

Outline of Consolidated Financial Results for Fiscal 2008

May 12, 2009

Hitachi, Ltd.

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1-1. Financial Results Highlights

● Highlights of Fiscal 2008 Results

Revenues	<p><u>Down 11% year-over-year</u></p> <ul style="list-style-type: none"> • All segments recorded declines mainly in Power & Industrial Systems and Digital Media & Consumer Products segments
Operating income	<p><u>Down 63% year-over-year (87.1 billion yen better than February 3 forecast)</u></p> <ul style="list-style-type: none"> • Increased in Information & Telecommunication Systems (Profitability improved in software & services and HDD operations became profitable) • Narrower loss in digital media products • Lower revenues caused operating income to fall sharply in Power & Industrial Systems and High Functional Materials & Components segments
Net other deductions	<p><u>396.2 billion yen worse year-over-year</u></p> <ul style="list-style-type: none"> • Posted net equity in losses of affiliated companies due to worsening performances at semiconductor-related affiliate and other • Recorded business structural reform-related expenses, including impairment losses on property, plant and equipment • Recorded exchange losses due to yen's appreciation and recorded write-down of securities due to the share market crash
Income taxes	<p><u>233.0 billion yen increase year-over-year</u></p> <ul style="list-style-type: none"> • Completely wrote off deferred tax assets at companies subject to consolidated taxation, including the Company, to address the risk of higher income tax expenses in the future
Net income	<p><u>729.2 billion yen worse year-over-year</u></p> <ul style="list-style-type: none"> • 87.3 billion yen worse than February 3 forecast, due to complete write-off of deferred tax assets, despite the operating income improvement
Free cash flows	<p><u>Positive 8.9 billion yen (145.2 billion yen worse year-over-year)</u></p>

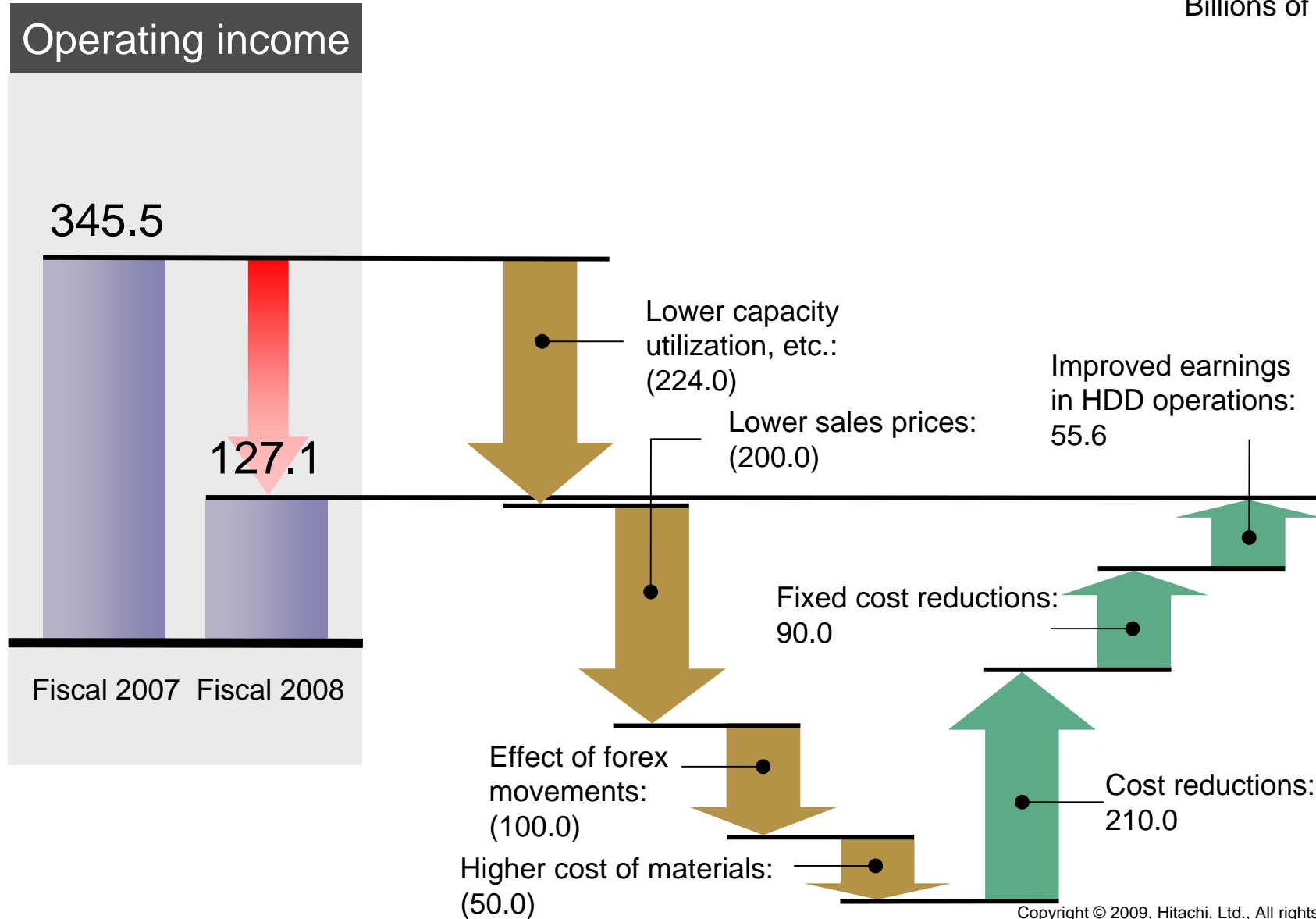
1-2. Consolidated Statements of Operations

