

I. Summary of consolidated results

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Reliable solutions

- Net sales increased compared to the previous year due to increases in Europe and North America and also favorable foreign exchange rates, despite decreases in China and Japan.
- Operating income, ordinary income and net income increased compared to those of the previous year.

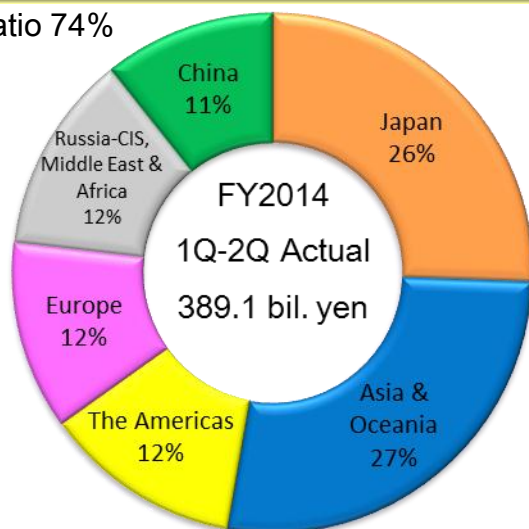
(billions of yen)

		FY2014 1Q-2Q	FY2013 1Q-2Q	change
Net Sales		(365.0) 389.1	373.7	4%
Operating Income		(22.0) 25.4	25.0	1%
Ordinary Income		(21.0) 24.9	16.8	49%
Net Income		(10.0) 11.1	10.7	4%
F X	Rate (YEN/US\$)	103.0	98.8	
	Rate (YEN/EURO)	138.8	130.0	
	Rate (YEN/RMB)	16.6	16.1	
Cash dividend per share (yen)		30	25	5

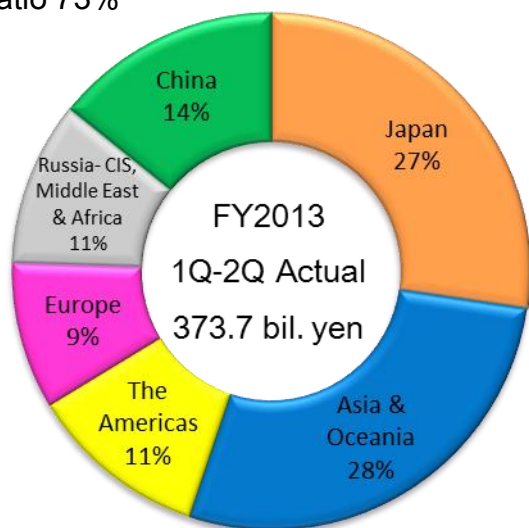
note : () shows forecast as of July 2014

- Sales increased by 11.5 billion yen (133%) in Europe and 6.1 billion yen (115%) in the Americas compared to those of the previous year. Also sales increased by 10.1 billion yen (126%) in Russia-CIS, the Middle East and Africa.
- On the other hand, sales decreased by 11.5 billion yen (78%) in China.

