	511

For fiscal 2013, segment revenues increased 10% year over year, to 1,116.7 billion yen. This result reflected higher sales of semiconductor manufacturing systems and medical analysis systems at Hitachi High-Technologies Corporation and higher sales of semiconductor manufacturing systems at Hitachi Kokusai Electric Inc.

Segment operating income increased 29.7 billion yen year over year to 59.1 billion yen, mainly due to the benefits of business structure reforms, in addition to higher revenues.

EBIT was 52.6 billion yen, a year over year increase of 20.2 billion yen, mainly reflecting the higher operating income.

**[Construction Machinery]**

	Year ended March 31, 2014		
	Yen (billions)	Year over year change (% or billion yen)	U.S. Dollars (millions)
Revenues	767.3	1%	7,450
Operating income	73.9	19.3	718
EBIT	63.3	5.1	615

For fiscal 2013, the segment recorded revenues of 767.3 billion yen, an increase of 1% year over year. The higher revenues mainly reflected increased sales of hydraulic excavators in Japan and China, despite a decrease in sales of mining machinery.

Segment operating income increased 19.3 billion yen year over year to 73.9 billion yen, mainly due to the impact of foreign currency fluctuations, as well as progress with cost reductions.

EBIT was 63.3 billion yen, an increase of 5.1 billion yen year over year. The increase was due to higher operating income, despite the absence of the gains on the sale of subsidiary shares associated with business restructuring that were recorded during the previous fiscal year.

**[High Functional Materials & Components]**

	Year ended March 31, 2014		
	Yen (billions)	Year over year change (% or billion yen)	U.S. Dollars (millions)
Revenues	1,363.2	2%	13,236
Operating income	101.7	43.3	988
EBIT	96.5	45.8	937

For fiscal 2013, segment revenues increased 2% year over year to 1,363.2 billion yen, despite lackluster sales of hard disk drive-related materials. This result mainly reflected healthy demand for automobile products and certain electronics-related materials.

Segment operating income increased 43.3 billion yen year over year to 101.7 billion yen. In addition to the higher revenues, this was mainly attributable to the benefits of business structure reforms, and the near absence of the impact associated with a drop in raw materials prices in the previous fiscal year.

EBIT was 96.5 billion yen, up 45.8 billion yen year over year. In addition to the higher operating income, this result mainly reflected lower expenses related to business structure reforms.

**[Automotive Systems]**

	Year ended March 31, 2014		
	Yen (billions)	Year over year change (% or billion yen)	U.S. Dollars (millions)
Revenues	892.1	11%	8,661
Operating income	47.3	11.9	460
EBIT	4.9	(31.4)	48

For fiscal 2013, the segment recorded revenues of 892.1 billion yen, up 11% year over year. In addition to robust demand in overseas automobile markets, this was attributable to last-minute demand ahead of the scheduled consumption tax rate increase in Japan.

Operating income increased 11.9 billion yen year over year to 47.3 billion yen, mainly due to higher revenues and improvement associated with capacity utilization.

EBIT was 4.9 billion yen, down 31.4 billion yen year over year, despite the increase in operating income. The decrease mainly reflected the U.S. \$195 million (19.0 billion yen) fine levied by the United States Department of Justice for violating U.S. antitrust laws that was recorded in the second quarter and the recording of impairment losses in the vehicle battery business.

**[Digital Media & Consumer Products]**

	Year ended March 31, 2014		
	Yen (billions)	Year over year change (% or billion yen)	U.S. Dollars (millions)
Revenues	890.8	9%	8,649
Operating income	4.6	10.0	45
EBIT	(2.9)	(2.0)	(29)

For fiscal 2013, segment revenues increased 9% year over year, to 890.8 billion yen. This result is attributable to increased sales of home appliances due to last-minute demand ahead of the scheduled consumption tax rate increase in Japan, and of air-conditioning equipment, both in Japan and overseas.

The segment recorded operating income of 4.6 billion yen, an improvement of 10.0 billion yen from the previous fiscal year. In addition to the higher revenues, this result was mainly attributable to progress with cost reductions.

EBIT was a loss of 2.9 billion yen, down 2.0 billion yen year over year. This was due to an increase in expenses related to business structure reforms and other factors, despite the higher operating income.

Note: The optical disc 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 fiscal year ended March 31, 2014 include operating results of HLDS for the fiscal year ended December 31, 2013.

**[Others (Logistics and Other services)]**

	Year ended March 31, 2014		
	Yen (billions)	Year over year change (% or billion yen)	U.S. Dollars (millions)
Revenues	1,233.6	11%	11,977
Operating income	45.9	5.8	446
EBIT	48.1	14.6	468

For fiscal 2013, segment revenues increased 11% year over year, to 1,233.6 billion yen. Hitachi Transport System, Ltd. saw higher revenues, due mainly to business expansion through M&A. Revenues also increased at Hitachi Maxell, Ltd., primarily due to the benefits of integration in the projector business.

The segment recorded operating income of 45.9 billion yen, up 5.8 billion yen year over year. In addition to higher revenues, this result was attributable to progress with cost reductions.



EBIT rose 14.6 billion yen year over year to 48.1 billion yen. This was due mainly to lower expenses related to business structure reforms and the recording of gains on sales of marketable securities and others, in addition to higher operating income.

Note: On April 1, 2013, the former "Others" was renamed "Others (Logistics and Other Services)". Hitachi Maxell, Ltd., which was included in "Others (Logistics and Other Services)," was recognized as an equity-method affiliate as of March 31, 2014, following its listing on the Tokyo Stock Exchange, Inc.

### [Financial Services]

	Year ended March 31, 2014		
	Yen (billions)	Year over year change (% or billion yen)	U.S. Dollars (millions)
Revenues	338.5	(1%)	3,287
Operating income	33.1	3.8	322
EBIT	34.6	5.2	337

For fiscal 2013, segment revenues decreased 1% year over year, to 338.5 billion yen. Despite a strong performance in the overseas business, the decrease mainly reflected the recognition of revenue from a large cancellation in the previous fiscal year.

Segment operating income increased 3.8 billion yen year over year to 33.1 billion yen. This result mainly reflected the absence of recording sales related to a large cancellation in the previous fiscal year.

EBIT was 34.6 billion yen, a year over year increase of 5.2 billion yen, mainly due to lower expenses related to business structure reforms, in addition to higher operating income.

### (3) Revenues by Market

	Year ended March 31, 2014		
	Yen (billions)	Year over year % change	U.S. Dollars (millions)
Japan	5,303.4	(1%)	51,490
Outside Japan	4,312.7	17%	41,871
Asia	2,063.5	21%	20,035
North America	910.2	13%	8,838
Europe	812.1	28%	7,885
Other Areas	526.7	(1%)	5,114

For fiscal 2013, revenues in Japan were 5,303.4 billion yen, down 1% year over year. This was mainly due to lower revenues in the Power Systems Segment, attributable to the integration of the thermal power generation systems business to Mitsubishi Hitachi Power Systems, Ltd., a joint venture with Mitsubishi Heavy Industries, Ltd.,

and in the High Functional Materials & Components Segment. However, higher revenues were recorded in the Information & Telecommunications Systems, Construction Machinery and other segments.

Overseas revenues increased 17% year over year, to 4,312.7 billion yen. This was primarily attributable to higher revenues in the Social Infrastructure & Industrial Systems Segment that resulted from strong sales in the elevator and escalator business to China, and in the Information & Telecommunication Systems Segment.

As a result, the ratio of overseas revenues to consolidated revenues was 45%, 4 points higher year over year.

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

	Year ended March 31, 2014		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Capital expenditures [Manufacturing, Services and Others]	389.6	(16.5)	3,782
Depreciation [Manufacturing, Services and Others]	261.2	18.4	2,536
R&D expenditures	351.4	10.1	3,411

For fiscal 2013, capital expenditures in Manufacturing, Services and Others were 389.6 billion yen, down 4% year over year, despite making investments in global business expansion for the Social Innovation Business, as had also been done in the previous fiscal year. The decline reflected the peak-out of investments in enhancing earthquake-resistance and other areas.

Depreciation in Manufacturing, Services and Others increased 8% year over year, to 261.2 billion. This was mainly due to continued investments in the global business expansion of the Social Innovation Business.

Including Financial Services, capital expenditures were 849.8 billion yen, while depreciation was 329.8 billion yen.

R&D expenditures increased 3% year over year, to 351.4 billion yen, reflecting continued investments in research and development to strengthen the Social Innovation Business. R&D expenditures accounted for 3.7% of consolidated revenues.

