

FOR IMMEDIATE RELEASE

**Hitachi Announces Consolidated Financial Results
for the Second Quarter Ended September 30, 2019**

Tokyo, October 30, 2019 --- Hitachi, Ltd. (TSE:6501) today announced its consolidated financial results for the second quarter of fiscal 2019, ended September 30, 2019

Note: All figures were converted at the rate of 108 yen to the U.S. dollar as of September 30, 2019.

Summary

	Six months ended September 30			
	Yen (billions)		(B)/(A) (%)	U.S. Dollars (millions)
	2018(A)	2019(B)		2019
1. Revenues	4,491.8	4,221.3	94	39,086
2. Adjusted operating income	344.5	297.2	86	2,752
3. EBIT (Earnings before interest and taxes)	352.3	290.5	82	2,690
4. Income from continuing operations, before income taxes	352.9	288.9	82	2,676
5. Net income	256.1	197.5	77	1,829
6. Net income attributable to Hitachi, Ltd. stockholders	192.9	189.2	98	1,753
7. Earnings per share attributable to Hitachi, Ltd. stockholders	(Yen)	(Yen)		(U.S.Dollars)
Basic	199.86	196.02	98	1.82
Diluted	199.69	195.77	98	1.81

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 793 consolidated subsidiaries and 444 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.

6. On October 1, 2018, the Company completed the share consolidation of every five shares into one share for its common stock. The figures for basic and diluted earnings per share attributable to Hitachi, Ltd. stockholders are calculated on the assumption that the Company conducted this consolidation at the beginning of fiscal 2018.

Condensed Quarterly Consolidated Statement of Profit or Loss

	Six months ended September 30			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions) 2019
	2018 (A)	2019 (B)		
Revenues	4,491,834	4,221,327	94	39,086
Cost of sales	(3,279,482)	(3,074,791)	94	(28,470)
Gross profit	1,212,352	1,146,536	95	10,616
Selling, general and administrative expenses	(867,762)	(849,333)	98	(7,864)
Adjusted operating income	344,590	297,203	86	2,752
Other income	38,218	38,156	100	353
Other expenses	(46,972)	(75,904)	162	(703)
Financial income	14,484	4,920	34	46
Financial expenses	(1,152)	(1,364)	118	(13)
Share of profits (losses) of investments accounted for using the equity method	3,166	27,506	869	255
EBIT (Earnings before interest and taxes)	352,334	290,517	82	2,690
Interest income	10,238	10,397	102	96
Interest charges	(9,652)	(11,938)	124	(111)
Income from continuing operations, before income taxes	352,920	288,976	82	2,676
Income taxes	(92,751)	(90,646)	98	(839)
Income from continuing operations	260,169	198,330	76	1,836
Loss from discontinued operations	(4,003)	(796)	20	(7)
Net income	256,166	197,534	77	1,829
Net income attributable to:				
Hitachi, Ltd. stockholders	192,995	189,293	98	1,753
Non-controlling interests	63,171	8,241	13	76

Earnings per share from continuing operations, attributable to Hitachi, Ltd. stockholders		Yen		U.S. Dollars
Basic	204.01	196.84	96	1.82
Diluted	203.83	196.60	96	1.82
Earnings per share attributable to Hitachi, Ltd. stockholders		Yen		U.S. Dollars
Basic	199.86	196.02	98	1.82
Diluted	199.69	195.77	98	1.81

Note: On October 1, 2018, the Company completed the share consolidation of every five shares into one share for its common stock. The figures for basic and diluted earnings per share attributable to Hitachi, Ltd. stockholders are calculated on the assumption that the Company conducted this consolidation at the beginning of fiscal 2018.

