

**Outline of Consolidated Financial Results
for the Second Quarter
Ended September 30, 2021**
[Fiscal 2021]

October 27, 2021

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1. Points

1

Steady performance in core businesses (environment and digital)

- Steady growth of Hitachi Energy⁽¹⁾ order intakes, mainly in environment-related fields (Q2 revenues: 253.6bn yen, YoY 109%) (Q2 orders: \$2.5bn, order backlog: approx. \$12bn)
- GlobalLogic achieved high growth (Q2 revenues: YoY 152%, EBITDA^{*1} ratio: 23.4%)
- IT segment achieved record-high adjusted operating income^{*2}, capturing DX demand (H1 FY21)
- Lumada business performed well (H1 revenues: YoY 138%)
- Recently, Hitachi Energy was awarded major contract for the first ever large-scale HVDC interconnection in the Middle East and North Africa, and ILSA awarded Hitachi Rail a €737 million contract for the maintenance of its new train fleet

2

Impact on performance due to business risks

- Impact of semiconductor shortage mainly in the automotive-related business
- Increased costs in several segments due to soaring material prices
- Parts supply shortage in some businesses due to lockdown in Asia caused by COVID-19

3

Maintain full-year forecast for net income in a challenging business environment

- Steady performance in five sectors^{*3}
- Stabilized bottom line as a result of countermeasures to low-profitability businesses and cost structure reforms

(1) On October 13, 2021, Hitachi ABB Power Grids changed its name to "Hitachi Energy Ltd."
Notes which are not included in each page of this material are listed on page 35

GlobalLogic results and forecast

Billions of yen	Q2 FY21	Q2-Q4 FY21 forecast	Overview
Revenues YoY	34.4 152%	102.8 134%	• Q2 FY21 revenues increased (YoY 152%) and realized expansion surpassing global DX market growth
Adjusted operating income Adjusted operating income ratio	7.6 22.0%	21.6 21.0%	• Achieved high profitability on standalone base, adjusted operating income ratio of 22.0% and EBITDA ratio of 23.4% in Q2 FY21
EBIT*4 EBIT ratio	7.6 22.0%	21.6 21.0%	• PMI is progressing as planned
EBITDA EBITDA ratio	8.1 23.4%	23.3 22.6%	• Acquisition-related amortization*5 is being calculated

Synergy acceleration

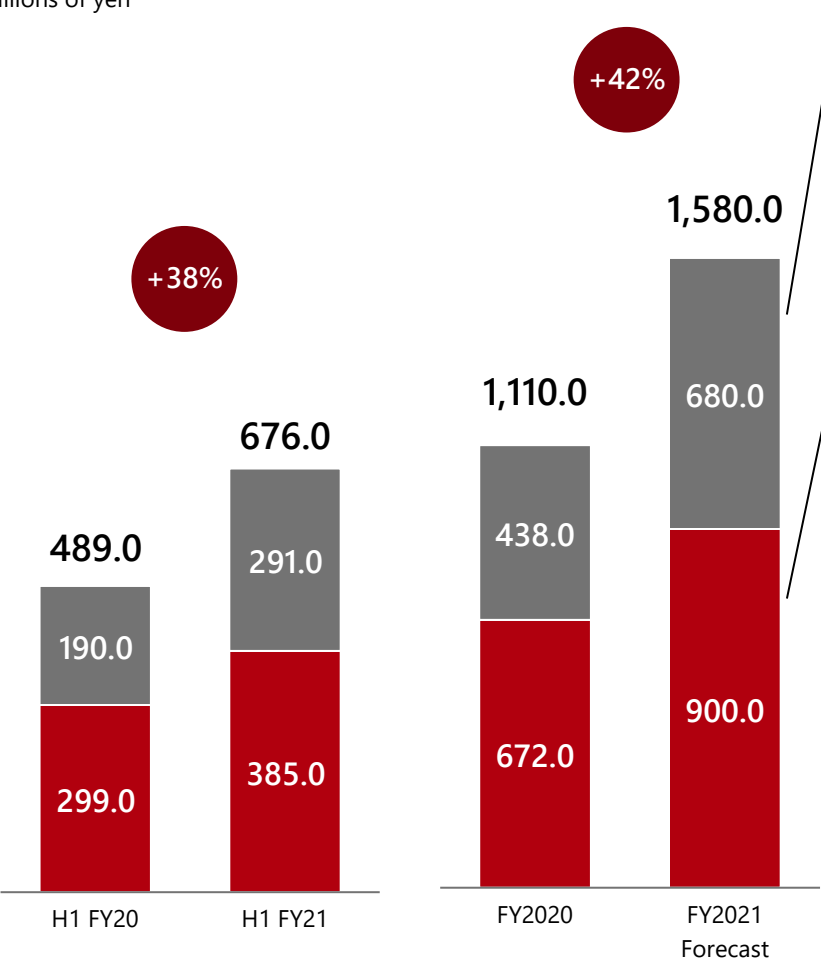
- Acquired orders by cross-selling between Hitachi Vantara and GlobalLogic
 - Provide Hitachi Vantara’s cloud management service to GlobalLogic’s customer (manufacturer, U.S.)
 - Provide GlobalLogic’s design engineering to Hitachi Vantara’s customer (financial institution, U.S.)
- Started collaboration with Hitachi Energy to expand energy-related digital solutions (sophistication of asset management software, development of next-generation energy platform, etc.)
- Connect Lumada Innovation Hub Tokyo and GlobalLogic design studios and engineering centers, and commenced project to strengthen storage “as-a-Service” business model

Steady progress of standalone business

- DX business expanded steadily leveraging experience design and digital engineering
 - Deliver software engineering services for full line of cyber security products (security service company, U.S.)
 - Renovate mobile application for retail (fashion design and retail company, U.S.)

Lumada business revenues

Billions of yen



■ Lumada Core Business ■ Lumada Related Business ● YoY Business

FY21 forecast dynamics

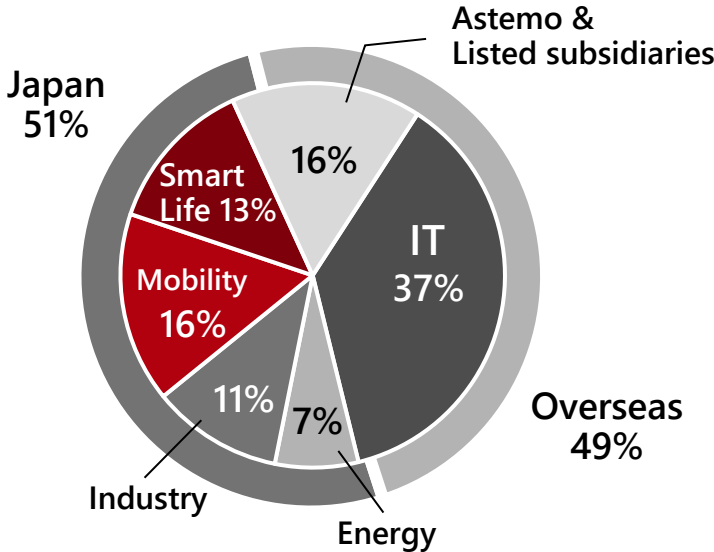
Lumada Related Business

- Revenues expansion by acquisitions of power grids business and integration of Hitachi High-Tech
- Industrial Products business and Smart Life & Ecofriendly Systems business lead organic growth

Lumada Core Business

- Revenues expansion by acquisitions of GlobalLogic and power grids business, and integration of Hitachi High-Tech
- Organic growth is driven by IT segment (AI, data analytics, security, IoT services, etc.) and Industry & Distribution solutions

Composition by segments (H1 FY21)



	Semiconductor shortage	Soaring material prices (steel, copper, etc.)	Lockdown in Asia region due to pandemic	Logistics and others
IT	Revenues decrease in IT products	Minor Impact	Revenues decrease due to prolonged lockdown in India	Minor Impact
Energy	Minor Impact	Cost increase of electrical steel sheet, etc. in power grids business	Impact on production of power grids business, mainly in India	Logistic cost increase in power grids business (Large equipment)
Industry	Impact on delivery date of products (factory automation equipment, etc.)	Cost increase in some products business	Minor Impact	Cost increase due to marine transport container shortage in some products business
Mobility	Minor Impact	Cost increase in Building Systems BU	Progress delay in some projects in Railway Systems BU	Minor Impact
Smart Life	Minor Impact	Cost increase in Smart Life & Ecofriendly Systems business	Delay in procuring some parts in Smart Life & Ecofriendly Systems business	Impact on production of Analytical Solutions business due to some parts supply shortage
Hitachi Astemo	Large revenues decrease due to OEM production cutbacks	Cost increase in some products due to price increase in materials such as steel and copper	Decrease in parts supply in India	Minor Impact
Listed subsidiaries	Revenues decrease in Hitachi Metals' automobile-related business (automotive casting, etc.)	Cost increase mainly in steel prices at Hitachi Construction Machinery	Minor Impact	Minor Impact

