

FOR IMMEDIATE RELEASE

**Hitachi Announces Consolidated Financial Results
for the First Quarter ended June 30, 2017**

Tokyo, July 28, 2017 --- Hitachi, Ltd. (TSE:6501) today announced its consolidated financial results for the first quarter of fiscal 2017, ended June 30, 2017.

Note: All figures were converted at the rate of 112 yen to the U.S. dollar as of June 30, 2017.

Summary

	Three months ended June 30			
	Yen (billions)		(B)/(A) (%)	U.S. Dollars (millions)
	2016(A)	2017(B)		2017
1. Revenues	2,130.4	2,088.6	98	18,649
2. Adjusted operating income	91.4	131.8	144	1,177
3. EBIT (Earnings before interest and taxes)	112.4	143.2	127	1,279
4. Income from continuing operations, before income taxes	109.7	141.5	129	1,264
5. Net income	76.8	106.2	138	949
6. Net income attributable to Hitachi, Ltd. stockholders	56.4	75.0	133	670
7. Earnings per share attributable to Hitachi, Ltd. stockholders	(Yen)	(Yen)		(U.S.Dollars)
Basic	11.69	15.55	133	0.14
Diluted	11.69	15.54	133	0.14

Notes: 1. The Company's consolidated financial statements are prepared based on IFRS.

2. "Adjusted operating income" is presented as revenues less cost of sales as well as selling, general and administrative expenses.

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

4. The figures are for 864 consolidated subsidiaries and 380 equity-method associates and joint ventures.

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

1. Qualitative Information Concerning Consolidated Business Results

(1) Summary of Fiscal 2017 First Quarter (Three Months Ended June 30, 2017)

Consolidated Business Results

	Three months ended June 30, 2017		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Revenues	2,088.6	(2%)	18,649
Adjusted operating income	131.8	+40.3	1,177
EBIT	143.2	+30.8	1,279
Income from continuing operations, before income taxes	141.5	+31.7	1,264
Income from continuing operations	106.3	+29.9	950
Loss from discontinued operations	(0.0)	(0.5)	(1)
Net income	106.2	+29.4	949
Net income attributable to Hitachi, Ltd. stockholders	75.0	+18.6	670

During the first quarter of fiscal 2017, the year ending March 31, 2018, the global economy expanded at a moderate pace. In the U.S. and Japan, consumer spending and capital investment remained firm. In Europe, mainly in Germany, the economy recovered slowly. In China, government spending underpinned economic growth, while a pick-up in exports in Southeast Asia and India among other regions put emerging economies on track to recovery.

Hitachi's consolidated revenues for the first quarter decreased 2% year over year, to 2,088.6 billion yen. The decline resulted mainly from the conversion of Hitachi Transport System, Ltd. and Hitachi Capital Corporation to equity-method associates and deconsolidation of Hitachi Koki Co., Ltd. in the previous fiscal year.

Adjusted operating income increased in all segments except the Others segment, where Hitachi Transport System was reorganized, resulting in an increase of 40.3 billion yen year over year, to 131.8 billion yen.

EBIT increased 30.8 billion yen year over year, to 143.2 billion yen, due mainly to the rise in adjusted operating income.

Income from continuing operations, before income taxes increased 31.7 billion yen year over year, to 141.5 billion yen. After deducting income taxes of 35.1 billion yen, Hitachi posted income from continuing operations of 106.3 billion yen, up 29.9 billion yen year over year. Net income increased 29.4 billion yen year over year, to 106.2 billion yen. After deducting net income attributable to non-controlling interests of 31.2 billion yen, net income attributable to Hitachi, Ltd. stockholders increased 18.6 billion yen year over year, to 75.0 billion yen.

Assuming that Hitachi Transport System, Hitachi Capital, and Hitachi Koki were not consolidated in the first quarter of the previous fiscal year, the consolidated revenues increased 6%, the adjusted operating income increased 53.3 billion yen, and EBIT increased 71.8 billion yen year over year on a constant currency basis.

(2) Revenues, Adjusted Operating Income and EBIT by Segment

Since Hitachi Capital, which belonged to the Financial Services segment, was converted into an equity-method associate as of October 3, 2016, the Financial Services segment is not presented as a reportable segment from the fiscal year ending March 2018.

