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# Segment Information

## Information & Telecommunication Systems



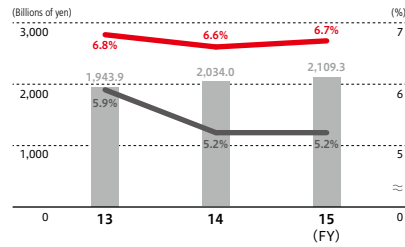
Storage System

### Main Products and Services

Systems Integration, Consulting, Cloud Services, Servers, Storage, Software, Telecommunications & Network, ATMs

■ Revenues (left scale) ■ Adjusted operating income ratio (right scale) ■ EBIT ratio (right scale)

### Revenues and Profit



### Share of Revenues

FY2015

**19%**

Overseas Revenue Ratio

FY2015

**33%**

## Social Infrastructure & Industrial Systems\*1

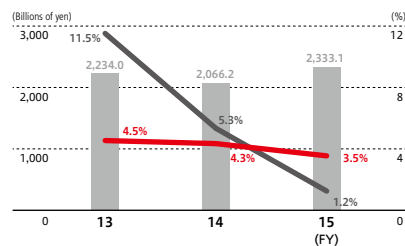


Class800 train for the UK Intercity Express Programme (IEP)

### Main Products and Services

Industrial Machinery and Plants, Elevators, Escalators, Railway Systems, Thermal, Nuclear and Renewable Energy Power Generation Systems, Transmission & Distribution Systems

### Revenues and Profit



### Share of Revenues

FY2015

**21%**

Overseas Revenue Ratio

FY2015

**37%**

## Electronic Systems & Equipment

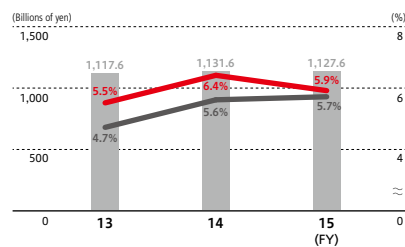


Proton Beam Therapy System

### Main Products and Services

Semiconductor Processing Equipment, Test and Measurement Equipment, Advanced Industrial Products, Medical Electronics Equipment, Power Tools

### Revenues and Profit



### Share of Revenues

FY2015

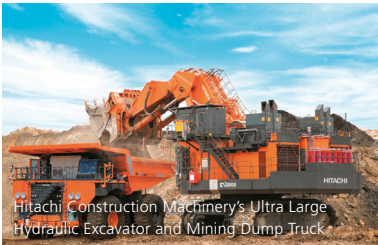
**10%**

Overseas Revenue Ratio

FY2015

**57%**

## Construction Machinery

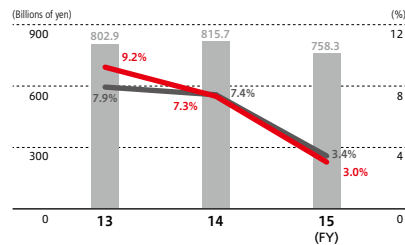


Hitachi Construction Machinery's Ultra Large Hydraulic Excavator and Mining Dump Truck

### Main Products and Services

Hydraulic Excavators, Wheel Loaders, Mining Machinery

### Revenues and Profit



### Share of Revenues

FY2015

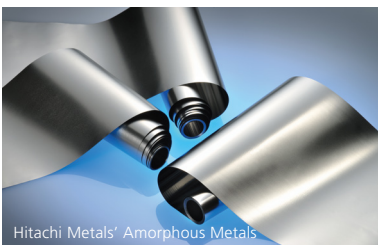
**7%**

Overseas Revenue Ratio

FY2015

**69%**

## High Functional Materials & Components

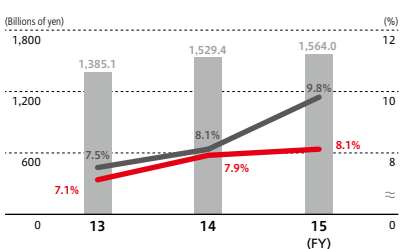


Hitachi Metals' Amorphous Metals

### Main Products and Services

Semiconductor and Display Related Materials, Circuit Boards and Materials, Automotive Parts (Molded Plastics, etc.), Energy Storage Devices, Specialty Steels, Magnetic Materials and Components, High Grade Casting Components and Materials, Wires and Cables

### Revenues and Profit



### Share of Revenues

FY2015

**14%**

Overseas Revenue Ratio

FY2015

**57%**

■ Revenues (left scale) ■ Adjusted operating income ratio (right scale) ■ EBIT ratio (right scale)

### Automotive Systems

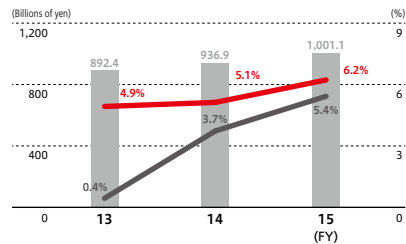


Hitachi Automotive Systems' Inverter

#### Main Products and Services

Engine Management Systems, Electric Powertrain Systems, Drive Control Systems, Car Information Systems

#### Revenues and Profit



#### Share of Revenues

FY2015

**9%**

Overseas Revenue Ratio

FY2015

**58%**

### Smart Life & Ecofriendly Systems

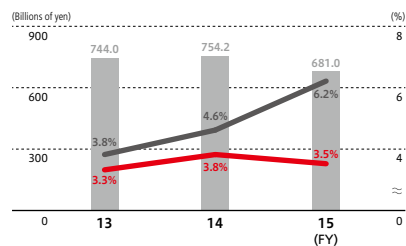


Hitachi Appliances' Large Capacity Refrigerator "Vacuum Compartment" X Series

#### Main Products and Services

Air-Conditioning Equipment, Room Air Conditioners, Refrigerators, Washing Machines

#### Revenues and Profit



#### Share of Revenues

FY2015

**6%**

Overseas Revenue Ratio

FY2015

**34%**

### Others (Logistics\*2 and Other Services)

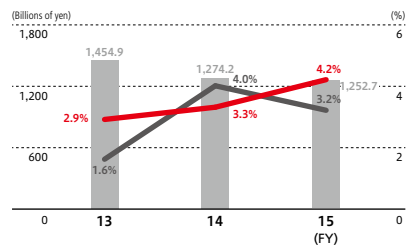


Hitachi Transport System's Truck and Metropolitan East Distribution Center

#### Main Products and Services

Logistics, Optical Disk Drives, Property Management, Others

#### Revenues and Profit



#### Share of Revenues

FY2015

**11%**

Overseas Revenue Ratio

FY2015

**28%**

### Financial Services\*2

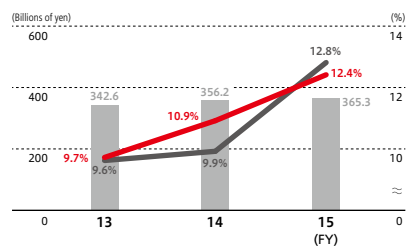


Hitachi Capital's Hitachi Corporate Card

#### Main Products and Services

Leasing, Loan Guarantees

#### Revenues and Profit



#### Share of Revenues

FY2015

**3%**

Overseas Revenue Ratio

FY2015

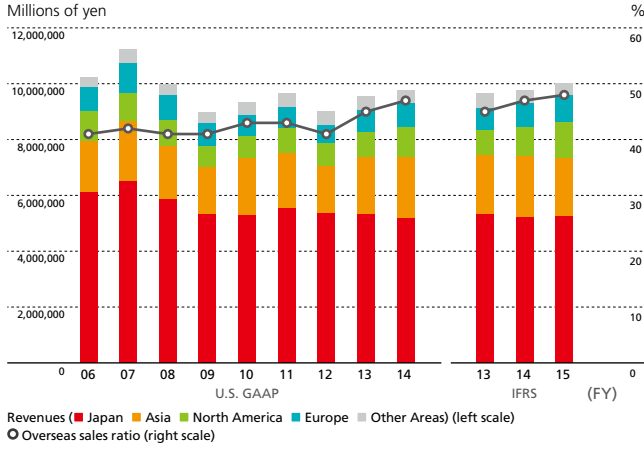
**38%**

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

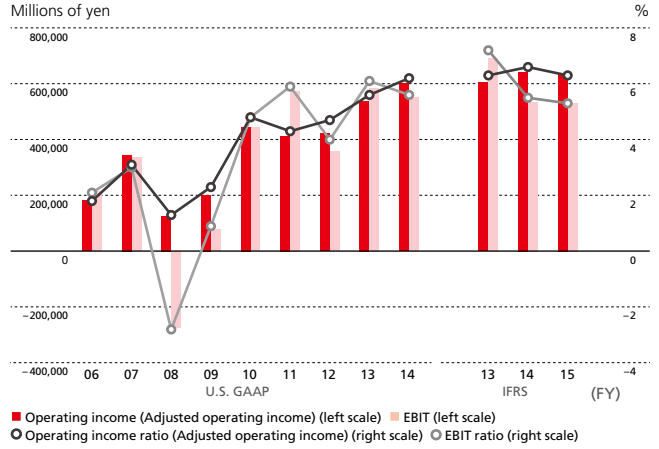
\*2 Conversion into equity-method affiliates: Hitachi Transport System, Ltd., in May 2016 and Hitachi Capital Corporation in October 2016 or after

