[Translation]

Quarterly Report

(The Third Quarter of 144th Business Term)
From October 1, 2012 to December 31, 2012

6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Hitachi, Ltd.

[Cover]

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This is an English translation of the Quarterly Report filed with the Director of the Kanto Local Finance Bureau via Electronic Disclosure for Investors' NETwork ("EDINET") pursuant to the Financial Instruments and Exchange Act of Japan.

The translation of the Confirmation Letter for the original Quarterly Report are included at the end of this document.

Unless the context indicates otherwise, the term "Company" refers to Hitachi, Ltd. and the term "Hitachi" refers to the Company and its consolidated subsidiaries.

Unless otherwise stated, in this document, where we present information in millions or hundreds of millions of yen, we have truncated amounts of less than one million or one hundred million, as the case may be. Accordingly, the total of figures presented in columns or otherwise may not equal the total of the individual items. We have rounded all percentages to the nearest percent, one-tenth of one percent or one-hundredth of one percent, as the case may be.

References in this document to the "Financial Instruments and Exchange Act" are to the Financial Instruments and Exchange Act of Japan and other laws and regulations amending and/or supplementing the Financial Instruments and Exchange Act of Japan.

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Part I Information on the Company

I. Overview of the Company

1. Key Financial Data

Consolidated financial data, etc.

(Millions of yen, unless otherwise stated)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012	Year ended March 31, 2012
Revenues	6,837,676 [2,264,947]	6,468,701 [2,113,133]	9,665,883
Income before income taxes	216,990	175,675	557,730
Net income attributable to Hitachi, Ltd. stockholders	85,229 [34,280]	50,358 [20,233]	347,179
Comprehensive income	67,482	206,302	392,581
Total Hitachi, Ltd. Stockholders' equity	1,466,890	1,893,966	1,771,782
Total equity	2,465,622	2,939,944	2,773,995
Total assets	9,357,288	9,646,536	9,418,526
Net income attributable to Hitachi, Ltd. stockholders per share, Basic (yen)	18.87 [7.59]	10.80 [4.29]	76.81
Net income attributable to Hitachi, Ltd. stockholders per share, Diluted (yen)	17.64	10.42	71.86
Total Hitachi, Ltd. stockholders' equity ratio (%)	15.7	19.6	18.8
Cash flows from operating activities	100,633	245,335	447,155
Cash flows from investing activities	(304,844)	(453,655)	(195,584)
Cash flows from financing activities	248,708	173,777	(167,838)
Cash and cash equivalents at end of period	561,850	606,589	619,577

(Notes)
1. Our consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States.
2. Revenues do not include the consumption tax, etc.
3. The figures of "Revenues," "Net income attributable to Hitachi, Ltd. stockholders" and "Net income attributable to Hitachi, Ltd. stockholders per share, Basic" in square bracket are those in the three months ended December 31, 2011 and 2012, respectively.

2. Description of Business

The Company's consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States, and affiliates are disclosed based on the definitions of those accounting principles. The same applies to "II. Business Overview".

There was no material change in principal businesses of Hitachi during the nine months ended December 31, 2012. The Hitachi Group is comprised of the Company and 957 consolidated subsidiaries (including variable interest entities) and 216 equity-method affiliates. Consolidated trust accounts are not included in the number of consolidated subsidiaries.

Changes of businesses in each segment and major consolidated subsidiaries during the nine months ended December 31, 2012 were as follows.

Segment	Positioning of principal affiliated companies	
	Manufacturing	Sales and services
Power Systems		[Consolidated subsidiaries] (New) Horizon Nuclear Power Limited
Others (Reclassified) Information Storage Media, Batteries	[Consolidated subsidiaries] (Reclassified) Hitachi Maxell, Ltd., Hitachi Maxell Energy, Ltd.	

(Notes) 1. The Company purchased all outstanding shares of Horizon Nuclear Power Limited ("Horizon") from RWE npower plc and E.ON UK plc, and Horizon became the Company's subsidiary on November 23, 2012.
2. Effective from April 1, 2012, the Company eliminated the Components & Devices segment. The businesses, which were previously included in the Components & Devices segment, have been included in the Others segment.
3. Hitachi Maxell, Ltd. merged with Hitachi Maxell Energy, Ltd. on January 1, 2013.

II. Business Overview

1. Risk Factors

There was no new risk factor recognized during the nine months ended December 31, 2012.

Material changes in the risk factors stated in the Annual Securities Report for the 143rd business term pursuant to the Financial Instruments and Exchange Act of Japan were as follows.

Changes in "Litigation and Regulatory Investigations"

In July 2012, a Japanese subsidiary received a statement of objections from the European Commission in respect of alleged antitrust violations relating to optical disk drives.

In August 2012, a subsidiary of the Company in Europe received a complaint filed by a customer in Europe seeking compensation for consequential losses of EUR 1,058 million (¥121.4 billion), additional costs and interest allegedly incurred by the delay in the construction process of a power plant against, jointly and severally, the Company, the subsidiary of the Company in Europe, a consortium including the Company and the subsidiary of the Company in Europe, and two other companies. Although the Company, the subsidiary of the Company in Europe and the consortium will vigorously defend themselves against this lawsuit, there can be no assurance that they will not be held liable for any amounts claimed.

In November 2012, a Japanese subsidiary received a cease and desist order from the Fair Trade Commission of Japan in respect of antitrust violations relating to automotive equipment.

2. Material Agreements, etc.

(1) Business Integration

The Company and Mitsubishi Heavy Industries, Ltd. ("MHI") have reached a basic agreement, through the resolution of the board of directors of both companies, on integrating businesses in fields centered on thermal power generation systems and jointly managing these operations on November 29, 2012. Outline is as follows.

(i) Scope of the business integration

The combined sales of both companies related businesses of the fiscal year ended March 31, 2012 is approximately ¥1,100.0 billion. Businesses to be integrated are as follows.

- Thermal power generation system businesses (gas turbines, steam turbines, boilers, generators, etc.)
- Geothermal power system business
- Environmental equipment
- Fuel cells business
- Other related business

Certain subsidiaries and equity method affiliates engaging in these businesses will be subject to the integration.

(ii) Measure of integration

Businesses subject to the integration will be transferred to a joint venture company by way of company split and other method. Details of the integration will be determined after the consultation between MHI and the Company by the execution of the final agreement on the integration.

(iii) Overview of the joint venture company

MHI and the Company will have equity interests of 65% and 35%, respectively, in the joint venture company. Calculation of the equity interest ratio will be examined through the planned additional due diligence, etc.

(iv) Schedule

November 29, 2012	Execution of basic agreement
Late April, 2013 (Tentative)	Execution of final agreement
January 1, 2014 (Tentative)	Closing

The business reorganization relating to the integration may be subject to the approval by the shareholders meeting of the MHI. In such case, MHI board will propose necessary items to its annual shareholders meeting to be held in late June, 2013.

(2) As Licensor

During the three months ended December 31, 2012, a licensee changed in the following material license agreement.

Licensor	Licensee	Country	Item under contract	Contract description	Contract period
Hitachi Metals, Ltd. (Consolidated subsidiary)	MCP Canada Limited Partnership (Note 1)	Canada	Rare earth magnets	License of patents (Note 2)	From August 10, 2007 to the expiration of the patents under contracts

(Notes) 1. MCP Canada Limited Partnership succeeded the position of Licensee from Magnequench Limited on October 11, 2012.

2. A lump-sum payment has been received, and royalties are received in installments until the end of the contract period.

3. Analyses of Consolidated Financial Condition, Operating Results and Cash Flows

(1) Outline of Business Results

Effective from April 1, 2012, the Company eliminated the Components & Devices segment. The businesses, which were previously included in the Components & Devices segment, have been included in the Others segment. Figures for each segment, including figures for the nine months ended December 31, 2012 and for the nine months ended December 31, 2011 reflect the new segmentation.

Results of Operations

During the nine months ended December 31, 2012, the U.S. economy continued to experience a moderate recovery. However, economic stagnant continued in Europe due to sovereign debt crisis in some countries and also the Chinese economy, the Indian economy and other emerging nations' economies slowed further.

In Japan, public works and housing investing increased due to the reconstruction after the Great East Japan Earthquake, and consumer spending are solid. However, the Japanese economy continuously struggled due mainly to the global economic slowdown.

Under these circumstances, total revenues in the nine months ended December 31, 2012 decreased 5% compared with the nine months ended December 31, 2011, to ¥6,468.7 billion due mainly to the sale of the hard disk drive business in the year ended March 31, 2012. This decrease was partially offset by increased revenues in the Power Systems Segment due to higher sales in nuclear power generation systems, the Information & Telecommunication Systems and the Social Infrastructure & Industrial Systems segments.

Cost of sales in the nine months ended December 31, 2012 decreased 5% compared with the nine months ended December 31, 2011, to ¥4,858.6 billion, and the ratio of cost of sales to revenues accounted for 75% in the nine months ended December 31, 2012, which was the same level as in the nine months ended December 31, 2011.

Selling, general and administrative expenses in the nine months ended December 31, 2012 decreased 4% compared with the nine months ended December 31, 2011, to ¥1,378.1 billion and their ratio to revenues was 21% in the nine months ended December 31, 2012, which was the same level as in the nine months ended December 31, 2011.

Impairment losses for long-lived assets in the nine months ended December 31, 2012 decreased ¥3.6 billion to ¥8.5 billion, as compared with the nine months ended December 31, 2011.

Restructuring charges in the nine months ended December 31, 2012 decreased ¥3.5 billion to ¥10.1 billion, as compared with the nine months ended December 31, 2011.

Interest income in the nine months ended December 31, 2012 decreased ¥0.7 billion to ¥8.9 billion, as compared with the nine months ended December 31, 2011.

Dividends income in the nine months ended December 31, 2012 was ¥4.7 billion, almost the same as the nine months ended December 31, 2011.

Other income in the nine months ended December 31, 2012 was ¥8.9 billion, a ¥14.4 billion decrease compared with the nine months ended December 31, 2011, due mainly to the posting of net loss on sale and disposal of rental assets and other property in the nine months ended December 31, 2012, as compared with net gain in the nine months ended December 31, 2011. This decrease was partially offset by the posting of net gain on securities and exchange gain.

Interest charges in the nine months ended December 31, 2012 decreased ¥0.4 billion to ¥20.2 billion, as compared with the nine months ended December 31, 2011.

Other deductions in the nine months ended December 31, 2012 were ¥1.2 billion, a ¥23.9 billion decrease compared with the nine months ended December 31, 2011 due mainly to the posting of net gain on securities and exchange gain in the nine months ended December 31, 2012, as compared with net loss on securities and exchange loss in the nine months ended December 31, 2011.

Equity in net loss of affiliated companies in the nine months ended December 31, 2012 increased ¥24.1 billion compared with the nine months ended December 31, 2011, to ¥38.5 billion, due mainly to the restructuring charges at the Company's equity-method affiliated company in the semiconductor industry.

Income before income taxes in the nine months ended December 31, 2012 decreased 19% compared with the nine months ended December 31, 2011, to ¥175.6 billion.

Income taxes amounted to ¥81.2 billion in the nine months ended December 31, 2012, a decrease of ¥11.5 billion compared with the nine months ended December 31, 2011.

Net income in the nine months ended December 31, 2012 decreased 24% compared with the nine months ended December 31, 2011, to ¥94.3 billion.

Net income attributable to noncontrolling interests amounted to ¥44.0 billion in the nine months ended December 31, 2012, an increase of ¥5.1 billion compared with the nine months ended December 31, 2011.

As a result of the foregoing, net income attributable to Hitachi, Ltd. stockholders in the nine months ended December 31, 2012 decreased 41% compared with the nine months ended December 31, 2011, to ¥50.3 billion.

Operations by Segment

The following is an overview of Hitachi's results of operations by segment. Revenues for each segment include intersegment transactions.

(Information & Telecommunication Systems)

Revenues increased 3% compared with the nine months ended December 31, 2011, to ¥1,242.3 billion. While software business recorded lower sales, services business recorded higher sales. Hardware business also recorded higher sales due mainly to higher sales from ATMs, partially offset by lower sales of telecommunications.

Segment profit decreased 14% compared with the nine months ended December 31, 2011, to ¥43.1 billion, due to lower earnings in software and services business owing to lower projects profitability. This worsening is partially offset by improvement of profitability in hardware business.

(Power Systems)

Revenues increased 15% compared with the nine months ended December 31, 2011, to ¥619.2 billion, due to the acquisition of part of the transmission and distribution business of Japan AE Power Systems Corporation in April 2012 and higher sales of thermal power generation systems and nuclear power generation systems.

Segment profit improved ¥25.2 billion, resulting in a profit of ¥14.0 billion, compared with the nine months ended December 31, 2011. This improvement resulted from higher earnings due to increased revenues and the absence of additional costs related to coal-fired thermal power generation systems in the overseas market recorded in the nine months ended December 31, 2011, as well as progress in cost reduction measures.

(Social Infrastructure & Industrial Systems)

Revenues increased 9% compared with the nine months ended December 31, 2011, to ¥842.2 billion. This increase mainly reflected steady growth in the elevators and escalators business in China and higher revenues in plant-related equipment and construction.

Segment profit increased 2% compared with the nine months ended December 31, 2011, to ¥14.5 billion, due mainly to higher earnings in the elevators and escalators business owing to higher sales. This increase was partially offset by lower earnings in social infrastructure systems and plant-related equipment and construction.

(Electronic Systems & Equipment)

Revenues decreased 7% compared with the nine months ended December 31, 2011, to ¥728.9 bullion. This decrease reflected lower revenues due to decreased sales of medical analysis systems and display-related manufacturing equipment at Hitachi High-Technologies Corporation.

Segment profit decreased 32% compared with the nine months ended December 31, 2011, to ¥20.3 billion.

(Construction Machinery)

Revenues increased 1% compared with the nine months ended December 31, 2011, to ¥546.5 billion. This increase reflects strong sales to the rental industry in North America, despite lower sales of hydraulic excavators in China, etc.

Segment profit decreased 18% compared with the nine months ended December 31, 2011, to ¥32.1 billion, due mainly to lower sales in China.

(High Functional Materials & Components)

Revenues decreased 5% compared with the nine months ended December 31, 2011, to ¥1,006.2 billion, due to lower sales at Hitachi Cable, Ltd. owing to downward pressure on sales prices resulting from a drop in the price of copper and the withdrawal from unprofitable businesses and lower sales at Hitachi Chemical Co., Ltd. and Hitachi Metals, Ltd.

Segment profit decreased 19% compared with the nine months ended December 31, 2011, to ¥46.2 billion. This was mainly attributable to lower revenues and the impact of falling raw materials prices at Hitachi Metals, Ltd. This worsening is partially offset by higher earnings at Hitachi Cable, Ltd. due to reduction in fixed costs resulted from business structure reforms and a cost-reduction measures.

(Automotive Systems)

Revenues increased 4% compared with the nine months ended December 31, 2011, to ¥592.8 billion, as a result of a recovery from the Great East Japan Earthquake and solid automobile demand in the U.S. This increase was partially offset by Japanese automobile manufacturers' reduction of production in China.

Segment profit decreased 3% compared with the nine months ended December 31, 2011, to ¥25.9 billion, due mainly to worsened capacity utilization in line with Japanese automobile manufacturers' adjustment of production in Japan and reduction of production in China.

