

Outline of Consolidated Financial Results for the Third Quarter Ended December 31, 2020 [Fiscal 2020]

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Contents

1. Key Messages
2. Q3 FY2020 Results
3. FY2020 Forecast
4. Appendix



1. Key Messages

1

Capturing DX demand, IT segment leading Hitachi's performance

- IT segment achieved a record-high adjusted operating income^{*1} ratio of 13.5% despite a challenging business environment
- Lumada Alliance Program to accelerate expansion of Lumada business through collaborative creation

2

Promoting business expansion in China

- Revenues remained firm in Building Systems business, promoting share expansion of elevators and escalators
- Automotive Systems business, experiencing market recovery, expanded in China

3

Expanding businesses contributing to environmental & social value

- Hitachi Astemo promoting xEV-related businesses
- Hitachi ABB Power Grids continues to deliver technology solutions for a carbon neutral future; sees steady revenues growth and order intake/Q3 orders: \$2.9bn, order backlog: ~\$12bn
- Providing solutions to prevent the spread of COVID-19 infection (e.g. Building Systems business)

4

Cash flows from operating activities exceeded our previous forecast

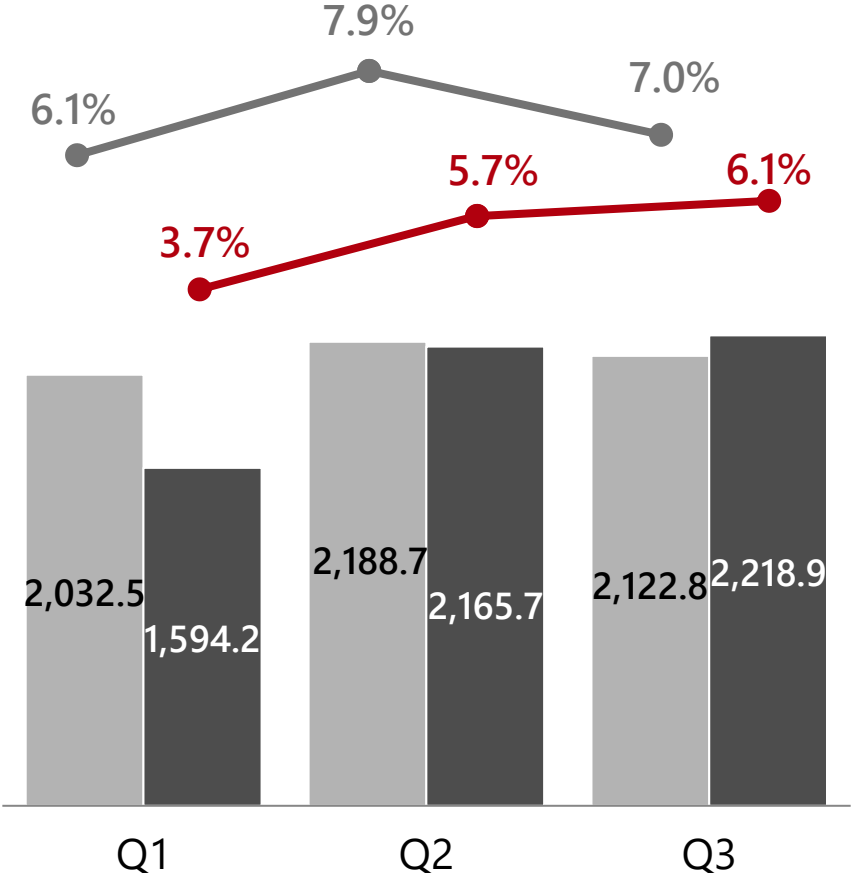
- Aiming to secure 550.0bn yen cash flows from operating activities by further cash management

Recovery of Profitability

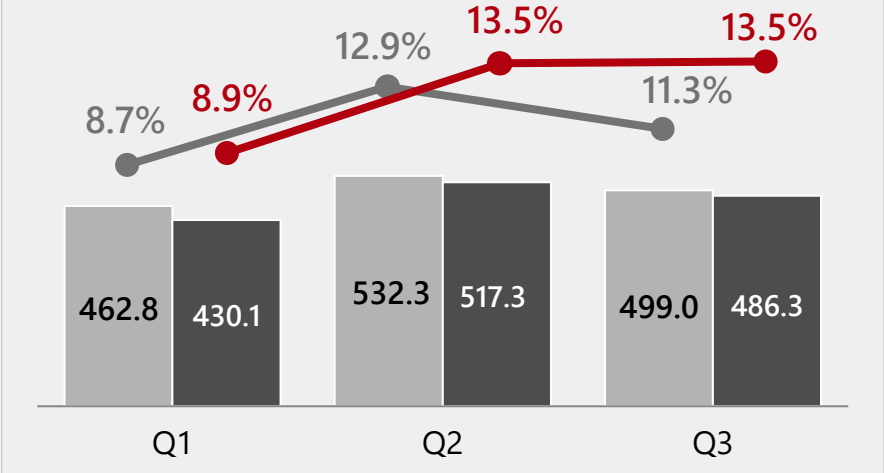
Total (FY19 vs FY20 comparison)

Billions of yen

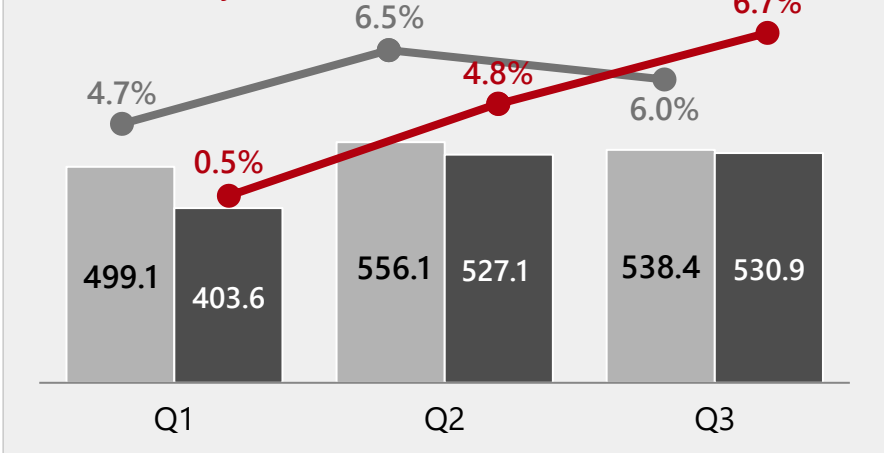
■ FY19 revenues ■ FY20 revenues
● FY19 adjusted operating income ratio ● FY20 adjusted operating income ratio



IT segment: improved profitability through cost structure reform



Smart Life segment: Smart Life & Ecofriendly Systems business and Automotive Systems business remained solid



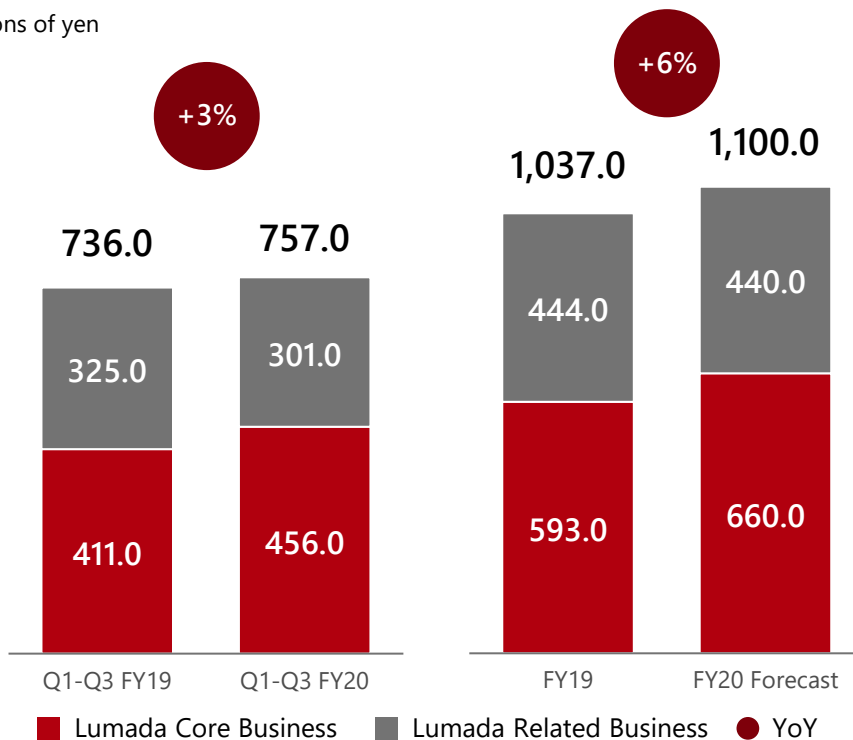
Accelerating Expansion of Lumada Business

Launched the Lumada Alliance Program to build a value-generating ecosystem with various partners



Lumada business revenues

Billions of yen



Lumada business revenues don't include Hitachi ABB Power Grids

Mobility: IoT Platform for the high value-added buildings

Developed "BuilMirai," an IoT platform using Microsoft's cloud computing, to realize high added value for buildings

