

Consolidated Financial Statements for the First Quarter Ended June 30, 2015

July 29, 2015

Registered Company Name: Hitachi Kokusai Electric Inc.

Stock Listings: Tokyo

Code No: 6756

URL: <http://www.hitachi-kokusai.co.jp/global/>

Representative: Manabu Shinomoto, President, CEO and Director

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Scheduled date of filing of quarterly report: August 6, 2015

Planned Start Date for Dividend Payments: —

Preparation of supplementary material for financial results: Yes

Holding of financial results meeting: Yes (for analysts and institutional investors)

(All figures are rounded off to the nearest million yen)

1. Consolidated Financial Results (For the three months ended June 30, 2015)

(1) Consolidated Results of Operations

(Percentages indicate percentage increase or decrease year-on-year)

	Revenues		Operating Income		Income before income taxes		Net Income		Net income attributable to owners of the parent		Comprehensive income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
1Q of FY 2015	41,438	16.0	3,877	56.3	4,235	66.3	2,733	40.6	2,764	47.0	3,307	41.8
1Q of FY 2014	35,710	—	2,480	—	2,547	—	1,944	—	1,880	—	2,332	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
1Q of FY2015	26.91	—
1Q of FY2014	18.30	—

(Note) Share of profits of investments accounted for using the equity method

1Q of FY2015

0 Million Yen

1Q of FY2014

11 Million Yen

(2) Consolidated Financial Position

	Total Assets	Total Equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets	Equity attributable to owners of the parent per share
	Million Yen	Million Yen	Million Yen	%	Yen
1Q of FY2015	174,133	95,255	95,109	54.6	925.91
FY2014	189,283	95,022	94,885	50.1	923.64

2. Dividends

	Dividend per Share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
	Yen	Yen	Yen	Yen	Yen
FY2014	—	6.00	—	30.00	36.00
FY2015	—	—	—	—	—
FY2015 (Forecast)	—	10.00	—	26.00	36.00

(Note) Revision of the latest dividend forecast: No

3. Consolidated Financial Forecast for FY2015 (From April 1, 2015 to March 31, 2016)

(Percentages indicate percentage increase or decrease year-on-year)

	Revenues		Operating Income		Income before income taxes		Net Income		Net income attributable to owners of the parent		Basic earnings per share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
1Q-2Q of FY2015	89,000	20.3	7,800	49.4	8,000	49.8	5,800	37.3	5,800	38.7	56.46
FY2015	184,000	(0.6)	19,500	(1.7)	19,500	(1.5)	15,500	(11.6)	15,500	(11.3)	150.90

(Note) Revision of the latest dividend forecast: Yes

Notes

(1) Changes to significant subsidiaries during the term (changes in specified subsidiaries due to changes in scope) : No

(2) Changes in accounting policies and accounting estimates

[1] Changes in accounting policies requested by IFRS : No

[2] Changes other than [1] above : No

[3] Changes in accounting estimates : No

(3) Number of shares issued (common stock)

[1] Number of shares at end of period (Including treasury stock)

1Q of FY2015	105,221,259 shares	FY2014	105,221,259 shares
1Q of FY2015	2,501,795 shares	FY2014	2,492,047 shares
1Q of FY2015	102,724,607 shares	1Q of FY2014	102,751,859 shares

[2] Number of treasury stock at end of period

[3] Average number of shares during the period (Quarterly Cumulative Total)

(Notes)

Information regarding the implementation of review procedure

This quarterly financial report is exempt from the review procedure based upon the Financial Instruments and Exchange Act. It is under the review procedure process at the time of disclosure of this report.

Explanation on the appropriate use of financial forecasts and other important items

The forecasts figures are based on information currently available to the Company and certain assumptions deemed to be reasonable. This material does not represent promises or guarantees regarding the forecasts and due to various factors, actual results may vary significantly from these forecasts.

