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**Hitachi Announces Consolidated Financial Results for Fiscal 2011**

Tokyo, May 10, 2012 --- Hitachi, Ltd. (TSE:6501) today announced its consolidated financial results for fiscal 2011, ended March 31, 2012.

- Notes: 1. All figures were converted at the rate of 82 yen to the U.S. dollar, the approximate exchange rate on the Tokyo Foreign Exchange Market as of March 30, 2012.  
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 (6) and Net income attributable to Hitachi, Ltd. stockholders per American Depositary Share (7).

	The years ended March 31			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions)
	2011 (A)	2012(B)		2012
1. Revenues	9,315,807	9,665,883	104	117,877
2. Operating income	444,508	412,280	93	5,028
3. Income before income taxes	432,201	557,730	129	6,802
4. Net income	303,126	412,808	136	5,034
5. Net income attributable to Hitachi, Ltd.	238,869	347,179	145	4,234
6. Net income attributable to Hitachi, Ltd. stockholders per share				
Basic	52.89	76.81	145	0.94
Diluted	49.38	71.86	146	0.88
7. Net income attributable to Hitachi, Ltd. stockholders per ADS (representing 10 shares)				
Basic	529	768	145	9.37
Diluted	494	719	146	8.77

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

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

3. The figures are for 939 consolidated subsidiaries, including Variable Interest Entities, and 183 equity-method affiliates.

Consolidated trust accounts are not included into the number of consolidated subsidiaries.

## 1. Qualitative Information Concerning Consolidated Business Results

### 1-1. Summary of Fiscal 2011 Consolidated Business Results

#### (1) Business Results

	Year ended March 31, 2012		
	Yen (billions)	Year over year change (% or billions yen)	U.S. dollars (millions)
Revenues	9,665.8	4%	117,877
Operating income	412.2	(32.2)	5,028
Income before income taxes	557.7	125.5	6,802
Net income	412.8	109.6	5,034
Net income attributable to Hitachi, Ltd.	347.1	108.3	4,234

In fiscal 2011, the year ended March 31, 2012, there was continued stagnation in the global economy. In industrialized countries, the economic slowdown can be attributed primarily to uncertainty surrounding government finances in Europe, lackluster personal spending in the U.S. as well as other factors. Emerging countries also experienced an economic slowdown due to declining exports and accelerating inflation. In fiscal 2011, natural disasters also had a significant impact on the global economy. The Great East Japan Earthquake and flooding in Thailand impacted production of electronic components and other products, causing disruptions in the supply chain particularly in the automotive and electronics fields.

The Japanese economy experienced stagnation in production activity as well as a large drop-off in internal demand in the wake of the Great East Japan Earthquake. However, the economy moved into a recovery phase in the second half of the fiscal year thanks to public works spending on reconstruction efforts, increased investment in housing and other factors.

Hitachi's consolidated revenues for fiscal 2011 increased 4% year over year, to 9,665.8 billion yen, despite lower revenues in the Digital Media & Consumer Products, Components & Devices and Financial Services segments due to lower demand and other factors. Hitachi achieved higher revenues in the Others Segment, resulting from Hitachi Transport System, Ltd. making Vantec Corporation a consolidated subsidiary in April 2011, among other factors. The Information & Telecommunication Systems Segment also experienced strong revenue growth, notably in services, while the Automotive Systems Segment produced higher revenues year over year as a result of global recovery due to increased demand for automobiles.

Hitachi posted operating income of 412.2 billion yen, down 32.2 billion yen year over year, even though some segments including the Financial Services, Construction Machinery, Automotive Systems, and Electronic Systems & Equipment segments posted higher year over year earnings. In part, the overall result reflected lower earnings in the Power Systems Segment due to additional expenses and delays related to difficulties experienced with some boiler materials in overseas thermal power generation systems projects. The overall financial results also reflected lower

earnings in the Digital Media & Consumer Products Segment mainly attributable to lower revenues and the impact of the floods in Thailand.

Hitachi posted net other income of 145.4 billion yen, a 157.7 billion yen improvement from fiscal 2010 when net other deductions were recorded. Despite recording exchange losses resulting from the yen's appreciation, the overall improvement primarily reflected the recording of a net gain on the sale of marketable securities from the transfer of Hitachi's hard disk drive business to Western Digital Corporation.

As a result, Hitachi recorded income before income taxes of 557.7 billion yen, an improvement of 125.5 billion yen year over year.

After deducting income taxes of 144.9 billion yen, Hitachi posted net income of 412.8 billion yen, a year over year increase of 109.6 billion yen. After deducting net income attributable to noncontrolling interests of 65.6 billion yen, Hitachi posted record-high net income attributable to Hitachi, Ltd. for the second straight year of 347.1 billion yen, a year over year increase of 108.3 billion yen.

## (2) Revenues and Operating income (loss) by Segment

Results by segment were as follows.

### [Information & Telecommunication Systems]

	Year ended March 31, 2012		
	Yen (billions)	Year over year change (% or billions yen)	U.S. dollars (millions)
Revenues	1,764.2	7%	21,515
Operating income	101.7	3.0	1,241

For fiscal 2011, the segment recorded revenues of 1,764.2 billion yen, an increase of 7% year over year. The higher overall revenues resulted mainly from increased sales for services in Japan, as well as higher sales in storage solutions and consulting overseas.

Segment operating income increased 3.0 billion yen year over year, to 101.7 billion yen, mainly due to improved hardware profitability.

**[Power Systems]**

	Year ended March 31, 2012		
	Yen (billions)	Year over year change (% or billions yen)	U.S. dollars (millions)
Revenues	832.4	2%	10,151
Operating loss	(33.9)	(56.0)	(414)

For fiscal 2011, segment revenues increased 2% year over year, to 832.4 billion yen. This increase was mainly attributable to steady growth in the thermal power generation systems business in Japan, despite a decline in nuclear power generation systems sales due to the impact of the Great East Japan Earthquake.

The segment recorded an operating loss of 33.9 billion yen, a change of 56.0 billion yen from operating income in the previous fiscal year. This deterioration primarily reflected additional expenses and delays related to difficulties experienced with some boiler materials in overseas thermal power generation systems projects.

**[Social Infrastructure & Industrial Systems]**

	Year ended March 31, 2012		
	Yen (billions)	Year over year change (% or billions yen)	U.S. dollars (millions)
Revenues	1,204.9	4%	14,695
Operating income	49.1	9.2	600

For fiscal 2011, segment revenues increased 4% year over year, to 1,204.9 billion yen. The overall increase mainly reflected steady growth in the elevator and escalator business overseas, in addition to a recovery in plant-related equipment and construction from the impact of the Great East Japan Earthquake.

Segment operating income increased 9.2 billion yen year over year, to 49.1 billion yen, mainly due to higher sales from plant-related equipment and construction and the elevator and escalator business, as well as progress relative to cost reduction measures.

**[Electronic Systems & Equipment]**

	Year ended March 31, 2012		
	Yen (billions)	Year over year change (% or billions yen)	U.S. dollars (millions)
Revenues	1,101.7	2%	13,436
Operating income	49.9	12.7	610

For fiscal 2011, the segment recorded revenues of 1,101.7 billion yen, a 2% increase year over year, despite lower sales of electronic component processing equipment and other products. The higher segment revenues are mainly attributable to Hitachi Medical Corporation's consolidation of Aloka Co., Ltd. in January 2011.