(Digital Media & Consumer Products)

Revenues decreased 6% compared with the nine months ended December 31, 2011, to ¥626.9 billion, due mainly to lower demand for flat-panel TVs and lower sales of optical disk drive-related products owing to the impact of lower sales prices.

Segment profit worsened ¥2.8 billion, resulting in a loss of ¥2.3 billion, compared with the nine months ended December 31, 2011, due mainly to the business restructuring costs in the flat-panel TV business, lower sales of optical disk drive-related products and falling in sales prices of room air conditioners, etc. mainly in the Japanese market.

(Financial Services)

Revenues decreased 2% compared with the nine months ended December 31, 2011, to ¥260.2 billion, due mainly to lower revenues in the finance services business for corporate customers in Japan at Hitachi Capital Corporation. This decrease was partially offset by a strong performance in the overseas at Hitachi Capital Corporation, particularly in Asia.

Segment profit decreased 3% compared with the nine months ended December 31, 2011, to ¥19.8 billion.

(Others)

Revenues decreased 37% compared with the nine months ended December 31, 2011, to ¥823.1 billion, due mainly to the sale of hard disk drives business in the year ended March 31, 2012.

Segment profit decreased 47% compared with the nine months ended December 31, 2011, to ¥29.6 billion.

Revenues by Market

Revenues in Japan in the nine months ended December 31, 2012 were ¥3,797.1 billion, a decrease of 2% compared with the nine months ended December 31, 2011, due mainly to lower revenues in the High Functional Materials & Components segment owing to the impact of lower demand in the electronics field and in the Others segment owing to the impact of selling the hard disk drives business. This decrease was partially offset by higher revenues in the Information & Telecommunication Systems segment owing to strong sales of services business in Japan, and the Power Systems segment owing to recovery from the Great East Japan Earthquake.

Overseas revenues were ¥2,671.5 billion, a decrease of 10% compared with the nine months ended December 31, 2011, due mainly to significant decrease in revenues in the Others segment owing to the impact of selling the hard disk drives business. This decrease was partially offset by higher revenues in the Social Infrastructure & Industrial Systems segment due to steady growth in the elevators and escalators business in China, the Information & Telecommunication Systems and the Power Systems segments.

As a result, the ratio of overseas revenues to total revenues was 41% in the nine months ended December 31, 2012, compared with 44% in the nine months ended December 31, 2011.

(2) Summary of Financial Condition, etc.

Liquidity and Capital Resources

During the nine months ended December 31, 2012, there was no major changes in the Company's policies of maintaining liquidity and ensuring funds, efforts for improvement in fund management efficiency, and ideas regarding funding sources and fundraising.

Cash Flows

(Cash flows from operating activities)

Net income in the nine months ended December 31, 2012 decreased ¥29.7 billion compared with the nine months ended December 31, 2011, to ¥94.3 billion, due primarily to decreased operating income. An increase in receivables of ¥15.2 billion in the nine months ended December 31, 2011 changed to a decrease in receivables of ¥269.0 billion in the nine months ended December 31, 2012. This is because collection of receivables was adversely affected by delay in shipment of products and customers' acceptance inspection caused by the Great East Japan Earthquake in the nine months ended December 31, 2011 while collection of receivables recorded at the end of the fiscal year ended March 30, 2012 proceeded in the nine months ended December 31, 2012. As a result of the foregoing, cash flows from operating activities recorded net cash inflow of ¥245.3 billion in the nine months ended December 31, 2012, an increase of ¥144.7 billion compared with the nine months ended December 31, 2011.

(Cash flows from investing activities)

A net sum of ¥367.0 billion in the nine months ended December 31, 2012 was recorded as investments mainly related to property, plant and equipment, where the collection of investments in leases, the proceeds from disposal of property, plant and equipment and the proceeds from disposal of tangible assets and software to be leased were subtracted from the amount of the capital expenditures, the purchase of intangible assets and the purchase of tangible assets and software to be leased. This net sum increased by ¥127.0 billion compared with the nine months ended December 31, 2011. Purchase of investments in securities and shares of newly consolidated subsidiaries in the nine months ended December 31, 2012 increased ¥44.8 billion compared with the nine months ended December 31, 2011, to ¥160.5 billion, due primarily to the purchase of shares of Horizon Nuclear Power Limited in the nine months ended December 31, 2011. Proceeds from sale of investments in securities and shares of consolidated subsidiaries resulting in deconsolidation in the nine months ended December 31, 2012 increased ¥27.1 billion compared with the nine months ended December 31, 2011, to ¥59.6 billion, due mainly to selling shares of TCM Corporation in the nine months ended December 31, 2012. As a result of the foregoing, cash flows from investing activities recorded net cash outflow of ¥453.6 billion in the nine months ended December 31, 2012, an increase of ¥148.8 billion compared with the nine months ended December 31, 2011.

(Cash flows from financing activities)

Net increase in short-term debt was ¥392.5 billion. This was a decrease of ¥91.9 billion compared with the nine months ended December 31, 2011, due primarily to the issuance of commercial paper ready to cope with jittery credit markets after the Great East Japan Earthquake in the nine months ended December 31, 2011. A net sum of ¥121.3 billion in the nine months ended December 31, 2012 was recorded as payments related to long-term debt, where the payments on long-term debt were subtracted from the proceeds from long-term debt. This net outflow decreased by ¥64.9 billion compared with the nine months ended December 31, 2011. Dividends paid to Hitachi, Ltd. stockholders was ¥46.6 billion, an increase of ¥19.5 billion. As a result of the foregoing, cash flows from financing activities recorded net cash inflow of ¥173.7 billion in the nine months ended December 31, 2012, a decrease of ¥74.9 billion compared with the nine months ended December 31, 2011.

As a result of the foregoing, in the nine months ended December 31, 2012, cash and cash equivalents was ¥606.5 billion as of December 31, 2012, a decrease of ¥12.9 billion from March 31, 2012. Free cash flows, the sum of cash flows from operating and investing activities, were an outflow of ¥208.3 billion in the nine months ended December 31, 2012, a decrease of ¥4.1 billion compared with the nine months ended December 31, 2011.

Assets, Liabilities and Equity

Total assets as of December 31, 2012 were ¥9,646.5 billion, an increase of ¥228.0 billion from March 31, 2012. This was due mainly to an increase in inventories owing to seasonal reasons and the acquisition of Horizon Nuclear Power Limited.

Total interest-bearing debt as of December 31, 2012, which is the sum of short-term debt, long-term debt and non-recourse borrowings of consolidated securitization entities, was ¥2,681.3 billion, a ¥284.9 billion increase from March 31, 2012. This was due mainly to an increase in short-term debt, mainly owing to the issuance of commercial paper.

Total Hitachi, Ltd. stockholders' equity as of December 31, 2012 increased by ¥122.1 billion from March 31, 2012, to ¥1,893.9 billion, due mainly to recording of net income attributable to Hitachi, Ltd. stockholders and conversion of the Company's bonds with stock acquisition rights into stocks. As a result, the ratio of stockholders' equity to total assets was 19.6%, compared with 18.8% as of March 31, 2012.

Noncontrolling interests as of December 31, 2012 increased by ¥43.7 billion from March 31, 2012, to ¥1,045.9 billion.

The ratio of the interest-bearing debt to the total equity (the sum of total Hitachi, Ltd. stockholders' equity and noncontrolling interests) increased to 0.91, compared with 0.86 as of March 31, 2012.

(3) Challenges Facing Hitachi Group

1) Business and Financial Condition

There was no material change in Hitachi's business strategy during the nine months ended December 31, 2012.

2) Fundamental Policy on the Conduct of Persons Influencing Decision on the Company's Financial and Business Policies

The Group invests a great deal of business resources in fundamental research and in the development of market-leading products and businesses that will bear fruit in the future, and realizing the benefits from these management policies requires that they be continued for a set period of time. For this purpose, the Company keeps its shareholders and investors well informed of not just the business results for each period but also of the Company's business policies for creating value in the future.

The Company does not deny the significance of the vitalization of business activities and performance that can be brought about through a change in management control, but it recognizes the necessity of determining the impact on company value and the interests of all shareholders of the buying activities and buyout proposals of parties attempting to acquire a large share of stock of the Company or a Group company by duly examining the business description, future business plans, past investment activities, and other necessary aspects of such a party.

There is no party that is currently attempting to acquire a large share of the Company's stocks nor is there a specific threat, neither does the Company intend to implement specified so-called anti-takeover measures in advance of the appearance of such a party, but the Company does understand that it is one of the natural duties bestowed upon it by the shareholders and investors to continuously monitor the state of trading of the Company's stock and then to immediately take what the Company deems to be the best action in the event of the appearance of a party attempting to purchase a large share of the Company's stock. In particular, together with outside experts, the Company will evaluate the buyout proposal of the party and hold negotiations with the buyer, and if the Company deems that said buyout will not maintain the Company's value and is not in the best interest of the shareholders, then the Company will quickly determine the necessity, content, etc., of specific countermeasures and prepare to implement them. The same response will also be taken in the event a party attempts to acquire a large percentage of the shares of a Group company.

(4) Research and Development

There was no material changes in the research and development of the Hitachi Group (the Company and consolidated subsidiaries) stated in the Annual Securities Report for the 143rd business term pursuant to the Financial Instruments and Exchange Act of Japan. The Hitachi Group's R&D expenditures in the nine months ended December 31, 2012 were ¥248.1 billion, 3.8% of revenues. A breakdown of R&D expenditures by segment is shown below.

(Billions of yen)

Segment	Nine months ended December 31, 2012
Information & Telecommunication Systems	59.3
Power Systems	13.8
Social Infrastructure & Industrial Systems	17.1
Electronic Systems & Equipment	31.6
Construction Machinery	12.4
High Functional Materials & Components	32.7
Automotive Systems	42.2
Digital Media & Consumer Products	15.2
Financial Services	0.1
Others	5.3
Corporate	18.0
Total	248.1

(5) Forward-Looking Statements

Certain statements found in "3. Analyses of Consolidated Financial Position, Operating Results and Cash Flows" and other descriptions in this report 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 report.

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, including, without limitation, the information, electronics, automotive, construction and financial sectors;
- 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, particularly against the U.S. dollar and the euro;
- 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;
- the potential for significant losses on Hitachi's investments in equity method affiliates;
- increased commoditization of information technology products and digital media-related products and intensifying price competition for such products, particularly in the Digital Media & Consumer Products segments;
- 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;
- rapid technological innovation;

- 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;
- 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;
- 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 achieve the anticipated benefits of its strategy to strengthen its Social Innovation Business;
- uncertainty as to the success of restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness;
- uncertainty as to the success of cost reduction measures;
- 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 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 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;
- the possibility of disruption of Hitachi's operations by earthquakes, tsunamis or other natural disasters;
- 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;
- uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its significant employee benefit-related costs; and
- uncertainty as to Hitachi's ability to attract and retain skilled personnel.

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

III. Information on the Company

1. Information on the Company's Stock, etc.

(1) Total number of shares, etc.

1) Total number of shares

Class	Total number of shares authorized to be issued (shares)
Common stock	10,000,000,000
Total	10,000,000,000

2) Issued shares

Class	Number of shares issued as of the end of third quarter of fiscal year (shares) (December 31, 2012)	Number of shares issued as of the filing date (shares) (February 12, 2013)	Stock exchange on which the Company is listed	Description
Common stock	4,746,438,220	4,833,463,387	Tokyo, Osaka, Nagoya	The number of shares per one unit of shares is 1,000 shares.
Total	4,746,438,220	4,833,463,387	—	—

(2) Information on the stock acquisition rights, etc.

Not applicable.

(3) Information on moving strike convertible bonds, etc.

Not applicable.

(4) Information on shareholder right plans

Not applicable.

(5) Changes in the total number of issued shares and the amount of common stock and other

Date	Change in the total number of issued shares (shares)	Balance of the total number of issued shares (shares)	Change in common stock (Millions of yen)	Balance of common stock (Millions of yen)	Change in capital reserve (Millions of yen)	Balance of capital reserve (Millions of yen)
From October 1, 2012 to December 31, 2012 (Note)	36,179,737	4,746,438,220	5,734	444,967	5,734	162,963

(Note) Changes due to conversion of bond with stock acquisition rights into stocks. As a result of conversion of bond with stock acquisition rights into stocks during the period from January 1, 2013 to January 10, 2013, the number of issued shares, the amount of common stock and the amount of capital reserve increased 87,025,167 shares, ¥13,793 million and ¥13,793 million respectively.

(6) Major shareholders

Not applicable.

(7) Information on voting rights

Information on voting rights as of September 30, 2012 is stated in this item because the Company does not identify the number of voting rights as of December 31, 2012 due to the lack of information on the number of the Company's shares held by the entity which the Company holds one quarter or more of total voting rights of such entity as of December 31, 2012.

1) Issued shares

(As of September 30, 2012)

Classification	Number of shares (shares)		Number of voting rights	Description
Shares without voting right	—		—	—
Shares with restricted voting right (treasury stock, etc.)	—		—	—
Shares with restricted voting right (others)	—		—	—
Shares with full voting right (treasury stock, etc.)	Common stock	2,901,000	—	—
Shares with full voting right (others)	Common stock	4,679,914,000	4,679,914	—
Shares less than one unit	Common stock	27,443,483	—	—
Number of issued shares		4,710,258,483	—	—
Total number of voting rights	—		4,679,914	—

(Note) The "Shares with full voting right (others)" column includes 26,000 shares registered in the name of Japan Securities Depository Center, Incorporated (account for managing stocks whose shareholders have not transferred titles) and 26 voting rights for those shares.

2) Treasury stock, etc.

(As of September 30, 2012)

Name of shareholder	Address	Number of shares held under own name (shares)	Number of shares held under the names of others (shares)	Total shares held (shares)	Ownership percentage to the total number of issued shares (%)
Hitachi, Ltd.	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo	2,730,000	—	2,730,000	0.06
Aoyama Special Steel Co., Ltd.	9-11, Shinkawa 2-chome, Chuo-ku, Tokyo	10,000	—	10,000	0.00
ISHII DENKOSHA Co., Ltd.	1-11, Oroshishinmachi 3-chome, Higashi-ku, Niigata-shi, Niigata	1,000	—	1,000	0.00
SAITA KOUGYOU CO., LTD.	5-3, Takinogawa 5-chome, Kita-ku, Tokyo	88,000	—	88,000	0.00
NIKKO SHOKAI CO., LTD.	9-5, Minami-Shinagawa 4-chome, Shinagawa-ku, Tokyo	5,000	—	5,000	0.00
Nitto Jidosha Kiki K.K.	3268, Nagaoka, Ibarakimachi, Higashiibaraki-gun, Ibaraki	52,000	—	52,000	0.00
Mizuho Co., Inc.	4-1, Koishikawa 5-chome, Bunkyo-ku, Tokyo	15,000	—	15,000	0.00
Total	—	2,901,000	—	2,901,000	0.06

2. Change in Senior Management

There has been no change in senior management from the filing date of the Annual Securities Report for the 143rd business term pursuant to the Financial Instruments and Exchange Act of Japan to December 31, 2012.

IV. Financial Information

Refer to the consolidated financial statements incorporated in this Quarterly Report.

Part II Information on Guarantors, etc. for the Company

Not applicable.

