

**Outline of Consolidated Financial Results
for the Second Quarter
ended September 30, 2015**

October 28, 2015

Hitachi, Ltd.

Contents

- 1. Outline of Consolidated Financial Results
for the Second Quarter ended September 30, 2015**
- 2. Outlook for Fiscal 2015**
- 3. Development of the Social Innovation Business
for the Next Stage of Growth**

1. Outline of Consolidated Financial Results for the Second Quarter ended September 30, 2015

1-1. Highlights of 2nd Quarter (Jul. – Sep.) FY2015 Financial Results

Revenues	<p>2,492.8 billion yen (up 4% / 104.8 billion yen YoY)</p> <ul style="list-style-type: none"> ● Higher in the High Functional Materials & Components, Information & Telecommunication Systems, Automotive Systems and Social Infrastructure & Industrial Systems segments, etc.
Adjusted operating income* ¹	<p>158.6 billion yen (up 5% / 7.1 billion yen YoY)</p> <ul style="list-style-type: none"> ● Record high performance for the second consecutive year ● Higher in the Information & Telecommunication Systems, Others (Logistics and Other services) and High Functional Materials & Components segments, etc.
EBIT (Earnings before interest and taxes)* ²	<p>116.1 billion yen (down 20% / 29.8 billion yen YoY)</p> <ul style="list-style-type: none"> ● The costs on business structure reforms as well as the lower in the Social Infrastructure & Industrial Systems, Construction Machinery and High Functional Materials & Components segments, etc.
Net income attributable to Hitachi, Ltd. stockholders	42.6 billion yen (down 44% / 33.1 billion yen YoY)
Total Hitachi, Ltd. stockholders' equity ratio (Manufacturing, Services and Others)	28.1% (up 0.5 points from March 31, 2015)
Core free cash flows* ³ (Manufacturing, Services and Others)	<p>17.5 billion yen (up 24.6 billion yen YoY)</p> <p>[Free cash flows (Manufacturing, Services and Others): 46.1 billion yen (increased 54.2 billion yen YoY)]</p>

*1 "Adjusted Operating Income" presented as revenues less cost of sales as well as selling, general and administrative expenses.

*2 Presented as income from continuing operations, before income taxes less interest income plus interest charges.

*3 Operating cash flows plus collection of lease receivables less cash outflows for the purchase of property, plant and equipment, intangible assets and leased assets.

1-2. Highlights of 1st Half (Apr. – Sep.) FY2015 Financial Results

Revenues	<p>4,806.8 billion yen (up 6% / 254.8 billion yen YoY, up 2% compared to previous forecast*)</p> <ul style="list-style-type: none"> ● Higher in the High Functional Materials & Components, Information & Telecommunication Systems, Social Infrastructure & Industrial Systems and Automotive Systems segments, etc.
Adjusted operating income	<p>274.0 billion yen (up 4% / 10.2 billion yen YoY, up 54.0 billion yen compared to previous forecast*)</p> <ul style="list-style-type: none"> ● Record high performance ● Higher in the Information & Telecommunication Systems, Automotive Systems, Others (Logistics and Other services) and High Functional Materials & Components segments, etc.
EBIT (Earnings before interest and taxes)	<p>262.6 billion yen (down 1% / 2.7 billion yen YoY, up 52.6 billion yen compared to previous forecast*)</p> <ul style="list-style-type: none"> ● The costs on business structure reforms as well as the lower in the Construction Machinery and Social Infrastructure & Industrial Systems segments, etc.
Net income attributable to Hitachi, Ltd. stockholders	<p>97.5 billion yen (down 17% / 20.0 billion yen YoY, up 27.5 billion yen compared to previous forecast*)</p>
Total Hitachi, Ltd. stockholders' equity ratio (Manufacturing, Services and Others)	<p>28.1% (up 0.5 points from March 31, 2015)</p>
Core free cash flows (Manufacturing, Services and Others)	<p>88.8 billion yen (up 46.5 billion yen YoY) [Free cash flows (Manufacturing, Services and Others): 78.6 billion yen (increased 20.4 billion yen YoY)]</p> <ul style="list-style-type: none"> ● Record high performance
The interim dividend for FY2015	<p>6 yen per share</p>

1-3. Consolidated Statement of Profit or Loss*1

Billions of yen

	2Q (Jul. – Sep.)			1H (Apr. – Sep.)			
	FY2014	FY2015	Year over year	FY2014	FY2015	Year over year	Previous forecast*2 comparison
Revenues	2,388.0	2,492.8	+104.8 [104%]	4,552.0	4,806.8	+254.8 [106%]	+106.8 [102%]
Adjusted operating income	151.4	158.6	+7.1	263.7	274.0	+10.2	+54.0
EBIT	146.0	116.1	(29.8)	265.3	262.6	(2.7)	+52.6
Income from continuing operations, before income taxes	142.4	111.9	(30.4)	258.2	254.6	(3.5)	+54.6
Income taxes	(33.0)	(31.0)	+1.9	(65.0)	(77.0)	(12.0)	(21.0)
Income from continuing operations	109.4	80.9	(28.4)	193.2	177.6	(15.5)	+33.6
Loss from discontinued operations	(3.0)	(10.1)	(7.1)	(16.3)	(11.7)	+4.5	(7.7)
Net income	106.3	70.8	(35.5)	176.8	165.8	(11.0)	+25.8
Net income attributable to Hitachi, Ltd. stockholders	75.7	42.6	(33.1)	117.6	97.5	(20.0)	+27.5

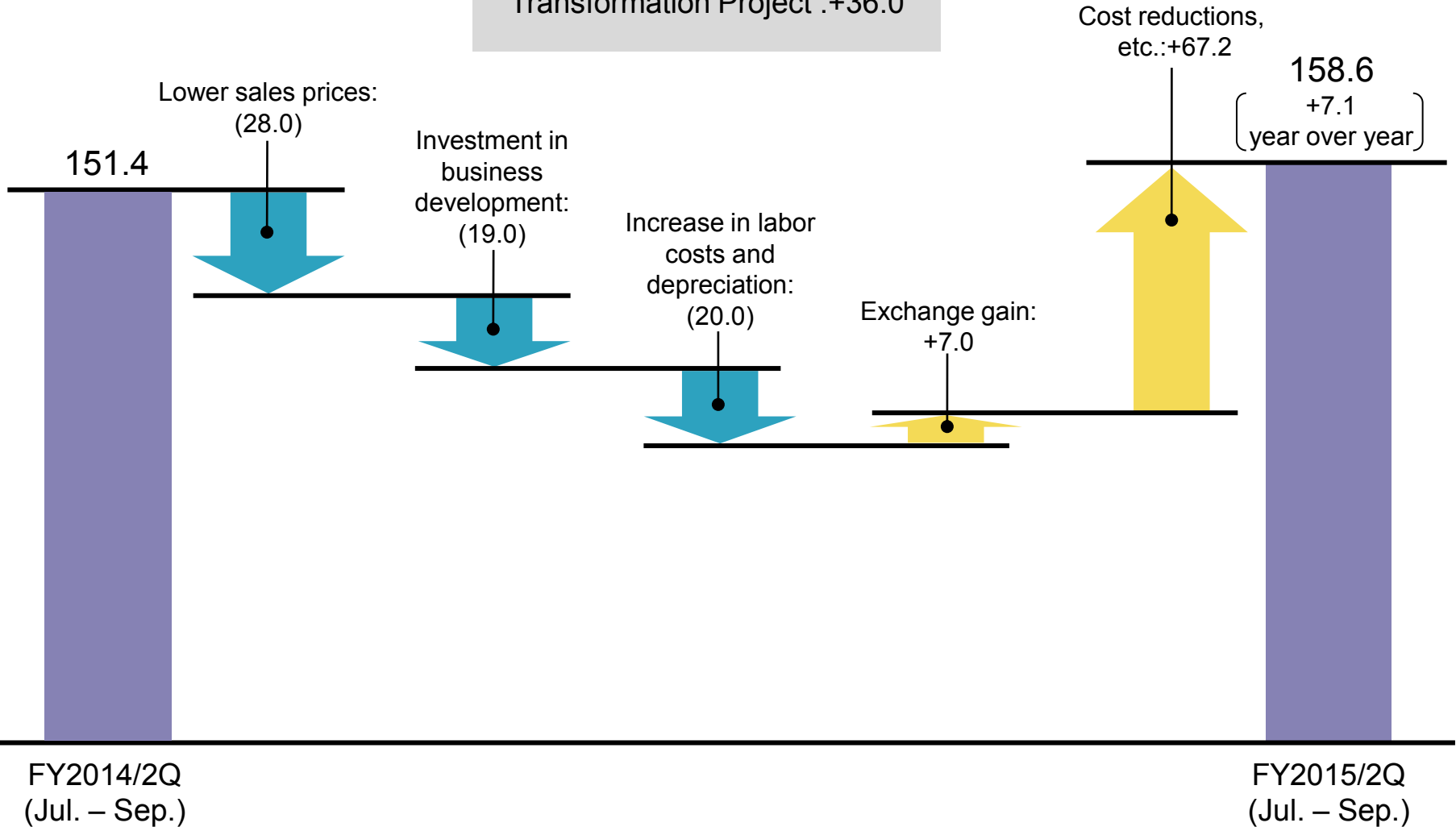
*1 A part of the thermal power generation systems business is classified as discontinued operations in accordance with the provision of IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations," which was not transferred to Mitsubishi Hitachi Power Systems, Ltd. as part of the business integration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