Industry: Total support service for safety driving management

Hitachi, Hitachi Transport System, and Hitachi Capital to collaborate on sales of a service that provides total support for safety driving management by using AI to analyze driver biometric and driving data

Energy: Digital enterprise solutions (e.g. asset management)

Hitachi ABB Power Grids teams up with Hitachi Vantara to integrate its market leading Digital Enterprise solutions within Lumada ecosystem, maximizing synergies and enhancing customer value

Hitachi Astemo, a new company formed by the integration of Hitachi Automotive Systems, Keihin, Showa, Nissin Kogyo, commenced operation

- Accelerate the development of next-generation technologies such as electrification, autonomous driving and connected cars by combining the strengths of the four companies. Aim to acquire global leadership positions in the focusing fields

Arçelik and Hitachi Global Life Solutions agreed to form a joint venture in the overseas home appliances business

- Create growth opportunities through the enhancement of sales capabilities and expand global sales of Hitachi branded products

Expanding environment-related business

- Hitachi ABB Power Grids energizes NordLink, the first Germany-Norway HVDC interconnection, integrating renewables and supporting Europe's decarbonization vision
- Signed an exclusive agreement with Eversholt Rail to develop an intercity battery hybrid train

Promoting businesses contributing to social value

- Strengthening the infection risk mitigation solutions for elevators - started providing contactless registration equipment and solutions for clean operation and avoidance of over crowding
- "Human-flow Visualization" technology demonstrated during an official baseball game at Tokyo Dome, aiming to prevent infections



2. Q3 FY2020 Results

Highlights of Results

Q3: revenues increased YoY due to the firm performance of power grids business, while revenues and profit decreased following the deconsolidation of Hitachi Chemical

Q1-Q3: revenues decreased YoY due to the deconsolidation of Hitachi Chemical and deterioration of market conditions, despite an increase in revenues from the acquisition of power grids business. IT segment achieved a record-high adjusted operating income ratio of 12.1%

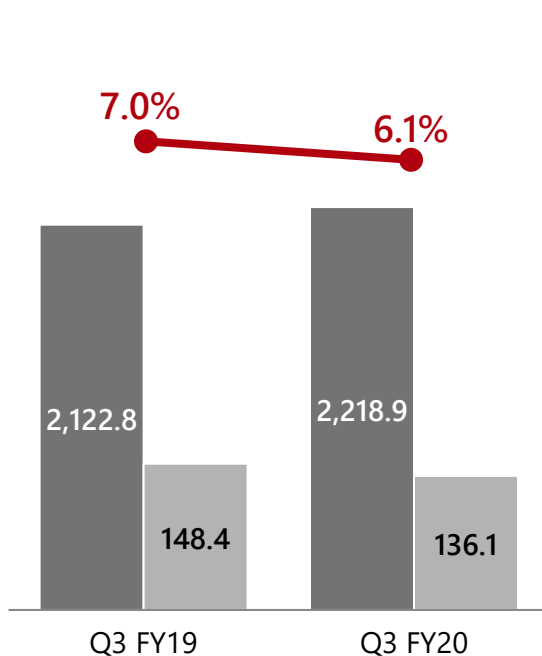
Q3 FY20

Revenues

2,218.9bn yen (YoY +5%)

Adjusted operating income

136.1bn yen (YoY (12.3)bn yen)



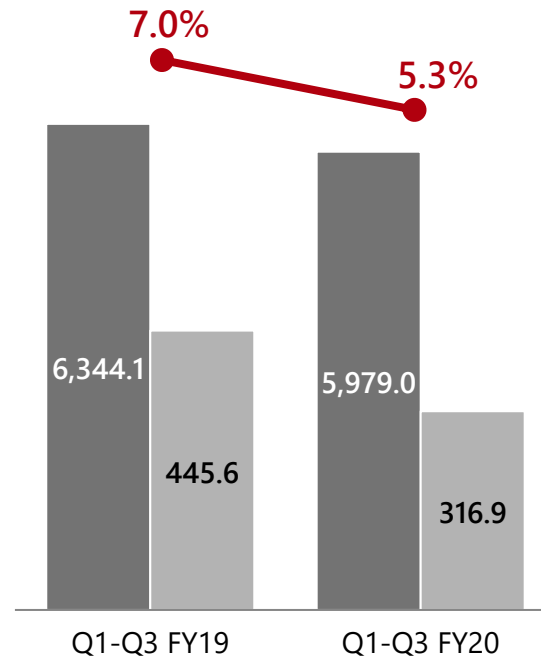
Q1-Q3 FY20

Revenues

5,979.0bn yen (YoY (6)%)

Adjusted operating income

316.9bn yen (YoY (128.7)bn yen)



Overseas revenues (Q1-Q3)

3.167.9bn yen (YoY (1)%)

Lumada business revenues (Q1-Q3)

757.0bn yen (YoY +3%)

EBIT*² (Q1-Q3)

503.5bn yen

(YoY +448.5bn yen)

Net income attributable to Hitachi, Ltd. stockholders (Q1-Q3)

307.8bn yen

(YoY +252.7bn yen)

EBITDA*³ (Q1-Q3)

855.4bn yen

(YoY +482.3bn yen)

Cash flows from operating activities (Q1-Q3)

426.4bn yen

(YoY +118.5bn yen)

■ Revenues ■ Adjusted operating income ● Adjusted operating income ratio Billions of yen

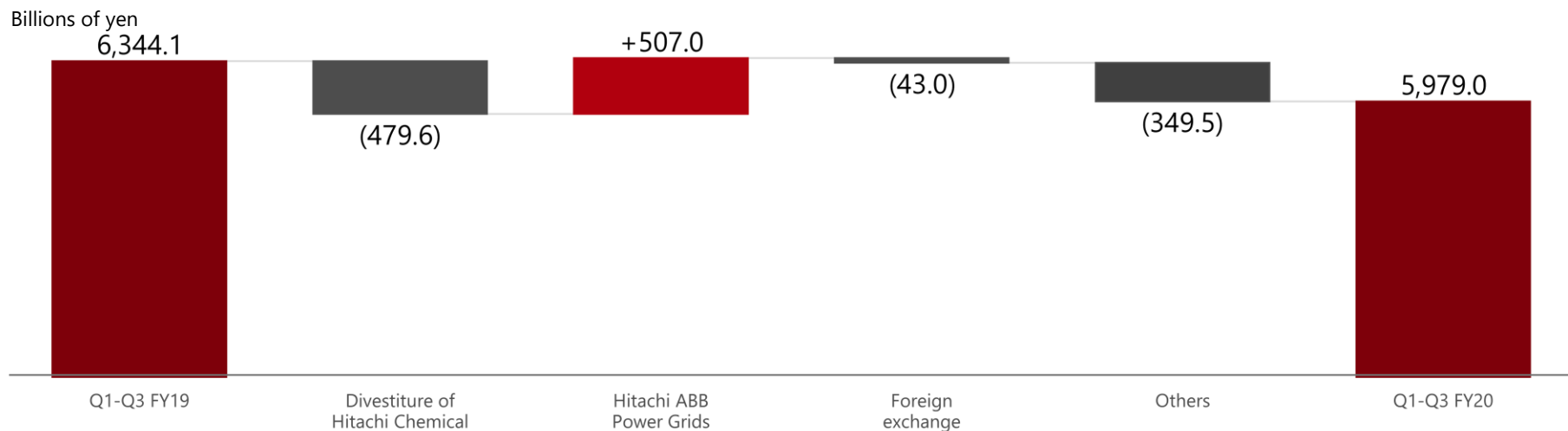
Results by Five Sectors and Listed Subsidiaries (Q1-Q3 FY20)

- Five sectors: revenues increased, income decreased (increase in revenues due to the acquisition of power grids business)
- Listed subsidiaries: both revenues and income decreased (due to divestiture of Hitachi Chemical and deterioration of market conditions of Hitachi Construction Machinery and Hitachi Metals)