# Financial and Non-Financial Highlights

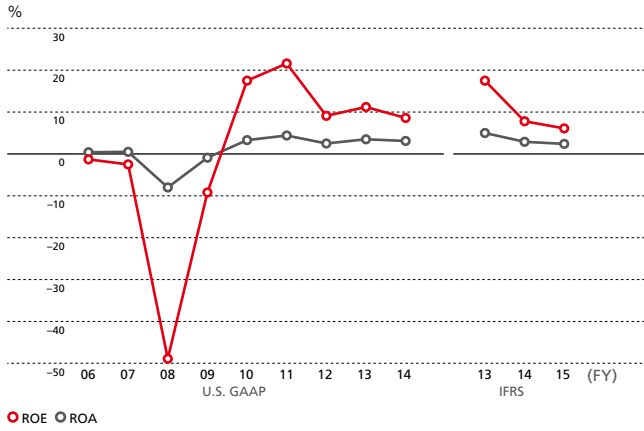
## Revenues / Overseas sales ratio



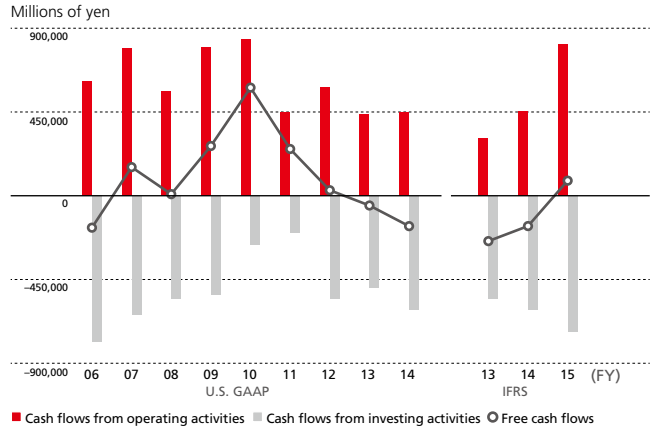
## Operating income (Adjusted operating income) / Operating income (Adjusted operating income) ratio / EBIT / EBIT ratio



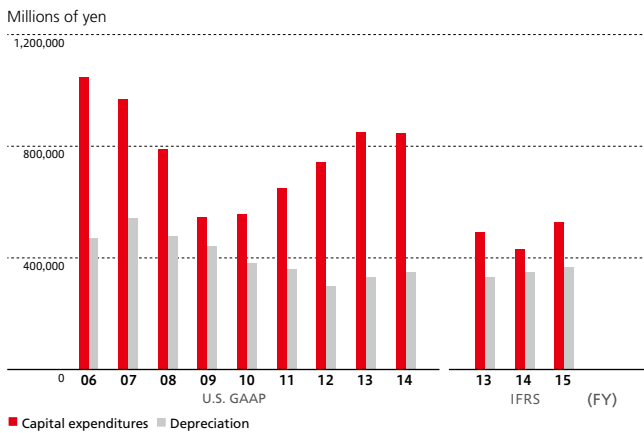
## Return on equity (ROE) / Return on assets (ROA)



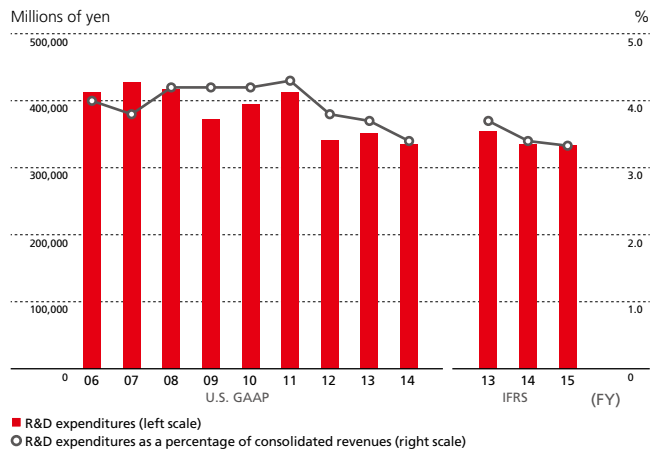
## Cash flows



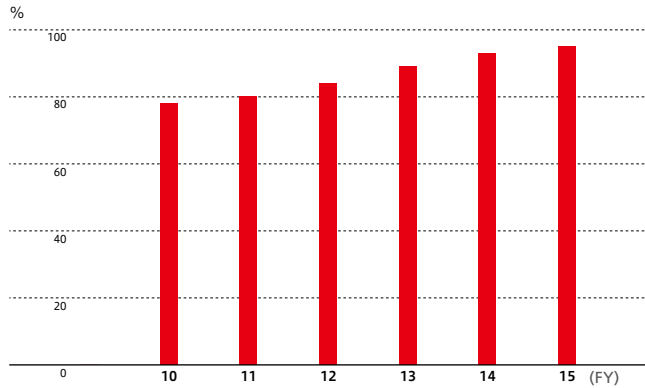
## Capital expenditures\*1 / Depreciation



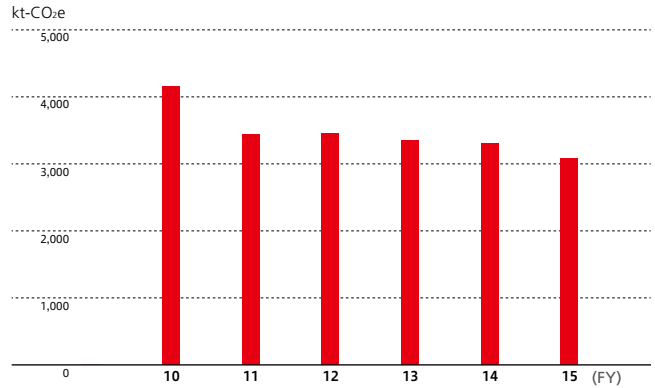
## R&D expenditures / R&D expenditures as a percentage of consolidated revenues



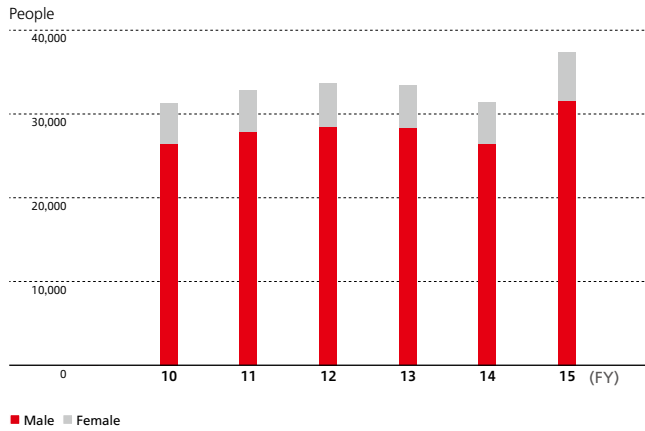
Eco-product sales ratio (sales revenues)



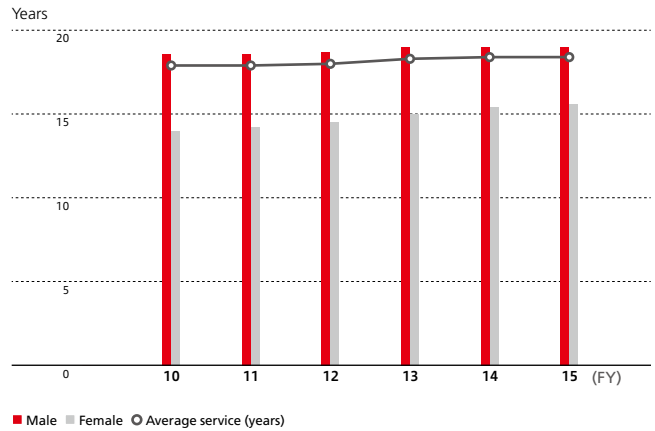
CO<sub>2</sub> emissions



Number of employees\*2\*3



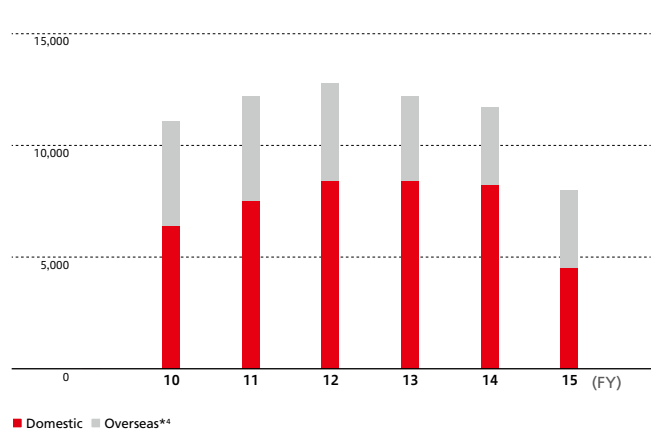
Average service (years)\*3



Number and ratio of female managers\*3



Number of registrations



\*1 From fiscal 2013, capital investment is stated exclusive of investment in lease assets classified as finance leases.