*2 Announced on July 29, 2015

1-4. 2Q FY2015 Factors Affecting Changes in Adjusted Operating Income (year over year)

Billions of yen

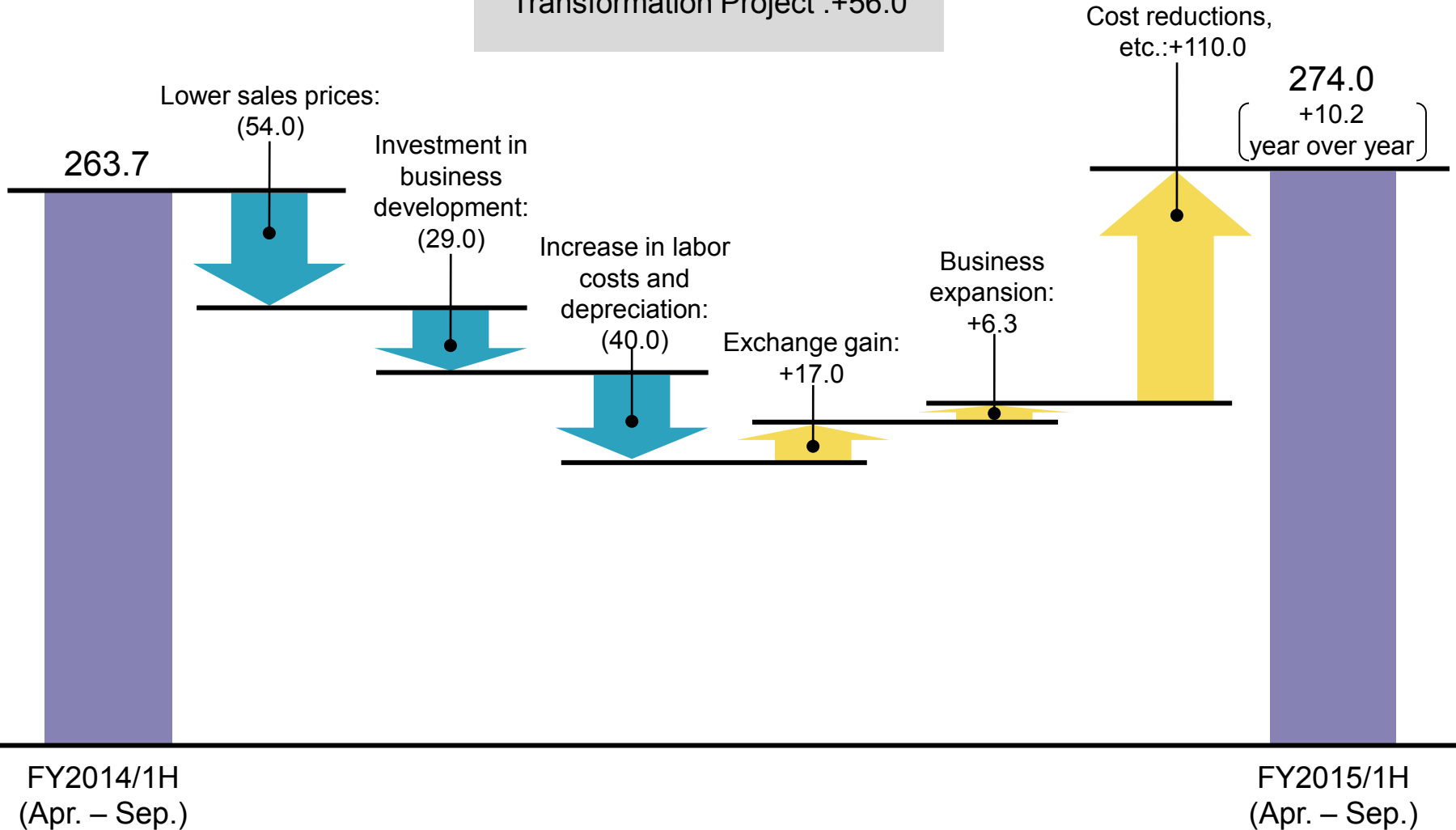
Benefits of Hitachi Smart Transformation Project :+36.0



1-5. 1H FY2015 Factors Affecting Changes in Adjusted Operating Income (year over year)

Billions of yen

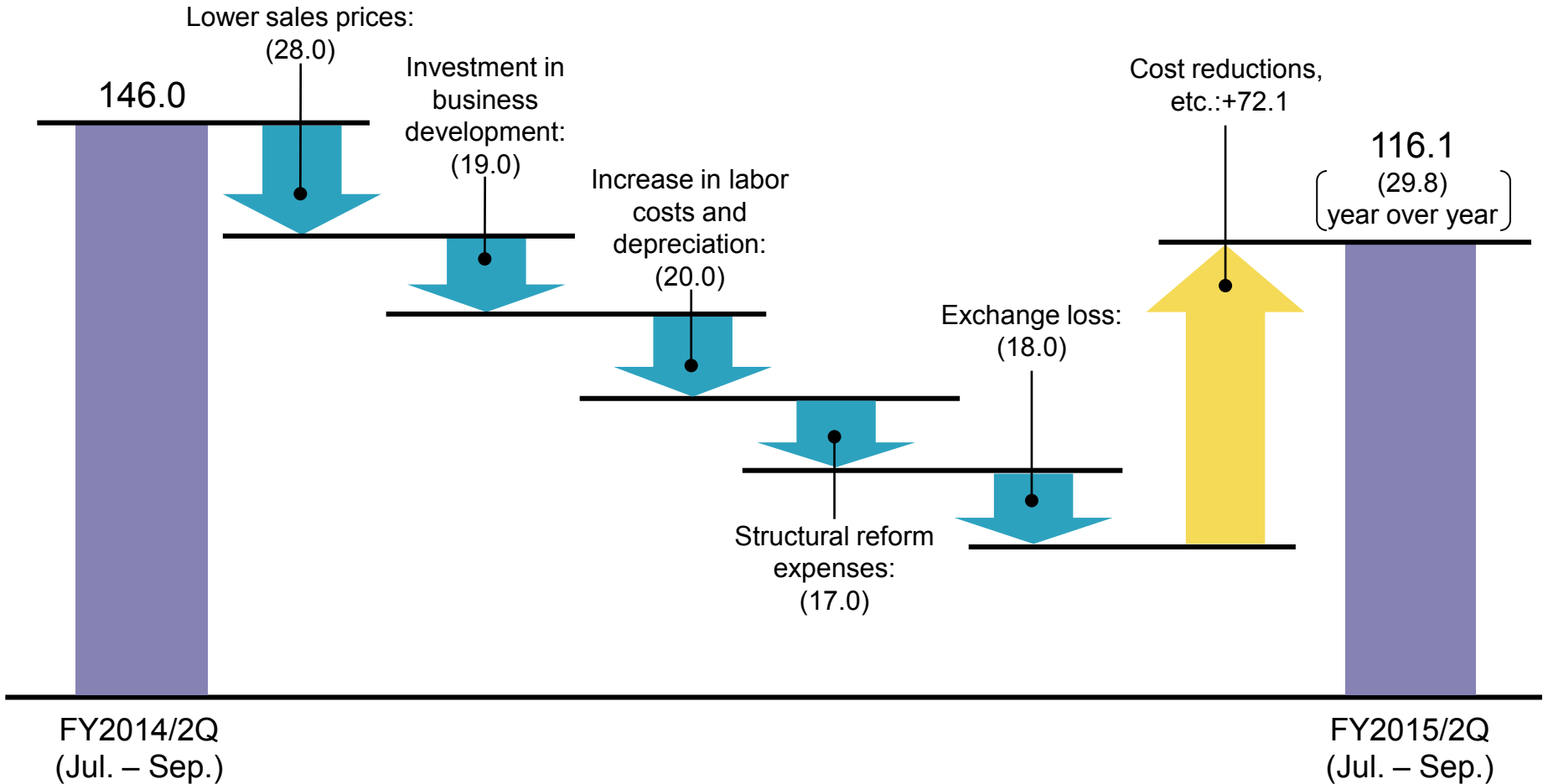
Benefits of Hitachi Smart Transformation Project :+56.0



1-6. 2Q FY2015 Factors Affecting Changes in EBIT (year over year)

