

Hitachi Investor Day 2022

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# Connective Industries Sector

June 13, 2022

**Masakazu Aoki**

Executive Vice President and Executive Officer  
General Manager of Connective Industries Division

## Connective Industries

Connecting  
data, value, industry, and society.

This sector brings together Hitachi's unrivaled products, connects them to the digital, and offers them as solutions.

We aim to be "sustainable value creators."



**Urban Gr.**  
(Building systems,  
home appliances,  
air conditioning field)



**Advanced Technology Gr.**  
(Healthcare, semiconductor field)



**Industry Gr.**  
(Industry field)

**Digital**  
 **LUMADA**

- 1 | Responding to complicated and complex social issues and the reason for establishing the Connective Industries
- 2 | The evolution and expansion of total seamless solutions and the expansion and strengthening of recurring business
- 3 | Accelerating global growth and creating green value

# Connective Industries Sector

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1. Overview of the Connective Industries
2. Looking Back on the 2021 Mid-term Management Plan
3. What the Connective Industries Aims to Be
4. Business Strategy for the 2024 Mid-term Management Plan
5. Development for Global Growth
6. Initiatives to Generate Green Value
7. Conclusion

Appendix 1. Business Contents    Appendix 2. Business Activities

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# 1-1. Position of the Connective Industries

## Connective Industries

Urban Gr.

Building Systems BU

Hitachi Global Life Solutions

Advanced  
Technology Gr.

Healthcare, Measurement & Analysis Systems  
Business  
(Hitachi High-Tech)

Industry Gr.

Industrial Digital BU

Water & Environment BU

Industrial Products Business  
(Hitachi Industrial Products,  
Hitachi Industrial Equipment Systems)