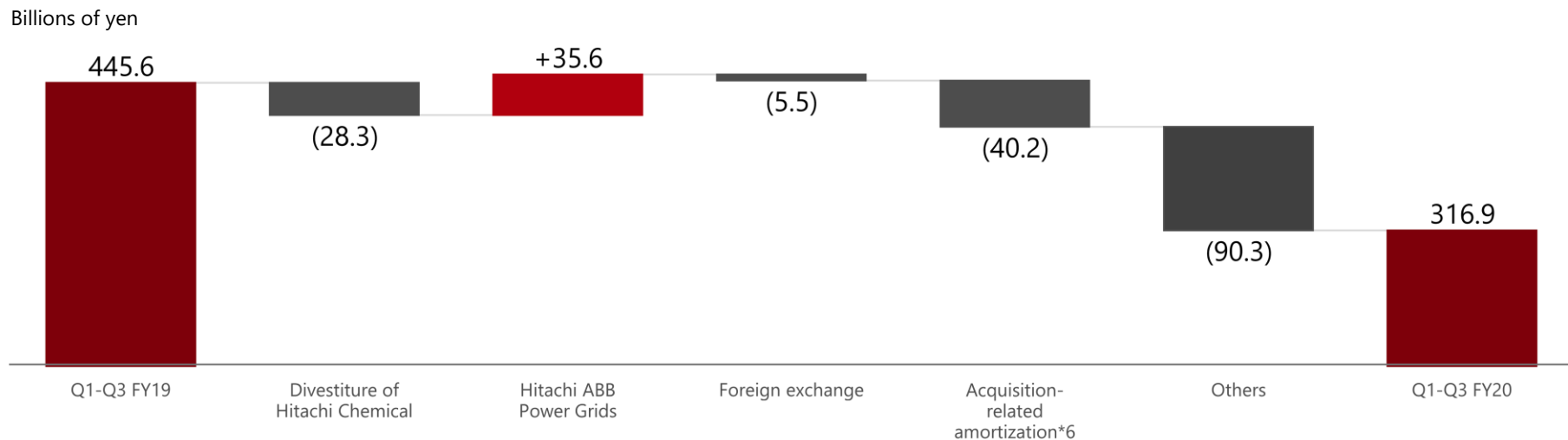
Billions of yen	Five sectors* ⁴ [IT, Energy, Industry, Mobility, Smart Life]	Listed subsidiaries* ⁵ [Hitachi Construction Machinery, Hitachi Metals]	Total
Revenues	4,878.8	1,100.1	5,979.0
YoY	108%	60%	94%
Adjusted operating income	308.0	8.9	316.9
YoY	(39.5)	(89.1)	(128.7)
Adjusted operating income ratio	6.3%	0.8%	5.3%
YoY	(1.4) points	(4.5) points	(1.7) points
EBIT	528.2	(24.6)	503.5
YoY	+502.9	(54.3)	+448.5
EBIT ratio	10.8%	(2.2)%	8.4%
YoY	+10.2 points	(3.8) points	+7.5 points
Net income (loss) attributable to Hitachi, Ltd. stockholders	324.4	(16.6)	307.8
YoY	+264.8	(12.1)	+252.7

Factors Affecting Changes in Revenues and Adjusted Operating Income (Q1-Q3 FY20 Total)

Revenues



Adjusted operating income



Summary of Consolidated Financial Position

Billions of yen	As of March 31, 2020	As of December 31, 2020	Change from March 31, 2020
Total assets	9,930.0	10,941.4	+1,011.3
Cash and cash equivalents	812.3	917.2	+104.9
Trade receivables and contract assets	2,260.2	2,362.2	+102.0
Total liabilities	5,663.3	7,294.5	+1,631.1
Interest-bearing debt	1,485.0	2,600.4	+1,115.3
Total Hitachi, Ltd. stockholders' equity	3,159.9	2,928.3	(231.6)
Non-controlling interests	1,106.7	718.5	(388.1)
Cash Conversion Cycle	74.2 days	78.3 days	+4.1 days
Total Hitachi, Ltd. stockholders' equity ratio	31.8%	26.8%	(5.0) points
D/E ratio	0.35 times	0.71 times	+0.36 points

Summary of Consolidated Statement of Cash Flows

Billions of yen	Q1-Q3 FY2019	Q1-Q3 FY2020	YoY
Cash flows from operating activities	307.8	426.4	+118.5
Cash flows from investing activities	(492.0)	(766.0)	(274.0)
Free cash flows	(184.1)	(339.6)	(155.5)
Core free cash flows* ⁷	7.5	181.7	+174.2

3. FY2020 Forecast

Revenues

YoY 5% down

Previous forecast comparison

5% up

Revised revenues forecast upward due to the integration impact of Hitachi Astemo, etc.



Adjusted operating income

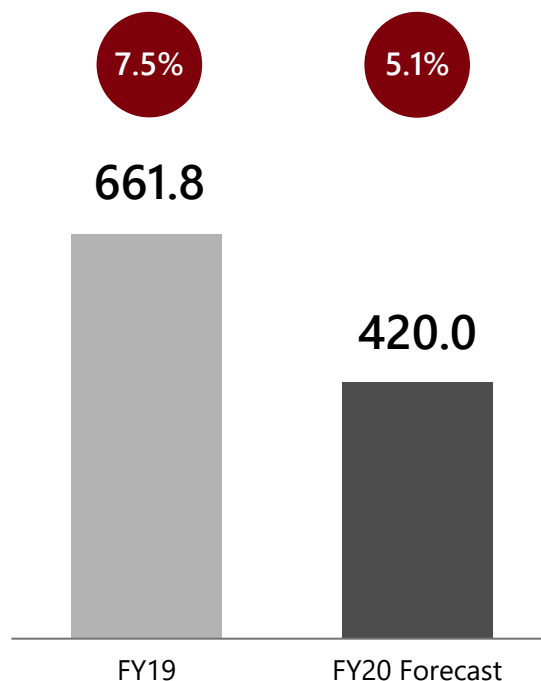
YoY (241.8)bn yen

Previous forecast comparison

+20.0bn yen

Digital solution businesses in IT and Industry segments are expected to remain firm

Revised forecast for adjusted operating income upward



● Adjusted operating income ratio Billions of yen

Lumada business revenues

1,100.0bn yen (YoY +6%)

EBIT

680.0bn yen

(YoY +496.3bn yen)

(Previous forecast comparison +94.0bn yen)

Net income attributable to Hitachi, Ltd. stockholders

370.0bn yen

(YoY +282.4bn yen)

(Previous forecast comparison +70.0bn yen)

EBITDA

1,174.0bn yen

(YoY +554.9bn yen)

(Previous forecast comparison +121.0bn yen)

Cash flows from operating activities

550.0bn yen

(YoY (10.9)bn yen)

(Previous forecast comparison +50.0bn yen)

Assumed foreign exchange rate for Q4 FY20

105 yen / U.S. dollar

120 yen / Euro

- Five sectors: IT and Industry segments revised previous forecasts upward
- Listed subsidiaries: Hitachi Metals revised its previous forecast upward due to market recovery and profitability improvement

Billions of yen	Five sectors [IT, Energy, Industry, Mobility, Smart Life]	Listed subsidiaries [Hitachi Construction Machinery, Hitachi Metals]	Total
Revenues	6,780.0	1,520.0	8,300.0
YoY	107%	62%	95%
Adjusted operating income	391.0	29.0	420.0
YoY	(145.7)	(96.1)	(241.8)
Adjusted operating income ratio	5.8%	1.9%	5.1%
YoY	(2.7) points	(3.2) points	(2.4) points
EBIT	699.0	(19.0)	680.0
YoY	+553.4	(57.0)	+496.3
EBIT ratio	10.3%	(1.3)%	8.2%
YoY	+8.0 points	(2.9) points	+6.1 points
Net income (loss) attributable to Hitachi, Ltd. stockholders	386.0	(16.0)	370.0
YoY	+297.2	(14.8)	+282.4

Forecast of Automotive Systems Business

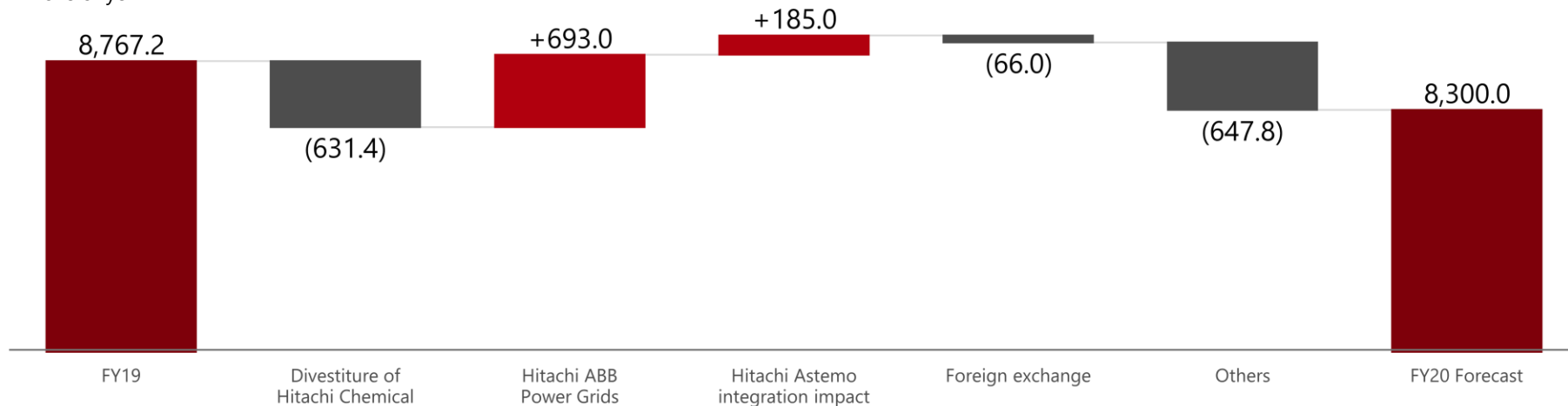
- Integrated Hitachi Automotive Systems and Keihin, Showa, Nissin Kogyo, and set up Hitachi Astemo
- Aim EBITDA ratio of over 10% in FY21, gaining market-leading positions in focusing areas

