HITACHI LTD
Form 6-K
May 14, 2009
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FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16 OF

THE SECURITIES EXCHANGE ACT OF 1934

For the month of May 2009

Commission File Number 1-8320

Hitachi, Ltd.

(Translation of registrant s name into English)

6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8280, Japan

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F __X__ Form 40-F ______

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ______

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ______

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ______ No__X__

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-____

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This report on Form 6-K contains the following:

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

		Hitachi, Ltd. (Registrant)
Date May 14, 2009	By	/s/ Toshiaki Kuzuoka Toshiaki Kuzuoka Vice President and Executive Officer

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Hitachi Announces Consolidated Financial Results for Fiscal 2008

Tokyo, May 12, 2009 Hitachi, Ltd. (NYSE:HIT / TSE:6501) today announced its consolidated financial results for fiscal 2008, ended March 31, 2009.

Notes:
1. All figures, except for the outlook for fiscal 2009, were converted at the rate of 98 yen to the U.S. dollar, the approximate exchange rate on the Tokyo Foreign Exchange Market as of March 31, 2009.
2. Segment information and operating income (loss) are presented in accordance with financial reporting principles and practices generally accepted in Japan.

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Summary

In millions of yen and U.S. dollars, except Net income (loss) per share (6) and Net income (loss) per American Depositary Share (7).

	The years ended March 31			
	Yen (millions)		(B)/(A) X100	U.S. Dollars (millions)
	2008 (A)	2009 (B)	(%)	2009
1. Revenues	11,226,735	10,000,369	89	102,045
2. Operating income	345,516	127,146	37	1,297
3. Income (loss) before income taxes and minority interests	324,782	(289,871)		(2,958)
4. Income (loss) before minority interests	52,619	(795,120)		(8,113)
5. Net income (loss)	(58,125)	(787,337)		(8,034)
6. Net income (loss) per share				
Basic	(17.48)	(236.86)		(2.42)
Diluted	(17.77)	(236.87)		(2.42)
7. Net income (loss) per ADS (representing 10 shares)				
Basic	(175)	(2,369)		(24.17)
Diluted	(178)	(2,369)		(24.17)

Notes:
1. The Company's consolidated financial statements are prepared based on U.S.GAAPs.
2. Segment Information and operating income (loss) are presented in accordance with financial reporting principles and practices generally accepted in Japan.
3. The figures are for 943 consolidated subsidiaries, including Variable Interest Entities, and 166 equity-method affiliates.

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1. Business Results and Financial Position

1-1. Summary of Fiscal 2008 Consolidated Business Results

(1) Business Results

	Year ended March 31, 2009		
	Billions of yen	**Year-over-year % change**	**Millions of U.S. dollars**
Revenues	10,000.3	(11%)	102,045
Operating income	127.1	(63%)	1,297
Loss before income taxes and minority interests	(289.8)		(2,958)
Loss before minority interests	(795.1)		(8,113)
Net loss	(787.3)		(8,034)

During fiscal 2008, ended March 31, 2009, the global economy saw the U.S. subprime loan problem escalate into a worldwide financial crisis, triggered by the collapse of Lehman Brothers on September 15, 2008. Furthermore, turmoil in financial markets spread to the real economy and industrialized nations experienced rapid economic downturns.

The Chinese and emerging economies generally posted strong growth in comparison to industrialized nations. However, the impact of the economic downturns in industrialized nations led to slower economic growth in China and emerging economies.

Japan, meanwhile, witnessed a rapid economic downturn due to a sharp fall in demand, the result mainly of lower exports and curbs on capital investment amid the turmoil in financial markets and of corporate earnings declined.

Hitachi s consolidated revenues were 10,000.3 billion yen, down 11% year over year. Revenues declined in all segments, but especially in the Power & Industrial Systems, the Digital Media & Consumer Products, and the High Functional Materials & Components segments, in tandem with rapidly falling demand for automobiles, semiconductors, industrial equipment and other products from November 2008 onward.