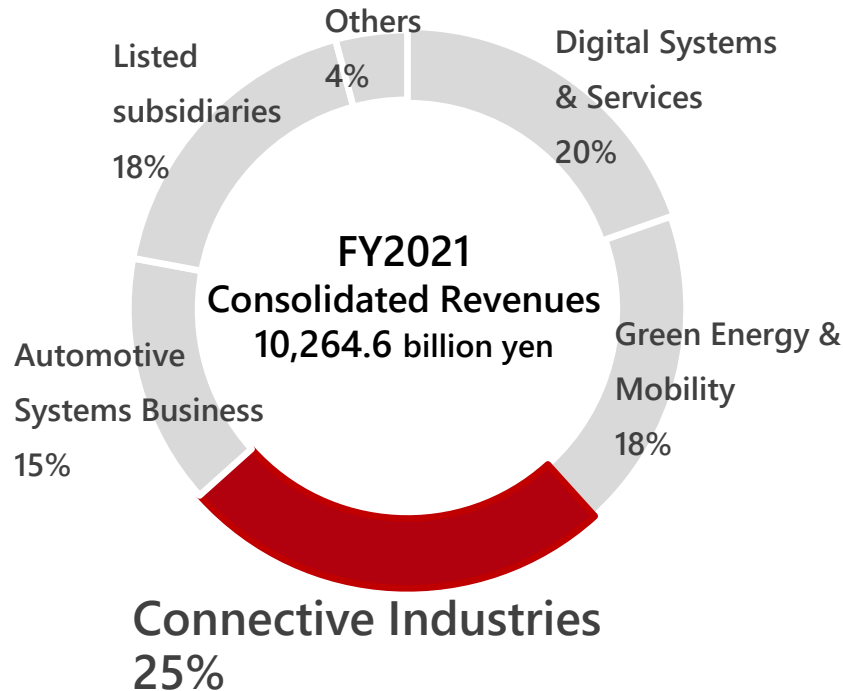
Digital Systems & Services

Green Energy & Mobility

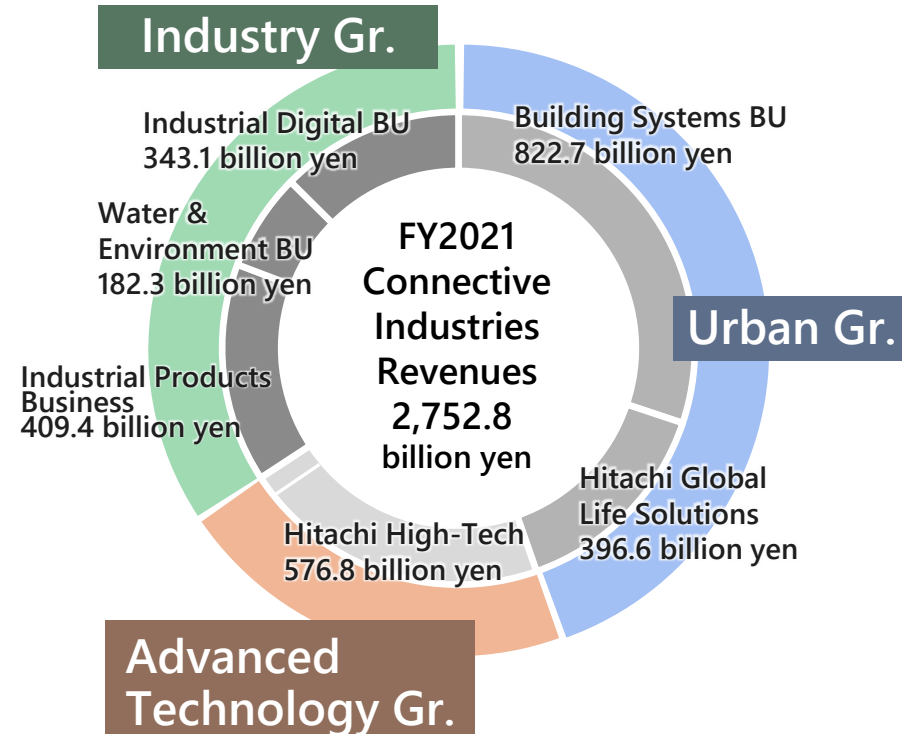
Automotive Systems Business

# 1-2. Business Overview

Revenue from the Connective Industries as a percentage of Hitachi's total revenue



Revenue by business within the Connective Industries



# 1-3. Business Domains

Holding the sector with industry-leading products and expanding globally

Workplace system

Products

Urban Gr.  
(Building systems, home appliances, air conditioning field)

Elevators & Escalators



Home appliances



Advanced Technology Gr.  
(Healthcare, semiconductor field)

Semiconductor metrology/ inspection equipment



Clinical chemistry and immunochemistry analyzer



Electron microscopes



DNA sequencers



Particle therapy system



Automated cell culture equipment



Industry Gr.  
(Industry field)

Air compressor



Process compressor



Transformer



Marking system



Automated guided robot



Industrial PC

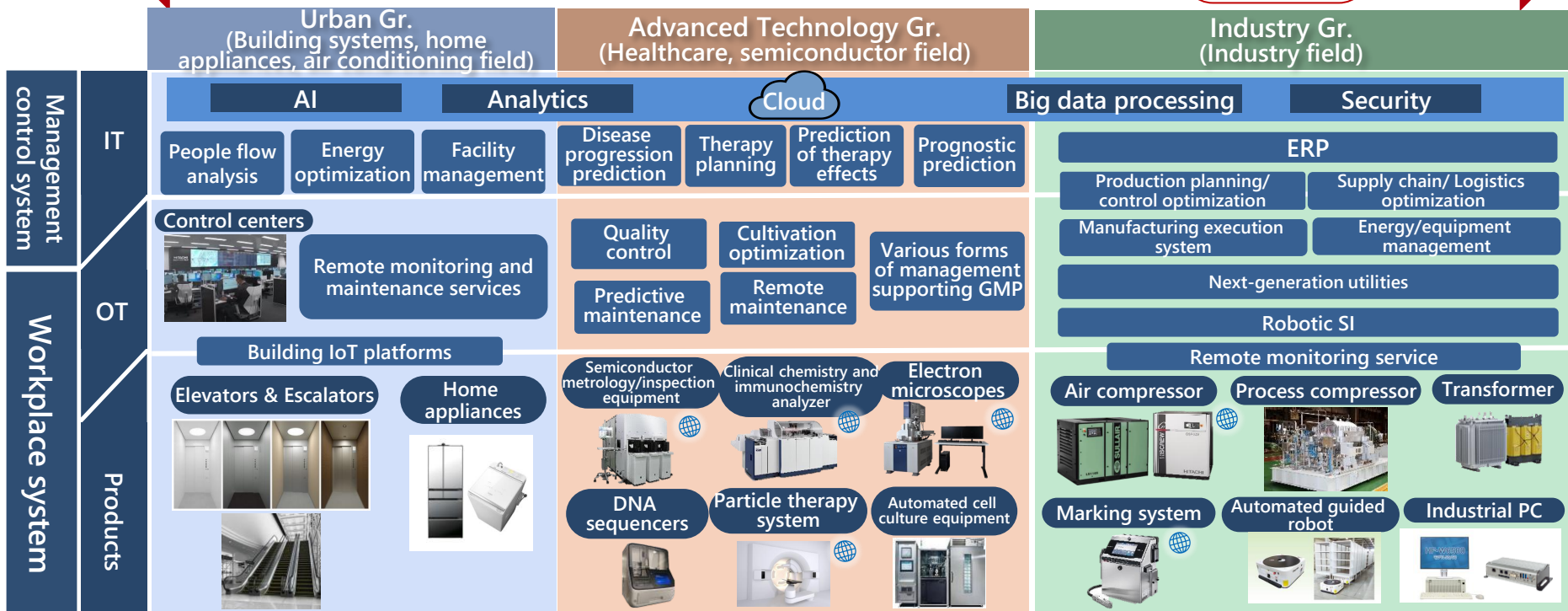




# 1-3. Business Domains

Providing solutions in many fields through Strong Product x Digital

Creating customer value in value chains



Boost issue-solving capabilities and generate new value through integrated management of strong products and digital solution in the sector