CONSOLIDATED BALANCE SHEETS
Hitachi, Ltd. and Subsidiaries
December 31, 2012 and March 31, 2012

	Millions of yen	
Assets	December 31, 2012	March 31, 2012
Current assets:		
Cash and cash equivalents (note 5)	606,589	619,577
Short-term investments (note 3)	9,553	11,562
Trade receivables, net of allowance for doubtful receivables of ¥32,295 million as of December 31, 2012 and ¥31,182 million as of March 31, 2012:		
Notes (notes 5, 13 and 21)	124,100	117,951
Accounts (notes 5 and 21)	2,054,402	2,225,519
Investments in leases (notes 5 and 21)	243,913	235,744
Current portion of financial assets transferred to consolidated securitization entities (notes 5 and 21)	58,340	86,071
Inventories (note 4)	1,610,010	1,413,252
Prepaid expenses and other current assets	490,377	452,510
Total current assets	5,197,284	5,162,186
Investments and advances, including affiliated companies (note 3)	721,355	744,493
Property, plant and equipment:		
Land	517,524	464,093
Buildings	1,911,564	1,847,292
Machinery and equipment	5,166,972	5,109,865
Construction in progress	106,788	90,687
	7,702,848	7,511,937
Less accumulated depreciation	5,498,610	5,486,399
Net property, plant and equipment	2,204,238	2,025,538
Intangible assets (note 6)		
Goodwill	269,494	214,707
Other intangible assets	403,171	395,255
Total intangible assets	672,665	609,962
Financial assets transferred to consolidated securitization entities (notes 5 and 21)	157,092	205,411
Other assets (note 21)	693,902	670,936
Total assets	9,646,536	9,418,526

See accompanying notes to consolidated financial statements.

Liabilities and Equity	Millions of yen December 31, 2012	March 31, 2012
Current liabilities:		
Short-term debt	959,344	531,446
Current portion of long-term debt	342,973	384,110
Current portion of non-recourse borrowings of consolidated securitization entities (note 5)	38,467	97,004
Trade payables:		
Notes	14,949	24,025
Accounts	1,148,875	1,301,759
Accrued expenses (note 13)	807,808	896,096
Income taxes	27,569	75,217
Advances received	374,242	362,895
Other current liabilities	500,869	438,321
Total current liabilities	4,215,096	4,110,873
Long-term debt	1,230,206	1,248,851
Non-recourse borrowings of consolidated securitization entities (note 5)	110,400	135,043
Retirement and severance benefits	857,535	890,977
Other liabilities	293,355	258,787
Total liabilities	6,706,592	6,644,531
Commitments and contingencies (note 13)		
Equity (note 12):		
Common stock (note 9)	444,997	427,775
Capital surplus	612,284	600,243
Legal reserve and retained earnings (note 11)	1,245,754	1,242,110
Accumulated other comprehensive loss	(407,555)	(496,896)
Treasury stock, at cost (note 10)	(1,514)	(1,450)
Total Hitachi, Ltd. stockholders' equity	1,893,966	1,771,782
Noncontrolling interests (note 12)	1,045,978	1,002,213
Total equity	2,939,944	2,773,995
Total liabilities and equity	9,646,536	9,418,526

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS
AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Hitachi, Ltd. and Subsidiaries
Nine months ended December 31, 2012 and 2011

Consolidated Statements of Operations

	Millions of yen	
	2012	2011
Revenues	6,468,701	6,837,676
Cost of sales	(4,858,661)	(5,131,555)
Selling, general and administrative expenses	(1,378,105)	(1,440,392)
Impairment losses for long-lived assets (note 14)	(8,560)	(12,222)
Restructuring charges (note 15)	(10,156)	(13,728)
Interest income	8,931	9,657
Dividends income	4,705	4,614
Other income (note 16)	8,910	23,372
Interest charges	(20,299)	(20,793)
Other deductions (note 16)	(1,272)	(25,254)
Equity in net loss of affiliated companies	(38,519)	(14,385)
Income before income taxes	175,675	216,990
Income taxes	(81,289)	(92,851)
Net income	94,386	124,139
Less net income attributable to noncontrolling interests	44,028	38,910
Net income attributable to Hitachi, Ltd. stockholders	50,358	85,229
Net income attributable to Hitachi, Ltd. stockholders per share (note 17):		Yen
Basic	10.80	18.87
Diluted	10.42	17.64

Consolidated Statements of Comprehensive Income

	Millions of yen	
	2012	2011
Net income	94,386	124,139
Other comprehensive income (loss) arising during the period		
Foreign currency translation adjustments	67,073	(83,358)
Pension liability adjustments	51,382	40,716
Net unrealized holding gain (loss) on available-for-sale securities	7,226	(14,370)
Cash flow hedges	(13,765)	355
Total other comprehensive income (loss) arising during the period	111,916	(56,657)
Comprehensive income	206,302	67,482
Less comprehensive income attributable to noncontrolling interests	68,118	11,906
Comprehensive income attributable to Hitachi, Ltd. stockholders	138,184	55,576

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS
AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Hitachi, Ltd. and Subsidiaries
Three months ended December 31, 2012 and 2011

Consolidated Statements of Operations

	Millions of yen	
	2012	2011
Revenues	2,113,133	2,264,947
Cost of sales	(1,586,189)	(1,696,127)
Selling, general and administrative expenses	(458,613)	(473,705)
Impairment losses for long-lived assets (note 14)	(2,330)	(6,047)
Restructuring charges (note 15)	(5,632)	(12,558)
Interest income	3,017	2,375
Dividends income	1,544	622
Other income (note 16)	15,113	20,076
Interest charges	(6,570)	(6,785)
Other deductions (note 16)	(2,910)	(9,086)
Equity in net earnings (loss) of affiliated companies	(11,146)	268
Income before income taxes	59,417	83,980
Income taxes	(30,544)	(37,564)
Net income	28,873	46,416
Less net income attributable to noncontrolling interests	8,640	12,136
Net income attributable to Hitachi, Ltd. stockholders	20,233	34,280
Net income attributable to Hitachi, Ltd. stockholders per share (note 17):		Yen
Basic	4.29	7.59
Diluted	4.19	7.10

Consolidated Statements of Comprehensive Income

	Millions of yen	
	2012	2011
Net income	28,873	46,416
Other comprehensive income (loss) arising during the period		
Foreign currency translation adjustments	108,135	(18,999)
Pension liability adjustments	18,657	12,774
Net unrealized holding gain (loss) on available-for-sale securities	23,249	(585)
Cash flow hedges	(14,796)	347
Total other comprehensive income (loss) arising during the period	135,245	(6,463)
Comprehensive income	164,118	39,953
Less comprehensive income attributable to noncontrolling interests	46,350	9,779
Comprehensive income attributable to Hitachi, Ltd. stockholders	117,768	30,174

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Hitachi, Ltd. and Subsidiaries

Nine months ended December 31, 2012 and 2011

	Millions of yen	
	2012	2011
Cash flows from operating activities:		
Net income	94,386	124,139
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	219,716	262,387
Amortization	85,751	85,652
Impairment losses for long-lived assets	8,560	12,222
Equity in net loss of affiliated companies	38,519	14,385
Gain on sale of investments in securities and other	(11,268)	(2,510)
Impairment of investments in securities	4,461	13,569
(Gain) loss on disposal of rental assets and other property	1,291	(22,743)
(Increase) decrease in receivables	269,055	(15,228)
Increase in inventories	(200,561)	(393,435)
Increase in prepaid expenses and other current assets	(3,485)	(5,281)
Increase (decrease) in payables	(197,603)	79,757
Decrease in accrued expenses and retirement and severance benefits	(73,787)	(108,090)
Decrease in accrued income taxes	(39,445)	(709)
Increase in other current liabilities	20,843	26,635
Net change in lease receivables related to the Company’s and its subsidiaries’ products	10,663	26,232
Other	18,239	3,651
Net cash provided by operating activities	245,335	100,633
Cash flows from investing activities:		
Capital expenditures	(271,885)	(223,827)
Purchase of intangible assets	(72,381)	(72,094)
Purchase of tangible assets and software to be leased	(255,690)	(196,998)
Proceeds from disposal of property, plant and equipment	15,801	39,774
Proceeds from disposal of tangible assets and software to be leased	12,446	14,070
Collection on investments in leases	204,671	199,132
Purchase of investments in securities and shares of newly consolidated subsidiaries	(160,554)	(115,671)
Proceeds from sale of investments in securities and shares of consolidated subsidiaries resulting in deconsolidation	59,687	32,573
Other	14,250	18,197
Net cash used in investing activities	(453,655)	(304,844)
Cash flows from financing activities:		
Increase in short-term debt, net	392,569	484,498
Proceeds from long-term debt	242,311	288,137
Payments on long-term debt	(363,614)	(474,380)
Proceeds from sale of common stock by subsidiaries	1,988	409
Dividends paid to Hitachi, Ltd. stockholders	(46,672)	(27,093)
Dividends paid to noncontrolling interests	(24,408)	(21,026)
Acquisition of common stock for treasury	(107)	(86)
Proceeds from sales of treasury stock	21	27
Purchase of shares of consolidated subsidiaries from noncontrolling interest holders	(28,031)	(1,492)
Proceeds from sale of shares of consolidated subsidiaries from noncontrolling interest holders	102	4
Other	(382)	(290)
Net cash provided by financing activities	173,777	248,708
Effect of exchange rate changes on cash and cash equivalents	21,555	(37,457)
Net increase (decrease) in cash and cash equivalents	(12,988)	7,040
Cash and cash equivalents at beginning of period	619,577	554,810
Cash and cash equivalents at end of period	606,589	561,850

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

December 31, 2012

(1) Nature of Operations

Hitachi, Ltd. (the Company) is a Japanese corporation, whose principal office is located in Japan. The Company's and its subsidiaries' businesses are diverse, and include information and telecommunication systems, power systems, social infrastructure and industrial systems, electronic systems and equipment, construction machinery, high functional materials and components, automotive systems, digital media and consumer products, financial services, and others including logistics services.

(2) Basis of Presentation and Summary of Significant Accounting Policies

(a) Basis of Presentation

The Company and its domestic subsidiaries keep their books of account in accordance with the financial accounting standards of Japan, and its foreign subsidiaries in accordance with those of the countries of their domicile.

The consolidated financial statements presented herein have been prepared to reflect the adjustments which are necessary to conform to accounting principles generally accepted in the United States of America. Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements. Actual results could differ from those estimates.

(b) Principles of Consolidation

The consolidated financial statements include the accounts of the Company, its majority-owned subsidiaries and all variable interest entities (VIEs) for which the Company or any of its consolidated entities is the primary beneficiary. The definition of a VIE is included in Accounting Standards Codification (ASC) 810, "Consolidation." This guidance addresses how a business enterprise should evaluate whether it has a controlling financial interest in an entity through means other than voting rights and accordingly should consolidate the entity. The consolidated financial statements include accounts of certain subsidiaries whose closing dates differ from December 31 by 93 days or less to either comply with local statutory requirements or facilitate timely reporting. There have been no significant transactions, which would materially affect the Company's financial position and results of operations, with such subsidiaries during the period from their closing dates to December 31. Intercompany accounts and significant intercompany transactions have been eliminated in consolidation.

Investments in corporate joint ventures and affiliated companies, where the Company has the ability to exercise significant influence over operational and financial policies generally by holding 20 - 50% ownership, are accounted for under the equity method. Investments where the Company does not have significant influence are accounted for under the cost method.

(c) Income Taxes

The Company computes interim income tax provisions by applying an estimated annual effective tax rate, which is reasonably determined considering the factors that will affect the tax rate including non-taxable transactions, tax credits and valuation allowances, to income before income taxes in accordance with the provisions for interim reporting included in ASC 740, "Income Taxes." The effect of a change in judgment about the realization of deferred tax assets in future years is recognized in the interim period in which the change occurs.

(d) Subsequent Events

The Company has evaluated up to February 12, 2013, the date on which its consolidated financial statements were available to be issued in accordance with the provisions of ASC855, "Subsequent Events."

(e) A Change in Accounting Estimate Effected by a Change in Accounting Principle

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Property, plant and equipment are principally depreciated using the straight-line method, mainly over the following estimated useful lives:

Buildings	
Buildings and building equipment	3 to 50 years
Structures	7 to 60 years
Machinery and equipment	
Machinery	4 to 15 years
Vehicles	4 to 7 years
Tools, furniture and fixtures	2 to 20 years

Effective April 1, 2012, the Company and its domestic subsidiaries changed their depreciation method from the declining-balance method to the straight-line method.

Based on the 2012 Mid-term Management Plan which covers a three year period ending March 31, 2013, the Company and its domestic subsidiaries have been making revisions to their business portfolio to move away from high volatility businesses, strengthen and focus on the Social Innovation businesses which aim to produce stable operating results over a long period of time. In developing their global business strategies, the Company and its domestic subsidiaries are accelerating construction of their global production systems to capture the expanding demand for the Social Innovation businesses. Accordingly, domestic property, plant and equipment will be operated consistently and utilization of the domestic property, plant and equipment will be also more consistent than before.

The Company and its domestic subsidiaries believe that the new method is preferable as it better reflects the pattern of consumption of the benefits derived from those assets and makes a better cost allocation to match revenues generated by those assets during their estimated useful lives. In accordance with the “Change in Accounting Estimate” provisions of ASC 250, “Accounting Changes and Error Corrections,” the change in depreciation method is accounted for on a prospective basis from the beginning of the period of change and results for prior periods have not been restated.

The effect of the change was to increase income before income taxes for the nine months and three months ended December 31, 2012 by ¥7,770 million and ¥3,194 million, respectively and net income attributable to Hitachi, Ltd. stockholders for the nine months and three months ended December 31, 2012 by ¥6,576 million and ¥2,692 million, respectively, or per share (basic) for the nine months and three months ended December 31, 2012 by ¥1.41 and ¥0.57, respectively and per share (diluted) for the nine months and three months ended December 31, 2012 by ¥1.36 and ¥0.56, respectively.

The effect on segment information is stated in note 23.

(3) Investments in Securities and Affiliated Companies

Short-term investments as of December 31, 2012 and March 31, 2012 are as follows:

	Millions of yen	
	December 31, 2012	March 31, 2012
Investments in securities:		
Available-for-sale securities		
Government debt securities	6,203	4,452
Corporate debt securities	3,129	6,954
Other securities	149	84
Held-to-maturity securities	72	72
	9,553	11,562

Investments and advances, including affiliated companies as of December 31, 2012 and March 31, 2012 are as follows:

	Millions of yen	
	December 31, 2012	March 31, 2012
Investments in securities:		
Available-for-sale securities		
Equity securities	227,011	220,491
Government debt securities	955	329
Corporate debt securities	18,986	24,732
Other securities	8,709	7,467
Held-to-maturity securities	323	321
Cost-method investments	54,999	56,174
Investments in affiliated companies	263,671	309,733
Advances and other	146,701	125,246
	721,355	744,493

The following tables are summaries of the amortized cost basis, gross unrealized holding gains, gross unrealized holding losses and aggregate fair value of available-for-sale securities by the consolidated balance sheet classifications as of December 31, 2012 and March 31, 2012.