HITACHI KOKUSAI ELECTRIC INC.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statements of Financial Position (Unaudited)
June 30, 2015 and March 31, 2015

	Millions of Yen	
	FY2014	1Q of FY2015
Assets		
Current assets		
Cash and cash equivalents	46,870	53,782
Trade receivables and other receivables	59,226	36,478
Other current financial assets	2,153	25
Inventories	39,849	42,366
Other current assets	3,529	3,438
Total current assets	151,627	136,089
Non-current assets		
Property, plant and equipment	21,743	21,788
Intangible assets	1,761	2,276
Investments accounted for using the equity method	207	—
Other financial assets	9,895	10,025
Deferred tax assets	2,860	2,726
Other non-current assets	1,190	1,229
Total non-current assets	37,656	38,044
Total assets	189,283	174,133

Millions of Yen

	FY2014	1Q of FY2015
Liabilities		
Current liabilities		
Short-term debt	3,031	648
Trade and other payables	46,089	37,488
Accrued expenses	13,030	9,460
Other financial liabilities	314	1,946
Income tax payable	1,187	1,512
Advances received	10,196	7,448
Provisions	1,829	1,908
Other current liabilities	45	44
Total current liabilities	<u>75,721</u>	<u>60,454</u>
Non-current liabilities		
Long-term debt	92	85
Retirement and severance benefits	17,998	17,918
Provisions	126	126
Other non-current liabilities	324	295
Total non-current liabilities	<u>18,540</u>	<u>18,424</u>
Total liabilities	<u>94,261</u>	<u>78,878</u>
Equity		
Equity attributable to owners of the parent		
Common stock	10,058	10,058
Capital surplus	17,661	17,646
Retained earnings	59,609	59,291
Other components of owner's equity	10,257	10,830
Treasury stock, at cost	(2,700)	(2,716)
Total equity attributable to owners of the parent	<u>94,885</u>	<u>95,109</u>
Non-controlling interests	<u>137</u>	<u>146</u>
Total equity	<u>95,022</u>	<u>95,255</u>
Total liabilities and equity	<u>189,283</u>	<u>174,133</u>

HITACHI KOKUSAI ELECTRIC INC.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Quarterly Statements of Profit or Loss (Unaudited)
Years ended June 30, 2015 and 2014

	Millions of Yen	
	1Q of FY2014	1Q of FY2015
Revenues	35,710	41,438
Cost of sales	(25,284)	(28,664)
Gross profit	10,426	12,774
Selling, general and administrative expenses	(7,980)	(8,995)
Other income	83	164
Other expenses	(49)	(66)
Operating income	2,480	3,877
Financial income	123	365
Financial expenses	(67)	(7)
Share of profits of investments accounted for using the equity method	11	0
Income before income taxes	2,547	4,235
Income taxes	(603)	(1,502)
Net income	1,944	2,733
Net income attributable to:		
Owners of the parent	1,880	2,764
Non-controlling interests	64	(31)
	Yen	
Earnings per share attributable to Hitachi, Ltd. stockholders		
Basic	18.3	26.91
Diluted	—	—

Consolidated Statements of Comprehensive Income

Years ended June 30, 2015 and 2014

	Millions of Yen	
	1Q of FY2014	1Q of FY2015
Net income	1,944	2,733
Other comprehensive income (OCI)		
Items not to be reclassified into net income		
Net changes in financial assets measured at fair value through OCI	121	193
Total items not to be reclassified into net income	121	193
Items that can be reclassified into net income		
Foreign currency translation adjustments	268	381
Share of OCI of investments accounted for using the equity method	(1)	0
Total items that can be reclassified into net income	267	381
Other comprehensive income (OCI)	388	574
Comprehensive income	2,332	3,307
Comprehensive income attributable to		
Owners of the parent	2,116	3,334
Non-controlling interest	216	(27)

Supplementary information for the first quarter ended June 30, 2015 [IFRS] (Consolidated basis)

1. Summary

(Millions of yen)

