
Power Systems Business Strategy

December 13, 2013

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Senior Vice President and Executive Officer

President & CEO

Power Systems Group and Power Systems Company

Hitachi, Ltd.

Contents

- 1. Business Overview and Market Environment**
2. Business Policy and Growth Strategy
3. Nuclear Power Business
4. Transmission & Distribution Business
5. Renewable Energy and Other Businesses
6. Energy Solution Services and Other Businesses
7. Conclusion

Thermal Power Business

Coal-fired thermal power plants



Gas turbine



Major equipment of coal-fired thermal power plants

Steam turbine

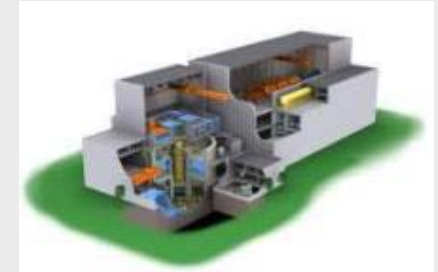


Boiler

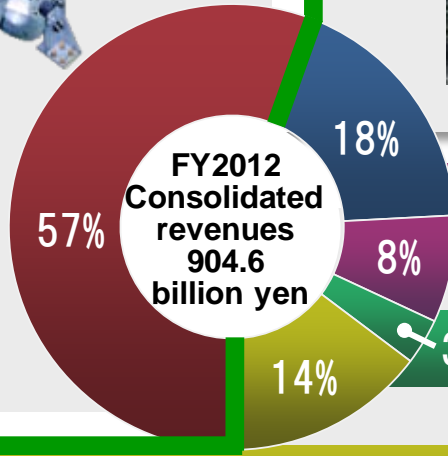


Nuclear Power Business

Boiling water reactor nuclear power plants (ABWR, ESBWR)



Preventive maintenance, nuclear fuel cycle, etc.



Transmission & Distribution Business

Transmission & distribution (T&D) systems



Renewable Energy

Wind power systems



Photovoltaic power systems



Power Solutions and other Businesses

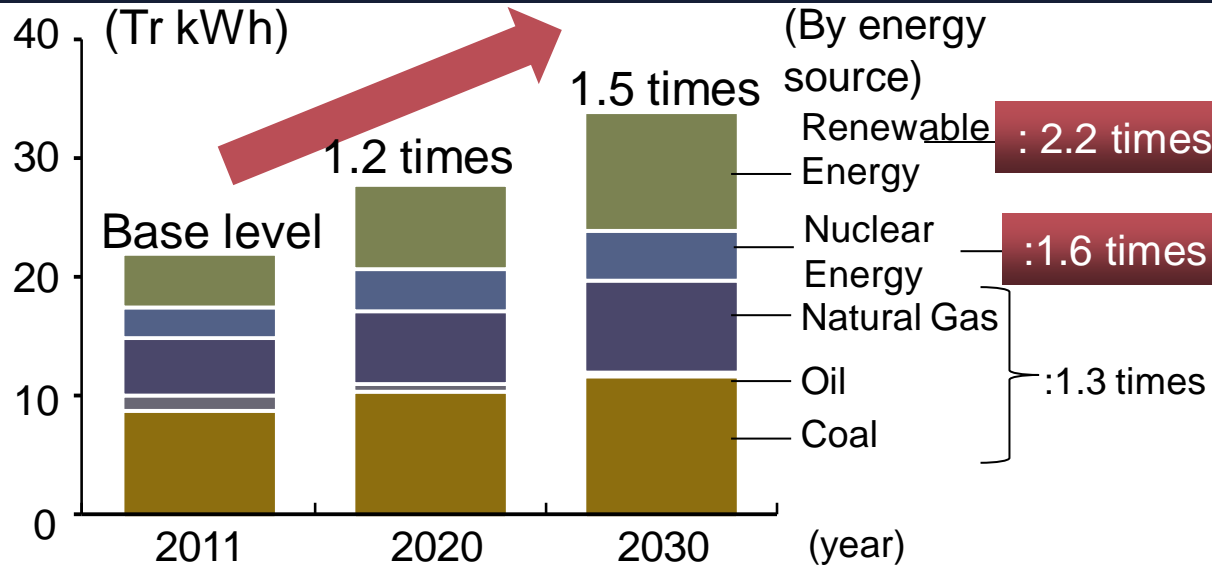
Remote monitoring center



Particle beam therapy systems



World Electricity Generation by Energy Source



Market Trends

- Expansion of renewable energy, Increased demand for systems to stabilize power grid
- Expansion of power transmission and distribution market
- Many countries going ahead with nuclear power plans

Market Trends by Region

Emerging countries (Asia, etc.)

- Secure stable power supplies (demand for coal-fired thermal and nuclear power Systems)
- Demand to strengthen power grids

Leading countries (Europe/Americas)

- Strengthening power grids due to the increase in renewable energy
- Demand for new nuclear power plants in Europe

Japan

- Move towards separation of power generation and power distribution
- Strengthening power grids due to the increase in renewable energy

1-3. Overview of the Thermal Power Business Integration and the Power Systems Company

(1) Company Name

- Mitsubishi Hitachi Power Systems, Ltd.

(2) Scope of business integration

- Thermal power system businesses (gas turbines, steam turbines, boilers, generators, etc.)
- AQCS (De-NOx, De-SOx, CCS, etc.)

(3) Headquarters and primary bases

- Headquarters (Yokohama City, Kanagawa Prefecture)
- Primary bases (Hitachi, Kure, Takasago, Nagasaki, Yokohama, etc.)

(4) Others

- January 1, 2014 (Tentative)
- Shareholding ratio
Hitachi 35%
Mitsubishi Heavy Industries, Ltd. 65%

Capture Business Synergies
with Mitsubishi Hitachi Power Systems, Ltd.

Customers

Propose solution packages
that solve potential issues

Power Systems Company
IT integration, systems integration,
power grid interconnection,
project management

Infrastructure
Systems Company

Hitachi-GE Nuclear Energy, Ltd.

Information & Telecom-
munication Systems
Company

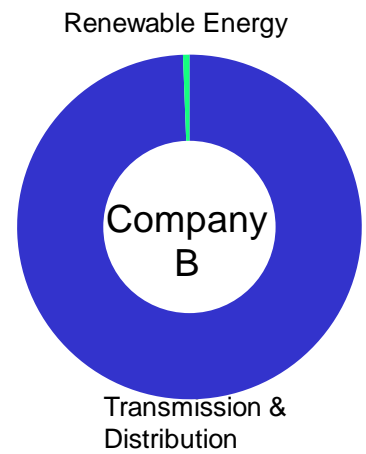
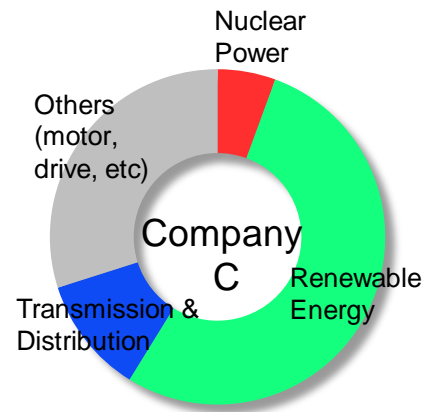
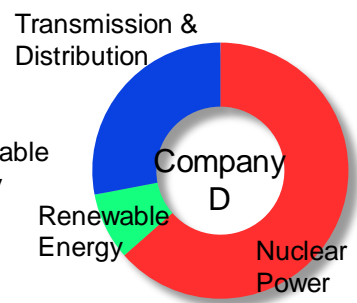
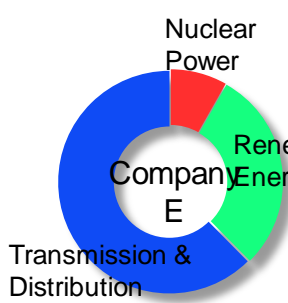
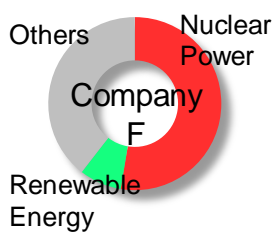
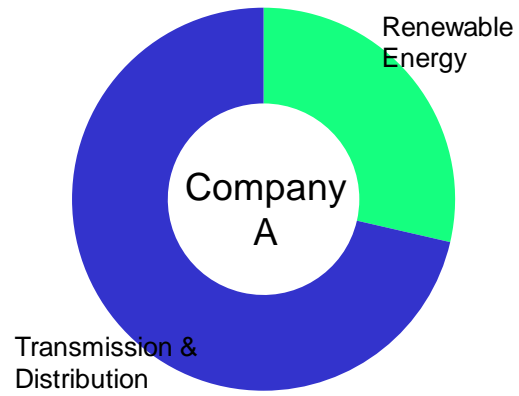
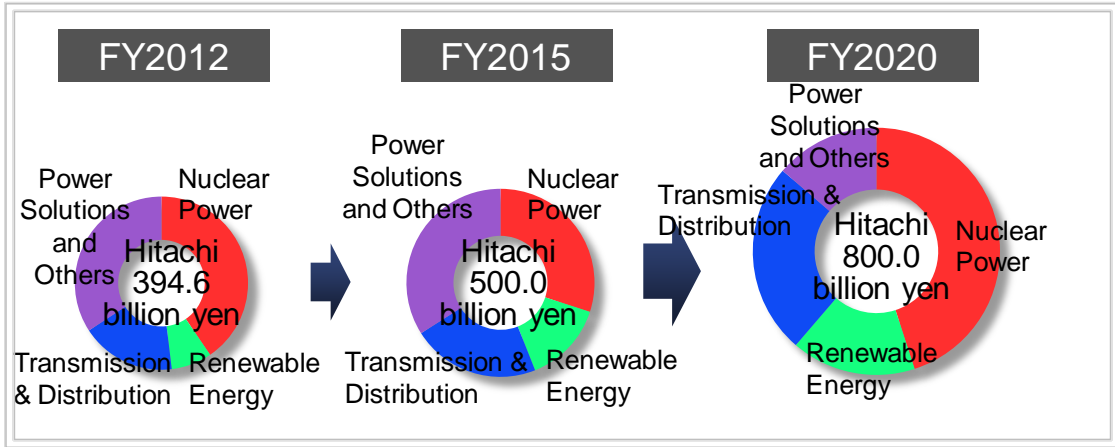
Hitachi Power Solutions Co, Ltd.