Billions of yen	Previous forecast excl. integration impact	Variation from previous forecast		Forecast excl. acquisition- related amortization	Acquisition- related amortization	Total
		Integration impact (4Q)	Others			
Revenues	749.0	+185.0	+40.0	974.0	—	974.0
Adjusted operating income	22.0	+9.5	+0.5	32.0	(7.0)	25.0
[excl. one-off expenses]	[30.9]	[+11.4]	[+1.3]	[43.6]	—	
Adjusted operating income ratio	2.9%			3.3%	—	2.6%
[excl. one-off expenses]	[4.1%]			[4.5%]		
EBIT	9.0	+8.0	(27.0)	(10.0)	(7.0)	(17.0)
EBIT ratio	1.2%			(1.0)%	—	(1.7)%
Adjusted EBITA*⁸	24.0	+9.5	+0.5	34.0	0.0	34.0
Adjusted EBITA ratio	3.2%			3.5%	—	3.5%
EBITDA	61.0	+19.0	(28.0)	52.0	0.0	52.0
EBITDA ratio	8.1%			5.3%	—	5.3%

Factors Affecting Changes in Revenues and Adjusted Operating Income (FY20 Total)

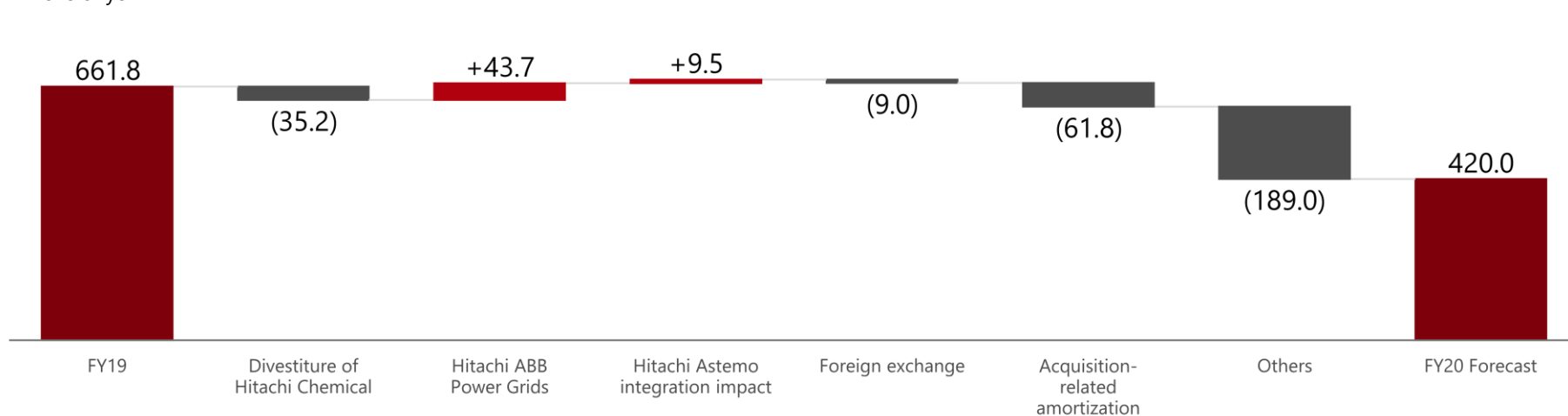
Revenues

Billions of yen



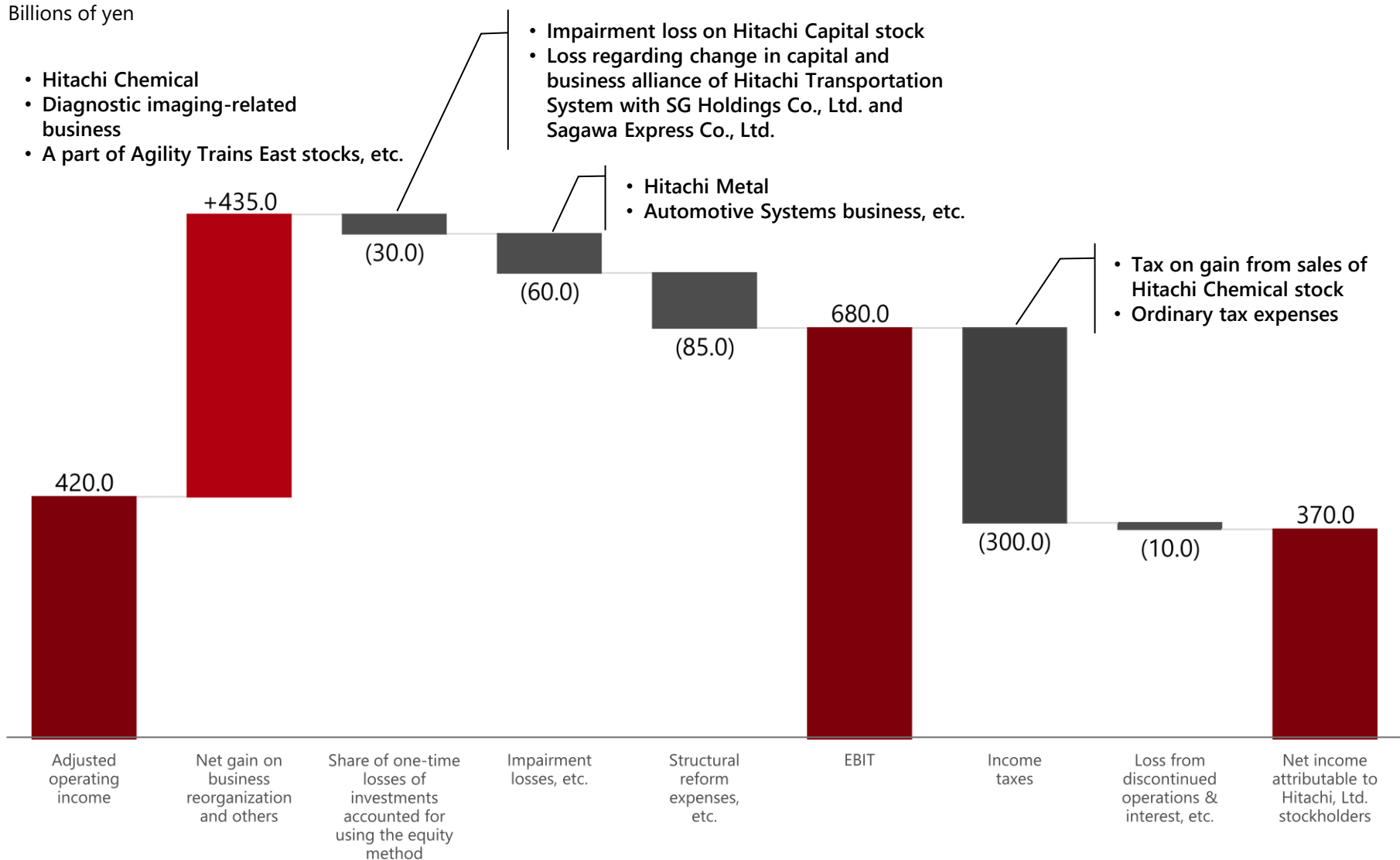
Adjusted operating income

Billions of yen



Factors Affecting Changes in Net Income Attributable to Hitachi, Ltd. Stockholders (FY20 Total)

Billions of yen

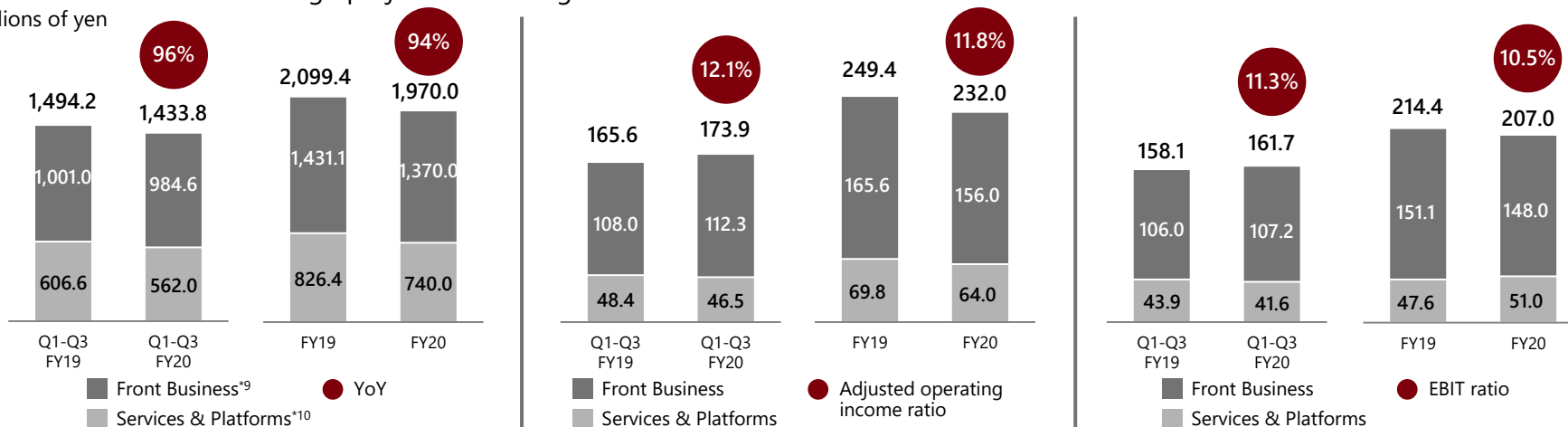


4. Appendix

Q1-Q3 FY20 achieved record-high adjusted operating income ratio of 12.1%.

