

# I. Summary of consolidated results

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HITACHI

Reliable solutions

- FY15 Revenue decreased by 7% year on year due to a significant decrease in China and Oceania despite an increase in Japan and India.
- Operating income decreased by 46% year on year due to the restructuring cost while business restructuring profit occurred.

(billions of yen)

		FY2015 Actual	FY2014 Actual	change
Revenue	(760.0)	758.3	815.8	-7%
Adjusted operating income *1		23.4	61.9	-62%
Operating income	(30.0)	34.1	63.1	-46%
Income before income taxes	(19.5)	24.5	59.0	-58%
Net income attributable to owners of the parent	(9.5)	8.8	26.0	-66%
F X	Rate (YEN/US\$)	( 121.3 ) 120.1	110.5	9.6
	Rate (YEN/EURO)	( 133.1 ) 132.4	138.3	-5.9
	Rate (YEN/RMB)	( 19.2 ) 18.6	17.6	1.0
Cash dividend per share (yen)		( To be determined ) 40	60	-20

Note : ( ) shows previous forecast as of January 2016

\*1 "Adjusted Operating income" is the Hitachi group's common profit index, calculated by excluding "Other income" and "Other expenses" from "Operating income".

- Revenue has decreased in each region excluding Japan, India, the Middle East and C&S America.
- In China, the revenue significantly decreased by 26% to ¥19.1 billion, year on year.

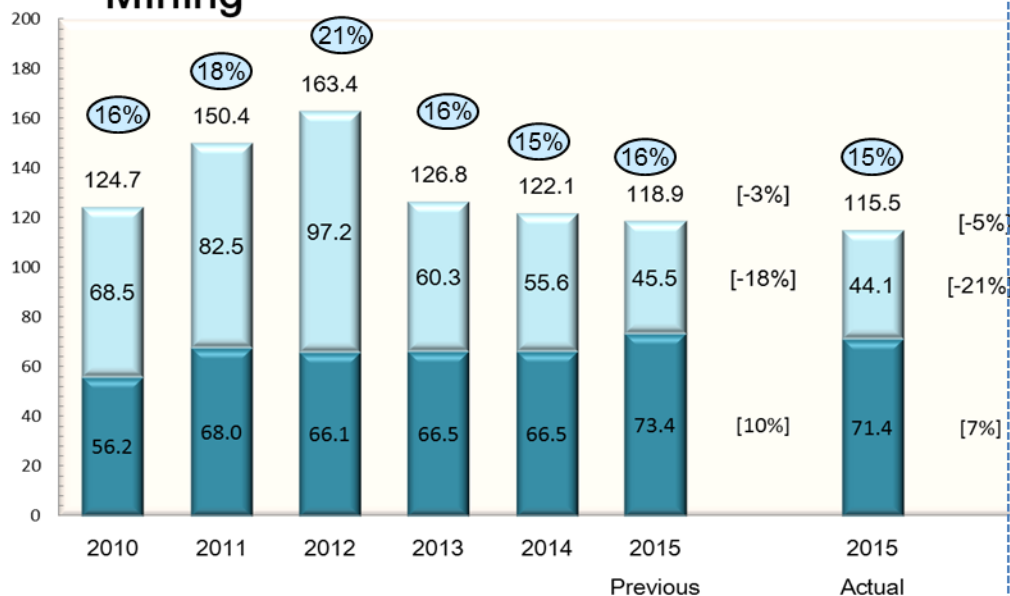
	FY2015 Actual (ratio)		FY2014 Actual (ratio)		(billions of yen) increase (decrease)	
					amount	%
Japan	232.8	(31%)	221.8	(27%)	11.0	5%
Asia	66.9	(9%)	80.0	(10%)	-13.1	-16%
India	40.4	(5%)	33.0	(4%)	7.5	23%
Oseania	93.5	(12%)	110.2	(14%)	-16.6	-15%
Europe	89.0	(12%)	93.4	(11%)	-4.4	-5%
N.America	93.0	(12%)	106.1	(13%)	-13.1	-12%
L.America	6.7	(1%)	6.5	(1%)	0.3	4%
Russia CIS	16.9	(2%)	28.9	(4%)	-12.0	-42%
M.East	28.2	(4%)	21.5	(3%)	6.7	31%
Africa	37.0	(5%)	41.7	(5%)	-4.6	-11%
China	53.8	(7%)	72.9	(9%)	-19.1	-26%
Total	758.3		815.8		-57.5	-7%