Hitachi Mitsubishi
Hydro Corporation

Mitsubishi Hitachi
Power Systems, Ltd.

1-4. Global Position of the Power Systems Company

Business Portfolio Comparison



Hitachi's estimates of each company's revenues (excluding thermal power business) (size of pie chart indicates revenue size) (Base year FY2012)

1-5. Strengths of the Power Systems Company

Expand business by leveraging Hitachi's strengths

- Propose energy solutions based on facilities and equipment, plus IT integration and management capabilities
- Respond to potential issues and needs of a wide range of customers by harnessing collective strengths

Potential needs of customers (government, utilities, manufacturing industry, multi-use facilities, etc.): (energy security, environmental issues, decentralized power sources, after-market services, initial investment)

Propose energy solutions that fuse equipment and IT

Industrial machinery (gas engines, factory automation systems)

Nuclear power, thermal power, hydroelectric, wind power generation facilities (boilers, turbines, generators)

Power transmission and transformation equipment (switchgear, circuit breakers, transformers, power conditioners, batteries)

Financing

Control system technology (power generation, transmission and distribution)

Big Data and Cloud Technologies

Preventive Maintenance and Maintenance Diagnosis Technologies

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2-1. FY2013 1st Half Results and Full-Year Forecasts **HITACHI** Inspire the Next

FY2013 1st Half Results

- Revenues: Decreased due to a decline in preventive maintenance services for nuclear power systems, despite higher revenues from transmission & distribution systems
- Operating income: Decreased in line with lower revenues

FY2013 Full-Year Forecasts

- Revenues: Projected to decrease due to a decline in revenues from nuclear power systems, and due to transfer of the thermal power business to the integrated company on January 1, 2014, despite higher revenues from transmission & distribution systems
- Operating income: Decreased in line with lower revenues

	FY2013 1 st Half	Year over year change	FY2013 full year	Year over year change
Revenues	376.3 billion yen	91%	750.0 billion yen	83%
Operating income (Operating income ratio)	2.1 billion yen (1%)	-5.2 billion yen	15.0 billion yen (2%)	-14.9 billion yen

Accelerate “Hitachi Smart Transformation Project”

Reduce costs by 53 billion yen through cost structure reforms (FY2011 to FY2015 total)
FY2013 1st Half cost reduction (cumulative) : approximately 35 billion yen

Production cost

- Create global manufacturing system and value chain
 - Build new overseas manufacturing bases and ramp up production capacity

Direct materials cost

- Expand global procurement and engineering
 - Increase overseas procurement ratio
FY2012 11% (Excluding thermal power business) → FY2015 20%

Indirect cost

- Optimize business structure by IT and structural reforms
 - Use Group shared services to improve business efficiency
 - Implement business process reforms --- Execute dramatic profit and cash flow improvements ---

Strengthen cash flow management

- Strengthen project management and improve profitability
- Bolster global supply chain management

2-3. Continue Working on the “Hitachi Smart Transformation Project”

Production, procurement and engineering structural reforms

Domestic mother factory development concept

- Develop and own new products and new technologies
- Produce new and competitive core products and systems
- Manage and support overseas bases (EPC, manufacturing technologies, information centers, etc.)

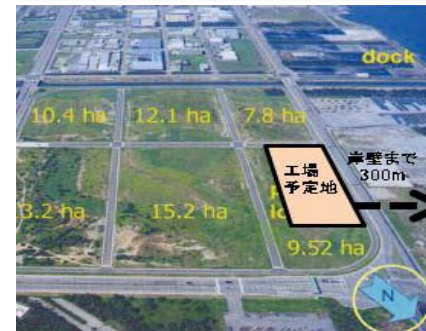
Specific examples of domestic mother factory

- Build a metal cask manufacturing system
- Establish new production and inspection technologies for new products
- Increase manufacturing capacity



Planned overseas manufacturing bases

Build new overseas plants and increase capacity



[Taiwan]



[Indonesia]

Strengthen project management

- Develop high-speed engineering tools and standardize local construction management systems

Develop cutting-edge manufacturing Technology and global expansion

- Introduce an assembly navigation system (G-KITS) at a switch and circuit breaker plant in Suzhou, China

2-4. Strengthen Project Management

Develop high-speed engineering tools and standardize local construction management systems

Design and engineering

Order received

Local construction

■ Use IT tools to shorten bid preparation periods and improve precision

■ Use systems to grasp details on local conditions and carry out forestalling management

Boiler – engineering and design period	Shortened by 90% (FY2004→FY2007)
Thermal power-engineering and design period	Shortened by 70% (FY2007→FY2009)
Estimation period for photovoltaic power systems	Shortened by 50% (FY2012→FY2013)
Turbine and generator drawing creation time	Shortened by 50% (FY2012→FY2013))

Hitachi Integrated Plant Construction System (Large scale)
Nuclear power plants, etc.
Ex.) Number of equipments: approx. 6,000
Construction period: 5 years



Hitachi Integrated Plant Construction System (Medium scale)
Particle beam therapy systems, etc.
Ex.) Number of equipments: approx. 1,600
Construction period: 10 months



Hitachi Integrated Plant Construction System (Small scale)
Renewable energy, etc.
Ex.) Number of equipments: approx. 100
Construction period: 10 months

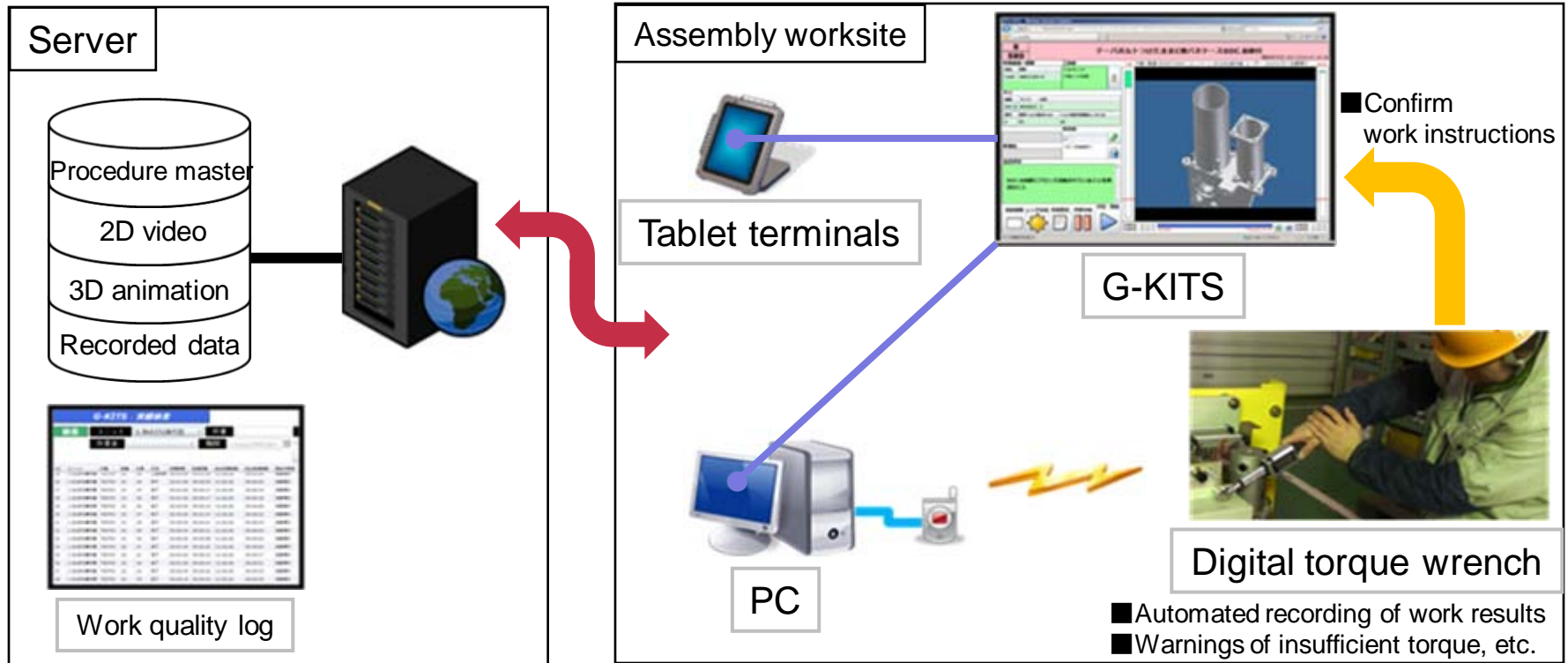


Enhance earnings by dramatically shortening the engineering period and rigorously managing local construction