Against the challenging business environment, FY20 profitability is forecasted to maintain the same level as FY19, supported by the "new normal" demand and thorough project cost management in Front Business and Services & Platforms

Billions of yen



Revenues

Adjusted operating income

EBIT

Q1-Q3 FY2020

1,433.8bn yen (YoY 96%)

- ⊖ Decline in overseas sales, mainly in North America
- ⊖ Reactionary decrease in IT service business (including projects for one-time demand in FY19)

173.9bn yen (YoY +8.2bn yen)

- ⊕ Secured profitability by improved cost structure
- ⊖ Decrease in revenues

161.7bn yen (YoY +3.5bn yen)

- ⊕ Increase in adjusted operating income
- ⊖ Decrease in gains from selling lands of former production base

FY2020 Forecast

Previous forecast comparison: adjusted operating income and EBIT increase each 15.0bn yen and 15.0bn yen

1,970.0bn yen (YoY 94%)

- ⊖ COVID-19 impact
- ⊖ Reactionary decrease in IT service business (including projects for one-time demand in FY19)

232.0bn yen (YoY (17.4)bn yen)

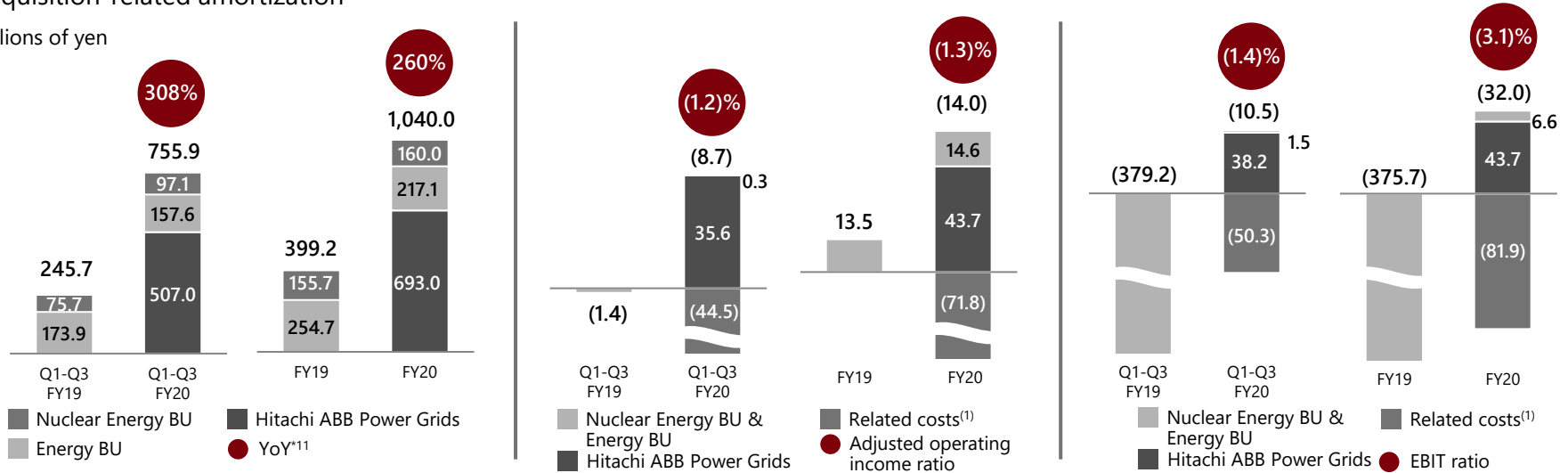
- ⊖ Decrease in revenues
- ⊖ Continuous strategic investment for expansion of Lumada business

207.0bn yen (YoY (7.4)bn yen)

- ⊖ Decrease in adjusted operating income
- ⊕ Structural reform expenses in FY19

Hitachi ABB Power Grids business and Nuclear Energy BU remained firm while adjusted operating income decreased due to acquisition-related amortization

Billions of yen



Revenues

Adjusted operating income

EBIT

Q1-Q3 FY2020

755.9bn yen (YoY 308%)

- ⊕ Hitachi ABB Power Grids
- ⊕ Firm revenues in Nuclear Energy BU

FY2020 Forecast

Previous forecast comparison: revenues increase 20.0bn yen, adjusted operating income and EBIT decrease each 6.0bn yen and 2.0bn yen

1,040.0bn yen (YoY 260%)

- ⊕ Hitachi ABB Power Grids
- ⊖ Energy BU
- ⊖ COVID-19 impact

(8.7)bn yen (YoY (7.2)bn yen)

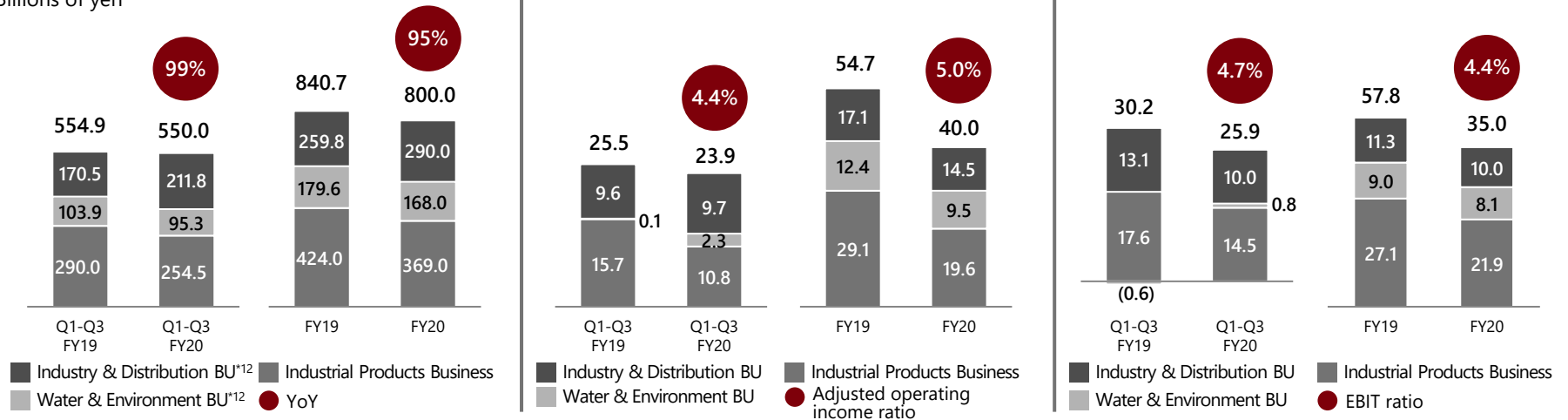
- ⊕ Increase in revenues
- ⊖ Acquisition-related amortization

(10.5)bn yen (YoY +368.6bn yen)

- ⊖ Decrease in adjusted operating income
- ⊕ Loss for the settlement on the South Africa projects conducted in FY19

Q1-Q3 FY20 was nearly flat due to the deterioration of market conditions while there was an increase in revenues from the acquisition of JR Automation. Mainly due to the firm digital solution business in Industry & Distribution BU, FY20 forecast is revised upward

Billions of yen



Revenues

Adjusted operating income

EBIT

Q1-Q3 FY2020

550.0bn yen (YoY 99%)

- ⊖ Industrial Products Business
- ⊕ Acquisition of JR Automation

FY2020 Forecast

Previous forecast comparison: revenues, adjusted operating income and EBIT increase each 20.0bn yen, 1.0bn yen and 3.0bn yen

800.0bn yen (YoY 95%)

- ⊖ Industrial Products Business
- ⊕ Acquisition of JR Automation

23.9bn yen (YoY (1.6)bn yen)

- ⊖ Decrease in revenues
- ⊕ Profitability improvement due to cost reduction, etc.