	Millions of yen			
	December 31, 2012			
	Amortized cost basis	Gross gains	Gross losses	Aggregate fair value
Short-term investments:				
Government debt securities	6,203	-	-	6,203
Corporate debt securities	2,941	189	1	3,129
Other securities	148	1	-	149
	9,292	190	1	9,481
Investments and advances:				
Equity securities	153,299	74,999	1,287	227,011
Government debt securities	935	21	1	955
Corporate debt securities	17,116	1,893	23	18,986
Other securities	8,577	158	26	8,709
	179,927	77,071	1,337	255,661
	189,219	77,261	1,338	265,142

	Millions of yen			
	March 31, 2012			
	Amortized cost basis	Gross gains	Gross losses	Aggregate fair value
Short-term investments:				
Government debt securities	4,452	-	-	4,452
Corporate debt securities	6,481	490	17	6,954
Other securities	83	1	-	84
	11,016	491	17	11,490
Investments and advances:				
Equity securities	155,908	65,899	1,316	220,491
Government debt securities	311	18	-	329
Corporate debt securities	23,201	1,679	148	24,732
Other securities	7,379	133	45	7,467
	186,799	67,729	1,509	253,019
	197,815	68,220	1,526	264,509

The following tables are summaries of gross unrealized holding losses on available-for-sale securities and the fair value of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, as of December 31, 2012 and March 31, 2012.

	Millions of yen			
	December 31, 2012			
	Less than 12 months		12 months or longer	
	Aggregate fair value	Gross losses	Aggregate fair value	Gross losses
Short-term investments:				
Corporate debt securities	-	-	499	1
Investments and advances:				
Equity securities	7,454	576	2,576	711
Government debt securities	322	1	-	-
Corporate debt securities	498	2	1,479	21
Other securities	-	-	215	26
	8,274	579	4,270	758
	8,274	579	4,769	759

	Millions of yen			
	March 31, 2012			
	Less than 12 months		12 months or longer	
	Aggregate fair value	Gross losses	Aggregate fair value	Gross losses
Short-term investments:				
Corporate debt securities	2,847	9	1,691	8
Investments and advances:				
Equity securities	5,509	535	3,832	781
Corporate debt securities	7,227	118	2,770	30
Other securities	-	-	202	45
	12,736	653	6,804	856
	15,583	662	8,495	864

Equity securities consist primarily of stocks issued by Japanese and the U.S. listed companies. Government debt securities consist primarily of Japan treasury bonds. Corporate debt securities consist primarily of structured bonds. Other securities consist primarily of investment funds.

The following table represents the purchases, proceeds from the sale, gross realized gains on the sale, and gross realized losses on the sale of available-for-sale securities for the nine months ended December 31, 2012 and 2011.

	Millions of yen	
	Nine months ended December 31, 2012	Nine months ended December 31, 2011
Purchases	7,218	16,174
Proceeds from the sale	6,828	1,091
Gross realized gains on the sale	2,940	401
Gross realized losses on the sale	30	185

The following table represents the purchases, proceeds from the sale, gross realized gains on the sale, and gross realized losses on the sale of available-for-sale securities for the three months ended December 31, 2012 and 2011.

	Millions of yen	
	Three months ended December 31, 2012	Three months ended December 31, 2011
Purchases	772	1,500
Proceeds from the sale	3,537	124
Gross realized gains on the sale	1,760	12
Gross realized losses on the sale	24	185

The contractual maturities of debt securities and other securities classified as investments and advances in the consolidated balance sheet as of December 31, 2012 are as follows:

	Millions of yen		
	Held-to-maturity	Available-for-sale	Total
Due within five years	323	12,717	13,040
Due after five years through ten years	-	1,350	1,350
Due after ten years	-	14,583	14,583
	323	28,650	28,973

Expected redemptions may differ from contractual maturities because some of these securities are redeemable at the option of the issuers.

The aggregate carrying amounts of cost-method investments which were not evaluated for impairment as of December 31, 2012 and March 31, 2012 were ¥54,630 million and ¥56,166 million, respectively, mainly because it was not practicable to estimate the fair value of the investments due to lack of a market price and difficulty in estimating fair value without incurring excessive cost and the Company did not identify any events or changes in circumstances that might have had a significant adverse effect on their fair value.

(4) Inventories

Inventories as of December 31, 2012 and March 31, 2012 are summarized as follows:

	Millions of yen	
	December 31, 2012	March 31, 2012
Finished goods	582,978	538,634
Work in process	770,196	606,228
Raw materials	256,836	268,390
	1,610,010	1,413,252

(5) Securitizations

The Company and certain subsidiaries securitize certain financial assets, such as lease, trade and mortgage loans receivable, and arrange other forms of asset-backed financing for the purpose of providing diversified and stable fund raising as part of their ongoing securitization activities. Historically, they have used Hitachi-supported and third-party Special Purpose Entities (SPEs) to execute securitization transactions funded with commercial paper and other borrowings. These securitization transactions are similar to those used by many financial institutions.

Investors in these entities only have recourse to the assets owned by the entity and not to their general credit, unless noted below. The Company and certain subsidiaries do not provide non-contractual support to SPEs and do not have implicit support arrangements with any SPEs. The majority of their involvement with SPEs related to the securitization activities are assisting in the formation and financing of an entity, providing limited credit enhancements, servicing the assets and receiving fees for services provided.

A portion of these lease, trade and mortgage loans receivable is transferred to SPEs sponsored by financial institutions, which operate those SPEs as a part of their businesses. Accordingly, the amount of assets transferred by the Company and its subsidiaries is considerably small compared to the total assets of the SPEs sponsored by these financial institutions that purchase a large amount of assets from entities other than the Company and its subsidiaries. In certain transactions, investors have recourse with a scope that is considerably limited.

The transferred assets have similar risks and characteristics to the Company's and certain subsidiaries' receivables recorded on the consolidated balance sheets. Accordingly, the performance, such as collections or expected credit loss, of these transferred assets has been similar to the receivables recorded on the consolidated balance sheets for the Company and certain subsidiaries; however, the blended performance of the pools of transferred assets reflects the eligibility screening requirements that the Company and certain subsidiaries apply to determine which receivables are selected for transfer. Therefore, the blended performance may differ from receivables recorded on the consolidated balance sheets.

Consolidated SPEs

The Company consolidated SPEs mainly because the Company has both the power to direct the activities of the SPEs that most significantly impact the SPEs' economic performance and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the SPEs. The consolidated SPEs are mainly trusts for the securitizations of lease receivables and mortgage loans receivable.

The tables below summarize the assets and liabilities of the consolidated SPEs as of December 31, 2012 and March 31, 2012 by type of transferred financial assets that those SPEs hold:

	Millions of yen			
	December 31, 2012			
	Lease receivables	Mortgage loans receivable	Others	Total
Cash and cash equivalents	7,357	2,376	968	10,701
Current portion of financial assets transferred to consolidated securitization entities	41,071	10,481	6,788	58,340
Financial assets transferred to consolidated securitization entities	20,784	135,235	1,073	157,092
Current portion of non-recourse borrowings of consolidated securitization entities:				
Loans, mainly from banks	10,476	-	-	10,476
Beneficial interests in trusts	8,668	12,664	6,659	27,991
	19,144	12,664	6,659	38,467
Non-recourse borrowings of consolidated securitization entities:				
Loans, mainly from banks	330	-	-	330
Beneficial interests in trusts	651	108,988	431	110,070
	981	108,988	431	110,400

	Millions of yen			
	March 31, 2012			
	Lease receivables	Mortgage loans receivable	Others	Total
Cash and cash equivalents	4,760	2,837	1,087	8,684
Current portion of financial assets transferred to consolidated securitization entities	67,026	10,401	8,644	86,071
Financial assets transferred to consolidated securitization entities	51,570	151,826	2,015	205,411
Current portion of non-recourse borrowings of consolidated securitization entities:				
Loans, mainly from banks	42,207	-	-	42,207
Beneficial interests in trusts	32,672	13,928	8,197	54,797
	74,879	13,928	8,197	97,004
Non-recourse borrowings of consolidated securitization entities:				
Loans, mainly from banks	3,943	-	-	3,943
Beneficial interests in trusts	4,117	126,008	975	131,100
	8,060	126,008	975	135,043

The assets and liabilities of the consolidated SPEs on the table above exclude intercompany balances that are eliminated in consolidation. Substantially, all of the assets of the consolidated SPEs can only be used to settle obligations of those SPEs.

<u>Transfers to unconsolidated entities</u>
The following information is related to financial assets transferred to unconsolidated entities and accounted for as sales. Those financial assets are transferred mainly to SPEs sponsored by financial institutions.

Securitizations of lease receivables:
Hitachi Capital Corporation and certain other subsidiaries sold lease receivables to unconsolidated SPEs and other entities. During the nine months ended December 31, 2012 and 2011, proceeds from the transfer of lease receivables were ¥67,293 million and ¥85,191 million, respectively, and net gains recognized on those transfers were ¥3,109 million and ¥5,222 million, respectively. During the three months ended December 31, 2012 and 2011, proceeds from the transfer of lease receivables were ¥5,330 million and ¥28,024 million, respectively, and during the three months ended December 31, 2011, a net gain recognized on those transfers was ¥1,332 million. The subsidiaries retained servicing responsibilities, but did not record a servicing asset or liability because the cost to service the receivables approximated the servicing income.

The amounts of initial fair value of the subordinated interests for the nine months ended December 31, 2012 and 2011 were ¥8,868 million and ¥13,153 million, respectively. The amounts of initial fair value of the subordinated interests for the three months ended December 31, 2012 and 2011 were ¥410 million and ¥4,706 million, respectively. The subordinated interests relating to securitizations of lease receivables are initially classified as Level 3 assets within the fair value hierarchy. The initial fair value of the subordinated interests is determined based on economic assumptions including weighted-average life, expected credit risks, and discount rates.

Quantitative information about delinquencies, net credit losses, and components of lease receivables subject to transfer and other assets managed together as of and for the nine months ended December 31, 2012 and as of and for the year ended March 31, 2012 is as follows:

	Millions of yen		
	December 31, 2012		
	Total principal amount of receivables	Principal amount of receivables 90 days or more past due	Net credit loss
Total assets managed or transferred:			
Lease receivables	936,211	404	287
Assets transferred	(233,002)		
Assets held in portfolio	703,209		

	Millions of yen		
	March 31, 2012		
	Total principal amount of receivables	Principal amount of receivables 90 days or more past due	Net credit loss
Total assets managed or transferred:			
Lease receivables	955,565	412	588
Assets transferred	(219,914)		
Assets held in portfolio	735,651		

As of December 31, 2012 and March 31, 2012, the amounts of the maximum exposures to losses were ¥74,253 million and ¥60,723 million, respectively. They mainly consist of the subordinated interests and the obligations to purchase assets with a scope that is considerably limited relating to these securitizations of lease receivables. As of December 31, 2012 and March 31, 2012, the amounts of the subordinated interests measured at fair value relating to these securitizations of lease receivables were ¥44,094 million and ¥36,329 million, respectively.

Securitizations of trade receivables:
The Company and certain subsidiaries sold trade receivables mainly to unconsolidated SPEs and other entities. During the nine months ended December 31, 2012 and 2011, proceeds from the transfer of trade receivables were ¥407,366 million and ¥427,138 million, respectively, and net losses recognized on those transfers were ¥786 million and ¥53 million, respectively. During the three months ended December 31, 2012 and 2011, proceeds from the transfer of trade receivables were ¥127,683 million and ¥157,412 million, respectively, and net gains and losses recognized on those transfers were a net loss of ¥94 million and a net gain of ¥39 million, respectively. The Company and certain subsidiaries retained servicing responsibilities, but did not record a servicing asset or liability because the cost to service the receivables approximated the servicing income.

The amount of initial fair value of the subordinated interests for the nine months ended December 31, 2012 and for the three months ended December 31, 2012 were ¥12,931 million and ¥1,008 million, respectively. The subordinated interests relating to securitizations of trade receivables are initially classified as Level 3 assets within the fair value hierarchy. The initial fair value of the subordinated interests is determined based on economic assumptions including weighted-average life, expected credit risks, discount rates, and prepayment rates.

Quantitative information about delinquencies, net credit loss, and components of trade receivables subject to transfer and other assets managed together as of and for the nine months ended December 31, 2012 and as of and for the year ended March 31, 2012 is as follows:

	Millions of yen		
	December 31, 2012		
	Total principal amount of receivables	Principal amount of receivables 90 days or more past due	Net credit loss
Total assets managed or transferred:			
Trade receivables	832,974	3,025	1,151
Assets transferred	(220,877)		
Assets held in portfolio	612,097		

	Millions of yen		
	March 31, 2012		
	Total principal amount of receivables	Principal amount of receivables 90 days or more past due	Net credit loss
Total assets managed or transferred:			
Trade receivables	844,698	2,450	965
Assets transferred	(233,881)		
Assets held in portfolio	610,817		

As of December 31, 2012 and March 31, 2012, the amounts of the maximum exposures to losses were ¥39,385 million and ¥45,797 million, respectively. They mainly consist of the subordinated interests and obligations to purchase assets with a scope that is considerably limited relating to these securitizations of trade receivables. As of December 31, 2012 and March 31, 2012, the amounts of the subordinated interests relating to these securitizations of trade receivables were ¥27,472 million and ¥31,295 million, respectively.

(6) Goodwill and Other Intangible Assets

Goodwill and other intangible assets included in other assets as of December 31, 2012 and March 31, 2012 are as follows:

Millions of yen

	December 31, 2012			March 31, 2012		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
Goodwill	269,494	-	269,494	214,707	-	214,707
Amortized intangible assets:						
Software	778,586	644,421	134,165	774,641	637,462	137,179
Software for internal use	556,551	424,669	131,882	520,971	397,742	123,229
Patents	79,594	74,334	5,260	79,108	70,670	8,438
Other	226,242	108,105	118,137	213,866	101,407	112,459
	1,640,973	1,251,529	389,444	1,588,586	1,207,281	381,305
Indefinite-lived intangible assets	13,727	-	13,727	13,950	-	13,950

(7) Income Taxes

On December 2, 2011, amendments to corporation tax law and the special taxation measures law for Great East Japan Earthquake disaster reconstruction were enacted in Japan, resulting in the lower corporate tax rates. Those changes became effective on April 1, 2012. As a result, the aggregated statutory income tax rate for domestic companies will be approximately 37.9% for the period between April 1, 2012 through March 31, 2015 and approximately 35.5% for the years beginning on or after April 1, 2015. The effect of those changes on the Company's deferred tax balances amounted to ¥5,709 million of additional expense recognized in the Consolidated Statements of Operations for the three months ended December 31, 2011.