\*2 Number of full-time employees

\*3 Hitachi, Ltd.

\*4 Total number of patents registered in the United States, Europe, and China. The number of patents registered in Europe is based on European patent applications under European Patent Convention (EPC).

# 10-Year Financial Data

Hitachi, Ltd. and Subsidiaries

<b>U.S. GAAP For the year:</b>	<b>FY2006</b>	<b>FY2007</b>	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>
Revenues	¥10,247,903	¥11,226,735	¥10,000,369	¥8,968,546	¥9,315,807	¥9,665,883	¥9,041,071
Operating income	182,512	345,516	127,146	202,159	444,508	412,280	422,028
EBIT (Earnings before interest and taxes)	214,218	335,729	(275,239)	77,815	443,812	573,218	358,015
Net income (loss) attributable to Hitachi, Ltd. stockholders	(32,799)	(58,125)	(787,337)	(106,961)	238,869	347,179	175,326
Cash flows from operating activities	615,042	791,837	558,947	798,299	841,554	447,155	583,508
Cash flows from investing activities	(786,170)	(637,618)	(550,008)	(530,595)	(260,346)	(195,584)	(553,457)
Free cash flows	(171,128)	154,219	8,939	267,704	581,208	251,571	30,051
Cash flows from financing activities	121,259	(185,556)	284,388	(502,344)	(584,176)	(167,838)	(180,445)
Cash dividends declared	19,974	19,947	9,971	—	36,133	36,727	47,690
Capital expenditures (Property, plant and equipment)	1,048,572	969,087	788,466	546,326	556,873	649,234	742,537
Depreciation (Property, plant and equipment)	472,175	541,470	478,759	441,697	382,732	360,358	300,664
R&D expenditures	412,534	428,171	416,517	372,470	395,180	412,514	341,310
<b>At year-end:</b>							
Total assets	10,644,259	10,530,847	9,403,709	8,964,464	9,185,629	9,418,526	9,809,230
Property, plant and equipment	2,688,977	2,653,918	2,393,946	2,219,804	2,111,270	2,025,538	2,279,964
Total Hitachi, Ltd. stockholders' equity	2,442,797	2,170,612	1,049,951	1,284,658	1,439,865	1,771,782	2,082,560
Interest-bearing debt	2,687,450	2,531,506	2,820,109	2,367,143	2,521,551	2,396,454	2,370,079
Number of employees	349,996	347,810	361,796	359,746	361,745	323,540	326,240
<b>Per share data:</b>							
Net income (loss) attributable to Hitachi, Ltd. stockholders:							
Basic	¥(9.84)	¥(17.48)	¥(236.86)	¥(29.20)	¥52.89	¥76.81	¥37.28
Diluted	(9.87)	(17.77)	(236.87)	(29.20)	49.38	71.86	36.29
Cash dividends declared	6.0	6.0	3.0	—	8.0	8.0	10.0
Total Hitachi, Ltd. stockholders' equity	734.66	652.95	315.86	287.13	318.73	382.26	431.13
<b>Financial ratios:</b>							
Operating income ratio	1.8	3.1	1.3	2.3	4.8	4.3	4.7
EBIT ratio	2.1	3.0	-2.8	0.9	4.8	5.9	4.0
Return on revenues	-0.3	-0.5	-7.9	-1.2	2.6	3.6	1.9
Return on equity (ROE)	-1.3	-2.5	-48.9	-9.2	17.5	21.6	9.1
Return on assets (ROA)	0.4	0.5	-8.0	-0.9	3.3	4.4	2.5
D/E ratio							
(Including non-controlling interests) (times)	0.76	0.76	1.29	1.04	1.03	0.86	0.75
Total Hitachi, Ltd. stockholders' equity ratio	22.9	20.6	11.2	14.3	15.7	18.8	21.2

Notes: 1 In order to be consistent with financial reporting principles and practices generally accepted in Japan, operating income is presented as total revenues less cost of sales and selling, general and administrative expenses. The Company believes that this is useful to investors in comparing the Company's financial results with those of other Japanese companies.

Under accounting principles generally accepted in the United States of America, restructuring charges, net gain or loss on sales and disposal of rental assets and other property and impairment losses for long-lived assets are included as part of operating income.

2 The restructuring charges mainly represent special termination benefits incurred with the reorganization of our business structures and as the result of the Company and its subsidiaries reviewing and reshaping the business portfolio.

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

4 The Company has changed the number of employees to exclude temporary employees starting from the year ended March 31, 2010. The figures for the prior years have been restated to reflect the current year's presentation.

5 Effective from FY2014, a part of the thermal power generation systems business is classified as a discontinued operation in accordance with the provision of ASC 205-20, "Presentation of Financial Statements - Discontinued Operations," which was not transferred to MITSUBISHI HITACHI POWER SYSTEMS, LTD. for the business integration in the thermal power generation systems with Mitsubishi Heavy Industries, Ltd. The results of the discontinued operation are reported separately from continuing operations.

In line with this classification, "Revenues" and "Operating income" for FY2013 are reclassified.

6 ROA (Return on Assets) = Net income / Total Assets (Average between the end of current fiscal year and the end of previous fiscal year) x 100

Millions of yen		Millions of yen			
FY2013	FY2014	IFRS For the year:	FY2013	FY2014	FY2015
¥9,563,791	¥9,761,970	Revenues	¥9,666,446	¥9,774,930	¥10,034,305
538,288	600,479	Adjusted operating income	604,798	641,325	634,869
585,662	551,018	EBIT	691,230	534,059	531,003
264,975	241,301	Net income attributable to Hitachi, Ltd. stockholders	413,877	217,482	172,155
439,406	447,348	Net cash provided by operating activities	306,777	451,825	812,226
(491,363)	(610,255)	Net cash used in investing activities	(550,179)	(612,545)	(730,799)
(51,957)	(162,907)	Free cash flows	(243,402)	(160,720)	81,427
32,968	250,335	Net cash provided by (used in) financing activities	228,840	233,206	(26,467)
50,711	57,944	Cash dividends declared	50,711	57,944	57,939
849,877	848,716	Capital expenditures (Property, plant and equipment)	491,170	431,201	528,551
329,833	349,614	Depreciation (Property, plant and equipment)	331,228	350,783	366,547
351,426	335,515	R&D expenditures	354,487	334,814	333,730
11,016,899	12,395,379	<b>At year-end:</b>			
2,342,091	2,564,105	Total assets	11,098,191	12,433,727	12,551,005
2,651,241	2,930,309	Property, plant and equipment	2,258,933	2,472,497	2,500,226
2,823,049	3,354,616	Total Hitachi, Ltd. stockholders' equity	2,668,657	2,942,281	2,735,078
320,725	333,150	Interest-bearing debt	3,033,985	3,557,356	3,604,455
		Number of employees	323,919	336,670	335,244
	Yen				Yen
		<b>Per share data:</b>			
		Earnings per share attributable to Hitachi, Ltd. stockholders:			
¥54.86	¥49.97	Basic	¥85.69	¥45.04	¥35.65
54.85	49.93	Diluted	85.66	45.00	35.62
10.5	12.0	Cash dividends declared	10.5	12.0	12.0
549.02	606.87	Total Hitachi, Ltd. stockholders' equity	552.62	609.35	566.48
	%				%
5.6	6.2	<b>Financial ratios:</b>			
6.1	5.6	Adjusted operating income ratio	6.3	6.6	6.3
2.8	2.5	EBIT ratio	7.2	5.5	5.3
11.2	8.6	Return on revenues	4.3	2.2	1.7
3.5	3.1	Return on equity (ROE)	17.5	7.8	6.1
0.73	0.78	Return on assets (ROA)	5.0	2.9	2.4
24.1	23.6	D/E ratio (Including non-controlling interests) (times)	0.78	0.83	0.87
		Total Hitachi, Ltd. stockholders' equity ratio	24.0	23.7	21.8

Notes: 1 In order to be consistent with financial reporting principles and practices generally accepted in Japan, adjusted operating income is presented as total revenues less cost of sales and selling, general administrative expenses. The Company believes that this is useful to investors in comparing the Company's financial results with those of other Japanese companies.

2 A part of the thermal power generation systems business is classified as a discontinued operation 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. for the business integration in the thermal power generation systems with Mitsubishi Heavy Industries, Ltd. The results of the discontinued operation are reported separately from continuing operations.

3 From fiscal 2013, capital investment is stated exclusive of investment in lease assets classified as finance leases.

4 ROA (Return on Assets) = Net income / Total Assets (Average between the end of current fiscal year and the end of previous fiscal year) x 100



## Operating and Financial Review

### Operating Results

Effective from April 1, 2015, the Power Systems segment has been integrated to the Social Infrastructure & Industrial Systems segment. Figures for the Social Infrastructure & Industrial Systems segment, including figures for the year ended March 31, 2015, reflect the new segmentation.

