

1. Qualitative Information Concerning Consolidated Business Results
(1) Summary of Fiscal 2013 Third Quarter (Three Months and Nine months
Ended December 31, 2013) Consolidated Business Results

	Three months ended December 31, 2013			Nine months ended December 31, 2013		
	Yen (billions)	Year over year change (% or billion yen)	U.S. dollars (millions)	Yen (billions)	Year over year change (% or billion yen)	U.S. dollars (millions)
Revenues	2,303.7	9%	21,941	6,774.4	5%	64,519
Operating income	122.0	53.6	1,162	295.4	63.5	2,814
EBIT (Earnings before interest and taxes)	169.7	106.8	1,617	311.7	124.7	2,969
Income before income taxes	165.7	106.3	1,578	301.2	125.6	2,869
Net income	125.7	96.9	1,198	195.1	100.7	1,859
Net income attributable to Hitachi, Ltd. stockholders	94.5	74.2	900	127.2	76.9	1,212

During the third quarter of fiscal 2013, the U.S. continued to experience an economic recovery, as highlighted by improving employment and wage levels, despite political turmoil surrounding the new fiscal year budget negotiations and raising the debt ceiling. However, persistent issues with governmental finances and employment challenges in Europe, coupled with a further slowdown in the India, Brazil and other economies due to currency protection and tighter monetary policies to control inflation increased uncertainty surrounding the global economic outlook.

Meanwhile, the Japanese economy continued its modest recovery, as underscored by rising exports and improved consumer sentiment. The latter stemmed from the yen's strong correction and higher share prices resulting from aggressive quantitative easing, and the decision to award the hosting rights for the 2020 Summer Olympic Games to Tokyo.

Within the overall business environment, the Hitachi Group worked to expand its businesses in global markets by leveraging its Social Innovation Business. At the same time, Hitachi worked to strengthen its management base through the Hitachi Smart Transformation Project.

Hitachi's consolidated revenues for the third quarter of fiscal 2013 increased 9% year over year, to 2,303.7 billion yen. This increase resulted mainly from the higher year over year revenues in the Information & Telecommunication Systems Segment, due to strong sales of storage solutions and services; in the Electronic Systems & Equipment Segment, attributed to higher sales at Hitachi High-Technologies Corporation, Hitachi Kokusai Electric Inc. and other entities; and within the Automotive Systems Segment, due to higher sales resulting from robust demand in North America and Japan. Conversely, revenues declined year over year in the Power Systems Segment, because of lower revenues in the nuclear power generation systems business in Japan.

Hitachi posted operating income of 122.0 billion yen, up 53.6 billion yen year over year.

This is largely due to higher year over year operating income in the High Functional Materials & Components Segment, primarily attributable to recovery in automobile-related markets and the benefits of business structure reforms, and year over year increases in the Electronic Systems & Equipment and Construction Machinery segments. However, operating income declined in the Power Systems and Social Infrastructure & Industrial Systems segments.

EBIT increased 106.8 billion yen year over year, to 169.7 billion yen.

Hitachi posted net other income of 43.7 billion yen, a 52.6 billion yen improvement year over year. This was mainly the result of a gain on the sale of securities associated with the sale of some shares in Western Digital Corporation.

As a result, Hitachi recorded income before income taxes of 165.7 billion yen, up 106.3 billion yen year over year. After deducting taxes of 39.9 billion yen, Hitachi posted net income of 125.7 billion yen, up 96.9 billion yen year over year. After deducting net income attributable to noncontrolling interests of 31.2 billion yen, Hitachi posted net income attributable to Hitachi, Ltd. stockholders of 94.5 billion yen, up 74.2 billion yen year over year.

For the nine-month period ended December 31, 2013, consolidated revenues increased 5% year over year, to 6,774.4 billion yen, and operating income increased 63.5 billion yen year over year, to 295.4 billion yen, the result of positive earnings in all segments. EBIT increased 124.7 billion yen year over year, to 311.7 billion yen, reflecting the higher operating income, an improvement in equity in net earnings of affiliated companies, and a gain from the aforementioned sale of shares. Furthermore, net income attributable to Hitachi, Ltd. stockholders increased 76.9 billion yen year over year, to 127.2 billion yen.