Billions of yen

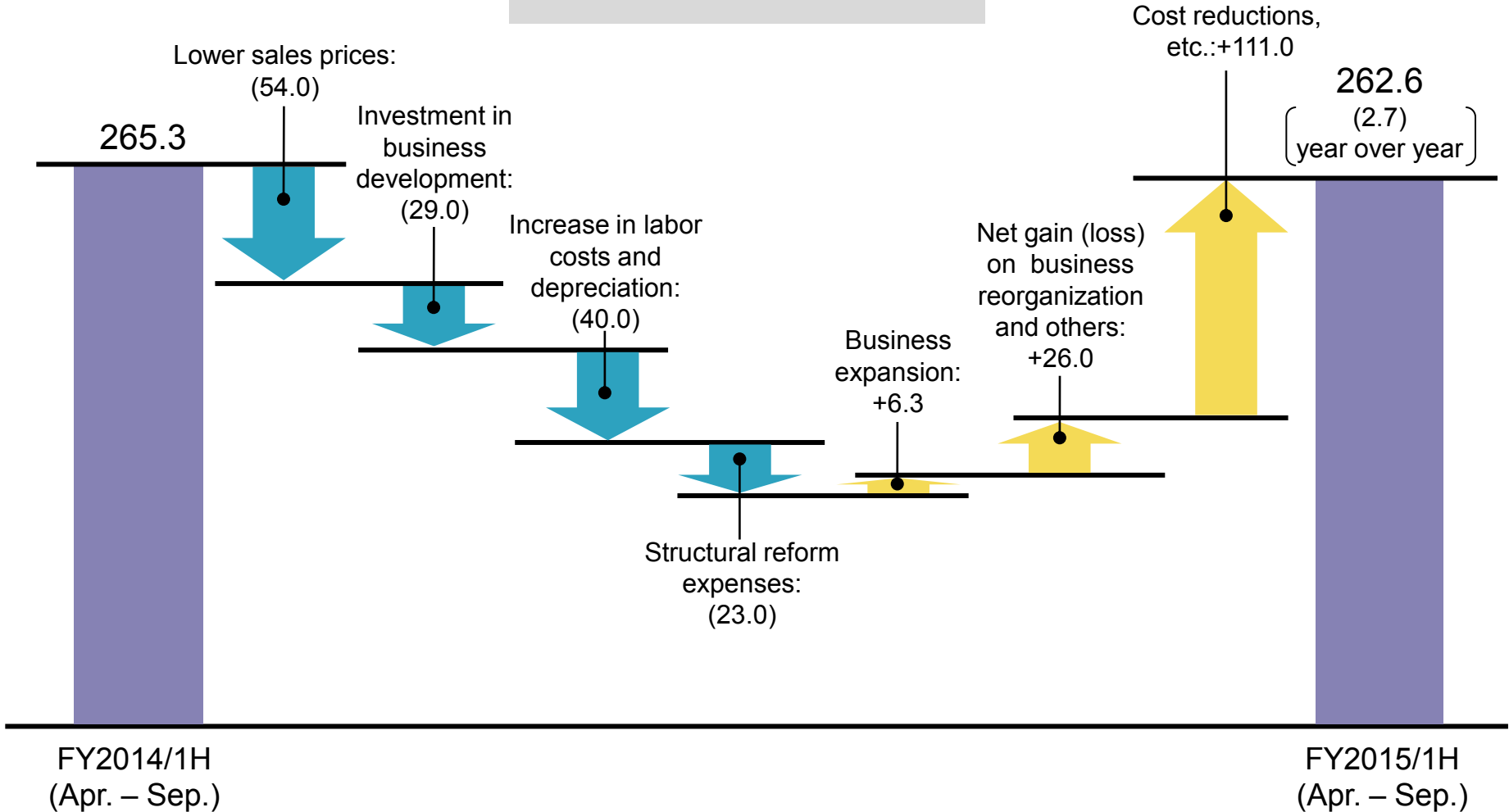
Benefits of Hitachi Smart Transformation Project :+36.0



1-7. 1H FY2015 Factors Affecting Changes in EBIT (year over year)