**(5) Outlook for Fiscal 2014**

	Year ending March 31, 2015		
	Yen (billions)	Year over year change (% or billion yen)	U.S. Dollars (millions)
Revenues	9,400.0	(2%)	95,918
Operating income	560.0	27.1	5,714
EBIT	520.0	(60.1)	5,306
Income before income taxes	510.0	(58.1)	5,204
Net income	340.0	(24.0)	3,469
Net income attributable to Hitachi, Ltd. stockholders	230.0	(34.9)	2,346

Note: All fiscal 2014 outlook figures were converted using 98 yen to the U.S. dollar.

In terms of the overall global business environment going forward, the U.S. is expected to see a continuing economic recovery underpinned by improving employment and wage levels. Meanwhile, emerging economies should face sluggish economic conditions due to the impact of weakening currencies and high inflation. In addition, Europe is expected to experience a protracted economic slowdown centered on southern Europe due to persistent issues with governmental finances and employment challenges. The impact of conditions in the Ukraine on the euro zone economy is another concern. The Japanese economy is forecast to undergo moderate growth supported mainly by improving employment levels and a rebound in capital expenditures.

In this environment, the Hitachi Group is globally expanding the Social Innovation Business, a business that will “identify issues from customer perspectives and work on solutions together with customers, as ‘One Hitachi,’” and “Realize innovations by providing solutions that combine products, services and highly sophisticated IT (Cloud).” While channeling business resources into the Social Innovation Business, Hitachi will also rigorously manage cash flows, accelerate far-reaching cost structure reforms through the Hitachi Smart Transformation Project and take other steps, as it works to achieve sustained growth and establish a stable earnings base in global markets.

Hitachi is forecasting the results shown above for fiscal 2014, the year ending March 31, 2015.

Projections for fiscal 2014 assume an exchange rate of 98 yen to the U.S. dollar and 130 yen to the euro.

## 2. Financial Position

### (1) Financial Position

	As of March 31, 2014		
	Yen (billions)	Change from March 31, 2013 (billion yen or point)	U.S. Dollars (millions)
Total assets	11,016.8	1,207.6	106,960
Total liabilities	7,164.4	534.4	69,557
Interest-bearing debt	2,823.0	452.9	27,408
Total Hitachi, Ltd. stockholders' equity	2,651.2	568.6	25,740
Noncontrolling interests	1,201.2	104.4	11,662
Total Hitachi, Ltd. stockholders' equity ratio	24.1%	2.9 point increase	-
D/E ratio (including noncontrolling interests)	0.73 times	0.02 point decrease	-

### [Manufacturing, Services and Others]

	As of March 31, 2014		
	Yen (billions)	Change from March 31, 2013 (billion yen or point)	U.S. dollars (millions)
Total assets	9,067.9	743.4	88,037
Total liabilities	5,512.0	97.2	53,514
Interest-bearing debt	1,418.2	49.4	13,769
Total Hitachi, Ltd. stockholders' equity	2,483.8	551.4	24,114
Noncontrolling interests	1,072.0	94.7	10,408
Total Hitachi, Ltd. stockholders' equity ratio	27.4%	4.2 point increase	-
D/E ratio (including noncontrolling interests)	0.40 times	0.07 point decrease	-

Total assets in Manufacturing, Services and Others as of March 31, 2014 increased 743.4 billion yen from March 31, 2013 to 9,067.9 billion yen. The main contributing factors included an increase from the valuation of foreign subsidiaries assets due to the correction of the yen's appreciation, and an increase in securities fair value in line with rising share prices. Interest-bearing debt in Manufacturing, Services and Others increased 49.4 billion yen to 1,418.2 billion yen, mainly reflecting the issue of straight bonds and the procurement of new long-term debt, both undertaken to meet demand for funds for growth of the Social Innovation Business. Stockholders' equity in Manufacturing, Services and Others increased 551.4 billion yen from March 31, 2013 to 2,483.8 billion yen, mainly reflecting a decrease in accumulated other comprehensive loss due to the correction of the yen's appreciation and rising share prices, in addition to the net income attributable to Hitachi, Ltd. stockholders. As a result, the total Hitachi, Ltd. stockholders' equity ratio in Manufacturing, Services and Other

was 27.4%. The debt-to-equity ratio, including noncontrolling interests, was 0.40 times.

**[Financial Services]**

	As of March 31, 2014		
	Yen (billions)	Change from March 31, 2013 (billion yen or point)	U.S. dollars (millions)
Total assets	2,446.1	485.1	23,748
Total liabilities	2,138.1	457.8	20,758
Interest-bearing debt	1,647.1	422.1	15,991
Total Hitachi, Ltd. stockholders' equity	178.4	17.3	1,732
Noncontrolling interests	129.5	9.9	1,257
Total Hitachi, Ltd. stockholders' equity ratio	7.3%	0.9 point decrease	-
D/E ratio (including noncontrolling interests)	5.35 times	0.99 point increase	-

Total assets in Financial Services as of March 31, 2014 increased 485.1 billion yen from March 31, 2013 to 2,446.1 billion yen. This mainly reflected the impact of making NBL CO., LTD. a subsidiary, which was implemented to strengthen the financial services business, and an increase in accounts receivable due to business expansion, mainly overseas, as well as an increase from the revaluation of foreign subsidiaries assets due to the correction of the yen's appreciation. Interest-bearing debt in Financial Services increased 422.1 billion yen to 1,647.1 billion yen, attributable to an increase due to the consolidation of NBL CO., LTD. and an increase in demand for funds in line with an increase in the scale of assets. Stockholders' equity in Financial Services increased 17.3 billion yen from March 31, 2013 to 178.4 billion yen, mainly reflecting net income attributable to Hitachi, Ltd. stockholders. As a result, the total Hitachi, Ltd. stockholders' equity ratio in Financial Services was 7.3%. The debt-to-equity ratio, including noncontrolling interests, was 5.35 times.

Accordingly, consolidated total assets as of March 31, 2014 increased 1,207.6 billion yen from March 31, 2013 to 11,016.8 billion yen. Interest-bearing debt increased 452.9 billion yen from March 31, 2013 to 2,823.0 billion yen, and stockholders' equity increased 568.6 billion yen to 2,651.2 billion yen. As a result, the total Hitachi, Ltd. stockholders' equity ratio was 24.1%, and the debt-to-equity ratio, including noncontrolling interests, was 0.73 times.

## (2) Cash Flows

	Year ended March 31, 2014		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Cash flows from operating activities	439.4	(144.1)	4,266
Cash flows from investing activities	(491.3)	62.0	(4,771)
Free cash flows	(51.9)	(82.0)	(504)
Core free cash flows	(186.0)	(231.7)	(1,806)
Cash flows from financing activities	32.9	213.4	320

### Cash Flows [Manufacturing, Services and Others]

	Year ended March 31, 2014		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Cash flows from operating activities	498.6	(4.8)	4,840
Cash flows from investing activities	(393.6)	84.7	(3,822)
Free cash flows	104.9	79.8	1,018
Core free cash flows	22.4	3.0	(218)
Cash flows from financing activities	(134.6)	35.4	(1,307)

Note: "Core free cash flows" are operating cash flows plus collection of investments in leases less cash outflows for the purchase of property, plant and equipment, intangible assets, software and the assets to be leased.

For fiscal 2013, operating activities in Manufacturing, Services and Others provided net cash of 498.6 billion yen, down 4.8 billion yen year over year. The decrease mainly reflected the impact of an increase in accounts receivable tracking revenue growth at the fiscal year-end, despite an increase in net income. Investing activities in Manufacturing, Services and Others used net cash of 393.6 billion yen, 84.7 billion yen less than in the previous fiscal year. The decrease was primarily due to acquisitions in the power systems and other fields in the previous fiscal year, and the recording of large proceeds from the sale of securities in fiscal 2013 to secure funds for investment in growth. Free cash flows in Manufacturing, Services and Others, the sum of cash flows from operating and investing activities, were positive 104.9 billion yen, 79.8 billion yen more year over year. Core free cash flows in Manufacturing, Services and Others were positive 22.4 billion yen, 3.0 billion yen more year over year. Financing activities in Manufacturing, Services and Others used net cash of 134.6 billion yen, a 35.4 billion yen year over year decrease, mainly reflecting the issue of straight bonds and the procurement of new long-term debt to meet demand for funds for growth in the Social Innovation Business.