Condensed Quarterly Consolidated Statement of Comprehensive Income

	Six months ended September 30			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions) 2019
	2018 (A)	2019 (B)		
Net income	256,166	197,534	77	1,829
Other comprehensive income (OCI)				
Items not to be reclassified into net income				
Net changes in financial assets measured at fair value through OCI	(23,750)	20,049	—	186
Remeasurements of defined benefit plans	—	—	—	—
Share of OCI of investments accounted for using the equity method	421	133	32	1
Total items not to be reclassified into net income	(23,329)	20,182	—	187
Items that can be reclassified into net income				
Foreign currency translation adjustments	34,388	(96,172)	—	(890)
Net changes in cash flow hedges	(3,231)	4,645	—	43
Share of OCI of investments accounted for using the equity method	10,642	(16,972)	—	(157)
Total items that can be reclassified into net income	41,799	(108,499)	—	(1,005)
Other comprehensive income (OCI)	18,470	(88,317)	—	(818)
Comprehensive income	274,636	109,217	40	1,011
Comprehensive income attributable to:				
Hitachi, Ltd. stockholders	204,468	131,271	64	1,215
Non-controlling interests	70,168	(22,054)	—	(204)

Condensed Quarterly Consolidated Statement of Financial Position

	Yen (millions)		(B)-(A)	U.S. Dollars (millions)
	As of March 31, 2019 (A)	As of September 30, 2019 (B)		As of September 30, 2019
Assets				
Current assets				
Cash and cash equivalents	807,593	841,702	34,109	7,794
Trade receivables and contract assets	2,399,933	2,156,742	(243,191)	19,970
Inventories	1,356,762	1,481,539	124,777	13,718
Investments in securities and other financial assets	284,267	275,520	(8,747)	2,551
Other current assets	187,238	222,275	35,037	2,058
Total Current assets	5,035,793	4,977,778	(58,015)	46,091
Non-current assets				
Investments accounted for using the equity method	724,461	767,166	42,705	7,103
Investments in securities and other financial assets	568,349	548,025	(20,324)	5,074
Property, plant and equipment	1,956,685	2,144,037	187,352	19,852
Intangible assets	960,016	911,983	(48,033)	8,444
Other non-current assets	381,288	370,607	(10,681)	3,432
Total Non-current assets	4,590,799	4,741,818	151,019	43,906
Total Assets	9,626,592	9,719,596	93,004	89,996
Liabilities				
Current liabilities				
Short-term debt	111,031	340,828	229,797	3,156
Current portion of long-term debt	185,250	206,430	21,180	1,911
Other financial liabilities	257,792	193,783	(64,009)	1,794
Trade payables	1,406,012	1,226,922	(179,090)	11,360
Accrued expenses	653,676	585,272	(68,404)	5,419
Contract liabilities	553,510	605,010	51,500	5,602
Other current liabilities	438,289	411,997	(26,292)	3,815
Total Current liabilities	3,605,560	3,570,242	(35,318)	33,058
Non-current liabilities				
Long-term debt	708,490	840,065	131,575	7,778
Retirement and severance benefits	526,688	505,628	(21,060)	4,682
Other non-current liabilities	371,451	357,817	(13,634)	3,313
Total Non-current liabilities	1,606,629	1,703,510	96,881	15,773
Total Liabilities	5,212,189	5,273,752	61,563	48,831
Equity				
Hitachi, Ltd. stockholders' equity				
Common stock	458,790	459,862	1,072	4,258
Capital surplus	463,786	460,557	(3,229)	4,264
Retained earnings	2,287,587	2,440,055	152,468	22,593
Accumulated other comprehensive income (loss)	56,360	(15,541)	(71,901)	(144)
(Foreign currency translation adjustments)	52,166	(24,343)	(76,509)	(225)
(Remeasurements of defined benefit plans)	10,312	7,626	(2,686)	71
(Net changes in financial assets measured at fair value through OCI)	95,725	104,147	8,422	964
(Net changes in cash flow hedges)	(101,843)	(102,971)	(1,128)	(953)
Treasury stock, at cost	(3,920)	(3,722)	198	(34)
Total Hitachi, Ltd. stockholders' equity	3,262,603	3,341,211	78,608	30,937
Non-controlling interests	1,151,800	1,104,633	(47,167)	10,228
Total equity	4,414,403	4,445,844	31,441	41,165
Total liabilities and equity	9,626,592	9,719,596	93,004	89,996

Condensed Quarterly Consolidated Statement of Changes in Equity

Yen (millions)

