

FOR IMMEDIATE RELEASE

Contacts:

Japan: Masataka Morita

Hitachi, Ltd.

+81-3-5208-9324

masataka.morita.xk@hitachi.com

U.S.: Tamie Nagamoto

Hitachi America, Ltd.

+1-914-333-2987

tamie.nagamoto@hal.hitachi.com

**Hitachi Announces Consolidated Financial Results
for the Second Quarter Ended September 30, 2017**

Tokyo, October 26, 2017 --- Hitachi, Ltd. (TSE:6501) today announced its consolidated financial results for the second quarter of fiscal 2017, ended September 30, 2017.

Note: All figures were converted at the rate of 113 yen to the U.S. dollar as of September 30, 2017.

Summary

	Six months ended September 30			
	Yen (billions)		(B)/(A) (%)	U.S. Dollars (millions)
	2016(A)	2017(B)		2017
1. Revenues	4,353.7	4,376.4	101	38,730
2. Adjusted operating income	232.8	303.2	130	2,684
3. EBIT (Earnings before interest and taxes)	218.5	296.4	136	2,624
4. Income from continuing operations, before income taxes	214.1	293.0	137	2,593
5. Net income	160.6	218.9	136	1,937
6. Net income attributable to Hitachi, Ltd. stockholders	113.5	160.6	142	1,421
7. Earnings per share attributable to Hitachi, Ltd. stockholders	(Yen)	(Yen)		(U.S.Dollars)
Basic	23.51	33.27	142	0.29
Diluted	23.50	33.24	141	0.29

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 887 consolidated subsidiaries and 389 equity-method associates and joint ventures.

5. A part of the thermal power generation systems business is classified as discontinued operations in accordance with the provision of IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations," which was not transferred to Mitsubishi Hitachi Power Systems, Ltd. for the business integration in the thermal power generation systems with Mitsubishi Heavy Industries, Ltd. The results of the discontinued operations are reported separately from continuing operations.

1. Qualitative Information Concerning Consolidated Business Results

(1) Summary of Fiscal 2017 First Half (Six Months Ended September 30, 2017)

Consolidated Business Results

	Six months ended September 30, 2017		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Revenues	4,376.4	+1%	38,730
Adjusted operating income	303.2	+70.4	2,684
EBIT	296.4	+77.9	2,624
Income from continuing operations, before income taxes	293.0	+78.8	2,593
Income from continuing operations	220.2	+59.6	1,949
Loss from discontinued operations	(1.2)	(1.2)	(11)
Net income	218.9	+58.3	1,937
Net income attributable to Hitachi, Ltd. stockholders	160.6	+47.1	1,421

During the first half of fiscal 2017, the year ending March 31, 2018, the global economy expanded at a moderate pace. The U.S. economy and the Japanese economy, particularly consumer spending and capital investment, remained firm. In Europe, as Brexit negotiations were underway, the UK economy slowed, but the European economy overall, led by the German economy, recovered slowly. In China, the government's active infrastructure spending underpinned economic growth.

Hitachi's consolidated revenues for the first half increased 1% year over year, to 4,376.4 billion yen. While the revenues were affected by the conversion of Hitachi Transport System, Ltd. and Hitachi Capital Corporation to equity-method associates and the deconsolidation of Hitachi Koki Co., Ltd. in the previous fiscal year, overseas sales in the Construction Machinery segment rose, mainly in China, and in the High Functional Materials & Components segment, sales of electronics- and automotive-related products expanded.

Adjusted operating income increased in all segments except the Others segment, where Hitachi Transport System was reorganized, resulting in an increase of 70.4 billion yen year over year, to 303.2 billion yen. The increase was mainly in the Construction Machinery segment where overseas sales increased, the Information & Telecommunication Systems segment where structural reform was implemented last fiscal year, and the Social Infrastructure & Industrial Systems segment where the profitability of industrial products business and power & energy business improved.

EBIT increased 77.9 billion yen year over year, to 296.4 billion yen, due mainly to the rise in adjusted operating income.

Income from continuing operations, before income taxes increased 78.8 billion yen year over year, to 293.0 billion yen. After deducting income taxes of 72.8 billion yen, Hitachi posted income from continuing operations of 220.2 billion yen, up 59.6 billion yen year over year. Net income increased 58.3 billion yen year over year, to 218.9 billion yen. Net income attributable to Hitachi, Ltd. stockholders increased 47.1 billion yen year over year, to 160.6 billion yen.