40.0bn yen (YoY (14.7)bn yen)

- ⊖ Decrease in revenues
- ⊕ Profit increase from acquisition of JR Automation and expansion of digital solution business

25.9bn yen (YoY (4.2)bn yen)

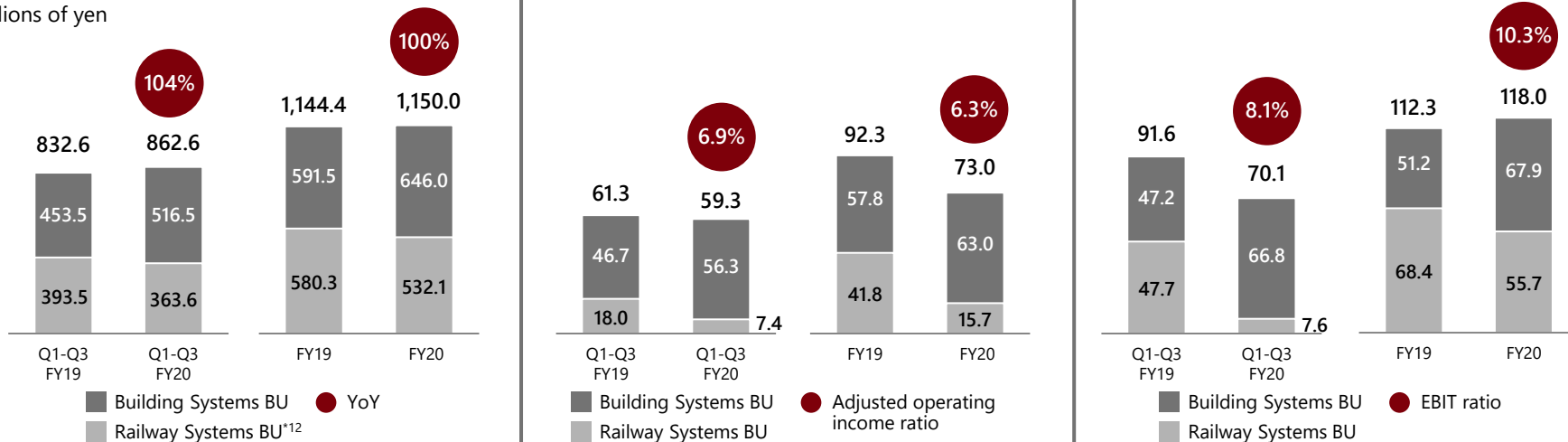
- ⊖ Decrease in profit of an equity-method associate

35.0bn yen (YoY (22.8)bn yen)

- ⊖ Decrease in adjusted operating income

Q1-Q3 FY20 revenues increased due to China business expansion of Building Systems BU.
FY20 EBIT forecast is revised upward due to the gains from selling a part of Agility Trains East stocks

Billions of yen



Revenues

Adjusted operating income

EBIT

Q1-Q3 FY2020

862.6bn yen (YoY 104%)

- ⊕ Expansion of Chinese business in Building Systems BU
- ⊖ Decrease in workload of Railway Systems BU

FY2020 Forecast

Previous forecast comparison: revenues increase 30.0bn yen, adjusted operating income decrease 5.0bn yen and EBIT increase 43.0bn yen

1,150.0bn yen (YoY 100%)

- ⊕ Expansion of Chinese business in Building Systems BU
- ⊖ Decrease in workload of Railway Systems BU

59.3bn yen (YoY (1.9)bn yen)

- ⊖ Decrease in revenues of Railway Systems BU
- ⊕ Increase in revenues and profitability improvement due to cost reduction, etc. in Building Systems BU

73.0bn yen (YoY (19.3)bn yen)

- ⊖ Decrease in revenues of Railway Systems BU
- ⊕ Increase in revenues and profitability improvement due to cost reduction, etc. in Building Systems BU

70.1bn yen (YoY (21.4)bn yen)

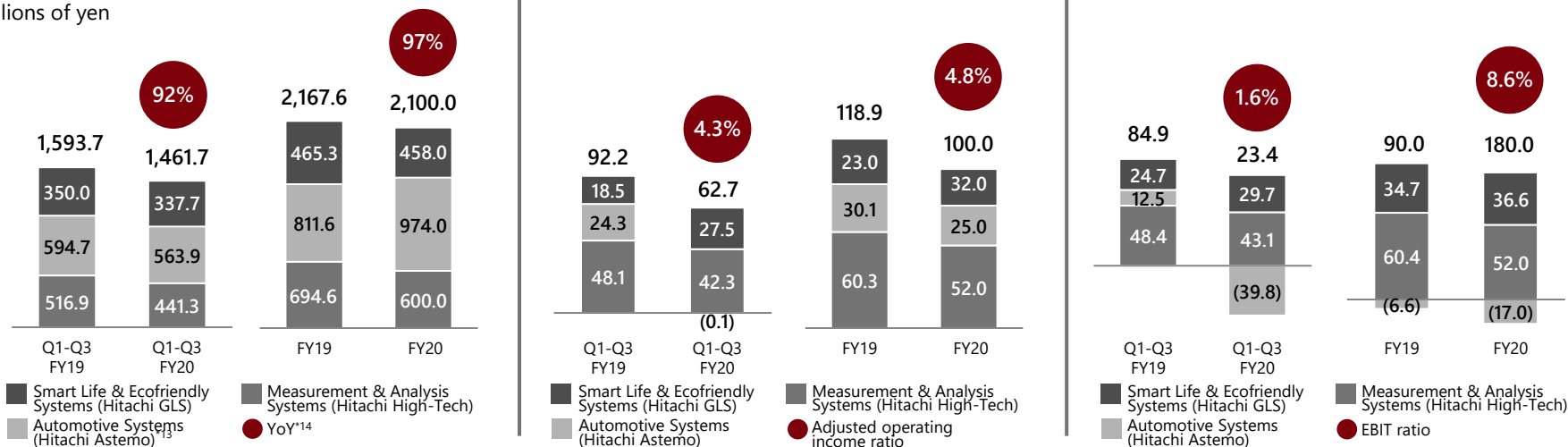
- ⊖ Gains from selling a part of Agility Trains West stocks in FY19
- ⊖ Decrease in adjusted operating income

118.0bn yen (YoY +5.6bn yen)

- ⊕ Gains from selling a part of Agility Trains East stocks
- ⊖ Decrease in adjusted operating income

Q1-Q3 FY20 revenues and profit decreased due to sales decline of Automotive Systems business in North America and Japan. FY20 revenues forecast is revised upward due to the establishment of Hitachi Astemo

Billions of yen



Revenues

Adjusted operating income

EBIT

Q1-Q3 FY2020

1,461.7bn yen (YoY 92%)

- ⊖ Demand decrease of trading business, etc. in Measurement & Analysis Systems (Hitachi High-Tech)
- ⊖ Sales decrease of Automotive Systems business in North America and Japan

FY2020 Forecast

Previous forecast comparison: revenues increase 200.0bn yen and EBIT decrease 20.0bn yen

2,100.0bn yen (YoY 97%)

- ⊖ COVID-19 impact
- ⊖ Demand decrease in trading business, etc. in Measurement & Analysis Systems (Hitachi High-Tech)
- ⊕ Hitachi Astemo integration impact

62.7bn yen (YoY (29.4)bn yen)

- ⊖ Decrease in revenues

100.0bn yen (YoY (18.9)bn yen)

- ⊖ Decrease in revenues
- ⊕ Profitability improvement in home appliances business

23.4bn yen (YoY (61.5)bn yen)

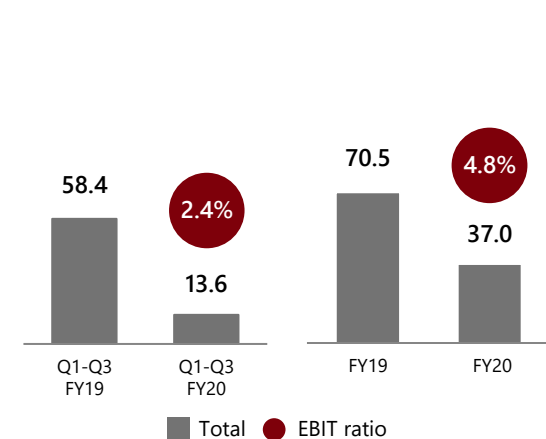
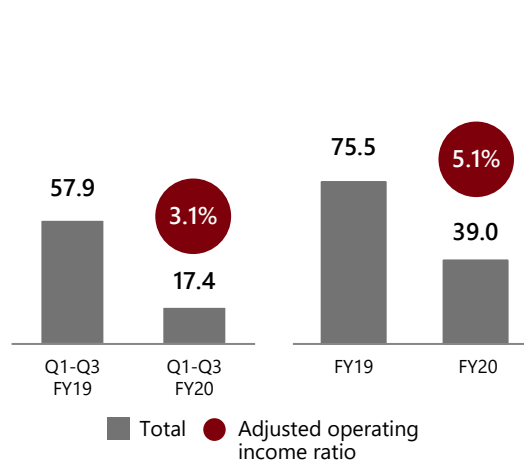
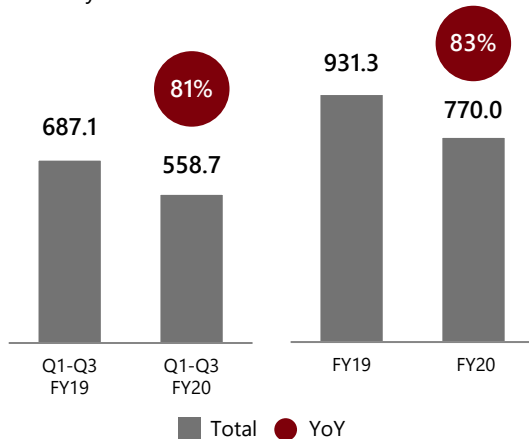
- ⊖ Decrease in adjusted operating income
- ⊖ Impairment loss on fixed assets in Automotive Systems business

180.0bn yen (YoY +89.9bn yen)

- ⊖ Decrease in adjusted operating income
- ⊖ Impairment loss on fixed assets in Automotive Systems business
- ⊕ Gains from selling of diagnostic imaging-related business

Q1-Q3 FY20 revenues and profit decreased due to the impacts of COVID-19 and the foreign exchange rate.
Progress cost reduction for profitability improvement in FY20

Billions of yen



Revenues

Adjusted operating income

EBIT

Q1-Q3 FY2020

558.7bn yen (YoY 81%)

- ⊖ COVID-19 impact
- ⊖ Impact of foreign exchange

17.4bn yen (YoY (40.4)bn yen)

- ⊖ Decrease in revenues
- ⊕ Profitability improvement due to cost reduction, etc.