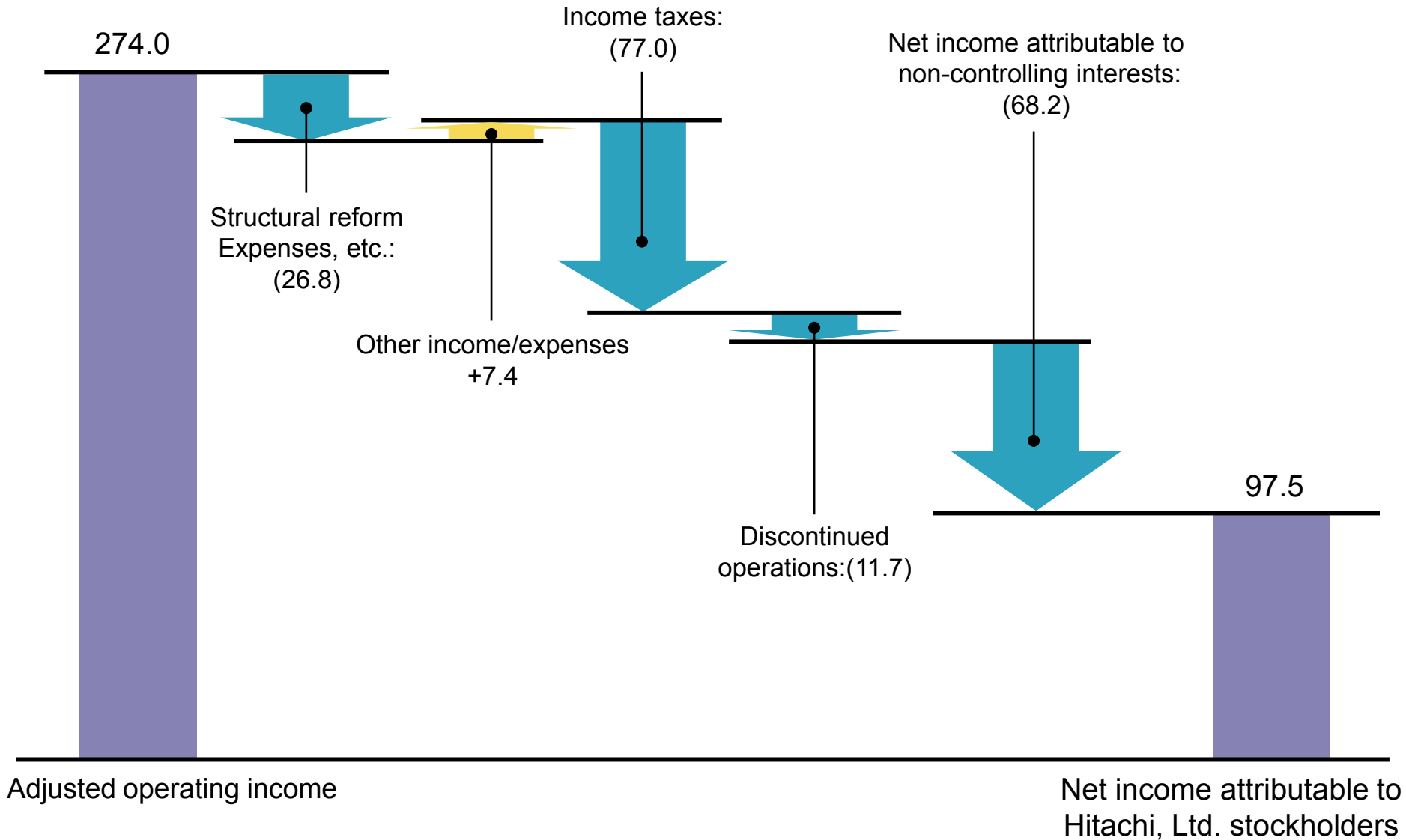
Billions of yen

Benefits of Hitachi Smart Transformation Project :+56.0



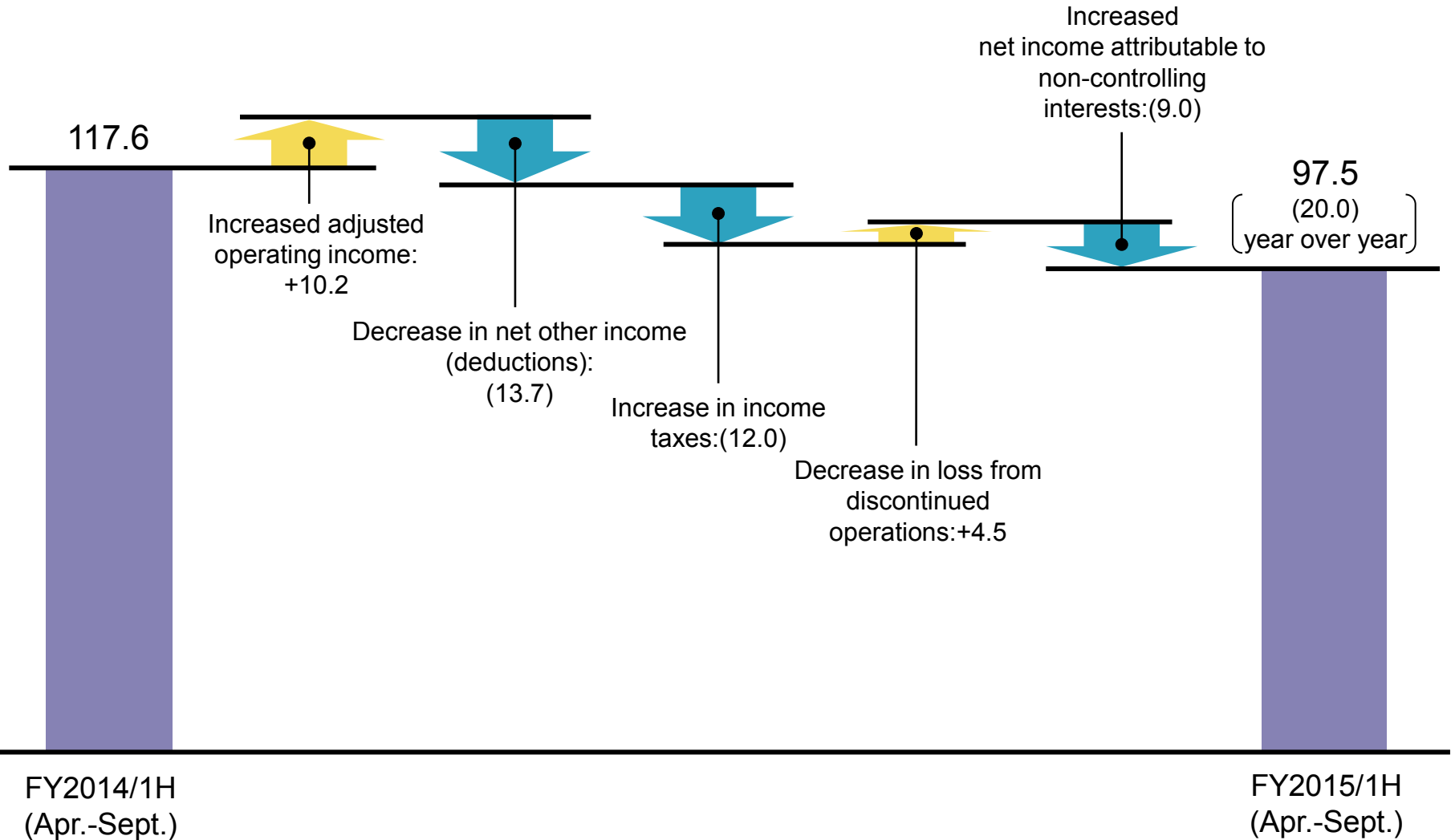
1-8. 1H FY2015 Factors Affecting Changes in Net Income Attributable to Hitachi, Ltd. Stockholders

Billions of yen



1-9. 1H FY2015 Factors Affecting Changes in Net Income Attributable to Hitachi, Ltd. Stockholders (year over year)

Billions of yen



1-10. Revenues by Market

Billions of yen

	2Q (Jul. – Sep.)					1H (Apr. – Sep.)				
	FY2014		FY2015		Year over year	FY2014		FY2015		Year over year
		Ratio		Ratio			Ratio		Ratio	
Japan	1,320.1	55%	1,297.2	52%	98%	2,416.5	53%	2,416.1	50%	100%
Outside Japan	1,067.9	45%	1,195.6	48%	112%	2,135.5	47%	2,390.6	50%	112%
Asia	517.8	22%	543.7	22%	105%	1,032.9	23%	1,097.9	23%	106%
China	273.7	12%	273.3	11%	100%	542.3	12%	547.6	11%	101%
ASEAN, India, other areas	244.0	10%	270.3	11%	111%	490.5	11%	550.2	12%	112%
North America	230.4	10%	321.7	13%	140%	457.6	10%	643.8	13%	141%
Europe	201.3	8%	217.8	9%	108%	413.6	9%	424.9	9%	103%
Other Areas	118.2	5%	112.2	4%	95%	231.3	5%	223.9	5%	97%
Total	2,388.0	100%	2,492.8	100%	104%	4,552.0	100%	4,806.8	100%	106%

1H (Apr. – Sep.) Ratio of overseas revenues: 47% → 50% Record High Performance

1-11. Summary of Consolidated Statements of Profit or Loss by Manufacturing, Services and Others and Financial Services

■ Summary of Consolidated Statements of Profit or Loss

Billions of yen

	2Q (Jul. – Sep.)			1H (Apr. – Sep.)		
	FY2014	FY2015	Year over year	FY2014	FY2015	Year over year
Revenues	2,388.0	2,492.8	+104.8 [104%]	4,552.0	4,806.8	+254.8 [106%]
Adjusted operating income	151.4	158.6	+7.1	263.7	274.0	+10.2
EBIT	146.0	116.1	(29.8)	265.3	262.6	(2.7)

■ Summary of Consolidated Statements of Profit or Loss (Manufacturing, Services and Others)*

Billions of yen

	2Q (Jul. – Sep.)			1H (Apr. – Sep.)		
	FY2014	FY2015	Year over year	FY2014	FY2015	Year over year
Revenues	2,334.7	2,440.3	+105.5 [105%]	4,442.0	4,698.1	+256.1 [106%]
Adjusted operating income	138.1	146.3	+8.1	240.7	249.0	+8.2
EBIT	133.0	104.3	(28.7)	244.6	240.5	(4.0)

■ Summary of Consolidated Statements of Profit or Loss (Financial Services)*

Billions of yen

	2Q (Jul. – Sep.)			1H (Apr. – Sep.)		
	FY2014	FY2015	Year over year	FY2014	FY2015	Year over year
Revenues	87.7	90.4	+2.7 [103%]	174.7	181.2	+6.5 [104%]
Adjusted operating income	9.5	11.4	+1.8	18.4	23.5	+5.0
EBIT	10.0	11.8	+1.8	19.4	24.5	+5.1

* Figures here represent information voluntarily prepared by the Company.

1-12. Summary of Consolidated Financial Position

Billions of yen

	As of March 31, 2015	As of September 30, 2015	Change from March 31, 2015
Total assets	12,433.7	12,354.3	(79.4)
Trade receivables and Inventories	4,328.1	4,151.9	(176.1)
Total liabilities	8,137.3	8,036.8	(100.5)
Interest-bearing debt	3,557.3	3,643.8	+86.4
Total Hitachi, Ltd. stockholders' equity	2,942.2	2,942.9	+0.6
Non-controlling interests	1,354.0	1,374.4	+20.4
Total Hitachi, Ltd. stockholders' equity ratio	23.7%	23.8%	0.1 point increase
D/E ratio (Including non-controlling interests)	0.83 times	0.84 times	0.01 point increase

1-13. Summary of Consolidated Financial Position by Manufacturing, Services and Others and Financial Services*

■ Summary of Consolidated Financial Position (Manufacturing, Services and Others)

Billions of yen

	As of March 31, 2015	As of September 30, 2015	Change from March 31, 2015
Total assets	9,984.4	9,783.2	(201.2)
Trade receivables and Inventories	3,896.8	3,674.8	(221.9)
Total liabilities	6,012.5	5,802.8	(209.6)
Interest-bearing debt	1,627.7	1,622.3	(5.3)
Total Hitachi, Ltd. stockholders' equity	2,760.3	2,753.5	(6.8)
Non-controlling interests	1,211.5	1,226.8	+15.2
Cash Conversion Cycle	81.8 days	74.5 days	7.3 days improve
Total Hitachi, Ltd. stockholders' equity ratio	27.6%	28.1%	0.5 point increase
D/E ratio (Including non-controlling interests)	0.41 times	0.41 times	±0.00 point

■ Summary of Consolidated Financial Position (Financial Services)

Billions of yen

	As of March 31, 2015	As of September 30, 2015	Change from March 31, 2015
Total assets	2,953.6	3,073.4	+119.7
Trade receivables and Inventories	698.5	702.4	+3.8
Total liabilities	2,616.8	2,723.9	+107.1
Interest-bearing debt	2,138.6	2,267.5	+128.8
Total Hitachi, Ltd. stockholders' equity	195.3	202.4	+7.1
Non-controlling interests	141.4	146.9	+5.4
Total Hitachi, Ltd. stockholders' equity ratio	6.6%	6.6%	±0.0 point
D/E ratio (Including non-controlling interests)	6.35 times	6.49 times	0.14 point increase

* Figures here represent information voluntarily prepared by the Company.