Segment operating income rose 12.7 billion yen year over year, to 49.9 billion yen. This mainly reflected higher earnings at Hitachi Kokusai Electric Inc. due to progress with structural reforms.

**[Construction Machinery]**

	Year ended March 31, 2012		
	Yen (billions)	Year over year change (% or billions yen)	U.S. dollars (millions)
Revenues	798.7	6%	9,741
Operating income	63.1	13.9	770

For fiscal 2011, segment revenues were 798.7 billion yen, up 6% year over year, despite a decline in demand for hydraulic excavator in China and financial uncertainty in the European markets. The overall increase reflected efforts to capture reconstruction-related demand in Japan, as well as strong sales of mining machinery and service parts in Asia and Oceania.

Segment operating income rose 13.9 billion yen year over year, to 63.1 billion yen, despite the impact of the strong yen. The overall increase were mainly attributable to a revision in sales prices and progress with cost reductions in addition to increase in sales and expansion of services and components-related sales.

**[High Functional Materials & Components]**

	Year ended March 31, 2012		
	Yen (billions)	Year over year change (% or billions yen)	U.S. dollars (millions)
Revenues	1,437.1	2%	17,527
Operating income	77.0	(7.4)	939

For fiscal 2011, segment revenues increased 2% year over year, to 1,437.1 billion yen. This increase reflected higher sales recorded by Hitachi Metals, Ltd., mainly for automotive-related products. This sales growth was partly offset by lower sales at Hitachi Chemical Co., Ltd., primarily due to decreased demand for semiconductors and LCD TVs as well as the impacts of both the Great East Japan Earthquake and flooding in Thailand.

Segment operating income decreased 7.4 billion yen year over year, to 77.0 billion yen. This decrease was mainly the result of a decline in earnings at Hitachi Chemical due to lower sales and the impacts of the Great East Japan Earthquake and flooding in Thailand. This was despite improved earnings at Hitachi Cable, Ltd. as a result of progress made on structural reforms, in addition to higher earnings at Hitachi Metals in line with increased sales.

**[Automotive Systems]**

	Year ended March 31, 2012		
	Yen (billions)	Year over year change (% or billions yen)	U.S. dollars (millions)
Revenues	811.5	10%	9,897
Operating income	37.0	13.2	452

For fiscal 2011, segment revenues increased 10% year over year, to 811.5 billion yen, primarily reflecting a recovery in global demand for automobiles, including increased demand in emerging markets.

Segment operating income was 37.0 billion yen, a year over year increase of 13.2 billion yen. Growth was driven mainly by realizing the benefits of cost reductions and improved capacity utilization associated with the recovery in demand.

Note: Effective from April 1, 2011, there was a change in segmentation between the Automotive Systems and the Components & Devices segments. Figures for each segment, including figures for year over year comparisons, reflect the changed segmentations.

**[Components & Devices]**

	Year ended March 31, 2012		
	Yen (billions)	Year over year change (% or billions yen)	U.S. dollars (millions)
Revenues	768.0	(5%)	9,367
Operating income	39.4	(9.9)	481

For fiscal 2011, segment revenues decreased 5% year over year, to 768.0 billion yen. This result was mainly due to a year over year decline in sales of small and medium-sized displays, as well as lower sales of HDDs due to restrictions on parts procurement stemming from the impact of the Great East Japan Earthquake and the flooding in Thailand.

Segment operating income decreased 9.9 billion yen year over year, to 39.4 billion yen, mainly reflecting lower sales of HDDs.

Notes 1: Effective from April 1, 2011, there was a change in segmentation between the Automotive Systems and the Components & Devices segments. Figures for each segment, including figures for year over year comparisons, reflect the changed segmentations.

2: HDD operations were conducted by Hitachi Global Storage Technologies (Hitachi GST), which had a December 31 fiscal year-end, different from Hitachi's March 31 year-end. Hitachi's results for the fiscal year ended March 31, 2012 include operating results of Hitachi GST for the fiscal year ended December 31, 2011.

**[Digital Media & Consumer Products]**

	Year ended March 31, 2012		
	Yen (billions)	Year over year change (% or billions yen)	U.S. dollars (millions)
Revenues	858.8	(10%)	10,474
Operating loss	(10.9)	(25.8)	(134)

For fiscal 2011, the segment recorded a 10% decrease in revenues year over year, to 858.8 billion yen. This decline was mainly the result of the impact of flooding in Thailand and falling prices on optical disk drive-related products, as well as decreased demand and lower prices for flat-panel TVs.

The segment recorded an operating loss of 10.9 billion yen, a change of 25.8 billion yen from operating income in the previous fiscal year. This deterioration was mainly due to a decline in sales of flat-panel TVs and optical disk drive-related products.

Note: The optical disk 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, 2012 include operating results of HLDS for the fiscal year ended December 31, 2011.



**[Financial Services]**

	Year ended March 31, 2012		
	Yen (billions)	Year over year change (% or billions yen)	U.S. dollars (millions)
Revenues	353.2	(5%)	4,307
Operating income	30.2	15.9	369

For fiscal 2011, the segment reported a 5% year over year decrease in revenues, to 353.2 billion yen. The overall decline mainly reflected lower revenues in the finance services business for corporate customers in Japan at Hitachi Capital Corporation. However, the overseas business at Hitachi Capital performed strongly mainly in Asia.

Segment operating income increased 15.9 billion yen year over year, to 30.2 billion yen, despite lower revenues, mainly as a result of lower fund management costs.

**[Others]**

	Year ended March 31, 2012		
	Yen (billions)	Year over year change (% or billions yen)	U.S. dollars (millions)
Revenues	951.6	24%	11,606
Operating income	33.2	4.3	405

For fiscal 2011, segment revenues increased 24% year over year, to 951.6 billion yen, mainly due to healthy growth in third-party logistics solutions as well as the April 2011 consolidation of Vantec Corporation at Hitachi Transport System, Ltd.

Segment operating income increased 4.3 billion yen year over year, to 33.2 billion yen, mainly as a result of the consolidation of Vantec at Hitachi Transport System.

**(3) Revenues by Market**

	Year ended March 31, 2012		
	Yen (billions)	Year over year change	U.S. dollars (millions)
Japan	5,534.4	5%	67,493
Outside Japan	4,131.4	2%	50,383
Asia	2,000.9	(4%)	24,402
North America	869.0	11%	10,598
Europe	761.1	0%	9,282
Other Areas	500.2	16%	6,101

Revenues in Japan were 5,534.4 billion yen, up 5% year over year. The Others Segment posted much higher revenues due to the consolidation of Vantec Corporation at Hitachi Transport System, Ltd. and strong sales growth in third-party logistics solutions. In addition, the Information & Telecommunication Systems, Power Systems and Construction Machinery segments recorded higher revenues, promptly recovering from damages caused by the Great East Japan Earthquake and capturing reconstruction-related demand. The overall increase in revenues in Japan came despite lower revenues in the Components & Devices Segment, which was affected by the Great East Japan Earthquake and floods in Thailand, and lower year over year revenues in some segments including the Digital Media & Consumer Products and Financial Services segments.

Outside Japan revenues increased 2%, to 4,131.4 billion yen. In addition to higher revenues in the Automotive Systems Segment following recovery in global demand for automobiles, this overall increase was attributable to higher revenues in the Information & Telecommunication Systems Segment, where storage systems generated strong sales, especially in North America. The overall increase came despite lower year over year revenues in the Digital Media & Consumer Products Segment, where the flooding in Thailand had an impact, and in the Power Systems Segment, where there were delays with overseas projects.