Six months ended September 30, 2018								
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
Balance at beginning of period	458,790	575,809	2,105,395	142,167	(4,137)	3,278,024	1,233,647	4,511,671
Cumulative effects of changes in accounting policies	-	-	3,209	-	-	3,209	(1,406)	1,803
Restated balance	458,790	575,809	2,108,604	142,167	(4,137)	3,281,233	1,232,241	4,513,474
Changes in equity								
Reclassified into retained earnings	-	-	19,166	(19,166)	-	-	-	-
Net income	-	-	192,995	-	-	192,995	63,171	256,166
Other comprehensive income	-	-	-	11,473	-	11,473	6,997	18,470
Dividends to Hitachi, Ltd. stockholders	-	-	(38,621)	-	-	(38,621)	-	(38,621)
Dividends to non-controlling interests	-	-	-	-	-	-	(22,919)	(22,919)
Acquisition of treasury stock	-	-	-	-	(112)	(112)	-	(112)
Sales of treasury stock	-	(236)	-	-	432	196	-	196
Changes in non-controlling interests	-	1,540	-	553	-	2,093	(61,709)	(59,616)
Total changes in equity	-	1,304	173,540	(7,140)	320	168,024	(14,460)	153,564
Balance at end of period	458,790	577,113	2,282,144	135,027	(3,817)	3,449,257	1,217,781	4,667,038

Yen (millions)

Six months ended September 30, 2019								
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
Balance at beginning of period	458,790	463,786	2,287,587	56,360	(3,920)	3,262,603	1,151,800	4,414,403
Cumulative effects of changes in accounting policies	-	-	(2,596)	-	-	(2,596)	(1,075)	(3,671)
Restated balance	458,790	463,786	2,284,991	56,360	(3,920)	3,260,007	1,150,725	4,410,732
Changes in equity								
Reclassified into retained earnings	-	-	14,051	(14,051)	-	-	-	-
Net income	-	-	189,293	-	-	189,293	8,241	197,534
Other comprehensive loss	-	-	-	(58,022)	-	(58,022)	(30,295)	(88,317)
Dividends to Hitachi, Ltd. stockholders	-	-	(48,280)	-	-	(48,280)	-	(48,280)
Dividends to non-controlling interests	-	-	-	-	-	-	(26,207)	(26,207)
Acquisition of treasury stock	-	-	-	-	(75)	(75)	-	(75)
Sales of treasury stock	-	(138)	-	-	273	135	-	135
Issuance of new shares	1,072	1,072	-	-	-	2,144	-	2,144
Changes in non-controlling interests	-	(4,163)	-	172	-	(3,991)	2,169	(1,822)
Total changes in equity	1,072	(3,229)	155,064	(71,901)	198	81,204	(46,092)	35,112
Balance at end of period	459,862	460,557	2,440,055	(15,541)	(3,722)	3,341,211	1,104,633	4,445,844

U.S. Dollars (millions)

Six months ended September 30, 2019								
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
Balance at beginning of period	4,248	4,294	21,181	522	(36)	30,209	10,665	40,874
Cumulative effects of changes in accounting policies	-	-	(24)	-	-	(24)	(10)	(34)
Restated balance	4,248	4,294	21,157	522	(36)	30,185	10,655	40,840
Changes in equity								
Reclassified into retained earnings	-	-	130	(130)	-	-	-	-
Net income	-	-	1,753	-	-	1,753	76	1,829
Other comprehensive loss	-	-	-	(537)	-	(537)	(281)	(818)
Dividends to Hitachi, Ltd. stockholders	-	-	(447)	-	-	(447)	-	(447)
Dividends to non-controlling interests	-	-	-	-	-	-	(243)	(243)
Acquisition of treasury stock	-	-	-	-	(1)	(1)	-	(1)
Sales of treasury stock	-	(1)	-	-	3	1	-	1
Issuance of new shares	10	10	-	-	-	20	-	20
Changes in non-controlling interests	-	(39)	-	2	-	(37)	20	(17)
Total changes in equity	10	(30)	1,436	(666)	2	752	(427)	325
Balance at end of period	4,258	4,264	22,593	(144)	(34)	30,937	10,228	41,165