1-14. Summary of Consolidated Statements of Cash Flows

■ Summary of Consolidated Statements of Cash Flows

Billions of yen

	2Q (Jul. – Sep.)			1H (Apr. – Sep.)		
	FY2014	FY2015	Year over year	FY2014	FY2015	Year over year
Cash flows from operating activities	63.0	204.1	+141.1	+178.5	309.5	+131.0
Cash flows from investing activities	(148.6)	(198.5)	(49.8)	(268.5)	(332.4)	(63.8)
Free cash flows	(85.6)	5.6	+91.2	(90.0)	(22.8)	+67.1
Core free cash flows	(83.9)	3.0	+87.0	(110.9)	(11.4)	+99.5

■ Summary of Consolidated Statements of Cash Flows (Manufacturing, Services and Others)*

Billions of yen

	2Q (Jul. – Sep.)			1H (Apr. – Sep.)		
	FY2014	FY2015	Year over year	FY2014	FY2015	Year over year
Cash flows from operating activities	89.7	153.9	+64.1	245.9	314.0	+68.1
Cash flows from investing activities	(97.8)	(107.7)	(9.9)	(187.7)	(235.4)	(47.6)
Free cash flows	(8.1)	46.1	+54.2	58.1	78.6	+20.4
Core free cash flows	(7.1)	17.5	+24.6	42.2	88.8	+46.5

■ Summary of Consolidated Statements of Cash Flows (Financial Services)*

Billions of yen

	2Q (Jul. – Sep.)			1H (Apr. – Sep.)		
	FY2014	FY2015	Year over year	FY2014	FY2015	Year over year
Cash flows from operating activities	(10.2)	51.4	+61.7	(42.9)	5.5	+48.4
Cash flows from investing activities	(58.4)	(75.4)	(16.9)	(91.6)	(96.6)	(5.0)
Free cash flows	(68.7)	(23.9)	+44.7	(134.5)	(91.1)	+43.4
Core free cash flows	(68.3)	(26.4)	+41.9	(140.0)	(105.9)	+34.1

* Figures here represent information voluntarily prepared by the Company.

1-15. Consolidated Capital Expenditure, Depreciation and R&D Expenditure

Consolidated Capital Expenditure (Completion basis)*

Billions of yen

	2Q (Jul. – Sep.)			1H (Apr. – Sep.)		
	FY2014	FY2015	Year over year	FY2014	FY2015	Year over year
Manufacturing, Services and Others	87.5	103.9	119%	162.9	187.2	115%
Financial Services	16.6	33.9	204%	33.0	60.8	184%
Total	104.1	137.9	132%	196.0	248.0	127%

* From FY2015/1Q, capital expenditures including figures for the previous fiscal year are stated exclusive of investment in lease assets classified as a finance lease, which was previously included in capital expenditures.

Consolidated Depreciation

Billions of yen

	2Q (Jul. – Sep.)			1H (Apr. – Sep.)		
	FY2014	FY2015	Year over year	FY2014	FY2015	Year over year
Manufacturing, Services and Others	64.5	70.9	110%	130.3	141.9	109%
Financial Services	18.4	19.8	107%	36.3	38.6	106%
Total	83.0	90.7	109%	166.6	180.5	108%

Consolidated R&D Expenditure

Billions of yen

	2Q (Jul. – Sep.)			1H (Apr. – Sep.)		
	FY2014	FY2015	Year over year	FY2014	FY2015	Year over year
Total	85.3	86.2	101%	164.8	164.4	100%

1-16. Revenues, Adjusted Operating Income and EBIT by Business Segment (1)

Billions of yen

		2Q (Jul. – Sep.)			1H (Apr. – Sep.)			
		FY2014	FY2015	Year over year	FY2014	FY2015	Year over year	Previous forecast*1 comparison
Information & Telecommunication Systems	Revenues	515.6	548.5	106%	936.9	1,000.1	107%	103%
	Adjusted operating income	38.2	41.0	+2.7	46.9	49.9	+2.9	+2.9
	EBIT	35.8	36.7	+0.9	44.9	45.2	+0.2	+4.2
Social Infrastructure & Industrial Systems*2	Revenues	498.7	514.2	103%	896.5	950.0	106%	103%
	Adjusted operating income	19.6	6.1	(13.4)	24.8	16.7	(8.0)	+6.7
	EBIT	19.1	4.2	(14.9)	24.4	12.8	(11.6)	+1.8
Electronic Systems & Equipment	Revenues	276.2	290.7	105%	528.0	549.4	104%	102%
	Adjusted operating income	14.3	15.9	+1.6	28.5	31.6	+3.1	+9.6
	EBIT	13.4	14.7	+1.3	27.0	32.0	+5.0	+10.0
Construction Machinery	Revenues	201.4	187.7	93%	389.1	365.0	94%	96%
	Adjusted operating income	15.1	10.9	(4.2)	27.7	15.9	(11.8)	(1.0)
	EBIT	15.6	6.5	(9.1)	29.0	11.7	(17.3)	(3.2)
High Functional Materials & Components	Revenues	354.6	397.8	112%	699.9	800.5	114%	99%
	Adjusted operating income	25.7	29.3	+3.6	52.8	60.6	+7.8	(4.3)
	EBIT	29.3	23.8	(5.4)	62.6	86.1	+23.5	(4.8)

*1 Announced on July 29, 2015

*2 Effective on April 1, 2015, the "Power Systems" became part of the "Social Infrastructure & Industrial Systems".
Figures for each segment, including figures for the previous fiscal year, reflect the changed segmentation.

1-17. Revenues, Adjusted Operating Income and EBIT by Business Segment (2)

Billions of yen

		2Q (Jul. – Sep.)			1H (Apr. – Sep.)			
		FY2014	FY2015	Year over year	FY2014	FY2015	Year over year	Previous forecast* comparison
Automotive Systems	Revenues	226.6	249.0	110%	446.2	490.1	110%	102%
	Adjusted operating income	14.1	16.2	+2.1	24.8	27.1	+2.2	+0.1
	EBIT	8.1	13.5	+5.3	20.2	25.2	+4.9	(1.7)
Smart Life & Ecofriendly Systems	Revenues	185.2	189.5	102%	376.9	393.2	104%	98%
	Adjusted operating income	5.8	4.7	(1.0)	14.6	11.9	(2.6)	+3.9
	EBIT	9.7	4.6	(5.0)	18.6	13.1	(5.5)	+2.1
Others (Logistics and Other services)	Revenues	316.7	317.6	100%	625.7	623.0	100%	106%
	Adjusted operating income	8.8	16.2	+7.3	16.4	27.1	+10.6	+11.1
	EBIT	7.0	12.1	+5.0	15.7	24.3	+8.5	+8.3
Financial Services	Revenues	87.7	90.4	103%	174.7	181.2	104%	101%
	Adjusted operating income	9.5	11.4	+1.8	18.4	23.5	+5.0	+2.5
	EBIT	10.0	11.8	+1.8	19.4	24.5	+5.1	+2.5
Corporate items & Eliminations	Revenues	(274.9)	(293.1)	-	(522.3)	(546.1)	-	-
	Adjusted operating income	0	6.5	+6.5	8.3	9.2	+0.8	+22.2
	EBIT	(2.4)	(12.2)	(9.8)	2.9	(12.7)	(15.7)	+33.2
Total	Revenues	2,388.0	2,492.8	104%	4,552.0	4,806.8	106%	102%
	Adjusted operating income	151.4	158.6	+7.1	263.7	274.0	+10.2	+54.0
	EBIT	146.0	116.1	(29.8)	265.3	262.6	(2.7)	+52.6

* Announced on July 29, 2015

1-18. Revenues, Adjusted Operating Income and EBIT by Business Group (1)*1

Billions of yen

		2Q (Jul. – Sep.)			1H (Apr. – Sep.)			
		FY2014	FY2015	Year over year	FY2014	FY2015	Year over year	Previous forecast ^{*2} comparison
Power & Infrastructure Systems ^{*3}	Revenues	960.2	994.6	104%	1,801.6	1,892.8	105%	102%
	Adjusted operating income	39.7	26.8	(12.8)	68.0	60.4	(7.6)	+20.4
	EBIT	42.3	23.7	(18.6)	70.1	58.0	(12.0)	+14.0
Information & Telecommunication Systems	Revenues	683.0	719.4	105%	1,265.2	1,340.6	106%	102%
	Adjusted operating income	42.2	47.8	+5.6	55.0	62.9	+7.9	+4.9
	EBIT	39.4	42.4	+3.0	53.4	58.5	+5.0	+6.5
Construction Machinery	Revenues	201.4	187.7	93%	389.1	365.0	94%	96%
	Adjusted operating income	15.1	10.9	(4.2)	27.7	15.9	(11.8)	(1.0)
	EBIT	15.6	6.5	(9.1)	29.0	11.7	(17.3)	(3.2)

*1 Figures here represent information voluntarily prepared by the Company.