Results by segment were as follows:

[Information & Telecommunication Systems]

	Three months ended June 30, 2017		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Revenues	434.7	0%	3,882
Adjusted operating income	27.1	+14.9	243
EBIT	25.9	+25.1	231

Segment revenues were 434.7 billion yen, flat year over year. The system integration business was steady for the Japanese market despite decreased sales of storage and ATMs in Japan.

Adjusted operating income was 27.1 billion yen, an increase of 14.9 billion yen year over year, due to the effect of structural reform centered on the storage business and improvement of the profitability in the system integration business for Japanese market.

EBIT increased 25.1 billion yen year over year to 25.9 billion yen due to the increase in adjusted operating income, a decrease in business structural reform expenses, and posting exchange gain.

[Social Infrastructure & Industrial Systems]

	Three months ended June 30, 2017		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Revenues	478.7	(1%)	4,274
Adjusted operating income	13.3	+9.0	120
EBIT	16.5	+22.6	148

Segment revenues were 478.7 billion yen, almost unchanged year over year. The revenues increased in railway systems business mainly due to a rise in the sales of high-speed trains for the U.K., while revenues decreased in the industry and distribution field due to the withdrawal from low-profitable business as part of structural reform, and in the large industrial products business due to sluggish market conditions affected by low oil price.

Adjusted operating income was 13.3 billion yen, an increase of 9.0 billion yen year over year, mainly due to the withdrawal from low-profitable businesses in the industry and distribution field, the improved profitability in the industrial products business, and the rise in profit in the railway systems business resulting from the revenue increase.

EBIT increased 22.6 billion yen year over year to 16.5 billion yen largely due to the increase in adjusted operating income, the impact of exchange rate fluctuations, and an improvement in the business performance of an equity-method associate.

[Electronic Systems & Equipment]

	Three months ended June 30, 2017		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Revenues	245.1	(4%)	2,188
Adjusted operating income	19.4	+5.8	173
EBIT	18.9	+7.4	170

Segment revenues were 245.1 billion yen, a decrease of 4% year over year. The decline was due to the deconsolidation of Hitachi Koki as a result of the sale of shares in Hitachi Koki in the previous fiscal year, despite increased revenues at Hitachi High-Technologies Corporation and Hitachi Kokusai Electric Inc. due to higher sales of semiconductor production equipment.

Adjusted operating income was 19.4 billion yen, an increase of 5.8 billion yen year over year. This increase mainly reflected higher earnings at Hitachi Kokusai Electric, despite the impact of the deconsolidation of Hitachi Koki.

EBIT increased 7.4 billion yen year over year to 18.9 billion yen, largely due to the increase in adjusted operating income.

[Construction Machinery]

	Three months ended June 30, 2017		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Revenues	211.4	+31%	1,888
Adjusted operating income	16.5	+14.3	148
EBIT	17.8	+16.4	159

Segment revenues increased 31% year over year to 211.4 billion yen. This increase was mainly due to the sales increase of construction machinery in China and other countries, and the acquisition of Bradken Limited in Australia, H-E Parts in the U.S. by Hitachi Construction Machinery Co., Ltd. in the previous fiscal year, despite the impact of conversion of Hitachi Sumitomo Heavy Industries Construction Crane Co., Ltd. into an equity-method associate.

Adjusted operating income was 16.5 billion yen, an increase of 14.3 billion yen year over year, resulting from higher revenues.

EBIT was 17.8 billion yen, a year-over-year increase of 16.4 billion yen, owing to the rise in adjusted operating income.

[High Functional Materials & Components]

	Three months ended June 30, 2017		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Revenues	393.3	+12%	3,512
Adjusted operating income	31.3	+3.7	280
EBIT	34.0	+10.6	304

Segment revenues were 393.3 billion yen, increased 12% year over year. This result mainly reflected the increased sales of the electronics- and automotive-related products and the acquisition of FIAMM Energy Technology S.p.A. in Italy by Hitachi Chemical Co., Ltd., in the previous fiscal year.

Adjusted operating income increased 3.7 billion yen year over year to 31.3 billion yen, owing to the growth in revenues.

EBIT was 34.0 billion yen, up 10.6 billion yen year over year, due mainly to the increase in adjusted operating income and an improvement in the exchange loss.