Condensed Quarterly Consolidated Statement of Cash Flows

	Six months ended September 30		
	Yen (millions)		U.S. Dollars (millions)
	2018	2019	2019
Cash flows from operating activities			
Net income	256,166	197,534	1,829
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	179,384	207,830	1,924
Impairment losses	26,293	69,669	645
Income taxes	90,145	90,645	839
Share of (profits) losses of investments accounted for using the equity method	(3,166)	(27,506)	(255)
Financial income and expenses	(3,742)	(1,415)	(13)
Net (gain) loss on business reorganization and others	(37,236)	(28,086)	(260)
(Gain) loss on sale of property, plant and equipment	2,175	1,030	10
Change in trade receivables and contract assets	293,004	251,569	2,329
Change in inventories	(222,468)	(185,832)	(1,721)
Change in other assets	(25,759)	2,290	21
Change in trade payables	(120,687)	(140,314)	(1,299)
Change in retirement and severance benefits	(16,516)	(20,167)	(187)
Change in other liabilities	(114,622)	(118,901)	(1,101)
Other	(3,081)	5,137	48
Subtotal	299,890	303,483	2,810
Interest received	8,326	13,120	121
Dividends received	8,576	7,148	66
Interest paid	(11,393)	(12,267)	(114)
Income taxes paid	(93,405)	(105,796)	(980)
Net cash provided by (used in) operating activities	211,994	205,688	1,905
Cash flows from investing activities			
Purchase of property, plant and equipment	(197,873)	(167,342)	(1,549)
Purchase of intangible assets	(41,754)	(41,796)	(387)
Proceeds from sale of property, plant and equipment, and intangible assets	15,247	10,180	94
Purchase of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	(25,026)	(48,038)	(445)
Proceeds from sale of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	110,878	46,001	426
Other	(3,943)	(6,084)	(56)
Net cash provided by (used in) investing activities	(142,471)	(207,079)	(1,917)
Free cash flows	69,523	(1,391)	(13)
Cash flows from financing activities			
Change in short-term debt, net	139,294	242,723	2,247
Proceeds from long-term debt	35,975	44,889	416
Payments on long-term debt	(56,876)	(145,990)	(1,352)
Proceeds from payments from non-controlling interests	4,892	2,603	24
Dividends paid to Hitachi, Ltd. stockholders	(38,591)	(48,163)	(446)
Dividends paid to non-controlling interests	(23,396)	(24,772)	(229)
Acquisition of common stock for treasury	(112)	(75)	(1)
Proceeds from sales of treasury stock	196	135	1
Purchase of shares of consolidated subsidiaries from non-controlling interests	(1,397)	(1,205)	(11)
Other	(14)	(8)	(0)
Net cash provided by (used in) financing activities	59,971	70,137	649
Effect of exchange rate changes on cash and cash equivalents	(1,860)	(34,637)	(321)
Change in cash and cash equivalents	127,634	34,109	316
Cash and cash equivalents at beginning of period	697,964	807,593	7,478
Cash and cash equivalents at end of period	825,598	841,702	7,794

Segment Information

(1) Business Segments

	Six months ended September 30			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions) 2019
	2018 (A)	2019 (B)		
IT	976,192 20%	995,246 22%	102	9,215
Energy	177,131 4%	161,623 3%	91	1,497
Industry	359,944 7%	366,711 8%	102	3,395
Mobility	581,043 12%	529,954 12%	91	4,907
Smart Life	806,844 16%	708,963 15%	88	6,564
Hitachi High-Technologies	363,088 7%	346,374 8%	95	3,207
Hitachi Construction Machinery	490,413 10%	480,559 10%	98	4,450
Hitachi Metals	518,958 11%	456,888 10%	88	4,230
Hitachi Chemical	343,518 7%	316,628 7%	92	2,932
Others	292,643 6%	236,301 5%	81	2,188
Subtotal	4,909,774 100%	4,599,247 100%	94	42,586
Corporate items & Eliminations	(417,940)	(377,920)	—	(3,499)
Revenues Total	4,491,834	4,221,327	94	39,086
IT	98,251 29%	109,117 36%	111	1,010
Energy	5,337 2%	235 0%	4	2
Industry	13,617 4%	13,849 5%	102	128
Mobility	38,535 11%	38,622 13%	100	358
Smart Life	18,486 5%	28,822 9%	156	267
Hitachi High-Technologies	35,759 11%	30,895 10%	86	286
Hitachi Construction Machinery	52,822 16%	44,429 15%	84	411
Hitachi Metals	33,079 10%	5,932 2%	18	55
Hitachi Chemical	24,820 7%	16,890 6%	68	156
Others	17,868 5%	11,869 4%	66	110
Subtotal	338,574 100%	300,660 100%	89	2,784
Corporate items & Eliminations	6,016	(3,457)	—	(32)
Adjusted operating income Total	344,590	297,203	86	2,752
IT	88,312 29%	105,841 40%	120	980
Energy	(4,750) (2%)	1,071 0%	—	10
Industry	15,206 5%	20,648 8%	136	191
Mobility	35,166 12%	63,928 24%	182	592
Smart Life	1,135 0%	27,946 10%	—	259
Hitachi High-Technologies	33,970 11%	30,779 12%	91	285
Hitachi Construction Machinery	49,372 17%	42,855 16%	87	397
Hitachi Metals	38,104 13%	(56,329) (21%)	—	(522)
Hitachi Chemical	23,572 8%	15,512 6%	66	144
Others	19,470 7%	14,253 5%	73	132
Subtotal	299,557 100%	266,504 100%	89	2,468
Corporate items & Eliminations	52,777	24,013	—	222
EBIT Total	352,334	290,517	82	2,690