Overseas revenues dropped 13% year over year, to 4,138.9 billion yen as falling worldwide demand took its toll.

Hitachi posted consolidated operating income of 127.1 billion yen, a decrease of 63% year over year. While the Information & Telecommunication Systems segment recorded sharply higher earnings and the Digital Media & Consumer Products segment saw narrower loss, the Power & Industrial Systems and the High Functional Materials & Components segments saw earnings decline sharply as revenues dropped.

Hitachi posted net other deductions of 417.0 billion yen, 396.2 billion yen worse year over year. This chiefly reflected net equity in losses of affiliated companies due to worsening performances at semiconductor-related and certain other affiliates; expenses related to business restructuring, including impairment losses relating to fixed assets, due to a prolonged downturn in demand; exchange losses resulting from the yen s appreciation; and write-downs of securities due to the share market crash.

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As a result, Hitachi posted a loss before income taxes and minority interests of 289.8 billion yen, 614.6 billion yen worse year over year.

Income taxes increased 233.0 billion yen year over year, to 505.2 billion yen mainly due to the complete write-off of deferred tax assets at companies subject to consolidated taxation, including the Company, after the Company decided that there were no prospects for a significant recovery in economic conditions in fiscal 2009. This write-off was made to address the risk of higher income tax expenses in the future.

As a result, Hitachi posted a loss before minority interests of 795.1 billion yen, 847.7 billion yen worse year over year. After minority interests of minus 7.7 billion yen, Hitachi reported a net loss of 787.3 billion yen, 729.2 billion yen worse than the fiscal 2007 result.

(2) Revenues and Operating Income (Loss) by Segment

Results by segment were as follows.

[Information & Telecommunication Systems]

	Year ended March 31, 2009		
	Billions of yen	Year-over-year % change	Millions of U.S. dollars
Revenues	2,594.4	(6%)	26,474
Operating income	176.6	52%	1,802

This segment recorded revenues of 2,594.4 billion yen, down 6% year over year. Revenues in software and services were lower, reflecting lower software revenues as well as a decline in services. Hardware revenues declined year over year, as lower storage revenues due to the impact of foreign currency exchange rate fluctuations negated higher sales of telecommunications networks.

Segment operating income increased 52% year over year, to 176.6 billion yen. Earnings in software and services rose year over year due to higher earnings in services, resulting primarily from stronger project management initiatives. Hardware saw earnings rise year over year. One reason was returning to profitability in HDD operations, reflecting the benefits of cost reductions and new products. Higher earnings from telecommunications networks also contributed to the overall hardware earnings.

Note: The HDD operations are conducted by Hitachi Global Storage Technologies (Hitachi GST), which has a December 31 fiscal year-end, different from Hitachi s March 31 year-end. Hitachi s results for the year ended March 31, 2009 include the operating results of Hitachi GST for the period from January through December 2008.

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[Electronic Devices]

	Year ended March 31, 2009		
	Billions of yen	Year-over-year % change	Millions of U.S. dollars
Revenues	1,151.0	(11%)	11,746
Operating income	27.3	(49%)	279

Electronic Devices revenues were 1,151.0 billion yen, down 11% year over year. In addition to lower revenues at Hitachi High-Technologies Corporation, mainly in inspection and analysis equipment for Asian markets, the overall decline in revenues reflected lower sales of displays due to the impact of a sharp downturn in demand from November 2008, as well as the sale of a semiconductor manufacturing subsidiary overseas.

Segment operating income dropped 49%, to 27.3 billion yen, due to substantially lower earnings at Hitachi High-Technologies because of lower sales.