(8) Retirement and Severance Benefits

Net periodic benefit cost for the contributory funded benefit pension plans and the unfunded lump-sum payment plans for the nine months ended December 31, 2012 and 2011 consists of the following components:

Millions of yen

	Nine months ended December 31, 2012	Nine months ended December 31, 2011
Service cost	52,452	54,244
Interest cost	33,304	38,684
Expected return on plan assets for the period	(26,574)	(25,882)
Amortization of prior service benefit	(16,799)	(17,267)
Amortization of actuarial loss	72,466	66,329
Transfer to defined contribution pension plan	(104)	(328)
Settlements loss	-	395
Employees' contributions	(48)	(107)
	114,697	116,068

Net periodic benefit cost for the contributory funded benefit pension plans and the unfunded lump-sum payment plans for the three months ended December 31, 2012 and 2011 consists of the following components:

	Millions of yen	
	Three months ended December 31, 2012	Three months ended December 31, 2011
Service cost	17,223	18,110
Interest cost	10,971	12,812
Expected return on plan assets for the period	(8,769)	(8,678)
Amortization of prior service benefit	(5,590)	(5,683)
Amortization of actuarial loss	23,901	22,408
Transfer to defined contribution pension plan	-	186
Employees' contributions	(16)	(34)
	37,720	39,121

(9) Common Stock

Issued shares of common stock as of December 31, 2012 and March 31, 2012 are as follows:

	Issued shares	
	December 31, 2012	March 31, 2012
Issued shares of common stock	4,746,438,220	4,637,785,317

(10) Treasury Stock

Shares of treasury stock as of December 31, 2012 and March 31, 2012 are as follows:

	Shares	
	December 31, 2012	March 31, 2012
Shares of treasury stock	2,802,907	2,743,239

(11) Dividends

Decision	Class of Shares	Cash dividends (Millions of yen)	Appropriation from	Cash dividends per share (Yen)	Record date	Effective Date
The Board of Directors on May 10, 2012	Common stock	23,175	Retained earnings	5.0	March 31, 2012	May 29, 2012
The Board of Directors on October 30, 2012	Common stock	23,537	Retained earnings	5.0	September 30, 2012	November 27, 2012

(12) Equity

The changes in the equity for the nine months ended December 31, 2012 and 2011 are summarized as follows:

	Millions of yen		
	Nine months ended December 31, 2012		
	Total Hitachi, Ltd. stockholders' equity	Noncontrolling interests	Total equity
Balance at beginning of period	1,771,782	1,002,213	2,773,995
Dividends to Hitachi, Ltd. stockholders	(46,713)	-	(46,713)
Dividends to noncontrolling interests	-	(22,182)	(22,182)
Equity transactions and other	30,713	(2,171)	28,542
Comprehensive income			
Net income	50,358	44,028	94,386
Other comprehensive income (loss), net of income taxes and reclassification adjustments:			
Foreign currency translation adjustments	46,795	20,278	67,073
Pension liability adjustments	46,030	5,352	51,382
Net unrealized holding gain on available-for-sale securities	8,486	(1,260)	7,226
Cash flow hedges	(13,485)	(280)	(13,765)
Comprehensive income	138,184	68,118	206,302
Balance at end of period	1,893,966	1,045,978	2,939,944

	Millions of yen		
	Nine months ended December 31, 2011		
	Total Hitachi, Ltd. stockholders' equity	Noncontrolling interests	Total equity
Balance at beginning of period	1,439,865	1,001,524	2,441,389
Dividends to Hitachi, Ltd. stockholders	(27,105)	-	(27,105)
Dividends to noncontrolling interests	-	(19,255)	(19,255)
Equity transactions and other	(1,446)	4,557	3,111
Comprehensive income			
Net income	85,229	38,910	124,139
Other comprehensive income (loss), net of income taxes and reclassification adjustments:			
Foreign currency translation adjustments	(56,098)	(27,260)	(83,358)
Pension liability adjustments	38,382	2,334	40,716
Net unrealized holding gain on available-for-sale securities	(12,029)	(2,341)	(14,370)
Cash flow hedges	92	263	355
Comprehensive income	55,576	11,906	67,482
Balance at end of period	1,466,890	998,732	2,465,622

For the three months ended December 31, 2012, total comprehensive income was ¥164,118 million, and for the three months ended December 31, 2011, total comprehensive income was ¥39,953 million.

Accumulated other comprehensive loss, net of income taxes, as of December 31, 2012 and March 31, 2012 consists of the following:

	Millions of yen	
	December 31, 2012	March 31, 2012
Foreign currency translation adjustments	(172,926)	(220,615)
Pension liability adjustments	(247,645)	(294,252)
Net unrealized holding gain on available-for-sale securities	29,021	20,491
Cash flow hedges	(16,005)	(2,520)
Accumulated other comprehensive loss	(407,555)	(496,896)

(13) Commitments and Contingencies

The Company and its operating subsidiaries are contingently liable for loan guarantees to its affiliates and others in the amount of approximately ¥83,315 million as of December 31, 2012.

Hitachi Capital Corporation (HCC) and certain other financial subsidiaries provide guarantees to financial institutions for extending loans to customers of the subsidiaries. As of December 31, 2012, the undiscounted maximum potential future payments under such guarantees amounted to ¥318,109 million. For providing these guarantees, the subsidiaries obtain collateral appropriate for the amount of the guarantees, and therefore, the Company considers the risk to be low. The Company accrued ¥11,785 million as an obligation to stand ready to perform over the term of the guarantees in the event the customer cannot make scheduled payments.

The Company and HCC provide loan commitments to affiliates and others.
The outstanding balance of loan commitments as of December 31, 2012 is as follows:

	Millions of yen
Total commitment available	40,714
Less amount utilized	449
Balance available	40,265

The amount of total commitment available in the table above includes lines of credits which require an additional credit approval prior to funding, and it may not be fully utilized.

The Company and certain subsidiaries have line of credit arrangements with banks in order to secure a financing source for business operations. The unused lines of credit as of December 31, 2012 amounted to ¥500,959 million, primarily related to unused lines of credit belonging to the Company. The Company maintains commitment line agreements with a number of banks and pays commitment fees as consideration. These commitment agreements generally provide a one-year term, and are subject to renewal at the end of the term. The unused availability under these agreements as of December 31, 2012 amounted to ¥200,000 million. The Company also maintains another commitment line agreement, whose three years and two months term ends in May 2013, with financing companies. The unused availability under this agreement as of December 31, 2012 amounted to ¥200,000 million.

It is a common practice in Japan for companies, in the ordinary course of business, to receive promissory notes in the settlement of trade accounts receivable and to subsequently discount such notes to banks or to transfer them by endorsement to suppliers in the settlement of accounts payable. As of December 31, 2012 and March 31, 2012, the Company and subsidiaries were contingently liable for trade notes discounted and endorsed in the following amounts:

	Millions of yen	
	December 31, 2012	March 31, 2012
Notes discounted	884	3,937
Notes endorsed	2,301	2,800
	3,185	6,737

A certain subsidiary is contingently liable for the transfer of export receivables with recourse. As of December 31, 2012, the amount of transfer of export receivables with recourse was ¥9,599 million.

The Company and its subsidiaries provide warranties for certain of their products. The accrued product warranty costs are based primarily on historical experience of actual warranty claims. The changes in accrued product warranty costs for the nine months ended December 31, 2012 and 2011 are summarized as follows:

	Millions of yen	
	Nine months ended December 31, 2012	Nine months ended December 31, 2011
Balance at beginning of period	41,356	55,329
Expense recognized upon issuance of warranties	7,791	9,075
Usage	(8,982)	(13,819)
Acquisitions and divestitures	81	-
Other, including effect of foreign currency translation	986	(2,352)
Balance at end of period	41,232	48,233

The changes in accrued product warranty costs for the three months ended December 31, 2012 and 2011 are summarized as follows:

	Millions of yen	
	Three months ended December 31, 2012	Three months ended December 31, 2011
Balance at beginning of period	38,709	51,140
Expense recognized upon issuance of warranties	3,533	2,520
Usage	(2,980)	(4,360)
Other, including effect of foreign currency translation	1,970	(1,067)
Balance at end of period	41,232	48,233

In December 2006, the Company and a subsidiary in Europe received requests for information from the European Commission, and a former subsidiary in Japan received a grand jury subpoena in connection with the investigation conducted by the Antitrust Division of the U.S. Department of Justice, all in respect of alleged antitrust violations relating to liquid crystal displays. The former Japanese subsidiary paid the fine in relation to the investigation by the Antitrust Division of the U.S. Department of Justice in June 2009.

In June 2007, the Company received requests for information from the European Commission in respect of alleged antitrust violations relating to dynamic random access memories. In May 2010, the European Commission ordered the Company to pay a fine for infringement of EC antitrust rules. The Company paid that fine in August 2010.

In November 2007, a subsidiary of the Company in the U.S. received a grand jury subpoena in connection with the investigation conducted by the Antitrust Division of the U.S. Department of Justice in respect of alleged antitrust violations relating to cathode ray tubes. In addition, in November 2007, two subsidiaries in Asia and in Europe received requests for information from the European Commission. Furthermore, in November 2007, a subsidiary in Canada received requests for information from the Canadian Competition Bureau.

In June 2009, a subsidiary of the Company in Japan received a grand jury subpoena in connection with the investigation conducted by the Antitrust Division of the U.S. Department of Justice and received requests for information from the European Commission, and a subsidiary of the Company in Korea was investigated in Singapore by the Competition Commission of Singapore, all in respect of alleged antitrust violations relating to optical disk drives. In September 2011, the Korean subsidiary received a notice of discontinuation of the investigation from the Competition Commission of Singapore. In October 2011, the Japanese subsidiary agreed to pay a fine in relation to the investigation from the Antitrust Division of the U.S. Department of Justice and in November 2011, it paid that fine. In July 2012, the Japanese subsidiary received a statement of objections from the European Commission in respect of alleged antitrust violations.

In July 2011, a subsidiary and an affiliated company of the Company in Japan received a statement of objections from the European Commission in respect of alleged antitrust violations relating to high-voltage power cables. These companies accrued the reasonably estimated amount for the loss.

In July 2011, a subsidiary in the U.S. was investigated by and received a grand jury subpoena from the Antitrust Division of the U.S. Department of Justice, the Company and a subsidiary in Europe received requests for information from the European Commission, and a subsidiary in Canada received requests for information from the Canadian Competition Bureau, all in respect of alleged antitrust violations relating to automotive equipment.

The Company and these companies (including a former subsidiary) have cooperated with the competent authorities in connection with the above matters. Depending upon the outcome of these matters, fines or surcharge payments, the amount of which is uncertain, may be imposed on them. In addition, subsequent to these actions by the competent authorities, civil disputes, including class action lawsuits, involving the Company and some of these companies (including a former subsidiary) have arisen in a number of countries, including in the U.S. and Canada. A reasonably estimated amount was accrued for the potential losses in relation to certain of these civil disputes.

In August 2012, a subsidiary of the Company in Europe received a complaint filed by a customer in Europe seeking compensation for consequential losses of EUR 1,058 million (¥121,431 million), additional costs and interest allegedly incurred by the delay in the construction process of a power plant against, jointly and severally, the Company, the subsidiary of the Company in Europe, a consortium including the Company and the subsidiary of the Company in Europe, and two other companies. Although the Company, the subsidiary of the Company in Europe and the consortium will vigorously defend themselves against this lawsuit, there can be no assurance that they will not be held liable for any amounts claimed.

Depending upon the outcome of the above legal proceedings, there may be an adverse effect on the consolidated financial position or results of operations. Currently the Company is unable to estimate the adverse effect, if any, of many of these proceedings. Accordingly, except as otherwise stated, no accrual for potential loss has been made. The actual amount of fines, surcharge payments or any other payments resulting from these legal proceedings may be different from the accrued amounts.

In addition to the above, the Company and certain subsidiaries are subject to several legal proceedings and claims which have arisen in the ordinary course of business and have not been finally adjudicated. These actions when ultimately concluded and determined will not, in the opinion of management, have a material adverse effect on the consolidated financial position or results of operations of the Company and subsidiaries.

(14) Impairment Losses for Long-Lived Assets

For the nine months ended December 31, 2012, the majority of the impairment losses were recorded on property, plant and equipment located in Japan. The Information & Telecommunication Systems segment recognized impairment losses of ¥4,780 million, primarily due to reduced cash flows generated from certain assets associated with customers in the financial service businesses. The Electronic Systems & Equipment segment recognized impairment losses of ¥1,450 million, primarily due to reorganization of production bases for video and wireless network businesses. The fair value estimates used to determine these losses were based primarily on discounted future cash flows.

For the nine months ended December 31, 2011, the majority of the impairment losses were recorded on property, plant and equipment located in Japan. The High Functional Materials & Components segment recognized a loss of ¥11,945 million, primarily due to restructuring of its semiconductor package material businesses as a result of a recent decrease in demand of the market and integrating manufacturing facilities for electronics and IT devices business. The fair value estimates used to determine these losses were based primarily on discounted future cash flows.

For the three months ended December 31, 2012, the majority of the impairment losses were recorded on property, plant and equipment located in Japan. The Information & Telecommunication Systems segment recognized impairment losses of ¥2,189 million, primarily due to reorganization of business bases in order to optimally allocate management resources to better enhance the competitiveness. The fair value estimates used to determine these losses were based primarily on discounted future cash flows.

For the three months ended December 31, 2011, the majority of the impairment losses were recorded on property, plant and equipment located in Japan. The High Functional Materials & Components segment recognized a loss of ¥5,924 million, primarily due to integrating manufacturing facilities for electronics and IT devices business. The fair value estimates used to determine these losses were based primarily on discounted future cash flows.

(15) Restructuring Charges

Certain losses incurred in the reorganization of the Company's operations are considered restructuring charges. Components and related amounts of the restructuring charges, before the related tax effects, for the nine months ended December 31, 2012 and 2011 are as follows:

	Millions of yen	
	Nine months ended December 31, 2012	Nine months ended December 31, 2011
Special termination benefits	10,152	13,668
Loss on fixed assets	4	60
	10,156	13,728

Components and related amounts of the restructuring charges, before the related tax effects, for the three months ended December 31, 2012 and 2011 are as follows:

	Millions of yen	
	Three months ended December 31, 2012	Three months ended December 31, 2011
Special termination benefits	5,632	12,548
Loss on fixed assets	-	10
	5,632	12,558

Certain subsidiaries provided special termination benefits to those employees voluntarily leaving the companies. The accrued special termination benefits were recognized at the time voluntary termination was offered and benefits were accepted by the employees. An analysis of the accrued special termination benefits for the nine months ended December 31, 2012 and 2011 is as follows:

	Millions of yen	
	Nine months ended December 31, 2012	Nine months ended December 31, 2011
Balance at beginning of the period	7,487	3,358
New charges	10,152	13,668
Cash payments	(11,779)	(5,376)
Foreign currency exchange rate changes	28	(21)
Balance at end of the period	5,888	11,629

An analysis of the accrued special termination benefits for the three months ended December 31, 2012 and 2011 is as follows:

	Millions of yen	
	Three months ended December 31, 2012	Three months ended December 31, 2011
Balance at beginning of the period	3,265	881
New charges	5,632	12,548
Cash payments	(3,076)	(1,792)
Foreign currency exchange rate changes	67	(8)
Balance at end of the period	5,888	11,629

The restructuring charges for the nine months ended December 31, 2012 mainly consist of special termination benefits for the early-terminated employees of subsidiaries for the purpose of improving profitability in the Information & Telecommunication Systems segment and the High Functional Materials & Components segment by rationalizing its workforce.

The following represents the significant restructuring activities for the nine months ended December 31, 2011 by reportable segment:

1. The Others restructured in order to rationalize the workforce of its liquid crystal display business. The accrued special termination benefits expensed during the nine months ended December 31, 2011 amounted to ¥6,521 million. The liabilities for special termination benefits amounting to ¥6,484 million as of December 31, 2011 were paid by June 30, 2012. Total restructuring charges during the nine months ended December 31, 2011 amounted to ¥6,521 million.

