

**Outline of Consolidated Financial Results
for the Third Quarter
ended December 31, 2016**

February 1, 2017

Hitachi, Ltd.

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for the Third Quarter ended December 31, 2016**
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1. Outline of Consolidated Financial Results for the Third Quarter ended December 31, 2016

1-1. Highlights of 3rd Quarter (Oct. - Dec.) FY2016 Financial Results

Revenues	2,165.5 billion yen down 11% / 257.8 billion yen YoY ● down 2% YoY, when the impact of business reorganization ^{*3} is excluded
Adjusted operating income ^{*1}	140.2 billion yen up 4% / 5.8 billion yen YoY ● up 18% YoY due mainly to cost reduction, when the impact of business reorganization ^{*3} is excluded
EBIT (Earnings before interest and taxes) ^{*2}	143.4 billion yen down 3% / 4.8 billion yen YoY
Net income attributable to Hitachi, Ltd. stockholders	77.7 billion yen up 3% / 2.3 billion yen YoY
Total Hitachi, Ltd. stockholders' equity ratio (Manufacturing, Services and Others)	29.9 % up 4.3 points from March 31, 2016
Free cash flows (Manufacturing, Services and Others)	168.7 billion yen up 201.4 billion yen YoY

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

*2 "EBIT" is presented as income from continuing operations, before income taxes less interest income plus interest charges.

*3 Impacts from conversion of Hitachi Transport System, Ltd. and Hitachi Capital Corporation into equity-method associates

1-2. Highlights of 3rd Quarter (Apr. - Dec.) FY2016 Financial Results

Revenues	6,519.3 billion yen down 10% / 710.9 billion yen YoY <ul style="list-style-type: none"> ● down 2% YoY, when the impact of business reorganization* is excluded
Adjusted operating income	373.1 billion yen down 9% / 35.2 billion yen YoY <ul style="list-style-type: none"> ● mostly unchanged YoY, when the impact of business reorganization* is excluded
EBIT	362.0 billion yen down 12% / 48.8 billion yen YoY
Net income attributable to Hitachi, Ltd. stockholders	191.2 billion yen up 11% / 18.2 billion yen YoY
Total Hitachi, Ltd. stockholders' equity ratio (Manufacturing, Services and Others)	29.9 % up 4.3 points from March 31, 2016
Free cash flows (Manufacturing, Services and Others)	372.4 billion yen up 326.5 billion yen YoY

* Impacts from conversion of Hitachi Transport System, Ltd. and Hitachi Capital Corporation into equity-method associates, and reorganization of air-conditioning business