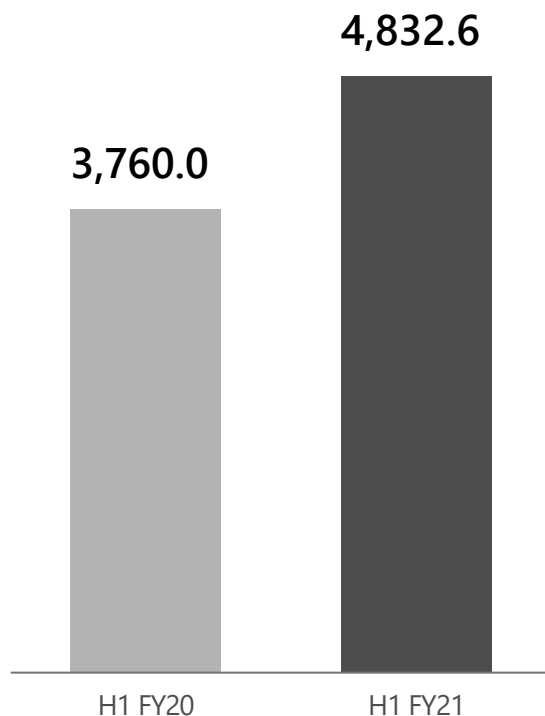


2. H1 FY2021 Results

Revenues

YoY 29% up

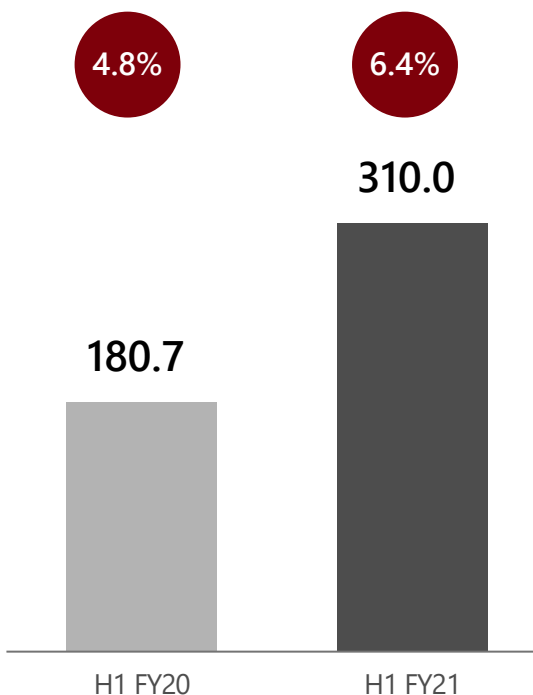
Revenues increased due to market recovery, the acquisition of power grids business and GlobalLogic, and the integration impact as Hitachi Astemo



Adjusted operating income

YoY 1.6 points increase
(Income ratio)

Adjusted operating income increased led by revenues increase



● Adjusted operating income ratio Billions of yen

Overseas revenues

2,920.1bn yen (YoY +52%)

Lumada business revenues

676.0bn yen (YoY +38%)

EBIT

425.4bn yen (YoY +39.2bn yen)

Net income attributable to Hitachi, Ltd. stockholders

322.4bn yen (YoY +71.6bn yen)

EBITDA

689.2bn yen (YoY +76.6bn yen)

Cash flows from operating activities

161.4bn yen (YoY (53.0)bn yen)

Interim dividend

60 yen / share (YoY +10 yen)

- Five sectors: revenues and profits increased due to market recovery and the acquisition of power grids business and GlobalLogic
- Astemo: revenues and profits increased due to the integration impact as Hitachi Astemo
- Listed subsidiaries: revenues and profits increased in Hitachi Construction Machinery and Hitachi Metals due to market recovery

Billions of yen	Five sectors [IT, Energy, Industry, Mobility, Smart Life*6]	Astemo [Automotive Systems*6,7]	Listed subsidiaries [Hitachi Construction Machinery, Hitachi Metals]	Total
Revenues	3,146.6	755.9	930.0	4,832.6
YoY	115%	234%	133%	129%
Adjusted operating income	234.8	22.3	52.8	310.0
YoY	+33.3	+41.0	+54.7	+129.2
Adjusted operating income ratio	7.5%	3.0%	5.7%	6.4%
YoY	+0.1 points	+8.8 points	+6.0 points	+1.6 points
EBIT	344.8	21.1	59.3	425.4
YoY	(101.5)	+48.5	+92.1	+39.2
EBIT ratio	11.0%	2.8%	6.4%	8.8%
YoY	(5.3) points	+11.3 points	+11.1 points	(1.5) points
Net income attributable to Hitachi, Ltd. stockholders	296.6	3.5	22.2	322.4
YoY	+4.7	+26.9	+40.0	+71.6

H1 FY21 Results by Business Segment (1/3)

Billions of yen	H1 FY21			YoY			Dynamics
	Revenues	AOI ⁽¹⁾⁽²⁾	EBIT ⁽²⁾	Revenues	AOI	EBIT	
IT	976.6	112.3 11.5%	106.7 10.9%	103%	+4.3 +0.1 points	+8.9 +0.6 points	<ul style="list-style-type: none"> ● Segment revenues and profits increased YoY due to expansion of Lumada business by capturing DX demand and cost control. IT segment achieved record-high adjusted operating income in H1 FY21 ● In Front Business, Lumada business expanded steadily, despite impacts from lockdown mainly in India and investment restraint of customers in transportation field, etc. ● Services & Platforms revenues and profits increased due to the strong performance of GlobalLogic, despite the partial impact of the semiconductor shortage
Front Business* ⁸	654.9	78.8 12.0%	78.5 12.0%	100%	+6.7 +1.0 points	+12.0 +1.8 points	
Services & Platforms* ⁹	393.7	31.2 7.9%	25.5 6.5%	106%	+3.5 +0.5 points	+0.5 (0.2) points	
Energy	675.0	(0.8) (0.1)%	13.8 2.0%	169%	+6.2 +1.7 points	+24.3 +4.6 points	<ul style="list-style-type: none"> ● Nuclear Energy BU and Energy BU profits increased due to reduction of fixed costs, etc., despite revenues decrease due to workload change in Nuclear Energy BU and strategy change of wind power generation system business in Energy BU ● Revenues of Hitachi Energy increased due to the impact of acquisition. Profits increased due to revenues increase, despite the impact of soaring raw material prices
Nuclear Energy* ¹⁰	49.7	-	-	78%	-	-	
Energy* ^{10,11}	83.1	-	-	92%	-	-	
Nuclear Energy & Energy* ^{10,11}	-	7.2 5.2%	10.3 7.5%	-	+1.5 +1.3 points	+4.0 +3.2 points	
Hitachi Energy	518.3	27.2 5.2%	30.0 5.8%	222%	+12.5 (1.1) points	+15.8 (0.3) points	
Related cost ⁽³⁾	-	(35.8)	(37.3)	-	(9.7)	(7.3)	

(1) AOI: adjusted operating income

(2) Percentages indicate adjusted operating income ratio or EBIT ratio

(3) Related cost includes acquisition-related amortization for the acquisition of power grids business and PMI related costs

H1 FY21 Results by Business Segment (2/3)

Billions of yen	H1 FY21			YoY			Dynamics
	Revenues	AOI	EBIT	Revenues	AOI	EBIT	
Industry	393.0	25.5 6.5%	25.7 6.6%	108%	+11.5 +2.6 points	+10.0 +2.3 points	<ul style="list-style-type: none"> ● Industry & Distribution BU revenues and profits increased due to market recovery and revenues increase in JR Automation ● Water & Environment BU revenues and profits increased due to fixed cost reductions, as well as steady performance in air conditioning system business ● Industrial Products business revenues and profits increased due to market recovery
Industry & Distribution* ¹⁰	153.2	11.1 7.3%	10.0 6.5%	110%	+5.8 +3.5 points	+4.3 +2.4 points	
Water & Environment* ¹⁰	70.6	3.6 5.1%	4.1 5.8%	115%	+2.6 +3.4 points	+4.6 +6.6 points	
Industrial Products	181.0	11.1 6.1%	11.9 6.6%	107%	+4.3 +2.1 points	+1.8 +0.7 points	
Mobility	709.4	44.9 6.3%	67.6 9.5%	132%	+5.1 (1.1) points	+26.3 +1.8 points	<ul style="list-style-type: none"> ● Building Systems BU revenues and profits increased due to expansion of Chinese business and FX impact, despite the impact of lower income due to soaring raw material prices ● Railway Systems BU revenues and profits increased due to market recovery and FX impact. EBIT increased due to gains from selling a part of Agility Trains East stocks
Building Systems	433.4	41.2 9.5%	41.4 9.6%	133%	+3.2 (2.2) points	+2.3 (2.4) points	
Railway Systems* ¹⁰	287.9	6.7 2.3%	29.2 10.1%	129%	+2.9 +0.6 points	+25.0 +8.2 points	
Smart Life⁽¹⁾	511.0	36.2 7.1%	91.6 17.9%	84%	(9.8) (0.5) points	+46.0 +10.4 points	<ul style="list-style-type: none"> ● Segment revenues decreased due to the impact of selling diagnostic imaging-related business ● Smart Life & Ecofriendly Systems revenues and profits decreased due to the impact of the selling the overseas home appliance business despite expansion of Lumada business. EBIT increased due to the gains from selling a part of shares of JV in overseas home appliances business ● Measurement & Analysis Systems revenues decreased due to revenues decrease in Industrial Solutions business due to the impact of business withdrawal, despite revenues increase in Analytical & Medical Solutions business. Its profits decreased due to product mix difference and increase in strategic investments in Nano-Technology Solutions business.
Smart Life & Ecofriendly Systems (Hitachi GLS ⁽²⁾)	204.5	12.8 6.3%	68.3 33.4%	90%	(4.9) (1.5) points	+49.3 +25.0 points	
Measurement & Analysis Systems (Hitachi High-Tech)	283.4	26.7 9.4%	27.1 9.6%	93%	(6.0) (1.3) points	(6.1) (1.3) points	

(1) The results of Smart Life segment include the revenues, adjusted operating income and EBIT of healthcare business and other businesses, as well as the gain from selling of diagnostic imaging-related business in FY2020 results