2-5. Examples of Development and Global Expansion of Cutting-edge Manufacturing Technologies

Assembly navigation system (G-KITS)

- Developed by pooling the manufacturing expertise of Kokubu Engineering & Product Div. (March 2013)
- Provide clear work instructions using 3D animation; store and share data on work logs
- Introduced at a switchgear plant in Kokubu Factory, Suzhou, China (from August 2013)



Global expansion of mother plant quality

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3-1. Nuclear Power Business-Basic Policy

Raise the safety of nuclear power generation as an effective source of energy for curbing CO₂ emissions to meet continuing global demand.

Revenues

FY2012: 160 billion yen  FY2020: 360 billion yen

Japan: Promote measures to increase plant safety, and respond to the Fukushima restoration and revitalization

- Respond to new nuclear power plant regulations
- Measures to enhance plant safety
- Steady progress on Fukushima restoration and revitalization

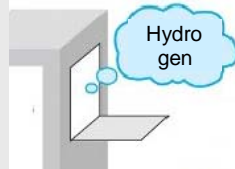
Overseas: Promote and strengthen energy solutions business

- Implement measures for constructing ABWRs in the UK
- Promote actions to continue discussions on the Lithuania nuclear power project
- Focus on expanding sales to countries planning to construct new nuclear power plants
- Develop ABWR designs with enhanced safety, next-generation safety technologies

Respond to New Nuclear Power Plant Regulations

Measures to prevent hydrogen explosion

- Blowout panel
- Recombination by catalyzer



Blowout panel

Major accident management facility

- Emergency control room
- Power supply (generators, batteries)
- Communication and monitoring control
- Residence area, air conditioners

Power supply enhancement

- Enlarge batteries' capacity
- Decentralized power supply

Emergency safety measure

- Emergency response building (seismically isolated structure)
- Water tightened building

I&C systems enhancement

- Install water level instrumentation in SFP

Low pressure coolant system enhancement

- (Mobile) Desalination facility
- (Mobile) Alternative heat exchanger



Alternative heat exchanger

RPV Depressurization function enhancement

- Enlarge batteries' capacity
- Store spare nitrogen gas bottles for operation

High pressure coolant system enhancement

- High pressure coolant system (TWL pump)

Filtered containment venting

- Venting facility



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Propose these measures to 19 plants Hitachi constructed

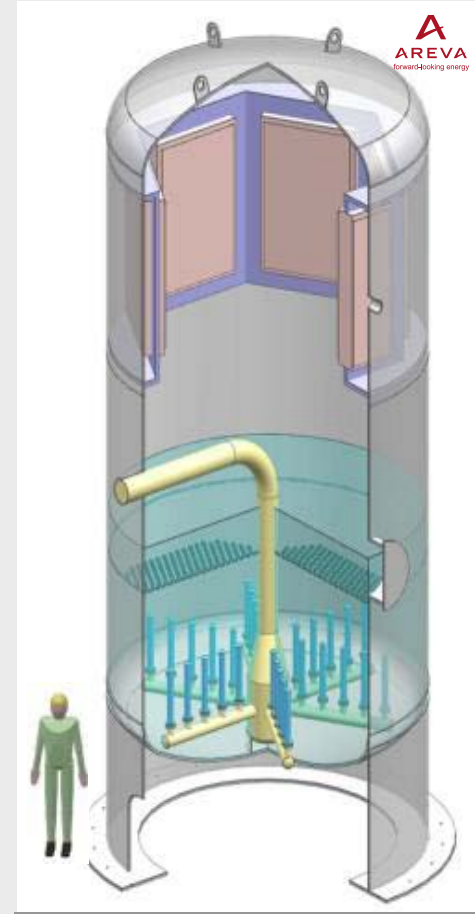
3-3. Example of Safety Enhancement Measures For Domestic Plants

Plant Safety Enhancement Measures

Filtered containment venting (cooperation with AREVA)



Hitachi Works



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Enhance performance of high pressure coolant injection system

(cooperation with GE-Hitachi Nuclear Energy)



High pressure coolant system (TWL type pump)

Power supply enhancement

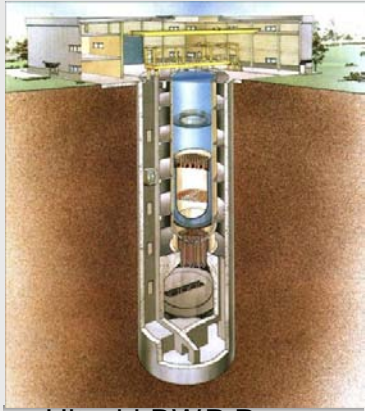


Enlarged batteries capacity, Decentralized arrangement

3-4. Steady Progress on the Fukushima Restoration and Revitalization (Examples of activities at the Fukushima Daiichi Nuclear Power Plant)

Examples of activities at the Fukushima Daiichi nuclear power plant

Unit 4 rubbles and spent fuels removal in the spent fuel pool



Hitachi BWR Reactor
Maintenance Technology Center



Mock up and training scene at Hitachi BWR Maintenance Technology Center



Participating National Projects

- further strengthening contaminated water treatment facilities
- Development technologies for removing damaged fuels

Monitoring at Decontamination work

- Development gamma radiation distribution measurement system

Underwater exploration robot for the PCV torus



UK Nuclear Project: Horizon Nuclear Power

Status of Wylfa Newydd Project

- Construction of 2 ABWR units
- Hitachi, Horizon Nuclear Power and HM Treasury signed a co-operation agreement to jointly promote the financing of the Project
- GDA to be completed by 2018
- Strike price for EDF has been decided



Wylfa site



At the center: Mr. Danny Alexander, Chief Secretary to the Treasury



Horizon Nuclear Power
Headquarters

Current status of the Visaginas project in Lithuania

Actively carried forward activities in Lithuania

- Electric power providers of Baltic states and Hitachi have signed and submitted to the government, an agreement for jointly evaluating economic efficiency (September, 2013)
- Parliament (Seimas) approved of holding continuous discussions regarding the project (October, 2013)
- Tokyo Tech and Hitachi provided Global Nuclear Human Resource Development seminar (Kaunas University of Technology) (October, 2013)
- Lietuvos Energija and Hitachi signed Memorandum of Understanding for seeking potential cooperation in the field of energy technology (October, 2013)