1-3. Consolidated Statement of Profit or Loss

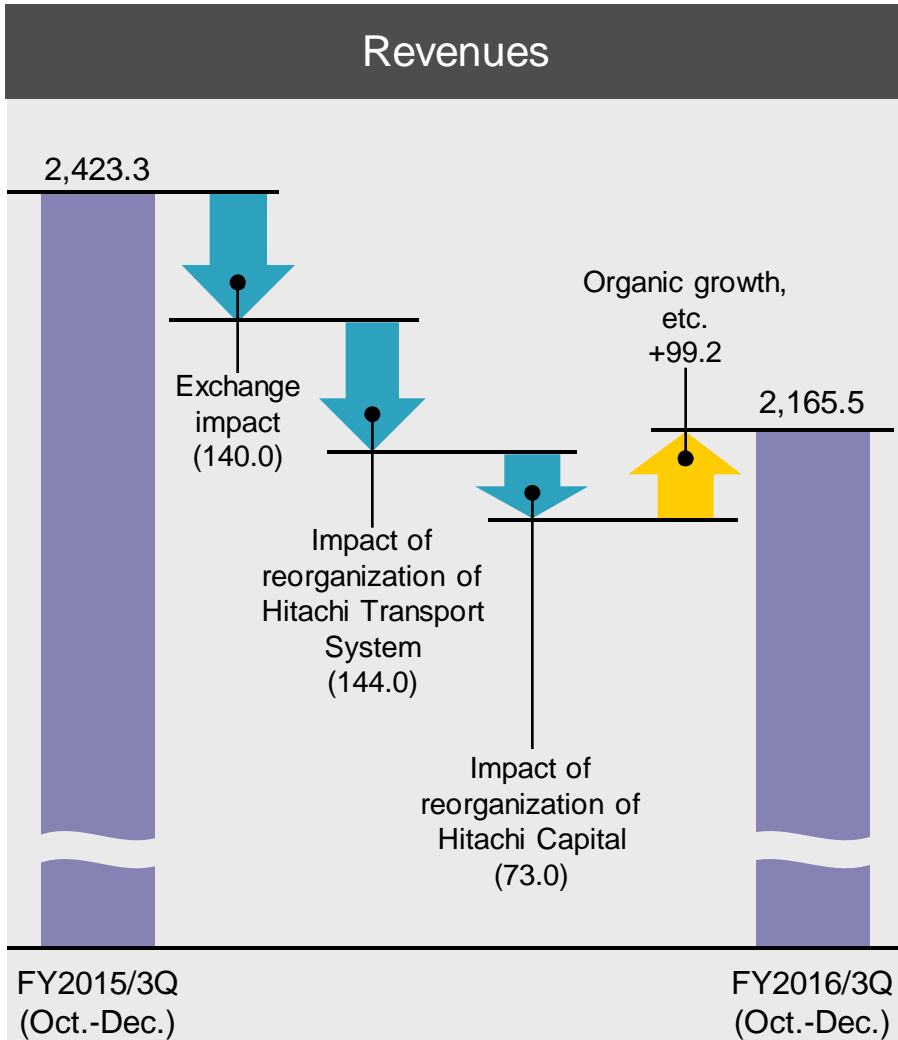
Billions of yen

	3Q (Oct. - Dec.)			3Q (Apr. - Dec.)		
	FY2015	FY2016	Year over year	FY2015	FY2016	Year over year
Revenues	2,423.3	2,165.5	(257.8) [89%]	7,230.2	6,519.3	(710.9) [90%]
Adjusted operating income	134.3	140.2	+5.8	408.3	373.1	(35.2)
EBIT	148.3	143.4	(4.8)	410.9	362.0	(48.8)
Income from continuing operations, before income taxes	145.8	142.7	(3.0)	400.5	356.9	(43.6)
Income taxes	(39.5)	(33.2)	+6.2	(116.6)	(86.8)	+29.8
Income from continuing operations	106.2	109.5	+3.2	283.9	270.1	(13.7)
Loss from discontinued operations*	(2.6)	(0.8)	+1.7	(14.4)	(0.8)	+13.5
Net income	103.6	108.6	+4.9	269.4	269.2	(0.2)
Net income attributable to Hitachi, Ltd. stockholders	75.3	77.7	+2.3	172.9	191.2	+18.2

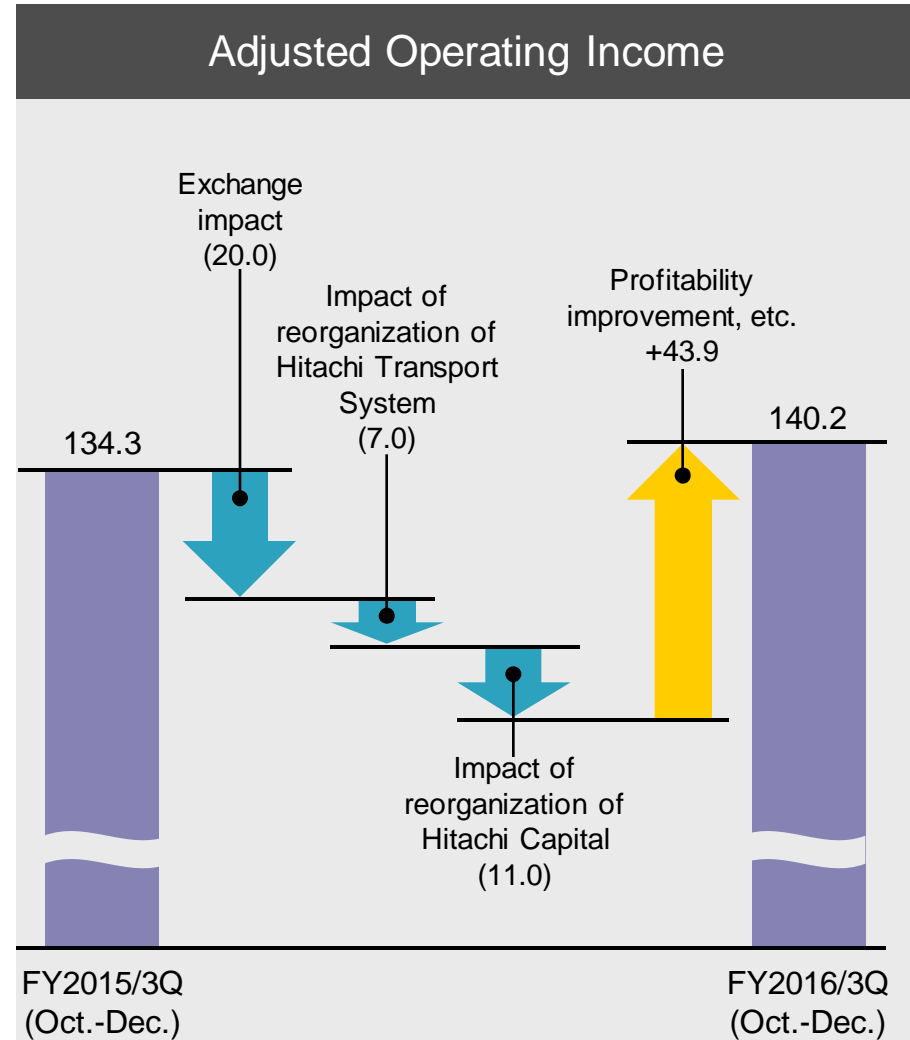
* A part of the thermal power generation systems business is classified as discontinued operations in accordance with the provision of IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations," which was not transferred to Mitsubishi Hitachi Power Systems, Ltd. as part of the business integration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

1-4. 3Q (Oct. – Dec.) FY2016 Factors Affecting Changes in Revenues and Adjusted Operating Income (year over year)