Overseas revenue  
ratio 69%

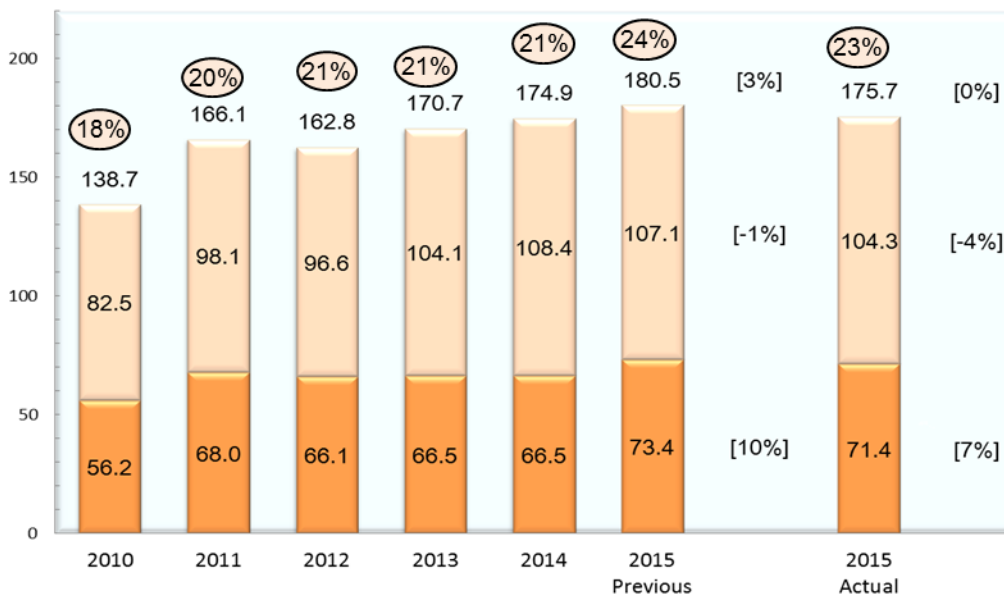
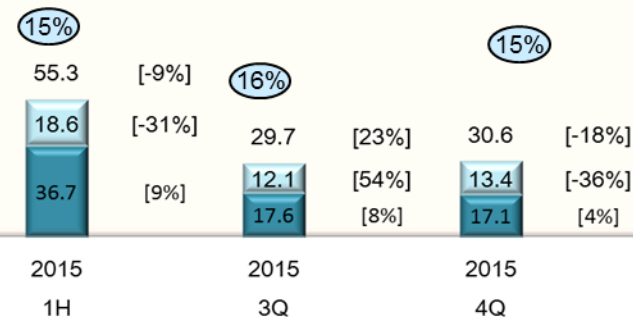
Overseas revenue  
ratio 73%

(billions of yen)

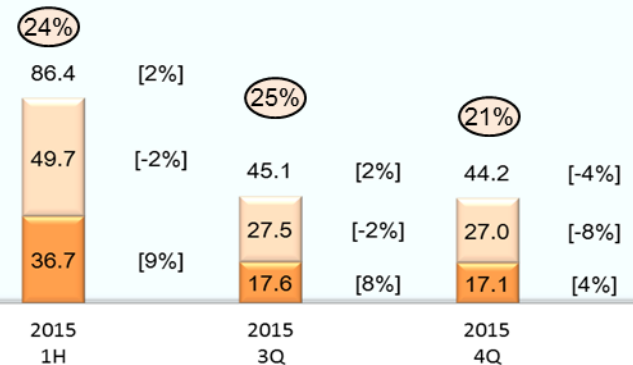
## Mining



% shows mining sales ratio of total company sales  
 [ % ] shows changed ratio from the same period of previous year  
 ■ Parts & Services ■ Units