(2) Hitachi GLS: Hitachi Global Life Solutions

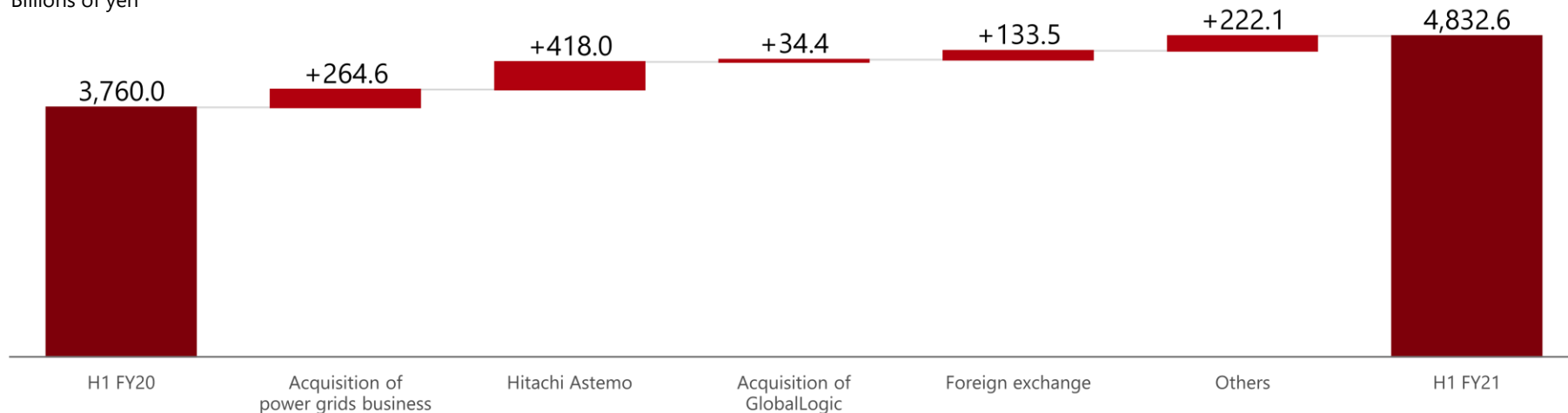
H1 FY21 Results by Business Segment (3/3)

Billions of yen	H1 FY21			YoY			Dynamics
	Revenues	AOI	EBIT	Revenues	AOI	EBIT	
Hitachi Astemo	755.9	22.3 3.0%	21.1 2.8%	234%	+41.0 +8.8 points	+48.5 +11.3 points	● Revenues and profits increased due to integration impact, despite the continued harsh business environment, including reduced production by automobile manufacturers due to semiconductor shortage, soaring raw material prices, and reduced component supply due to the lockdown
Hitachi Construction Machinery	473.6	37.5 7.9%	43.3 9.2%	131%	+27.1 +5.0 points	+37.4 +7.5 points	● Revenues and profits increased due to market recovery and price adjustment in the Americas market, despite cost increase mainly in steel prices
Hitachi Metals	456.3	15.2 3.3%	15.9 3.5%	134%	+27.6 +6.9 points	+54.7 +14.9 points	● Revenues and profits increased due to market recovery including increase in demand for automobiles and effect from structural reform
Others	217.4	11.8 5.5%	19.7 9.1%	104%	+4.3 +1.9 points	+9.2 +4.1 points	
Corporate items & Eliminations	(336.0)	4.5	19.3	-	+11.5	(226.5)	
Total	4,832.6	310.0 6.4%	425.4 8.8%	129%	+129.2 +1.6 points	+39.2 (1.5) points	

Factors Affecting Changes in Revenues and Adjusted Operating Income (H1 FY21 Total)

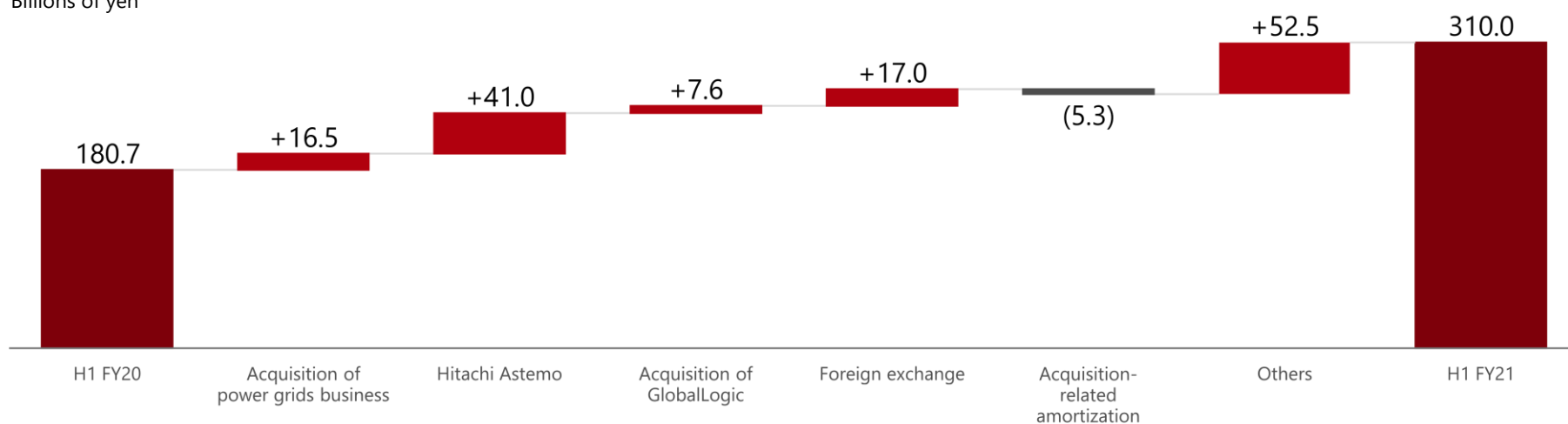
Revenues

Billions of yen

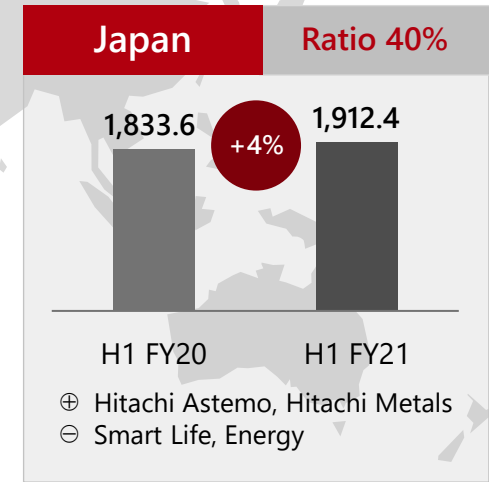
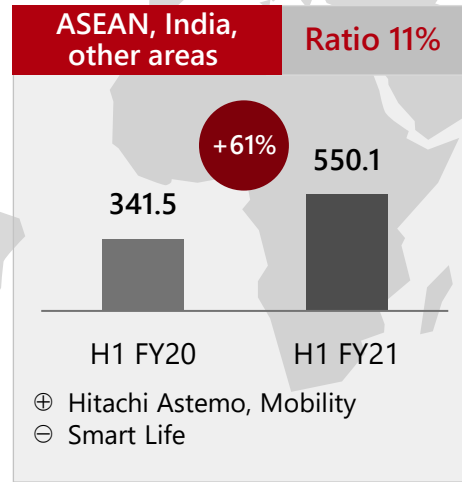
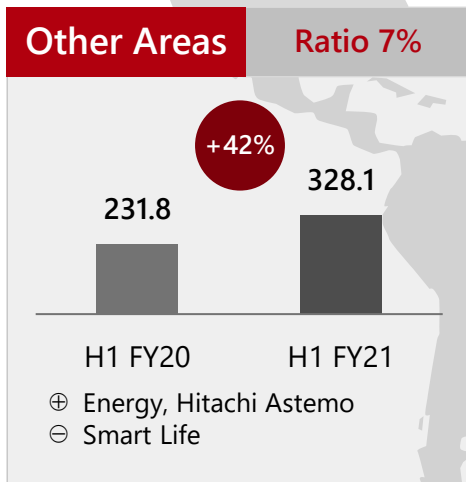
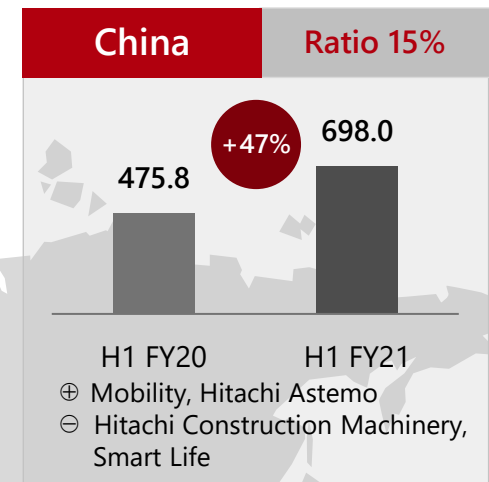
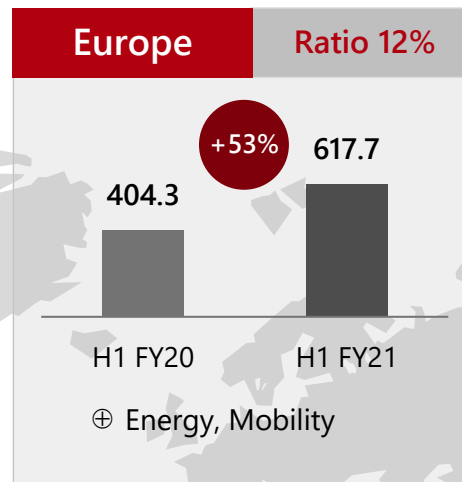
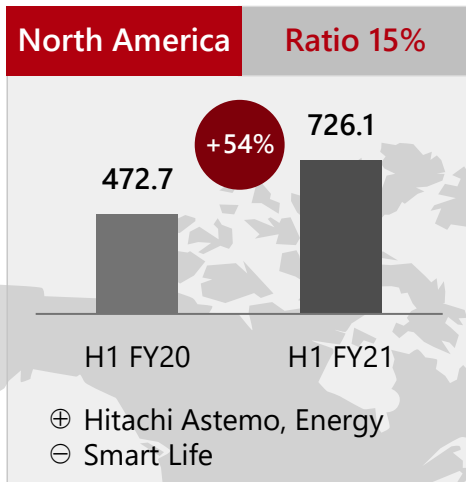