#### Summary

Years ended March 31	Billions of yen		Percent change
	2015	2016	
<b>Revenues</b>	¥9,774.9	¥10,034.3	3%
<b>EBIT</b>	534.0	531.0	-1%
<b>Income from continuing operations, before income taxes</b>	518.9	517.0	0%
<b>Net income attributable to Hitachi, Ltd. stockholders</b>	217.4	172.1	-21%

#### Analysis of Statement of Operations

Revenues increased 3% to ¥10,034.3 billion, as compared with the year ended March 31, 2015. This was due mainly to higher revenues in the Information & Telecommunication Systems, Social Infrastructure & Industrial Systems, High Functional Materials & Components and Automotive Systems segments, etc. This increase was partially offset by lower revenues in the Construction Machinery, Smart Life & Ecofriendly Systems and Others (Logistics and Other services) segments, etc.

Cost of sales increased 4% to ¥7,459.0 billion, as compared with the year ended March 31, 2015, and the ratio of cost of sales to revenues was 74%, which was the same level as the year ended March 31, 2015. Gross profit was ¥2,575.2 billion, which was the same level as the year ended March 31, 2015.

Selling, general and administrative expenses were ¥1,940.3 billion, which was the same level as the year ended March 31, 2015, and the ratio of selling, general and administrative expenses to revenues was 19%, as compared with 20% for the year ended March 31, 2015.

Other income increased ¥48.1 billion to ¥57.5 billion and other expenses decreased ¥25.9 billion to ¥141.8 billion, as compared with the year ended March 31, 2015, respectively. The details are as follows.

Net loss on sales and disposal of fixed assets decreased ¥12.3 billion to ¥4.4 billion, as compared with the year ended March 31, 2015.

Impairment losses increased ¥2.6 billion to ¥44.7 billion, as compared with the year ended March 31, 2015. This mainly consisted of impairment losses recognized for certain assets as a result of business portfolio restructuring in the Information & Telecommunication Systems segment.

Net gain on business reorganization and others was ¥55.2 billion, as compared with net loss of ¥55.0 billion in the year ended March 31, 2015. The net gain in the year ended March 31, 2016 was due mainly to posting a gain on sales of shares of UniCarriers Holdings Corporation by Hitachi Construction Machinery Co., Ltd. in the Construction Machinery segment and sales of shares of Hitachi Tool Engineering, Ltd. by Hitachi Metals, Ltd. in the High Functional Materials & Components segment as well as the reorganization of the air-conditioning systems business in the Smart Life & Ecofriendly Systems segment.

Restructuring charges increased ¥10.1 billion to ¥36.8 billion, as compared with the year ended March 31, 2015. This mainly consisted of expenses for business restructuring in the Information & Telecommunication Systems segment.

Expenses related to competition law and others decreased ¥3.5 billion to ¥22.3 billion, as compared with the year ended March 31, 2015.

Financial income (excluding interest income) increased ¥2.8 billion to ¥10.6 billion and financial expenses (excluding interest charges) increased ¥27.0 billion to ¥30.2 billion, as compared with the year ended March 31, 2015, respectively. This was due mainly to an increase in exchange loss from ¥23.9 billion to ¥26.5 billion, as compared with the year ended March 31, 2015.

Share of profits of investments accounted for using the equity method decreased ¥46.5 billion to ¥0.1 billion due mainly to deterioration of profitability of overseas equity-method associates, as compared with the year ended March 31, 2015.

EBIT decreased ¥3.0 billion to ¥531.0 billion, as compared with the year ended March 31, 2015.

Interest income decreased ¥0.5 billion to ¥12.0 billion and interest charges decreased ¥1.6 billion to ¥25.9 billion, as compared with the year ended March 31, 2015, respectively.

Income from continuing operations, before income taxes decreased ¥1.9 billion to ¥517.0 billion, as compared with the year ended March 31, 2015.

Income taxes increased ¥43.1 billion to ¥165.2 billion, as compared with the year ended March 31, 2015, due mainly to tax expense recognized for partial transfer of shares of Hitachi Transport System, Ltd. and Hitachi Capital Corporation.

Loss from discontinued operations increased ¥3.5 billion to ¥57.0 billion, as compared with the year ended March 31, 2015.

Net income decreased ¥48.6 billion to ¥294.7 billion, as compared with the year ended March 31, 2015.

Net income attributable to non-controlling interests decreased ¥3.3 billion to ¥122.5 billion, as compared with the year ended March 31, 2015.

As a result of the foregoing, net income attributable to Hitachi, Ltd. stockholders decreased ¥45.3 billion to ¥172.1 billion, as compared with the year ended March 31, 2015.

## Operations by Segment

The following is an overview of results of operations by segment. Revenues for each segment include intersegment transactions. Segment profit is measured by EBIT.

### (Information & Telecommunication Systems)

Revenues increased 4% to ¥2,109.3 billion, as compared with the year ended March 31, 2015, due mainly to solid performances by the system solutions business centered on financial systems and higher revenues from the storage solutions business as a result of the effects of foreign exchange rate fluctuations.

Segment profit increased ¥3.0 billion to ¥109.1 billion, as compared with the year ended March 31, 2015, due mainly to higher profits in the system solutions business resulting from increased revenues. This increase was partially offset by lower profits in the platform business owing to the effect of reduction in capital investment by Japanese telecommunications carriers in the telecommunications & network business, to decreased demand for high-end storage in North America and to posting expenses related to business restructuring.

### (Social Infrastructure & Industrial Systems)

Revenues increased 13% to ¥2,333.1 billion, as compared with the year ended March 31, 2015, due mainly to significantly increased revenues from the railway systems business resulting from the acquisition of relevant businesses from Finmeccanica S.p.A. and to solid performances by the power generation systems business and the elevators and escalators business.

Segment profit decreased ¥81.2 billion to ¥29.1 billion, as compared with the year ended March 31, 2015. This decrease was due mainly to increased losses from Middle Eastern projects in the infrastructure systems business, to a decrease in share of profits of investments accounted for using the equity method, to posting expenses related to business restructuring and currency exchange loss, and to the absence of net gain on business reorganization and others relating to Mitsubishi-Hitachi Metals Machinery, Inc. posted in the year ended March 31, 2015.

**(Electronic Systems & Equipment)**

Revenues were ¥1,127.6 billion, which was the same level as the year ended March 31, 2015. Hitachi High-Technologies Corporation posted higher revenues due mainly to higher sales of electron microscopes and clinical analyzers, and Hitachi Koki Co., Ltd. also posted higher revenues due mainly to higher sales of power tools in North America. These results were offset by lower revenues at Hitachi Kokusai Electric Inc., which was affected by a drop in post-earthquake reconstruction demand following Great East Japan Earthquake.

Segment profit increased ¥0.5 billion to ¥64.3 billion, as compared with the year ended March 31, 2015. This increase was due mainly to non-recurring gain posted for the shift to defined contribution pension plan at Hitachi High-Technologies Corporation, and to improved profit in the healthcare business resulting from the effect of business restructuring. Hitachi Kokusai Electric Inc. posted decreased profit owing to lower revenue, and Hitachi Koki Co., Ltd. also posted decreased profit owing to the effect of the foreign exchange rate fluctuations and economic slowdown in emerging countries and resource-producing countries.

**(Construction Machinery)**

Revenues decreased 7% to ¥758.3 billion, as compared with the year ended March 31, 2015, due mainly to sluggish market conditions in Asia, in particular China, as well as Oceania and Russia.

Segment profit decreased ¥34.7 billion to ¥25.8 billion, as compared with the year ended March 31, 2015, due mainly to lower revenues and to a higher proportion of compact models with lower profitability in the product mix owing to exhaust emission regulations in Japan and changes in product mix for China market. This decrease was also attributable to disposal of inventories, foreign exchange losses owing to the depreciation of emerging-market currencies, and posting expenses for business restructuring. This decrease was partially offset by net gain on business reorganization and others related to the sale of shares of UniCarriers Holdings Corporation.

**(High Functional Materials & Components)**

Revenues increased 2% to ¥1,564.0 billion, as compared with the year ended March 31, 2015. This increase was due mainly to the effects of the consolidation of Waupaca Foundry Holdings, Inc. by Hitachi Metals, Ltd. in November 2014 and of CSB Battery Co., Ltd. by Hitachi Chemical Company, Ltd. in January 2015, and to solid performances for automobile-related products. This increase was partially offset by the impact of slowdown in Chinese market and decreased demand for electronics-related products.

Segment profit increased ¥29.6 billion to ¥153.5 billion, as compared with the year ended March 31, 2015. This increase was due mainly to higher revenues, the effects of business restructuring and posting net gain on business reorganization and others related to the sale of a part of equity interest in Hitachi Tool Engineering, Ltd. by Hitachi Metals, Ltd.

**(Automotive Systems)**

Revenues increased 7% to ¥1,001.1 billion, as compared with the year ended March 31, 2015, due mainly to growth in sales driven by robust demand for automobiles in North America and China.

Segment profit increased ¥18.9 billion to ¥53.9 billion, as compared with the year ended March 31, 2015, due mainly to higher revenues, a decrease in expenses related to competition law and others, and a decrease in exchange loss.

**(Smart Life & Ecofriendly Systems)**

Revenues decreased 10% to ¥681.0 billion, as compared with the year ended March 31, 2015, due mainly to the effect of reorganization of the air-conditioning systems business. This decrease was partially offset by solid performance in the home appliances business such as refrigerators and washing machines.