[Automotive Systems]

	Three months ended June 30, 2017		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Revenues	244.1	+5%	2,180
Adjusted operating income	10.4	+3.1	94
EBIT	9.8	+2.0	88

Segment revenues were 244.1 billion yen, up 5% year over year, reflecting increased sales of automotive parts mainly in China where the demand for new cars was firm due to a tax reduction for small cars etc., and in the Japanese market where new car sales also remained strong.

Adjusted operating income was 10.4 billion yen, up 3.1 billion yen year over year, owing to the growth in revenues.

EBIT was 9.8 billion yen, up 2.0 billion yen year over year, due to the increase in adjusted operating income.

[Smart Life & Ecofriendly Systems]

	Three months ended June 30, 2017		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Revenues	131.1	(6%)	1,171
Adjusted operating income	2.1	+1.4	19
EBIT	7.4	+4.0	66

Segment revenues decreased 6% year over year to 131.1 billion yen. This result reflected decreased overseas revenues mainly due to the sluggish demand in Southeast Asia and lower sales in a part of appliances in Japan.

Adjusted operating income was 2.1 billion yen, up 1.4 billion yen year over year, due largely to the effect of cost reduction efforts, despite the lower revenues.

EBIT increased 4.0 billion yen to 7.4 billion yen, owing mainly to the increase both in adjusted operating income and the share of profits of investments accounted for using the equity method.

[Others]

	Three months ended June 30, 2017		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Revenues	132.8	(38%)	1,187
Adjusted operating income	4.1	(2.8)	37
EBIT	2.8	(2.0)	25

Segment revenues were 132.8 billion yen, down 38% year over year, due mainly to the conversion of Hitachi Transport System to an equity-method associate in the previous fiscal year.

Adjusted operating income was 4.1 billion yen, a decrease of 2.8 billion yen year over year, owing to the decreased revenues.

EBIT decreased 2.0 billion yen year over year to 2.8 billion yen, reflecting the decrease in adjusted operating income.

2. Financial Position

Since Hitachi Capital, which belonged to the Financial Services segment, was converted into an equity-method associate as of October 3, 2016, the Financial Services segment is not presented as a reportable segment. Therefore, financial position and cash flows by “Manufacturing, Services and Others” and “Financial Services” are no longer presented.

(1) Financial Position

	As of June 30, 2017		
	Yen (billions)	Change from March 31, 2017 (billion yen)	U.S. Dollars (millions)
Total assets	9,691.4	+27.5	86,531
Total liabilities	5,526.2	(40.6)	49,341
Interest-bearing debt	1,268.1	+91.5	11,322
Total Hitachi, Ltd. stockholders' equity	3,013.0	+46.0	26,903
Non-controlling interests	1,152.1	+22.2	10,287
Cash Conversion Cycle	67.9 days	4.3 days decrease	—
Total Hitachi, Ltd. stockholders' equity ratio	31.1%	0.4 points increase	—
D/E ratio (including non-controlling interests)	0.30 times	0.01 points increase	—

Total assets increased 27.5 billion yen from March 31, 2017, to 9,691.4 billion yen. Interest-bearing debt increased 91.5 billion yen from March 31, 2017, to 1,268.1 billion yen, due to an increase in short-term debt. As of June 30, 2017, the total Hitachi, Ltd. stockholders' equity increased 46.0 billion yen from March 31, 2017, to 3,013.0 billion yen. As a result, the total Hitachi, Ltd. stockholders' equity ratio was 31.1%, up 0.4 points from March 31, 2017. The debt-to-equity ratio, including non-controlling interests, increased 0.01 points from March 31, 2017, to 0.30 times. Cash Conversion Cycle decreased 4.3 days year over year, to 67.9 days.

(2) Cash Flows

	Three months ended June 30, 2017		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Cash flows from operating activities	126.9	+41.9	1,133
Cash flows from investing activities	(104.6)	(23.2)	(934)
Free cash flows	22.3	+18.7	199
Cash flows from financing activities	18.8	(15.5)	168

Operating activities provided net cash of 126.9 billion yen, 41.9 billion yen more than in the same period last year, due to an increase in net income and collection of trade receivables. Investing activities used net cash of 104.6 billion yen, 23.2 billion yen more than in the same period last year because collection of lease receivables decreased as a result of conversion of Hitachi Capital into an equity-method associate in the previous fiscal year, and a gain on the sale of part of shares in Hitachi Transport System was recorded in the same period last year. Free cash flows were positive 22.3 billion yen, an increase of 18.7 billion yen year over year. Financing activities provided net cash of 18.8 billion yen, 15.5 billion yen less than in the same period last year, due to a decrease in proceeds from bond issuance and borrowings as a result of conversion of Hitachi Capital into an equity-method associate.