As a result, the ratio of overseas revenues to consolidated revenues was 43%, the same as in fiscal 2010.

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

Capital expenditures on a completion basis, excluding leasing assets, increased 38% year over year, to 377.2 billion yen, due to investment for increasing production prompted by the recovery in demand, and investments for restoring production facilities damaged by the Great East Japan Earthquake.

Depreciation, excluding leasing assets, decreased 8% year over year, to 280.2 billion yen, primarily due to strict selection of capital investments through the end of fiscal 2010.

R&D expenditures increased 4% year over year, to 412.5 billion yen, which corresponded to 4.3% of consolidated revenues. The increase was due mainly to further R&D investment to strengthen the Social Innovation Business.

**(5) Outlook for Fiscal 2012**

	Year ending March 31, 2013		
	Yen (billions)	Year over year change (% or billions yen)	U.S. dollars (millions)
Revenues	9,100.0	(6%)	121,333
Operating income	480.0	67.7	6,400
Income before income taxes	420.0	(137.7)	5,600
Net income	295.0	(117.8)	3,933
Net income attributable to Hitachi, Ltd.	200.0	(147.1)	2,667

Note: All fiscal 2012 outlook figures were converted using 75 yen to the U.S. dollar.

In terms of the overall business environment going forward, the Chinese economy is expected to maintain a high rate of growth due to robust demand from the inland parts of China which still have room for growth, even though the economic slowdown is expected in the coastal areas due to lower exports resulting from the European economic slowdown and other factors. Southeast Asian countries, India, Brazil and certain other countries are expected to maintain steady growth in general. Emerging economies are therefore expected to continue to be the drivers of growth in the world economy. Regarding industrialized countries, there are concerns that fiscal crises in some countries will be worse, with credit worries in Europe still unresolved. Various governments are expected to promote fiscal austerity policies and economic sluggishness will continue. On the other hand, the manufacturing industry in the U.S. is making a comeback on the back of a weak greenback. With an improving unemployment rate and other positive signs emerging, the U.S. economy has been maintaining gradual recovery.

Japan's economy should continue to see a recovery in supply chains affected by the Great East Japan Earthquake and the floods in Thailand. Demand associated with reconstruction after the Great East Japan Earthquake, including housing investment, private-sector capital expenditures and public works, should drive GDP and support a moderate economic recovery.

Due to these economic conditions, at present, Hitachi is forecasting the results shown above for fiscal 2012, the year ending March 31, 2013.

Hitachi aims to establish itself as a major global player as it works to achieve the goals of its 2012 Mid-term Management Plan. Among other actions, the Company will accelerate global development of the Social Innovation Business and promote the Hitachi Smart Transformation Project, a project for overhauling cost structures, across the Hitachi Group.

Projections for fiscal 2012 assume an exchange rate of 75 yen to the U.S. dollar and 100 yen to the euro.

## 1-2. Financial Position

### (1) Financial Position

	As of March 31, 2012		
	Yen (billions)	Change from March 31, 2011	U.S. dollars (millions)
Total assets	9,418.5	232.8	114,860
Total liabilities	6,644.5	(99.7)	81,031
Interest-bearing debt	2,396.4	(125.0)	29,225
Total Hitachi, Ltd. stockholders' equity	1,771.7	331.9	21,607
Noncontrolling interests	1,002.2	0.6	12,222
Total Hitachi, Ltd. stockholders' equity ratio	18.8%	3.1 point improvement	-
D/E ratio (including noncontrolling interests)	0.86times	0.17 point improvement	-

Total assets as of March 31, 2012 increased 232.8 billion yen, to 9,418.5 billion yen, due to increase in trade receivables and inventories mainly related to the Social Innovation Business. Interest-bearing debt decreased 125.0 billion yen from March 31, 2011, to 2,396.4 billion yen, mainly due to repayment of short-term debt tapping into the consideration for the transfer of hard disk drive business. Stockholders' equity increased 331.9 billion yen, to 1,771.7 billion yen, due to the net income attributable to Hitachi, Ltd. As a result, the total Hitachi, Ltd. stockholders' equity ratio was 18.8%. The debt-to-equity ratio, including noncontrolling interests, was 0.86.

### (2) Cash Flows

	Year ended March 31, 2012		
	Yen (billions)	Year over year change (billions yen)	U.S. dollars (millions)
Cash flows from operating activities	447.1	(394.3)	5,453
Cash flows from investing activities	(195.5)	64.7	(2,385)
Free cash flows	251.5	(329.6)	3,068
Cash flows from financing activities	(167.8)	416.3	(2,047)

Operating activities provided net cash of 447.1 billion yen, a 394.3 billion yen decrease year over year. This decrease mainly reflected increase in trade receivables and inventories, despite the increase in net income.

Investing activities used net cash of 195.5 billion yen, 64.7 billion yen less than in the previous fiscal year, due to the sale of the HDD operations and other factors.

Free cash flows, the sum of cash flows from operating and investing activities, was a positive 251.5 billion yen, a decline of 329.6 billion yen year over year.

Financing activities used net cash of 167.8 billion yen, 416.3 billion yen less year over year due to decreased repayment of debt.

The net result of the above items was a 64.7 billion yen increase in cash and cash equivalents of 619.5 billion yen.

### (3) Trends in Cash Flow Indexes

	Year ended March 31, 2010	Year ended March 31, 2011	Year ended March 31, 2012
Hitachi, Ltd. stockholders' equity ratio (%)	14.3	15.7	18.8
Equity ratio based on market value (%)	17.4	21.3	26.1
Cash flow to interest-bearing debt ratio	3.0	3.0	5.4
Interest coverage ratio (times)	30.4	33.8	15.9

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

(b) Equity ratio based on market value: Market capitalization / 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.

## 1-3. Basic Policy on the Distribution of Earnings and Fiscal 2011 and 2012

### 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 on 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 on an ongoing basis in order to implement a flexible 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 8 yen per share for fiscal 2011. Dividends for fiscal 2012 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;
- the potential for significant losses on Hitachi’s investments in equity method affiliates;
- increased commoditization of information technology products and digital media-related products and intensifying price competition for such products, particularly in the Digital Media & Consumer Products segments;
- 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;
- 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 and other 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 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.

## **2. Management Policy**

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

Amid intensifying competition in world 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 will bolster its competitiveness. 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 growth through the Social Innovation Business and establish an even more solid financial base. This will involve capitalizing fully on the Hitachi Group's business base built up over the years to promote three themes---transforming into a truly global company; expanding environmental businesses; and fusing social infrastructure and IT. The Social Innovation Business includes information and telecommunication systems, power systems, industrial and transportation systems, and social and urban systems, as well as the sophisticated materials and key devices that support them.

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

While the forecast of the management environment remains uncertain, the Hitachi Group will promote the following measures in order to further improve profitability and achieve future growth as Hitachi works to become a top global company.

- In order to respond to increasing global demand for safe, secure, and highly economical social infrastructures, Hitachi will promote the Social Innovation Business globally. Hitachi will further strengthen the Social Innovation Business through the integration of IT with social infrastructure by collaboratively operating highly related businesses and establishing cross-functional organization.
- In order to achieve global growth, Hitachi will enhance our local functions, employing strategies carefully tailored to the needs of their respective regions. Hitachi will also work to cultivate and recruit human capital that can be utilized globally, throughout the Hitachi Group. Hitachi will dedicate its efforts in particular to China, Asia, and other areas for which high levels of growth are expected, creating and expanding businesses.
- In order to achieve cost competitiveness that will be advantageous in global markets, Hitachi will promote cost reductions by thoroughly overhauling its cost structure across the Group including procurement, production and administrative operations.
- Hitachi will continue to strengthen the financial position by striving to improve the cash flow through reducing costs, as well as thoroughly implementing measures



such as inventory management and reduction of working capital.