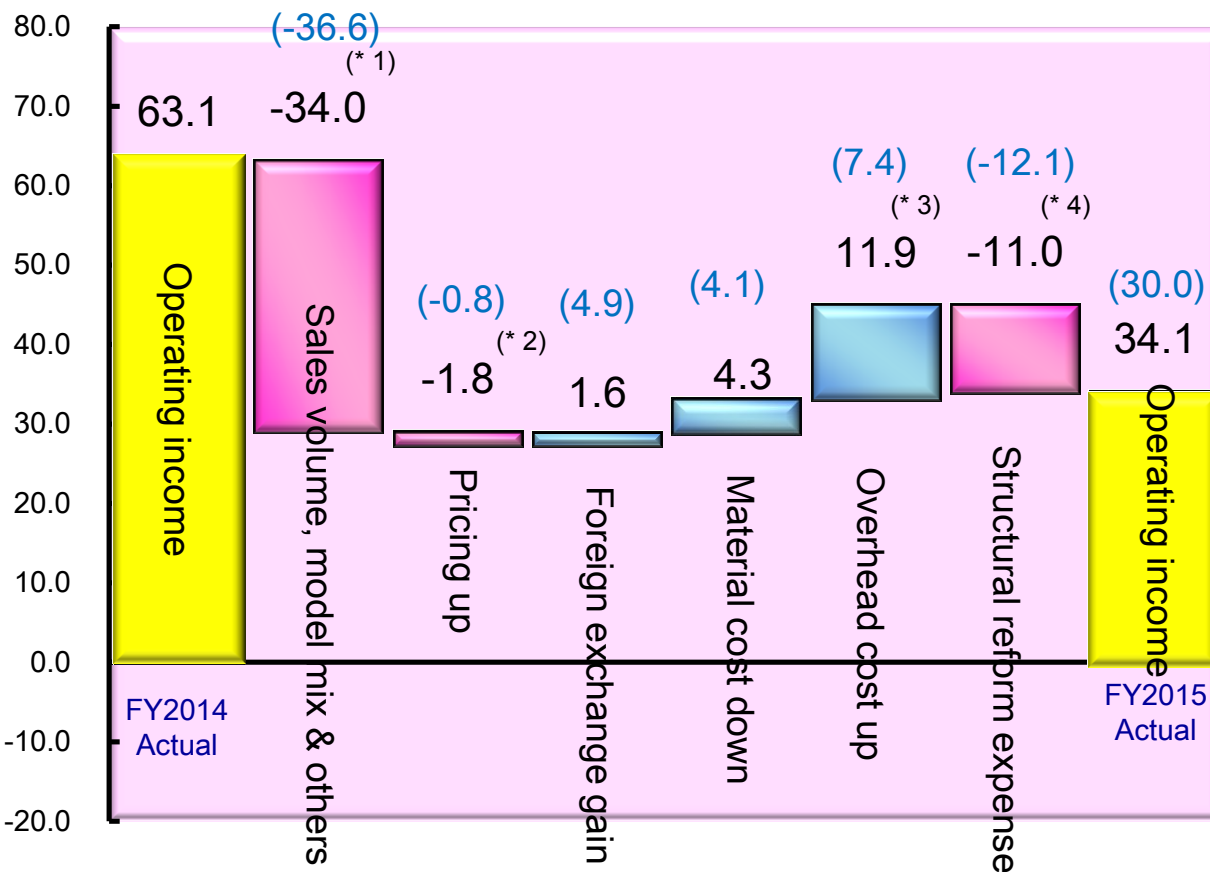
■ Mining ■ Construction



The restructuring cost amounted to ¥11.0 billion. (restructuring profit ¥21.5 billion and restructuring cost ¥-32.5 billion)

note : ( ) shows previous forecast as of Jan 2016

(billions of yen)



(\* 1) Sales volume, model mix & others:

Worsening in model sales mix of hydraulic excavator -12.1

Sales decrease in China -10.7

Sales decrease in Oceania -3.1

(\* 2) Pricing:

Effect of rupiah based transaction inside Indonesia -3.1

(\* 3) Overhead cost:

Consolidation of KCM -4.2

(\* 4) Profit from restructuring

Transfer of UniCarrier shares 21.5

Expenses for restructuring

Early retirement incentive program -7.2

Appraisal loss of long term inventory -13.8

Provision for business in China & Asia -4.9

Others -6.6

- Operating income decreased by 46% year on year to 34.1 billion yen due to the sales volume decrease and execution of restructuring while restructuring profit occurred.
- Net income attributable to owners of the parent decreased by 17.2 billion yen to 8.8 billion yen year on year due to the financial cost in addition to the decrease of operating income.