[Power & Industrial Systems]

	Year ended March 31, 2009		
	Billions of yen	Year-over-year % change	Millions of U.S. dollars
Revenues	3,310.5	(7%)	33,781
Operating income	24.2	(82%)	247

Power & Industrial Systems revenues declined 7%, to 3,310.5 billion yen, despite increased revenues in the power systems business due to higher sales of thermal power plant equipment to overseas markets and nuclear power plant equipment in Japan, as well as firm sales growth in railway vehicles and systems, and elevators and escalators. The overall decline in the segment revenues was the result of sharply lower sales in the automotive systems business and at Hitachi Construction Machinery Co., Ltd. as demand dropped worldwide for automobiles and construction machinery.

The segment saw operating income drop 82% year over year, to 24.2 billion yen. This result reflected sharply lower sales in the automotive systems business and at Hitachi Construction Machinery, as well as the impact of the yen s dramatic appreciation. On the other hand, earnings improved in the power systems business and at Hitachi Plant Technologies, Ltd. on account of improved project management, fewer unprofitable projects and other factors.

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[Digital Media & Consumer Products]

	Year ended March 31, 2009		
	Billions of yen	Year-over-year % change	Millions of U.S. dollars
Revenues	1,261.5	(16%)	12,872
Operating loss	(105.5)		(1,077)

Digital Media & Consumer Products revenues declined 16%, to 1,261.5 billion yen. The lower overall segment revenues reflected the impact of the reduction of sales volumes of flat-panel TVs overseas as part of business structural reforms, as well as lower sales of optical disk drives and other digital media products and room air-conditioners due to a sudden drop-off in demand from October 2008.

The segment posted an operating loss of 105.5 billion yen, a 4.3 billion yen improvement year over year. This was the result of progress made improving the strength of the flat-panel TV business through business structural reform initiatives, which included procuring plasma panels from outside the Hitachi Group and reducing overseas sales channels. Sales and sales prices decreased, however.

Note: The Optical disk drive operations are conducted by Hitachi-LG Data Storage, Inc (HLDS), which has a December 31 fiscal year-end, different from Hitachi s March 31 year-end. Hitachi s results for the year ended March 31, 2009 include the operating results of HLDS for the period from January through December 2008.

[High Functional Materials & Components]

	Year ended March 31, 2009		
	Billions of yen	Year-over-year % change	Millions of U.S. dollars
Revenues	1,556.8	(17%)	15,887
Operating income	27.7	(80%)	283

High Functional Materials & Components revenues were 1,556.8 billion yen, down 17% year over year. This decline mainly reflected a large drop in sales of products for the automotive components- and semiconductor-related businesses at Hitachi Metals, Ltd., Hitachi Chemical Co., Ltd. and Hitachi Cable, Ltd. due to drop worldwide demand for automobiles and electronic products. The sale of a subsidiary at Hitachi Chemical also had an impact on overall revenues.

The segment reported operating income of 27.7 billion yen, down 80% year over year, due to sharply lower revenues, and inventory write-downs at Hitachi Cable because of falling copper prices.

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[Logistics, Services & Others]

	Year ended March 31, 2009		
	Billions of yen	**Year-over-year % change**	**Millions of U.S. dollars**
Revenues	1,089.9	(14%)	11,122
Operating income	23.0	(17%)	235

Logistics, Services & Others revenues declined 14% year over year, to 1,089.9 billion yen. Although Hitachi Transport System, Ltd. recorded higher revenues, primarily from new projects in the third-party logistics solutions business, overseas sales subsidiaries experienced lower sales.

Segment operating income declined 17%, to 23.0 billion yen because of decreased revenues and other factors.

[Financial Services]

	Year ended March 31, 2009		
	Billions of yen	**Year-over-year % change**	**Millions of U.S. dollars**
Revenues	412.0	(7%)	4,204
Operating income	10.2	(60%)	104

Segment revenues were 412.0 billion yen, 7% lower year over year, primarily due to lower revenues at Hitachi Capital Corporation, which saw falling demand for leases amid declining capital investment. Falling consumer spending also affected Hitachi Capital s performance.

Segment operating income dropped 60%, to 10.2 billion yen, mainly due to lower lease transaction volumes and an increased bad debt expense at Hitachi Capital.