Segment profit increased ¥7.4 billion to ¥41.9 billion, as compared with the year ended March 31, 2015, due mainly to the net gain on business reorganization and others related to the reorganization of the air-conditioning systems business, despite lower revenues.

**(Others (Logistics and Other services))**

Revenues decreased 2% to ¥1,252.7 billion, as compared with the year ended March 31, 2015, due mainly to lower revenues of optical disk drives business owing to weaker demand.

Segment profit decreased ¥10.4 billion to ¥40.6 billion, as compared with the year ended March 31, 2015, due mainly to expenses related to business restructuring in optical disk drives business, despite increased profits at Hitachi Transport System, Ltd resulting from improved profitability.

**(Financial Services)**

Revenues increased 3% to ¥365.3 billion, as compared with the year ended March 31, 2015, due mainly to solid performance in Japan and strong performance in overseas business, particularly in North America.

Segment profit increased ¥11.2 billion to ¥46.6 billion, as compared with the year ended March 31, 2015, due mainly to higher revenues, the absence of expenses related to business restructuring posted in the year ended March 31, 2015, and the effects of such business restructuring.

## Revenues by Geographic Area

The following is an overview of revenues attributed to geographic areas based on customer location.

Years ended March 31:	Billions of yen		Percent change
	2015	2016	
<b>Japan</b>	¥5,220.3	¥5,231.5	0%
<b>Overseas Revenues</b>			
<b>Subtotal</b>	4,554.5	4,802.7	5%
<b>Asia</b>	2,178.2	2,112.3	-3%
<b>North America</b>	1,064.1	1,280.3	20%
<b>Europe</b>	841.9	951.1	13%
<b>Other Areas</b>	470.2	459.0	-2%
<b>Total Revenues</b>	¥9,774.9	¥10,034.3	3%

### Japan

Revenues in Japan were ¥5,231.5 billion, which was the same level as the year ended March 31, 2015. This was due mainly to higher revenues from the system solutions business centered on financial systems in the Information & Telecommunication Systems segment, and higher revenues from the power generation systems business and the infrastructure systems business in the Social Infrastructure & Industrial Systems segment, despite lower revenues in the High Functional Materials & Components and Automotive Systems segments, etc.

### Overseas

Overseas revenues increased 5% to ¥4,802.7 billion, as compared with the year ended March 31, 2015, and the ratio to total revenues was 48%, compared with 47% for the year ended March 31, 2015.

### (Asia)

Revenues in Asia decreased 3% to ¥2,112.3 billion, as compared with the year ended March 31, 2015. This was due mainly to lower revenues in the Smart Life & Ecofriendly Systems segment, which was affected by the reorganization of the air-conditioning systems business, and in the Construction Machinery segment mainly because of decreased sales particularly in China, despite higher revenues in the Automotive Systems and Social Infrastructure & Industrial Systems segments, etc.

### (North America)

Revenues in North America increased 20% to ¥1,280.3 billion, as compared with the year ended March 31, 2015. This increase was due mainly to higher revenues in the High Functional Materials & Components segment as a result of the effects of the consolidation of Waupaca Foundry Holdings, Inc. by Hitachi Metals, Ltd., and in the Automotive Systems segment, despite lower revenues in the Construction Machinery and Others (Logistics and Other services) segments.

### (Europe)

Revenues in Europe increased 13% to ¥951.1 billion, as compared with the year ended March 31, 2015. This increase was due mainly to higher revenues in the Social Infrastructure & Industrial Systems segment which reported increased revenues from the railway systems business, and in the Information & Telecommunication Systems segment, despite lower revenues in the Construction Machinery and Smart Life & Ecofriendly Systems segments.

### (Other Areas)

Revenues in other areas decreased 2% to ¥459.0 billion, as compared with the year ended March 31, 2015. This decrease was due mainly to lower revenues in the Construction Machinery and Smart Life & Ecofriendly Systems segments, despite higher revenues in the Social Infrastructure & Industrial Systems segment which reported increased revenues from the railway systems business.

## Liquidity and Capital Resources

Our management considers maintaining an appropriate level of liquidity and securing adequate funds for current and future business operations to be important financial objectives. Through efficient management of working capital and selective investment in new plants and equipment, we are working to optimize the efficiency of capital utilization throughout our business operations. We endeavor to improve our group cash management by centralizing such management among us and our overseas financial subsidiaries. Our internal sources of funds include cash flows generated by operating activities and cash on hand. Our management also considers short-term investments to be an immediately available source of funds. In addition, we raise funds both in the capital markets and from Japanese and international commercial banks in response to our capital requirements. Our management's policy is to finance capital expenditures primarily by internally generated funds and to a lesser extent by funds raised through the issuance of debt and equity securities in domestic and foreign capital markets. In order to flexibly access funding, we maintain our shelf registration with the maximum outstanding balance of ¥300.0 billion.

We maintain commitment line agreements with a number of domestic banks under which we may borrow in order to ensure efficient access to necessary funds. These commitment line agreements generally provide for a one-year term, renewable upon mutual agreement between us and each of the lending banks, as well as another commitment line agreement with a contract term of three years ending in July 2019. As of March 31, 2016, our unused commitment lines totaled ¥553.0 billion, including these of ¥400.0 billion which the Company maintained.

We receive debt ratings from Moody's Japan K.K. (Moody's), Standard & Poor's Rating Japan (S&P), as well as Rating and Investment Information, Inc. (R&I). Our debt ratings as of March 31, 2016 were as follows.

Rating Company	Long-term	Short-term
Moody's	A3	P-2
S&P	A-	A-2
R&I	A+	a-1

With our current ratings, we believe that our access to the global capital markets will remain sufficient for our financing needs. We seek to improve our credit ratings in order to ensure financial flexibility for liquidity and capital management, and to continue to maintain access to sufficient funding resources through the capital markets.

## Cash Flows

Years ended March 31:	Billions of yen	
	2015	2016
Net cash provided by operating activities	¥ 451.8	¥ 812.2
Net cash used in investing activities	(612.5)	(730.7)
Net cash provided by (used in) financing activities	233.2	(26.4)
Effect of exchange rate changes on cash and cash equivalents	68.5	(57.3)
Net increase (decrease) in cash and cash equivalents	141.0	(2.3)
Cash and cash equivalents at beginning of year	560.6	701.7
Cash and cash equivalents at end of year	¥ 701.7	¥ 699.3

### (Cash Flows from Operating Activities)

Net income in the year ended March 31, 2016 decreased ¥48.6 billion, as compared with the year ended March 31, 2015. Changes in working capital in the year ended March 31, 2016 from collection of receivables, a decrease in inventories and changes in trade payables improved net cash flow by ¥148.3 billion, ¥160.6 billion and ¥16.4 billion, respectively. As a result of the foregoing, net cash provided by operating activities was ¥812.2 billion in the year ended March 31, 2016, an increase of ¥360.4 billion compared with the year ended March 31, 2015.

**(Cash Flows from Investing Activities)**

Proceeds from sales of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method) increased by ¥16.2 billion as compared with the year ended March 31, 2015. Net amount of investments related to property, plant and equipment\*<sup>1</sup> was ¥652.3 billion in the year ended March 31, 2016, an increase of ¥83.7 billion as compared with the year ended March 31, 2015. Purchase of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method) in the year ended March 31, 2016 was ¥196.6 billion, an increase of ¥43.7 billion as compared with the year ended March 31, 2015, due mainly to the acquisition of relevant businesses from Finmeccanica S.p.A. and the acquisition of Pentaho Corporation by Hitachi Data Systems Corporation. As a result of the foregoing, net cash used in investing activities was ¥730.7 billion in the year ended March 31, 2016, an increase of ¥118.2 billion compared with the year ended March 31, 2015.

\*<sup>1</sup> The sum of the purchase of property, plant and equipment, the purchase of intangible assets and the purchase of leased assets, less the proceeds from sale of property, plant, equipment and intangible assets, the proceeds from sale of leased assets and the collection of lease receivables

**(Cash Flows from Financing Activities)**

Net cash outflow from a decrease in short-term debt increased by ¥206.7 billion as compared with the year ended March 31, 2015. Proceeds related to long-term debt\*<sup>2</sup> in the year ended March 31, 2016 was ¥180.6 billion, a decrease of ¥25.4 billion as compared with the year ended March 31, 2015. As a result of the foregoing, net cash used in financing activities was ¥26.4 billion in the year ended March 31, 2016, an increase in net cash outflow of ¥259.6 billion compared with the year ended March 31, 2015.

\*<sup>2</sup> The proceeds from long-term debt, less the payments on long-term debt

As a result of the above items, as of March 31, 2016, cash and cash equivalents amounted to ¥699.3 billion, net decrease of ¥2.3 billion from March 31, 2015. Free cash flows, the sum of cash flows from operating and investing activities, represented an inflow of ¥81.4 billion in the year ended March 31, 2016, an increase in net cash inflow of ¥242.1 billion from the year ended March 31, 2015.