**[Financial Services]**

	Year ended March 31, 2014		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Cash flows from operating activities	(25.9)	(131.1)	(251)
Cash flows from investing activities	(124.1)	(61.1)	(1,205)
Free cash flows	(150.0)	(192.2)	(1,457)
Core free cash flows	(202.5)	(249.5)	(1,966)
Cash flows from financing activities	163.7	208.2	1,590

Note: "Core free cash flows" are operating cash flows plus collection of investments in leases less cash outflows for the purchase of property, plant and equipment, intangible assets, software, and the assets to be leased.

For fiscal 2013, operating activities in Financial Services used net cash of 25.9 billion yen, a change of 131.1 billion yen compared with the previous fiscal year. This chiefly reflects an increase in accounts receivable, mainly overseas, for strengthening the financial services business. Investing activities in Financial Services used net cash of 124.1 billion yen, 61.1 billion yen more year over year. This mainly reflected an increase in purchase of tangible assets and software to be leased, chiefly due to the consolidation of NBL CO., LTD. Free cash flows in Financial Services, the sum of cash flows from operating activities and investing activities, were negative 150.0 billion yen, a change of 192.2 billion yen from the previous fiscal year. Core free cash flows in Financial Services were negative 202.5 billion yen, a change of 249.5 billion yen from the previous fiscal year. Financing activities in Financial Services provided net cash of 163.7 billion yen, a change of 208.2 billion yen from the previous fiscal year, mainly reflecting fund procurement to meet demand for funds to strengthen the financial services business.

As a result, consolidated cash flows provided from operating activities for fiscal 2013 were 439.4 billion yen, a 144.1 billion yen decrease year over year, and cash flows used in investing activities were 491.3 billion yen, 62.0 billion yen less year over year. Free cash flows, the sum of cash flows from operating and investing activities, were negative 51.9 billion yen, a change of 82.0 billion yen from the previous fiscal year. Consolidated core free cash flows were negative 186.0 billion yen, a change of 231.7 billion yen from the previous fiscal year. Financing activities provided consolidated net cash of 32.9 billion yen, a change of 213.4 billion yen from the previous fiscal year.

After adjusting for the effect of exchange rate changes on cash and cash equivalents, the net result was an increase of 30.5 billion yen in cash and cash equivalents to 558.2 billion yen as of March 31, 2014.

### (3) Trends in Cash Flow Indexes

	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2014
Hitachi, Ltd. stockholders' equity ratio (%)	18.8	21.2	24.1
Equity ratio based on market value (%)	26.1	26.7	33.4
Cash flow to interest-bearing debt ratio	5.4	4.1	6.4
Interest coverage ratio (times)	15.9	21.8	16.8

(a) Hitachi, Ltd. stockholder's equity ratio: Total Hitachi, Ltd. shareholders' equity / Total assets

(b) Equity ratio based on market value: Market capitalization (Note) / Total assets

(c) Cash flow to interest-bearing debt ratio: Interest-bearing debt / Cash flows from operating activities

(d) Interest coverage ratio: Cash flows from operating activities / Interest charges

Note: Market capitalization is computed based on the number of issued shares, excluding treasury stock

### 3. Basic Policy on the Distribution of Earnings and Fiscal 2013 and 2014

#### Dividends

Hitachi views enhancement of the long-term and overall interests of shareholders as an important management objective.

The industrial sector encompassing energy, information systems, social infrastructure and other primary businesses of Hitachi is undergoing rapid technological innovation and changes in market structure. This makes vigorous upfront investment in R&D and plant and equipment essential for securing and maintaining market competitiveness and improving profitability. Dividends are therefore decided based on medium-to-long term business plans with an eye to ensuring the availability of internal funds for reinvestment and the stable growth of dividends, with appropriate consideration of a range of factors, including Hitachi's financial condition, results of operations and dividend payout ratio.

Hitachi believes that the repurchase of its shares should be undertaken, when necessary, as part of its policy on distribution to shareholders to complement the dividend payout. In addition, Hitachi will repurchase its own shares in order to flexibly implement a capital strategy, including business restructuring, to maximize shareholder value so far as consistent with the dividend policy. Such action will be taken by Hitachi after considering its future capital requirement under its business plans, market conditions and other relevant factors.

Based on the above policies, Hitachi plans to pay an annual dividend of 10.5 yen per share for fiscal 2013, while the dividend in fiscal 2012 was 10.0 yen per share. Dividends for fiscal 2014 have yet to be determined.



### **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;
- 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;
- increased commoditization of information technology products and digital media-related products and intensifying price competition for such 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 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 potential for significant losses on Hitachi's investments in equity method affiliates;
- 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.

## **4. Management Policy**

### **(1) Basic Management Policy**

Amid intensifying competition in global markets, the Hitachi Group has been expanding its business through development of Hitachi and its related companies (subsidiaries and affiliated companies). Hitachi aims to improve its development by delivering competitive products and services imbuing higher value for customers. By taking full advantage of the diverse resources of the Hitachi Group while at the same time reviewing and restructuring businesses, Hitachi aims to bolster its competitiveness and achieve growth in global markets. This process will be consistent with Hitachi's basic management policy, which is to increase shareholder value by meeting the expectations of customers, shareholders, employees and other stakeholders.

### **(2) Medium- and Long-term Management Strategy**

The Hitachi Group will work to drive global growth through the Social Innovation Business by fully capitalizing on the Hitachi Group's business base built up over the years. The Social Innovation Business includes infrastructure systems, information and telecommunication systems, power systems, construction machinery, automotive systems and health care and others. At the same time, the Hitachi Group will work to establish an even more solid management base by pushing ahead with ongoing business reforms and cost structure reforms.

### **(3) Challenges Facing Hitachi Group**

While the forecast of the world economy still remains uncertain, the Hitachi Group will promote the following measures in order to establish ourselves as a major global player through the development of our Social Innovation Business under the “2015 Mid-term Management Plan.”

- By having overseas business bases draft and promote strategies, we will accurately seize business opportunities, and establish a structure that can respond swiftly to customer and regional needs. In addition, we will support the expansion of our businesses around the world by achieving optimal placement of diverse human resources.
- Leveraging the Hitachi Group’s wide-ranging technologies and expertise related to IT and social infrastructure, we will promote the services business including operation and maintenance of products and systems, and provision of solutions that address the management challenges of our customers.
- We will work to further bolster profitability by reinforcing the technical and sales capabilities of highly competitive products such as escalators and elevators, storage, and railway vehicles.
- We will continuously strive to optimize our business portfolio from the perspective of the growth potential and competitiveness of businesses, by carrying out reorganization as necessary, including partnerships with other companies, withdrawals and disposal by sale.
- While continuing to work on increasing profitability through cost structure reform, we will focus on improving cash flow by utilizing IT in an effort to increase the efficiency of funding throughout the entire business, from demand projections to provision of products and services.
- Through our R&D bases in Japan and overseas, we will promote research and development based on the challenges faced by customers and communities around the world. Furthermore, we will strengthen collaboration with external R&D institutions.
- By providing our customers with high-quality and safe products and services, we will further gain the reliability in the Hitachi Group from society, and increase the value of the Hitachi brand.
- We will intensify our focus on “Basics and Ethics” worldwide based on a firm commitment to eliminate misconduct within the Hitachi Group, and continuously strive to contribute to the environment and the communities.

### **Consolidated Statements of Operations**

	The years ended March 31			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions) 2014
	2013 (A)	2014 (B)		
Revenues	9,041,071	9,616,202	106	93,361
Cost of sales	6,743,991	7,083,363	105	68,771
Selling, general and administrative expenses	1,875,052	2,000,028	107	19,418
Operating income	422,028	532,811	126	5,173
EBIT (Earnings before interest and taxes)	358,015	580,153	162	5,633
Other income	45,864	214,086	467	2,079
(Interest income)	13,229	14,136	107	137
(Dividend income)	6,415	8,154	127	79
(Other)	26,220	191,796	731	1,862
Other deductions	123,355	178,715	145	1,735
(Interest charges)	26,707	26,107	98	253
(Other)	96,648	152,608	158	1,482
Income before income taxes	344,537	568,182	165	5,516
Income taxes	106,816	204,152	191	1,982
Net income	237,721	364,030	153	3,534
Net income attributable to noncontrolling interests	62,395	99,055	159	962
Net income attributable to Hitachi, Ltd. stockholders	175,326	264,975	151	2,573

Note: EBIT is defined income before income taxes less interest income plus interest charges.