(2) Revenues and Operating Income by Segment

Results by segment were as follows:

[Information & Telecommunication Systems]

	Three months ended December 31, 2013			Nine months ended December 31, 2013		
	Yen (billions)	Year over year change (% or billion yen)	U.S. dollars (millions)	Yen (billions)	Year over year change (% or billion yen)	U.S. dollars (millions)
Revenues	452.4	11%	4,309	1,337.2	8%	12,735
Operating income	17.7	1.8	169	49.1	6.0	468
EBIT	18.7	2.5	178	47.7	9.1	454

For the third quarter of fiscal 2013, revenues increased 11% year over year, to 452.4 billion yen, mainly due to increased sales of storage solutions resulting from foreign currency fluctuations and other factors, as well as strong sales in the services business.

The segment recorded operating income of 17.7 billion yen, an increase of 1.8 billion yen year over year. This increase mainly reflected the higher revenues.

EBIT was 18.7 billion yen, up 2.5 billion yen year over year, mainly reflecting the higher operating income.

For the first nine months of fiscal 2013, revenues increased 8% year over year, to 1,337.2 billion yen. Segment operating income was 49.1 billion yen, up 6.0 billion yen year over year. EBIT was 47.7 billion yen, up 9.1 billion yen year over year, mainly due to the higher operating income and foreign exchange gains.

[Power Systems]

	Three months ended December 31, 2013			Nine months ended December 31, 2013		
	Yen (billions)	Year over year change (% or billion yen)	U.S. dollars (millions)	Yen (billions)	Year over year change (% or billion yen)	U.S. dollars (millions)
Revenues	199.3	(3%)	1,899	575.6	(7%)	5,483
Operating income	4.1	(2.3)	40	6.3	(7.6)	61
EBIT	7.4	(2.0)	71	10.9	(4.4)	104

For the third quarter of fiscal 2013, segment revenues declined 3% year over year, to 199.3 billion yen, due mainly to a decline in the volume of work for nuclear power generation systems, despite strong demand for transmission & distribution systems.

The segment recorded operating income of 4.1 billion yen, down 2.3 billion yen year over year in line with the lower revenues.

EBIT decreased 2.0 billion yen year over year, to 7.4 billion yen. The decline was mainly due to lower operating income.

For the first nine months of fiscal 2013, the segment recorded revenues of 575.6 billion yen, down 7% year over year. Segment operating income was 6.3 billion yen, down 7.6 billion yen year over year. EBIT decreased 4.4 billion yen year over year, to 10.9 billion yen, due mainly to the lower operating income.

[Social Infrastructure & Industrial Systems]

	Three months ended December 31, 2013			Nine months ended December 31, 2013		
	Yen (billions)	Year over year change (% or billion yen)	U.S. dollars (millions)	Yen (billions)	Year over year change (% or billion yen)	U.S. dollars (millions)
Revenues	313.6	6%	2,987	910.9	8%	8,676
Operating income	9.6	(1.6)	92	12.2	(2.2)	117
EBIT	12.2	(1.0)	117	18.6	2.1	178

For the third quarter of fiscal 2013, segment revenues were 313.6 billion yen, up 6% year over year. This increase was mainly due to strong sales of elevators and escalators in China and in the overseas rail systems business, despite lower sales in the infrastructure systems business.

The segment recorded operating income of 9.6 billion yen, down 1.6 billion yen year over year. Although the segment recorded higher earnings in the elevators and escalators business and the rail systems business on increased revenues, earnings declined due to lower sales and lower project profitability in the infrastructure systems business.

EBIT was 12.2 billion yen, a decline of 1.0 billion yen year over year, primarily due to lower operating income, despite foreign exchange gains and other factors.

For the first nine months of fiscal 2013, the segment recorded revenues of 910.9 billion yen, up 8% year over year. Operating income declined 2.2 billion yen year over year, to 12.2 billion yen. EBIT increased 2.1 billion yen year over year, to 18.6 billion yen, due mainly to foreign exchange gains and gains on the sale of fixed assets.

[Electronic Systems & Equipment]

	Three months ended December 31, 2013			Nine months ended December 31, 2013		
	Yen (billions)	Year over year change (% or billion yen)	U.S. dollars (millions)	Yen (billions)	Year over year change (% or billion yen)	U.S. dollars (millions)
Revenues	252.4	16%	2,404	752.3	3%	7,165
Operating income	13.4	12.8	128	24.0	3.7	229
EBIT	15.1	13.3	144	24.4	5.5	23.3

For the third quarter of fiscal 2013, segment revenues increased 16% year over year, to 252.4 billion yen. This result reflected higher sales of semiconductor manufacturing systems and medical analysis systems at Hitachi High-Technologies Corporation and higher sales of semiconductor manufacturing systems at Hitachi Kokusai Electric Inc.