Assuming that Hitachi Transport System, Hitachi Capital, and Hitachi Koki were not consolidated in the first half of the previous fiscal year, the consolidated revenues increased 4%, the adjusted operating income increased 82.4 billion yen, and EBIT increased 102.9 billion yen year over year on a constant currency basis.

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

Please refer to the presentation material.

2. Financial Position

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

(1) Financial Position

	As of September 30, 2017		
	Yen (billions)	Change from March 31, 2017 (billion yen)	U.S. Dollars (millions)
Total assets	10,042.3	+378.4	88,870
Total liabilities	5,700.4	+133.5	50,447
Interest-bearing debt	1,271.5	+94.9	11,253
Total Hitachi, Ltd. stockholders' equity	3,145.4	+178.3	27,836
Non-controlling interests	1,196.4	+66.5	10,588
Cash Conversion Cycle	72.0 days	0.2 days decrease	—
Total Hitachi, Ltd. stockholders' equity ratio	31.3%	0.6 points increase	—
D/E ratio (including non-controlling interests)	0.29 times	±0.00 point	—

Total assets increased 378.4 billion yen from March 31, 2017, to 10,042.3 billion yen, mainly reflecting the acquisition of the air compressor business ("Sullair" business) of Accudyne Industries in July 2017, and an increase in inventories as a result of progress of production accompanying the revenues increase. Interest-bearing debt increased 94.9 billion yen from March 31, 2017, to 1,271.5 billion yen, due to an increase in short-term debt as a result of acquisitions, etc. As of September 30, 2017, the total Hitachi, Ltd. stockholders' equity increased 178.3 billion yen from March 31, 2017, to 3,145.4 billion yen. As a result, the total Hitachi, Ltd. stockholders' equity ratio was 31.3%, an improvement of 0.6 points from March 31, 2017. The debt-to-equity ratio, including non-controlling interests, was 0.29 times, flat from March 31, 2017. Cash Conversion Cycle improved 0.2 days from March 31, 2017, to 72.0 days.

(2) Cash Flows

	Six months ended September 30, 2017		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Cash flows from operating activities	278.4	(6.4)	2,464
Cash flows from investing activities	(234.4)	(17.9)	(2,075)
Free cash flows	44.0	(24.3)	389
Cash flows from financing activities	(59.5)	(205.5)	(527)

Operating activities provided net cash of 278.4 billion yen, 6.4 billion yen less than in the same period last year, due to an increase in working capital, which was partially offset by an increase in net income. Investing activities used net cash of 234.4 billion yen, 17.9 billion yen more than in the same period last year, reflecting an increase in expenditure related to M&A, including the acquisition of the Sullair business, and the absence of a gain on the sale of part of shares in Hitachi Transport System recorded in the same period last year. This was despite a significant decrease in purchase of leased assets as a result of the conversion of Hitachi Capital into an equity-method associate in the previous fiscal year. Free cash flows were positive 44.0 billion yen, a decrease of 24.3 billion yen year over year. Cash flows from financing activities declined 205.5 billion yen year over year, to net cash used of 59.5 billion yen, due to a decrease in proceeds from interest-bearing debt as a result of the conversion of Hitachi Capital into an equity-method associate.

Accordingly, cash and cash equivalents were 768.1 billion yen, up 2.9 billion yen from the end of the previous fiscal year.

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

Operating activities provided net cash of 278.4 billion yen, 15.6 billion yen less than in the same period last year. Investing activities used 234.4 billion yen, 144.0 billion yen more than 90.4 billion yen in the same period last year because of an increase in expenditure related to M&A, including the acquisition of the Sullair business. Free cash flows were positive 44.0 billion yen, 159.7 billion yen less than 203.7 billion yen in the same period last year. Financing activities used 59.5 billion yen, an increase of 47.8 billion yen from 11.6 billion yen in the same period last year, due to the repayment of borrowings.

3. Outlook for Fiscal 2017

	Year ending March 31, 2018		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Revenues	9,300.0	+2%	82,301
Adjusted operating income	660.0	+72.6	5,841
EBIT	580.0	+104.8	5,133
Income from continuing operations, before income taxes	570.0	+100.9	5,044
Net income	405.0	+66.9	3,584
Net income attributable to Hitachi, Ltd. stockholders	300.0	+68.7	2,655

The business environment surrounding Hitachi is expected to remain uncertain. There are concerns over the U.S. policy trend, the prospects of negotiations on Brexit in Europe, the impact by policies after the Communist Party Congress in China, etc.