Kaunas University of Technology,
Human Resource Development seminar

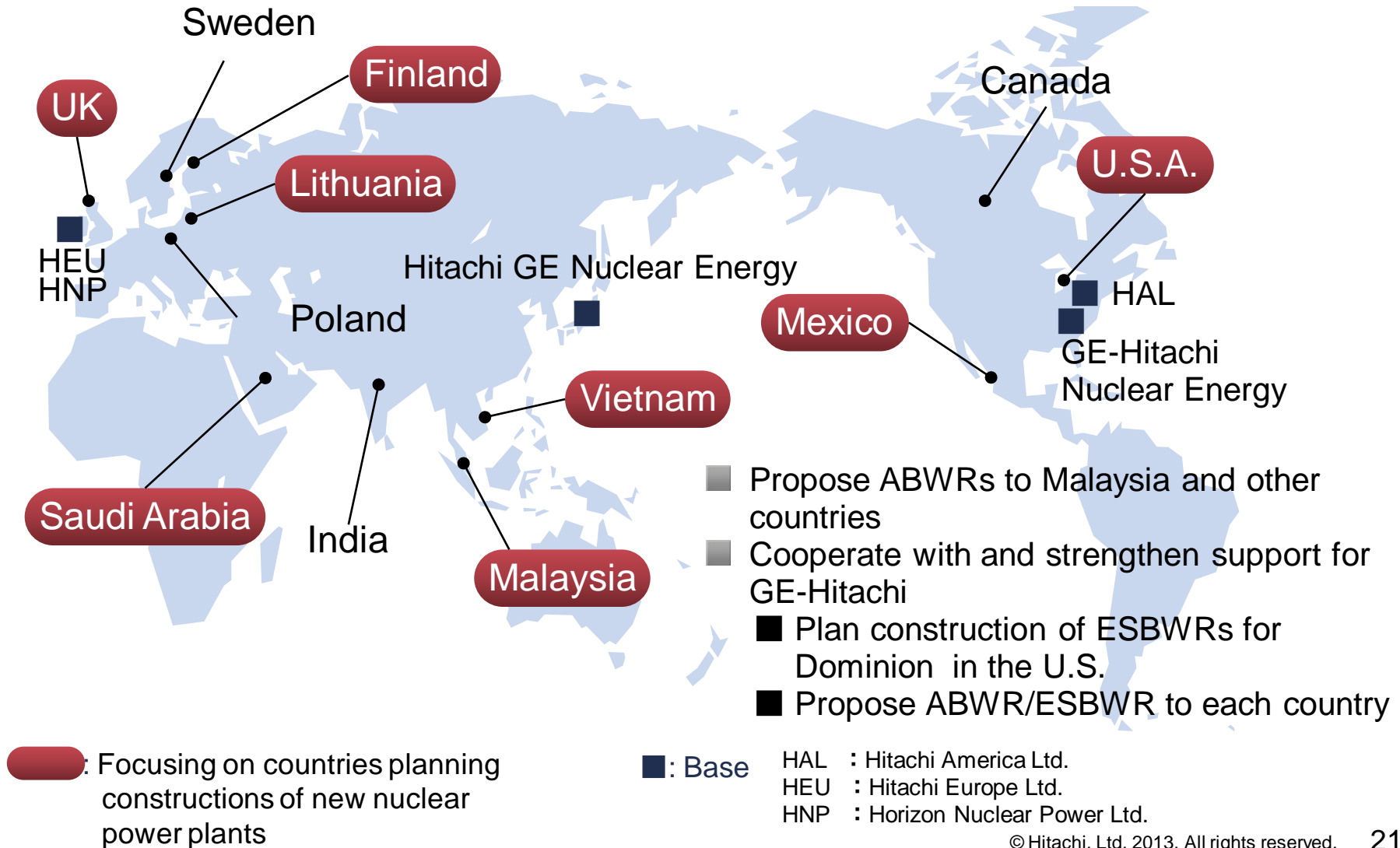


to the right: Mr. Dalius Misiūnas, CEO
and Chairman of the Board of Lietuvos
Energija group

Prime ministers of Baltic states agreed on resuming the Visaginas project

3-7. Updates on Cooperation with GE

Focusing on countries planning constructions of new nuclear power plants



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Revenues

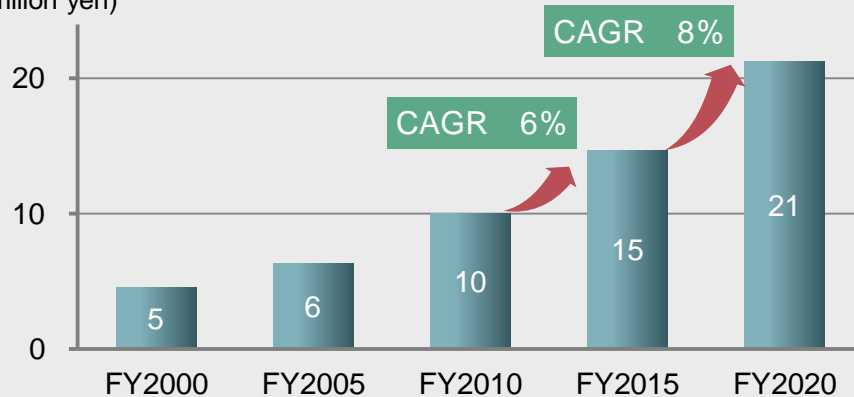
FY2012: 70 billion yen → FY2015: 110 billion yen

Develop into a core business of Power Systems Company

- Expand T&D business globally based on competitive products and abundant supply experiences
- Strengthen global expansion of wide-area grid stabilization systems fusing equipment and IT
- Begin field testing the “CrystEna”, energy storage system

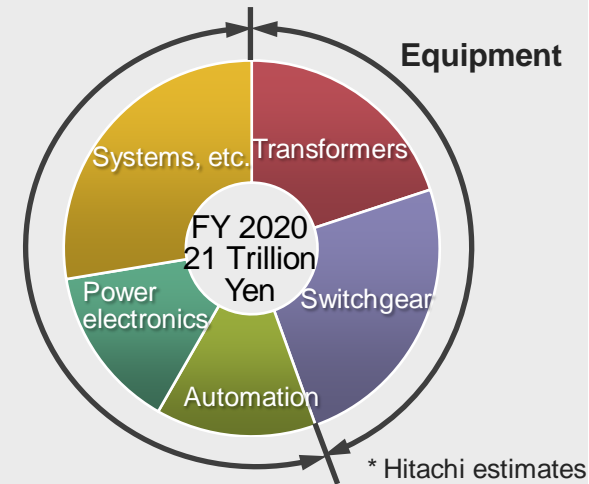
Accelerate Global Market Expansion

(Trillion yen)



* Hitachi estimates

High-value-added systems



Expand competitive global solutions that fuse equipment and IT

Transmission & Distribution Systems Division



Kokubu Engineering & Product Div.
Omika Works, Hitachi Laboratory

- Integrate high value-added products and information control technologies in Japan with competitive overseas products
- Establish and increase capacity of global manufacturing bases
- Strengthen cooperation between mother plants in Japan and global bases



Overseas sales and engineering bases

■ Singapore

■ Indonesia (PT. Hitachi Asia Indonesia)

■ Kuwait office, etc.

Wide-area Grid Stabilization Systems

- Prevent large-scale power outages through forecast and simulation-based control
- Grid stabilization with battery storage systems, etc.



System control room

Comprehensive agreement with Russia's Federal Grid Company

- Comprehensive agreement signed in the electric power industry (April 2012)
Remote monitoring and diagnosis of transformer substations and improvement of safety and reliability of large power grids
- Comprehensive agreement signed with Russian Grids (June 2013)
Develop power transmission and distribution network (modernization and stabilization) in the Republic of Buryatia



Comprehensive agreement with Mongolia

- Comprehensive agreement signed with Mongolia Ministry of Energy (May 2013)
Modernize and stabilize power transmission & distribution network; explore finance schemes



4-4. Power Storage System “CrystEna”

A new initiative targeted by the Power Systems Group = One of Hitachi’s Energy Solutions



CrystEna = Crystal (crystallization of the Hitachi Group’s technologies) + Energy



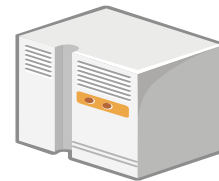
Information & Telecommunication

Information & Telecommunication Systems Company



Control System

Power Systems Company



Power Electronics

Infrastructure Systems Company



Lithium-ion Battery

Hitachi Chemical Co., Ltd.

Procure optimal components within the Hitachi Group, and supply them as an integrated system

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Revenues

FY2012: 160 billion yen



FY2015: 240 billion yen

Renewable Energy Business

- Contribute to realizing a low-carbon society through wind and photovoltaic power systems
- Provide integrated energy solutions spanning grid connection, construction, maintenance, operational monitoring and finance



Particle Beam Therapy System Business

- Expand business through leading-edge technologies such as world-leading advanced spot scanning irradiation technology*, and outstanding operational track records in Japan and the U.S.



* Compatible with beam scanning system

Hitachi's initiatives and characteristics of downwind-type wind turbines

- Won orders for more than 130 x 2 MW-class Hitachi downwind-type wind turbines to date
- Participated in floating offshore wind power generation demonstration and research projects carried out by the Ministry of Economy, Trade and Industry, and the Ministry of the Environment
- Development of 5 MW offshore downwind-type wind turbines (field test in 2014, commence sales in 2015)

2012 No. 1* share in Japan

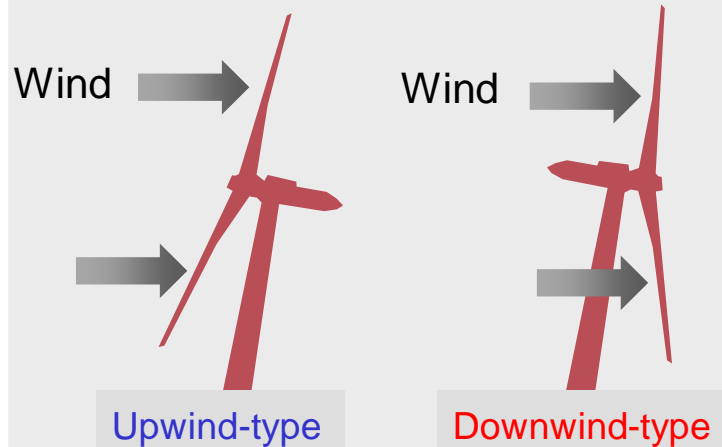
Floating Offshore Wind Farm Demonstration and Research Project "FUKUSHIMA FORWARD"



- Project commissioned by the Ministry of Economy, Trade and Industry
- Hitachi provided a 66KV floating offshore substation equipments and a 2MW floating offshore wind turbine
- Operation commenced on November 11, 2013

Characteristics of Hitachi's downwind-type wind turbines

- In floating offshore wind turbines, the rotor tilts into the wind to capture the wind more efficiently, resulting in higher power generation compared with upwind-type wind turbines.



- Enable to reduce the wind load, because rotors maintain an alignment that does not bear the force of crosswinds even during times of high winds, reducing the wind load.