Adjusted operating income

Billions of yen



Revenues by Market



Overseas Revenues **2,920.1** billion yen

Ratio 60%

Billions of yen

Summary of Consolidated Financial Position

Billions of yen	As of March 31, 2021	As of September 30, 2021	Change from March 31, 2021
Total assets	11,852.8	12,879.5	+1,026.6
Cash and cash equivalents	1,015.8	880.9	(134.9)
Trade receivables and contract assets	2,734.4	2,562.1	(172.3)
Total liabilities	7,394.6	8,129.2	+734.6
Interest-bearing debt	2,397.3	3,313.6	+916.2
Total Hitachi, Ltd. stockholders' equity	3,525.5	3,824.8	+299.3
Non-controlling interests	932.7	925.3	(7.3)
Cash Conversion Cycle	81.0 days	74.1 days	(6.9) days
Total Hitachi, Ltd. stockholders' equity ratio	29.7%	29.7%	±0.0 point
D/E ratio	0.54 times	0.70 times	+0.16 points

Summary of Consolidated Statement of Cash Flows

Billions of yen	H1 FY2020	H1 FY2021	YoY
Cash flows from operating activities	214.4	161.4	(53.0)
Cash flows from investing activities	(703.8)	(951.4)	(247.5)
Free cash flows	(489.3)	(789.9)	(300.5)
Core free cash flows* ¹²	50.6	(43.6)	(94.2)



3. Q2 FY2021 Results

- Five sectors: revenues and profits increased due to market recovery and the acquisition of power grids business and GlobalLogic
- Astemo: revenues and profits increased due to the integration impact as Hitachi Astemo
- Listed subsidiaries: revenues and profits increased in Hitachi Construction Machinery and Hitachi Metals due to market recovery


Billions of yen	Five sectors [IT, Energy, Industry, Mobility, Smart Life]	Astemo [Automotive Systems]	Listed subsidiaries [Hitachi Construction Machinery, Hitachi Metals]	Total
Revenues	1,616.8	373.3	475.0	2,465.2
YoY	103%	174%	126%	114%
Adjusted operating income	136.6	10.2	32.7	179.5
YoY	+19.7	+7.3	+30.0	+57.1
Adjusted operating income ratio	8.5%	2.7%	6.9%	7.3%
YoY	+1.1 points	+1.4 points	+6.2 points	+1.6 points
EBIT	206.0	8.3	42.3	256.7
YoY	+132.3	+7.8	+70.8	+211.0
EBIT ratio	12.7%	2.2%	8.9%	10.4%
YoY	+8.0 points	+1.9 points	+16.5 points	+8.3 points
Net income attributable to Hitachi, Ltd. stockholders	182.3	0.7	17.0	200.2
YoY	+140.2	(0.6)	+33.0	+172.7

Highlights of Results (Q2 FY21)

Billions of yen	FY21 2Q		YoY		Dynamics
	Revenues	AOI ⁽¹⁾⁽²⁾	Revenues	AOI	
IT	533.7	68.7 12.9%	103%	(1.0) (0.6) points	<ul style="list-style-type: none"> ● Revenues increased driven by Lumada business and GlobalLogic, despite impacts from lockdown mainly in India, investment restraint of customers in transportation field and semiconductor shortage ● Excluding the acquisition-related amortization and one-time cost related to acquisition of GlobalLogic, profits increased YoY
Hitachi Energy	253.6	10.7 4.2%	109%	(4.0) (2.1) points	<ul style="list-style-type: none"> ● Revenues increased due to reduced impact of COVID-19. Profits decreased due to impacts of soaring material prices, lockdown in Asia region and logistics network turmoil ● Order intakes remained firm
Building Systems	219.2	18.2 8.3%	130%	(0.5) (2.8) points	<ul style="list-style-type: none"> ● Revenues increased due to business expansion in China. Profits decreased due to soaring material prices and decrease in orders in the previous fiscal year associated with COVID-19 in Japan
Railway Systems	142.3	6.4 4.5%	111%	+3.3 +2.1 points	<ul style="list-style-type: none"> ● Revenues and profits increased due to market recovery and FX impact
Hitachi High-Tech	139.1	12.5 9.0%	93%	+0.3 +0.8 points	<ul style="list-style-type: none"> ● Revenues decreased due to the impact of business withdrawal in Industrial Solutions business ● Revenues and profits of Analytical & Medical Solutions business increased due to its steady performance ● Nano-Technology Solutions business performed well but its profits decreased due to product mix difference and increase in strategic investments
Hitachi Astemo	373.3	10.2 2.7%	174%	+7.3 +1.4 points	<ul style="list-style-type: none"> ● Revenues and profits increased due to integration impact, despite the continued harsh business environment, including reduced production by automobile manufacturers due to semiconductor shortage, soaring raw material prices, and reduced component supply due to lockdown

(1) AOI: adjusted operating income

(2) Percentages indicate adjusted operating income ratio



4. FY2021 Forecast

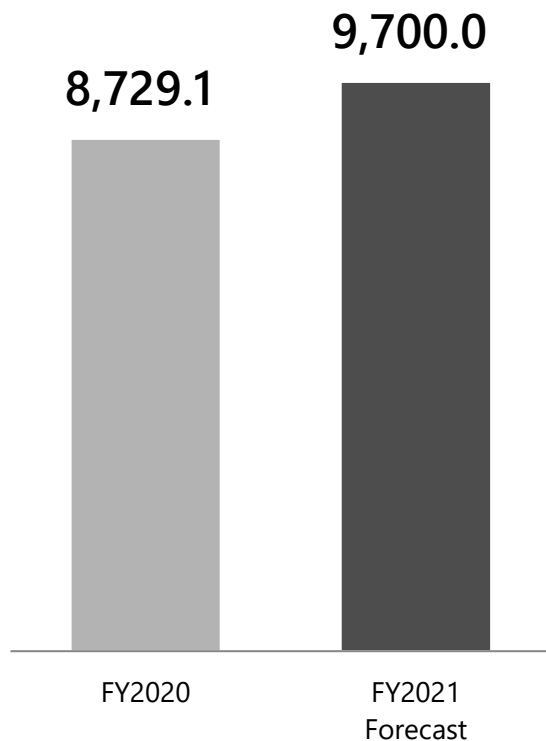
Highlights of Forecast (FY2021)

Revenues

YoY 11% up

Previous forecast comparison⁽¹⁾ 2% up

Revenues increase YoY due to market recovery, the acquisition of power grids business and GlobalLogic, and the integration impact as Hitachi Astemo

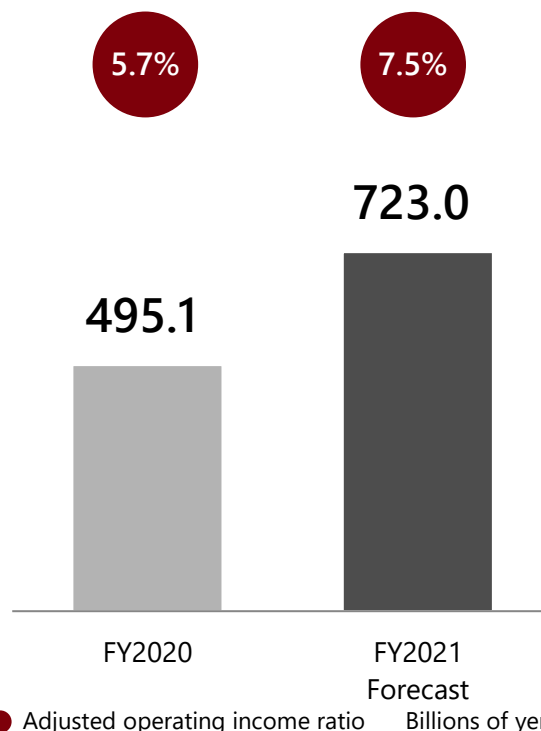


Adjusted operating income

YoY +227.8bn yen

Previous forecast comparison
(17.0) bn yen

Adjusted operating income increases YoY led by revenues increase



EBIT

820.0bn yen (YoY (30.2)bn yen)
(Previous forecast comparison ±0.0bn yen)

Net income attributable to Hitachi, Ltd. stockholders

550.0bn yen (YoY +48.3bn yen)
(Previous forecast comparison ±0.0bn yen)

EBITDA

1,352.0bn yen (YoY +8.9bn yen)
(Previous forecast comparison (18.0) bn yen)

Cash flows from operating activities

750.0bn yen (YoY (43.1)bn yen)
(Previous forecast comparison ±0.0bn yen)

Core free cash flows

300.0bn yen (YoY (119.8)bn yen)
(Previous forecast comparison ±0.0bn yen)

ROIC^{*13}

8.1% (YoY +1.7 points)
(Previous forecast comparison (0.2)points)

Assumed FX rate for H2 FY21

105 yen / US \$, 125 yen / €

FX sensitivity⁽²⁾ for H2 FY21

US \$: Revenues +10.5 AOI +1.5
€: Revenues +4.0 AOI +0.5

(1) "Previous forecast" is the forecast as of July 30, 2021

(2) Impact of FX rate fluctuation by one-yen depreciation from H2 FY21 assumed rate

- Five sectors: revenues and profits increase due to market recovery and the acquisition of power grids business and GlobalLogic
- Astemo: revenues and profits increase due to market recovery and the integration impact as Hitachi Astemo
- Listed subsidiaries: revenues and profits increase in Hitachi Construction Machinery and Hitachi Metals due to market recovery