Segment operating income increased 12.8 billion yen year over year, to 13.4 billion yen, mainly due to higher revenues.

EBIT was 15.1 billion yen, a year over year increase of 13.3 billion yen, reflecting the higher operating income.

For the first nine months of fiscal 2013, the segment recorded revenues of 752.3 billion yen, a year over year increase of 3%. Operating income rose 3.7 billion yen year over year, to 24.0 billion yen. EBIT was 24.4 billion yen, up 5.5 billion yen year over year, due mainly to foreign exchange gains, in addition to the higher operating income.

[Construction Machinery]

	Three months ended December 31, 2013			Nine months ended December 31, 2013		
	Yen (billions)	Year over year change (% or billion yen)	U.S. dollars (millions)	Yen (billions)	Year over year change (% or billion yen)	U.S. dollars (millions)
Revenues	175.2	0%	1,669	533.3	(2%)	5,079
Operating income	17.4	8.0	166	46.8	14.7	446
EBIT	18.1	8.0	173	44.8	4.8	427

For the third quarter of fiscal 2013, the segment recorded revenues of 175.2 billion yen, which was on a par with last year. While sales of hydraulic excavators increased in Japan and China, sales of mining machinery declined.

Segment operating income increased 8.0 billion yen year over year, to 17.4 billion yen, mainly due to the impact of foreign currency fluctuations, as well as progress with cost-cutting programs.

EBIT was 18.1 billion yen, an increase of 8.0 billion yen year over year, due to the higher operating income.

For the first nine months of fiscal 2013, segment revenues declined 2% year over year, to 533.3 billion yen. Meanwhile, operating income increased 14.7 billion yen year over year, to 46.8 billion yen. EBIT increased 4.8 billion yen year over year, to 44.8 billion yen, mainly due to the higher operating income, despite the absence of the large gains on the sale of subsidiary shares associated with business restructuring during the same period of the previous fiscal year.

[High Functional Materials & Components]

	Three months ended December 31, 2013			Nine months ended December 31, 2013		
	Yen (billions)	Year over year change (% or billion yen)	U.S. dollars (millions)	Yen (billions)	Year over year change (% or billion yen)	U.S. dollars (millions)
Revenues	346.8	4%	3,303	1,016.4	1%	9,681
Operating income	23.9	15.9	228	73.2	27.0	698
EBIT	26.8	18.0	256	76.0	29.6	724

For the third quarter of fiscal 2013, segment revenues increased 4% year over year, to 346.8 billion yen, despite lackluster sales of hard disk drive-related materials. This result mainly reflected healthy demand for automobile products and certain electronics-related materials.

Segment operating income increased 15.9 billion yen year over year, to 23.9 billion yen. In addition to the higher revenues, this was mainly attributable to the benefits of business structure reforms, and the absence of the impact associated with a drop in raw materials prices in the same period of the previous fiscal year.

EBIT was 26.8 billion yen, up 18.0 billion yen year over year. In addition to the higher operating income, this result mainly reflected lower expenses related to business structure reforms.

For the first nine months of fiscal 2013, the segment recorded revenues of 1,016.4 billion yen, up 1% year over year. Furthermore, operating income increased 27.0 billion yen year over year, to 73.2 billion yen. EBIT was 76.0 billion yen, up 29.6 billion yen year over year, reflecting the higher operating income, lower expenses related to business structure reforms, foreign exchange gains and others.

[Automotive Systems]

	Three months ended December 31, 2013			Nine months ended December 31, 2013		
	Yen (billions)	Year over year change (% or billion yen)	U.S. dollars (millions)	Yen (billions)	Year over year change (% or billion yen)	U.S. dollars (millions)
Revenues	221.9	16%	2,114	648.7	9%	6,179
Operating income	11.5	4.7	110	32.3	6.3	308
EBIT	13.1	4.1	125	15.1	(12.1)	144

For the third quarter of fiscal 2013, the segment recorded revenues of 221.9 billion yen, up 16% year over year. In addition to robust demand in overseas automobile markets, especially in North America, this was attributable to last-minute demand ahead of the scheduled consumption tax rate increase in Japan.

Operating income increased 4.7 billion yen year over year, to 11.5 billion yen, mainly due to higher revenues and improvement associated with capacity utilization.

EBIT was 13.1 billion yen, a 4.1 billion yen increase year over year, due to the higher operating income.