Floating Wind Turbine Demonstration and Research Project in Goto City, Nagasaki Prefecture



- Project commissioned by the Ministry of the Environment
- Hitachi provided a 2 MW downwind-type wind turbine.
- Operation commenced on October 28, 2013

* Source: A BTM Wind Report: World Market Update 2012

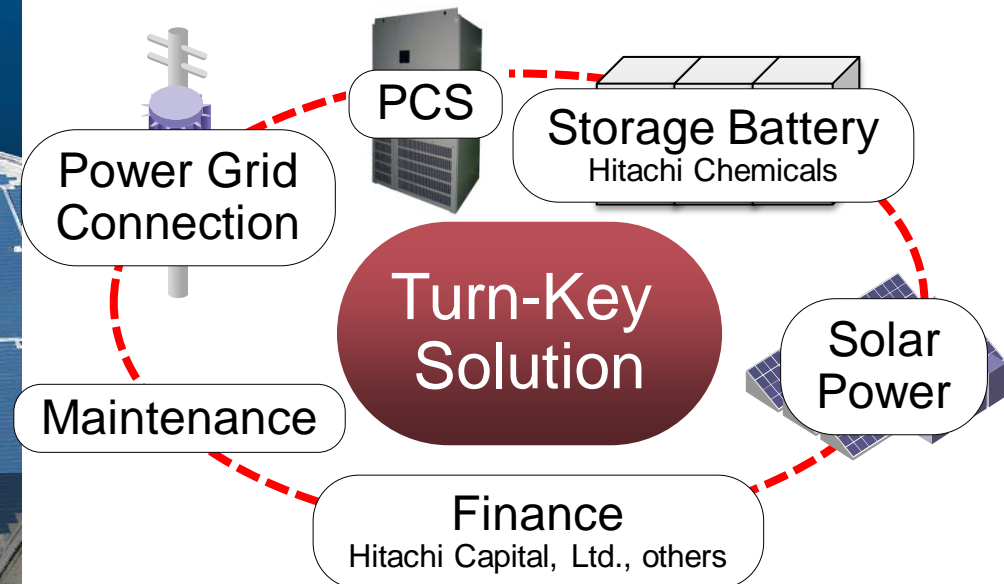
Characteristics of Photovoltaic Power Systems (Mega Solar)

- Extensive track record in coordination of large-scale projects
- World-class core product lineups such as power conditioners (PCS)
- A solutions business providing turn-key solutions ranging from fund procurement to 20 years of operation and maintenance

Japan's largest class
mega-solar systems (82 MW-class)

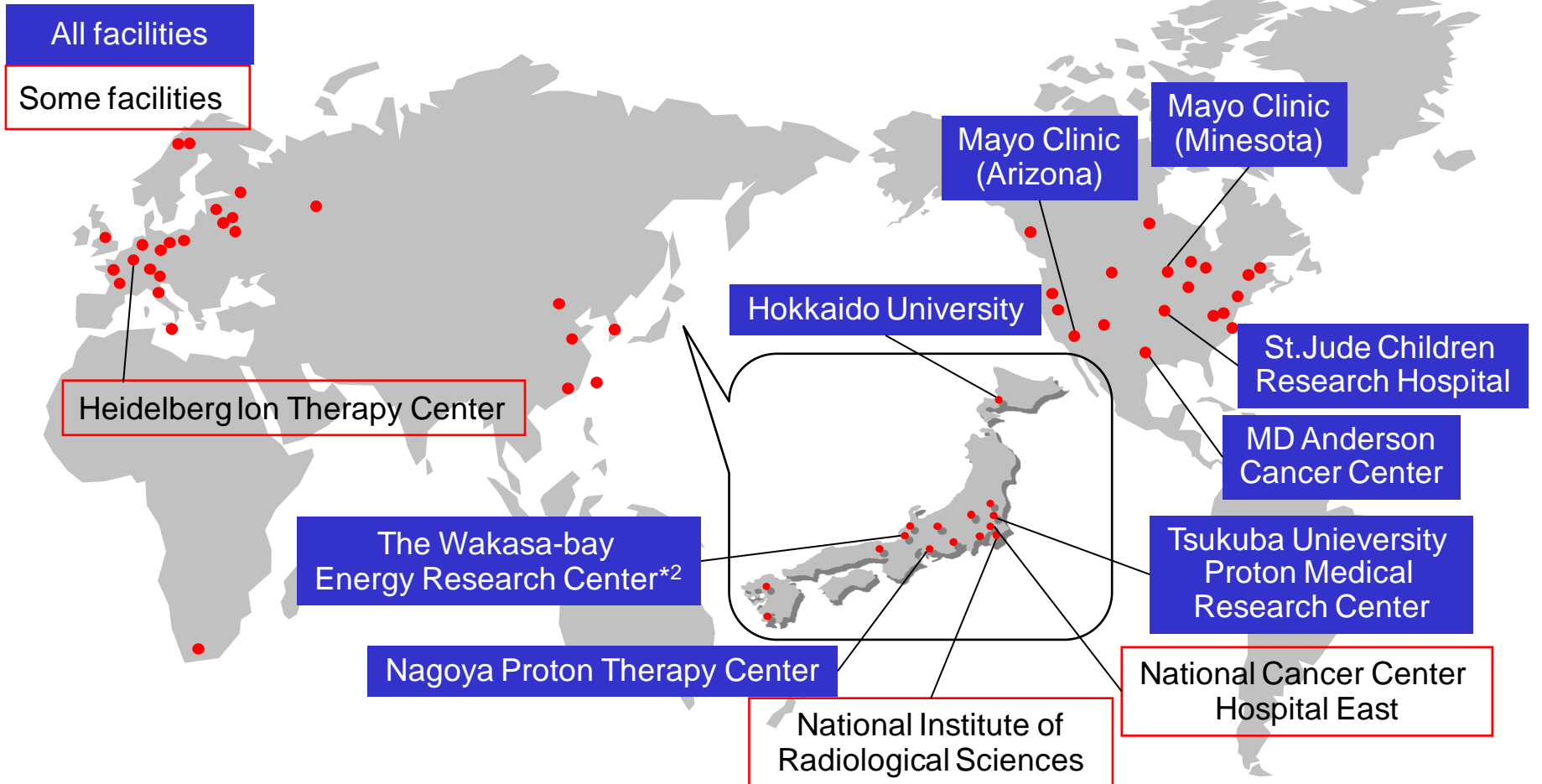


Propose solutions



5-4. Particle Beam Therapy System Business

Particle beam therapy systems*¹ around the world
and Hitachi's track record of winning orders



Orders received from 11 organizations around the world, centered on high profile hospitals and research facilities in Japan and North America

*1: Operations already under way or facility under construction (including systems approved for installation)

*2: Concluded research radiation operation for medical purposes in November 2009

5-5. Initiatives in the Particle Beam Therapy System Business

Create technologies using accelerator technology and plant engineering skills amassed over many years

Cutting-edge technologies, including industry-leading spot scanning irradiation system
Expand orders received based on outstanding operational track record in Japan and the U.S.

- Have treated over 7,000 patients in U.S.A. and Japan to date

- Delivered Japan's first proton beam spot scanning irradiation system (scheduled to begin offering treatment in FY2013)



Nagoya Proton Therapy Center

- Construction underway at 3 famous hospitals in the U.S.

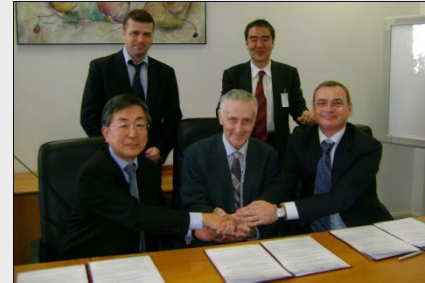


U.S. Minnesota



U.S. Tennessee

- Expand markets to Europe/Russia, Asia and the Middle East
- Be a key player in Japan's drive to export medical technologies



Signing ceremony with Russian medical and research institute

- Held user meetings (Essen, Germany)



Target: over 30% market share

5-6. Outline of Particle Beam Therapy Facility System

Composition and main facilities and equipment of Particle beam therapy facility

Approx. 70 m

Approx. 50 m

Main accelerator (Proton Synchrotron)

Injector (Proton Linac)