Billions of yen

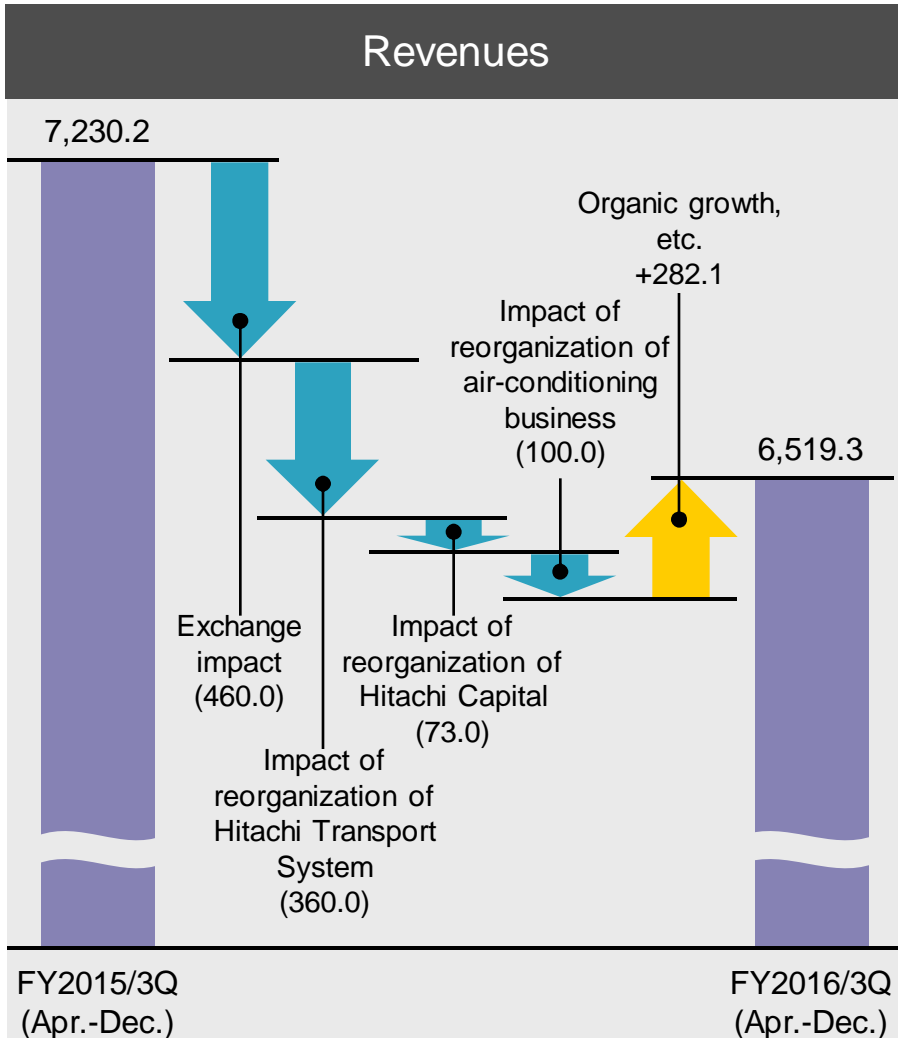


Billions of yen

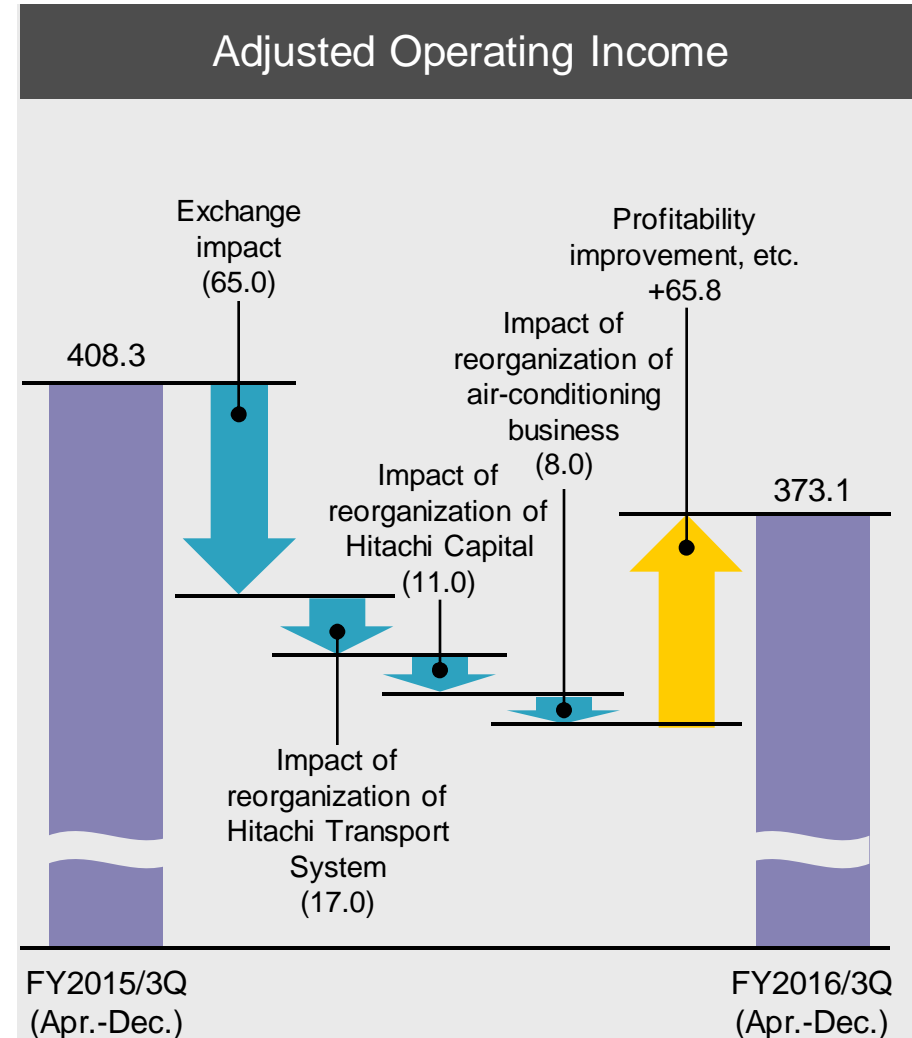


1-5. 3Q (Apr. – Dec.) FY2016 Factors Affecting Changes in Revenues and Adjusted Operating Income (year over year)

Billions of yen



Billions of yen



1-6. Revenues by Market

Billions of yen

	3Q (Oct. - Dec.)					3Q (Apr. - Dec.)				
	FY2015		FY2016		Year over year	FY2015		FY2016		Year over year
		Ratio		Ratio			Ratio		Ratio	
Japan	1,193.4	49%	1,077.3	50%	90%	3,609.6	50%	3,300.5	51%	91%
Outside Japan	1,229.9	51%	1,088.1	50%	88%	3,620.6	50%	3,218.7	49%	89%
Asia	542.2	22%	489.3	23%	90%	1,640.1	23%	1,380.0	21%	84%
China	304.8	12%	259.2	12%	85%	852.5	12%	710.3	11%	83%
ASEAN, India, other areas	237.3	10%	230.1	11%	97%	787.6	11%	669.7	10%	85%
North America	317.3	13%	268.4	12%	85%	961.1	13%	833.1	13%	87%
Europe	255.7	11%	223.0	10%	87%	680.7	9%	710.1	11%	104%
Other Areas	114.6	5%	107.3	5%	94%	338.5	5%	295.5	4%	87%
Total	2,423.3	100%	2,165.5	100%	89%	7,230.2	100%	6,519.3	100%	90%

1-7. 3Q (Oct. - Dec.) Summary of Consolidated Statements of Profit or Loss and Summary of Consolidated Statements of Cash Flows

■ Summary of Consolidated Statements of Profit or Loss

Billions of yen

	Manufacturing, Services and Others*			Total		
	FY2015/3Q	FY2016/3Q	Year over year	FY2015/3Q	FY2016/3Q	Year over year
Revenues	2,366.7	2,165.5	(201.2) [91%]	2,423.3	2,165.5	(257.8) [89%]
Adjusted operating income	122.7	140.2	+17.5	134.3	140.2	+5.8