Accordingly, cash and cash equivalents were 813.0 billion yen, up 47.7 billion yen from the end of the previous fiscal year.

In case of comparing the cash flows on a consolidated basis with the cash flows in a "Manufacturing, Services and Others" in the same period last year, the details are as follows;

Operating activities provided net cash of 126.9 billion yen, 5.3 billion yen less than 132.3 billion yen in the same period last year, due to increase in inventories and payment of trade payables, despite an increase in net income and collection of trade receivables. Investing activities used 104.6 billion yen, 85.5 billion yen more than 19.0 billion yen in the same period last year, because a gain on sales of part of shares in Hitachi Transport System was recorded in the same period last year. Free cash flows were positive 22.3 billion yen, 90.9 billion yen less than 113.2 billion yen in the same period last year. Financing activities provided 18.8 billion yen, an improvement of 106.7 billion yen from negative 87.9 billion yen in the same period last year, due to an increase in proceeds from borrowings.

3. Outlook for Fiscal 2017

	Year ending March 31, 2018		
	Yen (billions)	Year over year change (billion yen)	U.S. Dollars (millions)
Revenues	9,050.0	(1%)	80,804
Adjusted operating income	630.0	+42.6	5,625
EBIT	580.0	+104.8	5,179
Income from continuing operations, before income taxes	570.0	+100.9	5,089
Net income	405.0	+66.9	3,616
Net income attributable to Hitachi, Ltd. stockholders	300.0	+68.7	2,679

The business environment surrounding Hitachi continues uncertain. The execution of policies in the U.S. are unstable. In Europe, there are concerns over the negotiations towards Brexit and the financial instability in certain countries and regions. In China, the direction of the economic policy after the Communist Party Congress scheduled in the fall is not clear.

Given such circumstances and the results for the first quarter, the business forecast for fiscal 2017, remains unchanged from that announced on May 12, 2017. The assumed exchange rates are at 110 yen to the U.S dollar and 120 yen to the euro.

Hitachi will accelerate the global expansion of its Social Innovation business through collaborative creation with customers, persist with its business structural reforms and pursue efforts to strengthen its business foundations by reviewing its business portfolio, aiming to achieve sustainable growth.

Cautionary Statement

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

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

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

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

Condensed Quarterly Consolidated Statement of Profit or Loss

	Three months ended June 30			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions) 2017
	2016 (A)	2017 (B)		
Revenues	2,130,467	2,088,669	98	18,649
Cost of sales	(1,584,227)	(1,529,896)	97	(13,660)
Gross profit	546,240	558,773	102	4,989
Selling, general and administrative expenses	(454,757)	(426,932)	94	(3,812)
Adjusted operating income	91,483	131,841	144	1,177
Other income	45,174	604	1	5
Other expenses	(11,942)	(10,903)	91	(97)
Financial income	3,480	4,649	134	42
Financial expenses	(13,524)	(474)	4	(4)
Share of profits (losses) of investments accounted for using the equity method	(2,200)	17,577	—	157
EBIT (Earnings before interest and taxes)	112,471	143,294	127	1,279
Interest income	2,545	3,190	125	28
Interest charges	(5,262)	(4,931)	94	(44)
Income from continuing operations, before income taxes	109,754	141,553	129	1,264
Income taxes	(33,385)	(35,194)	105	(314)
Income from continuing operations	76,369	106,359	139	950
Income (loss) from discontinued operations	433	(70)	—	(1)
Net income	76,802	106,289	138	949
Net income attributable to:				
Hitachi, Ltd. stockholders	56,450	75,068	133	670
Non-controlling interests	20,352	31,221	153	279