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

2. Effective from April 1, 2019, the company reclassify its reportable segments. Accordingly, figures for the six months ended September 30, 2018 have been restated on the basis of the reclassification.

(2) Revenues by Market

	Six months ended September 30			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions) 2019
	2018 (A)	2019 (B)		
Japan	2,121,868 47%	2,125,942 50%	100	19,685
Asia	1,031,592 23%	876,489 21%	85	8,116
North America	595,511 13%	563,072 13%	95	5,214
Europe	494,249 11%	440,877 11%	89	4,082
Other Areas	248,614 6%	214,947 5%	86	1,990
Overseas Revenues Subtotal	2,369,966 53%	2,095,385 50%	88	19,402
Total Revenues	4,491,834 100%	4,221,327 100%	94	39,086

Notes

(1) Notes Regarding Going Concern

Not applicable.

(2) Changes in Accounting Policies

Adoption of IFRS 16 “Leases”

From the beginning of the fiscal year ending March 31, 2020, the Company has adopted IFRS 16 “Leases” (IFRS 16).

As a transitional measure upon the adoption of IFRS 16, the Company applies this standard and a method of recognizing the cumulative effect of the initial application as an adjustment to the beginning balance of retained earnings at the date of initial application. The impact of adopting IFRS 16 on the condensed quarterly consolidated statement of financial position at the beginning of the current consolidated fiscal year includes an increase in assets of 218,161 million yen associated with the recognition of right-of-use assets, an increase in liabilities of 221,832 million yen associated with the recognition of lease liabilities, and a decrease in equity of 3,671 million yen associated with the recognition of an adjustment to the beginning balance of retained earnings at the date of initial application. The impact on the condensed quarterly consolidated statement of profit or loss is not material. In addition, with respect to the condensed quarterly consolidated statement of cash flows, while lease payments for operating leases were previously included in cash flows from operating activities, adjustments for depreciation expense for right-of-use assets are included in cash flows from operating activities and payments of lease liabilities are included in cash flows from financing activities as a result of adopting IFRS 16; therefore, compared with the previous accounting standard, cash flows from operating activities increase while cash flows from financing activities decrease.

(3) Subsequent Events

The Company, Honda Motor Co., Ltd. (Honda), Hitachi Automotive Systems, Ltd. (HiAMS), a consolidated subsidiary of the Company in the Smart Life segment, Keihin Corporation (Keihin), Showa Corporation (Showa), Nissin Kogyo Co., Ltd. (Nissin), equity-method associates of Honda, today announced that these six companies have also entered into a basic contract regarding management integration of HiAMS, Keihin, Showa, and Nissin to strengthen development and distribution of global and competitive solutions in the CASE area.

Please refer to the News Release “Notice regarding the Management Integration of Hitachi Automotive Systems, Ltd., Keihin Corporation, Showa Corporation, and Nissin Kogyo Co., Ltd.” announced today for detailed information.

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 as to 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;
- uncertainty as to Hitachi’s ability to attract and retain skilled personnel;
- increased commoditization of and intensifying price competition for products;
- uncertainty as to Hitachi’s ability to achieve the anticipated benefits of its strategy to strengthen its Social Innovation Business;
- uncertainty as to the success of acquisitions of other companies, joint ventures and strategic alliances and the possibility of incurring related expenses;
- uncertainty as to the success of restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness;
- 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.

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