EBIT	140.1	143.4	+3.3	148.3	143.4	(4.8)

■ Summary of Consolidated Statements of Cash Flows

Billions of yen

	Manufacturing, Services and Others*			Total		
	FY2015/3Q	FY2016/3Q	Year over year	FY2015/3Q	FY2016/3Q	Year over year
Cash flows from operating activities	132.3	94.2	(38.1)	76.7	94.2	+17.4
Cash flows from investing activities	(165.1)	74.4	+239.6	(220.4)	15.8	+236.3
Free cash flows	(32.7)	168.7	+201.4	(143.6)	110.1	+253.7

* Figures here represent information voluntarily prepared by the Company.

1-8. 3Q (Apr. - Dec.) Summary of Consolidated Statements of Profit or Loss and Summary of Consolidated Statements of Cash Flows

■ Summary of Consolidated Statements of Profit or Loss

Billions of yen

	Manufacturing, Services and Others*			Total		
	FY2015/3Q	FY2016/3Q	Year over year	FY2015/3Q	FY2016/3Q	Year over year
Revenues	7,064.9	6,410.4	(654.5) [91%]	7,230.2	6,519.3	(710.9) [90%]
Adjusted operating income	371.7	352.6	(19.1)	408.3	373.1	(35.2)
EBIT	380.7	345.0	(35.7)	410.9	362.0	(48.8)

■ Summary of Consolidated Statements of Cash Flows

Billions of yen

	Manufacturing, Services and Others*			Total		
	FY2015/3Q	FY2016/3Q	Year over year	FY2015/3Q	FY2016/3Q	Year over year
Cash flows from operating activities	446.4	388.3	(58.0)	386.3	379.1	(7.1)
Cash flows from investing activities	(400.5)	(15.9)	+384.6	(552.9)	(200.6)	+352.2
Free cash flows	45.8	372.4	+326.5	(166.5)	178.5	+345.0

* Figures here represent information voluntarily prepared by the Company.

