

I. Summary of consolidated results

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Reliable solutions

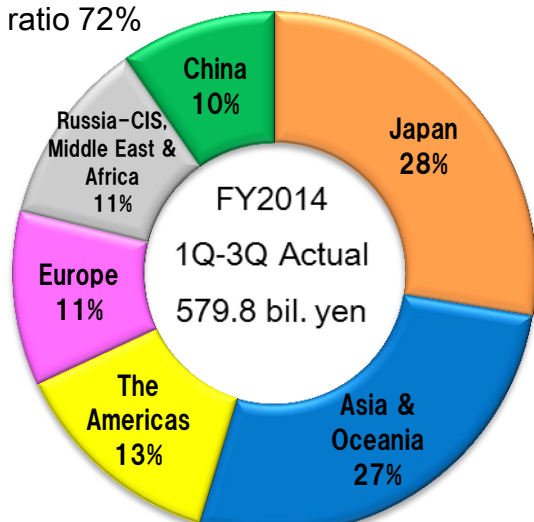
- Net sales increased compared to the previous year due to the increase in Europe and North America and also favorable foreign exchange rates, despite decreases in China.
- On the other hand, operating profit decreased compared to the previous year due to the regional & model sales mix.

(billions of yen)

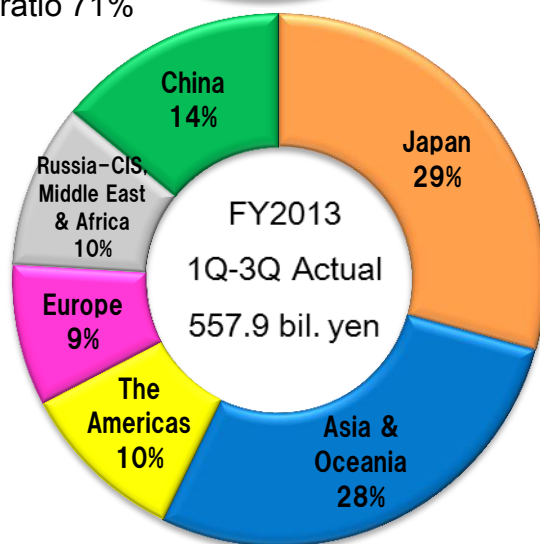
		FY2014 1Q-3Q	FY2013 1Q-3Q	change
Net Sales		579.8	557.9	4%
Operating Income		38.6	40.2	-4%
Ordinary Income		36.6	32.1	14%
Net Income		15.3	17.1	-11%
F X	Rate (YEN/US\$)	107.2	99.3	
	Rate (YEN/EURO)	140.1	132.1	
	Rate (YEN/RMB)	17.2	16.3	

- Net sales in overseas increased compared to the previous year due to the favorable foreign exchange rate, showing increases of 20.7 billion yen (136%) in the Americas, 14.7 billion yen (131%) in Europe and 10.9 billion yen (120%) in Russia-CIS, the Middle East & Africa particularly in Africa and the Middle East.
- On the other hand, sales significantly decreased by 22.6 billion yen (71%) in China.