For the first nine months of fiscal 2013, segment revenues increased 9% year over year, to 648.7 billion yen. Furthermore, operating income increased 6.3 billion yen year over year, to 32.3 billion yen. EBIT was 15.1 billion yen, down 12.1 billion yen year over year, reflecting the U.S. \$195 million (19.0 billion yen) fine levied by the United States Department of Justice for violating U.S. antitrust laws that was recorded in the second quarter.

[Digital Media & Consumer Products]

	Three months ended December 31, 2013			Nine months ended December 31, 2013		
	Yen (billions)	Year over year change (% or billion yen)	U.S. dollars (millions)	Yen (billions)	Year over year change (% or billion yen)	U.S. dollars (millions)
Revenues	216.0	9%	2,058	675.1	8%	6,430
Operating income	3.4	3.3	33	2.5	4.8	24
EBIT	5.3	3.5	51	4.2	4.4	41

For the third quarter of fiscal 2013, segment revenues increased 9% year over year, to 216.0 billion yen. This result is attributable to increased sales of home appliances due to last-minute demand ahead of the scheduled consumption tax rate increase in Japan, and of air-conditioning equipment, especially overseas.

The segment recorded operating income of 3.4 billion yen, up 3.3 billion yen year over year. In addition to the higher revenues, this result was attributable to progress with cost-reduction initiatives.

EBIT was 5.3 billion yen, up 3.5 billion yen year over year, mainly due to higher operating income.

For the first nine months of fiscal 2013, segment revenues increased 8% year over year, to 675.1 billion yen, and operating income was 2.5 billion yen, a 4.8 billion yen improvement year over year. EBIT was 4.2 billion yen, a 4.4 billion yen year over year improvement due to the improved operating income, despite expenses related to business structure reforms and others.

Note: The optical disk drive operations are conducted by Hitachi-LG Data Storage, Inc. (HLDS), which has a December 31 fiscal year-end, different from Hitachi's March 31 year-end. Hitachi's results for the nine months ended December 31, 2013 include operating results of HLDS for the nine months ended September 30, 2013.

[Others (Logistics and Other services)]

	Three months ended December 31, 2013			Nine months ended December 31, 2013		
	Yen (billions)	Year over year change (% or billion yen)	U.S. dollars (millions)	Yen (billions)	Year over year change (% or billion yen)	U.S. dollars (millions)
Revenues	325.1	22%	3,097	900.1	9%	8,573
Operating income	14.1	5.3	135	32.7	3.1	312
EBIT	16.4	6.5	157	38.9	7.6	371

For the third quarter of fiscal 2013, segment revenues increased 22% year over year, to 325.1 billion yen. In addition to higher revenues at Hitachi Transport System, Ltd., sales increased within Hitachi Maxell, Ltd.'s LCD projector business.

Segment operating income increased 5.3 billion yen year over year, to 14.1 billion yen, reflecting the higher revenues.

EBIT was 16.4 billion yen, up 6.5 billion yen year over year, due to the higher operating income.

For the first nine months of fiscal 2013, segment revenues increased 9% year over year, to 900.1 billion yen. Operating income increased 3.1 billion yen year over year, to 32.7 billion yen. EBIT was 38.9 billion yen, a year over year increase of 7.6 billion yen, due mainly to higher operating income.

Note: On April 1, 2013, the former "Others" was renamed "Others (Logistics and Other services)".

[Financial Services]

	Three months ended December 31, 2013			Nine months ended December 31, 2013		
	Yen (billions)	Year over year change (% or billion yen)	U.S. dollars (millions)	Yen (billions)	Year over year change (% or billion yen)	U.S. dollars (millions)
Revenues	83.3	3%	794	247.0	(5%)	2,352
Operating income	9.0	2.9	86	25.1	5.2	239
EBIT	9.0	2.1	86	26.4	4.0	252

For the third quarter of fiscal 2013, segment revenues increased 3% year over year, to 83.3 billion yen, primarily due to a strong performance in Hitachi Capital Corporation's overseas business.

Segment operating income increased 2.9 billion yen year over year, to 9.0 billion yen. This result reflected the higher revenues and lower credit costs.

EBIT was 9.0 billion yen, a year over year increase of 2.1 billion yen, mainly due to higher operating income.

For the first nine months of fiscal 2013, segment revenues declined 5% year over year, to 247.0 billion yen. Operating income increased 5.2 billion yen year over year, to 25.1 billion yen. EBIT was 26.4 billion yen, up 4.0 billion yen year over year, mainly due to the higher operating income.

