

**FOR IMMEDIATE RELEASE**

**Hitachi Announces Consolidated Financial Results  
for the Third Quarter Ended December 31, 2021**

**Tokyo, February 2, 2022** --- Hitachi, Ltd. (TSE:6501) today announced its consolidated financial results for the third quarter of fiscal 2021, ended December 31, 2021

Note: All figures were converted at the rate of 115 yen to the U.S. dollar as of December 31, 2021.

## Summary

	Nine months ended December 31			
	Billions of yen		(B)/(A) (%)	Millions of U.S. dollars
	2020(A)	2021(B)		2021
1. Revenues	5,979.0	7,346.6	123	63,884
2. Adjusted operating income	316.9	484.4	153	4,213
3. EBIT (Earnings before interest and taxes)	503.5	601.4	119	5,230
4. Income from continuing operations, before income taxes	498.9	593.2	119	5,159
5. Net income	314.0	512.2	163	4,454
6. Net income attributable to Hitachi, Ltd. stockholders	307.8	450.7	146	3,920
7. Earnings per share attributable to Hitachi, Ltd. stockholders	(Yen)	(Yen)		(U.S.Dollars)
Basic	318.73	466.47	146	4.06
Diluted	318.33	465.86	146	4.05

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 865 consolidated subsidiaries and 290 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. (currently Mitsubishi Power, 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.

**Condensed Quarterly Consolidated Statement of Profit or Loss**

	Nine months ended December 31			
	Millions of yen		(B)/(A) (%)	Millions of U.S. dollars
	2020 (A)	2021 (B)		2021
Revenues	5,979,000	7,346,665	123	63,884
Cost of sales	(4,452,102)	(5,532,216)	124	(48,106)
Gross profit	1,526,898	1,814,449	119	15,778
Selling, general and administrative expenses	(1,209,986)	(1,329,989)	110	(11,565)
Adjusted operating income	316,912	484,460	153	4,213
Other income	291,504	100,377	34	873
Other expenses	(111,374)	(31,127)	28	(271)
Financial income	3,338	14,927	447	130
Financial expenses	(4,257)	(553)	13	(5)
Share of profits (losses) of investments accounted for using the equity method	7,413	33,318	449	290
EBIT (Earnings before interest and taxes)	503,536	601,402	119	5,230
Interest income	12,426	11,364	91	99
Interest charges	(17,003)	(19,510)	115	(170)
Income from continuing operations, before income taxes	498,959	593,256	119	5,159
Income taxes	(184,204)	(81,015)	44	(704)
Income from continuing operations	314,755	512,241	163	4,454
Income (loss) from discontinued operations	(686)	0	-	0
Net income	314,069	512,241	163	4,454
Net income attributable to:				
Hitachi, Ltd. stockholders	307,878	450,785	146	3,920
Non-controlling interests	6,191	61,456	993	534

Earnings per share from continuing operations, attributable to Hitachi, Ltd. stockholders	Yen	Yen		U.S.Dollars
Basic	319.44	466.47	146	4.06
Diluted	319.04	465.86	146	4.05
Earnings per share attributable to Hitachi, Ltd. stockholders	Yen	Yen		U.S.Dollars
Basic	318.73	466.47	146	4.06
Diluted	318.33	465.86	146	4.05

**Condensed Quarterly Consolidated Statement of Comprehensive Income**

	Nine months ended December 31			
	Millions of yen		(B)/(A) (%)	Millions of U.S. dollars
	2020 (A)	2021 (B)		2021
Net income	314,069	512,241	163	4,454
Other comprehensive income (OCI)				
Items not to be reclassified into net income				
Net changes in financial assets measured at fair value through OCI	49,568	(15,528)	-	(135)
Remeasurements of defined benefit plans	-	-	-	-
Share of OCI of investments accounted for using the equity method	364	(255)	-	(2)
Total items not to be reclassified into net income	49,932	(15,783)	-	(137)
Items that can be reclassified into net income				
Foreign currency translation adjustments	1,095	123,539	-	1,074
Net changes in cash flow hedges	3,690	1,908	52	17
Share of OCI of investments accounted for using the equity method	10,112	20,401	202	177
Total items that can be reclassified into net income	14,897	145,848	979	1,268
Other comprehensive income (OCI)	64,829	130,065	201	1,131
Comprehensive income	378,898	642,306	170	5,585
Comprehensive income attributable to:				
Hitachi, Ltd. stockholders	359,131	556,799	155	4,842
Non-controlling interests	19,767	85,507	433	744