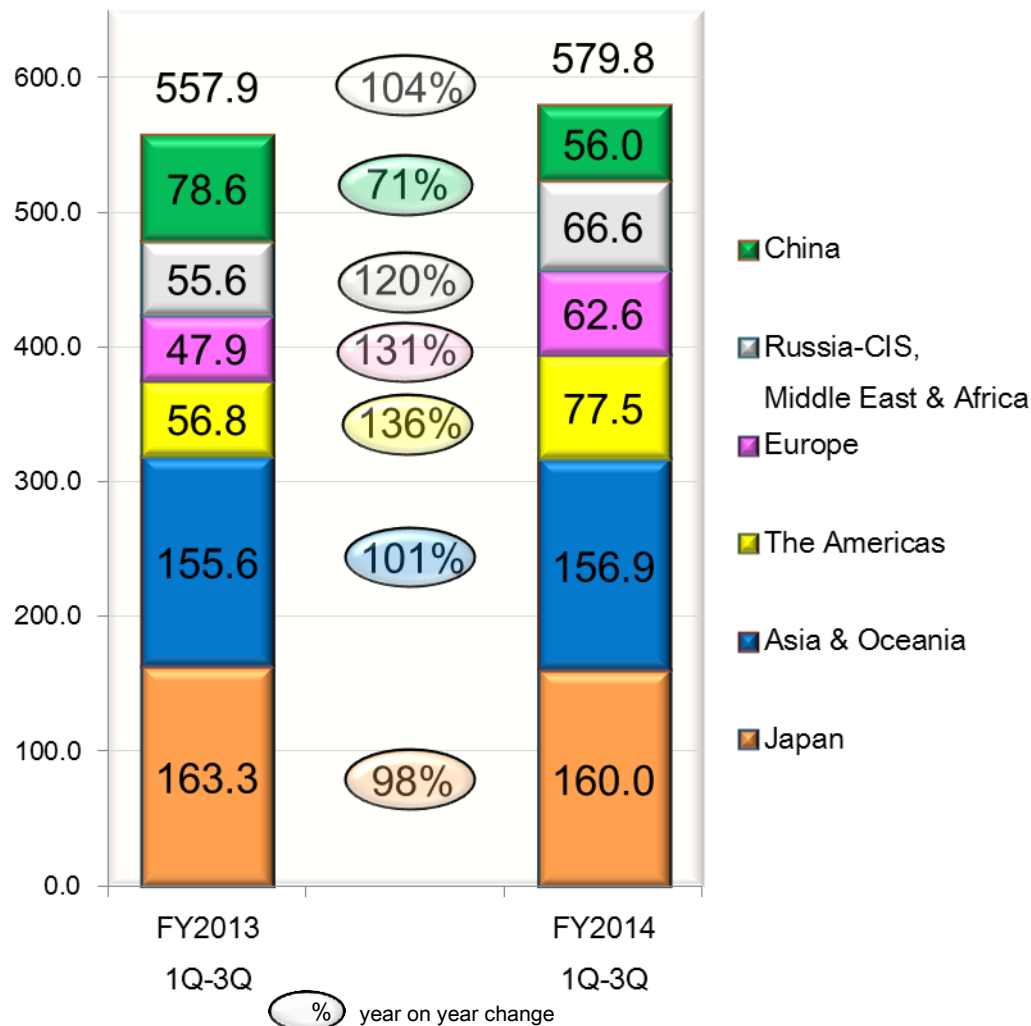
Overseas sales ratio 72%



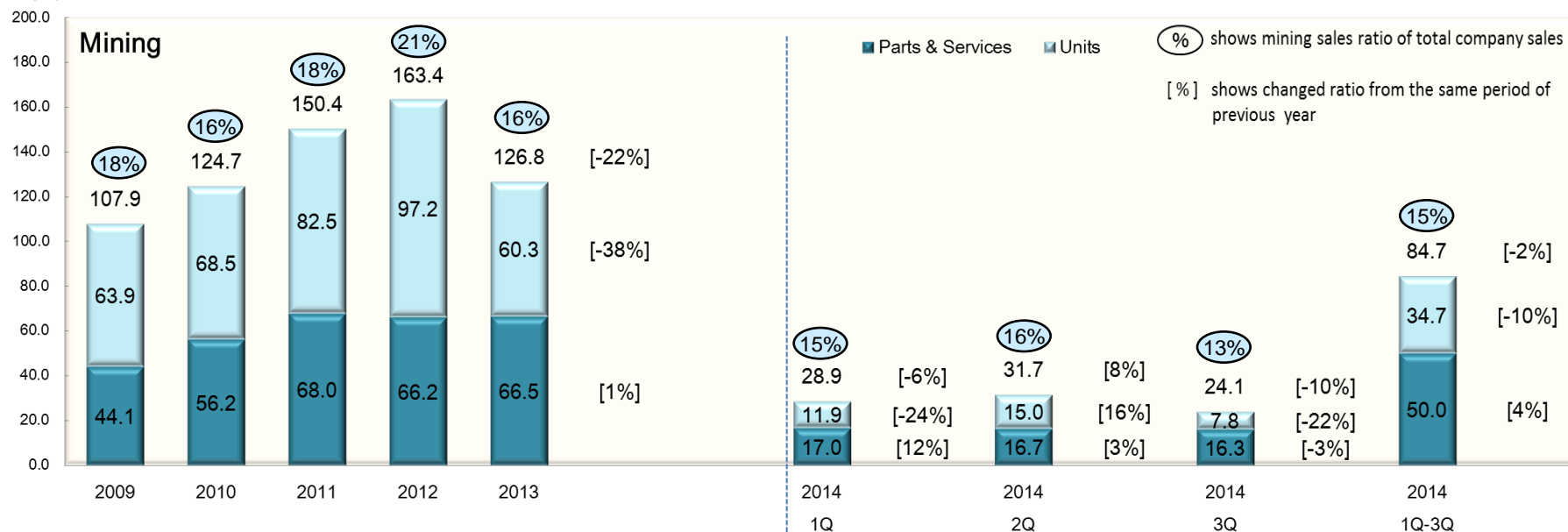
Overseas sales ratio 71%



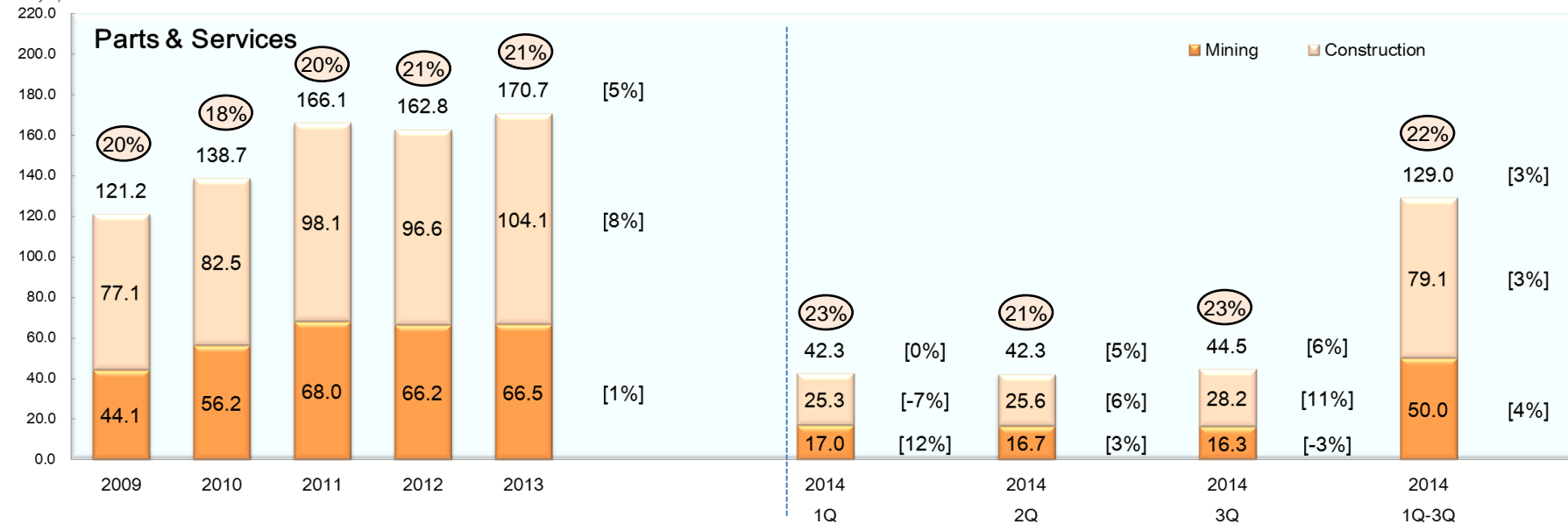
(billions of yen)