Billions of yen	Five sectors [IT, Energy, Industry, Mobility, Smart Life]	Astemo [Automotive Systems]	Listed subsidiaries [Hitachi Construction Machinery, Hitachi Metals]	Total
Revenues	6,320.0	1,540.0	1,840.0	9,700.0
YoY	102%	156%	117%	111%
Adjusted operating income	548.0	68.0	107.0	723.0
YoY	+114.1	+33.2	+80.3	+227.8
Adjusted operating income ratio	8.7%	4.4%	5.8%	7.5%
YoY	+1.7 points	+0.9 points	+4.1 points	+1.8 points
EBIT	660.0	60.0	100.0	820.0
YoY	(207.4)	+55.6	+121.4	(30.2)
EBIT ratio	10.4%	3.9%	5.4%	8.5%
YoY	(3.7) points	+3.5 points	+6.8 points	(1.2) points
Net income attributable to Hitachi, Ltd. stockholders	504.0	15.0	31.0	550.0
YoY	(44.8)	+44.6	+48.5	+48.3

FY2021 Forecast by Business Segments (1/3)

Billions of yen	FY2021 Forecast			YoY			Dynamics
	Revenues	AOI ⁽³⁾⁽⁴⁾	EBIT ⁽⁴⁾	Revenues	AOI	EBIT	
IT⁽¹⁾	2,200.0	263.0	246.0	107%	(6.4)	+1.1	<ul style="list-style-type: none"> ● No change from the previous segment forecast ● Forecasts revenues increase due to growth in Lumada business led by capturing DX demand and GlobalLogic. Excluding acquisition-related amortization and one-time cost, profits are expected to increase YoY due to continuous cost control for profitability increase
Front Business	1,440.0	180.0	178.0	102%	+3.3	+10.2	
Services & Platforms	890.0	92.0	78.0	113%	+18.5	+18.7	
		12.0%	11.2%		(1.2) points	(0.8) points	
		12.5%	12.4%		±0.0 point	+0.5 points	
		10.3%	8.8%		+1.0 points	+1.3 points	
Energy	1,320.0	30.0	37.0	119%	+77.7	+92.5	<ul style="list-style-type: none"> ● No change from the previous segment forecast ● Nuclear Energy BU and Energy BU forecast revenues YoY decrease due to workload change in Nuclear Energy BU and profits YoY increase due to completion of strengthening measures for some projects in Energy BU, etc. ● Power grids business forecasts revenues YoY increase due to the impact of acquisition. Profits YoY increase due to profitability improvement and decrease in acquisition-related amortization
Nuclear Energy	156.6	-	-	92%	-	-	
Energy	188.4	-	-	100%	-	-	
Nuclear Energy & Energy	-	31.7	30.5	-	+37.9	+38.2	
Hitachi Energy	1,008.3	66.7	70.3	140%	+34.5	+33.8	
Related cost ⁽²⁾	-	(71.7)	(74.4)	-	(1.8)	+5.8	
		2.3%	2.8%		+6.6 points	+7.8 points	
		9.7%	9.3%		+11.5 points	+11.5 points	
		6.6%	7.0%		+2.1 points	+1.9 points	

(1) Earnings of GlobalLogic (standalone base) are included in Services & Platform (Revenues: 102.8bn yen, adjusted operating income: 21.6bn yen). Standalone base does not include acquisition-related amortization. The acquisition of GlobalLogic had been closed on July 14, 2021, and nine months earnings to be consolidated. Acquisition-related amortization for GlobalLogic is included in IT segment total

(2) Related cost includes acquisition-related amortization for the acquisition of power grids business and PMI related costs

(3) AOI: adjusted operating income

(4) Percentages are adjusted operating income ratio or EBIT ratio

FY2021 Forecast by Business Segments (2/3)

Billions of yen	FY2021 Forecast			YoY			Dynamics
	Revenues	AOI	EBIT	Revenues	AOI	EBIT	
Industry	850.0	69.0	59.0	102%	+23.4	+16.6	<ul style="list-style-type: none"> ● No change from the previous segment forecast ● Industry & Distribution BU forecasts revenues and profits YoY increase due to market recovery and revenues increase in JR Automation ● Water & Environment BU forecasts revenues and profits YoY increase due to fixed cost reduction, as well as stable growth in air conditioning system business ● Industrial Products business forecasts YoY revenues and profits increase due to market recovery
Industry & Distribution	315.0	27.5	23.5	103%	+11.7	+11.7	
Water & Environment	176.0	15.8	16.3	102%	+5.3	+7.4	
Industrial Products	390.0	30.0	29.0	104%	+5.6	+1.5	
		8.1%	6.9%		+2.6 points	+1.8 points	
		8.7%	7.5%		+3.5 points	+3.6 points	
		9.0%	9.3%		+2.9 points	+4.1 points	
		7.7%	7.4%		+1.2 points	+0.1 points	
Mobility	1,320.0	102.0	124.0	110%	+27.2	(5.0)	<ul style="list-style-type: none"> ● Segment revenues forecast was revised +70.0bn yen from the previous based on H1 performance of Building Systems BU. Profits forecasts are unchanged from the previous forecast due to concerns about the impact of soaring material prices and deterioration of credit in China ● Building Systems BU forecasts revenues and profits YoY increase due to the expansion of business in China ● Railway Systems BU forecasts revenues and profits YoY increase due to market recovery
Building Systems	770.0	73.5	73.5	113%	+8.5	(0.1)	
Railway Systems	575.0	34.2	55.2	105%	+17.7	(7.0)	
		7.7%	9.4%		+1.5 points	(1.4) points	
		9.5%	9.5%		(0.1) points	(1.3) points	
		6.0%	9.6%		+3.0 points	(1.8) points	
Smart Life⁽¹⁾	1,000.0	97.0	150.0	80%	+17.6	(52.1)	<ul style="list-style-type: none"> ● No change from the previous segment forecast ● Segment forecast revenues decrease YoY due to the impact of selling diagnostic imaging-related business ● Smart Life & Ecofriendly Systems business forecasts revenues and AOI YoY decrease and EBIT YoY increase due to the selling of overseas home appliance business ● Measurement & Analysis Systems business forecasts profits YoY increased due to increased demands in Analytical & Medical Solutions business and Nano-Technology Solutions business
Smart Life & Ecofriendly Systems (Hitachi GLS ⁽²⁾)	400.0	30.2	87.7	88%	(3.3)	+47.8	
Measurement & Analysis Systems (Hitachi High-Tech)	600.0	68.4	68.4	99%	+13.7	+13.3	
		9.7%	15.0%		+3.4 points	(1.1) points	
		7.6%	21.9%		+0.3 points	+13.2 points	
		11.4%	11.4%		+2.4 points	+2.3 points	

(1) The forecasts of Smart Life segment include the revenues, adjusted operating income and EBIT of healthcare business and other businesses, as well as the gain from selling of diagnostic imaging-related business in FY2020 results

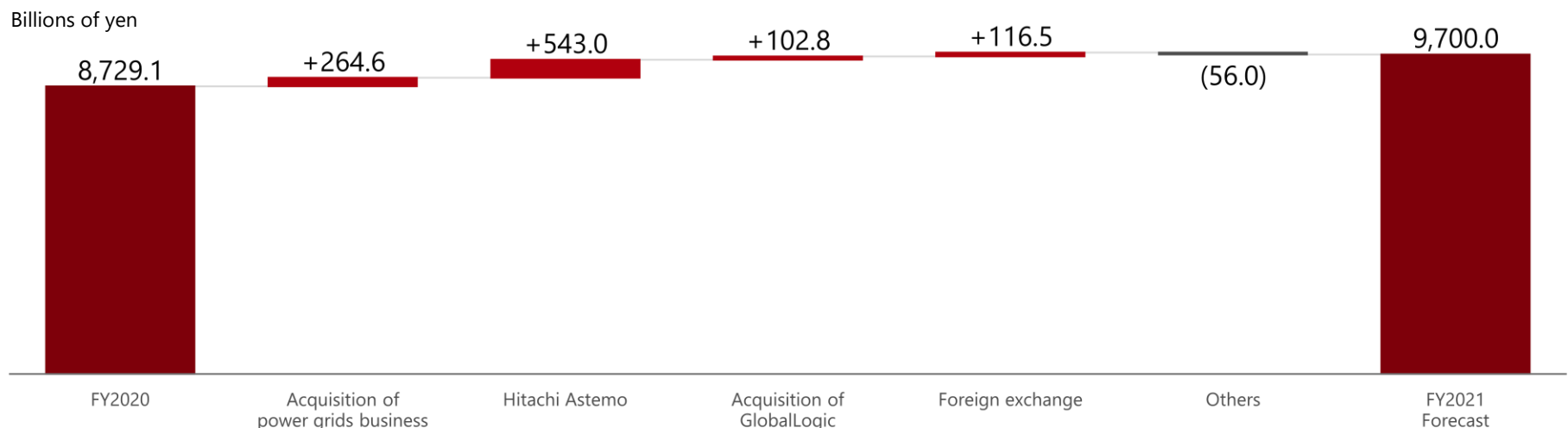
(2) Hitachi GLS: Hitachi Global Life Solutions

FY2021 Forecast by Business Segments (3/3)