### **Consolidated Statements of Comprehensive Income**

	The years ended March 31			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions) 2014
	2013 (A)	2014 (B)		
Net income	237,721	364,030	153	3,534
Other comprehensive income arising during the year				
Foreign currency translation adjustments	181,814	159,638	88	1,550
Pension liability adjustments	(12,040)	129,499	—	1,257
Net unrealized holding gain on available-for-sale securities	41,386	127,312	308	1,236
Cash flow hedges	(28,201)	(11,301)	—	(110)
Total other comprehensive income arising during the year	182,959	405,148	221	3,933
Comprehensive income	420,680	769,178	183	7,468
Comprehensive income attributable to noncontrolling interests	117,490	143,791	122	1,396
Comprehensive income attributable to Hitachi, Ltd. stockholders	303,190	625,387	206	6,072

**Consolidated Balance Sheets**

	Yen (millions)		(B)-(A)	U.S. Dollars (millions)
	As of March 31, 2013 (A)	As of March 31, 2014 (B)		As of March 31, 2014
Total Assets	9,809,230	11,016,899	1,207,669	106,960
Current assets	5,190,138	5,703,870	513,732	55,377
Cash and cash equivalents	527,632	558,217	30,585	5,420
Short-term investments	10,444	9,172	(1,272)	89
Trade receivables				
Notes	110,316	143,675	33,359	1,395
Accounts	2,311,460	2,654,260	342,800	25,770
Investments in leases	270,899	262,953	(7,946)	2,553
Current portion of financial assets transferred to consolidated securitization entities	23,365	52,212	28,847	507
Inventories	1,437,399	1,407,055	(30,344)	13,661
Other current assets	498,623	616,326	117,703	5,984
Investments and advances	781,984	1,220,800	438,816	11,852
Property, plant and equipment	2,279,964	2,342,091	62,127	22,739
Intangible assets	705,396	761,481	56,085	7,393
Financial assets transferred to consolidated securitization entities	131,379	185,818	54,439	1,804
Other assets	720,369	802,839	82,470	7,795
Total Liabilities and Equity	9,809,230	11,016,899	1,207,669	106,960
Current liabilities	3,964,141	4,290,765	326,624	41,658
Short-term debt and current portion of long-term debt	934,035	1,111,503	177,468	10,791
Current portion of non-recourse borrowings of consolidated securitization entities	26,399	49,895	23,496	484
Trade payables				
Notes	15,462	18,926	3,464	184
Accounts	1,219,402	1,331,288	111,886	12,925
Advances received	359,795	298,483	(61,312)	2,898
Other current liabilities	1,409,048	1,480,670	71,622	14,375
Noncurrent liabilities	2,665,802	2,873,670	207,868	27,900
Long-term debt	1,306,747	1,512,720	205,973	14,687
Non-recourse borrowings of consolidated securitization entities	102,898	148,931	46,033	1,446
Retirement and severance benefits	913,211	749,913	(163,298)	7,281
Other liabilities	342,946	462,106	119,160	4,486
Total equity	3,179,287	3,852,464	673,177	37,403
Total Hitachi, Ltd. stockholders' equity	2,082,560	2,651,241	568,681	25,740
Common stock	458,790	458,790	0	4,454
Capital surplus	622,946	617,468	(5,478)	5,995
Retained earnings	1,370,723	1,587,394	216,671	15,412
Accumulated other comprehensive loss	(368,334)	(9,265)	359,069	(90)
(Foreign currency translation adjustments)	(91,314)	34,049	125,363	331
(Pension liability adjustments)	(308,724)	(186,595)	122,129	(1,812)
(Net unrealized holding gain on available-for-sale securities)	61,482	186,162	124,680	1,807
(Cash flow hedges)	(29,778)	(42,881)	(13,103)	(416)
Treasury stock, at cost	(1,565)	(3,146)	(1,581)	(31)
Noncontrolling interests	1,096,727	1,201,223	104,496	11,662

**Consolidated Statements of Stockholders' Equity**

Yen (millions)

	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total Hitachi, Ltd. stockholders' equity	Noncontrolling interests	Total equity
The year ended March 31, 2013								
As of March 31, 2012	427,775	600,243	1,242,110	(496,896)	(1,450)	1,771,782	1,002,213	2,773,995
Conversion of convertible bonds	31,015	31,015				62,030		62,030
Net income			175,326			175,326	62,395	237,721
Cash dividends			(46,713)			(46,713)	(24,162)	(70,875)
Other comprehensive income				127,864		127,864	55,095	182,959
Current-period change of treasury stock		(5)			(115)	(120)		(120)
Equity transactions and other		(8,307)		698		(7,609)	1,186	(6,423)
As of March 31, 2013	458,790	622,946	1,370,723	(368,334)	(1,565)	2,082,560	1,096,727	3,179,287
The year ended March 31, 2014								
As of March 31, 2013	458,790	622,946	1,370,723	(368,334)	(1,565)	2,082,560	1,096,727	3,179,287
Net income			264,975			264,975	99,055	364,030
Cash dividends			(48,304)			(48,304)	(26,214)	(74,518)
Other comprehensive income				360,412		360,412	44,736	405,148
Current-period change of treasury stock		429			(1,581)	(1,152)		(1,152)
Equity transactions and other		(5,907)		(1,343)		(7,250)	(13,081)	(20,331)
As of March 31, 2014	458,790	617,468	1,587,394	(9,265)	(3,146)	2,651,241	1,201,223	3,852,464

U.S. Dollars (millions)

	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total Hitachi, Ltd. stockholders' equity	Noncontrolling interests	Total equity
The year ended March 31, 2014								
As of March 31, 2013	4,454	6,048	13,308	(3,576)	(15)	20,219	10,648	30,867
Net income			2,573			2,573	962	3,534
Cash dividends			(469)			(469)	(255)	(723)
Other comprehensive income				3,499		3,499	434	3,933
Current-period change of treasury stock		4			(15)	(11)		(11)
Equity transactions and other		(57)		(13)		(70)	(127)	(197)
As of March 31, 2014	4,454	5,995	15,412	(90)	(31)	25,740	11,662	37,403

**Consolidated Statements of Cash Flows**

	The years ended March 31		
	Yen (millions)		U.S. Dollars (millions)
	2013	2014	2014
Cash flows from operating activities			
Net income	237,721	364,030	3,534
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation	300,664	329,833	3,202
Amortization	117,355	125,552	1,219
Net gain on sale of investments in securities and other	(24,047)	(45,412)	(441)
Decrease (increase) in receivables	71,777	(308,492)	(2,995)
Decrease (increase) in inventories	7,860	(70,700)	(686)
Increase (decrease) in payables	(187,651)	54,327	527
Other	59,829	(9,732)	(94)
Net cash provided by operating activities	583,508	439,406	4,266
Cash flows from investing activities			
Capital expenditures	(381,731)	(385,000)	(3,738)
Purchase of intangible assets	(105,842)	(118,870)	(1,154)
Purchase of tangible assets and software to be leased	(335,640)	(436,499)	(4,238)
Proceeds from disposal of property, plant and equipment	28,556	33,109	321
Proceeds from disposal of tangible assets and software to be leased	20,944	31,306	304
Proceeds from sale (purchase) of investments in securities and shares of consolidated subsidiaries resulting in deconsolidation, net	(91,119)	35,259	342
Collection of investments in leases	285,407	314,921	3,057
Other	25,968	34,411	334
Net cash used in investing activities	(553,457)	(491,363)	(4,771)
Cash flows from financing activities			
Increase (decrease) in interest-bearing debt	(81,886)	135,006	1,311
Dividends paid to stockholders	(46,564)	(48,194)	(468)
Dividends paid to noncontrolling interests	(25,827)	(25,535)	(248)
Other	(26,168)	(28,309)	(275)
Net cash provided by (used in) financing activities	(180,445)	32,968	320
Effect of exchange rate changes on cash and cash equivalents	58,449	49,574	481
Net increase (decrease) in cash and cash equivalents	(91,945)	30,585	297
Cash and cash equivalents at beginning of year	619,577	527,632	5,123
Cash and cash equivalents at end of year	527,632	558,217	5,420