- By continuing to strive to ensure the quality of the products and services Hitachi provides to customers, Hitachi will further gain the trust of society in the Hitachi Group, and increase the value of the Hitachi brand.
- Hitachi will combine various strengths of the Hitachi Group to promote measures directed at recovering from the Great East Japan Earthquake, such as by contributing to the creation of sustainable, disaster-resistant cities. At the same time, Hitachi will utilize such experience to contribute to the development of social infrastructures worldwide.
- Hitachi will contribute to stable supplies of energy around the world by striving to provide even safer nuclear power generation systems.
- Hitachi will intensify the focus on “Basics and Ethics” in order to eliminate misconducts within the Hitachi Group, and strive to contribute to the environment and to communities.

**Consolidated Statements of Operations**

	The years ended March 31			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions)
	2011 (A)	2012 (B)		2012
Revenues	9,315,807	9,665,883	104	117,877
Cost of sales	6,967,433	7,278,971	104	88,768
Selling, general and administrative expenses	1,903,866	1,974,632	104	24,081
Operating income	444,508	412,280	93	5,028
Other income	87,237	247,110	283	3,014
(Interest and dividends)	17,507	18,204	104	222
(Other)	69,730	228,906	328	2,792
Other deductions	99,544	101,660	102	1,240
(Interest charges)	24,878	28,141	113	343
(Other)	74,666	73,519	98	897
Income before income taxes	432,201	557,730	129	6,802
Income taxes	129,075	144,922	112	1,767
Net income	303,126	412,808	136	5,034
Less: Net income attributable to noncontrolling interests	64,257	65,629	102	800
Net income attributable to Hitachi, Ltd.	238,869	347,179	145	4,234

**Consolidated Balance Sheets**

	Yen (millions)		(B)-(A)	U.S. Dollars (millions)
	As of March 31, 2011(A)	As of March 31, 2012(B)		As of March 31, 2012
<b>Total Assets</b>	<b>9,185,629</b>	<b>9,418,526</b>	<b>232,897</b>	<b>114,860</b>
Current assets	4,900,029	5,162,186	262,157	62,953
Cash and cash equivalents	554,810	619,577	64,767	7,556
Short-term investments	16,598	11,562	(5,036)	141
Trade receivables				
Notes	100,694	117,951	17,257	1,438
Accounts	1,990,225	2,225,519	235,294	27,140
Investments in leases	228,346	235,744	7,398	2,875
Current portion of financial assets transferred to consolidated securitization entities	183,559	86,071	(97,488)	1,050
Inventories	1,341,768	1,413,252	71,484	17,235
Other current assets	484,029	452,510	(31,519)	5,518
Investments and advances	614,145	744,493	130,348	9,079
Property, plant and equipment	2,111,270	2,025,538	(85,732)	24,702
Intangible assets	528,018	609,962	81,944	7,439
Financial assets transferred to consolidated securitization entities	304,160	205,411	(98,749)	2,505
Other assets	728,007	670,936	(57,071)	8,182
<b>Total Liabilities and Equity</b>	<b>9,185,629</b>	<b>9,418,526</b>	<b>232,897</b>	<b>114,860</b>
Current liabilities	4,088,824	4,110,873	22,049	50,133
Short-term debt and current portion of long-term debt	810,806	915,556	104,750	11,165
Current portion of non-recourse borrowings of consolidated securitization entities	190,868	97,004	(93,864)	1,183
Trade payables				
Notes	20,430	24,025	3,595	293
Accounts	1,236,758	1,301,759	65,001	15,875
Advances received	395,605	362,895	(32,710)	4,426
Other current liabilities	1,434,357	1,409,634	(24,723)	17,191
Noncurrent liabilities	2,655,416	2,533,658	(121,758)	30,898
Long-term debt	1,300,311	1,248,851	(51,460)	15,230
Non-recourse borrowings of consolidated securitization entities	219,566	135,043	(84,523)	1,647
Retirement and severance benefits	891,815	890,977	(838)	10,866
Other liabilities	243,724	258,787	15,063	3,156
Total equity	2,441,389	2,773,995	332,606	33,829
Total Hitachi, Ltd. stockholders' equity	1,439,865	1,771,782	331,917	21,607
Common stock	409,129	427,775	18,646	5,217
Capital surplus	603,133	600,243	(2,890)	7,320
Legal reserve and retained earnings	922,036	1,242,110	320,074	15,148
Accumulated other comprehensive loss	(493,062)	(496,896)	(3,834)	(6,060)
(Foreign currency translation adjustments)	(252,206)	(220,615)	31,591	(2,690)
(Pension liability adjustments)	(256,566)	(294,252)	(37,686)	(3,588)
(Net unrealized holding gain on available-for-sale securities)	16,905	20,491	3,586	250
(Cash flow hedges)	(1,195)	(2,520)	(1,325)	(31)
Treasury stock	(1,371)	(1,450)	(79)	(18)
Noncontrolling interests	1,001,524	1,002,213	689	12,222

**Consolidated Statements of Stockholders' Equity**

	The years ended March 31		
	Yen (millions)		U.S. Dollars (millions)
	2011	2012	2012
Hitachi, Ltd. stockholders' equity			
Common stock			
Balance at beginning of year	408,810	409,129	4,989
Conversion of convertible bonds	319	18,646	227
Balance at end of year	409,129	427,775	5,217
Capital surplus			
Balance at beginning of year	620,577	603,133	7,355
Conversion of convertible bonds	319	18,646	227
Sales of treasury stock	(9,534)	(9)	(0)
Equity transactions and other	(8,229)	(21,527)	(263)
Balance at end of year	603,133	600,243	7,320
Retained earnings			
Balance at beginning of year	713,479	922,036	11,244
Effect on retained earnings of consolidation of securitization entities upon initial adoption of new accounting guidances	(7,732)	-	-
Net income attributable to Hitachi, Ltd.	238,869	347,179	4,234
Cash dividends	(22,580)	(27,105)	(331)
Balance at end of year	922,036	1,242,110	15,148
Accumulated other comprehensive loss			
Balance at beginning of year	(432,057)	(493,062)	(6,013)
Current-period change	(61,005)	(3,834)	(47)
Balance at end of year	(493,062)	(496,896)	(6,060)
Treasury stock			
Balance at beginning of year	(26,151)	(1,371)	(17)
Current-period change	24,780	(79)	(1)
Balance at end of year	(1,371)	(1,450)	(18)
Total Hitachi, Ltd. stockholders' equity	1,439,865	1,771,782	21,607
Noncontrolling interest			
Balance at beginning of year	983,187	1,001,524	12,214
Effect on retained earnings of consolidation of securitization entities upon initial adoption of new accounting guidances	(7,210)	-	-
Net income attributable to noncontrolling interests	64,257	65,629	800
Dividends to noncontrolling interests	(20,184)	(22,293)	(272)
Equity transactions and other	(18,526)	(42,647)	(520)
Balance at end of year	1,001,524	1,002,213	12,222
Total equity	2,441,389	2,773,995	33,829
Comprehensive income			
Net income	303,126	412,808	5,034
Other comprehensive loss arising during the year:			
Foreign currency translation adjustments	(87,379)	23,462	286
Pension liability adjustments	16,076	(44,149)	(538)
Net unrealized holding gain (loss) on available-for-sale securities	(5,352)	2,962	36
Cash flow hedges	1,988	(2,502)	(31)
Total other comprehensive loss arising during the year	(74,667)	(20,227)	(247)
Comprehensive income	228,459	392,581	4,788