(billions of yen)



(billions of yen)

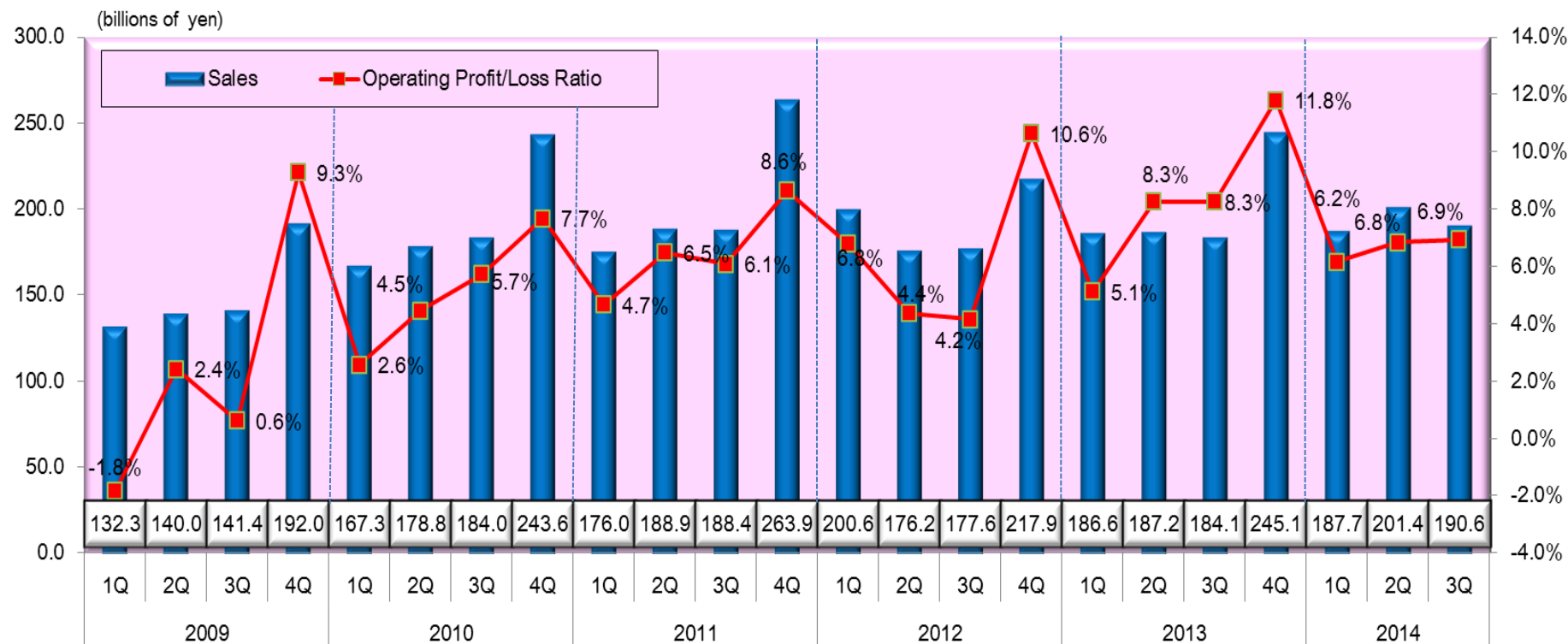


Operating income in FY2014 1Q-3Q decreased by 1.7 billion yen compared to that of the FY2013 1Q-3Q to 38.6 billion yen due to the regional & model sales mix, despite sales price rises, reduced material costs and favorable foreign exchange rates.