Condensed Quarterly Consolidated Statement of Comprehensive Income

	Three months ended June 30			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions) 2017
	2016 (A)	2017 (B)		
Net income	76,802	106,289	138	949
Other comprehensive income (OCI)				
Items not to be reclassified into net income				
Net changes in financial assets measured at fair value through OCI	(31,479)	(15,378)	49	(137)
Remeasurements of defined benefit plans	(464)	—	—	—
Share of OCI of investments accounted for using the equity method	(488)	576	—	5
Total items not to be reclassified into net income	(32,431)	(14,802)	46	(132)
Items that can be reclassified into net income				
Foreign currency translation adjustments	(181,068)	18,244	—	163
Net changes in cash flow hedges	10,736	2,654	25	24
Share of OCI of investments accounted for using the equity method	(25,732)	7,401	—	66
Total items that can be reclassified into net income	(196,064)	28,299	—	253
Other comprehensive income (OCI)	(228,495)	13,497	—	121
Comprehensive income (loss)	(151,693)	119,786	—	1,070
Comprehensive income (loss) attributable to:				
Hitachi, Ltd. stockholders	(109,564)	80,331	—	717
Non-controlling interests	(42,129)	39,455	—	352

Condensed Quarterly Consolidated Statement of Financial Position

	Yen (millions)		(B)-(A)	U.S. Dollars (millions)
	As of March 31, 2017 (A)	As of June 30, 2017 (B)		As of June 30, 2017
Total Assets	9,663,917	9,691,466	27,549	86,531
Current assets	5,002,606	5,011,593	8,987	44,746
Cash and cash equivalents	765,242	813,019	47,777	7,259
Trade receivables	2,433,149	2,198,191	(234,958)	19,627
Inventories	1,225,907	1,368,312	142,405	12,217
Investments in securities and other financial assets	388,792	387,345	(1,447)	3,458
Other current assets	189,516	244,726	55,210	2,185
Non-current assets	4,661,311	4,679,873	18,562	41,785
Investments accounted for using the equity method	691,251	704,860	13,609	6,293
Investments in securities and other financial assets	758,350	709,266	(49,084)	6,333
Property, plant and equipment	1,998,411	2,018,447	20,036	18,022
Intangible assets	919,201	938,391	19,190	8,378
Other non-current assets	294,098	308,909	14,811	2,758

Total Liabilities and Equity	9,663,917	9,691,466	27,549	86,531
Total Liabilities	5,566,922	5,526,230	(40,692)	49,341
Current liabilities	3,720,859	3,680,141	(40,718)	32,858
Short-term debt	196,357	329,980	133,623	2,946
Current portion of long-term debt	190,233	134,926	(55,307)	1,205
Other financial liabilities	274,270	294,569	20,299	2,630
Trade payables	1,402,233	1,365,719	(36,514)	12,194
Other current liabilities	1,657,766	1,554,947	(102,819)	13,883
Non-current liabilities	1,846,063	1,846,089	26	16,483
Long-term debt	790,013	803,213	13,200	7,172
Retirement and severance benefits	635,684	630,362	(5,322)	5,628
Other non-current liabilities	420,366	412,514	(7,852)	3,683
Total Equity	4,096,995	4,165,236	68,241	37,190
Hitachi, Ltd. stockholders' equity	2,967,085	3,013,091	46,006	26,903
Common stock	458,790	458,790	0	4,096
Capital surplus	577,573	577,041	(532)	5,152
Retained earnings	1,793,570	1,843,440	49,870	16,459
Accumulated other comprehensive income	141,068	137,733	(3,335)	1,230
(Foreign currency translation adjustments)	78,987	88,632	9,645	791
(Remeasurements of defined benefit plans)	(847)	(803)	44	(7)
(Net changes in financial assets measured at fair value through OCI)	192,110	167,541	(24,569)	1,496
(Net changes in cash flow hedges)	(129,182)	(117,637)	11,545	(1,050)
Treasury stock, at cost	(3,916)	(3,913)	3	(35)
Non-controlling interests	1,129,910	1,152,145	22,235	10,287

Notes: Changes in presentation have been made from the first quarter, since materiality changed due to business reorganization and others.

'Investments in securities and other financial assets', which were included in 'Other current asset' in prior years, have been reclassified and presented separately. 'Lease receivables', which were presented under current or non-current assets, have been included in 'Investments in securities and other financial assets' under current or non-current assets, respectively. 'Other financial liabilities', which were presented in non-current liabilities, have been included in 'Other non-current liabilities'. The Condensed Consolidated Statement of Financial Position of the year end of the previous fiscal year has been restated in order to reflect these changes in presentation.