Considering such circumstances and the results for the first half, Hitachi is forecasting the results shown above for fiscal 2017, raising the forecasts of revenues and adjusted operating income from the forecast as of July 28, 2017. The forecasts were revised up mainly in the Electronic Systems & Equipment segment where the sales of semi-conductor production equipment are strong in addition to the change of scheduled date when the shares of Hitachi Kokusai Electric Inc. will be transferred, and in the Construction Machinery segment where the overseas sales are brisk. The assumed exchange rates are at 110 yen to the U.S dollar and 120 yen to the euro.

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

Cautionary Statement

Certain statements found in this document may constitute “forward-looking statements” as defined in the U.S. Private Securities Litigation Reform Act of 1995. Such “forward-looking statements” reflect management’s current views with respect to certain future events and financial performance and include any statement that does not directly relate to any historical or current fact. Words such as “anticipate,” “believe,” “expect,” “estimate,” “forecast,” “intend,” “plan,” “project” and similar expressions which indicate future events and trends may identify “forward-looking statements.” Such statements are based on currently available information and are subject to various risks and uncertainties that could cause actual results to differ materially from those projected or implied in the “forward-looking statements” and from historical trends. Certain “forward-looking statements” are based upon current assumptions of future events which may not prove to be accurate. Undue reliance should not be placed on “forward-looking statements,” as such statements speak only as of the date of this document.

Factors that could cause actual results to differ materially from those projected or implied in any “forward-looking statement” and from historical trends include, but are not limited to:

- economic conditions, including consumer spending and plant and equipment investment in Hitachi’s major markets, particularly Japan, Asia, the United States and Europe, as well as levels of demand in the major industrial sectors Hitachi serves;
- exchange rate fluctuations of the yen against other currencies in which Hitachi makes significant sales or in which Hitachi’s assets and liabilities are denominated;
- uncertainty as to Hitachi’s ability to access, or access on favorable terms, liquidity or long-term financing;
- uncertainty as to general market price levels for equity securities, declines in which may require Hitachi to write down equity securities that it holds;
- fluctuations in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum, synthetic resins, rare metals and rare-earth minerals, or shortages of materials, parts and components;
- the possibility of cost fluctuations during the lifetime of, or cancellation of, long-term contracts for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- credit conditions of Hitachi’s customers and suppliers;
- fluctuations in product demand and industry capacity;
- uncertainty as to Hitachi’s ability to implement measures to reduce the potential negative impact of fluctuations in product demand, exchange rates and/or price of raw materials or shortages of materials, parts and components;
- uncertainty as to Hitachi’s ability to continue to develop and market products that incorporate new technologies on a timely and cost-effective basis and to achieve market acceptance for such products;
- increased commoditization of and intensifying price competition for products;
- uncertainty as to Hitachi’s ability to attract and retain skilled personnel;
- uncertainty as to Hitachi’s ability to achieve the anticipated benefits of its strategy to strengthen its Social Innovation Business;
- uncertainty as to the success of acquisitions of other companies, joint ventures and strategic alliances and the possibility of incurring related expenses;
- uncertainty as to the success of restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness;
- the potential for significant losses on Hitachi’s investments in equity-method associates and joint ventures;
- general socioeconomic and political conditions and the regulatory and trade environment of countries where Hitachi conducts business, particularly Japan, Asia, the United States and Europe, including, without limitation, direct or indirect restrictions by other nations on imports and differences in commercial and business customs including, without limitation, contract terms and conditions and labor relations;
- uncertainty as to the success of cost structure overhaul;
- uncertainty as to Hitachi’s access to, or ability to protect, certain intellectual property;
- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity-method associates and joint ventures have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- the possibility of disruption of Hitachi’s operations by natural disasters such as earthquakes and tsunamis, the spread of infectious diseases, and geopolitical and social instability such as terrorism and conflict;
- uncertainty as to Hitachi’s ability to maintain the integrity of its information systems, as well as Hitachi’s ability to protect its confidential information or that of its customers; and
- uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its employee benefit-related costs.