Billions of Yen

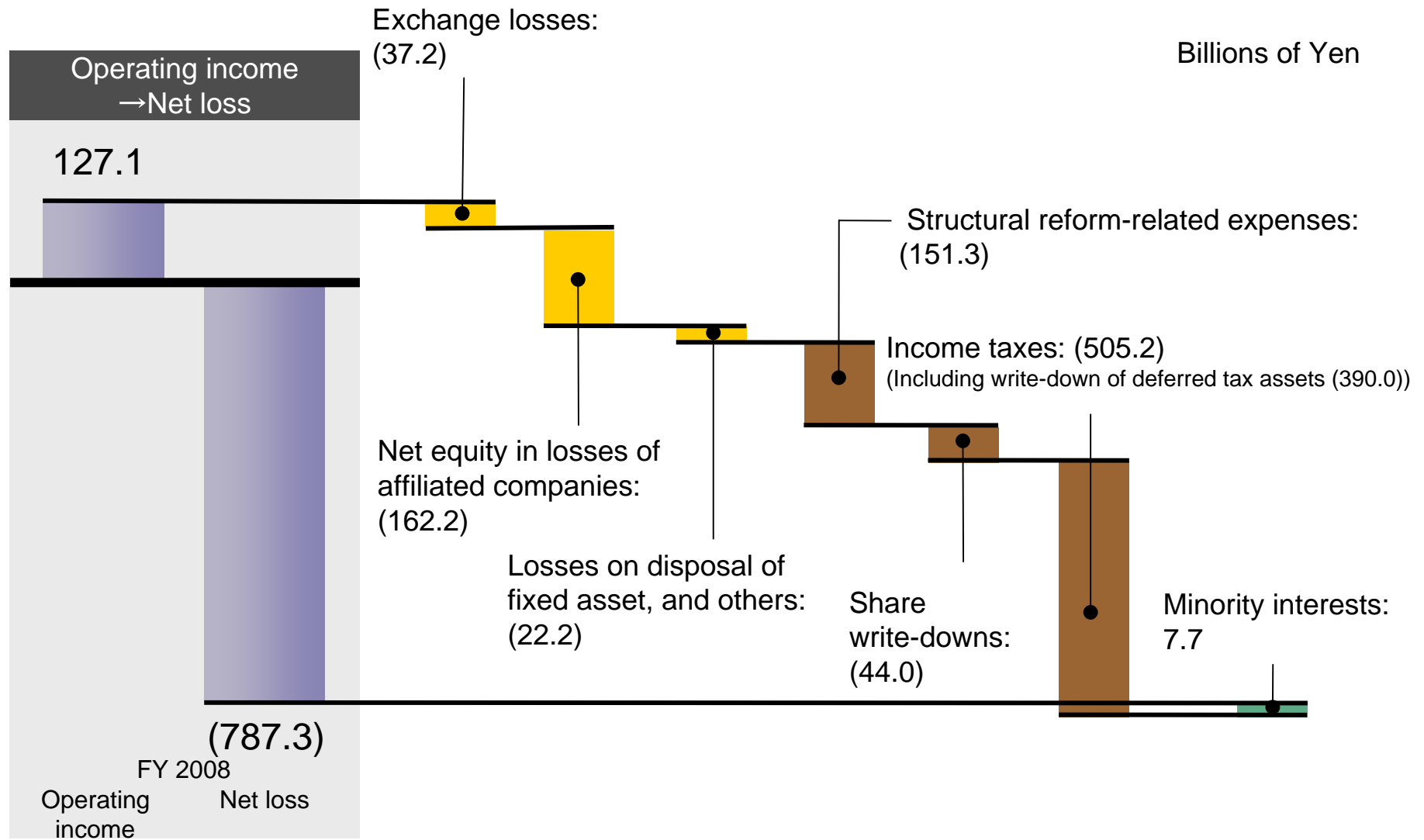
	Fiscal 2007	Fiscal 2008	Year-over-year
Revenues	11,226.7	10,000.3	[89%] (1,226.3)
Operating income	345.5	127.1	(218.3)
Net other deductions	(20.7)	(417.0)	(396.2)
Income (loss) before income taxes and minority interests	324.7	(289.8)	(614.6)
Income taxes	272.1	505.2	(233.0)
Income (loss) before minority interests	52.6	(795.1)	(847.7)
Minority interests	110.7	(7.7)	(118.5)
Net loss	(58.1)	(787.3)	(729.2)