**Segment Information**

**(1) Business Segments**

	The years ended March 31			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions) 2014
	2013 (A)	2014 (B)		
Information & Telecommunication Systems	1,786,587 18%	1,954,901 18%	109	18,980
Power Systems	904,696 9%	777,391 7%	86	7,547
Social Infrastructure & Industrial Systems	1,313,847 13%	1,446,666 14%	110	14,045
Electronic Systems & Equipment	1,014,312 10%	1,116,769 10%	110	10,842
Construction Machinery	756,067 7%	767,311 7%	101	7,450
High Functional Materials & Components	1,336,441 13%	1,363,291 13%	102	13,236
Automotive Systems	806,847 8%	892,119 8%	111	8,661
Digital Media & Consumer Products	818,522 8%	890,853 8%	109	8,649
Others (Logistics and Other services)	1,111,022 11%	1,233,649 12%	111	11,977
Financial Services	340,294 3%	338,531 3%	99	3,287
Subtotal	10,188,635 100%	10,781,481 100%	106	104,675
Corporate items & Eliminations	(1,147,564)	(1,165,279)	—	(11,313)
Revenues Total	9,041,071	9,616,202	106	93,361

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

2. On April 1, 2013, the former "Others" was renamed "Others (Logistics and Other services)".



	The years ended March 31			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions) 2014
	2013 (A)	2014 (B)		
Information & Telecommunication Systems	104,689 24%	110,030 20%	105	1,068
Power Systems	29,911 7%	16,721 3%	56	162
Social Infrastructure & Industrial Systems	60,203 14%	56,719 10%	94	551
Electronic Systems & Equipment	29,382 7%	59,114 11%	201	574
Construction Machinery	54,627 12%	73,932 13%	135	718
High Functional Materials & Components	58,418 13%	101,784 19%	174	988
Automotive Systems	35,423 8%	47,370 9%	134	460
Digital Media & Consumer Products	(5,355) (1%)	4,684 1%	—	45
Others (Logistics and Other services)	40,162 9%	45,963 8%	114	446
Financial Services	29,290 7%	33,157 6%	113	322
Subtotal	436,750 100%	549,474 100%	126	5,335
Corporate items & Eliminations	(14,722)	(16,663)	—	(162)
Operating income Total	422,028	532,811	126	5,173

Note: On April 1, 2013, the former "Others" was renamed "Others (Logistics and Other services)".

	The years ended March 31			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions) 2014
	2013 (A)	2014 (B)		
Information & Telecommunication Systems	104,212 24%	98,551 16%	95	957
Power Systems	30,027 7%	152,984 25%	509	1,485
Social Infrastructure & Industrial Systems	63,316 14%	59,169 10%	93	574
Electronic Systems & Equipment	32,430 7%	52,646 9%	162	511
Construction Machinery	58,121 13%	63,320 10%	109	615
High Functional Materials & Components	50,749 12%	96,554 16%	190	937
Automotive Systems	36,406 8%	4,930 1%	14	48
Digital Media & Consumer Products	(925) 0%	(2,979) (1%)	—	(29)
Others (Logistics and Other services)	33,545 8%	48,188 8%	144	468
Financial Services	29,466 7%	34,699 6%	118	337
Subtotal	437,347 100%	608,062 100%	139	5,904
Corporate items & Eliminations	(79,332)	(27,909)	—	(271)
EBIT Total	358,015	580,153	162	5,633

Notes: 1. EBIT is defined income before income taxes less interest income plus interest charges.

2. On April 1, 2013, the former "Others" was renamed "Others (Logistics and Other services)".

**(2) Revenues by Market**

	The years ended March 31			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions) 2014
	2013 (A)	2014 (B)		
Japan	5,355,119 59%	5,303,474 55%	99	51,490
Asia	1,711,141 19%	2,063,567 21%	121	20,035
North America	804,057 9%	910,274 10%	113	8,838
Europe	636,840 7%	812,120 8%	128	7,885
Other Areas	533,914 6%	526,767 6%	99	5,114
Outside Japan	3,685,952 41%	4,312,728 45%	117	41,871
Total	9,041,071 100%	9,616,202 100%	106	93,361

**Per Share Information**

	The years ended March 31		
	2013	2014	2014
	(Yen)	(Yen)	(U.S.Dollars)
Hitachi, Ltd. stockholders' equity per share	431.13	549.02	5.33
Net income attributable to Hitachi, Ltd. stockholders per share			
Basic	37.28	54.86	0.53
Diluted	36.29	54.85	0.53

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

	The years ended March 31		
	2013	2014	2014
	(Number of shares)	(Number of shares)	
Weighted average number of shares on which basic net income per share is calculated	4,702,790,707	4,829,774,208	
Effect of dilutive securities:			
130% call option attached unsecured convertible bonds (8th series)	127,952,024	—	
Number of shares on which diluted net income per share is calculated	4,830,742,731	4,829,774,208	
	(Millions of yen)	(Millions of yen)	(Millions of U.S. dollars)
Net income attributable to Hitachi, Ltd. stockholders	175,326	264,975	2,573
Effect of dilutive securities:			
Other	(11)	(84)	(1)
Net income attributable to Hitachi, Ltd. stockholders on which diluted net income per share is calculated	175,314	264,891	2,572

**Unconsolidated Financial Statements Summary**  
**Income Statements**

	The years ended March 31			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions)
	2013 (A)	2014 (B)		2014
Revenues	1,911,529	2,070,147	108	20,099
Cost of sales	1,447,857	1,602,243	111	15,556
Gross profit	463,672	467,904	101	4,543
Selling, general and administrative expenses	428,891	461,815	108	4,484
Operating income	34,781	6,088	18	59
Other income	80,497	112,974	140	1,097
Other deductions	39,228	101,175	258	982
Ordinary income	76,050	17,887	24	174
Extraordinary gain	7,259	115,079	—	1,117
Extraordinary loss	39,642	91,538	231	889
Income before income taxes	43,667	41,429	95	402
Current income taxes	(15,911)	(27,989)	—	(272)
Deferred income taxes	1,897	11,562	609	112
Net income	57,681	57,856	100	562
Basic EPS (yen and dollars)	12.27	11.98	98	0.12
Diluted EPS (yen and dollars)	11.94	—	—	—

**Balance Sheets**

	Yen (millions)		(B)-(A)	U.S. Dollars (millions)
	As of March 31, 2013 (A)	As of March 31, 2014 (B)		As of March 31, 2014
Current assets	1,221,492	1,200,390	(21,101)	11,654
(Quick assets)	1,010,411	993,495	(16,915)	9,646
(Inventories)	206,135	202,495	(3,640)	1,966
(Deferred tax assets)	4,945	4,399	(545)	43
Fixed assets	2,201,924	2,369,696	167,771	23,007
(Investments)	1,815,341	1,978,277	162,936	19,207
(Others)	386,583	391,419	4,835	3,800
Total assets	3,423,417	3,570,087	146,670	34,661
Current liabilities	1,698,008	1,592,640	(105,368)	15,463
Fixed liabilities	426,525	604,110	177,585	5,865
(Debentures)	50,000	110,000	60,000	1,068
(Long-term loans)	222,000	292,000	70,000	2,835
(Deferred tax liabilities)	40,869	57,065	16,195	554
(Others)	113,656	145,045	31,389	1,408
Total liabilities	2,124,534	2,196,750	72,216	21,328
Net assets	1,298,882	1,373,336	74,453	13,333
Liabilities and net assets	3,423,417	3,570,087	146,670	34,661

## Supplementary Information for Consolidated Financial Results for Fiscal 2013

### 1. Summary

#### (1) Consolidated Basis

	Fiscal 2012 (A)	Fiscal 2013		Fiscal 2014 (Forecast)			
		(B)	(B)/(A)	Six months ending September 30		(D)	(D)/(B)
				(C)	(C)/six months ended Sep. 30, 2013		
Revenues <sup>*1</sup>	9,041.0	9,616.2	106%	4,400.0	98%	9,400.0	98%
Operating income <sup>*1</sup>	422.0	532.8	126%	175.0	101%	560.0	105%
Percentage of revenues	4.7	5.5	—	4.0	—	6.0	—
EBIT (Earnings before interest and taxes) <sup>*1*2</sup>	358.0	580.1	162%	160.0	113%	520.0	90%
Percentage of revenues	4.0	6.0	—	3.6	—	5.5	—
Income before income taxes <sup>*1</sup>	344.5	568.1	165%	155.0	114%	510.0	90%
Net income <sup>*1</sup>	237.7	364.0	153%	100.0	144%	340.0	93%
Net income attributable to Hitachi, Ltd. stockholders <sup>*1</sup>	175.3	264.9	151%	55.0	168%	230.0	87%
Dividend payout ratio (%)	26.8	18.2	—	—	—	—	—
Average exchange rate (yen / U.S.\$)	83	100	—	98	—	98	—
Net interest and dividends <sup>*1</sup>	(7.0)	(3.8)	—	—	—	—	—

<sup>\*1</sup> Billions of yen

<sup>\*2</sup> Defined income before income taxes less interest income plus interest charges.