**Consolidated Statements of Cash Flows**

	The years ended March 31		
	Yen (millions)		U.S. Dollars (millions)
	2011	2012	2012
Cash flows from operating activities			
Net income	303,126	412,808	5,034
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation	382,732	360,358	4,395
Amortization	115,037	119,308	1,455
Net gain on sale of investments in securities and other	(72,987)	(228,115)	(2,782)
Decrease (increase) in receivables	121,606	(259,211)	(3,161)
Increase in inventories	(171,275)	(162,594)	(1,983)
Increase in payables	47,512	119,177	1,453
Other	115,803	85,424	1,042
Net cash provided by operating activities	841,554	447,155	5,453
Cash flows from investing activities			
Purchase of property, plant and equipment, net	(227,033)	(289,805)	(3,534)
Purchase of intangible assets, net	(95,500)	(106,042)	(1,293)
Purchase of tangible assets and software to be leased, net	(248,580)	(251,903)	(3,072)
Proceeds from sale of investments in securities and shares of consolidated subsidiaries resulting in deconsolidation, net	25,386	179,594	2,190
Collection of investments in leases	286,356	244,446	2,981
Other	(975)	28,126	343
Net cash used in investing activities	(260,346)	(195,584)	(2,385)
Cash flows from financing activities			
Decrease in interest-bearing debt	(535,469)	(85,745)	(1,046)
Dividends paid to stockholders	(22,466)	(27,018)	(329)
Dividends paid to noncontrolling interests	(19,575)	(22,206)	(271)
Other	(6,666)	(32,869)	(401)
Net cash used in financing activities	(584,176)	(167,838)	(2,047)
Effect of consolidation of securitization entities upon initial adoption of new accounting guidances	12,030	-	-
Effect of exchange rate changes on cash and cash equivalents	(31,836)	(18,966)	(231)
Net increase (decrease) in cash and cash equivalents	(22,774)	64,767	790
Cash and cash equivalents at beginning of year	577,584	554,810	6,766
Cash and cash equivalents at end of year	554,810	619,577	7,556

**Segment Information**

**(1) Business Segments**

		The years ended March 31			
		Yen (millions)		(B)/(A)	U.S. Dollars (millions)
		2011 (A)	2012 (B)	(%)	2012
Revenues	Information & Telecommunication Systems	1,652,040 16%	1,764,247 16%	107	21,515
	Power Systems	813,207 8%	832,408 8%	102	10,151
	Social Infrastructure & Industrial Systems	1,156,936 11%	1,204,975 11%	104	14,695
	Electronic Systems & Equipment	1,079,355 10%	1,101,784 10%	102	13,436
	Construction Machinery	751,387 7%	798,785 7%	106	9,741
	High Functional Materials & Components	1,408,153 13%	1,437,186 13%	102	17,527
	Automotive Systems	737,901 7%	811,583 8%	110	9,897
	Components & Devices	808,235 8%	768,065 7%	95	9,367
	Digital Media & Consumer Products	951,596 9%	858,845 8%	90	10,474
	Financial Services	372,981 4%	353,204 3%	95	4,307
	Others	767,463 7%	951,688 9%	124	11,606
	Subtotal	10,499,254 100%	10,882,770 100%	104	132,717
	Eliminations & Corporate items	(1,183,447)	(1,216,887)	-	(14,840)
Total	9,315,807	9,665,883	104	117,877	

		The years ended March 31			
		Yen (millions)		(B)/(A)	U.S. Dollars (millions)
		2011 (A)	2012 (B)	(%)	2012
Operating income (loss)	Information & Telecommunication Systems	98,641 21%	101,732 23%	103	1,241
	Power Systems	22,022 5%	(33,986) (8%)	-	(414)
	Social Infrastructure & Industrial Systems	39,952 9%	49,181 11%	123	600
	Electronic Systems & Equipment	37,284 8%	49,995 11%	134	610
	Construction Machinery	49,192 11%	63,129 14%	128	770
	High Functional Materials & Components	84,506 18%	77,007 18%	91	939
	Automotive Systems	23,791 5%	37,049 9%	156	452
	Components & Devices	49,435 11%	39,481 9%	80	481
	Digital Media & Consumer Products	14,949 3%	(10,947) (2%)	-	(134)
	Financial Services	14,255 3%	30,222 7%	212	369
	Others	28,930 6%	33,240 8%	115	405
	Subtotal	462,957 100%	436,103 100%	94	5,318
	Eliminations & Corporate items	(18,449)	(23,823)	-	(291)
Total	444,508	412,280	93	5,028	

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

2. Effective from April 1, 2011, there was a change in segmentation between the Automotive Systems and the Components & Devices segments. Figures for each segment, including figures for the previous fiscal year, reflect the changed segmentations.

**(2) Revenues by Market**

		The years ended March 31			
		Yen (millions)		(B)/(A)	U.S. Dollars (millions)
		2011 (A)	2012 (B)	(%)	2012
Japan		5,269,259 57%	5,534,462 57%	105	67,493
	Asia	2,073,756 22%	2,000,989 21%	96	24,402
	North America	781,139 8%	869,014 9%	111	10,598
	Europe	760,011 8%	761,125 8%	100	9,282
	Other Areas	431,642 5%	500,293 5%	116	6,101
Outside Japan		4,046,548 43%	4,131,421 43%	102	50,383
Total		9,315,807 100%	9,665,883 100%	104	117,877



**Per Share Information**

	The years ended March 31		
	2011	2012	2012
	(Yen)	(Yen)	(U.S.Dollars)
Hitachi, Ltd. stockholders' equity per share	318.73	382.26	4.66
Net income attributable to Hitachi, Ltd. stockholders per share			
Basic	52.89	76.81	0.94
Diluted	49.38	71.86	0.88

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		
	2011	2012	2012
	(Number of shares)	(Number of shares)	
Weighted average number of shares on which basic net income per share is calculated	4,515,932,415	4,520,117,309	
Effect of dilutive securities:			
130% call option attached unsecured convertible bonds (8th series)	315,249,850	310,772,267	
Number of shares on which diluted net income per share is calculated	4,831,182,265	4,830,889,576	
	(Millions of yen)	(Millions of yen)	(Millions of U.S. dollars)
Net income attributable to Hitachi, Ltd. stockholders	238,869	347,179	4,234
Effect of dilutive securities:			
Other	(296)	(12)	(0)
Net income attributable to Hitachi, Ltd. stockholders on which diluted net income per share is calculated	238,573	347,167	4,234

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

	The years ended March 31			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions)
	2011(A)	2012(B)		
Revenues	1,795,306	1,870,475	104	22,811
Cost of sales	1,308,866	1,415,426	108	17,261
Gross Profit	486,439	455,048	94	5,549
Selling, general and administrative expenses	453,322	437,179	96	5,331
Operating income	33,117	17,869	54	218
Other income	123,449	75,556	61	921
Other deductions	29,002	44,502	153	543
Ordinary income	127,564	48,923	38	597
Extraordinary gain	10,944	280,135	-	3,416
Extraordinary loss	95,620	69,988	73	854
Income before income taxes	42,888	259,070	604	3,159
Current income taxes	(21,747)	2,157	-	26
Deferred income taxes	360	2,364	656	29
Net income	64,276	254,549	396	3,104
Basic EPS (yen and dollars)	14.23	56.31	396	0.69
Diluted EPS (yen and dollars)	13.32	52.70	396	0.64