(billions of yen)

	FY2014 1Q-3Q		FY2013 1Q-3Q		increase (decrease)	
					amount	%
Net Sales		579.8		557.9	21.9	4%
Cost of Sales	(72.5%)	420.2	(71.3%)	397.5	22.6	6%
SGA expenses	(20.9%)	121.0	(21.5%)	120.1	0.9	1%
Operating Income	(6.7%)	38.6	(7.2%)	40.2	-1.7	-4%
Non-operating Income/Loss		-2.0		-8.1	6.1	-75%
Ordinary Income	(6.3%)	36.6	(5.8%)	32.1	4.5	14%
Extraordinary Income		0.0		2.1	-2.1	-
Income Taxes		17.4		12.8	4.6	36%
Minority Interest		3.9		4.3	-0.4	-10%
Net Income	(2.6%)	15.3	(3.1%)	17.1	-1.8	-11%

	2009				2010				2011				2012				2013				2014		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Sales	132.3	140.0	141.4	192.0	167.3	178.8	184.0	243.6	176.0	188.9	188.4	263.9	200.6	176.2	177.6	217.9	186.6	187.2	184.1	245.1	187.7	201.4	190.6
Operating profit/loss	-2.4	3.4	0.9	17.8	4.3	8.0	10.6	18.7	8.2	12.2	11.5	22.8	13.6	7.7	7.4	23.2	9.6	15.5	15.2	28.9	11.6	13.8	13.2



FX rate	2009				2010				2011				2012				2013				2014		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
US\$	96.8	92.8	90.1	90.8	92.0	85.9	82.6	82.3	81.7	77.9	77.4	79.3	80.2	78.6	81.2	92.4	98.8	99.0	100.5	102.8	102.2	103.9	114.5
€	133.5	133.0	132.6	123.7	117.0	110.7	112.2	112.6	117.4	110.2	104.3	104.0	102.9	98.4	105.3	122.0	129.0	131.1	136.7	140.8	140.1	137.8	143.1
RMB	14.2	13.6	13.2	13.3	13.4	12.6	12.4	12.5	12.6	12.1	12.2	12.6	12.7	12.4	13.0	14.9	16.1	16.2	16.5	16.9	16.4	16.9	16.9

Dividend / interest income and expenses, gain or loss on equity earnings of affiliated companies and foreign exchange gain or loss (net) were improved compared to those of the previous year.

(billions of yen)

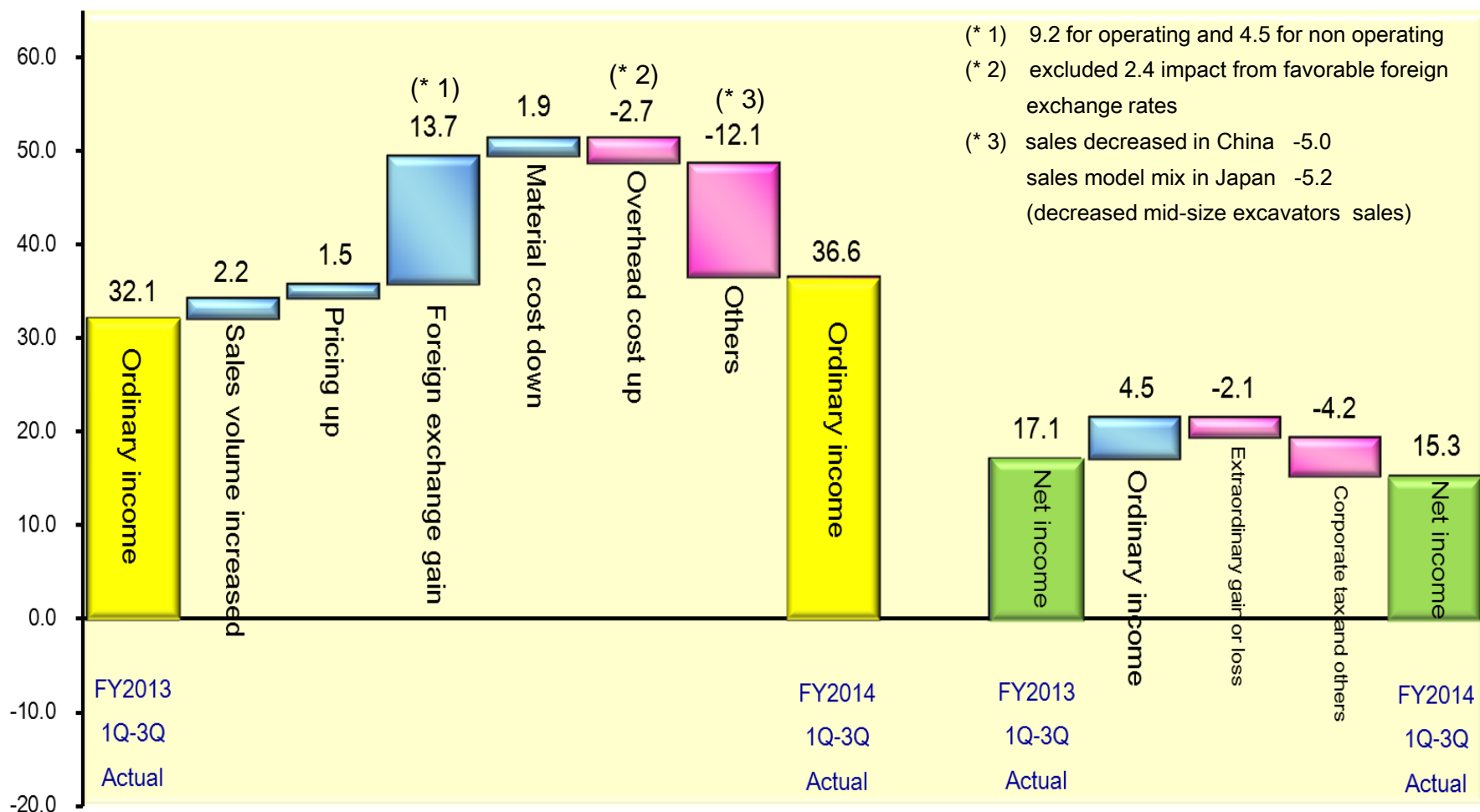
	FY2014 1Q-3Q	FY2013 1Q-3Q	increase (decrease)	
			amount	%
Dividend/interest income and expenses	-2.7	-4.7	2.0	-42%
Gain or loss on equity earnings of affiliated companies	1.0	-0.2	1.2	-
Foreign exchange gain or loss (net)	-0.9	-5.5	4.5	-83%
Others	0.6	2.2	-1.6	-71%
Total	-2.0	-8.1	6.1	-75%