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(3) Revenues by Market

	Year ended March 31, 2009		
	Billions of yen	Year-over-year % change	Millions of U.S. dollars
Japan	5,861.4	(10%)	59,811
Outside Japan	4,138.9	(13%)	42,234
Asia	1,911.2	(12%)	19,503
North America	899.5	(12%)	9,179
Europe	904.4	(16%)	9,229
Other Areas	423.6	(11%)	4,323

Revenues in Japan were 5,861.4 billion yen, down 10% year over year.

Overseas revenues declined 13%, to 4,138.9 billion yen, mainly due to falling demand worldwide. As a result, the ratio of overseas revenues to consolidated revenues declined 1 percentage point, to 41%.

(4) Capital Investment, Depreciation and R&D Expenditures

Capital investment on a completion basis, excluding leasing assets, decreased 17% year over year, to 424.0 billion yen. While Hitachi concentrated investments mainly on manufacturing equipment in the Power & Industrial Systems and the High Functional Materials & Components segments, the decrease reflected the stricter selection of investments.

Depreciation, excluding leasing assets, decreased 6%, to 392.2 billion yen, due mainly to stricter selection of capital investments.

R&D expenditures declined 3%, to 416.5 billion yen, due to the stricter selection of development investment, although Hitachi stepped up development efforts mainly in the Information & Telecommunication Systems and the Power & Industrial Systems segments. R&D expenditures corresponded to 4.2% of consolidated revenues.

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(5) Outlook for Fiscal 2009

	Year ending March 31, 2010		
	Billions of yen	**Year-over-year % change**	**Millions of U.S. dollars**
Revenues	8,900.0	(11%)	93,684
Operating income	30.0	(76%)	316
Loss before income taxes and minority interests	(170.0)		(1,789)
Loss before minority interests	(260.0)		(2,737)
Net loss	(270.0)		(2,842)

In terms of the overall business environment, the Chinese economy is expected to achieve comparatively high growth due to the benefits of the government s aggressive economic stimulus measures. The global economy as a whole, however, is not expected to see a full-fledged recovery until 2010 at the earliest. The global economic outlook is being shaped by concerns about the U.S. and other industrialized nations slipping into negative economic growth, and about slowing economic growth in emerging economies and the yen s appreciation. Financial markets also remain volatile in the wake of the collapse of Lehman Brothers.

Due to these economic conditions, at present Hitachi is forecasting the results shown above for fiscal 2009, the year ending March 31, 2010.

Hitachi will focus more than ever on the Social Innovation Business in order to build a more stable earnings base. The Company will concentrate on three key areas fusing information and telecommunication systems and power and industrial systems; transforming into a truly global company; and expanding environmental businesses capitalizing fully on the Hitachi Group s business base built up over the years.

Projections for fiscal 2009 assume an exchange rate of 95 yen to the U.S. dollar and 125 yen to the euro.

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1-2. Financial Position

(1) Financial Position

	As of March 31, 2009		
	Billions of yen	**Change from March 31, 2008**	**Millions of U.S. dollars**
Total assets	9,403.7	(1,127.1)	95,956
Total liabilities	7,224.3	6.6	73,718
Interest-bearing debt	2,820.1	288.6	28,777
Net interest-bearing debt	2,003.5	94.2	20,444
Minority interests	1,129.4	(13.1)	11,525
Stockholders equity	1,049.9	(1,120.6)	10,714
Stockholders equity ratio	11.2%	9.4 point decrease	
D/E ratio (including minority interests)	1.29 times	0.53 point deterioration	
Net D/E ratio (including minority interests)	0.92 times	0.34 point deterioration	