**Balance Sheets**

	Yen (millions)		(B)-(A)	U.S. Dollars (millions)
	As of March 31, 2011(A)	As of March 31, 2012(B)		
Current assets	1,171,849	1,290,992	119,143	15,744
(Quick assets)	970,177	1,087,824	117,647	13,266
(Inventories)	201,672	198,128	(3,543)	2,416
(Deferred tax assets)	0	5,039	5,039	61
Fixed assets	1,974,488	2,040,596	66,108	24,885
(Investments)	1,667,573	1,707,783	40,209	20,827
(Others)	306,914	332,813	25,898	4,059
Total assets	3,146,337	3,331,589	185,252	40,629
Current liabilities	1,584,185	1,592,737	8,552	19,424
Fixed liabilities	621,111	526,652	(94,458)	6,423
(Debentures)	229,360	192,068	(37,292)	2,342
(Long-term loans)	279,000	220,000	(59,000)	2,683
(Deferred tax liabilities)	12,629	21,808	9,178	266
(Others)	100,121	92,776	(7,344)	1,131
Total liabilities	2,205,296	2,119,390	(85,906)	25,846
Net assets	941,041	1,212,199	271,158	14,783
Liabilities and net assets	3,146,337	3,331,589	185,252	40,629

May 10, 2012  
Hitachi, Ltd.

## Supplementary Information for the Year ended March 31, 2012

### 1. Summary (1)Consolidated Basis

	Fiscal 2010 (A)	Fiscal 2011 (B) (B)/(A)		Fiscal 2012(Forecast)			
				Six months ending September 30		(D)	(D)/(B)
				(C)	(C)/six months ended Sep. 30, 2011		
Revenues <sup>*1</sup>	9,315.8	9,665.8	104%	4,300.0	94%	9,100.0	94%
Operating income <sup>*1</sup>	444.5	412.2	93%	150.0	88%	480.0	116%
Percentage of revenues	4.8	4.3	-	3.5	-	5.3	-
Income before income taxes <sup>*1</sup>	432.2	557.7	129%	120.0	90%	420.0	75%
Net income <sup>*1</sup>	303.1	412.8	136%	70.0	90%	295.0	71%
Net income attributable to Hitachi, Ltd. <sup>*1</sup>	238.8	347.1	145%	30.0	59%	200.0	58%
Dividend payout ratio(%)	15.1	10.4	-	-	-	-	-
Average exchange rate (yen / U.S.\$)	86	79	-	75	-	75	-
Net interest and dividends <sup>*1</sup>	(7.3)	(9.9)	-	-	-	-	-

\*1 Billions of yen

	As of March 31, 2011	As of March 31, 2012
Cash & cash equivalents, Short-term investments (billions of yen)	571.4	631.1
Interest-bearing debt (billions of yen)	2,521.5	2,396.4
D/E Ratio (Including Noncontrolling interests) (times)	1.03	0.86
Number of employees	361,745	323,540
Japan	216,393	212,302
Overseas	145,352	111,238
Number of consolidated subsidiaries (Including Variable interest entities)	913	939
Japan	351	340
Overseas	562	599

### (2)Unconsolidated Basis

	Fiscal 2010 (A)	Fiscal 2011	
		(B)	(B)/(A)
Revenues <sup>*1</sup>	1,795.3	1,870.4	104%
Operating income <sup>*1</sup>	33.1	17.8	54%
Ordinary income <sup>*1</sup>	127.5	48.9	38%
Net income <sup>*1</sup>	64.2	254.5	396%
Average exchange rate (yen / U.S.\$)	86	81	-

	As of March 31, 2011	As of March 31, 2012
Cash & cash equivalents, Short-term investments (billions of yen)	34.0	85.6
Interest-bearing debt (billions of yen)	645.6	515.2
Number of employees	32,926	32,908

## 2. Consolidated Revenues by Business Segment

(Billions of yen)

	Fiscal 2010 <sup>*2</sup>			Fiscal 2011 <sup>*2</sup>			(Reference) <sup>*3,4</sup> Fiscal 2011			Fiscal 2012(Forecast) <sup>*3,4</sup>		
	(A)	(B)	(B)/(A)	(C)	Six months ending September 30		(E)	(E)/(C)				
					(D)	(D)/six months ended Sep. 30, 2011						
Information & Telecommunication Systems	1,652.0	1,764.2	107%	1,764.2	800.0	100%	1,760.0	100%				
Power Systems	813.2	832.4	102%	832.4	450.0	121%	840.0	101%				
Social Infrastructure & Industrial Systems	1,156.9	1,204.9	104%	1,204.9	540.0	105%	1,230.0	102%				
Electronic Systems & Equipment	1,079.3	1,101.7	102%	1,101.7	510.0	96%	1,120.0	102%				
Construction Machinery	751.3	798.7	106%	798.7	410.0	115%	850.0	106%				
High Functional Materials & Components	1,408.1	1,437.1	102%	1,437.1	700.0	100%	1,450.0	101%				
Automotive Systems	737.9	811.5	110%	811.5	390.0	107%	800.0	99%				
Components & Devices <sup>*3</sup>	808.2	768.0	95%									
Digital Media & Consumer Products	951.5	858.8	90%	858.8	420.0	89%	830.0	97%				
Financial Services	372.9	353.2	95%	353.2	150.0	83%	320.0	91%				
Others	767.4	951.6	124%	1,719.7	550.0	64%	1,150.0	67%				
Subtotal	10,499.2	10,882.7	104%	10,882.7	4,920.0	96%	10,350.0	95%				
Eliminations & Corporate items	(1,183.4)	(1,216.8)	-	(1,216.8)	(620.0)	-	(1,250.0)	-				
Total	9,315.8	9,665.8	104%	9,665.8	4,300.0	94%	9,100.0	94%				

\*2 Effective from April 1, 2011, there was a change in segmentation between the Automotive Systems and the Components & Devices segments. Consolidated segment figures for fiscal 2011 and fiscal 2010 reflect the changed segmentations.

\*3 The Components & Devices Segment was abolished on April 1, 2012 due to the sale of the HDD operations and other factors.

\*4 Effective from April 1, 2012, there has been a change in classifications of the Components & Devices Segment and Others Segment following the abolishment of the Components & Devices Segment. Forecasts for fiscal 2012 show the new segment classifications, and figures for fiscal 2011 using the new segment classifications are also shown for reference.