**Assets, Liabilities and Equity**

As of March 31, 2016, total assets amounted to ¥12,551.0 billion, an increase of ¥117.2 billion from March 31, 2015. This was due mainly to the effect of the acquisition of the signaling systems and railway businesses of Finmeccanica S.p.A. and the acquisition of Pentaho Corporation by Hitachi Data Systems Corporation, and an increase in trade receivables associated with business expansion, especially for foreign markets, in the Financial Services segment. This increase was partially offset by the effect of reorganization of the air-conditioning systems business, decreases in the value of assets denominated in foreign currency owing to the appreciation of yen, the effect of lower stock price and the effect of inventory reduction. Cash and cash equivalents as of March 31, 2016 amounted to ¥699.3 billion, a decrease of ¥2.3 billion from the amount as of March 31, 2015.

As of March 31, 2016, total interest-bearing debt, the sum of short-term debt and long-term debt, amounted to ¥3,604.4 billion, an increase of ¥47.0 billion from March 31, 2015. As of March 31, 2016, short-term debt, consisting mainly of borrowings from banks and commercial paper, amounted to ¥871.4 billion, a decrease of ¥106.2 billion from March 31, 2015, due mainly to the repayment of commercial paper by the Company. As of March 31, 2016, current portion of long-term debt amounted to ¥651.5 billion, an increase of ¥167.9 billion from March 31, 2015. As of March 31, 2016, long-term debt (excluding current portion), consisting mainly of debentures, debentures with stock acquisition rights, medium-term notes and loans principally from banks and insurance companies, amounted to ¥2,081.5 billion, a decrease of ¥14.6 billion from March 31, 2015, due mainly to increased amount of debt maturing in the year ending March 31, 2017, despite higher demand for funds in line with business expansion in the Financial Services segment.

As of March 31, 2016, total Hitachi, Ltd. stockholders' equity amounted to ¥2,735.0 billion, a decrease of ¥207.2 billion from March 31, 2015, due mainly to a decrease in the accumulated other comprehensive income owing primarily to the appreciation of yen, lower stock prices, and lower interest rates, despite posting of net income attributable to Hitachi, Ltd. stockholders. As a result, the ratio of total Hitachi, Ltd. stockholders' equity to total assets as of March 31, 2016 was 21.8%, compared with 23.7% as of March 31, 2015.

Non-controlling interests as of March 31, 2016 was ¥1,390.4 billion, an increase of ¥36.4 billion from March 31, 2015.

Total equity as of March 31, 2016 was ¥4,125.5 billion, a decrease of ¥170.7 billion from March 31, 2015. The ratio of interest-bearing debt to total equity increased to 0.87, compared with 0.83 as of March 31, 2015.

# Consolidated Statements of Financial Position

Hitachi, Ltd. and Subsidiaries  
March 31, 2016 and 2015

	Millions of yen	
<b>Assets</b>	2015	2016
<b>Current assets</b>		
Cash and cash equivalents	¥ 701,703	¥ 699,315
Trade receivables	2,870,042	2,992,770
Lease receivables	337,353	338,758
Inventories	1,458,119	1,299,855
Other current assets	515,195	541,857
<b>Total current assets</b>	5,882,412	5,872,555
<b>Non-current assets</b>		
Investments accounted for using the equity method	681,623	676,960
Investments in securities and other financial assets	1,449,734	1,329,974
Lease receivables	680,620	727,485
Property, plant and equipment	2,472,497	2,500,226
Intangible assets	933,582	1,070,403
Other non-current assets	333,259	373,402
<b>Total non-current assets</b>	6,551,315	6,678,450
<b>Total Assets</b>	<b>¥12,433,727</b>	<b>¥12,551,005</b>

Millions of yen

<b>Liabilities</b>	2015	2016
<b>Current liabilities</b>		
Short-term debt	¥ 977,701	¥ 871,417
Current portion of long-term debt	483,521	651,518
Other financial liabilities	296,425	280,048
Trade payables	1,426,523	1,451,918
Other current liabilities	1,595,308	1,739,315
Total current liabilities	4,779,478	4,994,216
<b>Non-current liabilities</b>		
Long-term debt	2,096,134	2,081,520
Other financial liabilities	117,535	115,155
Retirement and severance benefits	724,223	783,670
Other non-current liabilities	420,015	450,874
Total non-current liabilities	3,357,907	3,431,219
Total Liabilities	8,137,385	8,425,435
<b>Equity</b>		
<b>Hitachi, Ltd. stockholders' equity</b>		
Common stock	458,790	458,790
Capital surplus	608,416	586,790
Retained earnings	1,477,517	1,609,761
Accumulated other comprehensive income	401,100	83,543
Treasury stock, at cost	(3,542)	(3,806)
Total Hitachi, Ltd. stockholders' equity	2,942,281	2,735,078
<b>Non-controlling interests</b>	1,354,061	1,390,492
Total Equity	4,296,342	4,125,570
Total Liabilities and Equity	¥12,433,727	¥12,551,005



## Consolidated Statements of Profit or Loss

Hitachi, Ltd. and Subsidiaries  
Years ended March 31, 2016 and 2015

Millions of yen

	2015	2016
Revenues	¥ 9,774,930	¥10,034,305
Cost of sales	(7,198,232)	(7,459,073)
Gross profit	2,576,698	2,575,232
Selling, general and administrative expenses	(1,935,373)	(1,940,363)
Adjusted operating income	641,325	634,869
Other income	9,415	57,539
Other expenses	(167,781)	(141,881)
Financial income	7,727	10,615
Financial expenses	(3,284)	(30,295)
Share of profits of investments accounted for using the equity method	46,657	156
EBIT (Earnings before interest and taxes)	534,059	531,003
Interest income	12,529	12,028
Interest charges	(27,594)	(25,991)
Income from continuing operations, before income taxes	518,994	517,040
Income taxes	(122,075)	(165,206)
Income from continuing operations	396,919	351,834
Loss from discontinued operations	(53,501)	(57,081)
Net income	¥ 343,418	¥ 294,753
Net income attributable to:		
Hitachi, Ltd. stockholders	217,482	172,155
Non-controlling interests	125,936	122,598

# Consolidated Statements of Comprehensive Income

Hitachi, Ltd. and Subsidiaries  
Years ended March 31, 2016 and 2015

	Millions of yen	
	2015	2016
<b>Net income</b>	<b>¥343,418</b>	<b>¥ 294,753</b>
Other comprehensive income (OCI)		
Items not to be reclassified into net income		
Net changes in financial assets measured at fair value through OCI	57,957	(50,323)
Remeasurements of defined benefit plans	27,039	(140,844)
Share of OCI of investments accounted for using the equity method	5,633	(4,275)
Total items not to be reclassified into net income	90,629	(195,442)
Items that can be reclassified into net income		
Foreign currency translation adjustments	188,619	(190,099)
Net changes in cash flow hedges	(16,850)	32,785
Share of OCI of investments accounted for using the equity method	(74,604)	(26,239)
Total items that can be reclassified into net income	97,165	(183,553)
Other comprehensive income [OCI] (loss)	187,794	(378,995)
Comprehensive income (loss)	¥531,212	¥ (84,242)
Comprehensive income (loss) attributable to:		
Hitachi, Ltd. stockholders	337,578	(127,557)
Non-controlling interests	193,634	43,315

# Consolidated Statements of Changes in Equity

Hitachi, Ltd. and Subsidiaries  
Years ended March 31, 2016 and 2015

Millions of yen

2015

	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
Balance at beginning of year	¥458,790	¥617,496	¥1,277,970	¥317,547	¥(3,146)	¥2,668,657	¥1,200,174	¥3,868,831
Reclassified into retained earnings	—	—	37,597	(37,597)	—	—	—	—
Net income	—	—	217,482	—	—	217,482	125,936	343,418
Other comprehensive income	—	—	—	120,096	—	120,096	67,698	187,794
Cash dividends	—	—	(55,532)	—	—	(55,532)	(32,578)	(88,110)
Changes in treasury stock	—	3	—	—	(396)	(393)	—	(393)
Changes in non-controlling interests	—	(9,083)	—	1,054	—	(8,029)	(7,169)	(15,198)
Total changes in equity	—	(9,080)	199,547	83,553	(396)	273,624	153,887	427,511
Balance at end of year	¥458,790	¥608,416	¥1,477,517	¥401,100	¥(3,542)	¥2,942,281	¥1,354,061	¥4,296,342

Millions of yen

2016

	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
Balance at beginning of year	¥458,790	¥608,416	¥1,477,517	¥401,100	¥(3,542)	¥2,942,281	¥1,354,061	¥4,296,342
Reclassified into retained earnings	—	—	18,030	(18,030)	—	—	—	—
Net income	—	—	172,155	—	—	172,155	122,598	294,753
Other comprehensive loss	—	—	—	(299,712)	—	(299,712)	(79,283)	(378,995)
Cash dividends	—	—	(57,941)	—	—	(57,941)	(39,502)	(97,443)
Changes in treasury stock	—	(4)	—	—	(264)	(268)	—	(268)
Changes in non-controlling interests	—	(21,622)	—	185	—	(21,437)	32,618	11,181
Total changes in equity	—	(21,626)	132,244	(317,557)	(264)	(207,203)	36,431	(170,772)
Balance at end of year	¥458,790	¥586,790	¥1,609,761	¥83,543	¥(3,806)	¥2,735,078	¥1,390,492	¥4,125,570