*2 Announced on July 29, 2015

*3 Effective on April 1, 2015, the “Power Systems” became part of the “Infrastructure Systems” and changed its name to the “Power & Infrastructure Systems”. Figures for each group, including figures for the previous fiscal year, reflect the changed segmentation.

1-19. Revenues, Adjusted Operating Income and EBIT by Business Group (2)*1

Billions of yen

		2Q (Jul. – Sep.)			1H (Apr. – Sep.)			
		FY2014	FY2015	Year over year	FY2014	FY2015	Year over year	Previous forecast*2 comparison
High Functional Materials & Components	Revenues	354.6	397.8	112%	699.9	800.5	114%	99%
	Adjusted operating income	25.7	29.3	+3.6	52.8	60.6	+7.8	(4.3)
	EBIT	29.3	23.8	(5.4)	62.6	86.1	+23.5	(4.8)
Automotive Systems	Revenues	226.6	249.0	110%	446.2	490.1	110%	102%
	Adjusted operating income	14.1	16.2	+2.1	24.8	27.1	+2.2	+0.1
	EBIT	8.1	13.5	+5.3	20.2	25.2	+4.9	(1.7)
Financial Services	Revenues	87.7	90.4	103%	174.7	181.2	104%	101%
	Adjusted operating income	9.5	11.4	+1.8	18.4	23.5	+5.0	+2.5
	EBIT	10.0	11.8	+1.8	19.4	24.5	+5.1	+2.5
Total	Revenues	2,388.0	2,492.8	104%	4,552.0	4,806.8	106%	102%
	Adjusted operating income	151.4	158.6	+7.1	263.7	274.0	+10.2	+54.0
	EBIT	146.0	116.1	(29.8)	265.3	262.6	(2.7)	+52.6

*1 Figures here represent information voluntarily prepared by the Company.

*2 Announced on July 29, 2015

2. Outlook for Fiscal 2015

Business Environment

- Global Continuing uncertain situation due to sluggish economic growth mainly in China and oil and natural resource producing countries
- Japan Slowing economic growth based on a decline in exports to China
- U.S. Continued recovery in consumer spending due to improving employment and income levels
- Europe Sustained, gradual economic recovery after bottoming out with support from quantitative easing
- China Weak investment and production, particularly in the real estate sector and manufacturing sectors, which are saddled with excessive production capacity
- South East Asia Decelerating economic growth in line with slowing economic growth in China

Summary of the FY2015 Forecast

[Projections for the FY2015/2H assume an exchange rate of 115 yen to the U.S. dollar and 125 yen to the Euro.]

Billions of yen

	FY2014	Previous forecast* (A)	Revised forecast (B)	Year over year	(B)-(A)
Revenues	9,774.9	9,950.0	9,950.0	+175.0 [102%]	±0.0 [100%]
Adjusted operating income	641.3	680.0	680.0	+38.6	±0.0
EBIT	534.0	620.0	620.0	+85.9	±0.0
Loss from discontinued operations	(53.5)	(4.0)	(18.0)	+35.5	(14.0)
Net income attributable to Hitachi, Ltd. stockholders	217.4	310.0	310.0	+92.5	±0.0

* Announced on July 29, 2015

2-2. Outlook for FY2015: Revenues, Adjusted Operating Income and EBIT by Business Segment (1)

Billions of yen

		FY2014	FY2015 (Forecast)	Year over year	Previous forecast*1 comparison
Information & Telecommunication Systems	Revenues	2,034.0	2,100.0	103%	100%
	Adjusted operating income	135.1	158.0	+22.8	±0.0
	EBIT	106.0	144.0	+37.9	±0.0
Social Infrastructure & Industrial Systems*2	Revenues	2,066.2	2,140.0	104%	100%
	Adjusted operating income	88.9	116.0	+27.0	(15.0)
	EBIT	110.3	114.0	+3.6	(26.0)
Electronic Systems & Equipment	Revenues	1,131.6	1,150.0	102%	97%
	Adjusted operating income	72.5	73.0	+0.4	(3.0)
	EBIT	63.7	74.0	+10.2	(1.0)
Construction Machinery	Revenues	815.7	780.0	96%	98%
	Adjusted operating income	59.8	29.0	(30.8)	(21.0)
	EBIT	60.5	24.0	(36.5)	(25.0)
High Functional Materials & Components	Revenues	1,529.4	1,600.0	105%	96%
	Adjusted operating income	120.8	127.0	+6.1	(19.0)
	EBIT	123.9	152.0	+28.0	(12.0)

*1 Announced on July 29, 2015

*2 Effective on April 1, 2015, the "Power Systems" became part of the "Social Infrastructure & Industrial Systems".
Figures for each segment, including figures for the previous fiscal year, reflect the changed segmentation.

2-3. Outlook for FY2015: Revenues, Adjusted Operating Income and EBIT by Business Segment (2)

Billions of yen

		FY2014	FY2015 (Forecast)	Year over year	Previous forecast* comparison
Automotive Systems	Revenues	936.9	1,000.0	107%	100%
	Adjusted operating income	47.4	68.0	+20.5	±0.0
	EBIT	35.0	67.0	+31.9	(3.0)
Smart Life & Ecofriendly Systems	Revenues	754.2	690.0	91%	100%
	Adjusted operating income	28.4	21.0	(7.4)	+3.0
	EBIT	34.5	23.0	(11.5)	+1.0
Others (Logistics and Other services)	Revenues	1,274.2	1,250.0	98%	102%
	Adjusted operating income	41.8	52.0	+10.1	+9.0
	EBIT	51.0	51.0	0.0	+9.0
Financial Services	Revenues	356.2	370.0	104%	100%
	Adjusted operating income	38.9	45.0	+6.0	+4.0
	EBIT	35.4	46.0	+10.5	+4.0
Corporate items & Eliminations	Revenues	(1,123.9)	(1,130.0)	-	-
	Adjusted operating income	7.1	(9.0)	(16.1)	+42.0
	EBIT	(86.6)	(75.0)	+11.6	+53.0
Total	Revenues	9,774.9	9,950.0	102%	100%
	Adjusted operating income	641.3	680.0	+38.6	±0.0
	EBIT	534.0	620.0	+85.9	±0.0

* Announced on July 29, 2015

2-4. Outlook for FY2015: Revenues, Adjusted Operating Income and EBIT by Business Group (1)*1

Billions of yen

		FY2014	FY2015 (Forecast)	Year over year	Previous forecast*2 comparison
Power & Infrastructure Systems*3	Revenues	3,952.1	3,980.0	101%	99%
	Adjusted operating income	189.9	210.0	+20.0	(15.0)
	EBIT	208.6	211.0	+2.3	(26.0)
Information & Telecommunication Systems	Revenues	2,709.2	2,790.0	103%	100%
	Adjusted operating income	157.7	185.0	+27.2	±0.0
	EBIT	128.1	170.0	+41.9	±0.0
Construction Machinery	Revenues	815.7	780.0	96%	98%
	Adjusted operating income	59.8	29.0	(30.8)	(21.0)
	EBIT	60.5	24.0	(36.5)	(25.0)

*1 Figures here represent information voluntarily prepared by the Company.

*2 Announced on July 29, 2015

*3 Effective on April 1, 2015, the "Power Systems" became part of the "Infrastructure Systems" and changed its name to the "Power & Infrastructure Systems".
Figures for each group, including figures for the previous fiscal year, reflect the changed segmentation.

2-5. Outlook for FY2015: Revenues, Adjusted Operating Income and EBIT by Business Group (2)*1

Billions of yen

		FY2014	FY2015 (Forecast)	Year over year	Previous forecast ^{*2} comparison
High Functional Materials & Components	Revenues	1,529.4	1,600.0	105%	96%
	Adjusted operating income	120.8	127.0	+6.1	(19.0)
	EBIT	123.9	152.0	+28.0	(12.0)
Automotive Systems	Revenues	936.9	1,000.0	107%	100%
	Adjusted operating income	47.4	68.0	+20.5	±0.0
	EBIT	35.0	67.0	+31.9	(3.0)
Financial Services	Revenues	356.2	370.0	104%	100%
	Adjusted operating income	38.9	45.0	+6.0	+4.0
	EBIT	35.4	46.0	+10.5	+4.0
Total	Revenues	9,774.9	9,950.0	102%	100%
	Adjusted operating income	641.3	680.0	+38.6	±0.0
	EBIT	534.0	620.0	+85.9	±0.0

*1 Figures here represent information voluntarily prepared by the Company.