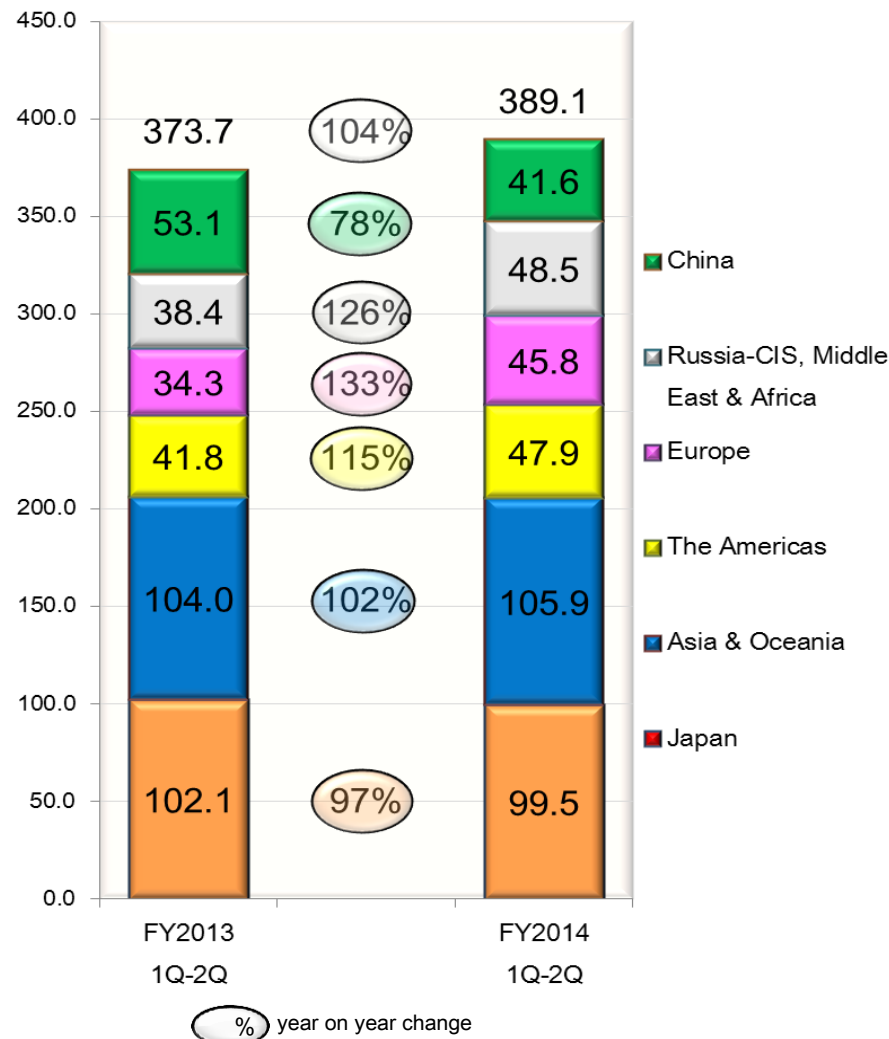
Overseas sales ratio 74%



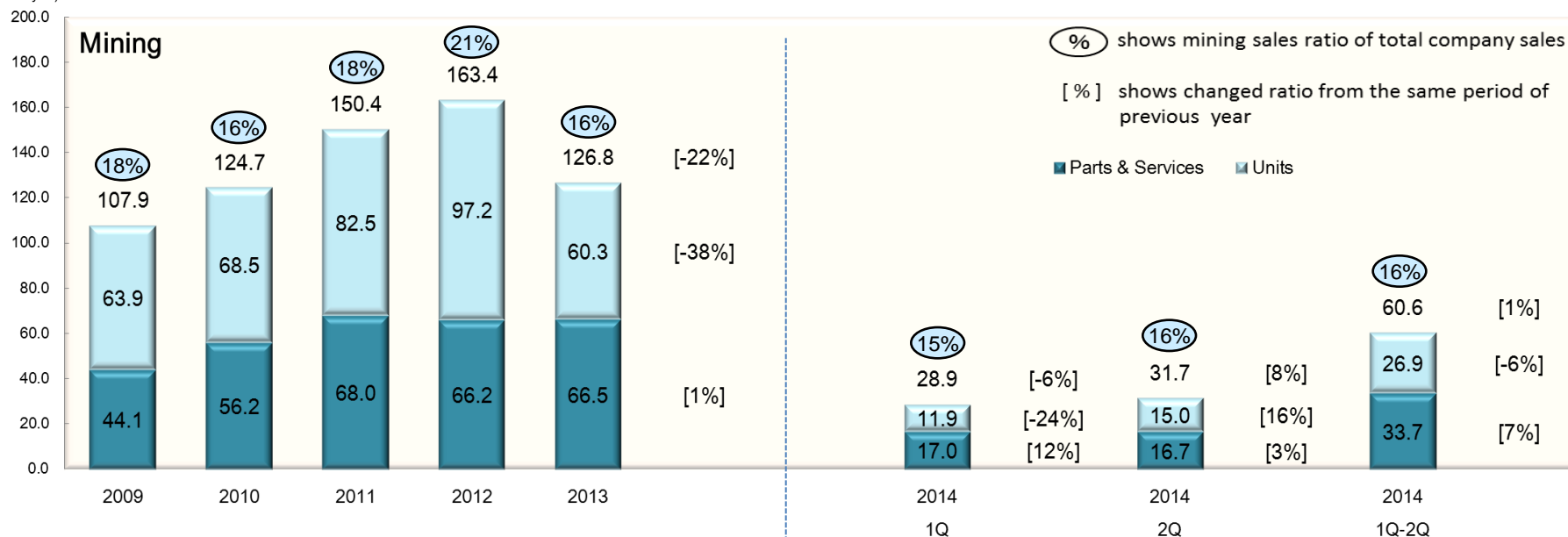
Overseas sales ratio 73%



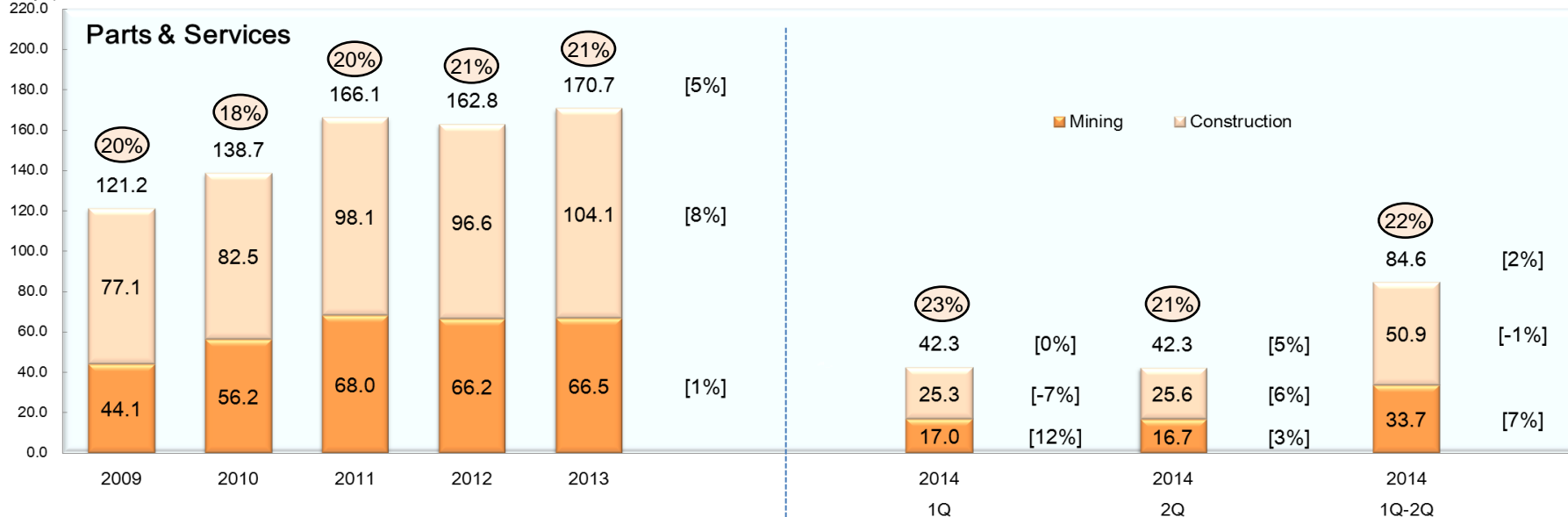
(billions of yen)



(billions of yen)



(billions of yen)



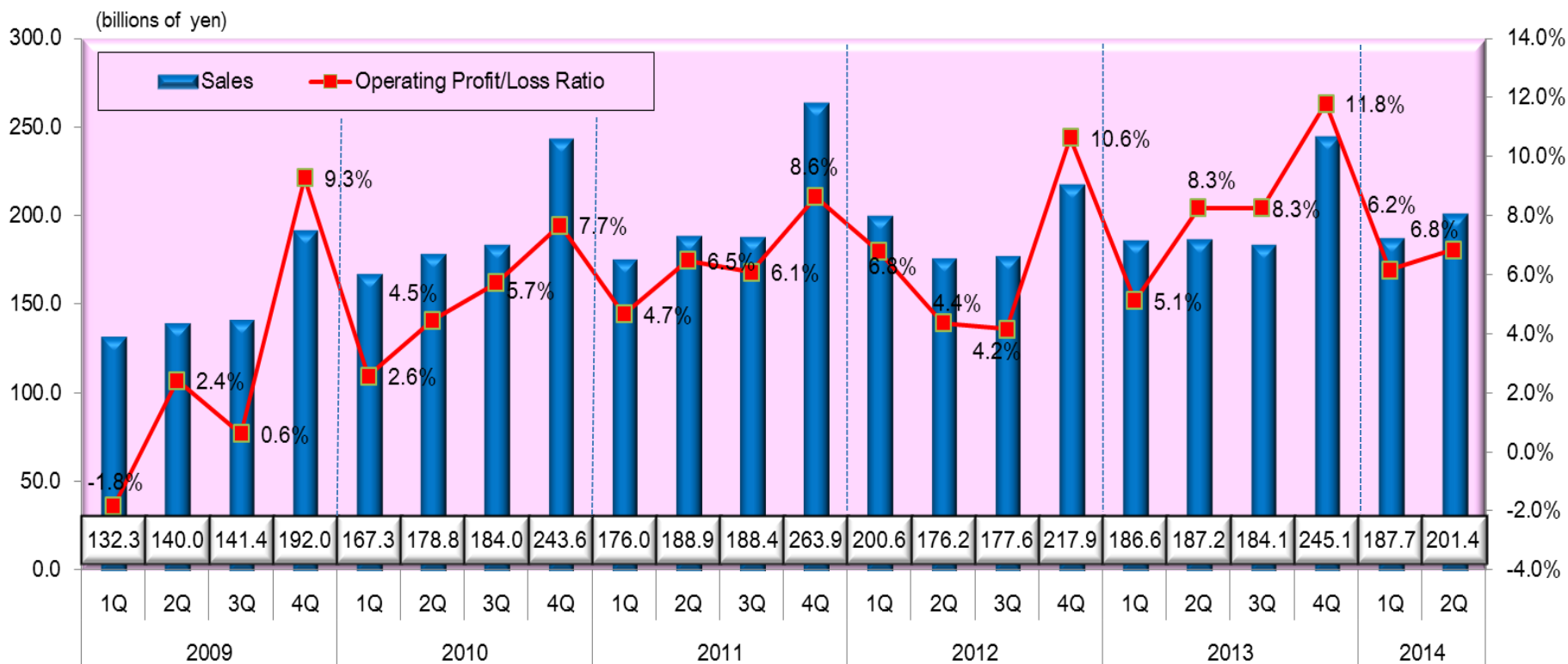
Operating income in FY2014 1Q-2Q increased by 0.3 billion yen compared to that of the FY2013 1Q-2Q to 25.4 billion yen due to price rises, reduced material costs and favorable foreign currency exchange rates, despite the regional and model sales mix.