(billions of yen)

	FY2014		FY2013		increase (decrease)	
	1Q-3Q		1Q-3Q		amount	%
Net Sales	579.8		557.9		21.9	4%
Cost of Sales	(72.5%) 420.2		(71.3%) 397.5		22.6	6%
SGA expenses	(20.9%) 121.0		(21.5%) 120.1		0.9	1%
Operating Income	(6.7%) 38.6		(7.2%) 40.2		-1.7	-4%
Non-operating Income/Loss	-2.0		-8.1		6.1	-75%
Ordinary Income	(6.3%) 36.6		(5.8%) 32.1		4.5	14%
Extraordinary Income	0.0		2.1		-2.1	-
Income Taxes	17.4		12.8		4.6	36%
Minority Interest	3.9		4.3		-0.4	-10%
Net Income	(2.6%) 15.3		(3.1%) 17.1		-1.8	-11%

Ordinary income increased by 4.5 billion yen compared to that of the previous year to 36.6 billion yen due to continued sales price rises and reductions in material costs and, further more, favorable foreign exchange rates , in addition to increased sales volume.

(billions of yen)



Total assets increased by 60.7 billion yen from the end of March 2014 due to the impact from foreign exchange rates and, also interest bearing debt excluding cash and cash equivalents improved by 44.5 billion yen from the end of March 2014.

(billions of yen)

	(A) FY14-3Q	(B) Mar '2014	(C) FY13-3Q	(A)-(B) change		(D) FY14-3Q	(E) Mar '2014	(F) FY13-3Q	(D)-(E) change
Cash and bank deposit	80.4	53.4	69.7	27.0	Notes and accounts payable	158.3	143.1	155.1	15.2
Accounts receivable	272.8	302.6	270.4	-29.8	Loans and bonds	363.1	363.4	393.4	-0.3
Inventories	355.4	321.3	354.8	34.1	Total liabilities	658.2	639.6	685.2	18.6
Total current assets	772.7	718.9	748.2	53.8	(Shareholder's equity ratio)	(36.3%)	(35.7%)	(33.7%)	(0.6%)
Total fixed assets	375.2	368.3	376.3	6.9	Total net assets	489.7	447.6	439.3	42.0
Total assets	1,147.8	1,087.2	1,124.5	60.7	Total liabilities and net assets	1,147.8	1,087.2	1,124.5	60.7

Inventories by products

Unit	117.7	113.1	119.7	4.6		(31.6%)	(33.4%)	(35.0%)	(-1.8%)
Parts	118.6	111.5	115.4	7.1	Interest-bearing debt	363.1	363.4	393.4	-0.3
Raw materials, WIP and etc	119.1	96.7	119.7	22.4	Cash and Cash equivalents	98.8	54.5	70.8	44.3
Total inventories	355.4	321.3	354.8	34.1	(Deposit)	(18.4)	(1.1)	(1.1)	(17.3)
On hand days (divided by net sales)	(Days)				Interest-bearing debt, net (%)	(23.0%)	(28.4%)	(28.7%)	-5.4%
Accounts receivable	121	138	127	-17	Debt	264.4	308.9	322.6	-44.5
Inventories	157	146	167	11					
Notes and accounts payable	70	65	73	5	Net D/E Ratio	0.63	0.80	0.85	-0.16
Net working capital	208	219	221	-11					

- Net cash provided by operating activities improved by 15.6 billion yen year on year to a positive 87.8 billion yen.
- Free cash flows improved by 34.9 billion yen year on year to a positive 76.7 billion yen.

(billions of yen)

	FY2014 1Q-3Q		FY2013 1Q-3Q		change	
Income before income taxes and minority interest		36.6		34.3		2.3
Depreciation and amortization	65.3	28.7	62.1	27.8	3.2	0.9
(Increase)decrease in accounts receivable		57.8		65.6		-7.8
(Increase)decrease in inventories		-15.4		-24.7		9.3
(Increase)decrease in notes and accounts payable	46.4	4.0	33.9	-7.0	12.5	11.0
Income taxes paid		-17.2		-17.4		0.3
Others, net		-6.8		-6.4		-0.4
Net cash provided by (used in) operating activities		87.8		72.2		15.6
Cash flow margin ratio for operating activities		15.1%		12.9%		2.2%
Net cash provided by (used in) investing activities		-11.0		-30.3		19.3
Free cash flows		76.7		41.9		34.9