1-3. Major Factors for Change in Operating Income (Year-over-Year)

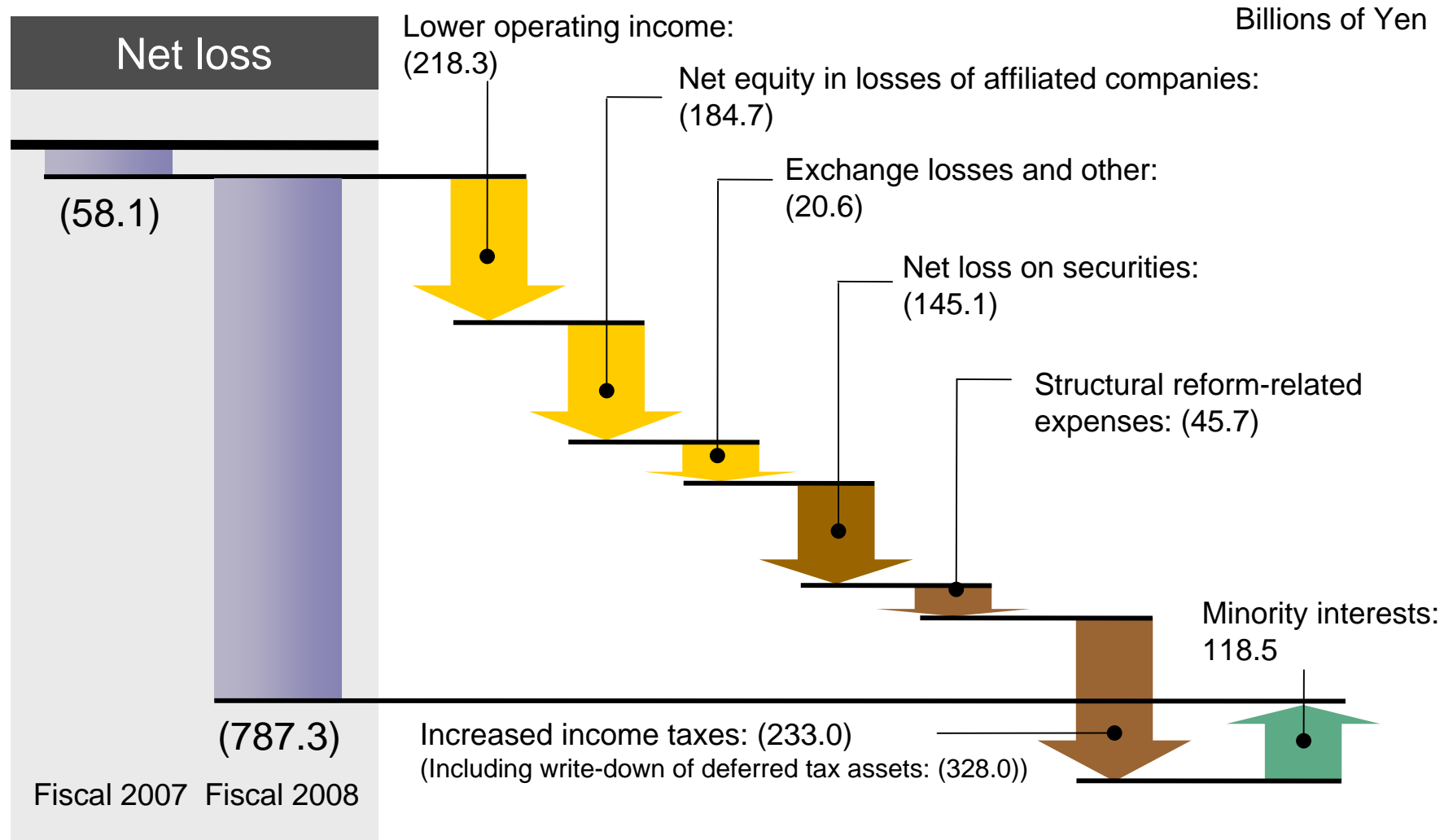
Billions of Yen



1-4. Major Reasons for Net Loss



1-5. Major Factors for Change in Net Loss (Year-over-Year)



1-6. Revenues by Market

Billions of Yen

	Fiscal 2007	Ratio	Fiscal 2008	Ratio	Year-over-year
Japan	6,484.4	58%	5,861.4	59%	90%
Outside Japan	4,742.2	42%	4,138.9	41%	87%
Asia	2,167.1	19%	1,911.2	19%	88%
North America	1,023.7	9%	899.5	9%	88%
Europe	1,073.8	10%	904.4	9%	84%
Other Areas	477.4	4%	423.6	4%	89%
Total	11,226.7	100%	10,000.3	100%	89%

Ratio of overseas revenues 42% → 41%

1-7. Consolidated Balance Sheets

Billions of Yen

	As of March 31, 2008	As of March 31, 2009	Change from March 31, 2008
Total assets	10,530.8	9,403.7	(1,127.1)
Total liabilities	7,217.7	7,224.3	6.6
Interest-bearing debt	2,531.5	2,820.1	288.6
Net interest-bearing debt* ¹	1,909.2	2,003.5	94.2
Minority interests	1,142.5	1,129.4	(13.1)
Stockholders' equity	2,170.6	1,049.9	(1,120.6)
Stockholders' equity ratio	20.6%	11.2%	(9.4 points)
D/E ratio (Including minority interests)	0.76 times	1.29 times	0.53 deterioration
Net D/E ratio* ² (Including minority interests)	0.58 times	0.92 times	0.34 deterioration

*1: "Interest-bearing debt" - ("Cash and cash equivalents"+"Short-term investments")

*2: "Net interest-bearing debt" / ("Stockholders' equity"+"Minority interests")