Fixed beam irradiation room

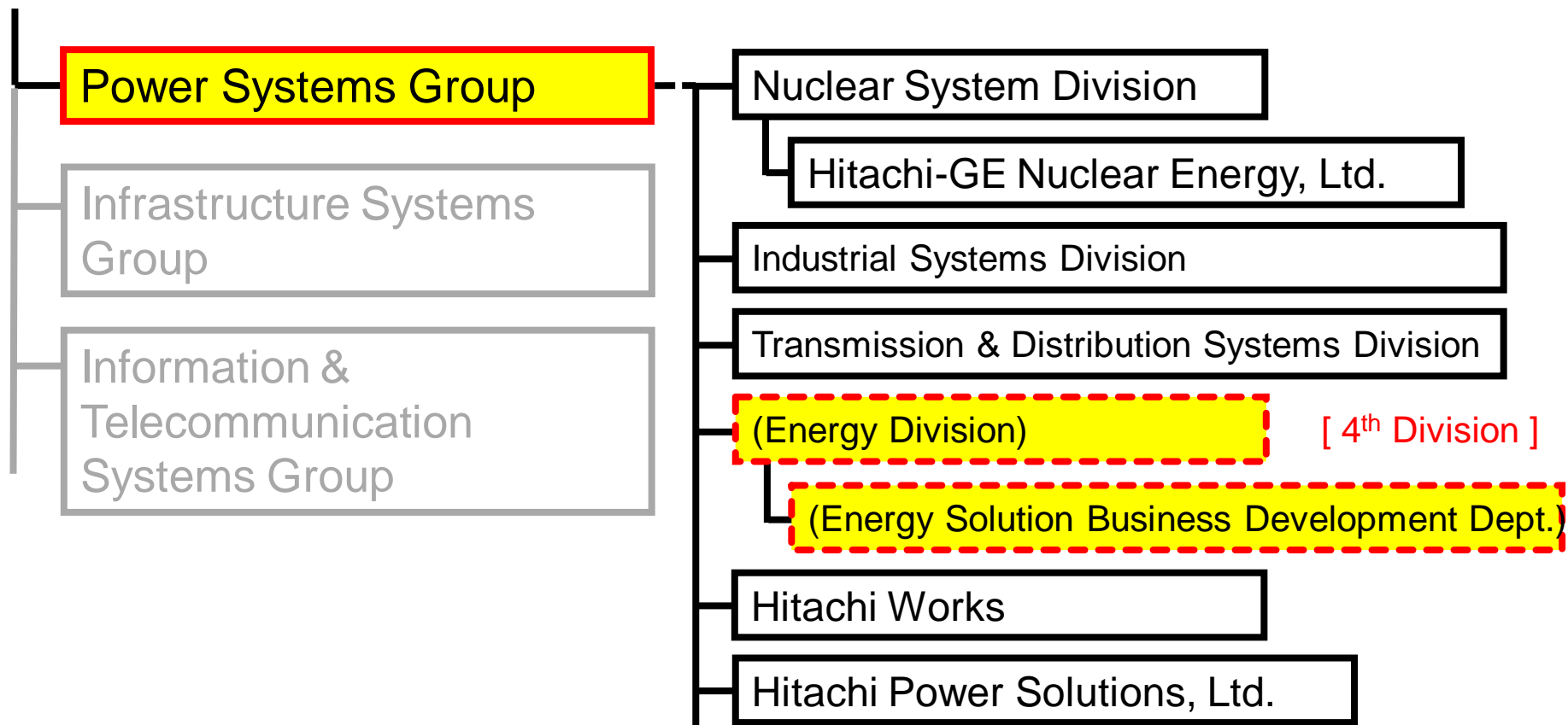
Inside Gantry Irradiation room

Rotating Gantry

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Newly establish Energy Solution Business Division



(): January 2014 onward

Vigorously promote business as the Power Systems Group's fourth division

6-2. Examples of Energy Solutions Business (1)

Examples of energy solutions for micro grid communities, which are facing high fuel prices

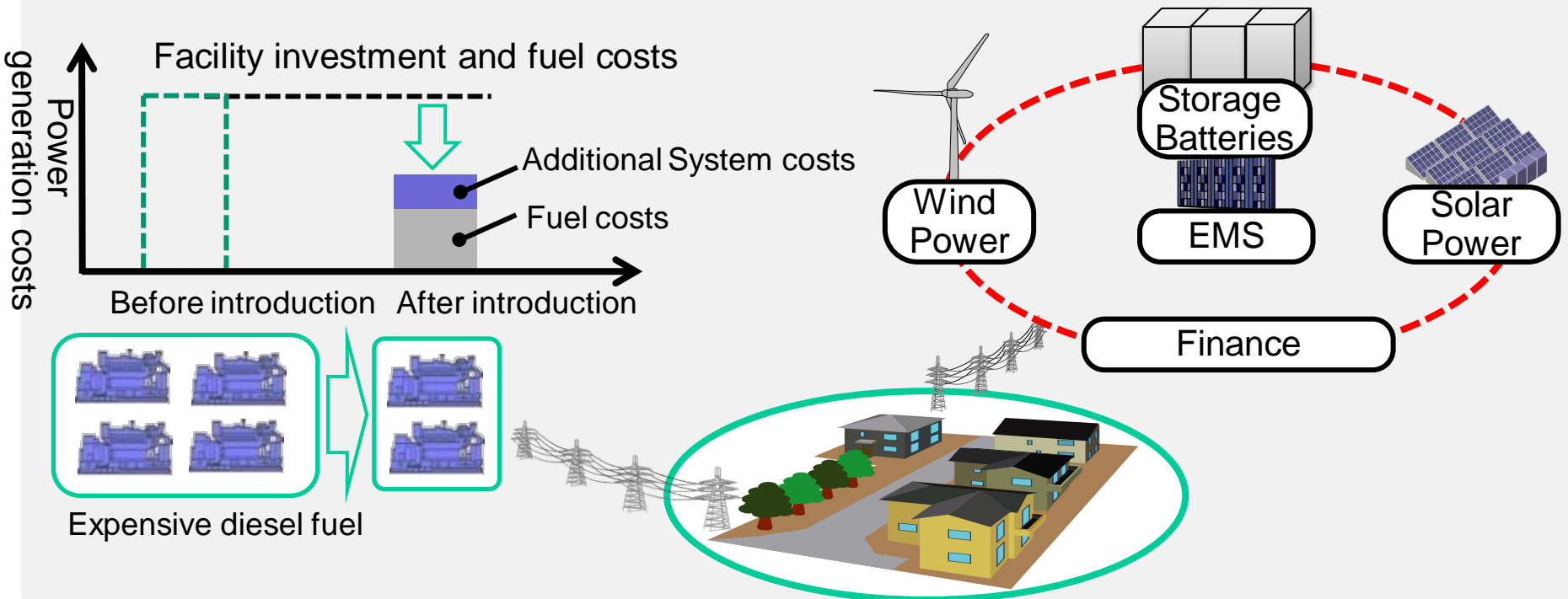
Local needs of micro grid communities

- Control operational costs (reduce fuel costs)
- Reduce power generation costs (power generation facilities)
- Stabilization of power grids

Hitachi's Solutions

- Renewable energy facilities
- Optimum system proposals (EMS, demand coordination)
- Provide finance, leases and ESCO

Energy Solution



6-3. Examples of Energy Solutions Business (2)

Examples of coordination among IPP and PPS operators leveraging extensive channels

Needs

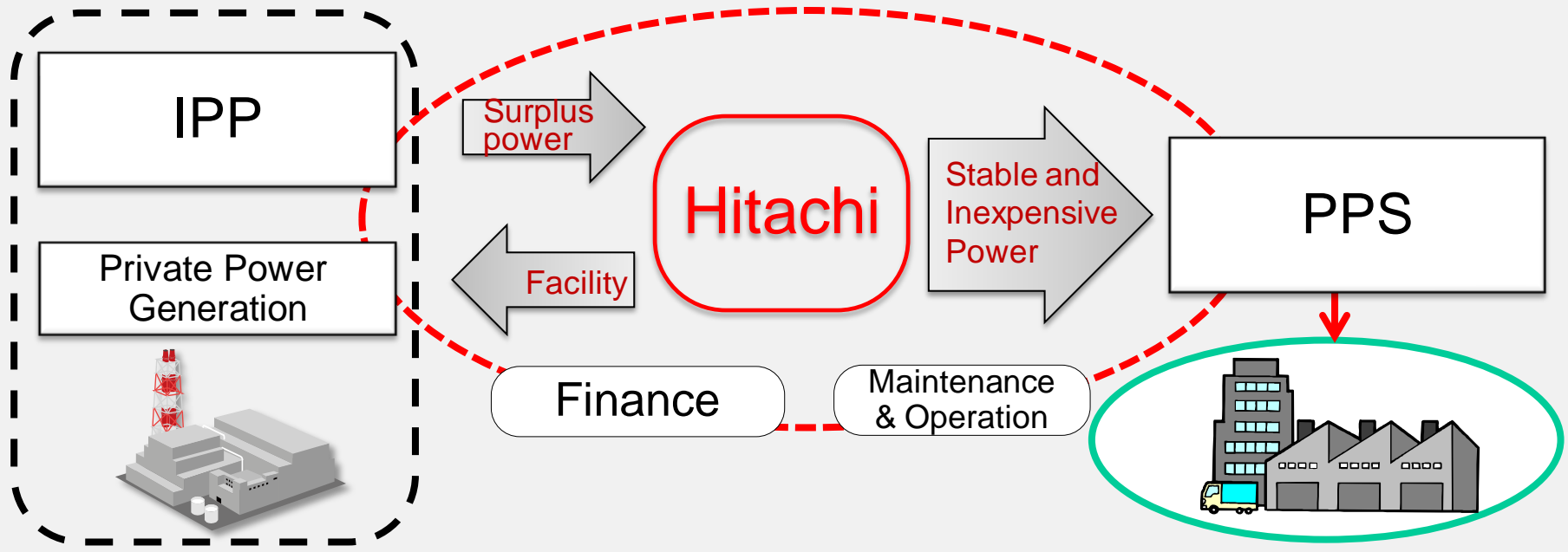
- IPP: upgrade facilities (newly built)
Enhance availability rate, secure power buyers, obtain financing
- PPS: Secure a stable source of power