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

Condensed Quarterly Consolidated Statement of Profit or Loss

	Six months ended September 30			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions) 2017
	2016 (A)	2017 (B)		
Revenues	4,353,774	4,376,467	101	38,730
Cost of sales	(3,219,608)	(3,205,599)	100	(28,368)
Gross profit	1,134,166	1,170,868	103	10,362
Selling, general and administrative expenses	(901,326)	(867,625)	96	(7,678)
Adjusted operating income	232,840	303,243	130	2,684
Other income	49,070	3,284	7	29
Other expenses	(51,240)	(42,214)	82	(374)
Financial income	4,207	11,624	276	103
Financial expenses	(19,631)	(937)	5	(8)
Share of profits of investments accounted for using the equity method	3,319	21,492	648	190
EBIT (Earnings before interest and taxes)	218,565	296,492	136	2,624
Interest income	5,576	6,724	121	60
Interest charges	(9,976)	(10,154)	102	(90)
Income from continuing operations, before income taxes	214,165	293,062	137	2,593
Income taxes	(53,562)	(72,855)	136	(645)
Income from continuing operations	160,603	220,207	137	1,949
Income (loss) from discontinued operations	24	(1,274)	—	(11)
Net income	160,627	218,933	136	1,937
Net income attributable to:				
Hitachi, Ltd. stockholders	113,500	160,613	142	1,421
Non-controlling interests	47,127	58,320	124	516

Condensed Quarterly Consolidated Statement of Comprehensive Income

	Six months ended September 30			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions) 2017
	2016 (A)	2017 (B)		
Net income	160,627	218,933	136	1,937
Other comprehensive income (OCI)				
Items not to be reclassified into net income				
Net changes in financial assets measured at fair value through OCI	(16,437)	6,422	—	57
Remeasurements of defined benefit plans	(464)	—	—	—
Share of OCI of investments accounted for using the equity method	(821)	850	—	8
Total items not to be reclassified into net income	(17,722)	7,272	—	64
Items that can be reclassified into net income				
Foreign currency translation adjustments	(229,617)	56,459	—	500
Net changes in cash flow hedges	23,756	(672)	—	(6)
Share of OCI of investments accounted for using the equity method	(41,638)	9,484	—	84
Total items that can be reclassified into net income	(247,499)	65,271	—	578
Other comprehensive income (OCI)	(265,221)	72,543	—	642
Comprehensive income (loss)	(104,594)	291,476	—	2,579
Comprehensive income (loss) attributable to:				
Hitachi, Ltd. stockholders	(81,156)	212,260	—	1,878
Non-controlling interests	(23,438)	79,216	—	701

Condensed Quarterly Consolidated Statement of Financial Position

	Yen (millions)		(B)-(A)	U.S. Dollars (millions)
	As of March 31, 2017 (A)	As of September 30, 2017 (B)		As of September 30, 2017
Total Assets	9,663,917	10,042,334	378,417	88,870
Current assets	5,002,606	5,070,769	68,163	44,874
Cash and cash equivalents	765,242	768,179	2,937	6,798
Trade receivables	2,433,149	2,347,003	(86,146)	20,770
Inventories	1,225,907	1,414,028	188,121	12,514
Investments in securities and other financial assets	388,792	299,613	(89,179)	2,651
Other current assets	189,516	241,946	52,430	2,141
Non-current assets	4,661,311	4,971,565	310,254	43,996
Investments accounted for using the equity method	691,251	716,118	24,867	6,337
Investments in securities and other financial assets	758,350	740,149	(18,201)	6,550
Property, plant and equipment	1,998,411	2,088,687	90,276	18,484
Intangible assets	919,201	1,118,568	199,367	9,899
Other non-current assets	294,098	308,043	13,945	2,726

Total Liabilities and Equity	9,663,917	10,042,334	378,417	88,870
Total Liabilities	5,566,922	5,700,470	133,548	50,447
Current liabilities	3,720,859	3,803,451	82,592	33,659
Short-term debt	196,357	293,794	97,437	2,600
Current portion of long-term debt	190,233	133,804	(56,429)	1,184
Other financial liabilities	274,270	255,102	(19,168)	2,258
Trade payables	1,402,233	1,425,855	23,622	12,618
Other current liabilities	1,657,766	1,694,896	37,130	14,999
Non-current liabilities	1,846,063	1,897,019	50,956	16,788
Long-term debt	790,013	843,987	53,974	7,469
Retirement and severance benefits	635,684	623,457	(12,227)	5,517
Other non-current liabilities	420,366	429,575	9,209	3,802
Total Equity	4,096,995	4,341,864	244,869	38,424
Hitachi, Ltd. stockholders' equity	2,967,085	3,145,445	178,360	27,836
Common stock	458,790	458,790	0	4,060
Capital surplus	577,573	579,230	1,657	5,126
Retained earnings	1,793,570	1,929,557	135,987	17,076
Accumulated other comprehensive income	141,068	181,863	40,795	1,609
(Foreign currency translation adjustments)	78,987	114,260	35,273	1,011
(Remeasurements of defined benefit plans)	(847)	(803)	44	(7)
(Net changes in financial assets measured at fair value through OCI)	192,110	188,242	(3,868)	1,666
(Net changes in cash flow hedges)	(129,182)	(119,836)	9,346	(1,060)
Treasury stock, at cost	(3,916)	(3,995)	(79)	(35)
Non-controlling interests	1,129,910	1,196,419	66,509	10,588