13.6bn yen (YoY (44.8)bn yen)

- ⊖ Decrease in adjusted operating income

FY2020 Forecast: No change from previous forecast

770.0bn yen (YoY 83%)

- ⊖ COVID-19 impact
- ⊖ Impact of foreign exchange

39.0bn yen (YoY (36.5)bn yen)

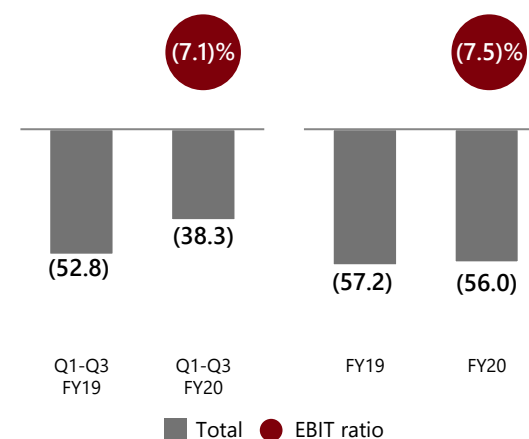
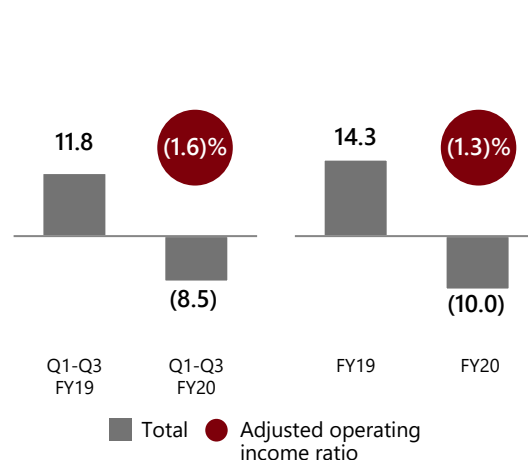
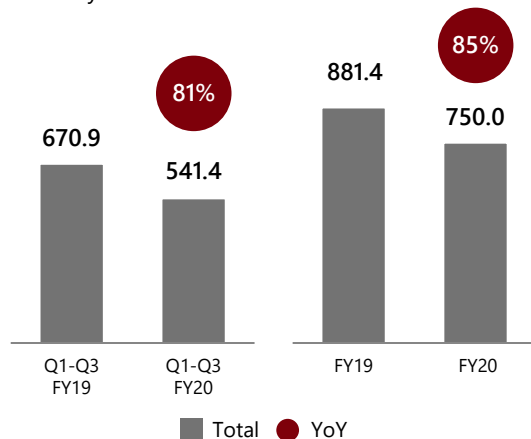
- ⊖ Decrease in revenues
- ⊕ Profitability improvement due to cost reduction, etc.

37.0bn yen (YoY (33.5)bn yen)

- ⊖ Decrease in adjusted operating income

Revenues and adjusted operating income decreased due to the demand decline for automobiles and others in Q1-Q3 FY20. FY20 forecast is revised upward with the recovery of market demand

Billions of yen



Revenues

Adjusted operating income

EBIT

Q1-Q3 FY2020

541.4bn yen (YoY 81%)

⊖ Decrease in demand for automobiles

(8.5)bn yen (YoY (20.4)bn yen)

⊖ Decrease in revenues

(38.3)bn yen (YoY +14.5bn yen)

⊖ Decrease in adjusted operating income
⊕ Impairment loss on fixed assets and goodwill in magnetic materials business in FY19

FY2020 Forecast

Previous forecast comparison: revenues and adjusted operating income increase each 30.0bn yen and 4.0bn yen, EBIT decrease 2.0bn yen

750.0bn yen (YoY 85%)

⊖ Decrease in demand for automobiles

(10.0)bn yen (YoY (24.3)bn yen)

⊖ Decrease in revenues

(56.0)bn yen (YoY +1.2bn yen)

⊖ Decrease in adjusted operating income
⊕ Decrease in impairment loss

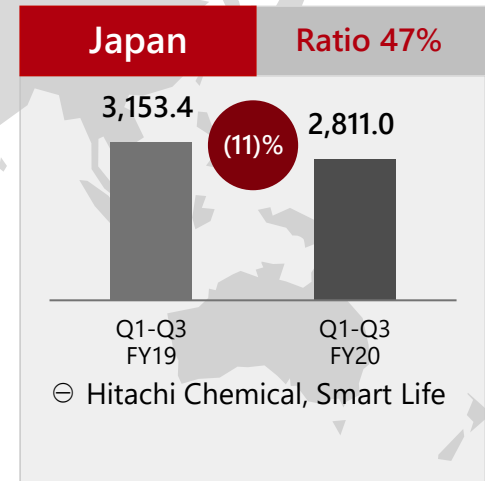
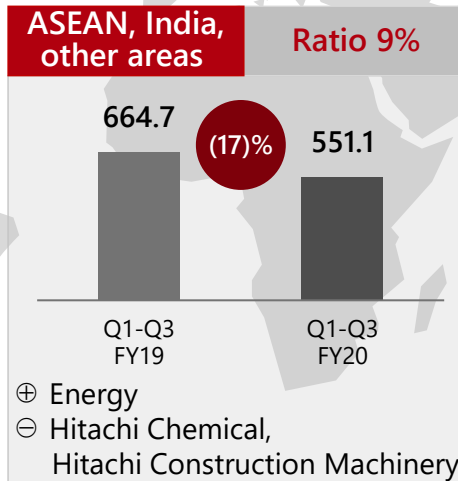
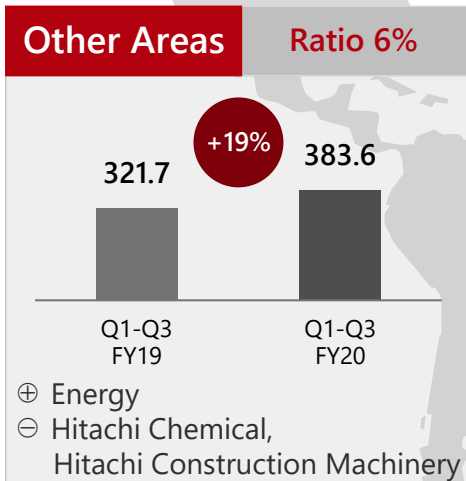
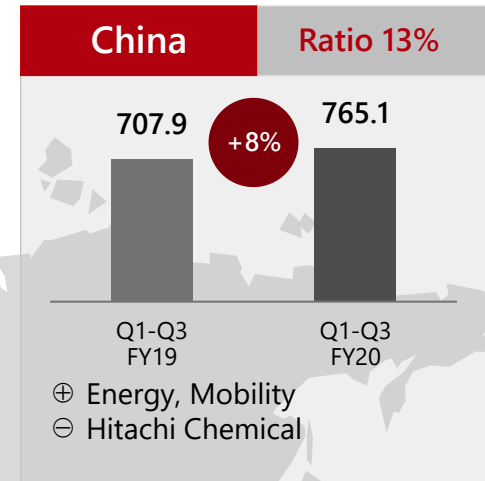
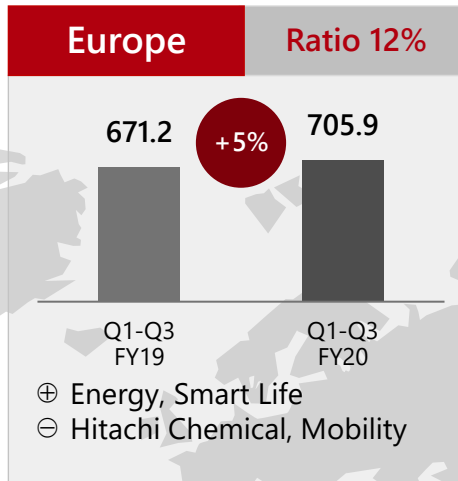
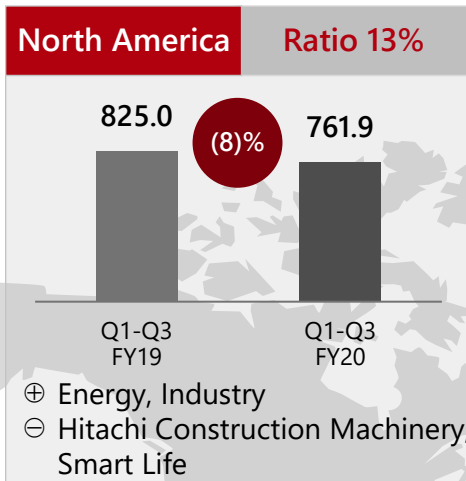
Financial Results and Forecasts by Business Segments (1/2)