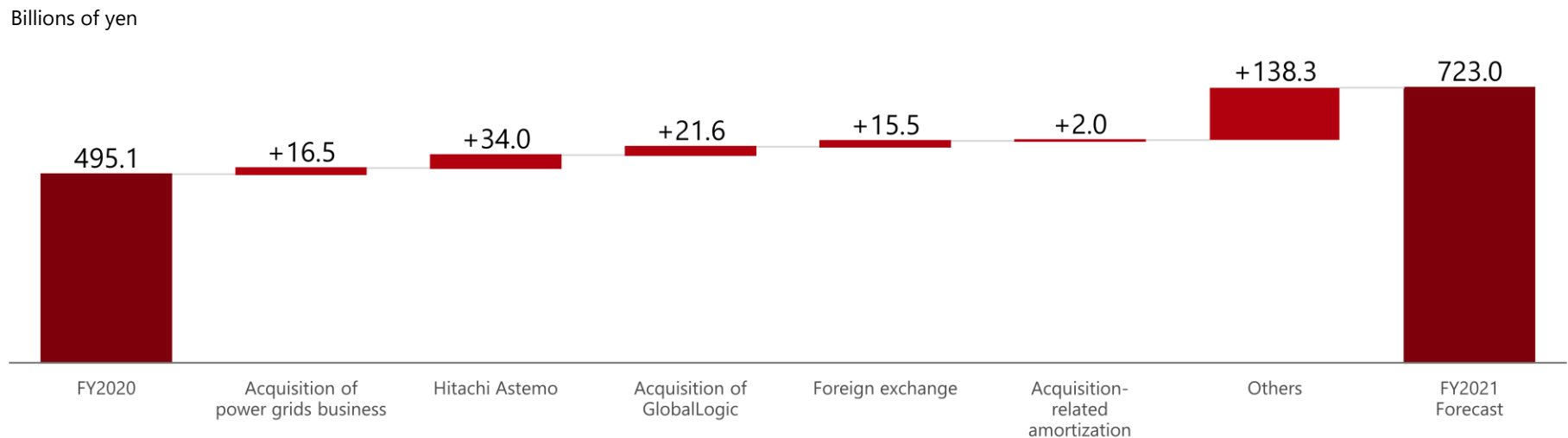
Billions of yen	FY2021 Forecast			YoY			Dynamics
	Revenues	AOI	EBIT	Revenues	AOI	EBIT	
Hitachi Astemo	1,540.0	68.0 4.4%	60.0 3.9%	156% +0.9 points	+33.2 +3.5 points	+55.6	<ul style="list-style-type: none"> ● Segment forecast was revised by (60.0) bn yen in revenues and (29.0) bn yen in AOI due to reduced production of automobile manufacturers caused by semiconductor shortage, soaring raw material prices, and reduced component supply due to the lockdown ● Forecasts revenues and profits YoY increase due to the integration impact and market recovery, despite the continued harsh business environment
Hitachi Construction Machinery	920.0	73.0 7.9%	81.5 8.9%	113% +4.0 points	+41.3 +5.5 points	+53.8	<ul style="list-style-type: none"> ● Segment forecast was revised by +40.0 bn yen in revenues and +12.0 bn yen in AOI ● Forecasts revenues and profits YoY increase due to recovery in major markets excluding China and price adjustment in the Americas market, despite the impact of price increase mainly in steel
Hitachi Metals	920.0	34.0 3.7%	18.5 2.0%	121% +4.4 points	+38.9 +8.5 points	+67.6	<ul style="list-style-type: none"> ● Segment forecast was revised by +70.0 bn yen in revenues ● Forecasts revenues and AOI YoY increase due to market recovery and effect from structural reform ● Forecasts EBIT YoY increases due to decrease in structural reform expenses
Others	450.0	16.0 3.6%	13.0 2.9%	100% (1.1) points	(5.2) (2.7) points	(12.3)	
Corporate items & Eliminations	(820.0)	(29.0)	31.0	-	(20.0)	(248.2)	
Total	9,700.0	723.0 7.5%	820.0 8.5%	111% +1.8 points	+227.8 (1.2) points	(30.2)	

Factors Affecting Changes in Revenues and Adjusted Operating Income (FY2021 Total)

Revenues

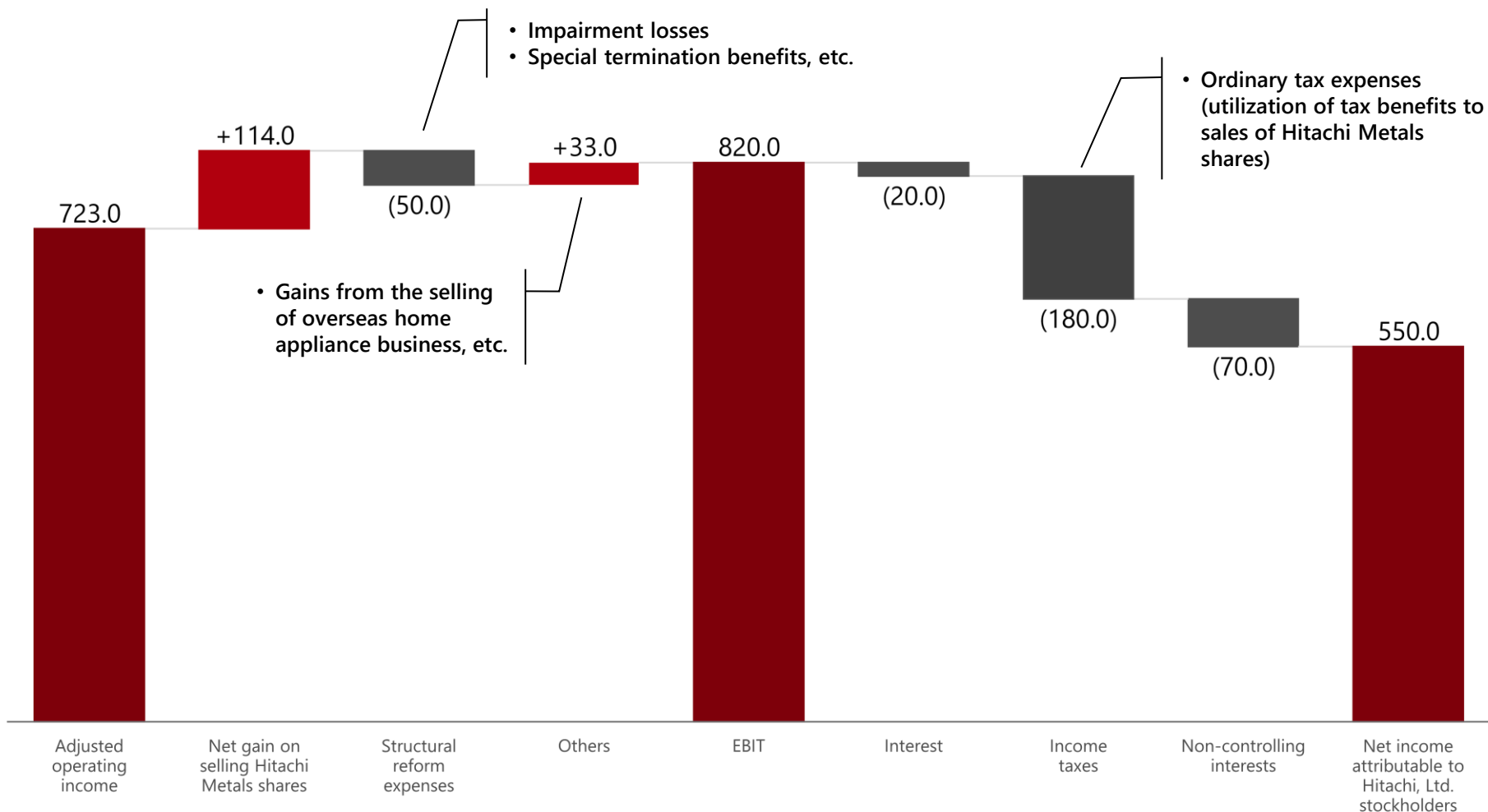


Adjusted operating income



Factors Affecting Changes in Net Income Attributable to Hitachi, Ltd. Stockholders (FY2021 Total)

Billions of yen



5. Appendix

	FY2020			FY2021				FY2021 Forecast	YoY	Previous forecast comparison
	Q2	H1	Total	Q2	YoY	H1	YoY			
Billions of yen										
Revenues	517.3	947.4	2,048.7	533.7	103%	976.6	103%	2,200.0	107%	100%
Front Business	362.7	653.9	1,414.2	352.7	97%	654.9	100%	1,440.0	102%	100%
Services & Platforms	199.2	372.0	790.3	220.6	111%	393.7	106%	890.0	113%	100%
Adjusted operating income⁽¹⁾	69.8	108.0	269.4	68.7	(1.0)	112.3	+4.3	263.0	(6.4)	±0.0
	13.5%	11.4%	13.2%	12.9%	(0.6) points	11.5%	+0.1 points	12.0%	(1.2) points	±0.0 point
Front Business	47.7	72.1	176.7	48.1	+0.4	78.8	+6.7	180.0	+3.3	±0.0
	13.1%	11.0%	12.5%	13.6%	+0.5 points	12.0%	+1.0 points	12.5%	±0.0 point	±0.0 point
Services & Platforms	17.7	27.7	73.5	20.2	+2.5	31.2	+3.5	92.0	+18.5	±0.0
	8.9%	7.4%	9.3%	9.1%	+0.2 points	7.9%	+0.5 points	10.3%	+1.0 points	±0.0 point
EBIT⁽¹⁾	59.7	97.8	244.8	62.6	+2.8	106.7	+8.9	246.0	+1.1	±0.0
	11.6%	10.3%	12.0%	11.7%	+0.1 points	10.9%	+0.6 points	11.2%	(0.8) points	±0.0 point
Front Business	40.8	66.5	167.8	47.3	+6.6	78.5	+12.0	178.0	+10.2	±0.0
	11.2%	10.2%	11.9%	13.4%	+2.2 points	12.0%	+1.8 points	12.4%	+0.5 points	±0.0 point
Services & Platforms	16.2	25.0	59.3	14.1	(2.1)	25.5	+0.5	78.0	+18.7	±0.0
	8.1%	6.7%	7.5%	6.4%	(1.7) points	6.5%	(0.2) points	8.8%	+1.3 points	±0.0 point
EBITDA	83.0	148.6	352.5	91.3	+8.2	160.8	+12.1	361.0	+8.4	(17.0)