1-9. Summary of Consolidated Financial Position

Billions of yen

	Manufacturing, Services and Others*			Total		
	As of March 31, 2016	As of December 31, 2016	Change from March 31, 2016	As of March 31, 2016	As of December 31, 2016	Change from March 31, 2016
Total assets	9,917.9	9,640.1	(277.7)	12,551.0	9,640.1	(2,910.8)
Trade receivables and Inventories	3,763.6	3,611.1	(152.4)	4,292.6	3,611.1	(681.4)
Total liabilities	6,133.5	5,573.2	(560.3)	8,425.4	5,573.2	(2,852.1)
Interest-bearing debt	1,515.0	1,263.6	(251.4)	3,604.4	1,263.6	(2,340.8)
Total Hitachi, Ltd. stockholders' equity	2,540.8	2,884.7	+343.9	2,735.0	2,884.7	+149.6
Non-controlling interests	1,243.5	1,182.1	(61.3)	1,390.4	1,182.1	(208.3)
Cash Conversion Cycle	71.6 days	70.8 days	0.8 days decrease	—	—	—
Total Hitachi, Ltd. stockholders' equity ratio	25.6%	29.9%	4.3 points increase	21.8%	29.9%	8.1 points increase
D/E ratio (Including non-controlling interests)	0.40 times	0.31 times	0.09 points decrease	0.87 times	0.31 times	0.56 points decrease

* Figures here represent information voluntarily prepared by the Company.

1-10. Revenues, Adjusted Operating Income and EBIT by Business Segment (1)

Billions of yen

		3Q (Oct. - Dec.)			3Q (Apr. - Dec.)		
		FY2015	FY2016	Year over year	FY2015	FY2016	Year over year
Information & Telecommunication Systems	Revenues	501.5	470.3	94%	1,501.6	1,397.3	93%
	Adjusted operating income	27.5	36.0	+8.5	77.4	91.7	+14.2
	EBIT	25.3	31.9	+6.5	70.6	51.5	(19.0)
Social Infrastructure & Industrial Systems	Revenues	564.3	557.7	99%	1,514.4	1,587.6	105%
	Adjusted operating income	19.2	19.0	(0.2)	36.0	34.0	(1.9)
	EBIT	20.9	33.1	+12.1	33.8	36.5	+2.7
Electronic Systems & Equipment	Revenues	258.6	280.3	108%	808.1	817.8	101%
	Adjusted operating income	12.2	22.1	+9.9	43.9	52.5	+8.6
	EBIT	15.0	22.4	+7.3	47.1	48.9	+1.7
Construction Machinery	Revenues	184.0	172.0	93%	549.1	507.0	92%
	Adjusted operating income	(1.6)	4.6	+6.3	14.3	10.1	(4.2)
	EBIT	(6.2)	5.6	+11.8	5.4	9.2	+3.7
High Functional Materials & Components	Revenues	387.6	364.1	94%	1,188.2	1,067.3	90%
	Adjusted operating income	32.5	32.3	(0.2)	93.2	87.9	(5.2)
	EBIT	33.3	41.9	+8.5	119.5	91.6	(27.9)

1-11. Revenues, Adjusted Operating Income and EBIT by Business Segment (2)

Billions of yen

		3Q (Oct. - Dec.)			3Q (Apr. - Dec.)		
		FY2015	FY2016	Year over year	FY2015	FY2016	Year over year
Automotive Systems	Revenues	251.3	251.2	100%	741.5	723.1	98%
	Adjusted operating income	13.9	14.7	+0.7	41.0	35.3	(5.7)
	EBIT	14.2	14.9	+0.6	39.5	35.5	(3.9)
Smart Life & Ecofriendly Systems	Revenues	145.7	133.2	91%	539.0	420.7	78%
	Adjusted operating income	5.6	5.9	+0.3	17.5	12.1	(5.4)
	EBIT	21.6	9.4	(12.1)	34.8	19.2	(15.5)
Others*1	Revenues	312.6	137.0	44%	935.6	496.4	53%
	Adjusted operating income	11.5	4.6	(6.8)	38.6	19.3	(19.3)
	EBIT	13.7	2.1	(11.6)	38.1	14.6	(23.4)
Financial Services*2	Revenues	91.6	—	—	272.9	179.2	66%
	Adjusted operating income	10.8	—	(10.8)	34.4	21.3	(13.1)
	EBIT	11.2	—	(11.2)	35.7	22.8	(12.9)
Corporate items & Eliminations	Revenues	(274.3)	(200.6)	—	(820.4)	(677.5)	—
	Adjusted operating income	2.3	0.5	(1.8)	11.5	8.4	(3.0)
	EBIT	(1.2)	(18.2)	(16.9)	(13.9)	31.7	+45.6
Total	Revenues	2,423.3	2,165.5	89%	7,230.2	6,519.3	90%
	Adjusted operating income	134.3	140.2	+5.8	408.3	373.1	(35.2)
	EBIT	148.3	143.4	(4.8)	410.9	362.0	(48.8)

*1 From FY2016, the "Others (Logistics and Other Services)" has been renamed to the "Others" due to conversion of Hitachi Transport System, Ltd. into an equity-method associate on May 19, 2016.

*2 As Hitachi Capital Corporation was converted into an equity-method associate as of October 3, 2016, there is no company which belongs to the Financial Services Segment. Accordingly, only the result for the first half of fiscal 2016 was recorded in this segment for FY2016.