(3) Revenues by Market

	Three months ended December 31, 2013			Nine months ended December 31, 2013		
	Yen (billions)	Year over year % change	U.S. dollars (millions)	Yen (billions)	Year over year % change	U.S. dollars (millions)
Japan	1,239.0	(1%)	11,801	3,652.1	(4%)	34,782
Outside Japan	1,064.6	23%	10,140	3,122.3	17%	29,736
Asia	489.9	23%	4,666	1,484.0	19%	14,134
North America	232.4	22%	2,214	675.8	17%	6,436
Europe	213.1	38%	2,030	568.6	23%	5,416
Other Areas	129.1	4%	1,230	393.7	3%	3,750

For the third quarter of fiscal 2013, revenues in Japan were 1,239.0 billion yen, down 1% year over year. This was primarily due to lower revenues in the Power Systems Segment, attributable to lower sales of nuclear power generation systems, and in the Social Infrastructure & Industrial Systems Segment, due to lower revenues in the infrastructure systems business, and the High Functional Materials & Components Segment.

Overseas revenues increased 23% year over year, to 1,064.6 billion yen. This is attributable to higher revenues in the Information & Telecommunication Systems, the Automotive Systems, the Electronic Systems & Equipment, and the Social Infrastructure & Industrial Systems segments.

As a result, the ratio of overseas revenues to consolidated revenues was 46%, 5 points higher year over year.

For the first nine months of fiscal 2013, revenues in Japan declined 4% year over year, to 3,652.1 billion yen. Overseas revenues increased 17% year over year, to 3,122.3 billion yen.

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

	Three months ended December 31, 2013			Nine months ended December 31, 2013		
	Yen (billions)	Year over year change (billion yen)	U.S. dollars (millions)	Yen (billions)	Year over year change (billion yen)	U.S. dollars (millions)
Capital expenditures [Manufacturing, Services and Others]	86.1	(8.1)	821	284.2	(8.1)	2,707
Depreciation [Manufacturing, Services and Others]	66.4	4.9	633	195.5	19.0	1,863
R&D expenditures	84.0	1.6	801	259.2	11.0	2,469

For the third quarter of fiscal 2013, capital expenditures in Manufacturing, Services and Others were 86.1 billion yen, down 9% year over year, despite making investments in

global business expansion for the Social Innovation Business, as in the previous fiscal year. The decline reflected the peak out of investments in enhancing earthquake-resistance and other areas.

Depreciation in Manufacturing, Services and Others increased 8% year over year, to 66.4 billion yen. This was mainly due to continued investments in the global business expansion for the Social Innovation Business.

Including Financial Services, capital expenditures were 192.0 billion yen, while depreciation was 83.9 billion yen.

R&D expenditures increased 2% year over year, to 84.0 billion yen, reflecting continued investments in research and development to strengthen the Social Innovation Business. R&D expenditures accounted for 3.6% of consolidated revenues.

For the first nine months of fiscal 2013, capital expenditures in Manufacturing, Services and Others were 284.2 billion yen, down 3% year over year. Depreciation in Manufacturing, Services and Others increased 11% year over year, to 195.5 billion yen. R&D expenditures increased 4% year over year, to 259.2 billion yen. R&D expenditures corresponded to 3.8% of consolidated revenues.

2. Financial Position

(1) Financial Position

	As of December 31, 2013		
	Yen (billions)	Change from March 31, 2013 (billion yen or point)	U.S. dollars (millions)
Total assets	11,006.5	1,197.3	104,824
Total liabilities	7,403.2	773.2	70,507
Interest-bearing debt	3,011.6	641.5	28,682
Total Hitachi, Ltd. stockholders' equity	2,419.9	337.4	23,047
Noncontrolling interests	1,183.3	86.6	11,270
Total Hitachi, Ltd. stockholders' equity ratio	22.0%	0.8 point increase	-
D/E ratio (including noncontrolling interests)	0.84 times	0.09 point increase	-

[Manufacturing, Services and Others]

	As of December 31, 2013		
	Yen (billions)	Change from March 31, 2013 (billion yen or point)	U.S. dollars (millions)
Total assets	9,097.8	773.4	86,647
Total liabilities	5,787.3	372.6	55,118
Interest-bearing debt	1,627.6	258.8	15,502
Total Hitachi, Ltd. stockholders' equity	2,254.2	321.8	21,469
Noncontrolling interests	1,056.2	78.9	10,060
Total Hitachi, Ltd. stockholders' equity ratio	24.8%	1.6 point increase	-
D/E ratio (including noncontrolling interests)	0.49 times	0.02 point increase	-