2. The High Functional Materials & Components segment restructured in order to reorganize its wires, cables and other relevant products business, which has encountered severe deterioration in the business environment. The accrued special termination benefits expensed during the nine months ended December 31, 2011 amounted to ¥5,915 million. The liabilities for special termination benefits amounting to ¥4,405 million as of December 31, 2011 were paid by June 30, 2012. Total restructuring charges during the nine months ended December 31, 2011 amounted to ¥5,938 million.

The restructuring charges for the three months ended December 31, 2012 mainly consist of special termination benefits for the early-terminated employees of subsidiaries for the purpose of improving profitability in the High Functional Materials & Components segment by rationalizing its workforce.

The following represents the significant restructuring activities for the three months ended December 31, 2011 by reportable segment:

1. The Others restructured in order to rationalize the workforce of its liquid crystal display business. The accrued special termination benefits expensed during the three months ended December 31, 2011 amounted to ¥6,521 million. The liabilities for special termination benefits amounting to ¥6,484 million as of December 31, 2011 were paid by June 30, 2012. Total restructuring charges during the three months ended December 31, 2011 amounted to ¥6,521 million.

2. The High Functional Materials & Components segment restructured in order to reorganize its wires, cables and other relevant products business, which has encountered severe deterioration in the business environment. The accrued special termination benefits expensed during the three months ended December 31, 2011 amounted to ¥5,460 million. The liabilities for special termination benefits amounting to ¥4,405 million as of December 31, 2011 were paid by June 30, 2012. Total restructuring charges during the three months ended December 31, 2011 amounted to ¥5,460 million.

(16) Other Income and Other Deductions

The following items are included in other income or other deductions for the nine months ended December 31, 2012 and 2011.

	Millions of yen	
	Nine months ended December 31, 2012	Nine months ended December 31, 2011
Net gain (loss) on securities	5,453	(13,032)
Net gain (loss) on sale and disposal of rental assets and other property	(763)	23,372
Exchange gain (loss)	2,997	(11,740)

The following items are included in other income or other deductions for the three months ended December 31, 2012 and 2011.

	Millions of yen	
	Three months ended December 31, 2012	Three months ended December 31, 2011
Net loss on securities	(2,008)	(8,920)
Net gain (loss) on sale and disposal of rental assets and other property	(730)	16,876
Exchange gain	15,113	3,200

The major component of net gain on securities for the nine months ended December 31, 2012 was related to a sale of shares of TCM Corporation, a former subsidiary.

The net gain on sale and disposal of rental assets and other property for the nine months and three months ended December 31, 2011 includes the impact of gains on insurance claims related to property, plant and equipment damaged due to the Great East Japan Earthquake.

(17) Net Income Per Share Information

The reconciliations of the numbers and the amounts used in the basic and diluted net income attributable to Hitachi, Ltd. stockholders per share computations for the nine months ended December 31, 2012 and 2011 are as follows :

	Number of shares	
	Nine months ended December 31, 2012	Nine months ended December 31, 2011
Weighted average number of shares on which basic net income per share is calculated	4,663,338,021	4,517,480,869
Effect of dilutive securities:		
Unsecured convertible bonds (due 2014)	167,464,491	313,430,938
Number of shares on which diluted net income per share is calculated	4,830,802,512	4,830,911,807

	Millions of yen	
	Nine months ended December 31, 2012	Nine months ended December 31, 2011
Net income attributable to Hitachi, Ltd. stockholders	50,358	85,229
Effect of dilutive securities:		
Unsecured convertible bonds (due 2014)	23	54
Other	(24)	(47)
Net income attributable to Hitachi, Ltd. stockholders on which diluted net income per share is calculated	50,357	85,236

	Yen	
Net income attributable to Hitachi, Ltd. stockholders per share:		
Basic	10.80	18.87
Diluted	10.42	17.64

The reconciliations of the numbers and the amounts used in the basic and diluted net income attributable to Hitachi, Ltd. stockholders per share computations for the three months ended December 31, 2012 and 2011 are as follows:

	Number of shares	
	Three months ended December 31, 2012	Three months ended December 31, 2011
Weighted average number of shares on which basic net income per share is calculated	4,712,072,654	4,517,446,536
Effect of dilutive securities:		
Unsecured convertible bonds (due 2014)	118,694,143	313,425,867
Number of shares on which diluted net income per share is calculated	4,830,766,797	4,830,872,403

	Millions of yen	
	Three months ended December 31, 2012	Three months ended December 31, 2011
Net income attributable to Hitachi, Ltd. stockholders	20,233	34,280
Effect of dilutive securities:		
Unsecured convertible bonds (due 2014)	6	18
Other	(0)	(18)
Net income attributable to Hitachi, Ltd. stockholders on which diluted net income per share is calculated	20,239	34,280

	Yen	
Net income attributable to Hitachi, Ltd. stockholders per share:		
Basic	4.29	7.59
Diluted	4.19	7.10

(18) Concentrations of Credit Risk

The Company and its subsidiaries generally do not have significant concentrations of credit risk to any counterparties nor any regions because they are diversified and spread globally.

(19) Derivative Instruments and Hedging Activities

Overall risk profile

The major manufacturing bases of the Company and its subsidiaries are located in Japan and Asia. The selling bases are located globally, and the Company and its subsidiaries generated approximately 40% of their sales from overseas for the nine months ended December 31, 2012. These overseas sales are mainly denominated in the U.S. dollar or Euro. As a result, the Company and its subsidiaries are exposed to market risks from changes in foreign currency exchange rates.

The Company's financing subsidiaries in the U.K., the U.S. and Singapore issue variable rate medium-term notes mainly through the Euro markets to finance their overseas long-term operating capital. As a result, the Company and its subsidiaries are exposed to market risks from changes in foreign currency exchange rates and interest rates.

The Company and its subsidiaries are also exposed to credit-related losses in the event of non-performance by counterparties to derivative financial instruments, but it is not expected that any counterparties will fail to meet their obligations because most of the counterparties are internationally recognized financial institutions that are rated A or higher and contracts are diversified into a number of major financial institutions.

The Company and its subsidiaries have an insignificant amount of derivative instruments containing credit-risk-related contingent features, such as provisions that require the Company's debt to maintain an investment grade credit rating from each of the major credit rating agencies.

Risk management policy

The Company and its subsidiaries assess foreign currency exchange rate risk and interest rate risk by continually monitoring changes in these exposures and by evaluating hedging opportunities. It is the Company's principal policy that the Company and its subsidiaries do not enter into derivative financial instruments for speculation purposes.

Foreign currency exchange rate risk management

The Company and its subsidiaries have assets and liabilities which are exposed to foreign currency exchange rate risk and, as a result, they enter into forward exchange contracts and cross currency swap agreements for the purpose of hedging these risk exposures.

In order to fix the future net cash flows principally from trade receivables and payables recognized, which are denominated in foreign currencies, the Company and its subsidiaries on a monthly basis measure the volume and due date of future net cash flows by currency. In accordance with the Company's policy, a certain portion of measured net cash flows is covered using comprehensive forward exchange contracts, which principally mature within one year. If necessary, the Company and its subsidiaries establish the risk control policy and the risk management approach specific to each transaction by reviewing the business characteristics, the structure of income and expenditure, and conditions of the contract. The Company and its subsidiaries hedge the risk exposure arising from specific transactions based on the risk control policy and the risk management approach.

The Company and its subsidiaries enter into cross currency swap agreements with the same maturities as underlying debt to fix cash flows from long-term debt denominated in foreign currencies. The hedging relationship between the derivative financial instrument and its hedged item is highly effective in achieving offsetting changes in foreign currency exchange rates.

Interest rate risk management

The Company's and certain subsidiaries' exposure to interest rate risk is related principally to long-term debt obligations. Management believes it is prudent to minimize the variability caused by interest rate risk.

To meet this objective, the Company and certain subsidiaries principally enter into interest rate swaps to manage fluctuations in cash flows. The interest rate swaps entered into are receive-variable, pay-fixed interest rate swaps. Under the interest rate swaps, the Company and certain subsidiaries receive variable interest rate payments on long-term debt associated with medium-term notes and make fixed interest rate payments, thereby creating fixed interest rate long-term debt.

Certain financing subsidiaries mainly finance a portion of their operations using long-term debt with a fixed interest rate and lend funds at variable interest rates. Therefore, such companies are exposed to interest rate risk. Management believes it is prudent to minimize the variability caused by interest rate risk. To meet this objective, certain financing subsidiaries principally enter into interest rate swaps converting the fixed rate to a variable rate to manage fluctuations in fair value resulting from interest rate risk. Under the interest rate swaps, certain financing subsidiaries receive fixed interest rate payments associated with long-term debt, including medium-term notes, and make variable interest rate payments, thereby creating variable-rate long-term debt.

The hedging relationship between the interest rate swaps and its hedged item is highly effective in achieving offsetting changes in cash flows and fair value resulting from interest rate risk.

Fair value hedge

Changes in the fair value of both recognized assets and liabilities, and derivative financial instruments designated as fair value hedges of these assets and liabilities are recognized in other income (deductions). Derivative financial instruments designated as fair value hedges include forward exchange contracts associated with operating transactions, cross currency swap agreements and interest rate swaps associated with financing transactions.

Cash flow hedge

Foreign currency exposure:

Changes in the fair value of forward exchange contracts designated and qualifying as cash flow hedges of forecasted transactions are reported in accumulated other comprehensive income (AOCI). These amounts are reclassified into earnings in the same period as the hedged items affect earnings.

Interest rate exposure:

Changes in fair values of interest rate swaps designated as hedging instruments for the variability of cash flows associated with long-term debt obligations are reported in AOCI. These amounts subsequently are reclassified into interest charges as a yield adjustment in the same period in which the hedged debt obligations affect earnings.

(20) Fair Value

ASC 820 establishes a fair value hierarchy that prioritizes the use of observable inputs in markets over the use of unobservable inputs when measuring fair value as follows:

Level 1
Quoted prices for identical assets or liabilities in active markets.

Level 2
Quoted prices for similar assets or liabilities in active markets; quoted prices associated with transactions that are not distressed for identical or similar assets or liabilities in markets that are not active; or valuations whose significant inputs are derived from or corroborated by observable market data.

Level 3
Valuations using inputs that are not observable.

Investments in debt and equity securities

Investment securities of which quoted market prices are available to determine their fair value are included in Level 1. Level 1 securities include available-for-sale securities such as listed stocks on exchange markets, debt securities such as Japan treasury bonds and U.S. treasury bonds and exchange traded funds.

In the absence of an active market for investment securities, quoted prices for similar investment securities, quoted prices associated with transactions that are not distressed for identical or similar investment securities or other relevant information including market interest rate curves, referenced credit spreads or default rates, are used to determine fair value. These investments are included in Level 2. Level 2 securities include short-term investments and available-for-sale securities such as listed stocks traded over-the-counter, investment funds and debt securities traded over-the-counter.

In infrequent circumstances, the significant inputs of fair value for investment securities are unobservable and such investment are included in Level 3. The Company uses price information provided by financial institutions to evaluate these investments while corroborating the information mainly with prices estimated using an income approach based on its own valuation models or a market approach such as comparison with prices of similar securities. Level 3 securities include available-for-sale securities such as subordinated debentures and structured bonds with little market activity.

Derivatives

Closing prices are used for derivatives included in Level 1, which are traded on active markets. The majority of derivatives are traded on over-the-counter markets, which the Company does not deem to represent active markets. Derivative assets and liabilities for which fair value is based on quoted prices associated with transactions that are not distressed, in markets that are not active, or based on models using interest rate curves and forward and spot prices for currencies and commodities are included in Level 2. Derivatives included in Level 2 primarily consist of interest rate swaps, cross-currency swaps and foreign currency and commodity forward and option contracts. In infrequent circumstances, the significant inputs of fair value are unobservable and the Company mainly uses an income or market approach to corroborate relevant information provided by financial institutions. These derivatives are included in Level 3.

Subordinated interests resulting from securitization
When fair value is determined using observable inputs, including prices of recent transactions in markets that are not distressed, subordinated interests are included in Level 2. When significant inputs are not observable, fair value is determined based on economic assumptions used in measuring the fair value of the subordinated interests, including weighted-average life, expected credit risks, and discount rates, and the subordinated interests are included in Level 3.
The Company uses its own valuation models to evaluate these investments categorized within Level 3 and periodically reviews the appropriateness of consistent application of the models as well as updating of the inputs in consideration of recent changes in economic conditions. The Company also analyses that the sensitivity in the valuation of these investments does not have material adverse effects on the consolidated financial statements.

The following tables present the assets and liabilities that are measured at fair value on a recurring basis and the fair value hierarchy classification as of December 31, 2012 and March 31, 2012. The carrying values on the consolidated balance sheets are recorded by the fair value of these assets and liabilities.

	Millions of yen			
	December 31, 2012			
		Fair value hierarchy classification		
	Total	Level 1	Level 2	Level 3
Assets:				
Investments in securities				
Equity securities	227,011	226,316	695	-
Government debt securities	7,158	6,830	328	-
Corporate debt securities	22,115	-	5,470	16,645
Other	8,858	8,415	443	-
Derivatives	8,684	-	8,684	-
Subordinated interests resulting from securitization	69,961	-	-	69,961
	343,787	241,561	15,620	86,606
Liabilities:				
Derivatives	(53,115)	-	(53,115)	-

	Millions of yen			
	March 31, 2012			
		Fair value hierarchy classification		
	Total	Level 1	Level 2	Level 3
Assets:				
Investments in securities				
Equity securities	220,491	219,748	743	-
Government debt securities	4,781	4,776	5	-
Corporate debt securities	31,686	-	7,422	24,264
Other	7,551	7,192	359	-
Derivatives	10,891	-	10,891	-
Subordinated interests resulting from securitization	66,313	-	-	66,313
	341,713	231,716	19,420	90,577
Liabilities:				
Derivatives	(21,978)	-	(21,978)	-

The following tables present the changes in Level 3 instruments measured on a recurring basis for the nine months ended December 31, 2012 and 2011.

	Millions of yen		
	Nine months ended December 31, 2012		
	Corporate debt securities	Subordinated interests resulting from securitization	Total
Balance at beginning of period	24,264	66,313	90,577
Purchases	-	19,506	19,506
Sales	(661)	-	(661)
Settlements	(7,799)	(16,911)	(24,710)
Total gains or losses (realized/unrealized)			
Included in earnings (a)	-	230	230
Included in other comprehensive income	841	823	1,664
Balance at end of period	16,645	69,961	86,606
The amount of total gains or losses for the period included in earnings attributable to the change in unrealized gains or losses relating to assets still held at December 31, 2012	-	-	-

(a) Level 3 gains and losses (realized and unrealized) included in earnings for the nine months ended December 31, 2012 are reported in revenue.

	Millions of yen		
	Nine months ended December 31, 2011		
	Corporate debt securities	Subordinated interests resulting from securitization	Total
Balance at beginning of period	32,926	34,066	66,992
Purchases	4,418	27,094	31,512
Sales	(1,492)	-	(1,492)
Settlements	(12,559)	(9,287)	(21,846)
Total gains or losses (realized/unrealized)			
Included in earnings (a)	(1,122)	155	(967)
Included in other comprehensive income (loss)	85	(1,741)	(1,656)
Balance at end of period	22,256	50,287	72,543
The amount of total gains or losses for the period included in earnings attributable to the change in unrealized gains or losses relating to assets still held at December 31, 2011	(1,085)	-	(1,085)

(a) Level 3 gains and losses (realized and unrealized) included in earnings for the nine months ended December 31, 2011 are reported in other income (deductions) for corporate debt securities and are reported in revenue for subordinated interests resulting from securitization.