2. Outlook for Fiscal 2016

2-1. Outlook for FY2016

[Projections for the FY2016/4Q assume an exchange rate of 110 yen to the U.S. dollar and 115 yen to the euro.]

Billions of yen

	FY2015	FY2016			(B) – (A)
		Previous forecast* (A)	Forecast (B)	Year over year	
Revenues	10,034.3	9,000.0	9,000.0	(1,034.3) [90%]	±0.0 [100%]
Adjusted operating income	634.8	540.0	560.0	(74.8)	+20.0
EBIT	531.0	450.0	450.0	(81.0)	±0.0
Income from continuing operations, before income taxes	517.0	430.0	430.0	(87.0)	±0.0
Income taxes	(165.2)	(130.0)	(130.0)	+35.2	±0.0
Income from continuing operations	351.8	300.0	300.0	(51.8)	±0.0
Loss from discontinued operations	(57.0)	(5.0)	(5.0)	+52.0	±0.0
Net income	294.7	295.0	295.0	+0.2	±0.0
Net income attributable to Hitachi, Ltd. stockholders	172.1	200.0	200.0	+27.8	±0.0

* Announced on October 28, 2016

2-2. Outlook for FY2016: Revenues, Adjusted Operating Income and EBIT by Business Segment (1)

Billions of yen

		FY2015	FY2016 (Forecast)	Year over year	Previous forecast* comparison
Information & Telecommunication Systems	Revenues	2,109.3	2,040.0	97%	100%
	Adjusted operating income	141.3	143.0	+1.6	±0.0
	EBIT	109.1	75.0	(34.1)	(9.0)
Social Infrastructure & Industrial Systems	Revenues	2,333.1	2,340.0	100%	100%
	Adjusted operating income	81.3	85.0	+3.6	(15.0)
	EBIT	29.1	30.0	+0.8	(80.0)
Electronic Systems & Equipment	Revenues	1,127.6	1,150.0	102%	100%
	Adjusted operating income	67.0	77.0	+9.9	+6.0
	EBIT	64.3	65.0	+0.6	+4.0
Construction Machinery	Revenues	758.3	700.0	92%	100%
	Adjusted operating income	22.6	26.0	+3.3	±0.0
	EBIT	25.8	16.0	(9.8)	±0.0
High Functional Materials & Components	Revenues	1,564.0	1,450.0	93%	104%
	Adjusted operating income	125.9	121.0	(4.9)	+3.0
	EBIT	153.5	120.0	(33.5)	+6.0

* Announced on October 28, 2016

2-3. Outlook for FY2016: Revenues, Adjusted Operating Income and EBIT by Business Segment (2)

Billions of yen

		FY2015	FY2016 (Forecast)	Year over year	Previous forecast* comparison
Automotive Systems	Revenues	1,001.1	970.0	97%	100%
	Adjusted operating income	61.9	55.0	(6.9)	±0.0
	EBIT	53.9	60.0	+6.0	+5.0
Smart Life & Ecofriendly Systems	Revenues	681.0	550.0	81%	95%
	Adjusted operating income	23.8	16.0	(7.8)	±0.0
	EBIT	41.9	27.0	(14.9)	+8.0
Others	Revenues	1,252.7	650.0	52%	101%
	Adjusted operating income	52.5	16.0	(36.5)	+5.0
	EBIT	40.6	14.0	(26.6)	+5.0
Financial Services	Revenues	365.3	179.2	49%	100%
	Adjusted operating income	45.2	21.3	(23.8)	+0.3
	EBIT	46.6	22.8	(23.8)	+0.8
Corporate items & Eliminations	Revenues	(1,158.4)	(1,029.2)	—	—
	Adjusted operating income	13.0	(0.3)	(13.3)	+20.6
	EBIT	(34.2)	20.1	+54.3	+60.1
Total	Revenues	10,034.3	9,000.0	90%	100%
	Adjusted operating income	634.8	560.0	(74.8)	+20.0
	EBIT	531.0	450.0	(81.0)	±0.0

* Announced on October 28, 2016

3. Topics

Business portfolio reform

- Transfer the stock of Hitachi Koki Co., Ltd. to KKR* Group (March 2017).
- Transferred the stock of Hitachi Security Service Co., Ltd. to ALSOK (February 1, 2017).
- Acquisition of following companies by Hitachi Construction Machinery Co., Ltd. to strengthen its value chains :
 - H-E Parts International LLC and H-E Parts Australian Holdings LLC (December 21, 2016)
 - Bradken Limited (February 2017)
- Hitachi Chemical Co., Ltd. will acquire a part of business of FIAMM S.p.A. to strengthen its energy storage business (February 2017).