(1) Percentages are adjusted operating income ratio or EBIT ratio

	FY2020			FY2021					Previous forecast comparison	
	Q2	H1	Total	Q2	YoY	H1	YoY	FY2021 Forecast		YoY
Billions of yen										
Revenues	324.4	398.8	1,107.9	338.9	104%	675.0	169%	1,320.0	119%	100%
Nuclear Energy	40.6	63.7	169.3	29.3	72%	49.7	78%	156.6	92%	100%
Energy	46.0	90.0	187.6	45.0	98%	83.1	92%	188.4	100%	100%
Hitachi Energy	233.6	233.6	722.4	253.6	109%	518.3	222%	1,008.3	140%	102%
Adjusted operating income	(9.1) <i>(2.8)%</i>	(7.0) <i>(1.8)%</i>	(47.7) <i>(4.3)%</i>	1.6 <i>0.5%</i>	+10.8 <i>+3.3 points</i>	(0.8) <i>(0.1)%</i>	+6.2 <i>+1.7 points</i>	30.0 <i>2.3%</i>	+77.7 <i>+6.6 points</i>	±0.0 <i>±0.0 point</i>
Nuclear Energy & Energy	2.4 <i>2.8%</i>	5.7 <i>3.9%</i>	(6.2) <i>(1.8)%</i>	3.6 <i>4.6%</i>	+1.2 <i>+1.8 points</i>	7.2 <i>5.2%</i>	+1.5 <i>+1.3 points</i>	31.7 <i>9.7%</i>	+37.9 <i>+11.5 points</i>	±0.0 <i>±0.0 point</i>
Hitachi Energy	14.7 <i>6.3%</i>	14.7 <i>6.3%</i>	32.2 <i>4.5%</i>	10.7 <i>4.2%</i>	(4.0) <i>(2.1) points</i>	27.2 <i>5.2%</i>	+12.5 <i>(1.1) points</i>	66.7 <i>6.6%</i>	+34.5 <i>+2.1 points</i>	±0.0 <i>(0.1) points</i>
Related cost⁽¹⁾	(25.9)	(26.1)	(69.9)	(12.6)	+13.4	(35.8)	(9.7)	(71.7)	(1.8)	+1.1
EBIT	(13.6) <i>(4.2)%</i>	(10.5) <i>(2.6)%</i>	(55.5) <i>(5.0)%</i>	15.3 <i>4.5%</i>	+28.9 <i>+8.7 points</i>	13.8 <i>2.0%</i>	+24.3 <i>+4.6 points</i>	37.0 <i>2.8%</i>	+92.5 <i>+7.8 points</i>	±0.0 <i>±0.0 point</i>
Nuclear Energy & Energy	1.2 <i>1.5%</i>	6.3 <i>4.3%</i>	(7.7) <i>(2.2)%</i>	5.5 <i>7.1%</i>	+4.3 <i>+5.6 points</i>	10.3 <i>7.5%</i>	+4.0 <i>+3.2 points</i>	30.5 <i>9.3%</i>	+38.2 <i>+11.5 points</i>	±0.0 <i>±0.0 point</i>
Hitachi Energy	14.2 <i>6.1%</i>	14.2 <i>6.1%</i>	36.5 <i>5.1%</i>	13.0 <i>5.1%</i>	(1.2) <i>(1.0) points</i>	30.0 <i>5.8%</i>	+15.8 <i>(0.3) points</i>	70.3 <i>7.0%</i>	+33.8 <i>+1.9 points</i>	+1.0 <i>±0.0 point</i>
Related cost⁽¹⁾	(28.9)	(29.9)	(80.2)	(13.4)	+15.4	(37.3)	(7.3)	(74.4)	+5.8	+0.8
EBITDA	18.5	22.9	31.1	38.2	+19.6	61.3	+38.4	124.0	+92.8	+1.0

(1) Related cost includes acquisition-related amortization for the acquisition of power grids business and PMI related costs

	FY2020			FY2021				FY2021 Forecast	YoY	Previous forecast comparison
	Q2	H1	Total	Q2	YoY	H1	YoY			
Billions of yen										
Revenues	196.6	362.5	830.1	206.0	105%	393.0	108%	850.0	102%	100%
Industry & Distribution	79.1	138.9	305.3	83.6	106%	153.2	110%	315.0	103%	100%
Water & Environment	33.6	61.5	173.3	37.2	111%	70.6	115%	176.0	102%	100%
Industrial Products	89.3	169.6	376.4	92.3	103%	181.0	107%	390.0	104%	100%
Adjusted operating income	12.1	13.9	45.5	15.8	+3.7	25.5	+11.5	69.0	+23.4	±0.0
	6.2%	3.9%	5.5%	7.7%	+1.5 points	6.5%	+2.6 points	8.1%	+2.6 points	±0.0 point
Industry & Distribution	7.0	5.3	15.8	8.2	+1.1	11.1	+5.8	27.5	+11.7	±0.0
	8.9%	3.8%	5.2%	9.8%	+0.9 points	7.3%	+3.5 points	8.7%	+3.5 points	±0.0 point
Water & Environment	1.3	1.0	10.5	2.9	+1.6	3.6	+2.6	15.8	+5.3	±0.0
	3.9%	1.7%	6.1%	7.7%	+3.8 points	5.1%	+3.4 points	9.0%	+2.9 points	±0.0 point
Industrial Products	3.9	6.8	24.4	5.1	+1.2	11.1	+4.3	30.0	+5.6	±0.0
	4.3%	4.0%	6.5%	5.5%	+1.2 points	6.1%	+2.1 points	7.7%	+1.2 points	±0.0 point
EBIT	11.2	15.7	42.3	15.3	+4.1	25.7	+10.0	59.0	+16.6	±0.0
	5.7%	4.3%	5.1%	7.5%	+1.8 points	6.6%	+2.3 points	6.9%	+1.8 points	±0.0 point
Industry & Distribution	7.7	5.8	11.8	7.0	(0.7)	10.0	+4.3	23.5	+11.7	±0.0
	9.7%	4.1%	3.9%	8.3%	(1.4) points	6.5%	+2.4 points	7.5%	+3.6 points	±0.0 point
Water & Environment	(0.2)	(0.5)	8.9	3.1	+3.3	4.1	+4.6	16.3	+7.4	±0.0
	(0.5)%	(0.8)%	5.2%	8.3%	+8.8 points	5.8%	+6.6 points	9.3%	+4.1 points	±0.0 point
Industrial Products	4.2	10.1	27.5	5.6	+1.4	11.9	+1.8	29.0	+1.5	±0.0
	4.7%	5.9%	7.3%	6.0%	+1.3 points	6.6%	+0.7 points	7.4%	+0.1 points	±0.0 point
EBITDA	16.8	27.8	66.9	20.8	+3.9	36.5	+8.6	79.0	+12.0	±0.0

	FY2020			FY2021					Previous forecast comparison	
	Q2	H1	Total	Q2	YoY	H1	YoY	FY2021 Forecast		YoY
Billions of yen										
Revenues	290.4	538.7	1,199.6	354.7	122%	709.4	132%	1,320.0	110%	106%
Building Systems	168.1	325.8	679.1	219.2	130%	433.4	133%	770.0	113%	110%
Railway Systems	127.8	222.8	547.7	142.3	111%	287.9	129%	575.0	105%	100%
Adjusted operating income	20.6	39.8	74.7	23.0	+2.3	44.9	+5.1	102.0	+27.2	±0.0
	7.1%	7.4%	6.2%	6.5%	(0.6) points	6.3%	(1.1) points	7.7%	+1.5 points	(0.5) points
Building Systems	18.7	38.0	65.0	18.2	(0.5)	41.2	+3.2	73.5	+8.5	±0.0
	11.1%	11.7%	9.6%	8.3%	(2.8) points	9.5%	(2.2) points	9.5%	(0.1) points	(1.0) points
Railway Systems	3.1	3.8	16.5	6.4	+3.3	6.7	+2.9	34.2	+17.7	±0.0
	2.4%	1.7%	3.0%	4.5%	+2.1 points	2.3%	+0.6 points	6.0%	+3.0 points	±0.0 point
EBIT	21.3	41.3	129.0	24.2	+2.8	67.6	+26.3	124.0	(5.0)	±0.0
	7.4%	7.7%	10.8%	6.8%	(0.6) points	9.5%	+1.8 points	9.4%	(1.4) points	(0.5) points
Building Systems	18.8	39.2	73.6	18.2	(0.6)	41.4	+2.3	73.5	(0.1)	±0.0
	11.2%	12.0%	10.8%	8.3%	(2.9) points	9.6%	(2.4) points	9.5%	(1.3) points	(1.0) points
Railway Systems	3.7	4.2	62.2	7.6	+3.9	29.2	+25.0	55.2	(7.0)	±0.0
	2.9%	1.9%	11.4%	5.3%	+2.4 points	10.1%	+8.2 points	9.6%	(1.8) points	±0.0 point
EBITDA	29.3	56.9	161.0	32.9	+3.6	84.9	+28.0	158.5	(2.5)	±0.0