## Connective Industries

**Masakazu Aoki**  
Executive Vice President and Executive Officer



### Urban Gr.

**Building Systems BU**



**Shinya Mitsudomi**  
CEO

**Hitachi Global Life Solutions**



**Hideki Osumi**  
President



**Jia Yuhui**,  
China Head,  
Building Systems BU  
and  
President, Hitachi  
Elevator (China)



**Sia Tuck Seng Victor**,  
Asia Head and CMO,  
Building Systems BU

### Advanced Technology Gr.

Healthcare, Measurement & Analysis Systems Business

**Hitachi High-Tech**



**Takashi Iizumi**  
President



**Craig Kerkove**,  
President & CEO,  
Hitachi High-Tech  
America



**Dawn Brooks**  
Managing  
Director, Hitachi  
High-Tech  
Analytical Science

### Industry Gr.

**Industrial Digital BU**



**Kazunobu Morita**  
CEO

**Water & Environment BU**



**Hideshi Nakatsu**  
CEO

Industrial Products Business

**Hitachi Industrial Products**



**Keizo Kobayashi**  
President and Director

**Hitachi Industrial Equipment Systems**



**Yasuhiro Takeuchi**  
President and Director



**Craig Ulrich**,  
CEO,  
JR Automation



**John Randall**,  
President & CEO,  
Sullair

# Connective Industries Sector

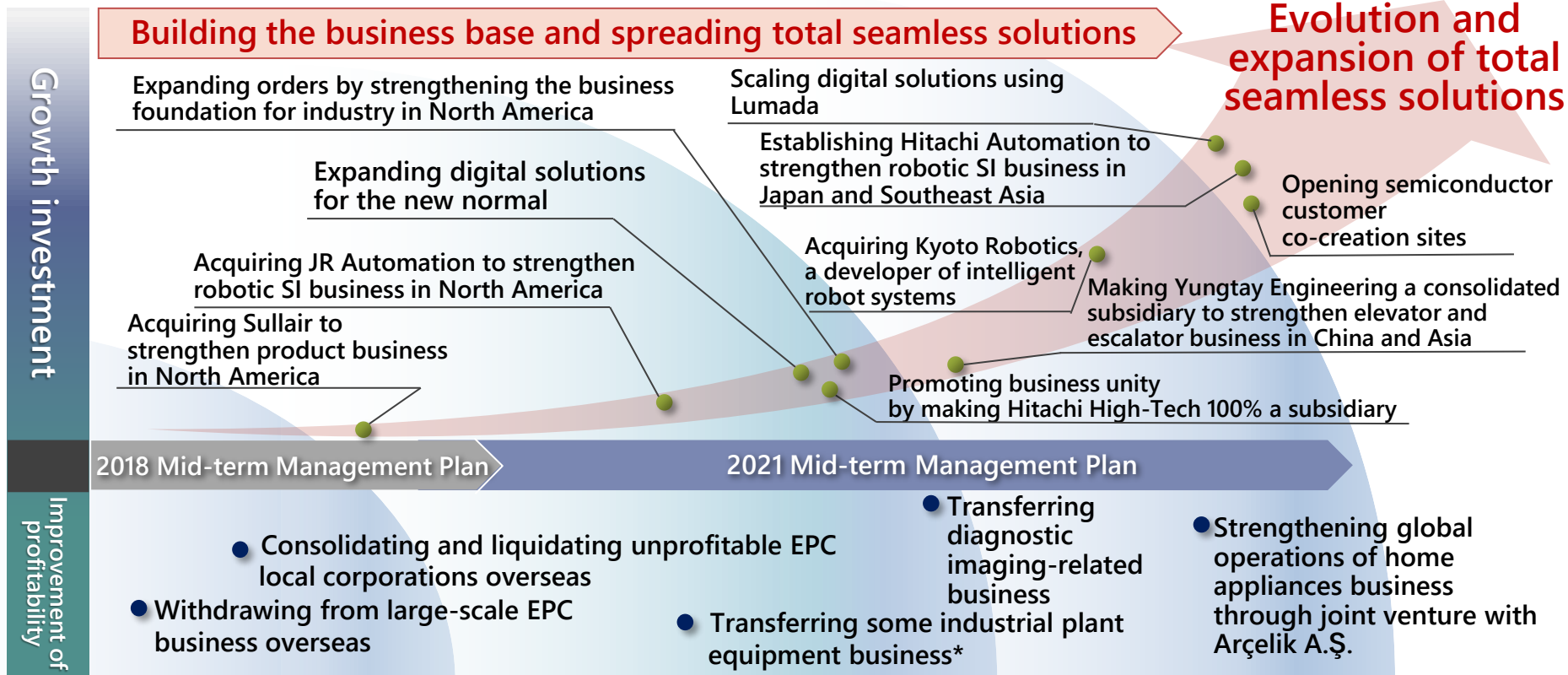
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## 2-1. Looking Back on the 2021 Mid-term Management Plan