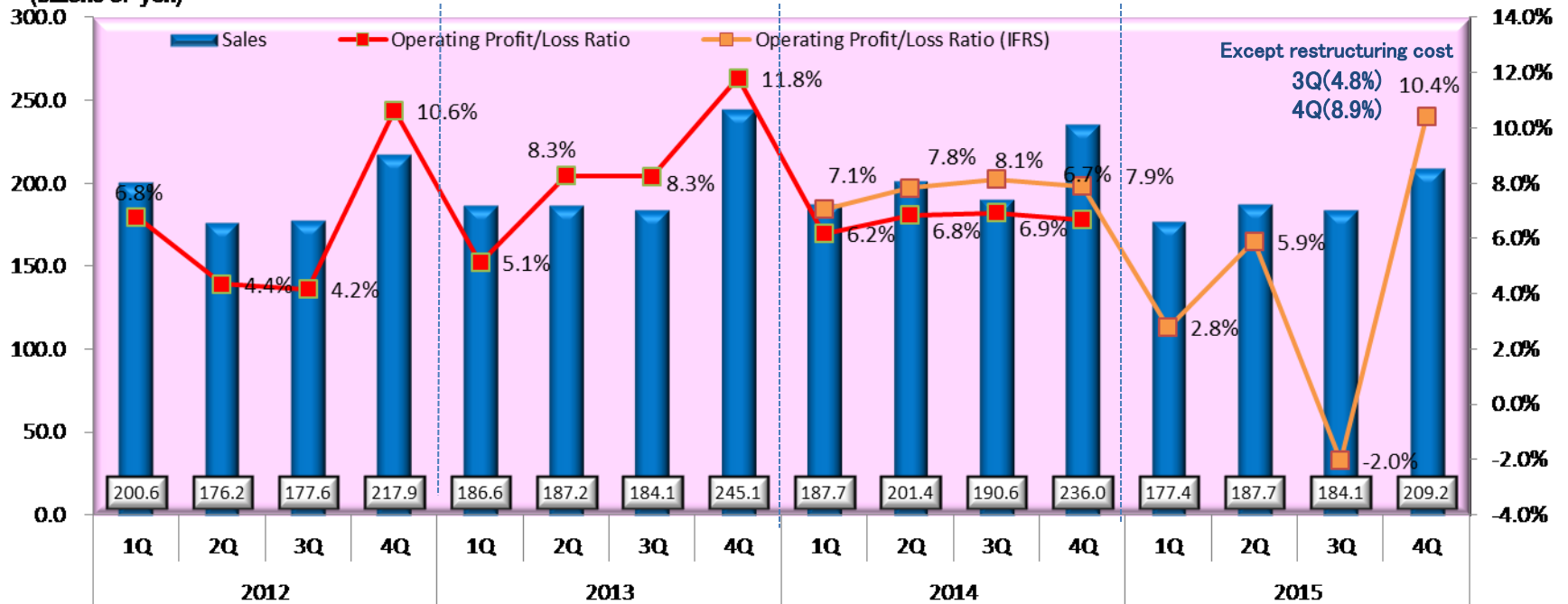
(billions of yen)

	FY2015 Actual	FY2014 Actual	increase (decrease)	
			amount	%
Revenue	758.3	815.8	-57.5	-7%
Cost of Sales	(76.3%) 578.7	(73.2%) 597.2	-18.4	-3%
SGA expenses	(20.6%) 156.2	(19.2%) 156.7	-0.5	-0%
Adjusted operating income	(3.1%) 23.4	(7.6%) 61.9	-38.6	-62%
Other Income/expenses	10.7	1.2	9.5	782%
Operating income	(4.5%) 34.1	(7.7%) 63.1	20.2	-46%
Financial income/expenses	-9.8	-5.6	-4.1	73%
Share of profits of investments accounted for using the equity method	0.2	1.5	-1.2	-84%
Income before income taxes	(3.2%) 24.5	(7.2%) 59.0	-34.4	-58%
Income taxes	-14.2	-28.7	14.5	-50%
Net income	(1.4%) 10.3	(3.7%) 30.3	-20.0	-66%
Net income attributable to owners of the parent	(1.2%) 8.8	(3.2%) 26.0	-17.2	-66%
Comperhensive income	-26.1	57.1	-83.2	-

"Adjusted Operating income" is the Hitachi group's common profit index, calculated by excluding "Other income" and "Other expenses" from "Operating income".

	2012				2013				2014				2015			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Sales	200.6	176.2	177.6	217.9	186.6	187.2	184.1	245.1	187.7	201.4	190.6	236.0	177.4	187.7	184.1	209
Operating profit/loss	13.6	7.7	7.4	23.2	9.6	15.5	15.2	28.9	11.6	13.8	13.2	15.8				0
Operating profit/loss (IFRS)									13.2	15.8	15.5	18.6	4.9	11.1	-3.8	21.8

(billions of yen)



FX rate	2012				2013				2014				2015			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
US\$	80.2	78.6	81.2	92.4	98.8	99.0	100.5	102.8	102.2	103.9	114.5	119.1	121.4	122.2	121.5	115.5
€	102.9	98.4	105.3	122.0	129.0	131.1	136.7	140.8	140.1	137.8	143.1	134.2	134.2	136.0	133.0	127.2
RMB	12.7	12.4	13.0	14.9	16.1	16.2	16.5	16.9	16.4	16.9	16.8	19.1	19.6	19.3	18.9	17.6

- Total assets decreased by ¥138.0 billion despite an increase of ¥22.4 billion by consolidation of KCM.
- Inventories decreased by ¥64.9 billion year on year despite an increase of ¥10.2 billion occurred by consolidation of KCM.