# Consolidated Statements of Cash Flows

Hitachi, Ltd. and Subsidiaries  
Years ended March 31, 2016 and 2015

Millions of yen

	2015	2016
<b>Cash flows from operating activities</b>		
Net income	¥ 343,418	¥ 294,753
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	481,021	507,790
Change in trade receivables	(201,423)	(53,092)
Change in inventories	(116,328)	44,342
Change in trade payables	(18,041)	(1,602)
Other	(36,822)	20,035
<b>Net cash provided by (used in) operating activities</b>	<b>451,825</b>	<b>812,226</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(358,141)	(369,494)
Purchase of intangible assets	(128,808)	(116,438)
Purchase of leased assets	(444,223)	(539,420)
Proceeds from sale of property, plant, equipment, and intangible assets	32,528	22,632
Proceeds from sale of leased assets	27,122	23,834
Collection of lease receivables	302,899	326,497
Proceeds from sale (purchase) of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method), net	(31,226)	(58,756)
Other	(12,696)	(19,654)
<b>Net cash provided by (used in) investing activities</b>	<b>(612,545)</b>	<b>(730,799)</b>
<b>Free cash flows</b>	<b>(160,720)</b>	<b>81,427</b>
<b>Cash flows from financing activities</b>		
Change in interest-bearing debt	343,050	110,821
Dividends paid to stockholders	(55,443)	(57,907)
Dividends paid to non-controlling interests	(32,143)	(41,671)
Other	(22,258)	(37,710)
<b>Net cash provided by (used in) financing activities</b>	<b>233,206</b>	<b>(26,467)</b>
Effect of exchange rate changes on cash and cash equivalents	68,560	(57,348)
Change in cash and cash equivalents	141,046	(2,388)
Cash and cash equivalents at beginning of year	560,657	701,703
<b>Cash and cash equivalents at end of year</b>	<b>¥ 701,703</b>	<b>¥ 699,315</b>

# Summarized Consolidated Statements of Financial Position by Manufacturing, Services and Others and Financial Services

Hitachi, Ltd. and Subsidiaries  
March 31, 2016 and 2015

Billions of yen

	2015			2016		
	Manufacturing, Services and Others	Financial Services	Total*	Manufacturing, Services and Others	Financial Services	Total*
<b>Assets</b>						
Current assets	¥5,115.2	¥1,184.8	¥ 5,882.4	¥4,995.6	¥1,256.8	¥ 5,872.5
Cash and cash equivalents	654.7	119.7	701.7	660.9	157.0	699.3
Trade receivables	2,448.9	695.2	2,870.0	2,472.0	710.7	2,992.7
Lease receivables	55.9	299.5	337.3	45.6	311.9	338.7
Inventories	1,447.8	3.3	1,458.1	1,291.5	3.7	1,299.8
Other current assets	507.7	66.9	515.1	525.3	73.3	541.8
Non-current assets	4,869.2	1,768.8	6,551.3	4,922.3	1,834.6	6,678.4
Investments accounted for using the equity method	682.2	19.4	681.6	676.3	20.4	676.9
Investments in securities and other financial assets	772.6	709.8	1,449.7	681.6	675.9	1,329.9
Lease receivables	47.3	669.7	680.6	38.2	729.8	727.4
Property, plant and equipment	2,204.7	268.0	2,472.4	2,193.6	307.5	2,500.2
Intangible assets	873.7	59.8	933.5	1,007.7	62.6	1,070.4
Other non-current assets	288.4	41.8	333.2	324.6	38.1	373.4
<b>Total Assets</b>	<b>¥9,984.4</b>	<b>¥2,953.6</b>	<b>¥12,433.7</b>	<b>¥9,917.9</b>	<b>¥3,091.4</b>	<b>¥12,551.0</b>
<b>Liabilities and Equity</b>						
Current liabilities	¥3,962.9	¥1,270.5	¥ 4,779.4	¥4,095.5	¥1,323.2	¥ 4,994.2
Short-term debt	574.4	514.3	977.7	529.8	497.6	871.4
Current portion of long-term debt	193.0	357.9	483.5	234.9	485.6	651.5
Other financial liabilities	262.8	58.5	296.4	265.5	40.1	280.0
Trade payables	1,388.5	273.0	1,426.5	1,379.0	228.9	1,451.9
Other current liabilities	1,544.0	66.7	1,595.3	1,686.1	70.8	1,739.3
Non-current liabilities	2,049.6	1,346.2	3,357.9	2,038.0	1,421.1	3,431.2
Long-term debt	860.2	1,266.3	2,096.1	750.3	1,356.2	2,081.5
Other financial liabilities	77.7	42.2	117.5	85.0	28.7	115.1
Retirement and severance benefits	717.9	6.2	724.2	774.1	9.5	783.6
Other non-current liabilities	393.7	31.3	420.0	428.5	26.6	450.8
<b>Total Liabilities</b>	<b>6,012.5</b>	<b>2,616.8</b>	<b>8,137.3</b>	<b>6,133.5</b>	<b>2,744.4</b>	<b>8,425.4</b>
Hitachi, Ltd. stockholders' equity	2,760.3	195.3	2,942.2	2,540.8	201.3	2,735.0
Non-controlling interests	1,211.5	141.4	1,354.0	1,243.5	145.7	1,390.4
<b>Total Equity</b>	<b>3,971.9</b>	<b>336.8</b>	<b>4,296.3</b>	<b>3,784.3</b>	<b>347.0</b>	<b>4,125.5</b>
<b>Total Liabilities and Equity</b>	<b>¥9,984.4</b>	<b>¥2,953.6</b>	<b>¥12,433.7</b>	<b>¥9,917.9</b>	<b>¥3,091.4</b>	<b>¥12,551.0</b>
<b>Interest-bearing debt</b>	<b>¥1,627.7</b>	<b>¥2,138.6</b>	<b>¥3,557.3</b>	<b>¥1,515.0</b>	<b>¥2,339.5</b>	<b>¥3,604.4</b>
<b>Total Hitachi, Ltd. stockholders' equity ratio</b>	<b>27.6%</b>	<b>6.6%</b>	<b>23.7%</b>	<b>25.6%</b>	<b>6.5%</b>	<b>21.8%</b>
<b>D/E ratio (including non-controlling interests) (times)</b>	<b>0.41</b>	<b>6.35</b>	<b>0.83</b>	<b>0.40</b>	<b>6.74</b>	<b>0.87</b>

\* Total figures exclude inter-segment transactions.

## Summarized Consolidated Statements of Profit or Loss by Manufacturing, Services and Others and Financial Services

Hitachi, Ltd. and Subsidiaries  
March 31, 2016 and 2015

Billions of yen

	2015			2016		
	Manufacturing, Services and Others	Financial Services	Total*	Manufacturing, Services and Others	Financial Services	Total*
Revenues	¥9,569.8	¥356.2	¥9,774.9	¥9,833.9	¥365.3	¥10,034.3
Adjusted operating income	598.5	38.9	641.3	586.8	45.2	634.8
EBIT	499.9	35.4	534.0	490.2	46.6	531.0
Income from continuing operations, before income taxes	485.5	35.4	518.9	476.9	46.6	517.0
Net income attributable to Hitachi, Ltd. stockholders	206.0	14.3	217.4	152.1	19.7	172.1

\* Total figures exclude inter-segment transactions.

## Summarized Consolidated Statements of Cash Flows by Manufacturing, Services and Others and Financial Services

Hitachi, Ltd. and Subsidiaries  
March 31, 2016 and 2015

Billions of yen

	2015			2016		
	Manufacturing, Services and Others	Financial Services	Total*1	Manufacturing, Services and Others	Financial Services	Total*1
Cash flows from operating activities	¥ 586.4	¥ (85.9)	¥ 451.8	¥ 843.1	¥ (7.4)	¥ 812.2
Cash flows from investing activities	(449.1)	(191.3)	(612.5)	(518.7)	(218.8)	(730.7)
Free cash flows	137.2	(277.3)	(160.7)	324.4	(226.2)	81.4
Cash flows from financing activities	(69.1)	236.8	233.2	(262.7)	265.4	(26.4)
Effect of exchange rate changes on cash and cash equivalents	65.1	3.4	68.5	(55.5)	(1.8)	(57.3)
Change in cash and cash equivalents	133.2	(37.0)	141.0	6.1	37.3	(2.3)
Cash and cash equivalents at beginning of year	521.4	156.7	560.6	654.7	119.7	701.7
Cash and cash equivalents at end of year	¥ 654.7	¥ 119.7	¥ 701.7	¥ 660.9	¥ 157.0	¥ 699.3
Core free cash flows*2	138.1	(292.1)	(176.4)	363.5	(264.8)	113.3

\*1 Total figures exclude inter-segment transactions.

\*2 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.

Note: Consolidated financial statements by Manufacturing, Services and Others and Financial Services represent unaudited financial information prepared by the Company for the purpose of this supplementary information.