Notes: Changes in presentation have been made due to materiality of some accounts balances as a result of business reorganization and others. 'Investments in securities and other financial assets,' which were included in 'Other current assets' as of March 31, 2017, have been reclassified and presented separately. 'Lease receivables,' which were separately presented under current and non-current assets, have been included in 'Investments in securities and other financial assets' under current and non-current assets, respectively. 'Other financial liabilities,' which were separately presented under non-current liabilities, have been included in 'Other non-current liabilities.' The condensed consolidated statement of financial position as of March 31, 2017 has been reclassified in order to reflect these changes in presentation.

Condensed Quarterly Consolidated Statement of Changes in Equity

Yen (millions)

	Yen (millions)							
	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
As of March 31, 2016	458,790	586,790	1,609,761	83,543	(3,806)	2,735,078	1,390,492	4,125,570
Reclassified into retained earnings	-	-	2,275	(2,275)	-	-	-	-
Net income	-	-	113,500	-	-	113,500	47,127	160,627
Other comprehensive loss	-	-	-	(194,656)	-	(194,656)	(70,565)	(265,221)
Cash dividends	-	-	(28,969)	-	-	(28,969)	(27,780)	(56,749)
Changes in treasury stock	-	(15)	-	-	(13)	(28)	(3)	(31)
Equity transactions and other	-	(478)	-	(166)	-	(644)	(98,752)	(99,396)
Total changes in equity	-	(493)	86,806	(197,097)	(13)	(110,797)	(149,973)	(260,770)
As of September 30, 2016	458,790	586,297	1,696,567	(113,554)	(3,819)	2,624,281	1,240,519	3,864,800
As of March 31, 2017	458,790	577,573	1,793,570	141,068	(3,916)	2,967,085	1,129,910	4,096,995
Reclassified into retained earnings	-	-	9,170	(9,170)	-	-	-	-
Net income	-	-	160,613	-	-	160,613	58,320	218,933
Other comprehensive income	-	-	-	51,647	-	51,647	20,896	72,543
Cash dividends	-	-	(33,796)	-	-	(33,796)	(19,280)	(53,076)
Changes in treasury stock	-	(25)	-	-	(79)	(104)	-	(104)
Equity transactions and other	-	1,682	-	(1,682)	-	-	6,573	6,573
Total changes in equity	-	1,657	135,987	40,795	(79)	178,360	66,509	244,869
As of September 30, 2017	458,790	579,230	1,929,557	181,863	(3,995)	3,145,445	1,196,419	4,341,864

U.S. Dollars (millions)

	U.S. Dollars (millions)							
	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
As of March 31, 2017	4,060	5,111	15,872	1,248	(35)	26,257	9,999	36,257
Reclassified into retained earnings	-	-	81	(81)	-	-	-	-
Net income	-	-	1,421	-	-	1,421	516	1,937
Other comprehensive income	-	-	-	457	-	457	185	642
Cash dividends	-	-	(299)	-	-	(299)	(171)	(470)
Changes in treasury stock	-	(0)	-	-	(1)	(1)	-	(1)
Equity transactions and other	-	15	-	(15)	-	-	58	58
Total changes in equity	-	15	1,203	361	(1)	1,578	589	2,167
As of September 30, 2017	4,060	5,126	17,076	1,609	(35)	27,836	10,588	38,424