(billions of yen)

	FY2014 1Q-2Q		FY2013 1Q-2Q		increase (decrease)	
					amount	%
Net Sales		389.1		373.7	15.4	4%
Cost of Sales	(73.3%)	285.4	(72.2%)	269.7	15.6	6%
SGA expenses	(20.1%)	78.4	(21.1%)	79.0	-0.6	-1%
Operating Income	(6.5%)	25.4	(6.7%)	25.0	0.3	1%
Non-operating Income/Loss		-0.4		-8.3	7.8	-95%
Ordinary Income	(6.4%)	24.9	(4.5%)	16.8	8.2	49%
Extraordinary Income		0.0		2.1	-2.1	-
Income Taxes		10.7		5.3	5.4	101%
Minority Interest		3.1		2.9	0.2	8%
Net Income	(2.9%)	11.1	(2.9%)	10.7	0.4	4%

(billions of yen)

	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
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
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



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
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
€	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
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

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

(billions of yen)

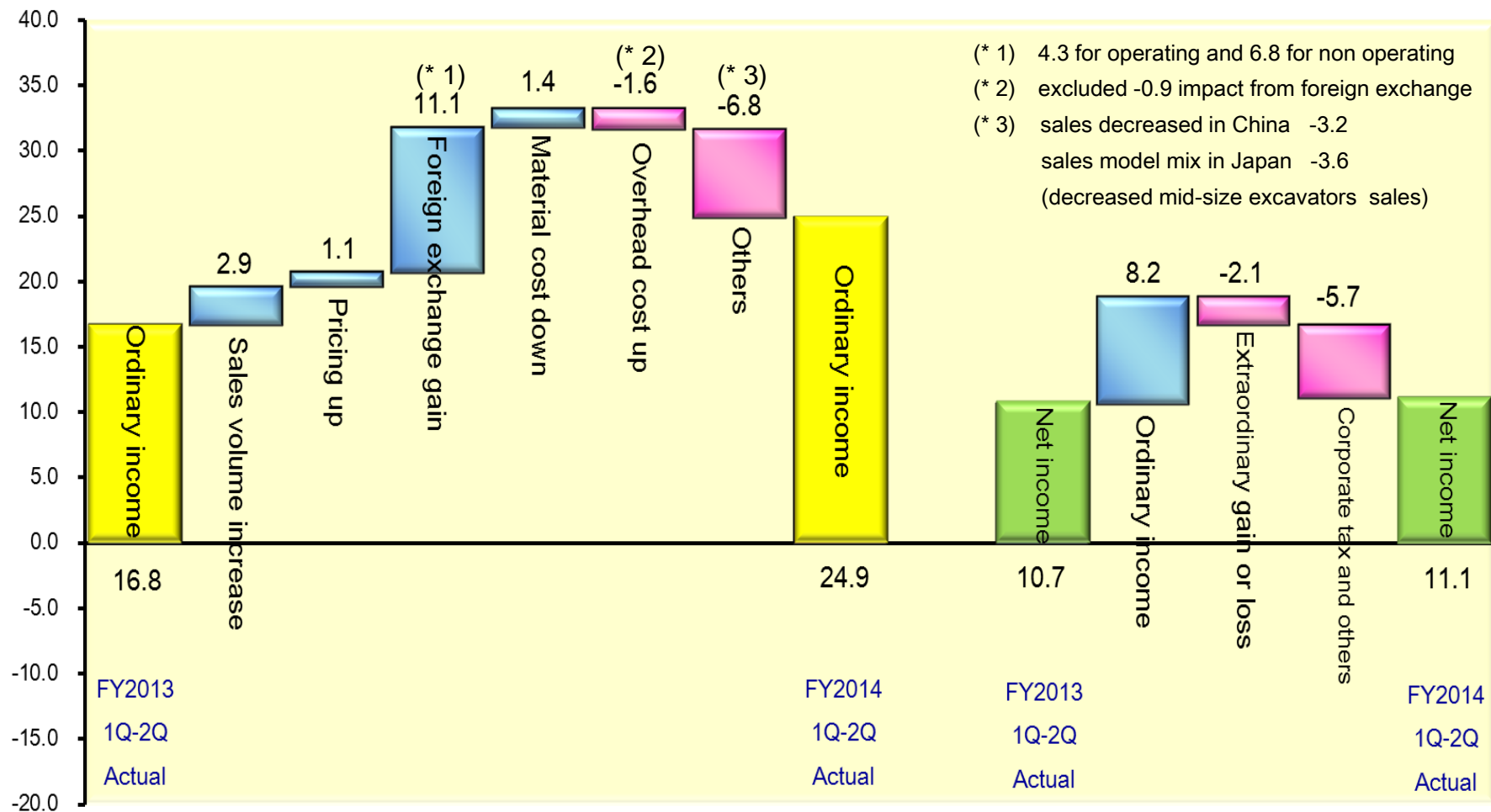
	FY2014 1Q-2Q	FY2013 1Q-2Q	increase (decrease)	
			amount	%
Dividend/interest income and expenses	-1.9	-3.1	1.2	-40%
Gain or loss on equity earnings of affiliated companies	1.0	-0.1	1.1	-
Foreign exchange gain or loss (net)	0.5	-6.3	6.8	-
Others	-0.0	1.2	-1.3	-
Total	-0.4	-8.3	7.8	-95%