The following tables present the changes in Level 3 instruments measured on a recurring basis for the three months ended December 31, 2012 and 2011.

	Millions of yen		
	Three months ended December 31, 2012		
	Corporate debt securities	Subordinated interests resulting from securitization	Total
Balance at beginning of period	18,052	71,910	89,962
Purchases	-	500	500
Sales	(661)	-	(661)
Settlements	(1,300)	(5,505)	(6,805)
Total gains or losses (realized/unrealized)			
Included in earnings (a)	-	60	60
Included in other comprehensive income	554	2,996	3,550
Balance at end of period	16,645	69,961	86,606
The amount of total gains or losses for the period included in earnings attributable to the change in unrealized gains or losses relating to assets still held at December 31, 2012	-	-	-

(a) Level 3 gains and losses (realized and unrealized) included in earnings for the three months ended December 31, 2012 are reported in revenue.

	Millions of yen		
	Three months ended December 31, 2011		
	Corporate debt securities	Subordinated interests resulting from securitization	Total
Balance at beginning of period	25,017	45,357	70,374
Purchases	1,000	8,772	9,772
Settlements	(3,659)	(3,687)	(7,346)
Total gains or losses (realized/unrealized)			
Included in earnings (a)	(29)	58	29
Included in other comprehensive loss	(73)	(213)	(286)
Balance at end of period	22,256	50,287	72,543
The amount of total gains or losses for the period included in earnings attributable to the change in unrealized gains or losses relating to assets still held at December 31, 2011	-	-	-

(a) Level 3 gains and losses (realized and unrealized) included in earnings for the three months ended December 31, 2011 are reported in other income (deductions) for corporate debt securities and are reported in revenue for subordinated interests resulting from securitization.

Assets that are measured at fair value during the period on a non-recurring basis because they are deemed to be impaired are not included in the above tables.

The Company writes down the carrying amount of equity-method and cost-method investments on the consolidated balance sheets when the Company deems the decline of fair value to be other-than-temporary. The fair value of the equity-method investments which are listed on an active market is included in Level 1. The fair value of equity-method investments determined using an income approach, based on discounted cash flows using unobservable inputs is included in Level 3. Also, a weighted-average fair value determined using both a market approach and an income approach, which incorporate both observable inputs, such as quoted market prices of comparable companies, and discounted cash flow using unobservable inputs, is included in Level 3. The Company calculates discounted cash flows of these equity-method investments based on business forecasts, market trends, and assumptions of projected business plans. The Company uses both a market approach and an income approach to determine the fair value of the cost-method investments. The fair value based on observable inputs such as quoted market prices of similar investments is included in Level 2. The fair value primarily based on discounted cash flows using unobservable inputs based on business forecasts, market trends, and assumptions of projected business plans is included in Level 3.

The Company also writes down the carrying amount of long-lived assets on the consolidated balance sheets mainly when the Company deems the carrying amount of certain long-lived assets is not recoverable and exceeds its fair value. The Company mainly uses an income approach or a market approach to calculate the fair value of long-lived assets. These measurements are included in Level 3 since they are based primarily on discounted cash flows using unobservable inputs based on business forecasts, market trends, and assumptions of projected business plans.

The following tables present the assets measured at fair value on a non-recurring basis and the gains or losses recognized for the nine months ended December 31, 2012 and 2011.

	Millions of yen			
	Nine months ended December 31, 2012			
	Fair value hierarchy classification			Total gains
	Level 1	Level 2	Level 3	(losses)
Long-lived assets (a)				
Information & Telecommunication Systems segment	-	-	10	(4,780)
Electronic Systems & Equipment segment	-	-	195	(1,450)
Other	-	-	1,614	(2,330)
Total	-	-	1,819	(8,560)

(a) The carrying value as of December 31, 2012 is not equal to the fair value at the time of impairment because of depreciation expense subsequent to impairment.

	Millions of yen			
	Nine months ended December 31, 2011			
	Fair value hierarchy classification			Total gains
	Level 1	Level 2	Level 3	(losses)
Equity-method investments (a)	5,752	-	19,560	(7,324)
Cost-method investments	-	-	2,466	(892)
Long-lived assets (b)				
High Functional Materials & Components segment	-	-	791	(11,945)
Other	-	-	0	(277)
Total	5,752	-	22,817	(20,438)

(a) The carrying value as of December 31, 2011 is not equal to the fair value at the time of impairment because of equity method adjustments subsequent to impairment.
(b) The carrying value as of December 31, 2011 is not equal to the fair value at the time of impairment because of depreciation expense subsequent to impairment.

The following tables present the assets measured at fair value on a non-recurring basis and the gains or losses recognized for the three months ended December 31, 2012 and 2011.

	Millions of yen			
	Three months ended December 31, 2012			
	Fair value hierarchy classification			Total gains (losses)
	Level 1	Level 2	Level 3	
Long-lived assets				
Information & Telecommunication Systems segment	-	-	3	(2,189)
Other	-	-	0	(141)
Total	-	-	3	(2,330)

	Millions of yen			
	Three months ended December 31, 2011			
	Fair value hierarchy classification			Total gains (losses)
	Level 1	Level 2	Level 3	
Equity-method investments	5,752	-	19,560	(7,324)
Cost-method investments	-	-	114	(331)
Long-lived assets				
High Functional Materials & Components segment	-	-	434	(5,924)
Other	-	-	0	(123)
Total	5,752	-	20,108	(13,702)

(21) Financing Receivables and Allowance for Doubtful Receivables

The Company classifies financing receivables aggregated and categorized as finance leases, installment loans, mortgage loans, and other financing receivables, based on the nature of risks and characteristics as described below.

Financing receivables from equipment leases, installment arrangements, mortgage loans, and other receivables with a contractual maturity of one year or more are subject to disclosure as reported in this note. Trade receivables from sale of products or services that have contractual maturities of one year or less are excluded from this note. Finance lease receivables are recorded based on the total minimum payments to be received and unguaranteed residual values less executory costs and unearned income. Installment loans, mortgage loans and other financing receivables are reported on the amortized cost basis.

Finance leases are receivables from lease arrangements, including products manufactured by the Company and certain of its subsidiaries, such as information technology equipment, manufacturing machinery and equipment and construction machinery, typically secured by underlying assets. The primary locations of finance leases are Japan, United States, United Kingdom and China. The lease term ranges mainly from three to six years. The non-specific allowance for doubtful receivables is collectively determined on the basis of past collection experience, consideration of current economic conditions and changes in our customer collection trends as well as other factors that may affect the customers' ability to pay.

Installment loans represent receivables from arrangements with customers and dealers to provide financing primarily for products manufactured by the Company and certain of its subsidiaries, such as manufacturing machinery. Installment loans are typically secured by underlying assets. The primary locations of installment loans are Japan, United States, United Kingdom and China. The loan term is generally less than three years. The non-specific allowance is collectively determined on the basis of past collection experience, consideration of current economic conditions and changes in our customer collection trends as well as other factors that may affect the customers' ability to pay.

Mortgage loans are financing receivables from residential loan arrangements for individuals. Mortgage loans are usually arranged with collateral. The location of mortgage loans is Japan; more than fifty percent of mortgage loans are arranged for employees of the Company and its domestic subsidiaries. The term of mortgage loans is usually less than 30 years. The non-specific allowance is collectively determined on the basis of past collection experience, consideration of current economic conditions and changes in our customer collection trends as well as other factors that may affect the customers' ability to pay.

Other financing receivables are the financing service receivables provided by the subsidiaries in the financial services segment such as factoring, loan servicing, and other forms of commercial financing. The contractual maturities associated with those services generally range over one to three years. The non-specific allowance is collectively determined on the basis of past collection experience, consideration of current economic conditions and changes in our customer collection trends as well as other factors that may affect the customers' ability to pay.

In addition, common to all financing receivables, the Company and its subsidiaries individually evaluate collectability of financing receivables either by discounted cash flow analyses when they determine principal and interest of a financing receivable cannot be collected or by estimating the fair value of related collateral when applicable and further estimating the allowance for doubtful receivables. The

Company and its subsidiaries have proprietary credit quality indicators appropriate to the unique characteristics of their operations and the nature of their financing receivable portfolios. Based on such indicators as the duration of overdue payments, the unpaid amounts, the existence of extended payment terms, evaluation by third-party credit agencies, and the degree of debtors' excessive debt, the Company and its subsidiaries classify and monitor their financial receivables into two categories: the individually evaluated receivables, and the collectively evaluated receivables.

Interest income for long-term financing receivables is recognized on the accrual basis.

As of December 31, 2012 and March 31, 2012, financing receivables include past due receivables in the amount of ¥24,102 million and ¥14,426 million, respectively. Of these amounts, financing receivables past due 90 days or more and still accruing interest amounted to ¥5,483 million and ¥2,918 million, respectively.

The following tables present the allowance for doubtful receivables and recorded investment in financing receivables as of December 31, 2012 and 2011, and changes in the allowance for the nine months ended December 31, 2012 and 2011.

	Millions of yen				
	December 31, 2012				
	Finance leases	Installment loans	Mortgage loans	Other financing receivables	Total
Allowance for doubtful receivables					
Balance, March 31, 2012	7,680	1,912	210	6,509	16,311
Provision	4,749	1,282	55	2,526	8,612
Recovery and other	(2,790)	(344)	(101)	(670)	(3,905)
Write off	(298)	(879)	(1)	(1,709)	(2,887)
Balance, December 31, 2012	9,341	1,971	163	6,656	18,131
Applicable to amounts; Individually evaluated for impairment	4,970	603	52	4,130	9,755
Applicable to amounts; Collectively evaluated for impairment	4,371	1,368	111	2,526	8,376
Financing receivables					
Balance, December 31, 2012	712,550	176,565	180,675	268,540	1,338,330
Applicable to amounts; Individually evaluated for impairment	16,475	753	135	8,217	25,580
Applicable to amounts; Collectively evaluated for impairment	696,075	175,812	180,540	260,323	1,312,750

	Millions of yen				
	December 31, 2011				
	Finance leases	Installment loans	Mortgage loans	Other financing receivables	Total
Allowance for doubtful receivables					
Balance, March 31, 2011	6,136	2,420	231	7,842	16,629
Provision	3,198	1,065	153	2,206	6,622
Recovery and other	(2,726)	(728)	(142)	(1,580)	(5,176)
Write off	(451)	(469)	-	(1,618)	(2,538)
Balance, December 31, 2011	6,157	2,288	242	6,850	15,537
Applicable to amounts; Individually evaluated for impairment	2,531	1,026	103	4,217	7,877
Applicable to amounts; Collectively evaluated for impairment	3,626	1,262	139	2,633	7,660
Financing receivables					
Balance, December 31, 2011	735,838	131,750	200,722	211,041	1,279,351
Applicable to amounts; Individually evaluated for impairment	8,397	2,262	1,156	8,761	20,576
Applicable to amounts; Collectively evaluated for impairment	727,441	129,488	199,566	202,280	1,258,775

The following tables present the changes in the allowance for the three months ended December 31, 2012 and 2011.

	Millions of yen				
	December 31, 2012				
	Finance leases	Installment loans	Mortgage loans	Other financing receivables	Total
Allowance for doubtful receivables					
Balance, September 30, 2012	8,497	1,882	188	5,947	16,514
Provision	1,974	488	12	1,237	3,711
Recovery and other	(1,081)	(90)	(37)	(194)	(1,402)
Write off	(49)	(309)	-	(334)	(692)
Balance, December 31, 2012	9,341	1,971	163	6,656	18,131

	Millions of yen				
	December 31, 2011				
	Finance leases	Installment loans	Mortgage loans	Other financing receivables	Total
Allowance for doubtful receivables					
Balance, September 30, 2011	6,085	2,209	214	7,242	15,750
Provision	857	305	36	550	1,748
Recovery and other	(679)	(112)	(8)	(517)	(1,316)
Write off	(106)	(114)	-	(425)	(645)
Balance, December 31, 2011	6,157	2,288	242	6,850	15,537

In addition, as of December 31, 2012 and March 31, 2012, the amounts of impaired loans relating to receivables which arose from sales of products or services are ¥42,540 million and ¥42,729 million, respectively.

(22) Acquisitions and Divestitures

On November 23, 2012, the Company purchased all of the outstanding 54,000,000,200 shares of Horizon Nuclear Power Limited (Horizon) from RWE npower plc and E.ON UK plc for ¥88,886 million in the Power Systems segment. Accordingly, the Company obtained control of Horizon and it became a wholly owned subsidiary effective November 23, 2012 (the acquisition date).

Horizon operates a nuclear power development business in the United Kingdom. The Company made the acquisition to lead a program of building new nuclear power plants in the United Kingdom.

The following table summarizes the consideration paid for Horizon, the provisional amounts of the assets acquired and liabilities assumed and recognized as of the acquisition date.

	Millions of yen
Current assets	2,873
Non-current assets (excluding intangible assets)	51,195
Intangible assets	
Goodwill (not deductible for tax purposes)	31,945
Other intangible assets	3,931
	89,944
Current liabilities	(927)
Non-current liabilities	(131)
	(1,058)
Cash paid for acquisition	(88,886)

The Company is currently evaluating the fair values to be assigned to assets and liabilities of Horizon at the acquisition date, and therefore the above amounts are subject to change.

The results of operations of Horizon for the period from the acquisition date to December 31, 2012 were not material.

On a pro forma basis, revenue, net income attributable to Hitachi, Ltd. stockholders and the per share information of the Company with assumed acquisition date for Horizon of April 1, 2011 would not differ materially from the amounts reported in the accompanying consolidated financial statements as of and for the nine months and three months ended December 31, 2012 and 2011.

On September 2, 2011 Hitachi Data Systems Corporation (HDS), a subsidiary of the Company in the Information & Telecommunication Systems segment, purchased additional shares of BlueArc Corporation (BlueArc) for ¥42,923 million, resulting in a 97.8% increase of HDS ownership from 2.2% to 100%. Accordingly, HDS obtained control of BlueArc and it became a wholly owned subsidiary effective September 2, 2011 (the acquisition date).

BlueArc operates a network storage business. HDS made the acquisition to increase its competitiveness in the storage solution business through creating synergy in a field of file storage.

The following table summarizes the consideration paid for BlueArc, the assets acquired and liabilities assumed and recognized as of the acquisition date.

	Millions of yen
Current assets	1,499
Non-current assets (excluding intangible assets)	4,749
Intangible assets	
Goodwill (not deductible for tax purposes)	33,002
Other intangible assets	11,014
	50,264
Current liabilities	(1,400)
Non-current liabilities	(5,059)
	(6,459)
Previously acquired equity interest measured at fair value	(882)
Cash paid for acquisition	(42,923)
	(43,805)

The following table shows the acquired intangible assets subject to amortization.