	As of March 31, 2013	As of March 31, 2014
Cash & cash equivalents, Short-term investments <sup>*1</sup>	538.0	567.3
Interest-bearing debt <sup>*1</sup>	2,370.0	2,823.0
Total Hitachi, Ltd. stockholders' equity ratio (Manufacturing, Services and Others)(%)	23.2	27.4
D/E Ratio (Including Noncontrolling interests) (Manufacturing, Services and Others)(times)	0.47	0.40
Number of employees	326,240	320,725
Japan	207,727	196,207
Overseas	118,513	124,518
Number of consolidated subsidiaries (Including Variable interest entities) <sup>*3</sup>	963	947
Japan	314	283
Overseas	649	664

<sup>\*3</sup> There were no Variable interest entities included into the figures of consolidated subsidiaries in the prior year and this year.  
Also, consolidated trust accounts are not included into the figures of consolidated subsidiaries.

#### (2) Unconsolidated Basis

	Fiscal 2012 (A)	Fiscal 2013	
		(B)	(B)/(A)
Revenues <sup>*1</sup>	1,911.5	2,070.1	108%
Operating income <sup>*1</sup>	34.7	6.0	18%
Ordinary income <sup>*1</sup>	76.0	17.8	24%
Net income <sup>*1</sup>	57.6	57.8	100%

	As of March 31, 2013	As of March 31, 2014
Cash & cash equivalents, Short-term investments <sup>*1</sup>	36.5	30.2
Interest-bearing debt <sup>*1</sup>	479.6	512.6
Number of employees	33,665	33,500

2. Consolidated Revenues, Operating Income and EBIT <sup>2</sup>

(1) Business Segment <sup>2,4</sup>

(Billions of yen)

	Fiscal 2012	Fiscal 2013		(Reference) <sup>5,6</sup>	Fiscal 2014 (Forecast) <sup>5,6</sup>				
		(A)	(B)	(B)/(A)	Fiscal 2013	Six months ending		(E)	(E)/(C)
						September 30			
				(C)	(D)	(D)/six months ended Sep. 30, 2013			
Revenues	Information & Telecommunication Systems	1,786.5	1,954.9	109%	1,934.9	880.0	100%	1,950.0	101%
	Power Systems	904.6	777.3	86%	777.3	230.0	61%	520.0	67%
	Social Infrastructure & Industrial Systems	1,313.8	1,446.6	110%	1,501.4	660.0	106%	1,570.0	105%
	Electronic Systems & Equipment	1,014.3	1,116.7	110%	1,116.7	530.0	106%	1,160.0	104%
	Construction Machinery	756.0	767.3	101%	767.3	350.0	98%	750.0	98%
	High Functional Materials & Components	1,336.4	1,363.2	102%	1,363.2	690.0	103%	1,400.0	103%
	Automotive Systems	806.8	892.1	111%	892.1	460.0	108%	940.0	105%
	Digital Media & Consumer Products	818.5	890.8	109%					
	Smart Life & Ecofriendly Systems				740.0	380.0	102%	740.0	100%
	Others (Logistics and Other services)	1,111.0	1,233.6	111%	1,388.9	610.0	92%	1,250.0	90%
	Financial Services	340.2	338.5	99%	338.5	170.0	104%	350.0	103%
	Subtotal	10,188.6	10,781.4	106%	10,820.8	4,960.0	99%	10,630.0	98%
	Corporate items & Eliminations	(1,147.5)	(1,165.2)	—	(1,204.6)	(560.0)	—	(1,230.0)	—
Total	9,041.0	9,616.2	106%	9,616.2	4,400.0	98%	9,400.0	98%	
Operating Income	Information & Telecommunication Systems	104.6	110.0	105%	106.5	35.0	114%	136.0	128%
	Power Systems	29.9	16.7	56%	16.7	(11.0)	—	5.0	30%
	Social Infrastructure & Industrial Systems	60.2	56.7	94%	59.0	13.0	395%	90.0	152%
	Electronic Systems & Equipment	29.3	59.1	201%	59.1	17.0	160%	60.0	101%
	Construction Machinery	54.6	73.9	135%	73.9	27.0	92%	76.0	103%
	High Functional Materials & Components	58.4	101.7	174%	101.7	49.0	99%	108.0	106%
	Automotive Systems	35.4	47.3	134%	47.3	28.0	134%	60.0	127%
	Digital Media & Consumer Products	(5.3)	4.6	—					
	Smart Life & Ecofriendly Systems				19.8	9.0	154%	24.0	121%
	Others (Logistics and Other services)	40.1	45.9	114%	30.8	14.0	118%	38.0	123%
	Financial Services	29.2	33.1	113%	33.1	16.0	100%	33.0	100%
	Subtotal	436.7	549.4	126%	548.2	197.0	109%	630.0	115%
	Corporate items & Eliminations	(14.7)	(16.6)	—	(15.4)	(22.0)	—	(70.0)	—
Total	422.0	532.8	126%	532.8	175.0	101%	560.0	105%	
EBIT	Information & Telecommunication Systems	104.2	98.5	95%	96.3	30.0	104%	126.0	131%
	Power Systems	30.0	152.9	509%	152.9	(9.0)	—	21.0	14%
	Social Infrastructure & Industrial Systems	63.3	59.1	93%	61.1	12.0	180%	86.0	141%
	Electronic Systems & Equipment	32.4	52.6	162%	52.6	17.0	183%	59.0	112%
	Construction Machinery	58.1	63.3	109%	63.3	27.0	101%	76.0	120%
	High Functional Materials & Components	50.7	96.5	190%	96.5	46.0	93%	97.0	100%
	Automotive Systems	36.4	4.9	14%	4.9	28.0	—	60.0	—
	Digital Media & Consumer Products	(0.9)	(2.9)	—					
	Smart Life & Ecofriendly Systems				25.4	10.0	112%	28.0	110%
	Others (Logistics and Other services)	33.5	48.1	144%	19.7	13.0	104%	36.0	182%
	Financial Services	29.4	34.6	118%	34.6	17.0	98%	34.0	98%
	Subtotal	437.3	608.0	139%	607.8	191.0	116%	623.0	102%
	Corporate items & Eliminations	(79.3)	(27.9)	—	(27.6)	(31.0)	—	(103.0)	—
Total	358.0	580.1	162%	580.1	160.0	113%	520.0	90%	

<sup>4</sup> On April 1, 2013, the former "Others" was renamed "Others (Logistics and Other services)".

<sup>5</sup> Effective on April 1, 2014, Hitachi Information & Control Solutions and Ibaraki Hitachi Information Service (both companies merged and changed its corporate name to Hitachi Industry & Control Solutions on April 1, 2014), which were previously included in the "Information & Telecommunication Systems", have been included in the "Social Infrastructure & Industrial Systems".

Forecasts for fiscal 2014 show the new segment classifications, and figures for fiscal 2013 using the new segment classifications are also shown for reference.

<sup>6</sup> Effective on April 1, 2014, Hitachi-LG Data Storage, Hitachi Consumer Electronics and Hitachi Media Electronics, which were previously included in the "Digital Media & Consumer Products", have been included in "Others (Logistics and Other services)". The "Digital Media & Consumer Products" has been renamed to the "Smart Life & Ecofriendly Systems" based on these changes, and Hitachi Appliances and Hitachi Consumer Marketing have been included in this segment.

Forecasts for fiscal 2014 show the new segment classifications, and figures for fiscal 2013 using the new segment classifications are also shown for reference.