II. Consolidated earnings forecast

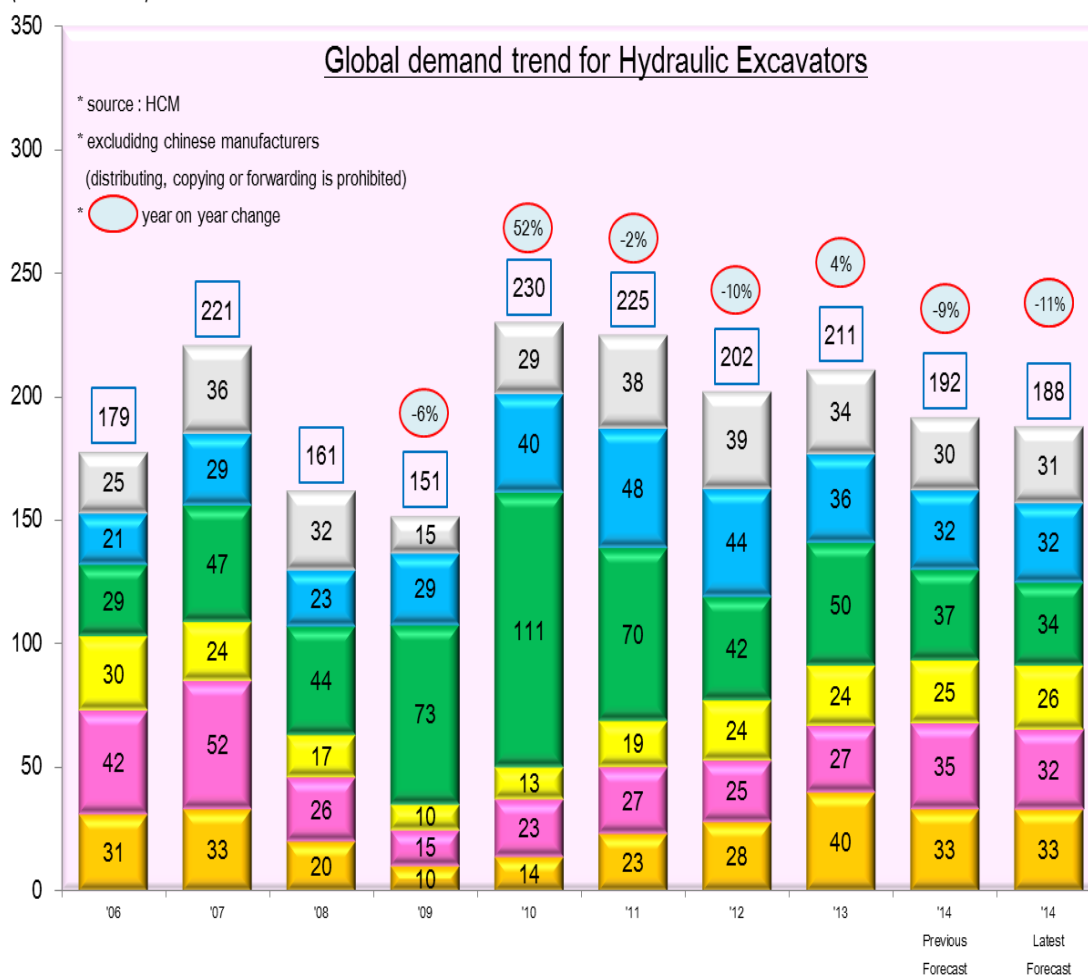
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- The latest forecast for hydraulic excavator demand in FY2014 in China will decrease by 3,000 units from the previous forecast as of October 2014 to 34,000 units and Western Europe will also decrease by 3,000 units from the previous forecast to 32,000 units.
- Worldwide hydraulic excavators demand in FY2014 will be revised downwards by 4,000 units from the previous forecast to 188,000 units.

(in thousand of units)



year on year change by region

	'13	'14 Previous Forecast	'14 Latest Forecast
Total	+4%	-9%	-11%
Russia-CIS & E.Europe	-17%	-11%	-15%
Africa	-5%	-5%	-5%
Middle East	-19%	+2%	+3%
Latin America	-17%	-14%	-12%
Others	-14%	-12%	-9%
India	-26%	-8%	-1%
Indonesia	-20%	-21%	-25%
Others	-13%	-10%	-10%
Asia & Oceania	-18%	-11%	-11%
China	+19%	-26%	-32%
North America	+2%	+4%	+8%
Western Europe	+9%	+30%	+19%
Japan	+43%	-18%	-18%

The financial forecast for FY2014 will not to be changed based on the favorable foreign exchange, despite a decrease in demand for excavators in China and the decline in the mining market.

(billions of yen)

		FY2014 Forecast	FY2013 Actual	change
Net Sales		(740.0) 740.0	803.0	-8%
Operating Income		(60.0) 60.0	69.2	-13%
Ordinary Income		(55.0) 55.0	53.7	2%
Net Income		(30.0) 30.0	28.9	4%
F X	Rate (YEN/US\$)	109.4	100.3	
	Rate (YEN/EURO)	138.5	134.8	
	Rate (YEN/RMB)	17.4	16.5	

Cash dividend per share (yen)	60	50	10
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note : () shows previous forecast as of October 2014

Exchange rate for 4Q of FY2014

	() : previous rate
Yen / US\$	115.0 (100.0)
Yen / EURO	135.0 (134.0)
Yen / RMB	18.0 (16.3)

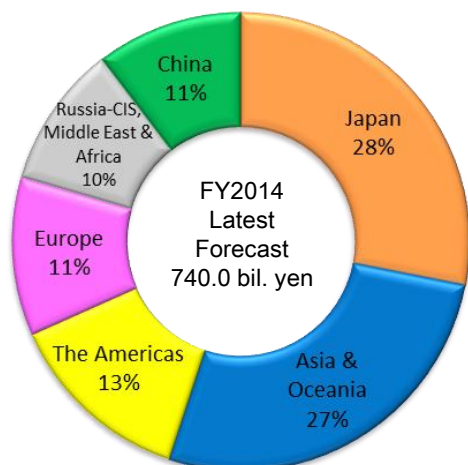
Sales forecast by geographic region (consolidated) (13)