Hitachi's Solutions

- Secure and coordinate transaction parties (sellers and buyers of electricity)
- Supply, maintain and operate facilities
- Finance

Energy Solution

(Brokering the surplus power of IPP to PPS operators)



IPP: Independent Power Producer
PPS: Power Producer and Supplier

6-4. Service Business Basic Policy

Revenues

FY2013: 140 billion yen



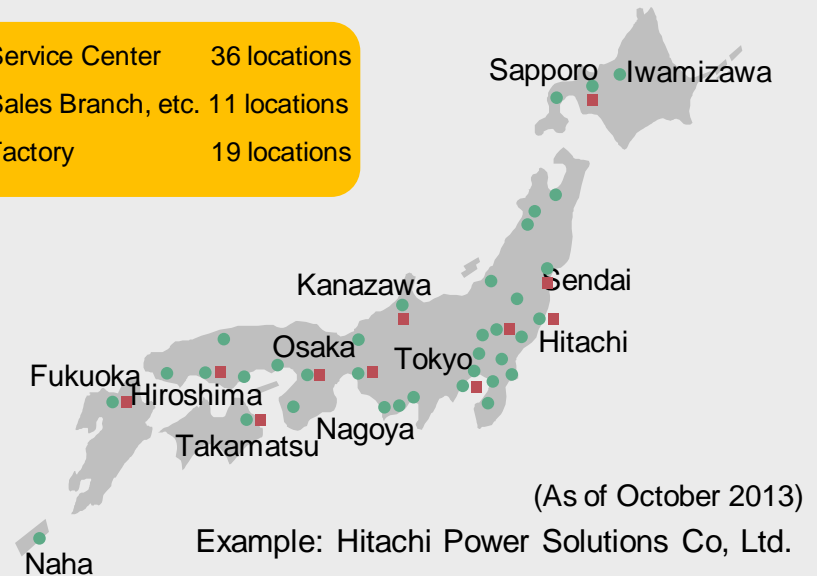
FY2015: 210 billion yen

Expand conventional maintenance services business to advanced maintenance services

Examples of products eligible for conventional maintenance services

- Regular-use diesel power generation facilities (DEG)
- Gas engine power generation facilities (gas engines)
- Uninterruptible Power Supplies (UPS)
- Wind power generation systems
- Water supply and sewage plants
- X-ray baggage checking equipment

● Service Center	36 locations
■ Sales Branch, etc.	11 locations
■ Factory	19 locations



Expertise in maintenance services business



ICT
(system integration capabilities)



Achievement of advanced maintenance services

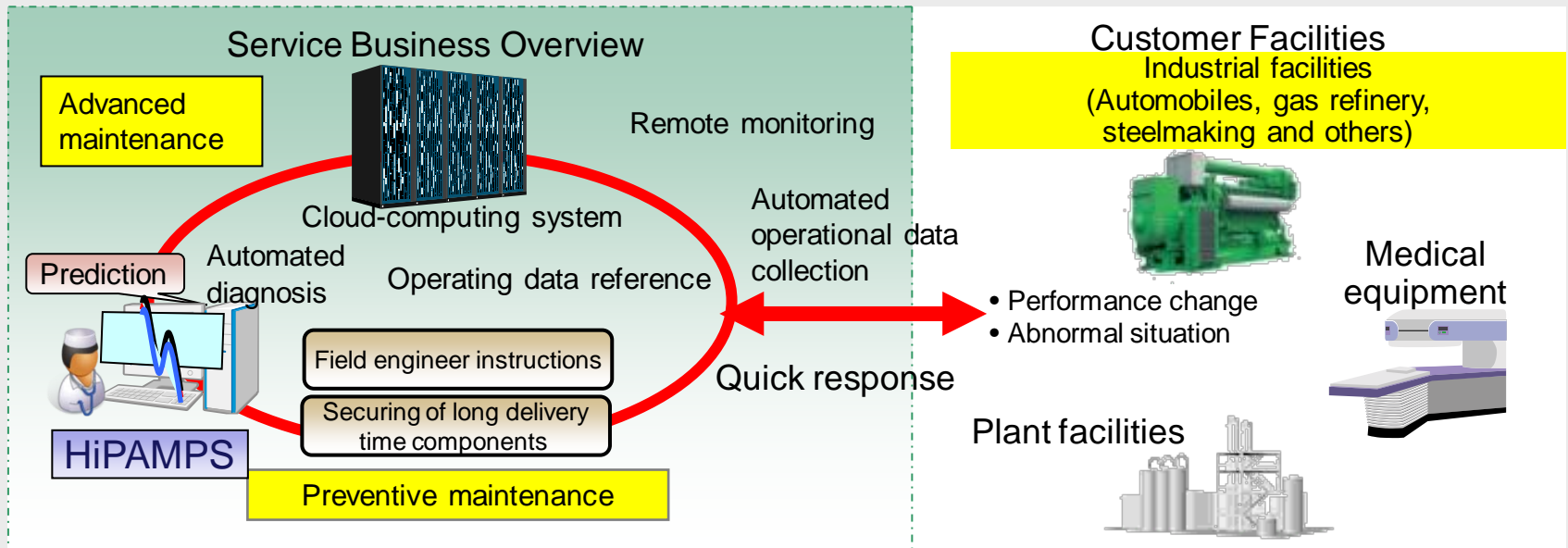
6-5. Expand Service Business

Expand preventive maintenance and advanced maintenance services

- Expand preventive maintenance business further
- Provide advanced maintenance service business based on greater IT utilization
 - Expand remote monitoring, Long-Term Service Agreements (LTSA) and Enterprise Asset Management (EAM)
 - Provide integrated service solutions through to operation and maintenance



Remote monitoring center

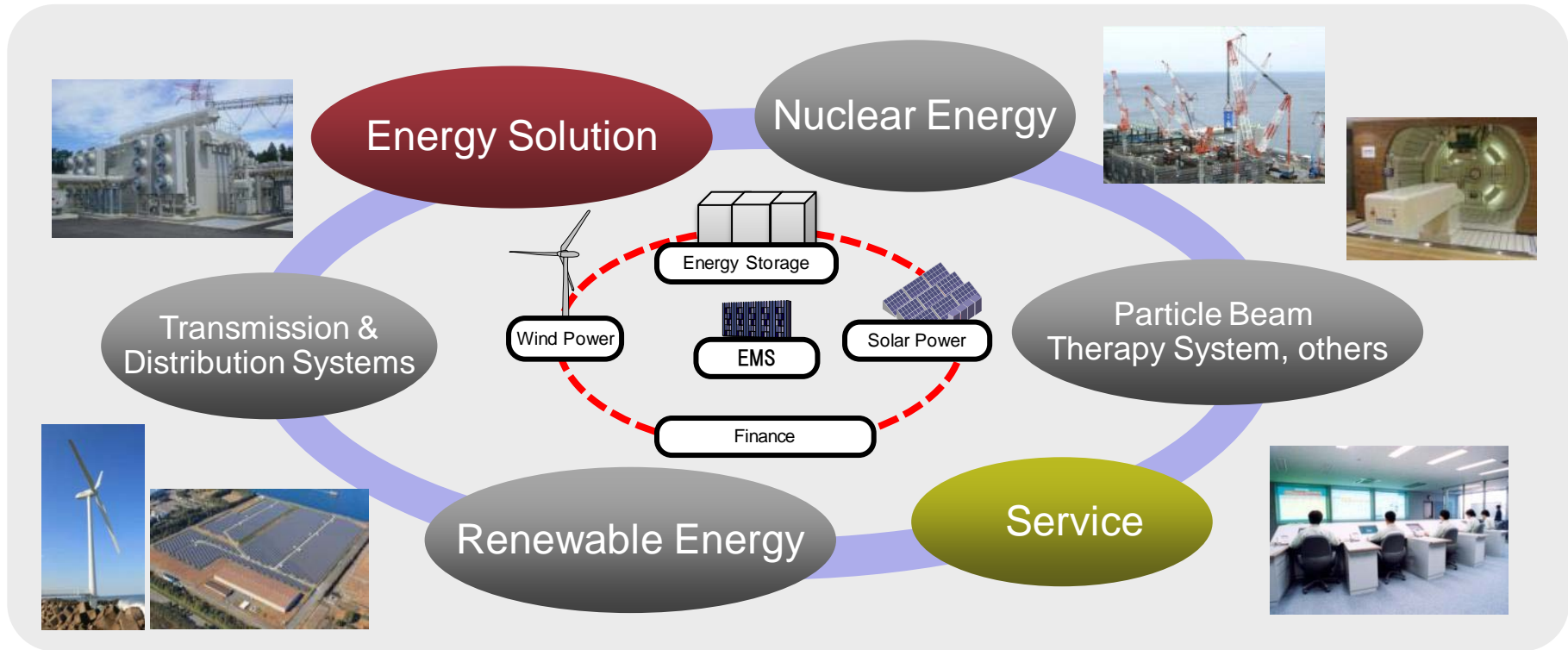


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7-1. Business Deployment of Power Systems Company

Cultivate global market in close collaboration with each company



Information & Telecommunication
Systems Company

Infrastructure Systems Company

Hitachi-GE Nuclear Energy, Ltd.