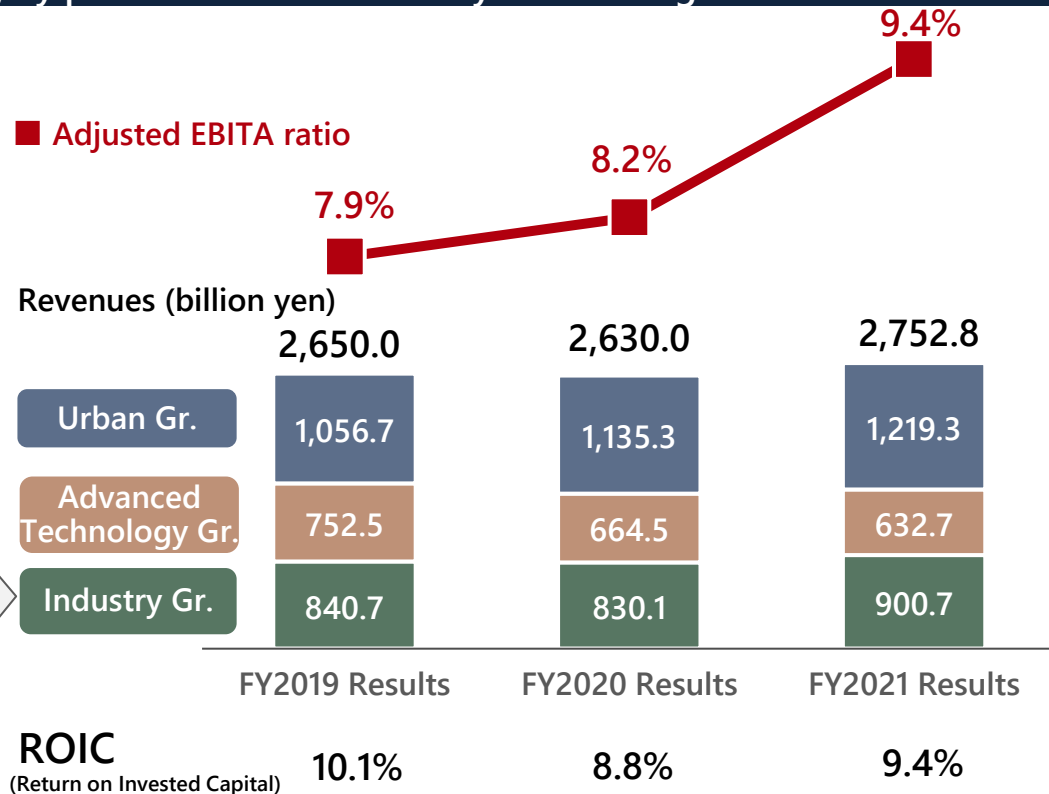
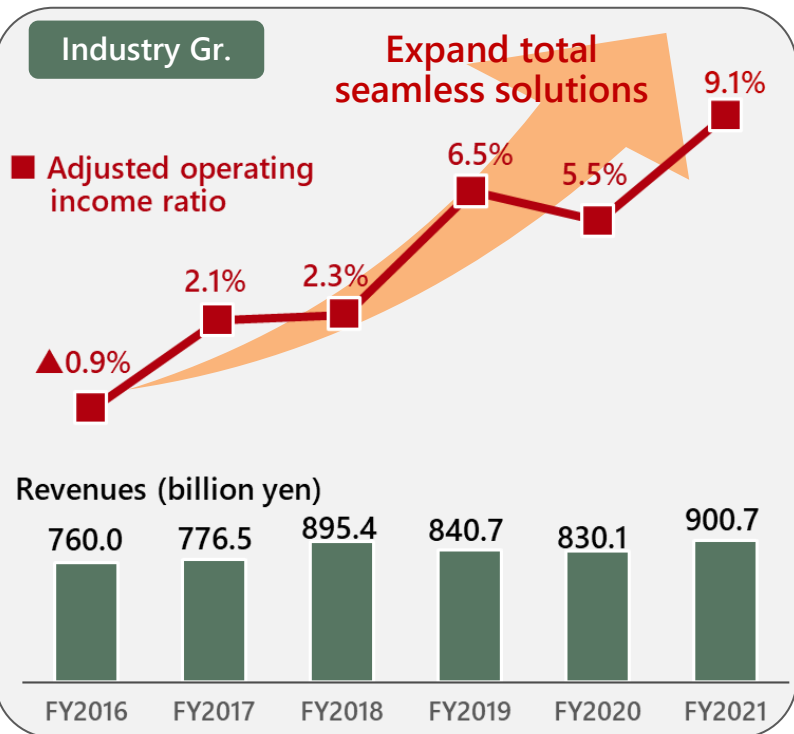
### Toward evolving and expanding total seamless solutions through stronger business foundation and growth investment



\* Chemical equipment and thin film evaporators EPC: Engineering, Procurement, Construction