Progress of IoT platform “Lumada”

- Number of use cases 190 (as of December 31, 2016):
 - Targeting 200 cases by the end of fiscal 2016
 - Increased by 20 cases during the 3rd quarter, mainly in solutions for reducing food waste by analyzing refrigerator temperatures for the distribution and retail industries, and optimizing operation and offering failure diagnosis of crane truck for the manufacturing industry

Strengthening business structure to achieve the business growth strategy

- Strengthening business structure to expand the Social Innovation Business using digital technologies:
 - Reclassify 14 Business Units(BUs), Smart Life & Ecofriendly Systems Business, and Automotive Systems Business into four focus fields to create a synergy effect and lead the growth by Executive Vice President and Executive Officers responsible for each field
 - CEO of Hitachi Consulting Corporation will lead the Social Innovation Business across the Americas, Asia / Pacific, and Europe / Russia / Middle East and other areas (EMEA/CIS)
 - Appointment of Chief Lumada Officers in each BU, in order to accelerate the global rollout of the “Lumada”
 - Set up two new divisions: the “Investment Strategy Division” to plan investment strategy for the next stage growth and the “Future Investment Division” to establish new businesses from a mid to long-term perspective

Supplementary Information

Consolidated Overseas Revenues by Business Segment

Billions of yen

	FY2015		FY2016				Total (Forecast)	
	3Q (Oct. - Dec.)	3Q (Apr. - Dec.)	3Q (Oct. - Dec.)		3Q (Apr. - Dec.)			
			Year over year	Year over year	Year over year			
Information & Telecommunication Systems	190.2	533.9	157.5	83%	436.7	82%	4,500.0	94%
Social Infrastructure & Industrial Systems	265.2	634.4	250.4	94%	697.7	110%		
Electronic Systems & Equipment	151.3	478.2	179.9	119%	510.7	107%		
Construction Machinery	122.4	381.5	115.1	94%	348.2	91%		
High Functional Materials & Components	216.0	679.4	201.4	93%	596.2	88%		
Automotive Systems	150.2	430.1	144.2	96%	416.6	97%		
Smart Life & Ecofriendly Systems	37.1	200.4	25.6	69%	83.8	42%		
Others	87.1	272.0	33.5	38%	129.6	48%		
Financial Services*	35.1	105.5	—	—	64.4	61%		
Corporate items & Eliminations	(25.1)	(95.1)	(19.9)	—	(65.6)	—		
Total	1,229.9	3,620.6	1,088.1	88%	3,218.7	89%		

* As Hitachi Capital Corporation was converted into an equity-method associate as of October 3, 2016, there is no company which belongs to the Financial Services Segment. Accordingly, only the result for the first half of fiscal 2016 was recorded in this segment for FY2016.

Consolidated Capital Expenditure by Business Segment (Completion basis)

Billions of yen

		FY2015		FY2016				Total (Forecast)	
		3Q (Oct. - Dec.)	3Q (Apr. - Dec.)	3Q (Oct. - Dec.)		3Q (Apr. - Dec.)			
				Year over year	Year over year	Year over year	Year over year		
Information & Telecommunication Systems	12.4	37.3	4.8	39%	21.4	57%			
Social Infrastructure & Industrial Systems	17.3	47.8	14.2	82%	43.4	91%			
Electronic Systems & Equipment	3.6	13.7	9.5	260%	16.4	119%			
Construction Machinery	6.6	15.0	2.6	40%	10.3	69%			
High Functional Materials & Components	21.0	59.3	26.5	126%	66.9	113%			
Automotive Systems	20.0	49.1	11.9	59%	34.5	70%			
Smart Life & Ecofriendly Systems	2.1	15.0	1.1	54%	4.0	27%			
Others	11.2	42.3	3.9	35%	12.7	30%			
Corporate items	1.7	3.6	0.2	14%	2.7	75%			
Manufacturing, Services and Others	96.4	283.6	75.1	78%	212.6	75%	350.0	89%	
Financial Services*	30.3	91.1	—	—	67.5	74%	67.5	50%	
Total	126.7	374.8	75.1	59%	280.1	75%	417.5	79%	

* As Hitachi Capital Corporation was converted into an equity-method associate as of October 3, 2016, there is no company which belongs to the Financial Services Segment. Accordingly, only the result for the first half of fiscal 2016 was recorded in this segment for FY2016.

Consolidated Depreciation by Business Segment

Billions of yen

		FY2015		FY2016				Total (Forecast)	
		3Q (Oct. - Dec.)	3Q (Apr. - Dec.)	3Q (Oct. - Dec.)		3Q (Apr. - Dec.)			Year over year
					Year over year		Year over year		
	Information & Telecommunication Systems	12.4	35.6	11.1	89%	36.2	102%		
	Social Infrastructure & Industrial Systems	8.1	23.2	7.2	88%	21.6	93%		
	Electronic Systems & Equipment	3.9	11.9	4.2	109%	12.6	106%		
	Construction Machinery	8.3	24.4	7.5	90%	23.0	94%		
	High Functional Materials & Components	16.2	48.3	16.0	98%	47.0	97%		
	Automotive Systems	10.0	28.6	10.5	105%	30.7	108%		
	Smart Life & Ecofriendly Systems	2.7	12.5	2.7	100%	7.8	63%		
	Others	9.1	26.7	4.1	45%	14.4	54%		
	Corporate items	0.7	2.2	0.9	130%	2.4	108%		
	Manufacturing, Services and Others	71.6	213.6	64.4	90%	196.1	92%	280.0	97%
	Financial Services*	19.5	58.1	—	—	39.1	67%	39.1	51%
	Total	91.2	271.7	64.4	71%	235.3	87%	319.1	87%

* As Hitachi Capital Corporation was converted into an equity-method associate as of October 3, 2016, there is no company which belongs to the Financial Services Segment. Accordingly, only the result for the first half of fiscal 2016 was recorded in this segment for FY2016.