*2 Announced on July 29, 2015

3. Development of the Social Innovation Business for the Next Stage of Growth

1. Responding to the challenges

■ Business Restructuring

- Executing business restructuring in the IT platform business, the electric power transmission, distribution (T&D) systems business and the healthcare business, as well as at Hitachi Construction Machinery Co., Ltd. and others
- Benefits of progress made on business restructuring in FY2015: 20.0 billion yen
Further benefits are expected in FY2016 and so on

■ Cash Generation

- Strengthen cash generation and continue to overhaul the cash management system across the entire Hitachi Group through the Hitachi Smart Transformation Project
- Improved the cash conversion cycle (CCC):
81.8 days as of March 31, 2015 to 74.5 days as of September 30, 2015*

2. Progress on Initiatives to Achieve the “2015 Mid-term Management Plan” Targets

- Hitachi ABB HVDC Technologies, Ltd., a joint venture with ABB, will commence operations in Nov. 2015, targeting demand for HVDC system in wide-area power transmission grids and connection in line with electricity system reform in Japan
- Processing the acquisition of AnsaldoBreda, affiliated with Finmeccanica of Italy, and Ansaldo STS By accelerating global business expansion, Hitachi aims to become one of the Big 4 global rail sector players
- Established Johnson Controls-Hitachi Air Conditioning with Johnson Controls, and commenced operations on Oct. 1, 2015
Accelerating business expansion globally by leveraging both companies' strengths, while exploring opportunities for collaboration in the building solutions field
- Decided to reorganize the power distribution and control product business and the air compressor business, which are spread out across the Hitachi Group
Providing customers with products according to shifting market conditions and diversifying needs by expanding product lineup

3. Progress on the Social Innovation Business

■ Accelerating Global Business

(Overseas revenue ratio 41%[FY2012]→50%[FY2015 forecast])

- Conducted an opening ceremony at a rail vehicle manufacturing facility at Newton Aycliffe in the north of England, with plans to commence rolling stock production in Nov. 2015
- Received a comprehensive order for security and building facilities systems for a large multi-purpose facility development project in Singapore
- Received an order for a sewage water treatment infrastructure project in Papua New Guinea
- Hitachi's new proton beam therapy system began service at the Mayo Clinic in the U.S., helping to further accelerate global business expansion
- Contributing to the "Made in China 2025" initiative to create a high value-added Chinese manufacturing sector. Expanding business by actively supporting Chinese companies seeking to enter international markets and by building partnerships with those companies

■ Promoting "Collaborative Creation" with customers by strengthening front-line functions

- Approach 30 customers with a view toward launching collaborative creation businesses; cooperating on themes such as energy management and analysis of people flow and others, by utilizing the artificial intelligence (AI) and technologies from Pentaho Corporation as the common platform
- Initiated a business alliance with the NTT Group in Oct. 2015 to support creation of an urban city infrastructure for regional revitalization
- Encouraged the creation of new business concepts by exploring and discovering business opportunities by utilizing "NEXPERIENCE", a methodology for collaborative creation with customers, at a unique customer collaborative creation space in Tokyo

3. Progress on the Social Innovation Business

- Development of a common platform targeting service business expansion (Service revenues ratio 30%[FY2012] → 38%[FY2015 forecast])

“Artificial Intelligence (AI)”

- Commence marketing of business improvement service in Nov. 2015 using “Hitachi AI Technology”
- Encourage business improvement by utilizing AI to analyze work data and human behavior data; began field demonstrations with Japan Airlines Co., Ltd. and The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- Developed the basic AI technology that enables logical dialogue with people by analyzing huge volumes of text data

“Common platforms using the technologies of Pentaho Corporation as a core technology”

- Provide common platforms which have been developed by approximately 1,000 engineers, using the Pentaho Corporation’s technologies as a core technology
Pentaho has a customer base of more than 1,500 companies in 180 countries, and enables prompt integration, analysis and visualization of Big Data
- Began providing a trial verification service for utilizing Big Data based on Pentaho’s software; expect to launch a full-scale Big Data analytics and processing system at the end of fiscal 2015

4. Corporate Governance

- Held a Board meeting in London, where members discussed Hitachi’s European business strategy centered on the rail systems business
- Reformulated Corporate Governance Guidelines of Hitachi, Ltd. to correspond to Japan’s Corporate Governance Code
- Reinforce and improve compliance program globally

Benefits of the Hitachi Smart Transformation Project

FY2015/2Q: 36.0 billion yen, FY2015/1H: 56.0 billion yen

Making steady progress to achieve increased FY2015 cost reduction target of 110.0 billion yen, up from 100.0 billion yen

Main Initiatives and Progress in FY2015/2Q

1. Initiatives to Reform Cost Structure and Strengthen Cash Generation

(1) Earnings Improvement

- Set more ambitious targets for reducing direct material costs and executed on those targets, along with rigorously implementing PDCA cycles
- Reshaped the organization in line with changes in the economic environment and further expanded global centralized purchasing
- Expanded BPO*1 for indirect operations for finance department worldwide
- Promoted BPR*2 for indirect HR duties in Japan

(2) Cash Flow Improvement

- Executing initiatives to achieve the targets of accounts receivable, inventory balances, accounts payable with the aim of compressing working capital to 130.0 billion yen
 - Accelerated initiatives to reduce lead times by business function such as production and procurement
 - Accelerated the introduction of the Electronically Recorded Monetary Claims
 - Initiated cash flow planning before receiving orders and rigorously implemented PDCA cycles

2. Business Process Reforms

- Strengthen pipeline management as well as comprehensive management of accounts and “One Hitachi” projects with the aim of developing the Social Innovation Business
- Overhaul and proceed to trials on the process of design, production, and procurement by utilizing pipeline information to strengthen business competitiveness

*1 BPO : Business Process Outsourcing

*2 BPR : Business Process Re-engineering

Supplementary Information

Revenues, Adjusted operating income and EBIT *1

Billions of yen

	FY2014		FY2015				Total (Forecast)	
	2Q	1H	2Q		1H			Year over year
				Year over year		Year over year		
Revenues	515.6	936.9	548.5	106%	1,000.1	107%	2,100.0	103%
System Solutions*2	313.5	570.1	345.2	110%	617.0	108%	1,278.6	103%
Platform*3	260.7	483.9	256.4	98%	488.4	101%	1,094.1	107%
Eliminations & Others*4	(58.6)	(117.1)	(53.1)	-	(105.3)	-	(272.8)	-
Adjusted Operating Income	38.2	46.9	41.0	+2.7	49.9	+2.9	158.0	+22.8
System Solutions*2	23.5	21.6	30.3	+6.7	37.0	+15.4	95.4	+17.7
Platform*3	17.0	24.1	9.3	(7.7)	10.7	(13.3)	70.2	+12.5
Eliminations & Others*4	(2.3)	1.1	1.3	-	2.0	-	(7.6)	-
EBIT	35.8	44.9	36.8	+0.9	45.2	+0.2	144.0	+37.9
System Solutions*2	22.5	21.1	28.0	+5.4	34.8	+13.6	92.1	+33.9
Platform*3	16.5	23.6	10.7	(5.7)	11.2	(12.4)	62.5	+14.7
Eliminations & Others*4	(3.2)	0.1	(2.0)	-	(0.8)	-	(10.6)	-

Storage Solutions

Billions of yen

	FY2014		FY2015				Total (Forecast)	
	2Q	1H	2Q		1H			Year over year
				Year over year		Year over year		
Revenues	114.0	218.0	129.0	113%	246.0	113%	510.0	105%

*1 Figures for each subsegment include intersegment transactions.

*2 System integration, sales, maintenance and related services of software and hardware for financial, public, enterprise and social infrastructure (power, rail, telecommunication, etc.) sectors, consulting, etc.

*3 Sales, maintenance and related services for software, server, storage and telecommunication & network equipment, etc.

*4 Figures for intersegment transactions, etc.

Consolidated Overseas Revenues by Business Segment

Billions of yen

	FY2014		FY2015				Total (Forecast)	
	2Q	1H	2Q		1H		Total (Forecast)	Year over year
				Year over year		Year over year		
Information & Telecommunication Systems	159.4	297.3	183.0	115%	343.6	116%		
Social Infrastructure & Industrial Systems*	170.0	328.4	192.9	113%	369.2	112%		
Electronic Systems & Equipment	150.2	309.0	165.3	110%	326.8	106%		
Construction Machinery	142.9	289.6	125.3	88%	259.0	89%		
High Functional Materials & Components	163.6	327.0	229.0	140%	463.3	142%		
Automotive Systems	112.3	230.2	140.0	125%	279.8	122%		
Smart Life & Ecofriendly Systems	67.4	147.1	68.4	101%	163.3	111%		
Others (Logistics and Other services)	92.7	188.9	93.5	101%	184.9	98%		
Financial Services	33.0	64.2	35.5	107%	70.3	109%		
Corporate items & Eliminations	(24.1)	(46.4)	(37.7)	-	(70.0)	-		
Total	1,067.9	2,135.5	1,195.6	112%	2,390.6	112%	4,950.0	109%

* Effective on April 1, 2015, the "Power Systems" became part of the "Social Infrastructure & Industrial Systems".
Figures for each segment, including figures for the previous fiscal year, reflect the changed segmentation.