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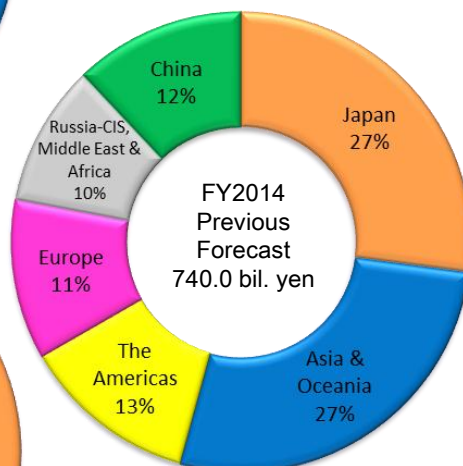
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Sales forecasts by geographic region will be the same as the previous forecasts in October 2014 due to an increase of 7.4 billion yen from the previous forecast in Japan and 5.8 billion yen from the previous forecast in the Americas, despite a further significant decrease of -12.3 billion yen from the previous forecast in China.

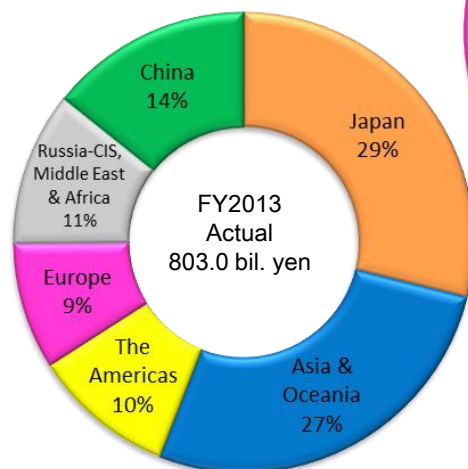
Overseas sales ratio 72%



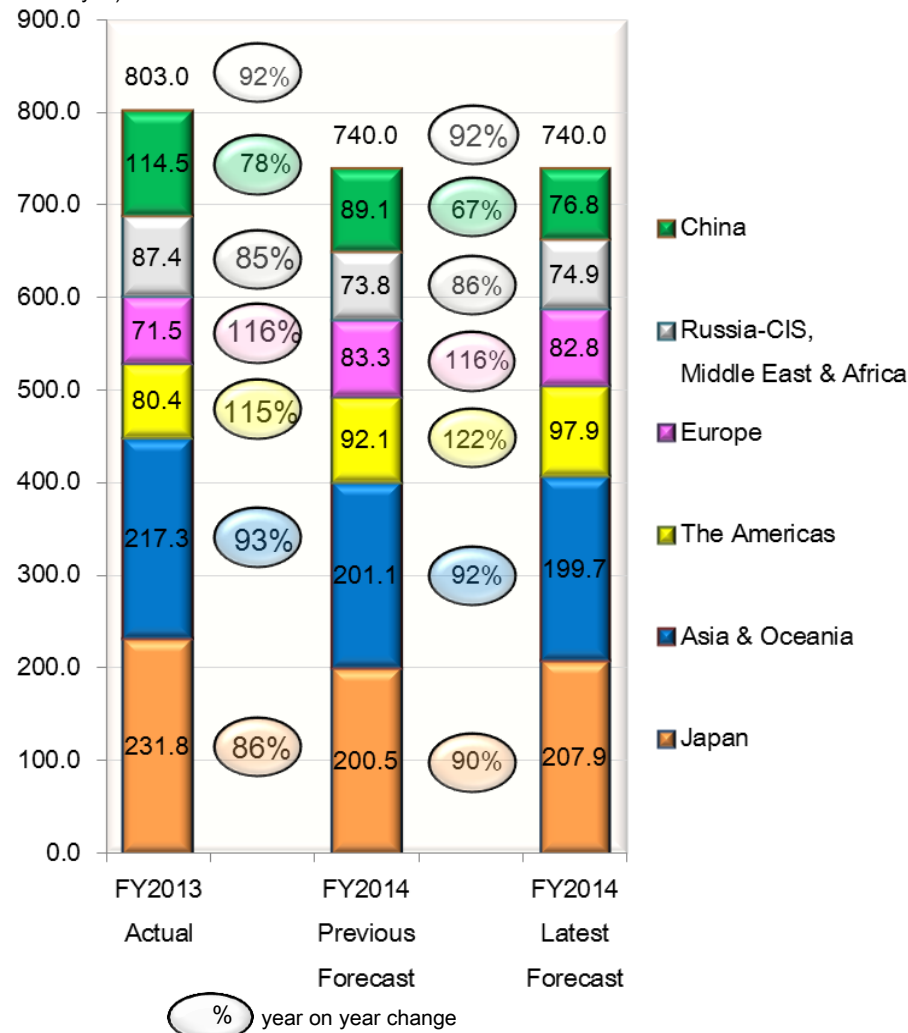