(billions of yen)

	(A) Mar '2016	(B) Mar '2015	(A)-(B) change
Cash and cash equivalents	79.1	51.4	27.7
Trade receivables	182.9	231.5	-48.5
Inventories	248.6	313.5	-64.9
Total current assets	549.2	639.0	-89.7
Total non-current assets	377.4	425.7	-48.3
Total assets	926.6	1,064.7	-138.0

Trade receivables inc. non-current	206.1	261.6	-55.5
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## Inventories by products

Unit	62.2	101.5	-39.3
Parts	96.0	110.7	-14.7
Raw materials, WIP and etc	90.3	101.3	-10.9
Total inventories	248.6	313.5	-64.9

On hand days(divided by net sales)

( Days )

Trade receivables	99	117	-18
Inventories	120	140	-21
Trade payables	54	62	-8
Net working capital	163	193	-31

	(D) Mar '2016	(E) Mar '2015	(D)-(E) change
Trade and other payables	205.9	230.4	-24.6
Bonds and borrowings	217.9	287.7	-69.8
Total current liabilities	469.8	566.8	-97.0
(Equity attributable to owners of the parent ratio)	[42.7%]	[40.5%]	[2.2%]
Total equity	456.8	497.9	-41.1
Total liabilities and equity	926.6	1,064.7	-138.0

	[23.5%]	[27.0%]	[-3.5%]
Interest-bearing debt	217.9	287.7	-69.8
Cash and Cash equivalents	79.1	51.4	27.7
Interest-bearing debt, net	[15.0%]	[22.2%]	[-7.2%]
Debt	138.8	236.2	-97.5

Net D/E Ratio	0.35	0.55	-0.20
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- Net cash provided by (used in) operating activities increased by ¥8.6 billion year on year to ¥114.9 billion due to improvement of the working capital while net income significantly decreased ¥20.0 billion.
- Free cash flow increased by ¥44.9 billion year on year to ¥133.1 billion including net cash provided by investing activities.

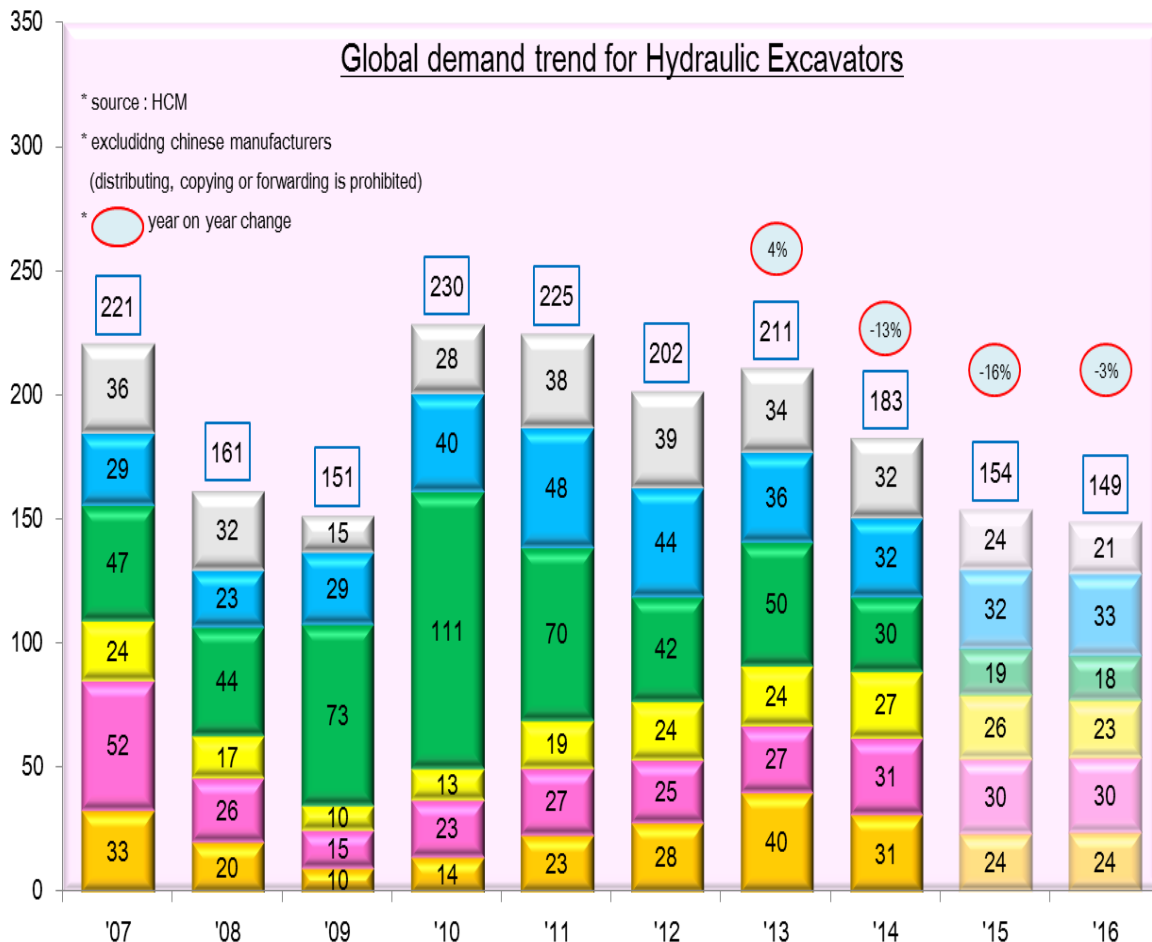
(billions of yen)