## 3. Consolidated Operating Income (Loss) by Business Segment

(Billions of yen)

	Fiscal 2010 <sup>*2</sup>			Fiscal 2011 <sup>*2</sup>			(Reference) <sup>*3,4</sup> Fiscal 2011			Fiscal 2012(Forecast) <sup>*3,4</sup>		
	(A)	(B)	(B)/(A)	(C)	Six months ending September 30		(E)	(E)/(C)				
					(D)	(D)/six months ended Sep. 30, 2011						
Information & Telecommunication Systems	98.6	101.7	103%	101.7	33.0	106%	120.0	118%				
Power Systems	22.0	(33.9)	-	(33.9)	6.0	992%	22.0	-				
Social Infrastructure & Industrial Systems	39.9	49.1	123%	49.1	3.0	47%	55.0	112%				
Electronic Systems & Equipment	37.2	49.9	134%	49.9	11.0	52%	52.0	104%				
Construction Machinery	49.1	63.1	128%	63.1	25.0	97%	82.0	130%				
High Functional Materials & Components	84.5	77.0	91%	77.0	39.0	115%	98.0	127%				
Automotive Systems	23.7	37.0	156%	37.0	17.0	107%	37.0	100%				
Components & Devices <sup>*3</sup>	49.4	39.4	80%									
Digital Media & Consumer Products	14.9	(10.9)	-	(10.9)	(6.0)	-	0.0	-				
Financial Services	14.2	30.2	212%	30.2	13.0	92%	26.0	86%				
Others	28.9	33.2	115%	72.7	17.0	61%	40.0	55%				
Subtotal	462.9	436.1	94%	436.1	158.0	87%	532.0	122%				
Eliminations & Corporate items	(18.4)	(23.8)	-	(23.8)	(8.0)	-	(52.0)	-				
Total	444.5	412.2	93%	412.2	150.0	88%	480.0	116%				

**4. Consolidated Overseas Revenues by Business Segment<sup>\*2</sup>** (Billions of yen)

	Fiscal 2010 (A)	Fiscal 2011		Fiscal 2012(Forecast)	
		(B)	(B)/(A)	(C)	(C)/(B)
Information & Telecommunication Systems	393.8	434.6	110%	/	
Power Systems	317.1	284.7	90%		
Social Infrastructure & Industrial Systems	263.2	302.1	115%		
Electronic Systems & Equipment	573.4	607.3	106%		
Construction Machinery	584.5	591.8	101%		
High Functional Materials & Components	535.0	542.5	101%		
Automotive Systems	311.1	360.5	116%		
Components & Devices	598.3	594.7	99%		
Digital Media & Consumer Products	440.0	369.7	84%		
Financial Services	48.5	51.0	105%		
Others	99.3	120.9	122%		
Subtotal	4,164.9	4,260.3	102%		
Eliminations & Corporate items	(118.4)	(128.9)	-		
Total	4,046.5	4,131.4	102%		

**5. Overseas Production (Total Revenues of Overseas Manufacturing Subsidiaries)<sup>\*5</sup>**

	Fiscal 2010 (A)	Fiscal 2011	
		(B)	(B)/(A)
Overseas production (billions of yen)	2,487.0	2,499.8	101%
Percentage of revenues (%)	27.0	26.0	-
Percentage of overseas revenues (%)	61.0	61.0	-

\*5 Figures in tables 5, 9, 10 and 11 represent unaudited financial information prepared by the Company for the purpose of this supplementary information.

**6. Consolidated Capital Expenditure by Business Segment (Completion basis, including Leasing Assets)<sup>\*2</sup>**

(Billions of yen)

	Fiscal 2010 (A)	Fiscal 2011		Fiscal 2012(Forecast)	
		(B)	(B)/(A)	(C)	(C)/(B)
Information & Telecommunication Systems	29.6	50.6	171%	/	
Power Systems	10.5	27.3	259%		
Social Infrastructure & Industrial Systems	17.9	24.2	135%		
Electronic Systems & Equipment	13.3	22.3	168%		
Construction Machinery	36.5	65.0	178%		
High Functional Materials & Components	60.7	67.8	112%		
Automotive Systems	18.4	38.3	208%		
Components & Devices	55.5	44.7	81%		
Digital Media & Consumer Products	14.7	20.4	139%		
Financial Services	282.5	256.2	91%		
Others	33.9	40.6	120%		
Subtotal	573.9	658.1	115%		
Eliminations & Corporate items	(17.0)	(8.9)	-		
Total	556.8	649.2	117%		
Internal use Assets	273.1	377.2	138%	442.0	117%
Leasing Assets	283.7	271.9	96%	330.0	121%

**7. Consolidated Depreciation by Business Segment**<sup>\*2</sup>

(Billions of yen)

	Fiscal 2010 (A)	Fiscal 2011		Fiscal 2012(Forecast)	
		(B)	(B)/(A)	(C)	(C)/(B)
Information & Telecommunication Systems	35.5	33.2	94%	/	
Power Systems	17.8	17.1	96%		
Social Infrastructure & Industrial Systems	21.0	20.5	97%		
Electronic Systems & Equipment	13.2	11.8	90%		
Construction Machinery	35.2	35.0	99%		
High Functional Materials & Components	68.8	62.8	91%		
Automotive Systems	27.4	25.8	94%		
Components & Devices	53.1	44.1	83%		
Digital Media & Consumer Products	20.3	19.0	93%		
Financial Services	58.8	58.1	99%		
Others	27.1	29.8	110%		
Subtotal	378.7	357.6	94%		
Eliminations & Corporate items	3.9	2.6	67%		
<b>Total</b>	<b>382.7</b>	<b>360.3</b>	<b>94%</b>		
Internal use Assets	303.6	280.2	92%	250.0	89%
Leasing Assets	79.1	80.1	101%	78.0	97%

**8. Consolidated R&D Expenditure by Business Segment**<sup>\*2</sup>

(Billions of yen)

	Fiscal 2010 (A)	Fiscal 2011		Fiscal 2012(Forecast)			
		(B)	(B)/(A)	(C)	(C)/(B)		
Information & Telecommunication Systems	79.5	87.9	111%	/			
Power Systems	16.4	16.5	101%				
Social Infrastructure & Industrial Systems	21.5	22.5	105%				
Electronic Systems & Equipment	45.1	47.3	105%				
Construction Machinery	15.8	16.4	104%				
High Functional Materials & Components	46.7	46.1	99%				
Automotive Systems	46.4	52.8	114%				
Components & Devices	72.9	70.1	96%				
Digital Media & Consumer Products	23.8	23.6	100%				
Financial Services	0.2	0.3	145%				
Others	4.9	4.5	93%				
Corporate items	21.6	24.0	111%				
<b>Total</b>	<b>395.1</b>	<b>412.5</b>	<b>104%</b>			<b>350.0</b>	<b>85%</b>
Percentage of revenues (%)	4.2	4.3	-			3.8	-

**9. Consolidated Balance Sheets by Financial and Non-Financial Services<sup>5</sup>**

(Billions of yen)