**Condensed Quarterly Consolidated Statement of Financial Position**

	Millions of yen		(B)-(A)	Millions of U.S. dollars
	As of March 31, 2021 (A)	As of December 31, 2021 (B)		As of December 31, 2021
<b>Assets</b>				
Current assets				
Cash and cash equivalents	1,015,886	990,202	(25,684)	8,610
Trade receivables and contract assets	2,734,476	2,681,859	(52,617)	23,321
Inventories	1,653,395	2,020,896	367,501	17,573
Investments in securities and other financial assets	328,153	299,634	(28,519)	2,606
Other current assets	211,390	372,179	160,789	3,236
<b>Total Current assets</b>	<b>5,943,300</b>	<b>6,364,770</b>	<b>421,470</b>	<b>55,346</b>
Non-current assets				
Investments accounted for using the equity method	472,105	397,489	(74,616)	3,456
Investments in securities and other financial assets	534,324	595,822	61,498	5,181
Property, plant and equipment	2,408,887	2,420,621	11,734	21,049
Goodwill	1,161,210	2,037,173	875,963	17,715
Other intangible assets	964,830	1,210,088	245,258	10,523
Other non-current assets	368,197	397,913	29,716	3,460
<b>Total Non-current assets</b>	<b>5,909,553</b>	<b>7,059,106</b>	<b>1,149,553</b>	<b>61,384</b>
<b>Total Assets</b>	<b>11,852,853</b>	<b>13,423,876</b>	<b>1,571,023</b>	<b>116,729</b>
<b>Liabilities</b>				
Current liabilities				
Short-term debt	416,635	1,653,736	1,237,101	14,380
Current portion of long-term debt	274,392	244,575	(29,817)	2,127
Other financial liabilities	288,973	297,772	8,799	2,589
Trade payables	1,515,954	1,595,041	79,087	13,870
Accrued expenses	698,553	599,690	(98,863)	5,215
Contract liabilities	933,844	978,464	44,620	8,508
Other current liabilities	468,579	425,383	(43,196)	3,699
<b>Total Current liabilities</b>	<b>4,596,930</b>	<b>5,794,661</b>	<b>1,197,731</b>	<b>50,388</b>
Non-current liabilities				
Long-term debt	1,706,329	1,618,468	(87,861)	14,074
Retirement and severance benefits	433,954	430,854	(3,100)	3,747
Other non-current liabilities	657,408	678,511	21,103	5,900
<b>Total Non-current liabilities</b>	<b>2,797,691</b>	<b>2,727,833</b>	<b>(69,858)</b>	<b>23,720</b>
<b>Total Liabilities</b>	<b>7,394,621</b>	<b>8,522,494</b>	<b>1,127,873</b>	<b>74,109</b>
<b>Equity</b>				
Hitachi, Ltd. stockholders' equity				
Common stock	460,790	461,731	941	4,015
Capital surplus	84,040	65,369	(18,671)	568
Retained earnings	2,710,604	3,054,897	344,293	26,564
Accumulated other comprehensive income	273,561	371,118	97,557	3,227
(Foreign currency translation adjustments)	110,727	214,872	104,145	1,868
(Remeasurements of defined benefit plans)	80,300	79,224	(1,076)	689
(Net changes in financial assets measured at fair value through OCI)	135,022	116,725	(18,297)	1,015
(Net changes in cash flow hedges)	(52,488)	(39,703)	12,785	(345)
Treasury stock, at cost	(3,493)	(2,962)	531	(26)
<b>Total Hitachi, Ltd. stockholders' equity</b>	<b>3,525,502</b>	<b>3,950,153</b>	<b>424,651</b>	<b>34,349</b>
Non-controlling interests	932,730	951,229	18,499	8,272
<b>Total Equity</b>	<b>4,458,232</b>	<b>4,901,382</b>	<b>443,150</b>	<b>42,621</b>
<b>Total Liabilities and Equity</b>	<b>11,852,853</b>	<b>13,423,876</b>	<b>1,571,023</b>	<b>116,729</b>