	Millions of yen	Weighted average amortization period (year)
The acquired intangible assets subject to amortization		
Existing technology	7,166	5
Customer relationships	2,874	5
In-process research and development	771	2
Trade name	203	2
	11,014	

The Company recognized a gain of ¥747 million as a result of remeasuring its equity interest in BlueArc held before the business combination at the acquisition date fair value. The gain is included in other deductions in the Company's consolidated statement of operations for the nine months ended December 31, 2011.

The fair value of the equity interest held before the business combination in BlueArc, a private entity, was estimated by applying the income approach. This fair value measurement is based on significant inputs that are not observable in the market and thus this fair value is included in Level 3. Key inputs include business forecasts, market trends, assumptions of projected business plans and adjustments because of the lack of control that market participants would consider when estimating the fair value of BlueArc.

The results of operations of BlueArc for the period from the acquisition date to December 31, 2011 were not material.

On a pro forma basis, revenue, net income attributable to Hitachi, Ltd. stockholders and the per share information of the Company with assumed acquisition date for BlueArc of April 1, 2010 would not differ materially from the amounts reported in the accompanying consolidated financial statements as of and for the nine months and three months ended December 31, 2011.

On March 9, 2011, Hitachi Transport System, Ltd. (Hitachi Transport System), a subsidiary of the Company included in the Others category of segment information, announced its decision to purchase shares of Vantec Corporation (Vantec), through a tender offer to make Vantec its subsidiary. The tender offer price was ¥233,500 per share, which was determined by taking into consideration the market price of Vantec's common stock, Vantec's financial condition, future earnings prospects and a valuation of Vantec stock conducted by a third party appraiser. The price included a premium of approximately 93% over the average share price of Vantec's common stock traded on the First Section of the Tokyo Stock Exchange for the three month period ended March 8, 2011. As a result, Hitachi Transport System purchased 209,550 shares in the tender offer, for ¥48,930 million in the period from March 10, 2011 through April 19, 2011, resulting in an acquisition of 90.12% of the voting rights. Accordingly, Hitachi Transport System obtained control of Vantec and it became a consolidated subsidiary effective April 26, 2011, the settlement date of the tender offer (the acquisition date).

Vantec operates warehousing and transportation related business. Hitachi Transport System made the acquisition to realize synergy in the system logistics and global business and improve the enterprise value of Hitachi Transport System and Vantec.

The following table summarizes the consideration paid for Vantec, the assets acquired and liabilities assumed and recognized as of the acquisition date, as well as the fair value as of the acquisition date of the noncontrolling interest in Vantec.

	Millions of yen
Current assets	35,551
Non-current assets (excluding intangible assets)	28,090
Intangible assets	
Goodwill (not deductible for tax purposes)	14,837
Other intangible assets	29,197
	107,675
Current liabilities	(31,493)
Non-current liabilities	(23,630)
	(55,123)
Cash paid for acquisition	(48,930)
Fair value of noncontrolling interests	(3,622)
	(52,552)

The following table shows the acquired intangible assets subject to amortization.

	Millions of yen	Weighted average amortization period (year)
The acquired intangible assets subject to amortization		
Customer relationships	29,197	17

The fair value of the noncontrolling interest in Vantec, a listed entity, was determined by quoted market price and included in Level 1.

The results of operations of Vantec for the period from the acquisition date to December 31, 2011 were not material.

On a pro forma basis, revenue, net income attributable to Hitachi, Ltd. stockholders and the per share information of the Company with assumed acquisition date for Vantec of April 1, 2010 would not differ materially from the amounts reported in the accompanying consolidated financial statements as of and for the nine months and three months ended December 31, 2011.

(23) Segment Information

The operating segments of the Company are the components for which separate financial information is available and for which segment profit or loss amounts are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company has aggregated certain operating segments into reportable segments for reporting purpose, since such aggregation helps financial statement users better understand the Company's performance.

The reportable segments correspond to categories of activities classified primarily by markets, products and services.

The Company discloses its business in ten reportable segments: Information & Telecommunication Systems, Power Systems, Social Infrastructure & Industrial Systems, Electronic Systems & Equipment, Construction Machinery, High Functional Materials & Components, Automotive Systems, Digital Media & Consumer Products, Financial Services, and Others.

The primary products and services included in each segment are as follows:

Information & Telecommunication Systems:
Systems integration, Outsourcing services, Software, Disk array subsystems, Servers, Mainframes, Telecommunication equipment and ATMs

Power Systems:
Thermal power generation systems, Nuclear power generation systems, Hydroelectric power generation systems and Wind power generation systems

Social Infrastructure & Industrial Systems:
Industrial machinery and plants, Elevators, Escalators and Railway systems

Electronic Systems & Equipment:
Semiconductor and LCDs manufacturing equipment, Test and measurement equipment, Medical electronics equipment, Power tools and Electronic parts manufacturing system

Construction Machinery:
Hydraulic excavators, Wheel loaders and Mining dump trucks

High Functional Materials & Components:
Wires and cables, Copper products, Semiconductor and display related materials, Circuit boards and materials, Specialty steels, Magnetic materials and components and High grade casting components and materials

Automotive Systems:
Engine management systems, Electric powertrain systems, Drive control systems and Car information systems

Digital Media & Consumer Products:
Optical disk drives, Flat-panel TVs, LCD projectors, Room air conditioners, Refrigerators, Washing machines and Air-conditioning equipment

Financial Services:
Leasing and Loan guarantees

Others:
Logistics, Information storage media, Batteries, Property management and others

Effective April 1, 2012, due to the sale of Hard disk drives and LCDs businesses, the Company eliminated the Components & Devices segment. The businesses, which were previously included in the Components & Devices segment, have been included in the Others. The corresponding data for the nine months and three months ended December 31, 2011 have been restated to conform with the change.

The following tables show segment information for the nine months ended December 31, 2012 and 2011.

Revenues from Outside Customers

	Millions of yen	
	Nine months ended December 31, 2012	Nine months ended December 31, 2011
Information & Telecommunication Systems	1,106,496	1,077,343
Power Systems	560,257	487,882
Social Infrastructure & Industrial Systems	710,880	630,866
Electronic Systems & Equipment	641,739	688,232
Construction Machinery	543,190	540,427
High Functional Materials & Components	953,340	999,098
Automotive Systems	590,725	568,301
Digital Media & Consumer Products	572,278	611,288
Financial Services	230,066	232,793
Others	558,983	1,000,521
Subtotal	6,467,954	6,836,751
Corporate items	747	925
Total	6,468,701	6,837,676

Revenues from Intersegment Transactions

	Millions of yen	
	Nine months ended December 31, 2012	Nine months ended December 31, 2011
Information & Telecommunication Systems	135,869	127,303
Power Systems	59,002	50,949
Social Infrastructure & Industrial Systems	131,361	142,189
Electronic Systems & Equipment	87,260	93,885
Construction Machinery	3,387	3,115
High Functional Materials & Components	52,950	62,745
Automotive Systems	2,130	2,407
Digital Media & Consumer Products	54,718	54,675
Financial Services	30,195	33,319
Others	264,201	297,011
Subtotal	821,073	867,598
Eliminations and Corporate items	(821,073)	(867,598)
Total	-	-

Total Revenues

	Millions of yen	
	Nine months ended December 31, 2012	Nine months ended December 31, 2011
Information & Telecommunication Systems	1,242,365	1,204,646
Power Systems	619,259	538,831
Social Infrastructure & Industrial Systems	842,241	773,055
Electronic Systems & Equipment	728,999	782,117
Construction Machinery	546,577	543,542
High Functional Materials & Components	1,006,290	1,061,843
Automotive Systems	592,855	570,708
Digital Media & Consumer Products	626,996	665,963
Financial Services	260,261	266,112
Others	823,184	1,297,532
Subtotal	7,289,027	7,704,349
Eliminations and Corporate items	(820,326)	(866,673)
Total	6,468,701	6,837,676

Segment Profit (Loss)

	Millions of yen	
	Nine months ended December 31, 2012	Nine months ended December 31, 2011
Information & Telecommunication Systems	43,153	49,973
Power Systems	14,015	(11,269)
Social Infrastructure & Industrial Systems	14,504	14,153
Electronic Systems & Equipment	20,327	29,898
Construction Machinery	32,138	39,115
High Functional Materials & Components	46,203	56,774
Automotive Systems	25,988	26,835
Digital Media & Consumer Products	(2,341)	493
Financial Services	19,876	20,413
Others	29,655	55,513
Subtotal	243,518	281,898
Eliminations and Corporate items	(11,583)	(16,169)
Total Segment profit	231,935	265,729
Impairment losses for long-lived assets	(8,560)	(12,222)
Restructuring charges	(10,156)	(13,728)
Interest income	8,931	9,657
Dividends income	4,705	4,614
Other income	8,910	23,372
Interest charges	(20,299)	(20,793)
Other deductions	(1,272)	(25,254)
Equity in net loss of affiliated companies	(38,519)	(14,385)
Income before income taxes	175,675	216,990

The following tables show segment information for the three months ended December 31, 2012 and 2011.

Revenues from Outside Customers

	Millions of yen	
	Three months ended December 31, 2012	Three months ended December 31, 2011
Information & Telecommunication Systems	365,049	363,386
Power Systems	188,527	148,418
Social Infrastructure & Industrial Systems	255,516	208,830
Electronic Systems & Equipment	189,672	218,533
Construction Machinery	174,890	186,967
High Functional Materials & Components	314,077	338,683
Automotive Systems	190,164	204,327
Digital Media & Consumer Products	181,679	178,303
Financial Services	73,159	73,942
Others	180,314	343,441
Subtotal	2,113,047	2,264,830
Corporate items	86	117
Total	2,113,133	2,264,947

Revenues from Intersegment Transactions

	Millions of yen	
	Three months ended December 31, 2012	Three months ended December 31, 2011
Information & Telecommunication Systems	44,356	44,214
Power Systems	17,236	17,959
Social Infrastructure & Industrial Systems	41,385	50,694
Electronic Systems & Equipment	28,739	29,994
Construction Machinery	1,085	685
High Functional Materials & Components	17,856	22,516
Automotive Systems	792	751
Digital Media & Consumer Products	16,520	16,317
Financial Services	7,493	10,759
Others	86,176	96,356
Subtotal	261,638	290,245
Eliminations and Corporate items	(261,638)	(290,245)
Total	-	-

Total Revenues

	Millions of yen	
	Three months ended December 31, 2012	Three months ended December 31, 2011
Information & Telecommunication Systems	409,405	407,600
Power Systems	205,763	166,377
Social Infrastructure & Industrial Systems	296,901	259,524
Electronic Systems & Equipment	218,411	248,527
Construction Machinery	175,975	187,652
High Functional Materials & Components	331,933	361,199
Automotive Systems	190,956	205,078
Digital Media & Consumer Products	198,199	194,620
Financial Services	80,652	84,701
Others	266,490	439,797
Subtotal	2,374,685	2,555,075
Eliminations and Corporate items	(261,552)	(290,128)
Total	2,113,133	2,264,947

Segment Profit (Loss)

	Millions of yen	
	Three months ended December 31, 2012	Three months ended December 31, 2011
Information & Telecommunication Systems	15,943	18,926
Power Systems	6,548	(11,874)
Social Infrastructure & Industrial Systems	11,314	7,831
Electronic Systems & Equipment	537	8,556
Construction Machinery	9,338	13,274
High Functional Materials & Components	8,007	22,960
Automotive Systems	6,715	10,990
Digital Media & Consumer Products	94	(4,708)
Financial Services	6,105	6,241
Others	8,803	27,684
Subtotal	73,404	99,880
Eliminations and Corporate items	(5,073)	(4,765)
Total Segment profit	68,331	95,115
Impairment losses for long-lived assets	(2,330)	(6,047)
Restructuring charges	(5,632)	(12,558)
Interest income	3,017	2,375
Dividends income	1,544	622
Other income	15,113	20,076
Interest charges	(6,570)	(6,785)
Other deductions	(2,910)	(9,086)
Equity in net earnings (loss) of affiliated companies	(11,146)	268
Income before income taxes	59,417	83,980

Intersegment transactions are recorded at the same prices used in transactions with third parties. Corporate items include unallocated corporate expenses, such as leading edge R&D expenditures, and others.

As discussed in note 2(e), effective April 1, 2012, the Company and its domestic subsidiaries changed their depreciation method. As a result of this change, compared to the previous method, segment profit for the nine months ended December 31, 2012, was increased by ¥1,999 million in the Information & Telecommunication Systems segment, ¥2,019 million in the Power Systems segment, ¥473 million in the Social Infrastructure & Industrial Systems segment , ¥454 million in the Electronic Systems & Equipment segment, ¥504 million in the Construction Machinery segment, ¥143 million in the High Functional Materials & Components segment, ¥956 million in the Automotive Systems segment, ¥95 million in the Digital Media & Consumer Products segment, ¥19 million in Financial Services segment and ¥1,180 million in the Others, and decreased by ¥72 million in the Eliminations and Corporate items.

Segment profit for the three months ended December 31, 2012, was increased by ¥901 million in the Information & Telecommunication Systems segment, ¥748 million in the Power Systems segment, ¥235 million in the Social Infrastructure & Industrial Systems segment , ¥67 million in the Electronic Systems & Equipment segment, ¥202 million in the Construction Machinery segment, ¥83 million in the High Functional Materials & Components segment , ¥340 million in the Automotive Systems segment, ¥37 million in the Digital Media & Consumer Products segment, ¥13 million in Financial Services segment and ¥550 million in the Others, and ¥18 million in the Eliminations and Corporate items.

(24) Subsequent Events

With respect to 130% call option attached unsecured convertible bond type-bonds with stock acquisition rights (8th Series) (with inter-bond pari passu clause) issued on December 14, 2009, the amount of the bonds was ¥27,625 million at December 31, 2012. From January 1, 2013 to January 10, 2013, stock acquisition rights were exercised and the bonds with the amount of ¥27,587 million were converted into common stocks as follows:

(a) Type of the stock issued
Common stock

(b) Number of the stock issued
87,025,167 shares

(c) Issuance price
¥317

(d) Amount of the stock issued
¥27,587 million

(e) Amount of common stock increased
¥13,793 million

(f) Amount of capital surplus increased
¥13,793 million

[Cover]

[Document Filed]	Confirmation Letter
[Applicable Law]	Article 24-4-8, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Filed to]	Director, Kanto Local Finance Bureau
[Filing Date]	February 12, 2013
[Company Name]	Kabushiki Kaisha Hitachi Seisakusho
[Company Name in English]	Hitachi, Ltd.
[Title and Name of Representative]	Hiroaki Nakanishi, President
[Name and title of CFO]	Toyoaki Nakamura, Executive Vice President and Executive Officer
[Address of Head Office]	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo
[Place Where Available for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo) Osaka Securities Exchange Co., Ltd. (8-16, Kitahama 1-chome, Chuo-ku, Osaka) Nagoya Stock Exchange, Inc. (8-20, Sakae 3-chome, Naka-ku, Nagoya)

1. Matters Related to Adequacy of Statements Contained in the Annual Securities Report

Mr. Hiroaki Nakanishi, President, and Mr. Toyoaki Nakamura, Executive Vice President and Executive Officer, confirmed that statements contained in the Quarterly Report for the third quarter of 144th fiscal year (from October 1, 2012 to December 31, 2012) were adequate under the Financial Instruments and Exchange Act.

2. Special Notes

None.