### Role of the Financial Services Segment

Hitachi's Manufacturing, Services and Others segments and its Financial Services segment are each clearly positioned and managed as distinct businesses with different characteristics. The Manufacturing, Services and Others segments work in coordination with the Financial Services segment to expand the Social Innovation Business.

Increasing the financing receivables owned by Hitachi Capital Corporation, which constitutes the Financial Services segment, is the basis for growth in the financing business and regarded as investment to generate higher returns on equity. Credit rating agencies typically permit a higher level of interest-bearing debt and D/E ratio for financial services companies than for manufacturing and services companies. The credit ratings of Hitachi, Ltd. are assigned by credit rating agencies on the basis of key financial indicators that exclude Hitachi's financial services business.

# Corporate Data / Stock Information

As of March 31, 2016

## Corporate Name

Hitachi, Ltd. (Kabushiki Kaisha Hitachi Seisakusho)

## URL

http://www.hitachi.com/

## Principal Office

6-6, Marunouchi 1-chome,  
Chiyoda-ku, Tokyo 100-8280, Japan

## Founded

1910 (Incorporated in 1920)

## Capital Stock

458,790 million yen

## Number of Employees

335,244

## Number of Shares Issued

### Common Stock:

4,833,463,387 shares

## Number of Shareholders

399,597

## Administrator of Shareholders' Register

Tokyo Securities Transfer Agent Co., Ltd.  
6th Floor, Kanda Nishiki-cho Building,  
3-11, Kanda Nishiki-cho 3-chome,  
Chiyoda-ku, Tokyo 101-0054, Japan

## Stock Exchange Listings

Tokyo, Nagoya

## Accounting Auditor

Ernst & Young ShinNihon LLC

## Investor Relations Contacts

JAPAN  
Hitachi, Ltd.  
6-6, Marunouchi 1-chome,  
Chiyoda-ku, Tokyo 100-8280  
TEL: +81-3-3258-1111  
E-mail: IR@hdq.hitachi.co.jp  
U.S.A.  
Hitachi America, Ltd.  
50 Prospect Avenue,  
Tarrytown, NY 10591  
TEL: +1-914-333-2987  
E-mail: investor.info@hal.hitachi.com  
U.K.  
Hitachi Europe Ltd.  
Whitebrook Park,  
Lower Cookham Road,  
Maidenhead, Berkshire SL6 8YA  
TEL: +44-1628-585714

## 10 Largest Shareholders

Name	Number of Shares (shares)	Percentage of Total (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	294,474,000	6.09
Japan Trustee Services Bank, Ltd. (Trust Account)	282,694,415	5.85
Hitachi Employees' Shareholding Association	99,633,384	2.06
Nippon Life Insurance Company	93,265,195	1.93
Japan Trustee Services Bank, Ltd. (Trust Account 9)	76,826,000	1.59
THE BANK OF NEW YORK MELLON SAV/NV 10	73,447,113	1.52
STATE STREET BANK WEST CLIENT-TREATY 505234	71,729,327	1.48
The Dai-ichi Life Insurance Company, Limited*	71,361,222	1.48
STATE STREET BANK AND TRUST COMPANY 505225	68,111,932	1.41
Japan Trustee Services Bank, Ltd. (Trust Account 7)	67,288,000	1.39

\* The number of shares held by The Dai-ichi Life Insurance Company, Limited includes its contribution of 6,560,000 shares to the retirement allowance trust (the holder of said shares, as listed in the Shareholders' Register, is "Dai-ichi Life Insurance Account, Retirement Allowance Trust, Mizuho Trust & Banking Co., Ltd.").

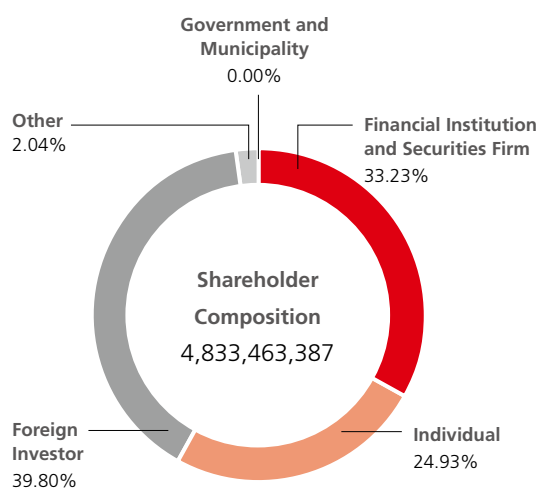
## Ratings

Rating Company	Long-term	Short-term
Moody's Japan K.K. (Moody's)	A3	P-2
Standard & Poor's Rating Japan (S&P)	A-	A-2
Rating and Investment Information, Inc. (R&I)	A+	a-1

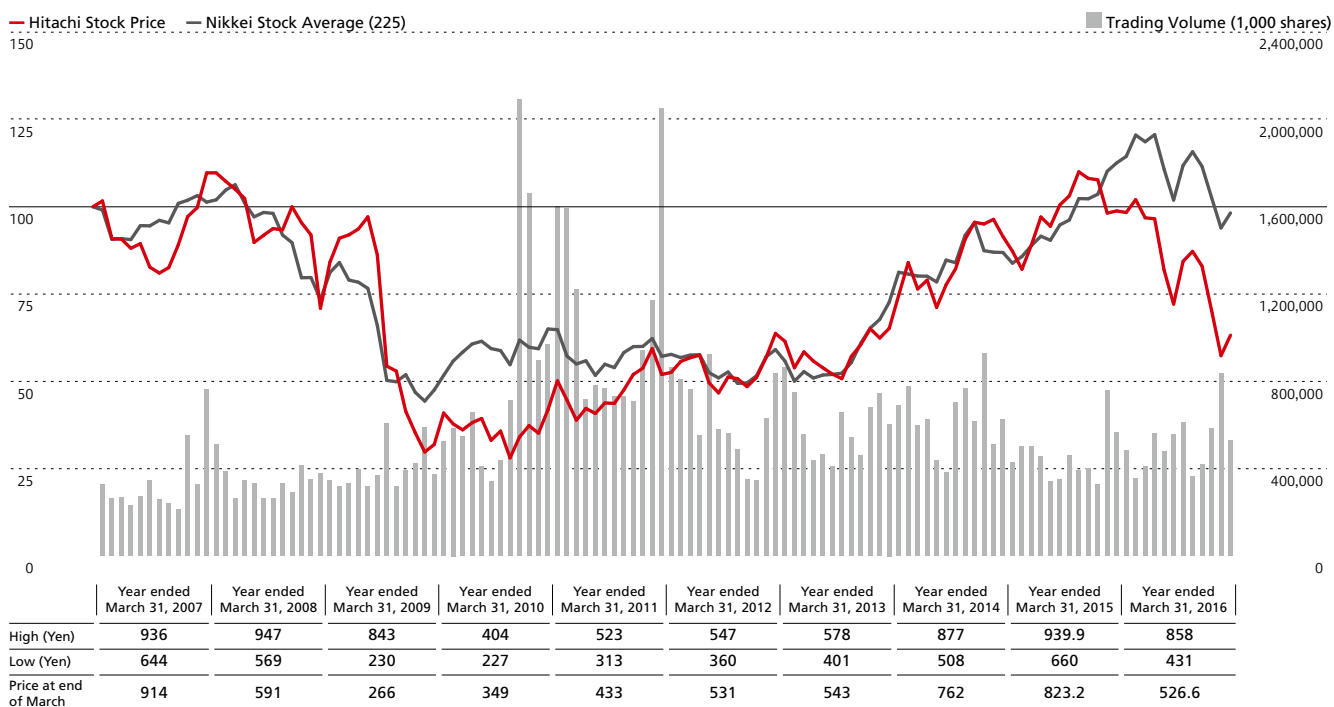
## Shareholder Composition

Class of Shareholders	Number of Shareholders	Share Ownership (shares)
Financial Institution and Securities Firm	409	1,606,323,857
Individual	394,280	1,204,843,496
Foreign Investor	1,259	1,923,591,176
Other	3,645	98,658,290
Government and Municipality	4	46,568
<b>Total</b>	<b>399,597</b>	<b>4,833,463,387</b>

\* Treasury stock is included in "Other."



## Stock Price and Trading Volume



\* The closing price on March 31, 2006 equals 100.

## Website Information

Detailed information is available on the Company's website.

### About Hitachi Group

[http://www.hitachi.co.jp/about/corporate/index.html#hitachi\\_corporate](http://www.hitachi.co.jp/about/corporate/index.html#hitachi_corporate)  
(Japanese)

<http://www.hitachi.com/corporate/about/index.html>  
(English)

### Investor Relations

[http://www.hitachi.co.jp/IR/index.html#hitachi\\_ir](http://www.hitachi.co.jp/IR/index.html#hitachi_ir)  
(Japanese)

<http://www.hitachi.com/IR-e/index.html>  
(English)

### CSR (Corporate Social Responsibility)

[http://www.hitachi.co.jp/csr/index.html#hitachi\\_csr](http://www.hitachi.co.jp/csr/index.html#hitachi_csr)  
(Japanese)

<http://www.hitachi.com/csr/>  
(English)