Total assets in Manufacturing, Services and Others as of December 31, 2013 increased 773.4 billion yen from March 31, 2013 to 9,097.8 billion yen. The increase was mainly due to building up inventory for sales at the fiscal year-end, an increase from the translation of foreign currency-denominated assets due to the yen's further depreciation, and an increase in securities in line with rising share prices. Interest-bearing debt in Manufacturing, Services and Others increased 258.8 billion yen to 1,627.6 billion yen, mainly reflecting the issue of straight bonds and the procurement of new long-term debt, both undertaken to meet demand for funds for growth of the Social Innovation Business. Stockholders' equity in Manufacturing, Services and Others increased 321.8 billion yen from March 31, 2013 to 2,254.2 billion yen, mainly reflecting a decrease in the accumulated other comprehensive loss due to the yen's depreciation and rising share prices, in addition to the net income attributable to Hitachi, Ltd. stockholders. As a result, the total Hitachi, Ltd. stockholders' equity ratio in Manufacturing, Services and Other was 24.8%. The debt-to-equity ratio, including noncontrolling interests, was 0.49 times.

[Financial Services]

	As of December 31, 2013		
	Yen (billions)	Change from March 31, 2013 (billion yen or point)	U.S. dollars (millions)
Total assets	2,417.5	456.5	23,024
Total liabilities	2,111.9	431.7	20,114
Interest-bearing debt	1,623.3	398.4	15,461
Total Hitachi, Ltd. stockholders' equity	177.1	16.0	1,687
Noncontrolling interests	128.4	8.8	1,223
Total Hitachi, Ltd. stockholders' equity ratio	7.3%	0.9 point decrease	-
D/E ratio (including noncontrolling interests)	5.31 times	0.95 point increase	-

Total assets in Financial Services as of December 31, 2013 increased 456.5 billion yen from March 31, 2013 to 2,417.5 billion yen. This mainly reflected the impact of making NBL CO., LTD. a subsidiary, which was implemented to strengthen the financial services business, and an increase in accounts receivable, mainly overseas. Interest-bearing debt in Financial Services increased 398.4 billion yen to 1,623.3 billion yen, attributable to an increase due to the consolidation of NBL CO., LTD. and an increase in demand for funds in line with an increase in the scale of assets. Stockholders' equity in Financial Services increased 16.0 billion yen from March 31, 2013 to 177.1 billion yen, mainly reflecting net income attributable to Hitachi, Ltd. stockholders. As a result, the total Hitachi, Ltd. stockholders' equity ratio in Financial Services was 7.3%. The debt-to-equity ratio, including noncontrolling interests, was 5.31 times.

Accordingly, consolidated total assets as of December 31, 2013 increased 1,197.3 billion yen from March 31, 2013 to 11,006.5 billion yen. Interest-bearing debt increased 641.5 billion yen from March 31, 2013 to 3,011.6 billion yen, and stockholders' equity increased 337.4 billion yen to 2,419.9 billion yen. As a result, the total Hitachi, Ltd. stockholders' equity ratio was 22.0%, and the debt-to-equity ratio, including noncontrolling interests, was 0.84 times.

(2) Cash Flows

	Three months ended December 31, 2013			Nine months ended December 31, 2013		
	Yen (billions)	Year over year change (billion yen)	U.S. dollars (millions)	Yen (billions)	Year over year change (billion yen)	U.S. dollars (millions)
Cash flows from operating activities	(65.0)	(47.2)	(619)	138.1	(107.1)	1,316
Cash flows from investing activities	(30.8)	201.9	(294)	(276.3)	177.2	(2,632)
Free cash flows	(95.8)	154.7	(913)	(138.2)	70.0	(1,316)
Core free cash flows	(198.2)	(45.0)	(1,888)	(296.6)	(146.6)	(2,825)
Cash flows from financing activities	93.6	(136.0)	892	237.2	63.4	2,259

Cash Flows [Manufacturing, Services and Others]

	Three months ended December 31, 2013			Nine months ended December 31, 2013		
	Yen (billions)	Year over year change (billion yen)	U.S. dollars (millions)	Yen (billions)	Year over year change (billion yen)	U.S. dollars (millions)
Cash flows from operating activities	(25.1)	(6.7)	(239)	212.9	2.8	2,028
Cash flows from investing activities	(18.0)	202.2	(172)	(226.4)	152.6	(2,157)
Free cash flows	(43.2)	195.5	(412)	(13.5)	155.5	(129)
Core free cash flows	(133.2)	(9.7)	(1,269)	(126.8)	8.1	(1,208)
Cash flows from financing activities	37.5	(178.0)	357	101.8	(31.1)	970

Note: "Core free cash flows" are operating cash flows plus collection of investments in leases less cash outflows for the purchase of property, plant and equipment, intangible assets, software, and the assets to be leased.