**Condensed Quarterly Consolidated Statement of Changes in Equity**

Millions of yen

Nine months ended December 31, 2020								
	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	459,862	464,795	2,296,208	(57,070)	(3,809)	3,159,986	1,106,753	4,266,739
Changes in equity								
Reclassified into retained earnings	-	-	9,593	(9,593)	-	-	-	-
Net income	-	-	307,878	-	-	307,878	6,191	314,069
Other comprehensive income	-	-	-	51,253	-	51,253	13,576	64,829
Dividends to Hitachi, Ltd. stockholders	-	-	(96,653)	-	-	(96,653)	-	(96,653)
Dividends to non-controlling interests	-	-	-	-	-	-	(21,526)	(21,526)
Acquisition of treasury stock	-	-	-	-	(94)	(94)	-	(94)
Sales of treasury stock	-	107	-	-	473	580	-	580
Issuance of new shares	928	928	-	-	-	1,856	-	1,856
Changes in non-controlling interests	-	(465,830)	(25,234)	(5,415)	-	(496,479)	(386,406)	(882,885)
Total changes in equity	928	(464,795)	195,584	36,245	379	(231,659)	(388,165)	(619,824)
Balance at end of period	460,790	-	2,491,792	(20,825)	(3,430)	2,928,327	718,588	3,646,915

Millions of yen

Nine months ended December 31, 2021								
	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	460,790	84,040	2,710,604	273,561	(3,493)	3,525,502	932,730	4,458,232
Changes in equity								
Reclassified into retained earnings	-	-	4,718	(4,718)	-	-	-	-
Net income	-	-	450,785	-	-	450,785	61,456	512,241
Other comprehensive income	-	-	-	106,014	-	106,014	24,051	130,065
Dividends to Hitachi, Ltd. stockholders	-	-	(111,210)	-	-	(111,210)	-	(111,210)
Dividends to non-controlling interests	-	-	-	-	-	-	(45,756)	(45,756)
Acquisition of treasury stock	-	-	-	-	(208)	(208)	-	(208)
Sales of treasury stock	-	(294)	-	-	739	445	-	445
Issuance of new shares	941	941	-	-	-	1,882	-	1,882
Changes in non-controlling interests	-	(19,318)	-	(3,739)	-	(23,057)	(21,252)	(44,309)
Total changes in equity	941	(18,671)	344,293	97,557	531	424,651	18,499	443,150
Balance at end of period	461,731	65,369	3,054,897	371,118	(2,962)	3,950,153	951,229	4,901,382

Millions of U.S. Dollars

Nine months ended December 31, 2021								
	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	4,007	731	23,570	2,379	(30)	30,657	8,111	38,767
Changes in equity								
Reclassified into retained earnings	-	-	41	(41)	-	-	-	-
Net income	-	-	3,920	-	-	3,920	534	4,454
Other comprehensive income	-	-	-	922	-	922	209	1,131
Dividends to Hitachi, Ltd. stockholders	-	-	(967)	-	-	(967)	-	(967)
Dividends to non-controlling interests	-	-	-	-	-	-	(398)	(398)
Acquisition of treasury stock	-	-	-	-	(2)	(2)	-	(2)
Sales of treasury stock	-	(3)	-	-	6	4	-	4
Issuance of new shares	8	8	-	-	-	16	-	16
Changes in non-controlling interests	-	(168)	-	(33)	-	(200)	(185)	(385)
Total changes in equity	8	(162)	2,994	848	5	3,693	161	3,853
Balance at end of period	4,015	568	26,564	3,227	(26)	34,349	8,272	42,621