	As of March 31, 2011			As of March 31, 2012		
	Manufacturing, Services and Others	Financial Services	Total <sup>6</sup>	Manufacturing, Services and Others	Financial Services	Total <sup>6</sup>
Current assets	4,302.1	940.0	4,900.0	4,593.2	1,023.1	5,162.1
Cash and cash equivalents	533.6	108.8	554.8	589.0	142.0	619.5
Trade receivables	1,770.8	483.4	2,090.9	1,999.5	593.5	2,343.4
Investments in leases	82.6	171.2	228.3	86.6	169.6	235.7
Current portion of financial assets transferred to consolidated securitization entities	58.2	125.3	183.5	5.6	80.3	86.0
Inventories	1,341.8	0.2	1,341.7	1,413.2	0.0	1,413.2
Others	514.9	50.9	500.6	499.0	37.3	464.0
Investments and advances	605.6	43.2	614.1	685.4	92.0	744.4
Property, plant and equipment	1,920.1	193.4	2,111.2	1,828.4	198.4	2,025.5
Financial assets transferred to consolidated securitization entities	-	304.1	304.1	-	205.4	205.4
Other assets	849.8	456.7	1,256.0	887.6	431.6	1,280.8
<b>Total Assets</b>	<b>7,677.7</b>	<b>1,937.6</b>	<b>9,185.6</b>	<b>7,994.7</b>	<b>1,950.6</b>	<b>9,418.5</b>
Current liabilities	3,505.8	926.8	4,088.8	3,576.1	991.1	4,110.8
Short-term debt and current portion of long-term debt	605.2	347.4	810.8	615.2	491.6	915.5
Current portion of non-recourse borrowings of consolidated securitization entities	21.8	169.0	190.8	5.6	91.3	97.0
Trade payables	1,182.3	224.7	1,257.1	1,284.0	269.9	1,325.7
Others	1,696.4	185.6	1,829.9	1,671.1	138.1	1,772.5
Long-term debt	886.5	484.3	1,300.3	801.9	501.9	1,248.8
Non-recourse borrowings of consolidated securitization entities	-	219.5	219.5	-	135.0	135.0
Other noncurrent liabilities	1,075.0	64.8	1,135.5	1,089.4	65.6	1,149.7
<b>Total Liabilities</b>	<b>5,467.4</b>	<b>1,695.5</b>	<b>6,744.2</b>	<b>5,467.6</b>	<b>1,693.8</b>	<b>6,644.5</b>
Total Hitachi, Ltd. stockholders' equity	1,308.9	142.8	1,439.8	1,635.8	146.6	1,771.7
Noncontrolling interests	901.3	99.1	1,001.5	891.3	110.2	1,002.2
<b>Total Equity</b>	<b>2,210.3</b>	<b>242.0</b>	<b>2,441.3</b>	<b>2,527.1</b>	<b>256.8</b>	<b>2,773.9</b>
<b>Total Liabilities and Equity</b>	<b>7,677.7</b>	<b>1,937.6</b>	<b>9,185.6</b>	<b>7,994.7</b>	<b>1,950.6</b>	<b>9,418.5</b>

Interest-bearing debt	1,513.6	1,220.3	2,521.5	1,422.8	1,220.0	2,396.4
D/E ratio (including noncontrolling interests)	0.68	5.04	1.03	0.56	4.75	0.86
Total Hitachi, Ltd. stockholders' equity ratio	17.0%	7.4%	15.7%	20.5%	7.5%	18.8%

<sup>6</sup> Total Figures exclude inter-segment transactions.

**10. Consolidated Statements of Operations by Financial and Non-Financial Services<sup>\*5</sup>** (Billions of yen)

	Fiscal 2010			Fiscal 2011		
	Manufacturing, Services and Others	Financial Services	Total <sup>*6</sup>	Manufacturing, Services and Others	Financial Services	Total <sup>*6</sup>
Revenues	9,112.6	372.9	9,315.8	9,457.4	353.2	9,665.8
Operating income	431.7	14.2	444.5	383.8	30.2	412.2
Income before income taxes	419.7	13.9	432.2	529.0	29.6	557.7
Net income attributable to Hitachi, Ltd.	236.3	4.2	238.8	341.0	7.7	347.1

**11. Consolidated Statements of Cash Flows by Financial and Non-Financial Services<sup>\*5</sup>** (Billions of yen)

	Fiscal 2010			Fiscal 2011		
	Manufacturing, Services and Others	Financial Services	Total <sup>*6</sup>	Manufacturing, Services and Others	Financial Services	Total <sup>*6</sup>
Cash flows from operating activities	671.5	190.9	841.5	442.7	17.8	447.1
Cash flows from investing activities	(399.9)	126.9	(260.3)	(229.6)	14.4	(195.5)
Cash flows from financing activities	(255.3)	(434.2)	(584.1)	(138.6)	0.7	(167.8)
Effect of consolidation of securitization entities upon initial adoption of new accounting guidances	-	12.0	12.0	-	-	-
Effect of exchange rate changes on cash and cash equivalents	(31.6)	(0.1)	(31.8)	(19.1)	0.1	(18.9)
Net increase (decrease) in cash and cash equivalents	(15.5)	(104.4)	(22.7)	55.4	33.2	64.7
Cash and cash equivalents at beginning of year	549.1	213.3	577.5	533.6	108.8	554.8
Cash and cash equivalents at end of year	533.6	108.8	554.8	589.0	142.0	619.5



## 12. Information & Telecommunication Systems

### (1) Revenues and Operating Income<sup>\*7</sup>

(Billions of yen)

	Fiscal 2010 (A)	Fiscal 2011		Fiscal 2012 (Forecast)			
		(B)	(B)/(A)	Six months ending September 30		Total	
				(C)	(C)/six months ended Sep. 30, 2011	(D)	(D)/(B)
Revenues	1,652.0	1,764.2	107%	800.0	100%	1,760.0	100%
Software & Services	1,119.7	1,222.2	109%	560.0	101%	1,240.0	101%
Software	159.4	171.0	107%				
Services	960.2	1,051.2	109%				
Hardware	532.3	542.0	102%	240.0	98%	520.0	96%
Storage <sup>*8</sup>	184.9	193.0	104%				
Servers <sup>*9</sup>	49.6	51.5	104%				
PCs <sup>*10</sup>	29.5	32.3	109%				
Telecommunication	135.6	140.9	104%				
Others	132.5	124.0	94%				
Operating income	98.6	101.7	103%	33.0	106%	120.0	118%
Software & Services	85.8	86.2	100%			101.0	117%
Hardware	12.7	15.4	121%			19.0	124%

\*7 Figures for each product exclude intra-segment transactions.

\*8 Figures for Storage include disk array systems, etc.

\*9 Figures for Servers include general-purpose computers, UNIX servers, etc.

\*10 Figures for PCs include PC servers, client PCs (only commercial use), etc.

### (2) Storage Solutions

(Billions of yen)

	Fiscal 2010 (A)	Fiscal 2011		Fiscal 2012 (Forecast)			
		(B)	(B)/(A)	Six months ending September 30		Total	
				(C)	(C)/six months ended Sep. 30, 2011	(D)	(D)/(B)
Revenues	322.0	351.0	109%	167.0	100%	355.0	101%

## 13. Hard Disk Drives<sup>\*11,12</sup>

Period recorded for consolidated accounting purposes		Fiscal 2010 (A)	Fiscal 2011	
Shipment Period		Jan. 2010 to Dec. 2010	Jan. 2011 to Dec. 2011	(B)/(A)
Revenues	Billions of yen	526.8	460.8	87%
	Millions of U.S. \$	6,003	5,773	96%
Operating income	Billions of yen	57.2	36.8	64%
	Millions of U.S.\$	645	464	72%
Shipments (thousand units) <sup>*13</sup>		113,800	104,700	92%
Consumer and Commercial	2.5-inch	65,300	61,100	94%
	3.5-inch	34,000	28,600	84%
Servers		7,400	9,800	131%
Emerging		3,530	2,190	62%
External HDD		3,460	2,930	85%

\*11 The hard disk drive operations were conducted by Hitachi Global Storage Technologies (Hitachi GST), which had a December 31 fiscal year-end, different from Hitachi's March 31 year-end. Hitachi's results for the fiscal year ended March 31, 2012 include the operating results of Hitachi GST for the year ended December 31, 2011.

\*12 Hitachi GST's operating currency is U.S. dollar. Yen figures include yen / dollar conversion fluctuation.

\*13 Shipment less than 100,000 units have been rounded, with the exception of Emerging and External HDD, where shipment less than 10,000 units have been rounded.