	FY2015 Actual		FY2014 Actual		change
Net income		10.3		30.3	-20.0
Depreciation and amortization	48.2	37.9	67.7	37.4	-19.5
(Increase)decrease in trade/lease receivables		52.4		32.2	20.2
(Increase)decrease in inventories	97.6	59.8	40.4	16.6	57.1
(Increase)decrease in trade payables		-14.7		-8.5	-6.2
Others, net		-30.9		-1.9	-29.0
Net cash provided by (used in) operating activities		114.9		106.2	8.6
Cash flow margin for operating activities		15.1%		13.0%	2.1%
Net cash provided by (used in) investing activities		18.3		-18.0	36.2
Free cash flows		133.1		88.3	44.9



HCM expects FY2016 Global demand for hydraulic excavators to decrease by 3%, to 149k units mainly due to the decrease in North America, the Middle East and Russia-CIS.

(in thousand of units)



year on year change by region

	'14	'15	'16
Total	-13%	-16%	-3%
Others			
Russia-CIS & E.Europe	-22%	-44%	-12%
Africa	+7%	-31%	-3%
Middle East	+4%	-3%	-15%
Latin America	-3%	-38%	-7%
Others	-6%	-25%	-8%
Asia&Oceania * incl. India			
India	-1%	+28%	+18%
Indonesia	-29%	-38%	-10%
Others	-10%	0%	-1%
North America			
Asia & Oceania	-11%	0%	+3%
China	-40%	-36%	-6%
Western Europe			
North America	+13%	-4%	-12%
Western Europe	+15%	-3%	0%
Japan			
Japan	-23%	-23%	0%

- HCM expects the FY2016 revenue to decrease by 5% year on year due to the decrease in demand and negative impact by appreciation of Japanese Yen.
- HCM expects the operating income to decrease by 12% year on year considering continuous restructuring reform in addition to decrease of revenue.

(billions of yen)

	FY2016 Forecast	FY2015 Actual	increase (decrease)	
			amount	%
Revenue	720.0	758.3	-38.3	-5%
Adjusted Operating income <sup>*1</sup>	36.0	23.4	12.6	54%
Operating income	30.0	34.1	-4.1	-12%
Income before income tax	23.0	24.5	-1.5	-6%
Net income attributable to owners of the parent	8.0	8.8	-8.0	-9%

EBIT <sup>*2</sup>	26.2	26.9	-0.7	-3%
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F X	Rate (YEN/US\$)	110.0	120.1	-10.1
	Rate (YEN/EURO)	120.0	132.4	-12.4
	Rate (YEN/RMB)	17.0	18.6	-1.6

Cash dividend per share (yen)	To be determined	40	-
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\*1 "Adjusted Operating income" is the Hitachi group's common profit index, calculated by excluding "Other income" and "Other expenses" from "Operating income".

\*2 EBIT: Earning before interest and taxes

# Sales forecast by geographic region (consolidated) (11)

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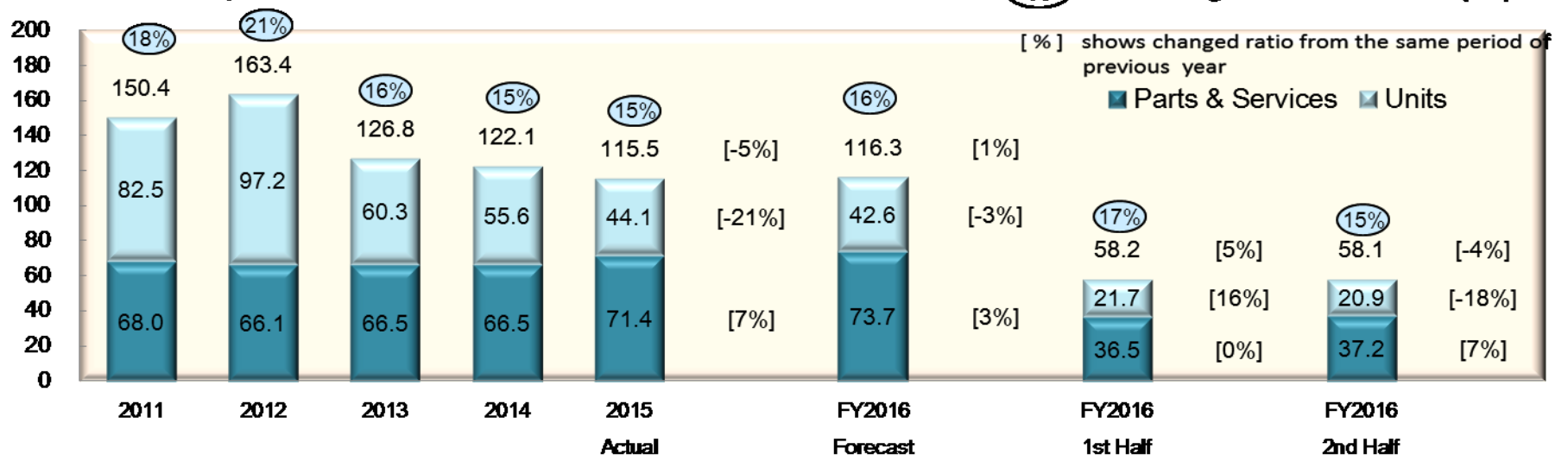
Compared with the FY2015 results, HCM forecasts a decrease in total due to the sluggish demand and negative exchange impact, despite the increase in Japan by consolidation of KCM and in India by increase of demand.