**Condensed Quarterly Consolidated Statement of Cash Flows**

	Nine months ended December 31			
	Millions of yen		(B)-(A)	Millions of U.S. Dollars
	2020 (A)	2021 (B)		2021
<b>Cash flows from operating activities</b>				
Net Income	314,069	512,241	198,172	4,454
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	351,115	397,833	46,718	3,459
Impairment losses	74,403	5,296	(69,107)	46
Income taxes	184,204	81,015	(103,189)	704
Share of (profits) losses of investments accounted for using the equity method	(7,413)	(33,318)	(25,905)	(290)
Financial income and expenses	1,464	(1,755)	(3,219)	(15)
Net (gain) loss on business reorganization and others	(287,604)	(93,905)	193,699	(817)
(Gain) loss on sale of property, plant and equipment	(3,753)	(5,367)	(1,614)	(47)
Change in trade receivables and contract assets	289,687	123,450	(166,237)	1,073
Change in inventories	(177,631)	(378,278)	(200,647)	(3,289)
Change in trade payables	(83,317)	47,330	130,647	412
Change in accrued expenses	(70,293)	(109,374)	(39,081)	(951)
Change in retirement and severance benefits	(12,497)	(19,607)	(7,110)	(170)
Other	(3,708)	(52,217)	(48,509)	(454)
Subtotal	568,726	473,344	(95,382)	4,116
Interest received	16,855	11,967	(4,888)	104
Dividends received	13,426	12,253	(1,173)	107
Interest paid	(16,508)	(19,901)	(3,393)	(173)
Income taxes paid	(156,099)	(220,507)	(64,408)	(1,917)
Net cash provided by (used in) operating activities	426,400	257,156	(169,244)	2,236
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(166,130)	(208,002)	(41,872)	(1,809)
Purchase of intangible assets	(78,335)	(97,710)	(19,375)	(850)
Proceeds from sale of property, plant and equipment, and intangible assets	32,115	48,224	16,109	419
Purchase of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	(1,010,889)	(927,074)	83,815	(8,062)
Proceeds from sale of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	440,490	115,157	(325,333)	1,001
Other	16,674	41,677	25,003	362
Net cash provided by (used in) investing activities	(766,075)	(1,027,728)	(261,653)	(8,937)
<b>Free cash flows</b>	<b>(339,675)</b>	<b>(770,572)</b>	<b>(430,897)</b>	<b>(6,701)</b>
<b>Cash flows from financing activities</b>				
Change in short-term debt, net	803,683	1,104,163	300,480	9,601
Proceeds from long-term debt	465,316	38,165	(427,151)	332
Payments on long-term debt	(184,323)	(248,983)	(64,660)	(2,165)
Proceeds from payments from non-controlling interests	5,190	-	(5,190)	-
Dividends paid to Hitachi, Ltd. stockholders	(96,691)	(111,232)	(14,541)	(967)
Dividends paid to non-controlling interests	(25,511)	(50,590)	(25,079)	(440)
Acquisition of common stock for treasury	(94)	(208)	(114)	(2)
Proceeds from sales of treasury stock	580	445	(135)	4
Purchase of shares of consolidated subsidiaries from non-controlling interests	(532,955)	(21,607)	511,348	(188)
Other	(22)	(21)	1	(0)
Net cash provided by (used in) financing activities	435,173	710,132	274,959	6,175
Effect of exchange rate changes on cash and cash equivalents	9,409	34,756	25,347	302
Change in cash and cash equivalents	104,907	(25,684)	(130,591)	(223)
Cash and cash equivalents at beginning of period	812,331	1,015,886	203,555	8,834
Cash and cash equivalents at end of period	917,238	990,202	72,964	8,610

**Segment Information**

**(1) Business Segments**

	Nine months ended December 31			
	Millions of yen		(B)/(A) (%)	Millions of U.S. dollars 2021
	2020 (A)	2021 (B)		
IT	1,433,815 22%	1,495,426 19%	104	13,004
Energy	755,983 12%	1,036,323 13%	137	9,012
Industry	550,095 8%	606,171 8%	110	5,271
Mobility	862,687 13%	1,077,779 14%	125	9,372
Smart Life	897,857 14%	743,368 9%	83	6,464
Automotive Systems	563,928 9%	1,151,340 15%	204	10,012
Hitachi Construction Machinery	558,727 9%	720,366 9%	129	6,264
Hitachi Metals	541,403 8%	690,849 9%	128	6,007
Others	316,191 5%	323,318 4%	102	2,811
Subtotal	6,480,686 100%	7,844,940 100%	121	68,217
Corporate items & Eliminations	(501,686)	(498,275)	-	(4,333)
<b>Total Revenues</b>	<b>5,979,000</b>	<b>7,346,665</b>	<b>123</b>	<b>63,884</b>
IT	173,924 52%	170,635 36%	98	1,484
Energy	(8,706) (3%)	6,966 1%	-	61
Industry	23,938 7%	53,637 11%	224	466
Mobility	59,389 18%	64,773 14%	109	563
Smart Life	62,832 19%	51,966 11%	83	452
Automotive Systems	(58) (0%)	34,565 7%	-	301
Hitachi Construction Machinery	17,494 5%	60,492 13%	346	526
Hitachi Metals	(8,585) (2%)	20,628 4%	-	179
Others	12,663 4%	15,316 3%	121	133
Subtotal	332,891 100%	478,978 100%	144	4,165
Corporate items & Eliminations	(15,979)	5,482	-	48
<b>Total Adjusted operating income</b>	<b>316,912</b>	<b>484,460</b>	<b>153</b>	<b>4,213</b>
IT	161,741 62%	162,618 28%	101	1,414
Energy	(10,536) (4%)	20,402 4%	-	177
Industry	25,936 10%	54,612 9%	211	475
Mobility	70,152 27%	90,142 15%	128	784
Smart Life	63,228 24%	110,003 19%	174	957
Automotive Systems	(39,784) (15%)	31,924 5%	-	278
Hitachi Construction Machinery	13,633 5%	67,670 12%	496	588
Hitachi Metals	(38,313) (15%)	21,572 4%	-	188
Others	16,067 6%	23,560 4%	147	205
Subtotal	262,124 100%	582,503 100%	222	5,065
Corporate items & Eliminations	241,412	18,899	-	164
<b>Total EBIT</b>	<b>503,536</b>	<b>601,402</b>	<b>119</b>	<b>5,230</b>