(2) Business Group<sup>\*2,7</sup>

(Billions of yen)

	Fiscal 2012 (A)	Fiscal 2013		Fiscal 2013 (C)	Fiscal 2014 (Forecast) <sup>*8</sup>				
		(B)	(B)/(A)		Six months ending September 30		(E)	(E)/(C)	
					(D)	(D)/six months ended Sep. 30, 2013			
Revenues	Infrastructure Systems	3,146.6	3,454.2	110%	3,358.2	1,570.0	105%	3,470.0	103%
	Information & Telecommunication Systems	2,338.4	2,566.1	110%	2,546.2	1,200.0	103%	2,600.0	102%
	Power Systems	904.6	777.3	86%	777.3	230.0	61%	520.0	67%
	Construction Machinery	756.0	767.3	101%	767.3	350.0	98%	750.0	98%
	High Functional Materials & Components	1,475.9	1,512.1	102%	1,363.2	690.0	103%	1,400.0	103%
	Automotive Systems	806.8	892.1	111%	892.1	460.0	108%	940.0	105%
	Financial Services	340.2	338.5	99%	338.5	170.0	104%	350.0	103%
Operating Income	Infrastructure Systems	84.2	120.5	143%	137.9	39.0	197%	174.0	126%
	Information & Telecommunication Systems	126.2	126.5	100%	123.0	46.0	118%	162.0	132%
	Power Systems	29.9	16.7	56%	16.7	(11.0)	—	5.0	30%
	Construction Machinery	54.6	73.9	135%	73.9	27.0	92%	76.0	103%
	High Functional Materials & Components	61.4	109.3	178%	101.7	49.0	99%	108.0	106%
	Automotive Systems	35.4	47.3	134%	47.3	28.0	134%	60.0	127%
	Financial Services	29.2	33.1	113%	33.1	16.0	100%	33.0	100%
EBIT	Infrastructure Systems	94.9	109.0	115%	139.4	39.0	156%	173.0	124%
	Information & Telecommunication Systems	125.5	111.9	89%	109.7	41.0	111%	151.0	138%
	Power Systems	30.0	152.9	509%	152.9	(9.0)	—	21.0	14%
	Construction Machinery	58.1	63.3	109%	63.3	27.0	101%	76.0	120%
	High Functional Materials & Components	52.6	106.5	203%	96.5	46.0	93%	97.0	100%
	Automotive Systems	36.4	4.9	14%	4.9	28.0	—	60.0	—
	Financial Services	29.4	34.6	118%	34.6	17.0	98%	34.0	98%

\*7 Figures in tables 2-(2), 4, 8, 9 and 10 represent unaudited financial information prepared by the Company for the purpose of this supplementary information.

\*8 Effective on April 1, 2014, Hitachi Information & Control Solutions and Ibaraki Hitachi Information Service (both companies merged and changed its corporate name to Hitachi Industry & Control Solutions on April 1, 2014), which were previously included in the "Information & Telecommunication Systems", have been included in the "Infrastructure Systems". Also, Hitachi-LG Data Storage, Hitachi Consumer Electronics and Hitachi Media Electronics, which were previously included in the "Infrastructure Systems", and, Hitachi Maxell, which were previously included in the "High Functional Materials & Components", have not been included in each groups. Forecasts for fiscal 2014 show the new group classifications, and figures for fiscal 2013 using the new group classifications are also shown for reference.

3. Consolidated Overseas Revenues by Business Segment<sup>\*4</sup>

(Billions of yen)

	Fiscal 2012 (A)	Fiscal 2013		Fiscal 2014 (Forecast)			
		(B)	(B)/(A)	(C)	(C)/(B)		
Information & Telecommunication Systems	458.1	588.9	129%				
Power Systems	326.8	313.1	96%				
Social Infrastructure & Industrial Systems	382.8	525.2	137%				
Electronic Systems & Equipment	534.1	615.8	115%				
Construction Machinery	567.8	557.3	98%				
High Functional Materials & Components	521.3	590.3	113%				
Automotive Systems	361.9	435.3	120%				
Digital Media & Consumer Products	352.8	405.5	115%				
Others (Logistics and Other services)	207.1	313.0	151%				
Financial Services	62.8	91.9	146%				
Subtotal	3,776.0	4,436.9	118%				
Corporate items & Eliminations	(90.0)	(124.1)	—				
Total	3,685.9	4,312.7	117%			4,400.0	102%

4. Overseas Production (Total Revenues of Overseas Manufacturing Subsidiaries)<sup>\*7</sup>

	Fiscal 2012 (A)	Fiscal 2013	
		(B)	(B)/(A)
Overseas production (billions of yen)	1,930.2	2,345.3	122%
Percentage of revenues (%)	21	24	—
Percentage of overseas revenues (%)	52	54	—



**5. Consolidated Capital Expenditure by Business Segment in Manufacturing, Services and Others and Financial Services (Completion basis, including Leasing Assets) \*4**

(Billions of yen)

	Fiscal 2012	Fiscal 2013		Fiscal 2014 (Forecast)			
	(A)	(B)	(B)/(A)	(C)	(C)/(B)		
Information & Telecommunication Systems	52.6	40.2	76%				
Power Systems	24.9	20.2	81%				
Social Infrastructure & Industrial Systems	32.6	35.2	108%				
Electronic Systems & Equipment	19.8	28.2	143%				
Construction Machinery	67.6	37.1	55%				
High Functional Materials & Components	82.2	63.9	78%				
Automotive Systems	51.7	75.1	145%				
Digital Media & Consumer Products	21.9	22.2	101%				
Others (Logistics and Other services)	46.0	63.6	138%				
Corporate items	6.4	3.5	54%				
Manufacturing, Services and Others	406.1	389.6	96%			420.0	108%
Financial Services	345.0	478.5	139%			470.0	98%
Eliminations	(8.6)	(18.2)	—			(20.0)	—
Total	742.5	849.8	114%			870.0	102%

**6. Consolidated Depreciation by Business Segment in Manufacturing, Services and Others and Financial Services \*4**

(Billions of yen)

	Fiscal 2012	Fiscal 2013		Fiscal 2014 (Forecast)			
	(A)	(B)	(B)/(A)	(C)	(C)/(B)		
Information & Telecommunication Systems	32.6	38.4	118%				
Power Systems	16.9	14.6	86%				
Social Infrastructure & Industrial Systems	19.1	21.8	114%				
Electronic Systems & Equipment	10.2	11.5	112%				
Construction Machinery	31.5	31.9	101%				
High Functional Materials & Components	56.8	56.9	100%				
Automotive Systems	21.0	27.5	131%				
Digital Media & Consumer Products	18.9	20.0	106%				
Others (Logistics and Other services)	32.0	34.8	109%				
Corporate items	3.4	3.6	106%				
Manufacturing, Services and Others	242.8	261.2	108%			270.0	103%
Financial Services	57.8	68.5	119%			70.0	102%
Total	300.6	329.8	110%			340.0	103%

**7. Consolidated R&D Expenditure by Business Segment \*4**

(Billions of yen)

	Fiscal 2012	Fiscal 2013		Fiscal 2014 (Forecast)			
	(A)	(B)	(B)/(A)	(C)	(C)/(B)		
Information & Telecommunication Systems	81.2	76.6	94%				
Power Systems	19.7	19.2	97%				
Social Infrastructure & Industrial Systems	24.6	27.2	110%				
Electronic Systems & Equipment	43.4	48.0	111%				
Construction Machinery	17.2	17.9	104%				
High Functional Materials & Components	43.4	44.1	102%				
Automotive Systems	58.3	59.7	102%				
Digital Media & Consumer Products	20.8	17.6	85%				
Others (Logistics and Other services)	6.9	11.3	163%				
Corporate items	25.2	28.6	114%				
Manufacturing, Services and Others	341.1	350.7	103%			355.0	101%
Financial Services	0.1	0.6	414%				
Total	341.3	351.4	103%			355.0	101%
Percentage of revenues (%)	3.8	3.7	—			3.8	—

**8. Consolidated Balance Sheets by Manufacturing, Services and Others and Financial Services<sup>\*7</sup>** (Billions of yen)