## 2-2. Result Trends of the 2021 Mid-term Management Plan

Industry Gr. with improved profitability through expanding total seamless solutions, Urban Gr. and Advanced Technology Gr. with stable business foundations coming together to become a highly profitable business entity for future growth



# Connective Industries Sector

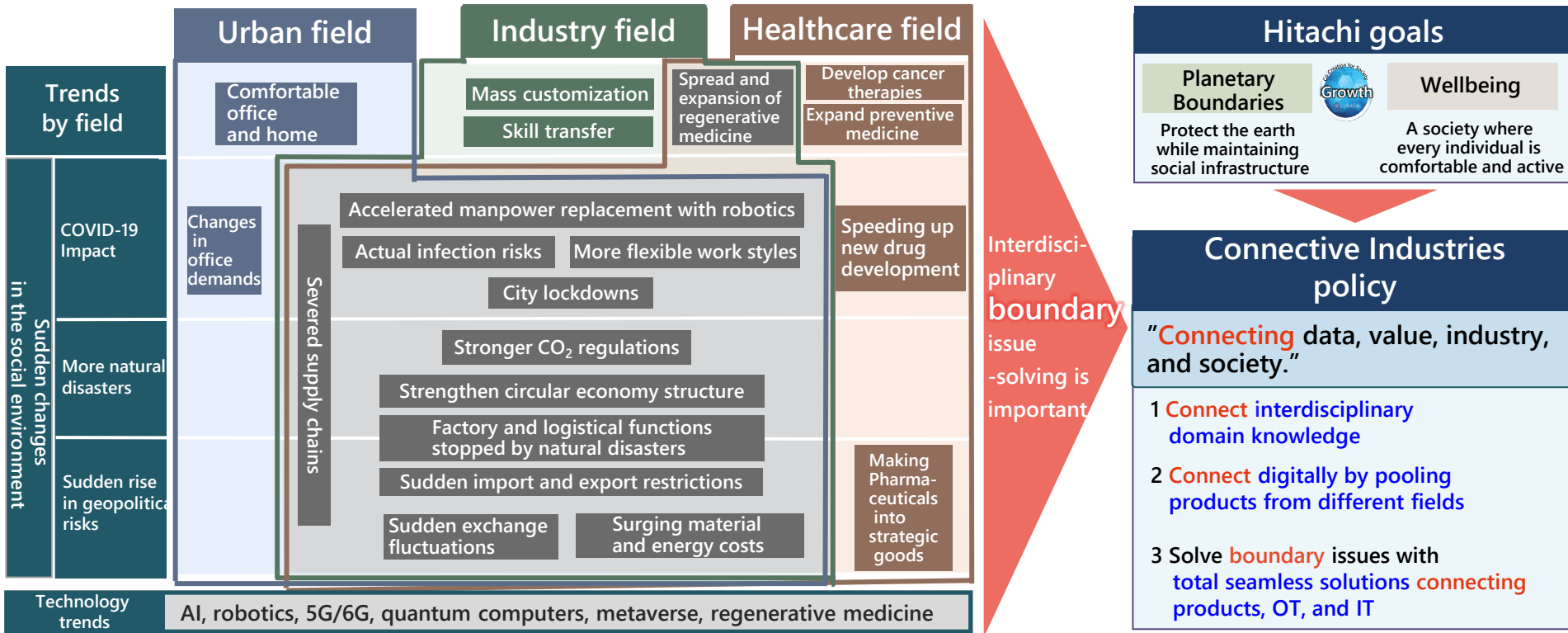
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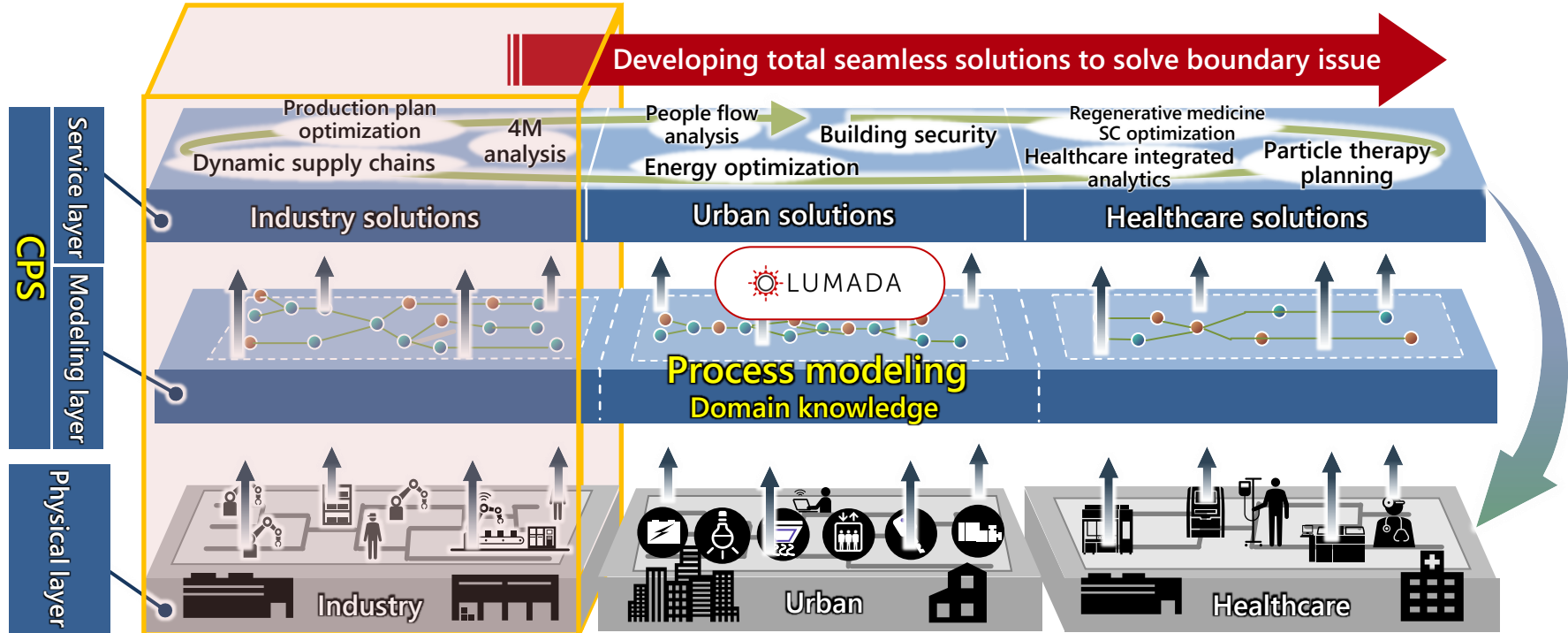
# 3-1. Rapid Increase in Social Environment Uncertainty