Total assets as of March 31, 2009 were 9,403.7 billion yen, a decrease of 1,127.1 billion yen from March 31, 2008, the result of efforts to reduce operating assets to improve cash flows and improve the quality of assets through business structural reforms. Interest-bearing debt increased 288.6 billion yen, to 2,820.1 billion yen as the Company increased cash on hand in response to the financial system crisis; net interest-bearing debt (after offsetting cash on hand) increased 94.2 billion yen. Stockholders equity decreased 1,120.6 billion yen, to 1,049.9 billion yen due to a decrease in retained earnings and an increase in accumulated other comprehensive loss as a result of the rapid deterioration in financial markets and the stronger yen. As a result, the stockholders equity ratio declined 9.4 points to 11.2% from March 31, 2008. The debt-to-equity ratio (including minority interests) was 1.29, 0.53 point worse than March 31, 2008.

(2) Cash Flows

	Year ended March 31, 2009		
	Billions of yen	**Year-over-year change**	**Millions of U.S. dollars**
Cash flows from operating activities	558.9	(232.8)	5,704
Cash flows from investing activities	(550.0)	87.6	(5,612)
Free cash flows	8.9	(145.2)	91
Cash flows from financing activities	284.3	469.9	2,902

Operating activities provided net cash of 558.9 billion yen, 232.8 billion yen less year over year. Despite the substantially wider net loss, cash was provided by progress in quickly collecting accounts receivable and reducing inventories, among other measures.

Investing activities used net cash of 550.0 billion yen, 87.6 billion yen less year over year. This reflected the stricter selection of investments, including property, plant and equipment and share purchases.

Free cash flows, the sum of cash flows from operating and investing activities, were 8.9 billion yen.

Financing activities provided net cash of 284.3 billion yen, an increase of 469.9 billion yen year over year, because of an increase in short-term debt mainly resulting from the issuance of commercial paper to increase cash on hand in response to the financial system crisis.

The net result of the above items was an increase of 246.9 billion yen in cash and cash equivalents, to 807.9 billion yen.

(3) Trends in Cash Flow Indexes

	Year ended March 31, 2007	Year ended March 31, 2008	Year ended March 31, 2009
Stockholders equity ratio (%)	22.9	20.6	11.2
Equity ratio based on market value (%)	28.6	18.7	9.4
Cash flow to interest-bearing debt ratio	4.4	3.2	5.0
Interest coverage ratio (times)	16.3	18.7	16.5

(a) Stockholder s equity ratio: Shareholders equity / Total assets
(b) Equity ratio based on market value: Market capitalization / Total assets
(c) Cash flow to interest-bearing debt ratio: Interest-bearing debt / Cash flows from operating activities
(d) Interest coverage ratio: Cash flows from operating activities / Interest charges

Note: Market capitalization is computed based on the number of issued shares, excluding treasury stock.

1-3. Basic Policy on the Distribution of Earnings and Fiscal 2008 and 2009 Dividends

Hitachi views enhancement of the long-term and overall interests of shareholders as an important management objective. The industrial sector encompassing energy, information systems, social infrastructure and other primary businesses of Hitachi is undergoing rapid technological innovation and changes in market structure. This makes vigorous upfront investment in R&D and plant and equipment essential for securing and maintaining market competitiveness and improving profitability. Dividends are therefore decided based on medium-to-long term business plans with an eye on ensuring the availability of internal funds for reinvestment and the stable growth of dividends, with appropriate consideration of a range of factors, including Hitachi s financial condition, results of operations and dividend payout ratio.

Hitachi believes that the repurchase of its shares should be undertaken, when necessary, as part of its policy on distribution to shareholders to complement the dividend payout. In addition, Hitachi will repurchase its own shares on an ongoing basis in order to implement a flexible capital strategy, including business restructuring, to maximize shareholder value so far as consistent with the dividend policy. Such action will be taken by Hitachi after considering its future capital requirement under its business plans, market conditions and other relevant factors.

Based on the above policies, Hitachi declared a dividend of 3 yen per share for fiscal 2008. The dividend for fiscal 2009 is still undecided.