(billions of yen)

	FY2014 1Q-2Q		FY2013 1Q-2Q		increase (decrease)	
					amount	%
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Cost of Sales	(73.3%)	285.4	(72.2%)	269.7	15.6	6%
SGA expenses	(20.1%)	78.4	(21.1%)	79.0	-0.6	-1%
Operating Income	(6.5%)	25.4	(6.7%)	25.0	0.3	1%
Non-operating Income/Loss		-0.4		-8.3	7.8	-95%
Ordinary Income	(6.4%)	24.9	(4.5%)	16.8	8.2	49%
Extraordinary Income		0.0		2.1	-2.1	-
Income Taxes		10.7		5.3	5.4	101%
Minority Interest		3.1		2.9	0.2	8%
Net Income	(2.9%)	11.1	(2.9%)	10.7	0.4	4%

Ordinary income increased by 8.1 billion yen compared to that of the previous year to 24.9 billion yen due to continued price rises and reductions in material costs and, furthermore, favorable foreign exchange rates for both operating and non-operating activities and also sales volume increases.

(billions of yen)



Accounts receivable improved by 21.3 billion yen from the end of March 2014 and, also net interest bearing debt improved by 27.9 billion yen from the end of March 2014.

(billions of yen)

	(A) FY14-2Q	(B) Mar '2014	(C) FY13-2Q	(A)-(B) change		(D) FY14-2Q	(E) Mar '2014	(F) FY13-2Q	(D)-(E) change
Cash and bank deposit	52.7	53.4	65.9	-0.6	Notes and accounts payable	143.2	143.1	129.7	0.0
Accounts receivable	281.3	302.6	274.8	-21.3	Loans and bonds	351.3	363.4	404.2	-12.1
Inventories	328.0	321.3	321.8	6.8	Total liabilities	626.9	639.6	662.6	-12.7
Total current assets	724.3	718.9	718.6	5.4	(Shareholder's equity ratio)	(36.8%)	(35.7%)	(33.7%)	(1.1%)
Total fixed assets	369.7	368.3	365.0	1.5	Total net assets	467.2	447.6	420.9	19.5
Total assets	1,094.1	1,087.2	1,083.5	6.9	Total liabilities and net assets	1,094.1	1,087.2	1,083.5	6.9

Inventories by products

Unit	106.6	113.1	114.0	-6.5		(32.1%)	(33.4%)	(37.3%)	(-1.3%)
Parts	110.7	111.5	108.3	-0.8	Interest-bearing debt	351.3	363.4	404.2	-12.1
Raw materials, WIP and etc	110.8	96.7	99.5	14.1	Cash and Cash equivalents	70.3	54.5	67.7	15.8
Total inventories	328.0	321.3	321.8	6.8	(Deposit)	(17.6)	(1.1)	(1.8)	(16.5)
On hand days (divided by net sales) (Days)					Interest-bearing debt, net	(25.7%) 281.0	(28.4%) 308.9	(31.1%) 336.5	(-2.7%) -27.9
Accounts receivable	125	138	130	-13					
Inventories	146	146	153	0	Net D/E Ratio	0.70	0.80	0.92	-0.10
Notes and accounts payable	64	65	62	-1					
Net working capital	207	219	221	-12					

- Net cash provided by operating activities improved by 23.1 billion yen year on year to positive 53.5 billion yen.
- Free cash flows improved by 41.2 billion yen year on year to positive 46.5 billion yen.

(billions of yen)

	FY2014 1Q-2Q		FY2013 1Q-2Q		change	
Income before income taxes and minority interest		24.9		18.9		6.0
Depreciation and amortization	44.0	19.1	37.3	18.4	6.7	0.7
(Increase)decrease in accounts receivable		31.5		39.7		-8.2
(Increase)decrease in inventories		-1.4		-5.5		4.1
(Increase)decrease in notes and accounts payable	27.1	-3.0	13.2	-21.1	13.9	18.1
Income taxes paid		-11.5		-11.8		0.3
Others, net		-6.1		-8.2		2.2
Net cash provided by (used in) operating activities		53.5		30.5		23.1
Cash flow margin for operating activities		13.8%		8.2%		5.6%
Net cash provided by (used in) investing activities		-7.0		-25.1		18.1
Free cash flows		46.5		5.3		41.2