For the third quarter of fiscal 2013, operating activities in Manufacturing, Services and Others used net cash of 25.1 billion yen, down 6.7 billion yen year over year. The main contributing factors were payment of a fine at a subsidiary and a build-up in inventories to meet increased demand, mainly in Japan and China. Investing activities in Manufacturing, Services and Others used net cash of 18.0 billion yen, 202.2 billion yen less than in the third quarter of fiscal 2012. The decrease was primarily due to the absence of acquisitions in the power systems and other fields conducted in the third quarter of fiscal 2012 and the recording of large proceeds from the sale of securities in the third quarter of fiscal 2013. Free cash flows in Manufacturing, Services and Others, the sum of cash flows from operating and investing activities, were negative 43.2 billion yen, 195.5 billion yen less year over year. Core free cash flows in Manufacturing, Services and Others were negative 133.2 billion yen, 9.7 billion yen more year over year. Financing activities in Manufacturing, Services and Others provided net cash of 37.5 billion yen, a 178.0 billion yen year over year decrease, mainly reflecting the issue of straight bonds to meet

demand for funds for growth in the Social Innovation Business.

For the first nine months of fiscal 2013, operating activities in Manufacturing, Services and Others provided net cash of 212.9 billion yen, up 2.8 billion yen year over year. The increase mainly reflected an increase in net income, up 100.7 billion yen year over year, which was offset by the payment of a fine at a subsidiary and a build-up of inventories to meet demand, mainly in Japan and China. Investing activities in Manufacturing, Services and Others used net cash of 226.4 billion yen, 152.6 billion yen less year over year. The decrease was mainly due to the absence of acquisitions in the power systems and other fields conducted in the first nine months of fiscal 2012, and the recording of large proceeds from the sale of securities in the first nine months of fiscal 2013. Free cash flows in Manufacturing, Services and Others, the sum of cash flows from operating and investing activities, were negative 13.5 billion yen, 155.5 billion yen less year over year. Core free cash flows in Manufacturing, Services and Others were negative 126.8 billion yen, 8.1 billion yen less year over year. Financing activities in Manufacturing, Services and Others provided net cash of 101.8 billion yen, a 31.1 billion yen year over year decrease, mainly reflecting the procurement of new long-term debt and the issue of straight bonds, both undertaken to meet demand for funds for growth in the Social Innovation Business.

[Financial Services]

	Three months ended December 31, 2013			Nine months ended December 31, 2013		
	Yen (billions)	Year over year change (billion yen)	U.S. dollars (millions)	Yen (billions)	Year over year change (billion yen)	U.S. dollars (millions)
Cash flows from operating activities	(32.3)	(42.0)	(308)	(54.1)	(105.0)	(516)
Cash flows from investing activities	(11.7)	10.8	(112)	(64.7)	(2.8)	(617)
Free cash flows	(44.0)	(31.1)	(420)	(118.9)	(107.9)	(1,133)
Core free cash flows	(60.9)	(37.1)	(581)	(160.6)	(163.4)	(1,530)
Cash flows from financing activities	50.0	33.8	477	131.8	117.7	1,256

Note: "Core free cash flows" are operating cash flows plus collection of investments in leases less cash outflows for the purchase of property, plant and equipment, intangible assets, software, and the assets to be leased.

For the third quarter of fiscal 2013, operating activities in Financial Services used net cash of 32.3 billion yen, a change of 42.0 billion yen compared with the same period of the previous fiscal year. This chiefly reflects an increase in accounts receivable, mainly overseas, for strengthening the financial services business. Investing activities in Financial Services used net cash of 11.7 billion yen, 10.8 billion yen less year over year. The decrease mainly reflected an increase in collection of investments in leases. Free cash flows in Financial Services, the sum of cash flows from operating activities and investing activities, were negative 44.0 billion yen, 31.1 billion yen more year over year. Core free cash flows in Financial Services were negative 60.9 billion yen, 37.1 billion yen more year over year. Financing activities in Financial Services provided net cash of 50.0

billion yen, 33.8 billion yen more year over year, mainly reflecting fund procurement to meet demand for funds to strengthen the financial services business.