- This rapid increase in uncertainty is causing complicated and complex changes in the business environment
- In addition to boundaries between organizations and companies, interdisciplinary boundary issue-solving is important



## 3-2. Connective Industries Goals

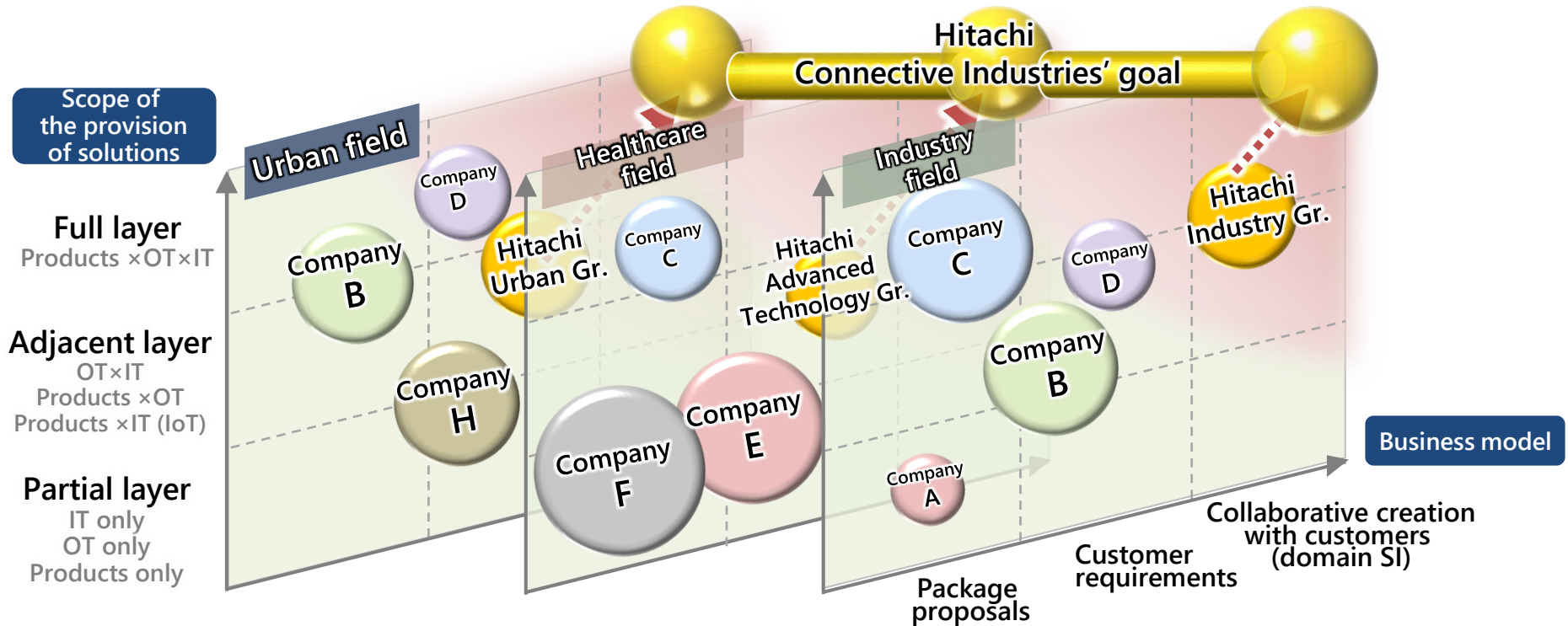
- Create solutions by modeling operations with CPS based on domain knowledge from product origins
- Evolving and expanding total seamless solutions from industry field to urban and healthcare fields