II. Consolidated earnings forecast

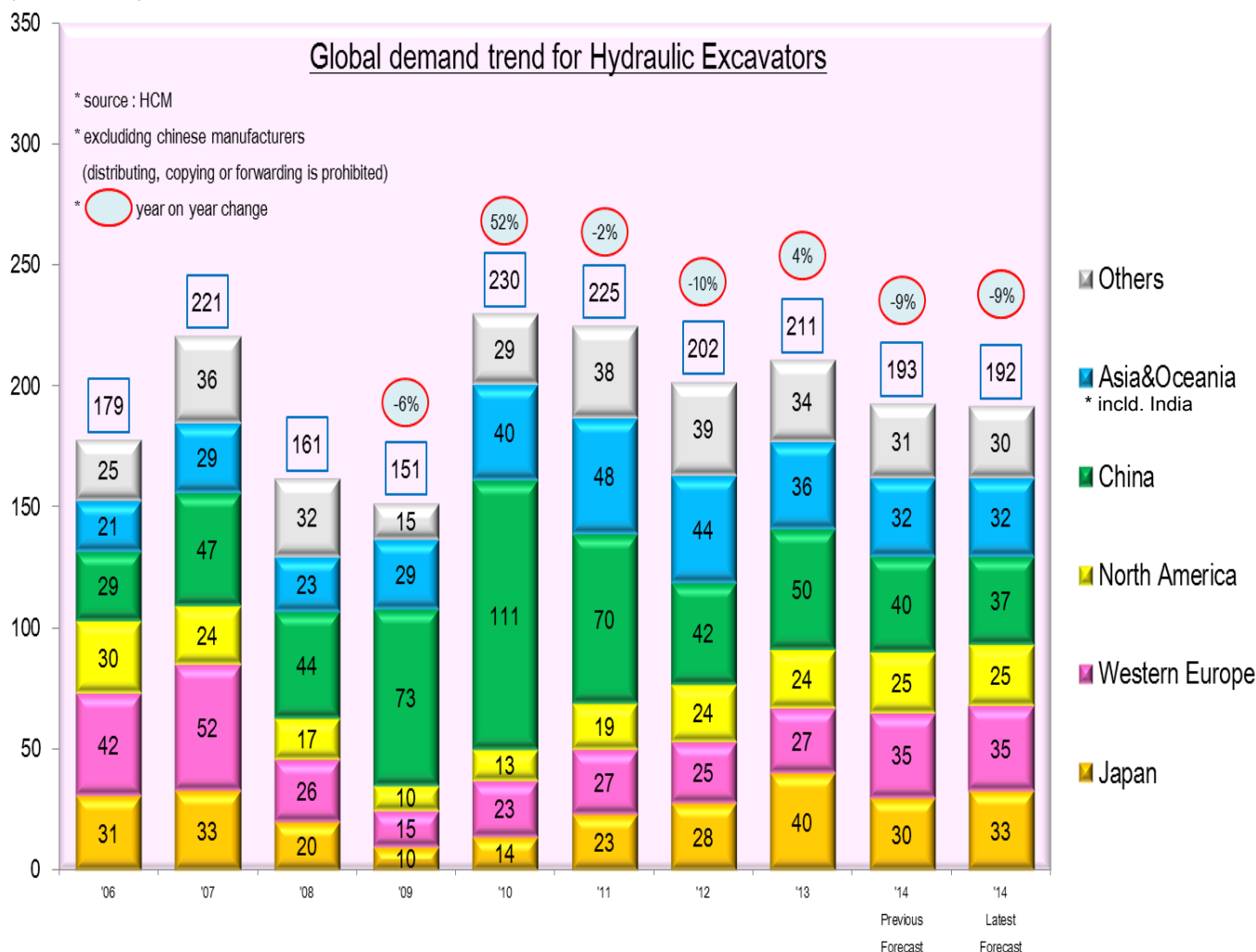
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Reliable solutions

- Demand in China in the FY2014 latest forecast will decrease by 3,000 units from the previous forecast of 40,000 units to 37,000 units (-26% of FY2013).
- Worldwide total demand will slightly decrease by 1,000 units to 192,000 units (-9% of FY2013) due to the improvement of the size of impact from the rebound for sales to beat the new emissions regulations in Japan, despite demand decrease in China.

(in thousand of units)



Year on year change by region

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

The financial forecast of FY2014, which we revised downwards in July 2014, will not to be changed based on unchanged risk from the lower mining market, despite a slight decrease in demand for excavators worldwide.

(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\$)	101.2	100.3	
	Rate (YEN/EURO)	136.2	134.8	
	Rate (YEN/RMB)	16.4	16.5	

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

Exchange rate for 3Q – 4Q of FY2014

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

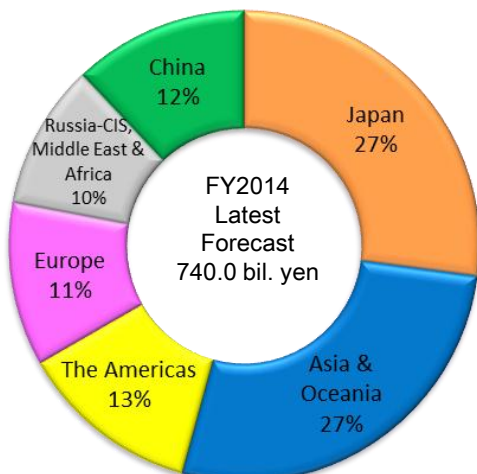
Sales forecast by geographic region (consolidated) (13)