Consolidated R&D Expenditure by Business Segment

Billions of yen

		FY2015		FY2016				Total (Forecast)	
		3Q (Oct. - Dec.)	3Q (Apr. - Dec.)	3Q (Oct. - Dec.)		3Q (Apr. - Dec.)		Total (Forecast)	Year over year
					Year over year		Year over year		
	Information & Telecommunication Systems	13.9	44.4	11.3	82%	37.4	84%		
	Social Infrastructure & Industrial Systems	12.2	33.5	12.2	100%	34.7	104%		
	Electronic Systems & Equipment	11.7	36.1	12.3	105%	38.2	106%		
	Construction Machinery	4.3	13.7	4.9	114%	14.3	104%		
	High Functional Materials & Components	11.4	34.8	11.3	99%	34.6	100%		
	Automotive Systems	19.1	53.6	16.9	88%	52.5	98%		
	Smart Life & Ecofriendly Systems	1.5	7.7	1.4	96%	4.6	59%		
	Others	1.2	3.8	0.3	29%	1.4	38%		
	Corporate items	6.2	18.3	5.7	92%	16.7	91%		
	Manufacturing, Services and Others	82.0	246.4	76.8	94%	234.8	95%		
	Financial Services*	0.0	0.0	—	—	0.0	—		
	Total	82.0	246.5	76.8	94%	234.9	95%	350.0	105%
	Percentage of revenues (%)	3.4	3.4	3.5	—	3.6	—	3.9	—

* As Hitachi Capital Corporation was converted into an equity-method associate as of October 3, 2016, there is no company which belongs to the Financial Services Segment. Accordingly, only the result for the first half of fiscal 2016 was recorded in this segment for FY2016.

Revenues, Adjusted operating income and EBIT*2

Billions of yen

	FY2015		FY2016				Total (Forecast)		
	3Q (Oct. - Dec.)	3Q (Apr. - Dec.)	3Q (Oct. - Dec.)		3Q (Apr. - Dec.)		Year over year	Previous forecast*6 comparison	
				Year over year		Year over year			
Revenues	501.5	1,501.6	470.3	94%	1,397.3	93%	2,040.0	97%	100%
Front Business*3	322.3	1,004.1	318.8	99%	966.4	96%	1,420.0	99%	100%
IT Platform & Products*4	200.6	580.4	182.9	91%	533.9	92%	750.0	95%	100%
Eliminations & Others*5	(21.5)	(82.9)	(31.4)	—	(102.9)	—	(130.0)	—	—
Adjusted Operating Income	27.5	77.4	36.0	+8.5	91.7	+14.2	143.0	+1.6	±0.0
Front Business	22.6	68.1	21.2	(1.4)	69.4	+1.2	120.0	(0.5)	±0.0
IT Platform & Products	7.1	10.1	14.1	+6.9	19.3	+9.1	27.0	+7.0	±0.0
Eliminations & Others	(2.3)	(0.8)	0.7	+3.1	2.9	+3.8	(4.0)	(4.8)	±0.0
EBIT	25.3	70.6	31.9	+6.5	51.5	(19.0)	75.0	(34.1)	(9.0)
Front Business	21.9	65.6	20.2	(1.6)	66.7	+1.1	117.0	+2.8	±0.0
IT Platform & Products	5.5	6.7	11.6	+6.0	(14.0)	(20.8)	(16.0)	(26.7)	±0.0
Eliminations & Others	(2.1)	(1.7)	0.0	+2.1	(1.0)	+0.6	(26.0)	(10.2)	(9.0)

*1 From FY2016, "System Solutions" and "Platform" were renamed to "Front Business" and "IT Platform & Products".

*2 Figures for each subsegment include intersegment transactions.

*3 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.

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

*5 Figures for intersegment transactions, etc.

*6 Announced on October 28, 2016

■ Average Foreign Exchange Rate*1

	FY2015				FY2016				Yen
	3Q	3Q	4Q	Total	3Q	3Q	4Q	Total	
	(Oct.-Dec.)	(Apr.-Dec.)	(Jan.-Mar.)	(Apr.-Mar.)	(Oct.-Dec.)	(Apr.-Dec.)	(Forecast)	(Forecast)	
U.S. dollar	122	122	115	120	109	107	110	107	
Euro	133	134	127	133	118	118	115	117	

■ Foreign Exchange Sensitivity*2,3

	Revenues	Adjusted operating income	Billions of yen
U.S. dollar	5.0	1.0	
Euro	1.5	0.3	

■ Number of employees and consolidated subsidiaries

	As of March 31, 2016	As of December 31, 2016
Number of employees	335,244	308,178
Japan	187,936	173,279
Overseas	147,308	134,899
Number of consolidated subsidiaries*4	1,056	914
Japan	262	215
Overseas	794	699

*1 Exchange rate applied for calculating profits and losses of overseas companies (average rate for the period)

*2 Impact of exchange rate fluctuation (FY2016-4Q impact by one yen depreciation from 4Q forecast rate)

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

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

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

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

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

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

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