Consolidated Capital Expenditure by Business Segment in Manufacturing, Services and Others and Financial Services*1 (Completion basis)

Billions of yen

		FY2014		FY2015				Total (Forecast)	
		2Q	1H	2Q		1H		Total (Forecast)	Year over year
					Year over year		Year over year		
	Information & Telecommunication Systems	8.0	21.7	12.0	149%	24.9	115%		
	Social Infrastructure & Industrial Systems ²	12.1	22.9	17.6	145%	30.4	133%		
	Electronic Systems & Equipment	4.7	9.7	6.1	131%	10.1	104%		
	Construction Machinery	4.5	9.3	4.8	106%	8.3	90%		
	High Functional Materials & Components	17.7	29.8	21.2	120%	38.2	128%		
	Automotive Systems	16.8	32.1	15.0	89%	29.1	90%		
	Smart Life & Ecofriendly Systems	4.5	8.0	8.0	177%	12.9	161%		
	Others (Logistics and Other services)	18.0	27.0	17.4	97%	31.0	115%		
	Corporate items	0.8	2.0	1.4	174%	1.9	92%		
	Manufacturing, Services and Others	87.5	162.9	103.9	119%	187.2	115%	380.0	104%
	Financial Services	16.6	33.0	33.9	204%	60.8	184%	120.0	184%
	Total	104.1	196.0	137.9	132%	248.0	127%	500.0	116%

*1 From FY2015/1Q, capital expenditures including figures for the previous fiscal year are stated exclusive of investment in lease assets classified as a finance lease, which was previously included in capital expenditures. The amount of investment in lease assets classified as a finance lease in each period was 120.9 billion yen for FY 2014/2Q, 210.5 billion yen for the FY2014/1H, 118.0 billion yen for the FY2015/2Q, 223.2 billion yen for the FY2015/1H and is forecasted 420.0 billion yen for the FY 2015. The total amount of investment in lease assets classified as a finance lease and capital expenditures excludes inter-segment transactions, and was 215.2 billion yen for the FY 2014/2Q, 392.8 billion yen for the FY2014/1H, 246.4 billion yen for the FY 2015/2Q, 457.5 billion yen for the FY2015/1H and is forecasted 910.0 billion yen for the FY2015.

*2 Effective on April 1, 2015, the "Power Systems" became part of the "Social Infrastructure & Industrial Systems". Figures for each segment, including figures for the previous fiscal year, reflect the changed segmentation.

Consolidated Depreciation by Business Segment in Manufacturing, Services and Others and Financial Services

Billions of yen

		FY2014		FY2015				Total (Forecast)	
		2Q	1H	2Q		1H		Total (Forecast)	Year over year
					Year over year		Year over year		
	Information & Telecommunication Systems	9.0	18.3	11.6	128%	23.1	126%		
	Social Infrastructure & Industrial Systems*	7.8	16.0	7.6	96%	15.0	94%		
	Electronic Systems & Equipment	3.7	7.0	3.9	107%	7.9	113%		
	Construction Machinery	7.3	15.6	7.9	109%	16.0	103%		
	High Functional Materials & Components	14.3	28.9	15.7	110%	32.0	111%		
	Automotive Systems	8.4	16.4	9.5	113%	18.6	113%		
	Smart Life & Ecofriendly Systems	4.6	9.1	4.9	107%	9.8	107%		
	Others (Logistics and Other services)	8.1	16.8	8.8	108%	17.5	104%		
	Corporate items	0.8	1.7	0.7	86%	1.5	91%		
	Manufacturing, Services and Others	64.5	130.3	70.9	110%	141.9	109%	290.0	106%
	Financial Services	18.4	36.3	19.8	107%	38.6	106%	80.0	105%
	Total	83.0	166.6	90.7	109%	180.5	108%	370.0	105%

* Effective on April 1, 2015, the "Power Systems" became part of the "Social Infrastructure & Industrial Systems".
Figures for each segment, including figures for the previous fiscal year, reflect the changed segmentation.

Consolidated R&D Expenditure by Business Segment

Billions of yen

		FY2014		FY2015				Total (Forecast)	
		2Q	1H	2Q		1H			Year over year
					Year over year		Year over year		
	Information & Telecommunication Systems	18.4	36.2	15.5	84%	30.4	84%		
	Social Infrastructure & Industrial Systems*	10.1	19.5	11.3	112%	21.3	109%		
	Electronic Systems & Equipment	13.9	24.7	13.3	96%	24.3	98%		
	Construction Machinery	4.4	8.7	4.8	110%	9.4	108%		
	High Functional Materials & Components	11.7	22.8	11.9	102%	23.4	103%		
	Automotive Systems	14.8	30.3	18.0	121%	34.5	114%		
	Smart Life & Ecofriendly Systems	2.7	5.6	3.2	116%	6.2	110%		
	Others (Logistics and Other services)	1.8	3.4	1.3	72%	2.5	73%		
	Corporate items	7.0	13.0	6.5	93%	12.1	93%		
	Manufacturing, Services and Others	85.2	164.6	86.2	101%	164.4	100%		
	Financial Services	0.1	0.1	0.0	23%	0.0	23%		
	Total	85.3	164.8	86.2	101%	164.4	100%	355.0	106%
	Percentage of revenues (%)	3.6	3.6	3.5	-	3.4	-	3.6	-

* Effective on April 1, 2015, the "Power Systems" became part of the "Social Infrastructure & Industrial Systems".
Figures for each segment, including figures for the previous fiscal year, reflect the changed segmentation.

Foreign Exchange Rate

	FY2014		FY2015		
	2Q	1H	2Q	1H	Total (Forecast)
Average exchange rate (yen / U.S.\$)	104	103	122	122	118

Foreign Exchange Sensitivity*¹ Billions of yen

	Revenues	Adjusted operating income
U.S.\$	13.0	1.5
Euro	1.0	0.5

Number of employees and consolidated subsidiaries

	As of March 31, 2015	As of September 30, 2015
Number of employees	336,670	339,546
Japan	193,638	193,260
Overseas	143,032	146,286
Number of consolidated subsidiaries* ²	1,008	1,032
Japan	275	270
Overseas	733	762

*1 Impact of exchange rate fluctuation (2H impact given a one yen change.)

*2 Consolidated trust accounts are not included into the figures of consolidated subsidiaries.

Business Group*	Segment and Subsidiary
Power & Infrastructure Systems Group	Social Infrastructure & Industrial Systems, Electronic Systems & Equipment, Smart Life & Ecofriendly Systems
Information & Telecommunication Systems Group	Information & Telecommunication Systems, Hitachi Transport System
Construction Machinery Group	Construction Machinery
High Functional Materials & Components Group	High Functional Materials & Components
Automotive Systems Group	Automotive Systems
Financial Services	Financial Services

* Some businesses are not included in the table above.

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

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

- economic conditions, including consumer spending and plant and equipment investment in Hitachi’s major markets, particularly Japan, Asia, the United States and Europe, as well as levels of demand in the major industrial sectors Hitachi serves, including, without limitation, the information, electronics, automotive, construction and financial sectors;
- exchange rate fluctuations of the yen against other currencies in which Hitachi makes significant sales or in which Hitachi’s assets and liabilities are denominated, particularly against the U.S. dollar and the euro;
- uncertainty as to Hitachi’s ability to access, or access on favorable terms, liquidity or long-term financing;
- uncertainty as to general market price levels for equity securities, declines in which may require Hitachi to write down equity securities that it holds;
- uncertainty as to Hitachi’s ability to continue to develop and market products that incorporate new technologies on a timely and cost-effective basis and to achieve market acceptance for such products;
- 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 the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum, synthetic resins, rare metals and rare-earth minerals, or shortages of materials, parts and components;
- fluctuations in product demand and industry capacity;
- uncertainty as to Hitachi’s ability to implement measures to reduce the potential negative impact of fluctuations in product demand, exchange rates and/or price of raw materials or shortages of materials, parts and components;
- increased commoditization of and intensifying price competition for products;
- uncertainty as to Hitachi’s ability to achieve the anticipated benefits of its strategy to strengthen its Social Innovation Business;
- uncertainty as to the success of acquisitions of other companies, joint ventures and strategic alliances and the possibility of incurring related expenses;
- uncertainty as to the success of restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness;
- uncertainty as to the success of cost reduction measures;
- general socioeconomic and political conditions and the regulatory and trade environment of countries where Hitachi conducts business, particularly Japan, Asia, the United States and Europe, including, without limitation, direct or indirect restrictions by other nations on imports and differences in commercial and business customs including, without limitation, contract terms and conditions and labor relations;
- uncertainty as to the success of alliances upon which Hitachi depends, some of which Hitachi may not control, with other corporations in the design and development of certain key products;
- uncertainty as to Hitachi’s access to, or ability to protect, certain intellectual property rights, particularly those related to electronics and data processing technologies;
- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity-method 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 potential for significant losses on Hitachi’s investments in equity-method associates and joint ventures;
- 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;
- 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.

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