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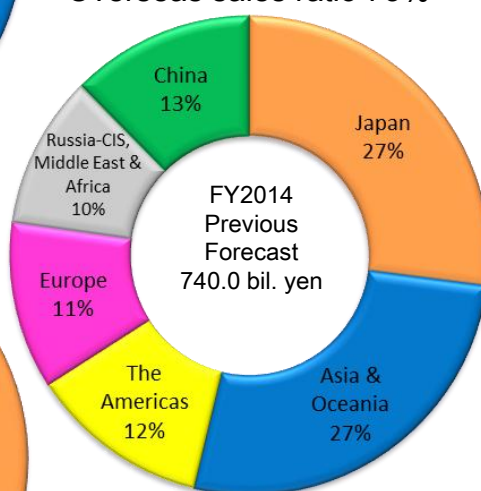
Reliable solutions

- Sales forecasts by geographic region will be the same as the previous forecasts in July 2014 due to an increase of 2.2 million yen in the Americas compared to that of the previous forecast and the actual sales volume increase in the 1st half of FY2014, despite a decrease of -2.9 billion yen in China and -2.7 billion yen in Russia-CIS, the Middle East and Africa (mainly in Russia).

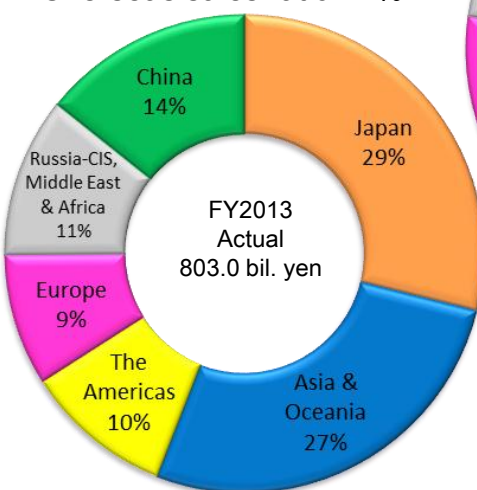
Overseas sales ratio 73%



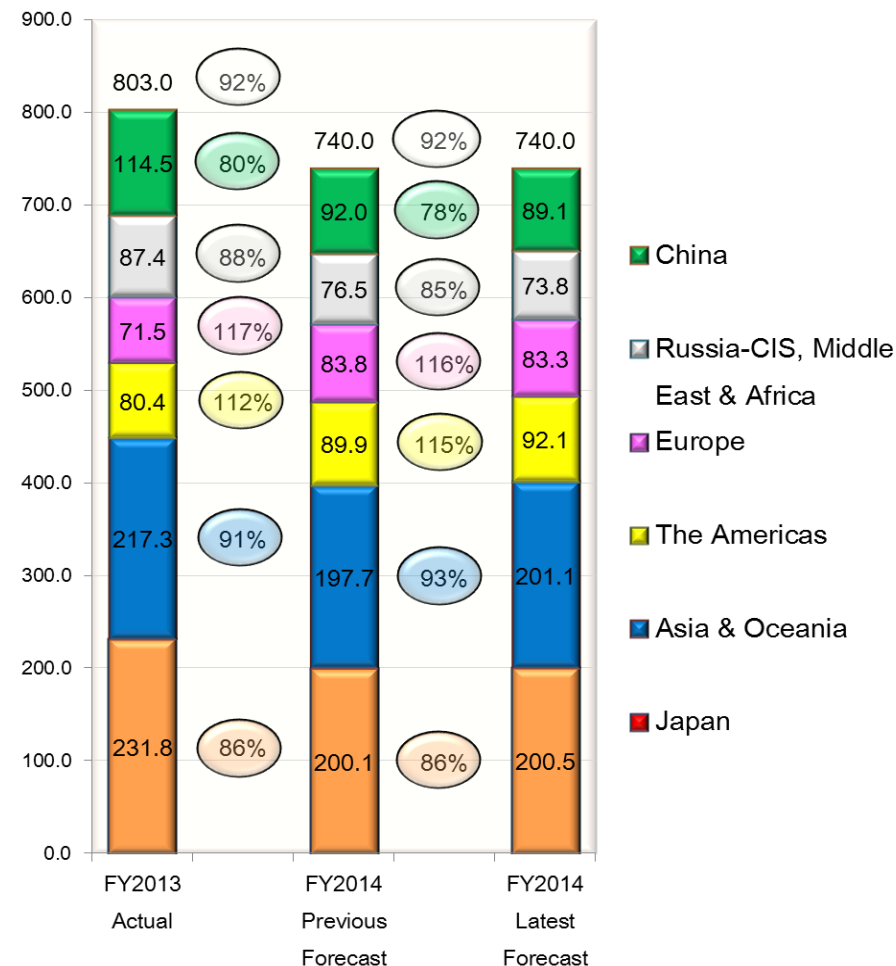
Overseas sales ratio 73%



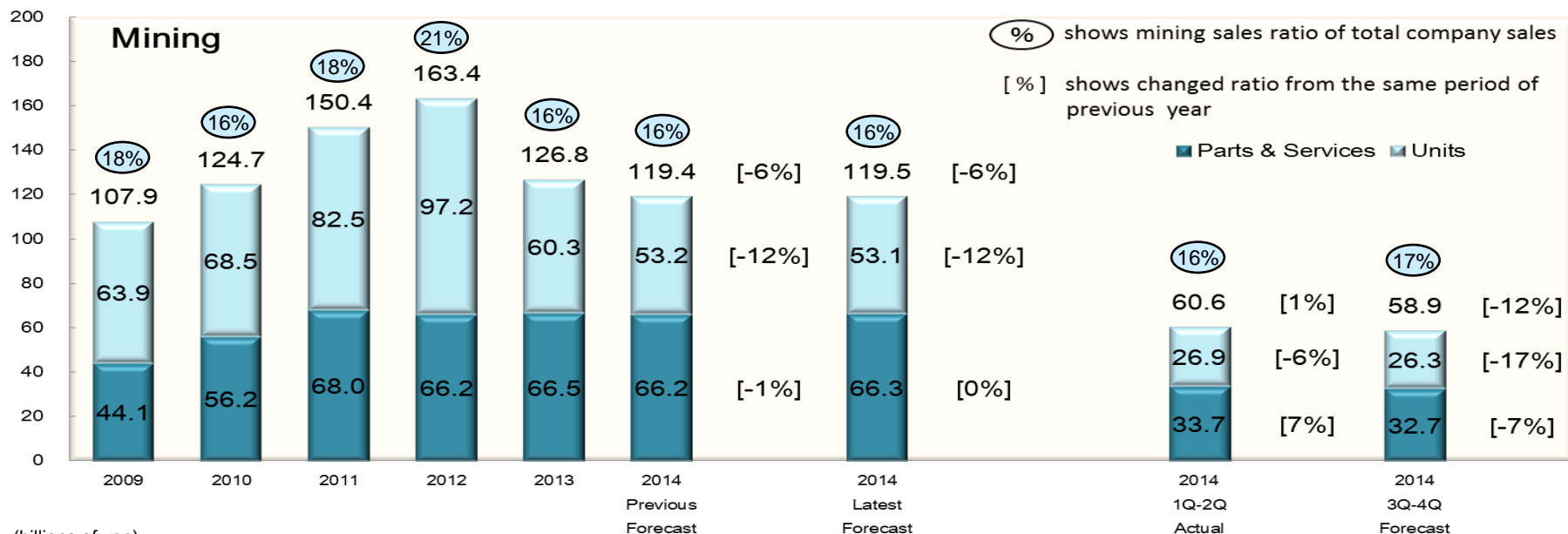
Overseas sales ratio 71%



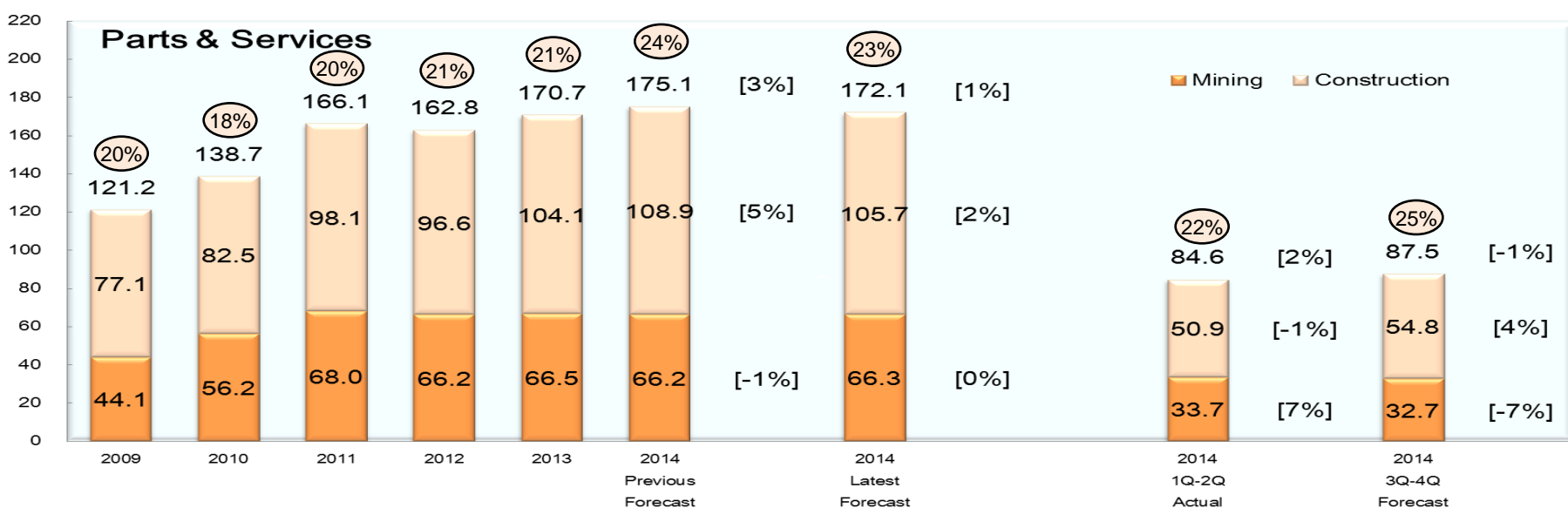
(billions of yen)



(billions of yen)



(billions of yen)



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

(billions of yen)