(billions of yen)						
	FY2016 Forecast		FY2015 Actual		VS. FY2015 Actual	
	(ratio)		(ratio)		amount	%
Japan	239.3	(33%)	232.8	(31%)	6.5	3%
Asia	58.0	(8%)	66.9	(9%)	−9.0	−13%
India	43.8	(6%)	40.4	(5%)	3.4	8%
Oseania	84.1	(12%)	93.5	(12%)	−9.5	−10%
Europe	82.0	(11%)	89.0	(12%)	−7.1	−8%
N.America	86.2	(12%)	93.0	(12%)	−6.8	−7%
L.America	5.8	(1%)	6.7	(1%)	−0.9	−14%
Russia CIS	13.8	(2%)	16.9	(2%)	−3.1	−18%
M.East	28.3	(4%)	28.2	(4%)	0.0	0%
Africa	31.1	(4%)	37.0	(5%)	−5.9	−16%
China	47.8	(7%)	53.8	(7%)	−6.0	−11%
Total	720.0		758.3		−38.3	−5%

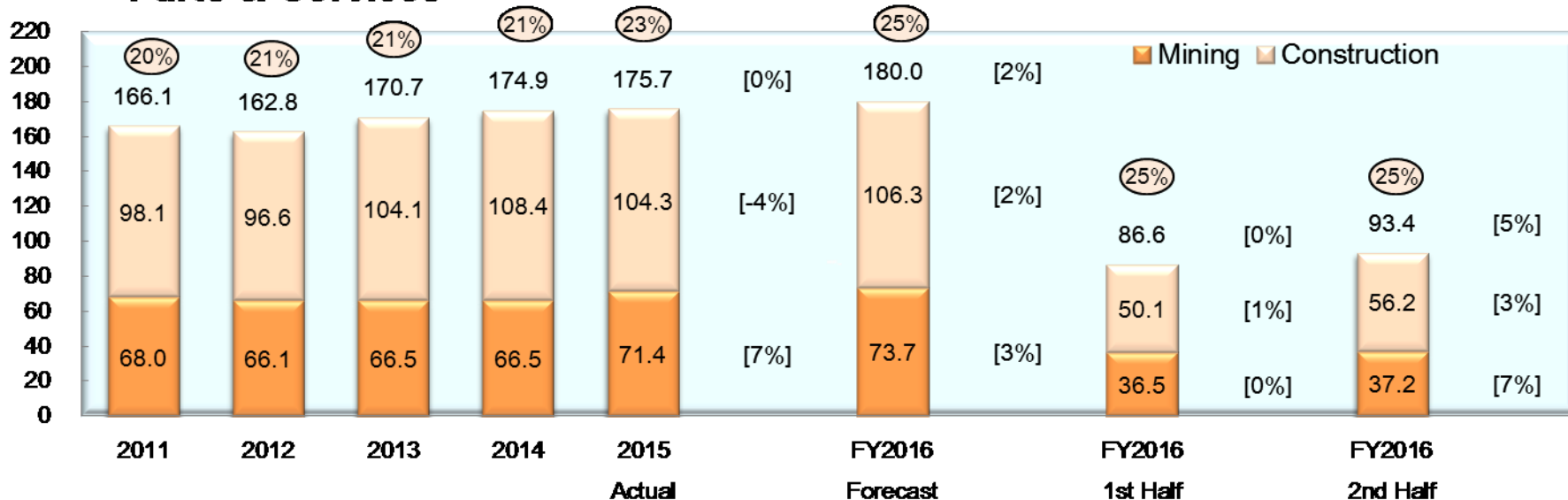
Overseas revenue  
ratio 67%

Overseas revenue  
ratio 69%

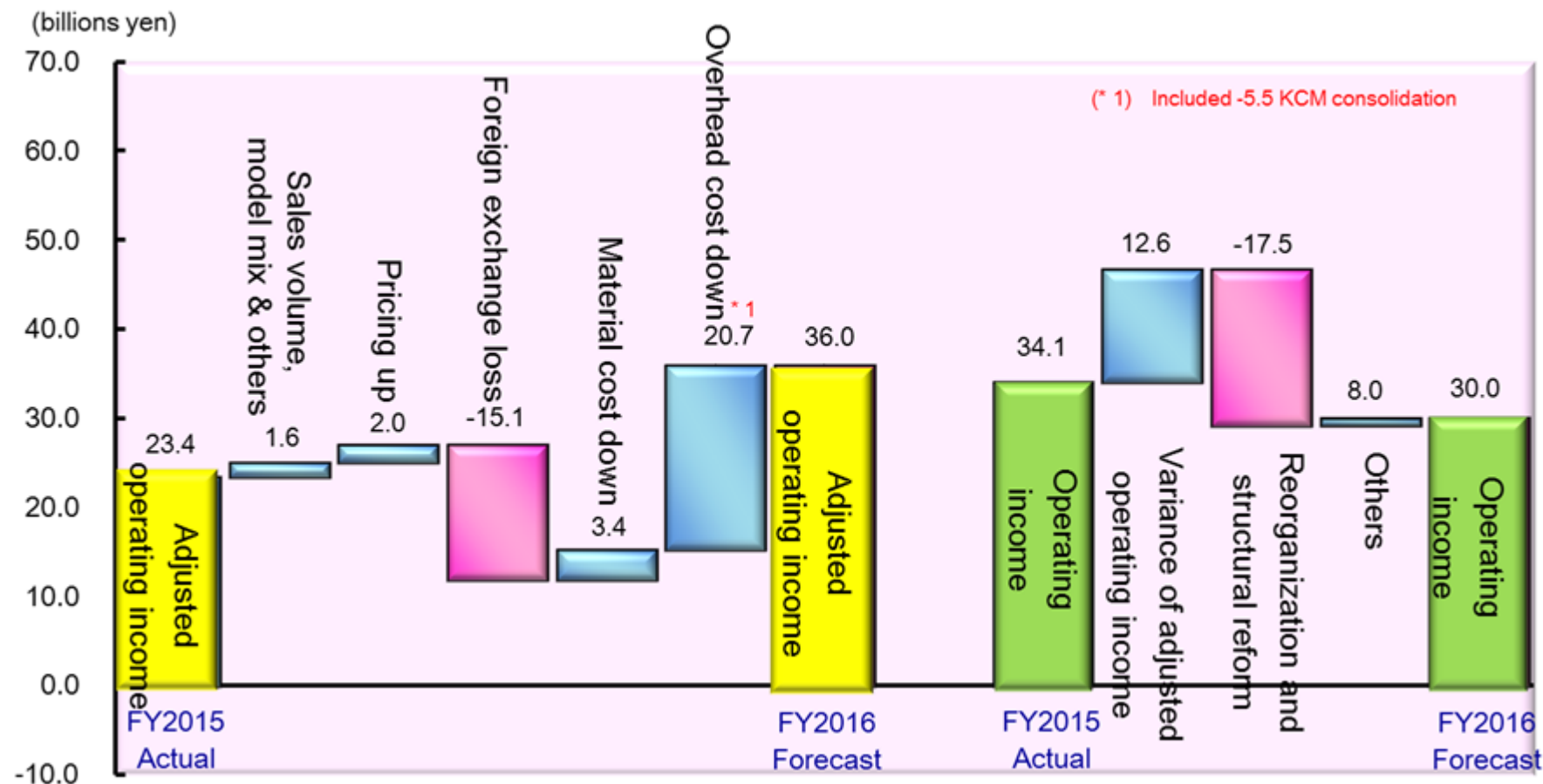
## (billions of yen) Mining



## (billions of yen) Parts & Services



HCM forecasts FY2016 adjusted operating income to increase due to price increase, material cost reduction and reduction of overhead cost, while it is negatively impacted by appreciation of Japanese Yen.



### [Cautionary Statement]

This material contains forward-looking statements that reflect management's views and assumptions in the light of information currently available with respect to certain future events, including expected financial position, operating results, and business strategies. Actual results may differ materially from those projected, and the events and results of such forward-looking assumptions cannot be assured.

Factors that may cause actual results to differ materially from those predicted by such forward-looking statements include, but are not limited to, changes in the economic conditions in the Company's principal markets; changes in demand for the Company's products, changes in exchange rates, and the impact of regulatory changes and accounting principles and practices.

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