	Fiscal 2014				Fiscal 2015													
	1st half		2nd half	Total	1st half						2nd half				Total			
	1Q (A)	(B)	(C)	(D)	1Q (E)	(E)/(A) %	Previous Forecast (F)	Revised Forecast (G)	(G)/(F) %	(G)/(B) %	Previous Forecast (H)	Revised Forecast (I)	(I)/(H) %	(I)/(C) %	Previous Forecast (J)	Revised Forecast (K)	(K)/(J) %	(K)/(D) %
Orders received	33,534	79,071	111,335	190,406	49,424	147	81,000	88,500	109	112	103,000	95,500	93	86	184,000	184,000	100	97
Revenues	35,710	73,963	111,218	185,181	41,438	116	85,000	89,000	105	120	99,000	95,000	96	85	184,000	184,000	100	99
Operating income	2,480	5,220	14,609	19,829	3,877	156	5,800	7,800	134	149	13,700	11,700	85	80	19,500	19,500	100	98
Income before income taxes	2,547	5,339	14,466	19,805	4,235	166	5,800	8,000	138	150	13,700	11,500	84	79	19,500	19,500	100	98
Net income attributable to Hitachi Kokusai Electric Inc.	1,880	4,182	13,289	17,471	2,764	147	4,200	5,800	138	139	11,300	9,700	86	73	15,500	15,500	100	89

2. Industry segment

(Millions of yen)

	Fiscal 2014				Fiscal 2015													
	1st half		2nd half	Total	1st half						2nd half				Total			
	1Q *1 (A)	(B)	(C)	(D)	1Q (E)	(E)/(A) %	Previous Forecast (F)	Revised Forecast (G)	(G)/(F) %	(G)/(B) %	Previous Forecast (H)	Revised Forecast (I)	(I)/(H) %	(I)/(C) %	Previous Forecast (J)	Revised Forecast (K)	(K)/(J) %	(K)/(D) %
Video and wireless network																		
Orders received	[19,375] 19,375	48,090	52,535	100,625	19,321	100	48,000	48,000	100	100	55,000	55,000	100	105	103,000	103,000	100	102
Revenues	[11,500] 13,801	36,390	59,923	96,313	12,924	94	36,500	36,500	100	100	63,500	63,500	100	106	100,000	100,000	100	104
Operating income (loss)	[(2,630)] (2,044)	(1,138)	6,372	5,234	(2,606)	—	(1,000)	(1,000)	—	—	8,000	8,000	100	126	7,000	7,000	100	134
Eco- and thin film processing																		
Orders received	[13,949] 13,949	30,588	58,327	88,915	29,854	214	32,500	40,000	123	131	47,500	40,000	84	69	80,000	80,000	100	90
Revenues	[21,749] 21,749	37,230	50,795	88,025	28,326	130	48,000	52,000	108	140	35,000	31,000	89	61	83,000	83,000	100	94
Operating income	[4,507] 4,546	6,806	9,454	16,260	6,547	144	7,000	9,000	129	132	6,000	4,000	67	42	13,000	13,000	100	80
Eliminations/Corporate																		
Orders received	[210] 210	393	473	866	249	119	500	500	100	127	500	500	100	106	1,000	1,000	100	115
Revenues	[160] 160	343	500	843	188	118	500	500	100	146	500	500	100	100	1,000	1,000	100	119
Operating income (loss)	[(55)] (22)	(448)	(1,217)	(1,665)	(64)	—	(200)	(200)	—	—	(300)	(300)	—	—	(500)	(500)	—	—
Total																		
Orders received	[33,534] 33,534	79,071	111,335	190,406	49,424	147	81,000	88,500	109	112	103,000	95,500	93	86	184,000	184,000	100	97
Revenues	[33,409] 35,710	73,963	111,218	185,181	41,438	116	85,000	89,000	105	120	99,000	95,000	96	85	184,000	184,000	100	99
Operating income	[1,822] 2,480	5,220	14,609	19,829	3,877	156	5,800	7,800	134	149	13,700	11,700	85	80	19,500	19,500	100	98

*1. Amounts in Japanese GAAP (Generally Accepted Accounting Principles) for the 1st quarter of FY2014 are shown in [].

*2. Previous Forecast: Announced on April 27, 2015