1-8. Consolidated Statements of Cash Flows

Billions of Yen

	Fiscal 2007	Fiscal 2008	Year-over-year change
Cash flows from operating activities	791.8	558.9	(232.8)
Cash flows from investing activities	(637.6)	(550.0)	87.6
Free cash flows	154.2	8.9	(145.2)
Cash flows from financing activities	(185.5)	284.3	469.9

1-9. Consolidated Capital Investment, Consolidated R&D Expenditure

(1) Consolidated capital investment

Billions of Yen

	Fiscal 2007	Fiscal 2008	Year-over-year
Consolidated capital investment	969.0	788.4	81%
Internal use assets	512.4	424.0	83%
Leasing assets	456.6	364.4	80%

(2) Consolidated R&D expenditure

Billions of Yen

	Fiscal 2007	Fiscal 2008	Year-over-year
Consolidated R&D expenditures	428.1	416.5	97%
Percentage of revenues	3.8%	4.2%	-

1-10. Revenues by Industry Segment

Billions of Yen

	Fiscal 2007	Fiscal 2008	Year-over-year
Information & Telecommunication Systems	2,761.1	2,594.4	94%
Electronic Devices	1,293.5	1,151.0	89%
Power & Industrial Systems	3,568.1	3,310.5	93%
Digital Media & Consumer Products	1,504.6	1,261.5	84%
High Functional Materials & Components	1,875.0	1,556.8	83%
Logistics, Services & Others	1,271.4	1,089.9	86%
Financial Services	445.4	412.0	93%
Eliminations & Corporate items	(1,492.6)	(1,376.0)	-
Total	11,226.7	10,000.3	89%

1-11. Operating Income (Loss) by Industry Segment

Billions of Yen

	Fiscal 2007	Fiscal 2008	Year-over-year
Information & Telecommunication Systems	116.1	176.6	152%
Electronic Devices	54.0	27.3	51%
Power & Industrial Systems	138.4	24.2	18%
Digital Media & Consumer Products	(109.9)	(105.5)	-
High Functional Materials & Components	141.0	27.7	20%
Logistics, Services & Others	27.8	23.0	83%
Financial Services	25.4	10.2	40%
Eliminations & Corporate items	(47.5)	(56.5)	-
Total	345.5	127.1	37%

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2-1. Outlook for Fiscal 2009

Billions of Yen

	Fiscal 2008	Fiscal 2009 (Forecast)	Year-over-year
Revenues	10,000.3	8,900.0	[89%] (1,100.3)
Operating income	127.1	30.0	(97.1)
Net other deductions	(417.0)	(200.0)	217.0
Loss before income taxes and minority interests	(289.8)	(170.0)	119.8
Income taxes	505.2	90.0	(415.2)
Loss before minority interests	(795.1)	(260.0)	535.1
Minority interests	(7.7)	10.0	17.7
Net loss	(787.3)	(270.0)	517.3

2-2. Outlook for Fiscal 2009 Revenues by Industry Segment

Billions of Yen

	Fiscal 2008	Fiscal 2009 (Forecast)	Year-over-year
Information & Telecommunication Systems	2,594.4	2,350.0	91%
Electronic Devices	1,151.0	960.0	83%
Power & Industrial Systems	3,310.5	3,010.0	91%
Digital Media & Consumer Products	1,261.5	1,090.0	86%
High Functional Materials & Components	1,556.8	1,240.0	80%
Logistics, Services & Others	1,089.9	960.0	88%
Financial Services	412.0	320.0	78%
Eliminations & Corporate items	(1,376.0)	(1,030.0)	-
Total	10,000.3	8,900.0	89%

2-3. Outlook for Fiscal 2009 Operating Income (Loss) by Industry Segment

Billions of Yen

	Fiscal 2008	Fiscal 2009 (Forecast)	Year-over-year
Information & Telecommunication Systems	176.6	77.0	44%
Electronic Devices	27.3	1.0	4%
Power & Industrial Systems	24.2	5.0	21%
Digital Media & Consumer Products	(105.5)	(13.0)	-
High Functional Materials & Components	27.7	27.0	97%
Logistics, Services & Others	23.0	16.0	69%
Financial Services	10.2	14.0	137%
Eliminations & Corporate items	(56.5)	(97.0)	-
Total	127.1	30.0	24%