Billions of yen		Q1-Q3 FY2019	Q1-Q3 FY2020	YoY	FY2019	FY2020 Forecast	YoY	Previous forecast comparison
IT	Revenues	1,494.2	1,433.8	96%	2,099.4	1,970.0	94%	100%
	Adjusted operating income	165.6	173.9	+8.2	249.4	232.0	(17.4)	+15.0
	Adjusted operating income ratio	11.1%	12.1%	+1.0 points	11.9%	11.8%	(0.1) points	+0.8 points
	EBIT	158.1	161.7	+3.5	214.4	207.0	(7.4)	+15.0
	EBITDA	236.8	240.0	+3.1	326.9	313.0	(13.9)	+19.0
Energy	Revenues	245.7	755.9	308%	399.2	1,040.0	260%	102%
	Adjusted operating income	(1.4)	(8.7)	(7.2)	13.5	(14.0)	(27.5)	(6.0)
	Adjusted operating income ratio	(0.6)%	(1.2)%	(0.6) points	3.4%	(1.3)%	(4.7) points	(0.5) points
	EBIT	(379.2)	(10.5)	+368.6	(375.7)	(32.0)	+343.7	(2.0)
	EBITDA	(375.4)	49.4	+424.9	(370.9)	55.0	+425.9	±0.0
Industry	Revenues	554.9	550.0	99%	840.7	800.0	95%	103%
	Adjusted operating income	25.5	23.9	(1.6)	54.7	40.0	(14.7)	+1.0
	Adjusted operating income ratio	4.6%	4.4%	(0.2) points	6.5%	5.0%	(1.5) points	±0.0 point
	EBIT	30.2	25.9	(4.2)	57.8	35.0	(22.8)	+3.0
	EBITDA	45.0	43.7	(1.2)	80.1	58.0	(22.1)	+3.0
Mobility	Revenues	832.6	862.6	104%	1,144.4	1,150.0	100%	103%
	Adjusted operating income	61.3	59.3	(1.9)	92.3	73.0	(19.3)	(5.0)
	Adjusted operating income ratio	7.4%	6.9%	(0.5) points	8.1%	6.3%	(1.8) points	(0.7) points
	EBIT	91.6	70.1	(21.4)	112.3	118.0	+5.6	+43.0
	EBITDA	114.0	93.8	(20.2)	143.0	150.0	+6.9	+45.0
Smart Life	Revenues	1,593.7	1,461.7	92%	2,167.6	2,100.0	97%	111%
	Adjusted operating income	92.2	62.7	(29.4)	118.9	100.0	(18.9)	±0.0
	Adjusted operating income ratio	5.8%	4.3%	(1.5) points	5.5%	4.8%	(0.7) points	(0.5) points
	EBIT	84.9	23.4	(61.5)	90.0	180.0	+89.9	(20.0)
	EBITDA	144.1	88.4	(55.7)	170.8	285.0	+114.1	±0.0

Financial Results and Forecasts by Business Segments (2/2)

Billions of yen		Q1-Q3 FY2019	Q1-Q3 FY2020	YoY	FY2019	FY2020 Forecast	YoY	Previous forecast comparison
Hitachi Construction Machinery	Revenues	687.1	558.7	81%	931.3	770.0	83%	100%
	Adjusted operating income	57.9	17.4	(40.4)	75.5	39.0	(36.5)	±0.0
	Adjusted operating income ratio	8.4%	3.1%	(5.3) points	8.1%	5.1%	(3.0) points	±0.0 point
	EBIT	58.4	13.6	(44.8)	70.5	37.0	(33.5)	±0.0
	EBITDA	92.2	52.1	(40.1)	117.6	88.0	(29.6)	±0.0
Hitachi Metals	Revenues	670.9	541.4	81%	881.4	750.0	85%	104%
	Adjusted operating income	11.8	(8.5)	(20.4)	14.3	(10.0)	(24.3)	+4.0
	Adjusted operating income ratio	1.8%	(1.6)%	(3.4) points	1.6%	(1.3)%	(2.9) points	+0.6 points
	EBIT	(52.8)	(38.3)	+14.5	(57.2)	(56.0)	+1.2	(2.0)
	EBITDA	(11.2)	0.0	+11.3	(2.0)	(6.0)	(3.9)	(3.0)
Others	Revenues	351.6	316.1	90%	484.8	450.0	93%	100%
	Adjusted operating income	16.8	12.6	(4.1)	22.3	16.0	(6.3)	+7.0
	Adjusted operating income ratio	4.8%	4.0%	(0.8) points	4.6%	3.6%	(1.0) points	+1.6 points
	EBIT	26.7	16.0	(10.6)	31.2	18.0	(13.2)	+4.0
	EBITDA	49.2	39.9	(9.2)	60.7	48.0	(12.7)	+4.0
Corporate items & Eliminations	Revenues	(566.8)	(501.6)	-	(813.2)	(730.0)	-	-
	Adjusted operating income	(12.6)	(15.9)	(3.3)	(14.6)	(56.0)	(41.3)	+4.0
	EBIT	12.7	241.4	+228.6	15.3	173.0	+157.6	+53.0
Total	Revenues	6,344.1	5,979.0	94%	8,767.2	8,300.0	95%	105%
	Adjusted operating income	445.6	316.9	(128.7)	661.8	420.0	(241.8)	+20.0
	Adjusted operating income ratio	7.0%	5.3%	(1.7) points	7.5%	5.1%	(2.4) points	+0.1 points
	EBIT	54.9	503.5	+448.5	183.6	680.0	+496.3	+94.0
	EBITDA	373.1	855.4	+482.3	619.0	1,174.0	+554.9	+121.0

Revenues by Market



Overseas Revenues **3,167.9** billion yen

Ratio **53** % Billions of yen

- *1 "Adjusted operating income" is presented as revenues less selling, general and administrative expenses as well as cost of sales
- *2 "EBIT" is presented as income from continuing operations, before income taxes less interest income plus interest charges
- *3 "EBITDA" is presented as income from continuing operations, before income taxes less interest income plus interest charges, depreciation and amortization
- *4 The total of five sectors is presented as the consolidated total less the total of listed subsidiaries. It includes others and corporate items & eliminations
- *5 Figures for FY19 of listed subsidiaries include financial results of Hitachi Chemical
- *6 Acquisition-related amortization is presented as amortization and depreciation of intangible assets and other assets allocated from goodwill recognized through fair-value evaluation of an acquired company's assets and liabilities. This cost is a non-cash cost and is included in the purchase price for the company
- *7 "Core free cash flows" are cash flows presented as free cash flows excluding cash flows from M&A and asset sales, etc.
- *8 Adjusted EBITA is presented as adjusted operating income less acquisition-related amortization
- *9 System integration, sales, maintenance and related services of software and hardware for financial, public, enterprise and social infrastructure (power, rail, telecommunication, etc.) sectors, consulting, etc.
- *10 Sales, maintenance and services of control systems, server, storage, related software, etc.
- *11 Figures of Q1-Q3 FY19 and FY19 do not include the financial results of Hitachi ABB Power Grids
- *12 Figures for each BU include control systems business, which is posted in IT segment
- *13 Figures of Q1-Q3 (FY19 and FY20) and FY19 do not include the financial results of Keihin Corporation, Showa Corporation, and Nissin Kogyo Co., Ltd.
- *14 Measurement & Analysis Systems (Hitachi High-Tech) is included in Smart Life segment from FY20. The year-over-year comparison of FY20 forecast for Smart Life segment reflects this change

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 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:

- exacerbation of social and economic impacts of the spread of COVID-19;
- economic conditions, including consumer spending and plant and equipment investment in Hitachi’s major markets, as well as levels of demand in the major industrial sectors Hitachi serves;
- exchange rate fluctuations of the yen against other currencies in which Hitachi makes significant sales or in which Hitachi’s assets and liabilities are denominated;
- uncertainty as to Hitachi’s ability to access, or access on favorable terms, liquidity or long-term financing;
- uncertainty as to general market price levels for equity securities, declines in which may require Hitachi to write down equity securities that it holds;
- fluctuations in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum, synthetic resins, rare metals and rare-earth minerals, or shortages of materials, parts and components;
- estimates, fluctuations in cost and cancellation of long-term projects for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- increased commoditization of and intensifying price competition for products;
- uncertainty as to Hitachi’s ability to attract and retain skilled personnel;
- uncertainty as to Hitachi’s ability to 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;
- fluctuations in demand of products, etc. and industry capacity;
- uncertainty as to Hitachi’s ability to implement measures to reduce the potential negative impact of fluctuations in demand of products, etc., exchange rates and/or price of raw materials or shortages of materials, parts and components;
- credit conditions of Hitachi’s customers and suppliers;
- uncertainty as to Hitachi’s ability to achieve the anticipated benefits of its strategy to strengthen its Social Innovation Business;
- uncertainty as to the success of acquisitions of other companies, joint ventures and strategic alliances and the possibility of incurring related expenses;
- uncertainty as to the success of restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness;
- 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;
- the potential for significant losses on Hitachi’s investments in equity-method associates and joint ventures;
- uncertainty as to the success of cost structure overhaul;
- the possibility of disruption of Hitachi’s operations by natural disasters such as earthquakes and tsunamis, the spread of infectious diseases, and geopolitical and social instability such as terrorism and conflict;
- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity-method associates and joint ventures have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- 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 Hitachi’s access to, or ability to protect, certain intellectual property; and
- uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its employee benefit-related costs.

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

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