For the first nine months of fiscal 2013, operating activities in Financial Services used net cash of 54.1 billion yen, a change of 105.0 billion yen from net cash provided in the first nine months of fiscal 2012. This reflects an increase in accounts receivable, mainly overseas, for strengthening the financial services business. Investing activities in Financial Services used net cash of 64.7 billion yen, 2.8 billion yen more year over year. This mainly reflected an increase in the purchase of assets to be leased due to NBL CO., LTD. becoming a subsidiary. Free cash flows in Financial Services, the sum of cash flows from operating activities and investing activities, were negative 118.9 billion yen, 107.9 billion yen more year over year. Core free cash flows in Financial Services were negative 160.6 billion yen, a change of 163.4 billion yen from positive core free cash flows for the first nine months of fiscal 2012. Financing activities in Financial Services provided net cash of 131.8 billion yen, 117.7 billion yen more year over year, mainly reflecting fund procurement to meet demand for funds to strengthen the financial services business.

As a result, consolidated cash flows from operating activities for the third quarter of fiscal 2013 were negative 65.0 billion yen, a 47.2 billion yen increase year over year, and cash flows from investing activities were negative 30.8 billion yen, 201.9 billion yen less year over year. Free cash flows, the sum of cash flows from operating and investing activities, were negative 95.8 billion yen, 154.7 billion yen less year over year. Core free cash flows were negative 198.2 billion yen, 45.0 billion yen more year over year. Financing activities yielded net cash of 93.6 billion yen, 136.0 billion yen less year over year.

Consolidated cash flows provided from operating activities for the first nine months of fiscal 2013 were 138.1 billion yen, down 107.1 yen year over year, and cash flows from investing activities were negative 276.3 billion yen, 177.2 billion yen less year over year.

Free cash flows, the sum of cash flows from operating and investing activities, were negative 138.2 billion yen, 70.0 billion yen less year over year. Core free cash flows were negative 296.6 billion yen, 146.6 billion yen more year over year. Financing activities provided net cash of 237.2 billion yen, 63.4 billion yen more year over year.

The net result was an increase of 148.5 billion yen in cash and cash equivalents to 676.1 billion yen.

3. Outlook for Fiscal 2013

	Year ending March 31, 2014			
	Yen (billions)	Change from previous forecast	Year over year change (% or billion yen)	U.S. dollars (millions)
Revenues	9,400.0	200.0	4%	89,524
Operating income	510.0	10.0	87.9	4,857
EBIT	460.0	20.0	101.9	4,381
Income before income taxes	445.0	20.0	100.4	4,238
Net income	315.0	10.0	77.2	3,000
Net income attributable to Hitachi, Ltd. stockholders	215.0	5.0	39.6	2,048

Note: All fiscal 2013 outlook figures were converted using 105 yen to the U.S. dollar.

Going forward, in terms of the overall business environment, the U.S. and Japan are expected to continue experiencing quantitative easing-induced economic recovery. On the other hand, Europe faces persistent governmental financial challenges and employment obstacles, while there are concerns surrounding slower economic growth in China, India and elsewhere. Furthermore, there is increasing uncertainty relating to the situation in Thailand and Indonesia. Within this overall business environment, Hitachi will work to expand its businesses in global markets centered on the Social Innovation Business. At the same time, Hitachi will steadily move forward with measures to strengthen its management base and structural reforms through the Hitachi Smart Transformation Project. While working to achieve growth in global markets, Hitachi also aims to become a major global player.

Hitachi has revised its forecasts announced on October 29, 2013 for fiscal 2013, as above.

Hitachi is assuming exchange rates of 98 yen to the U.S. dollar and 130 yen to the euro for the fourth quarter of fiscal 2013.

Other

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries causing changes in scope of consolidation)

None

(2) Application of simple accounting treatment and/or specific accounting treatment in preparing the quarterly consolidated financial statements

Yes

Hitachi computes interim income tax provisions by applying an estimated annual effective tax rate, which is reasonably determined considering the factors that will affect the tax rate including non-taxable transactions, tax credits and valuation allowances, to income before income taxes.

(3) Changes in accounting principles, procedures and presentation methods for preparing quarterly consolidated financial statements.

None

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.