Condensed Quarterly Consolidated Statement of Changes in Equity

Yen (millions)

	Yen (millions)							
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income(loss)	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
As of March 31, 2016	458,790	586,790	1,609,761	83,543	(3,806)	2,735,078	1,390,492	4,125,570
Reclassified into retained earnings	-	-	1,268	(1,268)	-	-	-	-
Net income	-	-	56,450	-	-	56,450	20,352	76,802
Other comprehensive loss	-	-	-	(166,014)	-	(166,014)	(62,481)	(228,495)
Cash dividends	-	-	(28,969)	-	-	(28,969)	(20,551)	(49,520)
Changes in treasury stock	-	(3)	-	-	(15)	(18)	-	(18)
Equity transactions and other	-	(85)	-	(8)	-	(93)	(102,752)	(102,845)
Total changes in equity	-	(88)	28,749	(167,290)	(15)	(138,644)	(165,432)	(304,076)
As of June 30, 2016	458,790	586,702	1,638,510	(83,747)	(3,821)	2,596,434	1,225,060	3,821,494
As of March 31, 2017	458,790	577,573	1,793,570	141,068	(3,916)	2,967,085	1,129,910	4,096,995
Reclassified into retained earnings	-	-	8,598	(8,598)	-	-	-	-
Net income	-	-	75,068	-	-	75,068	31,221	106,289
Other comprehensive income	-	-	-	5,263	-	5,263	8,234	13,497
Cash dividends	-	-	(33,796)	-	-	(33,796)	(17,130)	(50,926)
Changes in treasury stock	-	(25)	-	-	3	(22)	-	(22)
Equity transactions and other	-	(507)	-	-	-	(507)	(90)	(597)
Total changes in equity	-	(532)	49,870	(3,335)	3	46,006	22,235	68,241
As of June 30, 2017	458,790	577,041	1,843,440	137,733	(3,913)	3,013,091	1,152,145	4,165,236

U.S. Dollars (millions)

	U.S. Dollars (millions)							
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income(loss)	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
As of March 31, 2017	4,096	5,157	16,014	1,260	(35)	26,492	10,088	36,580
Reclassified into retained earnings	-	-	77	(77)	-	-	-	-
Net income	-	-	670	-	-	670	279	949
Other comprehensive income	-	-	-	47	-	47	74	121
Cash dividends	-	-	(302)	-	-	(302)	(153)	(455)
Changes in treasury stock	-	(0)	-	-	0	(0)	-	(0)
Equity transactions and other	-	(5)	-	-	-	(5)	(1)	(5)
Total changes in equity	-	(5)	445	(30)	0	411	199	609
As of June 30, 2017	4,096	5,152	16,459	1,230	(35)	26,903	10,287	37,190

Condensed Quarterly Consolidated Statement of Cash Flows

	Three months ended June 30		
	Yen (millions)		U.S. Dollars (millions)
	2016	2017	2017
Cash flows from operating activities			
Net income	76,802	106,289	949
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	116,425	87,211	779
Change in receivables	231,126	311,857	2,784
Change in inventories	(120,572)	(137,106)	(1,224)
Change in payables	(971)	(72,344)	(646)
Other	(217,819)	(168,974)	(1,509)
Net cash provided by (used in) operating activities	84,991	126,933	1,133
Cash flows from investing activities			
Purchase of property, plant and equipment	(82,462)	(78,909)	(705)
Purchase of intangible assets	(20,251)	(21,595)	(193)
Purchase of leased assets	(122,009)	(1,320)	(12)
Proceeds from sale of property, plant and equipment, and intangible assets	5,545	3,603	32
Proceeds from sale of leased assets	4,098	1,253	11
Collection of lease receivables	89,074	—	—
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	47,935	(2,490)	(22)
Other	(3,331)	(5,167)	(46)
Net cash provided by (used in) investing activities	(81,401)	(104,625)	(934)
Free cash flows	3,590	22,308	199
Cash flows from financing activities			
Change in interest-bearing debt	82,928	69,049	617
Dividends paid to stockholders	(29,007)	(33,838)	(302)
Dividends paid to non-controlling interests	(18,301)	(16,559)	(148)
Other	(1,257)	203	2
Net cash provided by (used in) financing activities	34,363	18,855	168
Effect of exchange rate changes on cash and cash equivalents	(54,346)	6,614	59
Change in cash and cash equivalents	(16,393)	47,777	427
Cash and cash equivalents at beginning of period	699,315	765,242	6,833
Cash and cash equivalents at end of period	682,922	813,019	7,259