Condensed Quarterly Consolidated Statement of Cash Flows

	Six months ended September 30		
	Yen (millions)		U.S. Dollars (millions)
	2016	2017	2017
Cash flows from operating activities			
Net income	160,627	218,933	1,937
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	231,410	179,787	1,591
Change in receivables	121,847	212,053	1,877
Change in inventories	(113,607)	(167,202)	(1,480)
Change in payables	22,892	(39,945)	(353)
Other	(138,221)	(125,154)	(1,108)
Net cash provided by (used in) operating activities	284,948	278,472	2,464
Cash flows from investing activities			
Purchase of property, plant and equipment	(154,710)	(168,605)	(1,492)
Purchase of intangible assets	(49,114)	(44,115)	(390)
Purchase of leased assets	(262,051)	(1,760)	(16)
Proceeds from sale of property, plant and equipment, and intangible assets	14,865	6,809	60
Proceeds from sale of leased assets	8,023	3,614	32
Collection of lease receivables	163,334	—	—
Proceeds from sale (purchase) of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method), net	52,973	(20,056)	(177)
Other	10,139	(10,350)	(92)
Net cash provided by (used in) investing activities	(216,541)	(234,463)	(2,075)
Free cash flows	68,407	44,009	389
Cash flows from financing activities			
Change in interest-bearing debt	196,680	(10,081)	(89)
Dividends paid to stockholders	(28,962)	(33,772)	(299)
Dividends paid to non-controlling interests	(21,302)	(18,287)	(162)
Other	(449)	2,553	23
Net cash provided by (used in) financing activities	145,967	(59,587)	(527)
Effect of exchange rate changes on cash and cash equivalents	(62,161)	18,515	164
Change in cash and cash equivalents	152,213	2,937	26
Cash and cash equivalents at beginning of period	699,315	765,242	6,772
Cash and cash equivalents at end of period	851,528	768,179	6,798

Segment Information
(1) Business Segments

	Six months ended September 30			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions) 2017
	2016 (A)	2017 (B)		
Information & Telecommunication Systems	927,084 19%	933,337 19%	101	8,260
Social Infrastructure & Industrial Systems	1,029,890 21%	1,039,191 22%	101	9,196
Electronic Systems & Equipment	537,506 11%	513,650 11%	96	4,546
Construction Machinery	334,937 7%	440,276 9%	131	3,896
High Functional Materials & Components	703,271 15%	802,225 17%	114	7,099
Automotive Systems	471,894 10%	488,950 10%	104	4,327
Smart Life & Ecofriendly Systems	287,457 6%	276,374 6%	96	2,446
Others	359,375 7%	277,003 6%	77	2,451
Financial Services	179,212 4%	— —%	—	—
Subtotal	4,830,626 100%	4,771,006 100%	99	42,221
Corporate items & Eliminations	(476,852)	(394,539)	—	(3,491)
Revenues Total	4,353,774	4,376,467	101	38,730
Information & Telecommunication Systems	55,616 25%	76,155 26%	137	674
Social Infrastructure & Industrial Systems	15,040 7%	32,351 11%	215	286
Electronic Systems & Equipment	30,407 14%	39,523 13%	130	350
Construction Machinery	5,421 2%	37,113 13%	685	328
High Functional Materials & Components	55,631 25%	61,223 21%	110	542
Automotive Systems	20,643 9%	24,352 8%	118	216
Smart Life & Ecofriendly Systems	6,185 3%	11,077 4%	179	98
Others	14,623 6%	11,246 4%	77	100
Financial Services	21,336 9%	— —%	—	—
Subtotal	224,902 100%	293,040 100%	130	2,593
Corporate items & Eliminations	7,938	10,203	—	90
Adjusted operating income Total	232,840	303,243	130	2,684
Information & Telecommunication Systems	19,609 12%	70,370 25%	359	623
Social Infrastructure & Industrial Systems	3,432 2%	24,910 9%	726	220
Electronic Systems & Equipment	26,481 16%	39,480 14%	149	349
Construction Machinery	3,564 2%	41,057 15%	—	363
High Functional Materials & Components	49,709 29%	51,527 18%	104	456
Automotive Systems	20,643 12%	22,268 8%	108	197
Smart Life & Ecofriendly Systems	9,788 6%	18,462 7%	189	163
Others	12,551 7%	10,661 4%	85	94
Financial Services	22,841 14%	— —%	—	—
Subtotal	168,618 100%	278,735 100%	165	2,467
Corporate items & Eliminations	49,947	17,757	—	157
EBIT Total	218,565	296,492	136	2,624

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

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

(2) Revenues by Market

	Six months ended September 30			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions) 2017
	2016 (A)	2017 (B)		
Japan	2,223,143 51%	2,110,949 48%	95	18,681
Asia	890,728 21%	1,008,425 23%	113	8,924
North America	564,728 13%	568,120 13%	101	5,028
Europe	487,028 11%	449,824 10%	92	3,981
Other Areas	188,147 4%	239,149 6%	127	2,116
Overseas Revenues Subtotal	2,130,631 49%	2,265,518 52%	106	20,049
Total Revenues	4,353,774 100%	4,376,467 100%	101	38,730

Note

(1) Notes Regarding Going Concern

Not applicable

###