

## Hitachi Announces Revisions of Consolidated Interim Business Forecast for Fiscal 2014

**Tokyo, October 23, 2014** --- Hitachi, Ltd. (TSE:6501) today announced revisions to its consolidated business forecast for the first half of fiscal 2014, the year ending March 31, 2015, previously announced on July 31, 2014, in light of recent business performance.

### Revisions of Consolidated Interim Business Forecast for Fiscal 2014

(From April 1 to September 30, 2014)

(Millions of yen)

	Revenues	Operating income	Income before income taxes	Net income	Net income attributable to Hitachi, Ltd stockholders
Previous forecast (A)	4,450,000	185,000	165,000	105,000	60,000
Revised forecast (B)	4,490,000	214,000	209,000	144,000	91,000
(B)-(A)	40,000	29,000	44,000	39,000	31,000
% change	0.9	15.7	26.7	37.1	51.7
First half of fiscal 2013 ended September 30, 2013	4,470,686	173,481	135,557	69,365	32,766

### Reasons for Revisions

Hitachi has raised its forecast for revenues for the first half of fiscal 2014 by 40 billion yen from the forecast previously announced on July 31, 2014. Hitachi is now expecting higher revenues in the Information & Telecommunication Systems and other segments.

Hitachi has also raised its forecast for operating income by 29 billion yen. This revision is mainly based on improved operating income in the Social Infrastructure & Industrial Systems, the Electronic Systems & Equipment and other segments. Due mainly to the increased operating income and posting of foreign exchange gain, Hitachi has raised its forecast for income before income taxes by 44 billion yen, and raised its forecast for net income by 39 billion yen and net income attributable to Hitachi, Ltd. stockholders by 31 billion yen.

Hitachi adopted EBIT\* as one of the KPIs to measure its business performance. Hitachi has raised its forecast for EBIT for the first half of fiscal 2014 by 47 billion yen from the previous forecast of 170 billion yen to 217 billion yen. This is mainly reflecting the improvement in operating income. EBIT for the same period of the previous fiscal year was 142 billion yen.

\* EBIT is presented as income before income taxes less interest income plus interest charges.

As shown above, the Consolidated Interim Business Forecast for Fiscal 2014 will show increases in both revenues and profit.

Hitachi is reviewing its full-year forecast for fiscal 2014 because of considerable uncertainty surrounding the business environment in the second half of fiscal 2014. These uncertain factors include foreign currency fluctuations and fluctuations in stock markets globally, resulting from uncertainties as to European economies, including financial instability in Southern European countries and Ukraine crisis, a slowdown in the Chinese economy and geopolitical risks especially in the Middle East.

### **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;
- 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;
- 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 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 potential for significant losses on Hitachi's investments in equity-method affiliates;
- 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.

### **About Hitachi, Ltd.**

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, delivers innovations that answer society's challenges with our talented team and proven experience in global markets. The company's consolidated revenues for fiscal 2013 (ended March 31, 2014) totaled 9,616 billion yen (\$93.4 billion). Hitachi is focusing more than ever on the Social Innovation Business, which includes infrastructure systems, information & telecommunication systems, power systems, construction machinery, high functional materials & components, automotive systems, healthcare and others. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

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Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.

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