Segment Information

(1) Business Segments

	Three months ended June 30			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions) 2017
	2016 (A)	2017 (B)		
Information & Telecommunication Systems	435,078 18%	434,784 19%	100	3,882
Social Infrastructure & Industrial Systems	483,052 20%	478,711 21%	99	4,274
Electronic Systems & Equipment	255,929 11%	245,108 11%	96	2,188
Construction Machinery	161,302 7%	211,499 9%	131	1,888
High Functional Materials & Components	351,409 15%	393,354 17%	112	3,512
Automotive Systems	232,921 10%	244,188 11%	105	2,180
Smart Life & Ecofriendly Systems	139,829 6%	131,167 6%	94	1,171
Others	213,104 9%	132,890 6%	62	1,187
Financial Services	89,284 4%	— —%	—	—
Subtotal	2,361,908 100%	2,271,701 100%	96	20,283
Corporate items & Eliminations	(231,441)	(183,032)	—	(1,634)
Revenues Total	2,130,467	2,088,669	98	18,649
Information & Telecommunication Systems	12,223 14%	27,175 22%	222	243
Social Infrastructure & Industrial Systems	4,357 5%	13,389 11%	307	120
Electronic Systems & Equipment	13,613 16%	19,419 16%	143	173
Construction Machinery	2,147 2%	16,530 13%	770	148
High Functional Materials & Components	27,595 32%	31,306 25%	113	280
Automotive Systems	7,316 9%	10,490 8%	143	94
Smart Life & Ecofriendly Systems	690 1%	2,121 2%	307	19
Others	7,003 8%	4,115 3%	59	37
Financial Services	10,753 13%	— —%	—	—
Subtotal	85,697 100%	124,545 100%	145	1,112
Corporate items & Eliminations	5,786	7,296	—	65
Adjusted operating income Total	91,483	131,841	144	1,177
Information & Telecommunication Systems	757 1%	25,920 20%	—	231
Social Infrastructure & Industrial Systems	(6,146) (10%)	16,528 12%	—	148
Electronic Systems & Equipment	11,500 20%	18,998 14%	165	170
Construction Machinery	1,433 3%	17,862 13%	—	159
High Functional Materials & Components	23,372 40%	34,055 26%	146	304
Automotive Systems	7,800 13%	9,836 7%	126	88
Smart Life & Ecofriendly Systems	3,348 6%	7,412 6%	221	66
Others	4,824 8%	2,814 2%	58	25
Financial Services	11,222 19%	— —%	—	—
Subtotal	58,110 100%	133,425 100%	230	1,191
Corporate items & Eliminations	54,361	9,869	—	88
EBIT Total	112,471	143,294	127	1,279

Notes: 1. Revenues by business segment include intersegment transactions.

2. As Hitachi Capital Corporation was converted into an equity-method associate as of October 3, 2016, there is no company which belongs to the Financial Services Segment from the beginning of the third quarter of the year ended March 31, 2017.

(2) Revenues by Market

	Three months ended June 30			
	Yen (millions)		(B)/(A) (%)	U.S. Dollars (millions) 2017
	2016 (A)	2017 (B)		
Japan	1,047,047 49%	976,033 47%	93	8,715
Asia	436,700 20%	490,892 23%	112	4,383
North America	290,889 14%	287,196 14%	99	2,564
Europe	259,057 12%	218,031 10%	84	1,947
Other Areas	96,774 5%	116,517 6%	120	1,040
Overseas Revenues Subtotal	1,083,420 51%	1,112,636 53%	103	9,934
Total Revenues	2,130,467 100%	2,088,669 100%	98	18,649

Notes

(1) Notes Regarding Going Concern

Not applicable

(2) Changes in significant subsidiaries during the period

(changes in specified subsidiaries causing changes in scope of consolidation)

Not applicable

(3) Changes in accounting policy

Not applicable

(4) Changes in accounting estimate

Not applicable

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