# 3-3. Comparison to Competitors

- In the rapidly complicated social environment, solving customer-oriented issues in the full layer is even more important
- Develop and evolve total seamless solutions in each field, and strengthen differentiation from other companies



# Connective Industries Sector

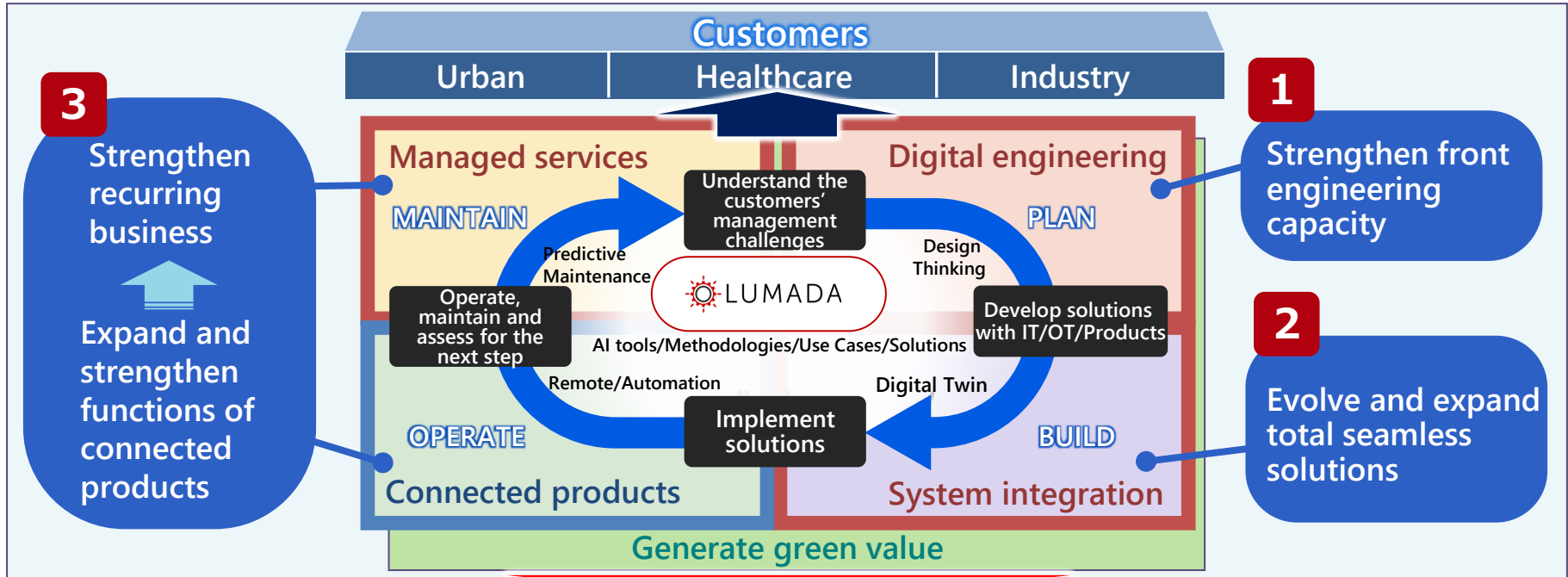
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# 4-1. Basic Policy of the 2024 Mid-term Management Plan

Based on Lumada growth model which is the data-driven cycles of value co-creation with customers, we engage with three key points to achieve our goals