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3-1. Information & Telecommunication Systems (1)

(1) Overview

Billions of Yen

	Fiscal 2007	Fiscal 2008	YoY	Fiscal 2009 (Forecast)	YoY
Revenues	2,761.1	2,594.4	94%	2,350.0	91%
Software/Services	1,308.6	1,272.1	97%	1,130.0	89%
Hardware	1,452.4	1,322.2	91%	1,220.0	92%
Operating income	116.1	176.6	152%	77.0	44%
Software/Services	107.6	115.0	107%	70.0	61%
Hardware	8.4	61.5	732%	7.0	11%

YoY: Year-over-year

(2) Overview of Fiscal 2008

- Lower revenues and higher earnings in Software/Services
 - Steady revenues growth from outsourcing and consulting businesses
 - Lower revenues from system integration, particularly for financial institutions
 - However, improved profitability due to stronger project management
- Lower revenues and higher earnings in Hardware
 - Higher revenues from telecommunications networks due to increased revenues for next-generation network equipment
 - Lower revenues from disk array subsystems due to forex movements
 - Increased earnings from telecommunications networks
 - Profitability in HDD operations for full year as benefits of structural reforms emerged

3-1. Information & Telecommunication Systems (2)

(3) Overview of Hard Disk Drive Business (HDD)

Millions of Dollars

	Fiscal 2007	Fiscal 2008	YoY	Fiscal 2008 First Quarter	Fiscal 2009 First Quarter	YoY
	Jan. - Dec. 2007	Jan. - Dec. 2008		Jan. - Mar. 2008	Jan. - Mar. 2009	
Revenues	5,563	5,574	100%	1,415	1,026	72%
Operating income (loss)	(281)	208	-	65	(57)	-

YoY: Year-over-year

(4) Overview of HDD Business of Fiscal 2008 and in the First Quarter of Fiscal 2009

- Fiscal 2008 (January – December 2008): return to profitability
 - Large cost reductions centered on heads and media
 - Timely launch of competitive new products and optimized product mix
- First quarter fiscal 2009 (January – March 2009): Lower revenues and deterioration in earnings
 - Lower revenues and deterioration in earnings due to contraction in demand

3-2. Electronic Devices

(1) Overview

Billions of Yen

	Fiscal 2007	Fiscal 2008	YoY	Fiscal 2009 (Forecast)	YoY
Revenues	1,293.5	1,151.0	89%	960.0	83%
Operating income	54.0	27.3	51%	1.0	4%

YoY: Year-over-year

(2) Overview of Fiscal 2008

- Lower revenues and earnings at Hitachi High-Technologies
 - Lower revenues from inspection and analysis equipment to Asian markets
 - Lower earnings in line with lower revenues
- Lower revenues and deterioration in earnings in display business
 - Focused business resources on small and medium-sized LCDs
 - Expanded small and medium-sized IPS LCDs, particularly to high-value-added product market through first half

However, revenues declined and earnings deteriorated in line with a rapid contraction in demand from November 2008

3-3. Power & Industrial Systems

(1) Overview

Billions of Yen

	Fiscal 2007	Fiscal 2008	YoY	Fiscal 2009 (Forecast)	YoY
Revenues	3,568.1	3,310.5	93%	3,010.0	91%
Operating income	138.4	24.2	18%	5.0	21%

YoY: Year-over-year

(2) Overview of Fiscal 2008

- Increased revenues and improved in earnings in power systems
 - Higher revenues reflecting increased sales of thermal power plant equipment with a lower environmental impact to overseas markets and nuclear power plant equipment in Japan, as well as improved earnings in line with reduction of unprofitable projects
- Lower sales and deterioration in earnings in automotive systems business
 - Sharply lower sales and deterioration in earnings due to auto market downturn
- Lower sales and earnings at Hitachi Construction Machinery
 - Sharply lower sales and earnings due to construction machinery market downturn
- Flat revenues but earnings improvement at Hitachi Plant Technologies
 - Earnings improvement due to stronger project management, in spite of flat revenues