	As of March 31, 2013			As of March 31, 2014		
	Manufacturing, Services and Others	Financial Services	Total <sup>*9</sup>	Manufacturing, Services and Others	Financial Services	Total <sup>*9</sup>
Current assets	4,534.7	1,056.0	5,190.1	4,745.9	1,370.8	5,703.8
Cash and cash equivalents	500.7	141.7	527.6	519.0	156.7	558.2
Trade receivables	2,007.2	642.3	2,421.7	2,152.4	878.2	2,797.9
Investments in leases	84.4	203.0	270.8	70.8	207.5	262.9
Current portion of financial assets transferred to consolidated securitization entities	5.1	18.1	23.3	—	52.2	52.2
Inventories	1,437.4	0.0	1,437.3	1,405.9	0.0	1,407.0
Others	499.7	50.7	509.0	597.5	76.0	625.4
Investments and advances	720.6	112.3	781.9	1,175.8	102.2	1,220.8
Property, plant and equipment	2,074.7	206.3	2,279.9	2,100.9	242.3	2,342.0
Financial assets transferred to consolidated securitization entities	—	131.3	131.3	—	185.8	185.8
Other assets	994.2	454.8	1,425.7	1,045.1	544.7	1,564.3
<b>Total Assets</b>	<b>8,324.4</b>	<b>1,960.9</b>	<b>9,809.2</b>	<b>9,067.9</b>	<b>2,446.1</b>	<b>11,016.8</b>
Current liabilities	3,537.6	827.5	3,964.1	3,623.7	1,080.0	4,290.7
Short-term debt and current portion of long-term debt	690.9	407.9	934.0	686.7	598.8	1,111.5
Current portion of non-recourse borrowings of consolidated securitization entities	5.1	21.2	26.3	—	49.8	49.8
Trade payables	1,181.6	256.2	1,234.8	1,278.3	276.3	1,350.2
Others	1,659.8	142.1	1,768.8	1,658.6	154.9	1,779.1
Long-term debt	672.7	692.8	1,306.7	731.5	849.4	1,512.7
Non-recourse borrowings of consolidated securitization entities	—	102.8	102.8	—	148.9	148.9
Other noncurrent liabilities	1,204.3	56.9	1,256.1	1,156.7	59.6	1,212.0
<b>Total Liabilities</b>	<b>5,414.7</b>	<b>1,680.2</b>	<b>6,629.9</b>	<b>5,512.0</b>	<b>2,138.1</b>	<b>7,164.4</b>
Total Hitachi, Ltd. stockholders' equity	1,932.3	161.1	2,082.5	2,483.8	178.4	2,651.2
Noncontrolling interests	977.3	119.6	1,096.7	1,072.0	129.5	1,201.2
<b>Total Equity</b>	<b>2,909.7</b>	<b>280.7</b>	<b>3,179.2</b>	<b>3,555.8</b>	<b>307.9</b>	<b>3,852.4</b>
<b>Total Liabilities and Equity</b>	<b>8,324.4</b>	<b>1,960.9</b>	<b>9,809.2</b>	<b>9,067.9</b>	<b>2,446.1</b>	<b>11,016.8</b>

Interest-bearing debt	1,368.8	1,224.9	2,370.0	1,418.2	1,647.1	2,823.0
Total Hitachi, Ltd. stockholders' equity ratio	23.2%	8.2%	21.2%	27.4%	7.3%	24.1%
D/E ratio (including noncontrolling interests) (times)	0.47	4.36	0.75	0.40	5.35	0.73

<sup>\*9</sup> Total Figures exclude inter-segment transactions.

**9. Consolidated Statements of Operations by Manufacturing, Services and Others and Financial Services<sup>\*2,7</sup>** (Billions of yen)

	Fiscal 2012			Fiscal 2013		
	Manufacturing, Services and Others	Financial Services	Total <sup>19</sup>	Manufacturing, Services and Others	Financial Services	Total <sup>19</sup>
Revenues	8,839.6	340.2	9,041.0	9,416.4	338.5	9,616.2
Operating income	393.9	29.2	422.0	500.7	33.1	532.8
EBIT(Earnings before interest and taxes)	332.1	29.4	358.0	549.5	34.6	580.1
Income before income taxes	317.9	28.7	344.5	537.8	33.2	568.1
Net income attributable to Hitachi, Ltd. stockholders	164.9	12.7	175.3	253.5	14.3	264.9

**10. Consolidated Statements of Cash Flows by Manufacturing, Services and Others and Financial Services<sup>\*7</sup>** (Billions of yen)

	Fiscal 2012			Fiscal 2013		
	Manufacturing, Services and Others	Financial Services	Total <sup>19</sup>	Manufacturing, Services and Others	Financial Services	Total <sup>19</sup>
Cash flows from operating activities	503.4	105.2	583.5	498.6	(25.9)	439.4
Cash flows from investing activities	(478.4)	(63.0)	(553.4)	(393.6)	(124.1)	(491.3)
Free cash flows	25.0	42.1	30.0	104.9	(150.0)	(51.9)
Cash flows from financing activities	(170.1)	(44.4)	(180.4)	(134.6)	163.7	32.9
Effect of exchange rate changes on cash and cash equivalents	56.7	1.8	58.4	48.0	1.3	49.5
Net increase (decrease) in cash and cash equivalents	(88.3)	(0.3)	(91.9)	18.3	15.1	30.5
Cash and cash equivalents at beginning of the year	589.0	142.0	619.5	500.7	141.7	527.6
Cash and cash equivalents at end of the year	500.7	141.7	527.6	519.0	156.7	558.2
Core free cash flows <sup>*10</sup>	19.4	46.9	45.7	22.4	(202.5)	(186.0)

<sup>\*10</sup> Operating cash flows plus collection of investments in leases less cash outflows for the purchase of property, plant and equipment, intangible assets, software, and the assets to be leased.

## 11. Information & Telecommunication Systems

### (1) Revenues and Operating Income (Current Subsegment) <sup>\*11</sup>

(Billions of yen)

	Fiscal 2012 (A)	Fiscal 2013	
		(B)	(B)/(A)
Revenues	1,786.5	1,954.9	109%
Software & Services	1,235.6	1,377.2	111%
Software	160.6	166.2	103%
Services	1,075.0	1,210.9	113%
Hardware	550.9	577.6	105%
Storage <sup>*12</sup>	202.4	225.5	111%
Servers <sup>*13</sup>	79.5	83.2	105%
Telecommunication	122.7	107.2	87%
Others	146.0	161.6	111%
Operating Income	104.6	110.0	105%
Software & Services	75.6	87.0	115%
Hardware	29.0	22.9	79%

<sup>\*11</sup> Figures for each product exclude intersegment transactions.

<sup>\*12</sup> Figures for Storage include disk array systems, etc.

<sup>\*13</sup> Figures for Servers include general-purpose computers, UNIX servers, PC servers, client PCs (only commercial use), etc. Effective on April 1, 2013, the businesses, which were previously included in "PCs" have been included in "Servers".

Figures for "Servers", including figures for the previous fiscal year, reflect the changed segmentation.

### (2) Revenues and Operating Income (New Subsegment) <sup>\*14</sup>

(Billions of yen)

	Fiscal 2012 (A)	Fiscal 2013		(Reference) <sup>*5</sup> Fiscal 2013 (C)	Fiscal 2014 (Forecast) <sup>*5</sup>			
		(B)	(B)/(A)		Six months ending September 30		(E)	(E)/(C)
					(D)	(D)/six months ended Sep. 30, 2013		
Revenues	1,786.5	1,954.9	109%	1,934.9	880.0	100%	1,950.0	101%
System Solutions <sup>*15</sup>	1,075.1	1,147.2	107%	1,127.3	537.5	106%	1,170.9	104%
Platform <sup>*16</sup>	756.8	828.2	109%	828.2	403.6	104%	865.8	105%
Telecommunication <sup>*17</sup>	217.7	217.1	100%	217.1	76.8	78%	176.2	81%
Eliminations & Others <sup>*18</sup>	(263.2)	(237.6)	—	(237.6)	(138.0)	—	(263.0)	—
Operating Income	104.6	110.0	105%	106.5	35.0	114%	136.0	128%
System Solutions <sup>*15</sup>	40.4	50.9	126%	47.4	13.8	294%	70.1	148%
Platform <sup>*16</sup>	47.6	51.9	109%	51.9	23.3	104%	56.5	109%
Telecommunication <sup>*17</sup>	12.4	6.9	56%	6.9	(5.0)	—	4.6	67%
Eliminations & Others <sup>*18</sup>	4.1	0.1	—	0.1	2.9	—	4.5	—

<sup>\*14</sup> Figures for each product include intersegment transactions.

<sup>\*15</sup> System integration, sales, maintenance and related services of software, hardware for financial, public and enterprise sectors, consulting, etc.

<sup>\*16</sup> Sales, maintenance and related services for software, server and storage, etc.

<sup>\*17</sup> Sales, maintenance and related services for telecommunication equipment and software, etc.

<sup>\*18</sup> Figures for intersegment transactions, etc.

### (3) Storage Solutions

(Billions of yen)

	Fiscal 2012 (A)	Fiscal 2013		Fiscal 2014 (Forecast)			
		(B)	(B)/(A)	Six months ending September 30		(D)	(D)/(B)
				(C)	(C)/six months ended Sep. 30, 2013		
Revenues	379.0	439.0	116%	205.0	103%	450.0	103%

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