	FY2020			FY2021					Previous forecast comparison	
	Q2	H1	Total	Q2	YoY	H1	YoY	FY2021 Forecast		YoY
Billions of yen										
Revenues	313.1	607.4	1,252.7	244.4	78%	511.0	84%	1,000.0	80%	100%
Smart Life & Ecofriendly Systems (Hitachi GLS)	122.1	226.2	456.3	94.3	77%	204.5	90%	400.0	88%	98%
Measurement & Analysis Systems (Hitachi High-Tech)	149.2	305.6	606.3	139.1	93%	283.4	93%	600.0	99%	108%
Adjusted operating income	22.6	46.1	79.4	16.0	(6.6)	36.2	(9.8)	97.0	+17.6	±0.0
	7.2%	7.6%	6.3%	6.6%	(0.6) points	7.1%	(0.5) points	9.7%	+3.4 points	±0.0 point
Smart Life & Ecofriendly Systems (Hitachi GLS)	12.0	17.7	33.5	5.7	(6.3)	12.8	(4.9)	30.2	(3.3)	(3.2)
	9.8%	7.8%	7.3%	6.0%	(3.8) points	6.3%	(1.5) points	7.6%	+0.3 points	(0.6) points
Measurement & Analysis Systems (Hitachi High-Tech)	12.2	32.7	54.7	12.5	+0.3	26.7	(6.0)	68.4	+13.7	±0.0
	8.2%	10.7%	9.0%	9.0%	+0.8 points	9.4%	(1.3) points	11.4%	+2.4 points	(0.9) points
EBIT	19.4	45.6	202.1	65.3	+45.8	91.6	+46.0	150.0	(52.1)	±0.0
	6.2%	7.5%	16.1%	26.7%	+20.5 points	17.9%	+10.4 points	15.0%	(1.1) points	±0.0 point
Smart Life & Ecofriendly Systems (Hitachi GLS)	10.4	19.0	39.9	55.0	+44.6	68.3	+49.3	87.7	+47.8	±0.0
	8.6%	8.4%	8.7%	58.3%	+49.7 points	33.4%	+25.0 points	21.9%	+13.2 points	+0.5 points
Measurement & Analysis Systems (Hitachi High-Tech)	12.1	33.2	55.1	12.7	+0.6	27.1	(6.1)	68.4	+13.3	±0.0
	8.1%	10.9%	9.1%	9.1%	+1.0 points	9.6%	(1.3) points	11.4%	+2.3 points	(0.9) points
EBITDA	28.2	63.0	238.7	73.0	+44.8	107.8	+44.8	187.0	(51.7)	±0.0

	FY2020			FY2021				FY2021 Forecast	YoY	Previous forecast comparison
	Q2	H1	Total	Q2	YoY	H1	YoY			
Billions of yen										
Hitachi Astemo										
Revenues	214.0	323.4	987.5	373.3	174%	755.9	234%	1,540.0	156%	96%
Adjusted operating income	2.8 <i>1.3%</i>	(18.7) <i>(5.8)%</i>	34.7 <i>3.5%</i>	10.2 <i>2.7%</i>	+7.3 <i>+1.4 points</i>	22.3 <i>3.0%</i>	+41.0 <i>+8.8 points</i>	68.0 <i>4.4%</i>	+33.2 <i>+0.9 points</i>	(29.0) <i>(1.7) points</i>
EBIT	0.5 <i>0.3%</i>	(27.3) <i>(8.5)%</i>	4.3 <i>0.4%</i>	8.3 <i>2.2%</i>	+7.8 <i>+1.9 points</i>	21.1 <i>2.8%</i>	+48.5 <i>+11.3 points</i>	60.0 <i>3.9%</i>	+55.6 <i>+3.5 points</i>	(16.0) <i>(0.9) points</i>
EBITDA	13.5	(2.0)	65.0	31.0	+17.5	67.1	+69.1	155.0	+89.9	(19.0)
Hitachi Construction Machinery										
Revenues	190.7	360.9	813.3	245.5	129%	473.6	131%	920.0	113%	105%
Adjusted operating income	7.7 <i>4.1%</i>	10.4 <i>2.9%</i>	31.6 <i>3.9%</i>	25.9 <i>10.6%</i>	+18.2 <i>+6.5 points</i>	37.5 <i>7.9%</i>	+27.1 <i>+5.0 points</i>	73.0 <i>7.9%</i>	+41.3 <i>+4.0 points</i>	+12.0 <i>+1.0 points</i>
EBIT	3.5 <i>1.9%</i>	5.9 <i>1.7%</i>	27.6 <i>3.4%</i>	31.0 <i>12.6%</i>	+27.4 <i>+10.7 points</i>	43.3 <i>9.2%</i>	+37.4 <i>+7.5 points</i>	81.5 <i>8.9%</i>	+53.8 <i>+5.5 points</i>	+24.0 <i>+2.4 points</i>
EBITDA	16.6	31.1	78.9	45.1	+28.4	71.1	+40.0	139.5	+60.5	+25.0
Hitachi Metals										
Revenues	186.0	340.8	761.6	229.5	123%	456.3	134%	920.0	121%	108%
Adjusted operating income	(5.0) <i>(2.7)%</i>	(12.3) <i>(3.6)%</i>	(4.9) <i>(0.7)%</i>	6.7 <i>2.9%</i>	+11.8 <i>+5.6 points</i>	15.2 <i>3.3%</i>	+27.6 <i>+6.9 points</i>	34.0 <i>3.7%</i>	+38.9 <i>+4.4 points</i>	±0.0 <i>(0.3) points</i>
EBIT	(32.1) <i>(17.3)%</i>	(38.7) <i>(11.4)%</i>	(49.1) <i>(6.5)%</i>	11.3 <i>4.9%</i>	+43.4 <i>+22.2 points</i>	15.9 <i>3.5%</i>	+54.7 <i>+14.9 points</i>	18.5 <i>2.0%</i>	+67.6 <i>+8.5 points</i>	±0.0 <i>(0.2) points</i>
EBITDA	(18.9)	(12.3)	1.2	22.8	+41.8	39.1	+51.4	64.5	+63.2	±0.0

Others, Corporate items & Eliminations and Total

	FY2020			FY2021					Previous forecast comparison	
	Q2	H1	Total	Q2	YoY	H1	YoY	FY2021 Forecast		YoY
Billions of yen										
Others										
Revenues	110.0	208.6	449.0	111.0	101%	217.4	104%	450.0	100%	100%
Adjusted operating income	5.9 <i>5.4%</i>	7.5 <i>3.6%</i>	21.2 <i>4.7%</i>	6.7 <i>6.1%</i>	+0.8 <i>+0.7 points</i>	11.8 <i>5.5%</i>	+4.3 <i>+1.9 points</i>	16.0 <i>3.6%</i>	(5.2) <i>(1.1) points</i>	±0.0 <i>±0.0 point</i>
EBIT	6.0 <i>5.5%</i>	10.4 <i>5.0%</i>	25.3 <i>5.6%</i>	14.3 <i>12.9%</i>	+8.2 <i>+7.4 points</i>	19.7 <i>9.1%</i>	+9.2 <i>+4.1 points</i>	13.0 <i>2.9%</i>	(12.3) <i>(2.7) points</i>	±0.0 <i>±0.0 point</i>
EBITDA	14.4	26.1	59.2	22.6	+8.2	36.5	+10.3	45.0	(14.2)	±0.0
Corporate items & Eliminations										
Revenues	(177.1)	(328.7)	(721.6)	(172.1)	-	(336.0)	-	(820.0)	-	-
Adjusted operating income	(5.1)	(6.9)	(8.9)	4.4	+9.6	4.5	+11.5	(29.0)	(20.0)	±0.0
EBIT	(30.6)	245.9	279.2	8.7	+39.3	19.3	(226.5)	31.0	(248.2)	(8.0)
Total										
Revenues	2,165.7	3,760.0	8,729.1	2,465.2	114%	4,832.6	129%	9,700.0	111%	102%
Adjusted operating income	122.4 <i>5.7%</i>	180.7 <i>4.8%</i>	495.1 <i>5.7%</i>	179.5 <i>7.3%</i>	+57.1 <i>+1.6 points</i>	310.0 <i>6.4%</i>	+129.2 <i>+1.6 points</i>	723.0 <i>7.5%</i>	+227.8 <i>+1.8 points</i>	(17.0) <i>(0.3) points</i>
EBIT	45.7 <i>2.1%</i>	386.2 <i>10.3%</i>	850.2 <i>9.7%</i>	256.7 <i>10.4%</i>	+211.0 <i>+8.3 points</i>	425.4 <i>8.8%</i>	+39.2 <i>(1.5) points</i>	820.0 <i>8.5%</i>	(30.2) <i>(1.2) points</i>	±0.0 <i>(0.1) points</i>
EBITDA	173.4	612.6	1,343.0	389.2	+215.8	689.2	+76.6	1,352.0	+8.9	(18.0)

- *1 "EBITDA" is presented as income from continuing operations, before income taxes less interest income plus interest charges, depreciation and amortization
- *2 "Adjusted operating income" is presented as revenues less selling, general and administrative expenses as well as cost of sales
- *3 The total of "five sectors" is presented as the consolidated total less the total of Hitachi Astemo and listed subsidiaries. It includes others and corporate items & eliminations
- *4 "EBIT" is presented as income from continuing operations, before income taxes less interest income plus interest charges
- *5 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
- *6 Automotive Systems (Hitachi Astemo) is included in Automotive Systems (Hitachi Astemo) segment from FY2021. The year-over-year comparison for Smart Life segment and Automotive Systems (Hitachi Astemo) segment reflects this change
- *7 Figures of H1 FY20 do not include the financial results of Keihin Corporation, Showa Corporation, and Nissin Kogyo Co., Ltd.
- *8 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.
- *9 Sales, maintenance and services of control systems, server, storage, related software, etc.
- *10 Figures for each BU include control systems business, which is posted in IT segment
- *11 The year-over-year comparison for Energy BU reflects the reorganization related to power grids business
- *12 "Core free cash flows" are cash flows presented as free cash flows excluding cash flows from M&A and asset sales, etc.
- *13 $ROIC(\text{Return on Invested Capital}) = (\text{NOPAT} + \text{share of profits(losses) of investments accounted for using the equity method}) / \text{"Invested Capital"} \times 100$
NOPAT(Net Operating Profit after Tax) = adjusted operating income x (1 – tax burden rate)
Invested Capital = interest-bearing debt + total equity

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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