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1-4. Business Risk and Other Risks

The Hitachi Group is engaged in a broad range of business activities on a global scale. Furthermore, the group utilizes highly sophisticated and specialized technologies and information to conduct these businesses. As a result, business activities are vulnerable to a diverse array of risk factors.

Major risk factors include, but are not limited to, economic trends in major markets; changes in foreign exchange rates; rapid technological innovations; intensifying competition; supply and demand balance; the procurement of raw materials and components; the ability to implement mergers and acquisitions and to form strategic alliances; progress in business restructuring; overseas business activities; recruiting activities; protection, maintenance and acquisition of intellectual property; litigation and other legal proceedings; product and service quality and liability; natural disasters and similar events; information security; governmental regulations; trends in capital markets; and retirement benefit liabilities.

Cautionary Statement

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

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

- economic conditions including consumer spending and plant and equipment investments in Hitachi s major markets, particularly Japan, Asia, the United States and Europe, as well as levels of demand in the major industrial sectors which Hitachi serves, including, without limitation, the information, electronics, automotive, construction and financial sectors;

- fluctuations in product demand and industry capacity, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products segment;

- increased commoditization of information technology products and digital media related products and intensifying price competition for such products, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products segment;

- uncertainty as to Hitachi s ability to continue to develop and market products that incorporate new technology on a timely and cost-effective basis and to achieve market acceptance for such products;

- rapid technological innovation, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products segment;

exchange rate fluctuation for the yen and other currencies in which Hitachi makes significant sales or in which Hitachi s assets and liabilities are denominated, particularly against the U.S. dollar and the euro;

fluctuations in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum and synthetic resins;

uncertainty as to Hitachi s ability to implement measures to reduce the potential negative impact of fluctuations in product demand, exchange rate fluctuation and/or in the price of raw materials;

general socio-economic and political conditions and the regulatory and trade environment of Hitachi s major markets, particularly Japan, Asia, the United States and Europe, including, without limitation, direct or indirect restrictions by other nations on imports, or differences in commercial and business customs including, without limitation, contract terms and conditions and labor relations;

uncertainty as to Hitachi s access to, or ability to protect, certain intellectual property rights, particularly those related to electronics and data processing technologies;

uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity method affiliates have become or may become parties;

the possibility of incurring expenses resulting from any defects in products or services of Hitachi;

uncertainty as to the success of restructuring efforts to improve management efficiency and to strengthen competitiveness;

uncertainty as to the success of alliances upon which Hitachi depends, some of which Hitachi may not control, with other corporations in the design and development of certain key products;

uncertainty as to Hitachi s ability to access, or access on favorable terms, liquidity or long-term financing; and

uncertainty as to general market price levels for equity securities in Japan, declines in which may require Hitachi to write down equity securities it holds.

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

2. Management Policy

(1) Basic Management Policy

Amid intensifying competition in world markets, the Hitachi Group has been expanding its business through development of Hitachi and its related companies (subsidiaries and affiliated companies). Hitachi aims to step up its development by delivering competitive products and services imbuing higher value for customers. By taking full advantage of the diverse resources of the Hitachi Group while at the same time reviewing and restructuring businesses, Hitachi will bolster its competitiveness. This process will be consistent with Hitachi s basic management policy, which is to increase shareholder value by meeting the expectations of customers, shareholders, employees and other stakeholders.

(2) Medium-and-Long-term Management Strategy

Hitachi will focus more than ever on the Social Innovation Business, which includes information and telecommunication systems, power systems, environmental, industrial and transportation systems, and social and urban systems, in order to build a more stable earnings base. The Company will concentrate on three key areas fusing information and telecommunication systems and power and industrial systems; transforming into a truly global company; and expanding environmental businesses capitalizing fully on the Hitachi Group s business base built up over the years.

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(3) Problems Facing Hitachi Group

Hitachi is presently implementing far-reaching structural reforms, including the following measures, in light of the current harsh business environment and its operating performance.