Hitachi Mitsubishi Hydro
Corporation

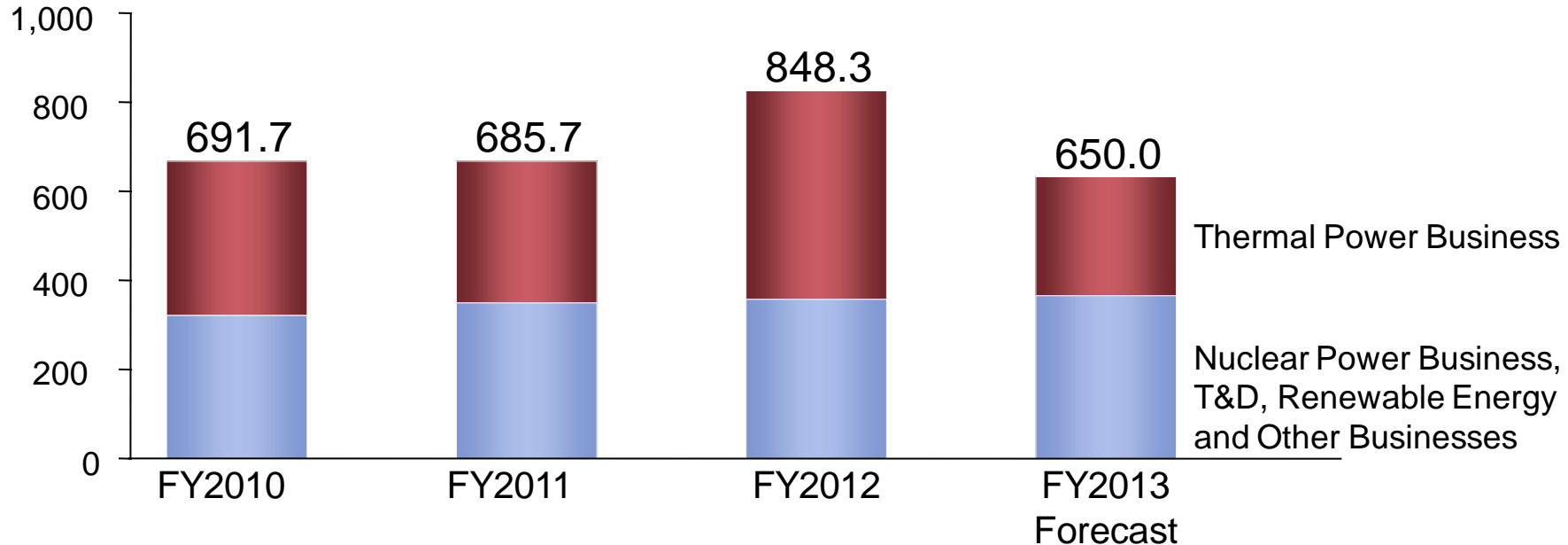
Mitsubishi Hitachi
Power Systems, Ltd.

Hitachi Power Solutions, Ltd.

7-2. Orders

FY2013 forecast excludes the thermal power systems business for January-March 2014

Orders received
(Billion yen)



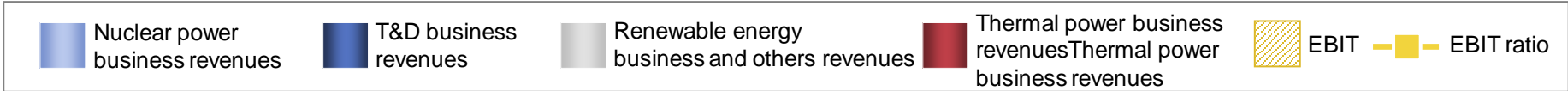
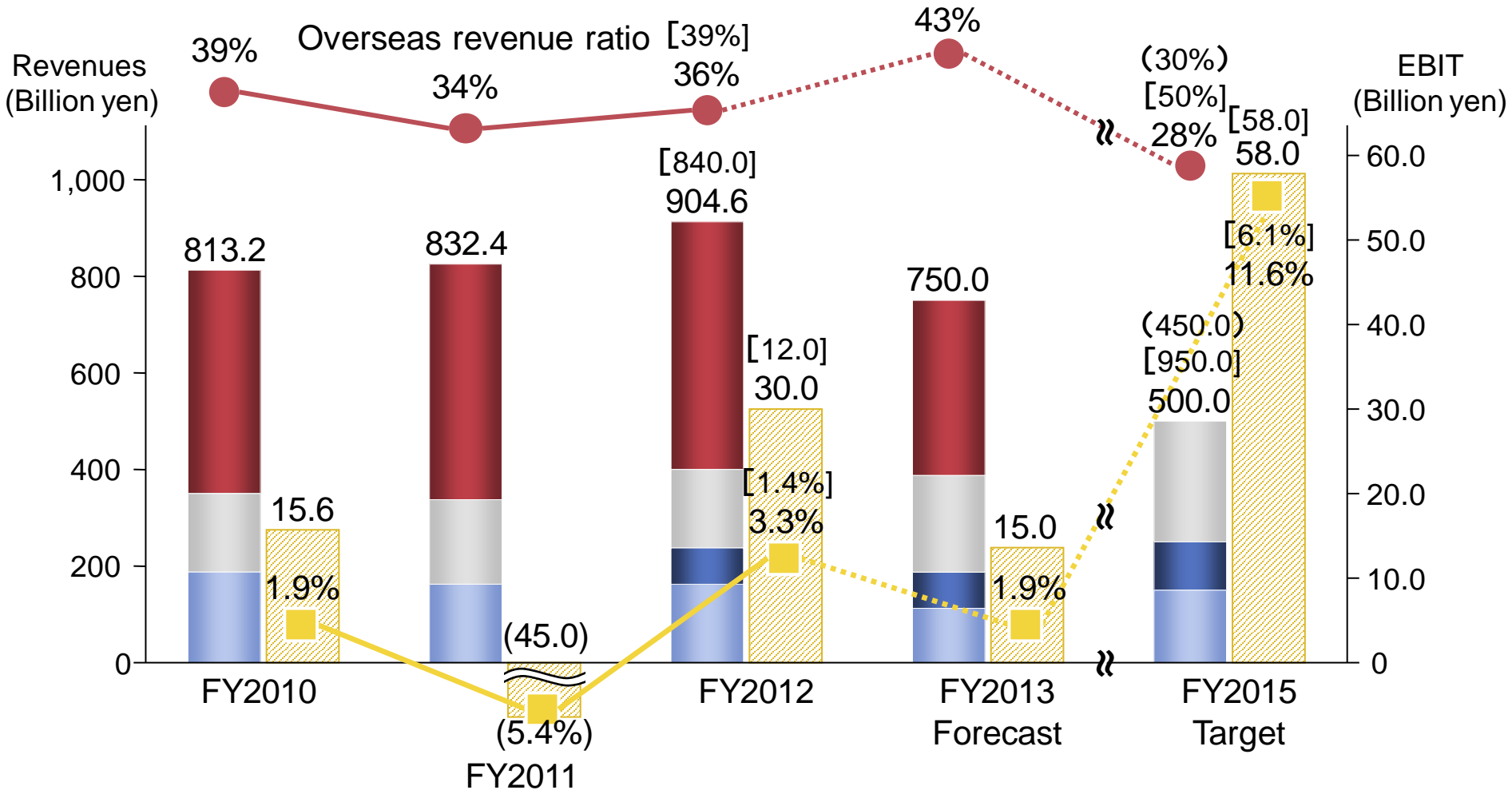
Main FY2012 Orders

Thermal: large projects in India, Poland, South Korea, etc.
 Renewable energy: large wind power and mega solar projects

FY2013 Initiatives

Step up activities to win orders centered on projects for improving the safety of existing nuclear power plants in Japan and renewable energy, as well as overseas thermal power and T&D projects

7-3. Business Performance Trends



*1: [] Figures announced on June 14, 2012 (EBIT ratio were calculated based on previous forecasts)

*2: () Figures announced on June 14, 2012 excluding the thermal power business

The World Market Leader Advancing the Future Global Society with Evolutionary Energy Technologies

Accelerate promotion of global growth strategy
Capture synergies with the integrated thermal power business

FY2015 Targets

- **Revenues: 500 billion yen (overseas revenue ratio: 28%)**
- **EBIT margin: 11.6%***
- **Gross margin: 3 point improvement (Vs. FY2012)**
- **SG&A expense ratio: Hold steady (Vs. FY2012)**

*:includes equity method earning of the joint venture in the thermal power generation system business

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 segment;
- 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;
- 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 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.

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