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

2. In January 2021, Hitachi Automotive Systems, Ltd., a consolidated subsidiary of the Company, integrated management with Keihin Corporation, Showa Corporation, and Nissin Kogyo Co., Ltd and established Hitachi Astemo, Ltd. Subsequently, on April 1, 2021, in addition to the current five sectors which are the areas of focus of the Social Innovation Business, Hitachi Astemo, Ltd. was spun off from the Smart Life segment and positioned as a business alongside the five sectors. Also, this change will facilitate swift decision-making to establish a structure that will achieve smooth integration and growth strategies, create synergies and further accelerate the growth of the business. As a result, effective from April 1, 2021, the Automotive systems segment is identified as a separate reportable segment. Figures for the nine months ended December 31, 2020 have been restated on the basis of the reclassification.

**(2) Revenues by Market**

	Nine months ended December 31			
	Millions of yen		(B)/(A) (%)	Millions of U.S. dollars 2021
	2020 (A)	2021 (B)		
Japan	2,811,071 47%	2,883,822 39%	103	25,077
Asia	1,316,341 22%	1,895,895 26%	144	16,486
North America	761,965 13%	1,108,868 15%	146	9,642
Europe	705,994 12%	941,383 13%	133	8,186
Other Areas	383,629 6%	516,697 7%	135	4,493
Overseas Revenues Subtotal	3,167,929 53%	4,462,843 61%	141	38,807
Total Revenues	5,979,000 100%	7,346,665 100%	123	63,884



## Notes

### (1) Notes Regarding Going Concern

Not applicable.

### (2) Subsequent Events

Sale of shares of Hitachi Construction Machinery Co., Ltd. (hereinafter “Hitachi Construction Machinery”)  
On January 14, 2022, the Company entered into an agreement regarding the transfer of a part of shares of Hitachi Construction Machinery, a consolidated subsidiary of the Company, with HCJI Holdings G.K., a special purpose company which is expected to be indirectly jointly invested by Japan Industrial Partners, Inc. and ITOCHU Corporation.

The consideration is expected to be approximately 182.4 billion yen. Assuming the transaction is settled, it is expected that the Company’s ownership ratio of shares of Hitachi Construction Machinery will decrease from 51.4% to 25.4%, and Hitachi Construction Machinery will turn into an equity-method associate of the Company.

An expected gain on the sale of Hitachi Construction Machinery shares in the amount of approximately 77.0 billion yen will be recognized in Other income in the consolidated statement of profit or loss.

Please refer to the News Release “Notification of the change in Subsidiary, and the Recognition of Extraordinary Gain on Unconsolidated Basis” announced on January 14, 2022, 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 report.

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:

- exacerbation of social and economic impacts of the spread of COVID-19;
- economic conditions, including consumer spending and plant and equipment investment in Hitachi’s major markets, 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;
- estimates, fluctuations in cost and cancellation of long-term projects for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- increased commoditization of and intensifying price competition for products;
- uncertainty as to Hitachi’s ability to attract and retain skilled personnel;
- uncertainty as to Hitachi’s ability to 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;
- fluctuations in demand of products, etc. and industry capacity;
- uncertainty as to Hitachi’s ability to implement measures to reduce the potential negative impact of fluctuations in demand of products, etc., exchange rates and/or price of raw materials or shortages of materials, parts and components;
- credit conditions of Hitachi’s customers and suppliers;
- 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;
- 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;
- the potential for significant losses on Hitachi’s investments in equity-method associates and joint ventures;
- uncertainty as to the success of cost structure overhaul;
- 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 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;
- 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 Hitachi’s access to, or ability to protect, certain intellectual property; 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 elsewhere in this report and in other materials published by Hitachi.

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