3-4. Digital Media & Consumer Products

(1) Overview

Billions of Yen

	Fiscal 2007	Fiscal 2008	YoY	Fiscal 2009 (Forecast)	YoY
Revenues	1,504.6	1,261.5	84%	1,090.0	86%
Operating loss	(109.9)	(105.5)	-	(13.0)	-

YoY: Year-over-year

(2) Overview of Fiscal 2008

- Revenues: Lower

- Lower revenues due to lower unit sales of flat-panel TVs resulting from reducing overseas sales channels as part of business structural reforms
- Lower revenues from digital media products, mainly optical disk drives, in line with rapid contraction in demand from October 2008
- Lower sales of room air conditioners

- Operating loss: Reduced

- Significant loss due to lower prices and inventory disposal costs related to reducing overseas sales channels
- Made progress improving flat-TV business and other businesses via business structural reforms, such as sourcing plasma panel from outside, reducing overseas sales channels and others

3-5. High Functional Materials & Components / Logistics, Services & Others / Financial Services

(1) Overview of High Functional Materials & Components

Billions of Yen

	Fiscal 2007	Fiscal 2008	YoY	Fiscal 2009 (Forecast)	YoY
Revenues	1,875.0	1,556.8	83%	1,240.0	80%
Operating income	141.0	27.7	20%	27.0	97%

YoY: Year-over-year

(2) Overview of Logistics, Services & Others

Billions of Yen

	Fiscal 2007	Fiscal 2008	YoY	Fiscal 2009 (Forecast)	YoY
Revenues	1,271.4	1,089.9	86%	960.0	88%
Operating income	27.8	23.0	83%	16.0	69%

(3) Overview of Financial Services

Billions of Yen

	Fiscal 2007	Fiscal 2008	YoY	Fiscal 2009 (Forecast)	YoY
Revenues	445.4	412.0	93%	320.0	78%
Operating income	25.4	10.2	40%	14.0	137%

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 investments in Hitachi's major markets, particularly Japan, Asia, the United States and Europe, as well as levels of demand in the major industrial sectors which Hitachi serves, including, without limitation, the information, electronics, automotive, construction and financial sectors;
- fluctuations in product demand and industry capacity, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products segment;
- increased commoditization of information technology products and digital media related products and intensifying price competition for such products, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products segment;
- uncertainty as to Hitachi's ability to continue to develop and market products that incorporate new technology on a timely and cost-effective basis and to achieve market acceptance for such products;
- rapid technological innovation, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products segment;
- exchange rate fluctuation for the yen and other currencies in which Hitachi makes significant sales or in which Hitachi's assets and liabilities are denominated, particularly against the U.S. dollar and the euro;
- fluctuations in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum and synthetic resins;
- uncertainty as to Hitachi's ability to implement measures to reduce the potential negative impact of fluctuations in product demand, exchange rate fluctuation and/or in the price of raw materials;
- general socio-economic and political conditions and the regulatory and trade environment of Hitachi's major markets, particularly Japan, Asia, the United States and Europe, including, without limitation, direct or indirect restrictions by other nations on imports, or differences in commercial and business customs including, without limitation, contract terms and conditions and labor relations;
- uncertainty as to Hitachi's access to, or ability to protect, certain intellectual property rights, particularly those related to electronics and data processing technologies;
- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity method affiliates have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- uncertainty as to the success of restructuring efforts to improve management efficiency and to strengthen competitiveness;
- uncertainty as to the success of alliances upon which Hitachi depends, some of which Hitachi may not control, with other corporations in the design and development of certain key products;
- uncertainty as to Hitachi's ability to access, or access on favorable terms, liquidity or long-term financing; and
- uncertainty as to general market price levels for equity securities in Japan, declines in which may require Hitachi to write down equity securities it holds.

The factors listed above are not all-inclusive and are in addition to other factors contained in Hitachi's periodic filings with the U.S. Securities and Exchange Commission and in other materials published by Hitachi.

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