Overseas sales ratio 73%



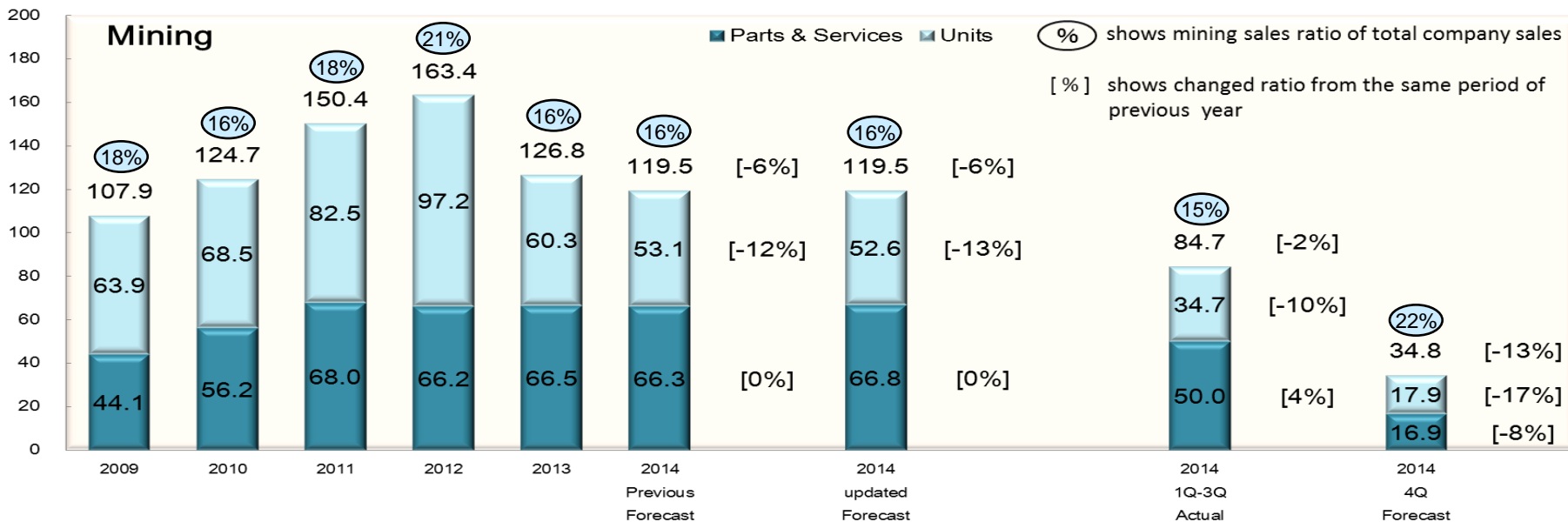
Overseas sales ratio 71%



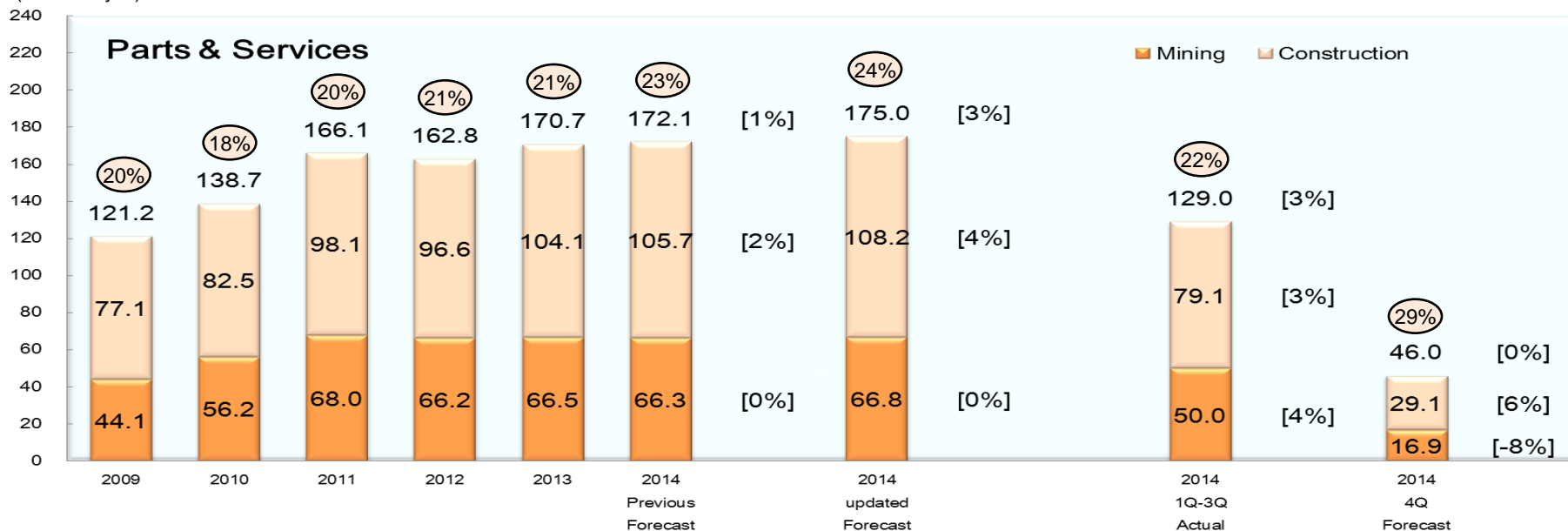
(billions of yen)



(billions of yen)



(billions of yen)



Ordinary income in the latest forecast for FY2014 will not be changed compared to the previous forecast due to continuing sales price rises and reducing material costs and furthermore, the contributions from parts, service and machine rental activities and favorable foreign exchange rates, despite significantly decreased sales volume compared to the previous year .

(billions of yen)