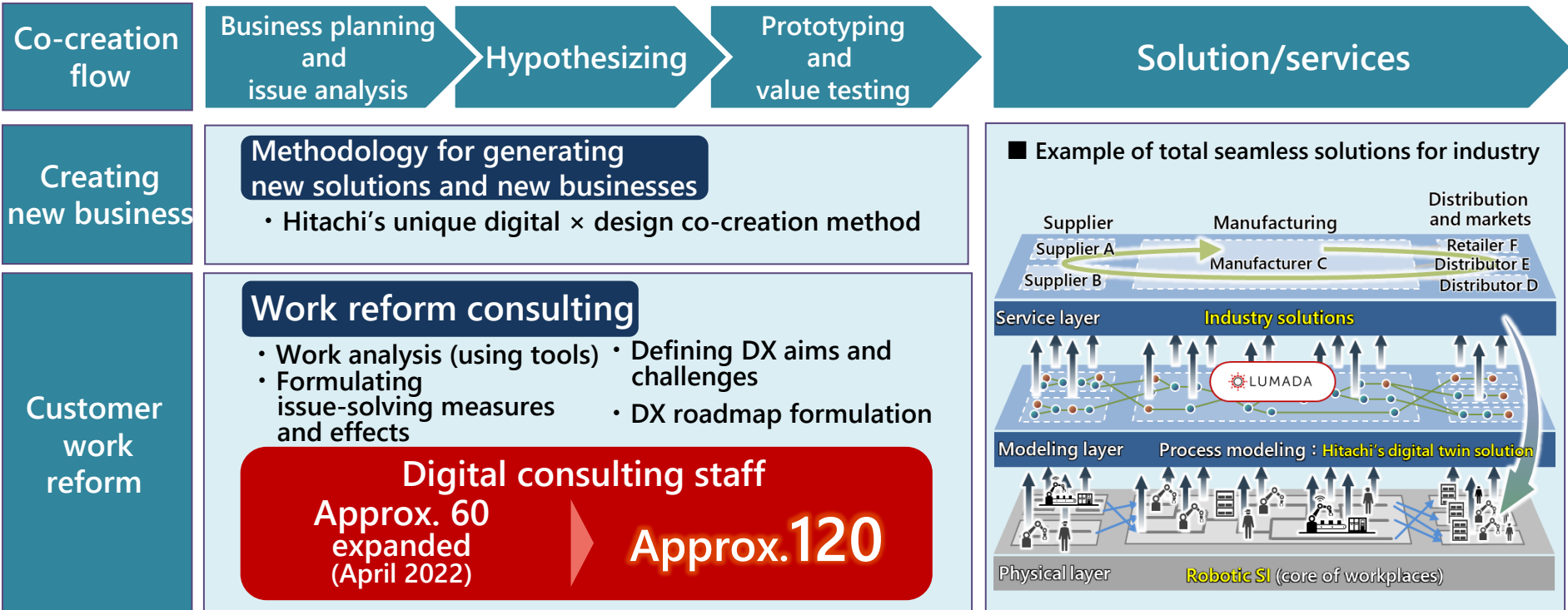


**Goals for FY2024**      Revenues 3.2 trillion yen    Adjusted EBITA ratio 13%  
Lumada revenues 1.1 trillion yen

**1** Strengthen front engineering capacity

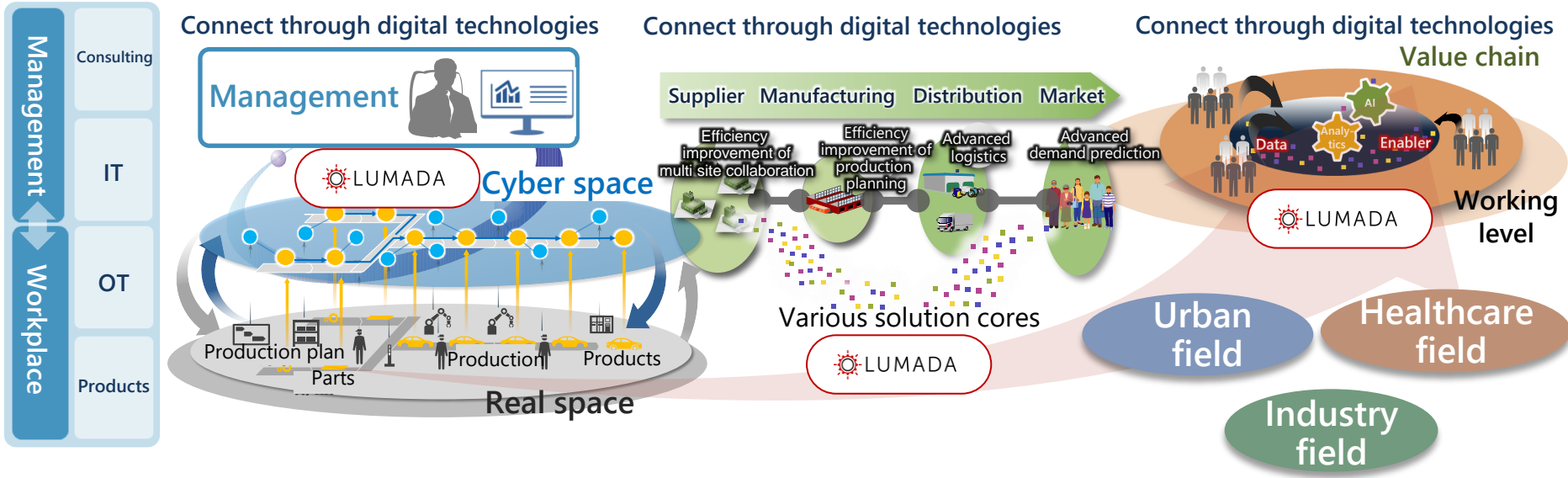
# 4-2. Strengthen Front Engineering Capacity

- Hitachi uses a variety of methods to analyze business concepts and issues to realize its objectives and policies. Providing integrated solutions and services.
- Increased the number of digital consulting staff required for front engineering



# 4-3-1. Develop and Expand total seamless solutions

- Capitalize on the strengths of Products × OT × IT to solve issues of boundaries through collaborative creation with customers
- Providing places for linking fields is even more important in response to complicated and complex issues

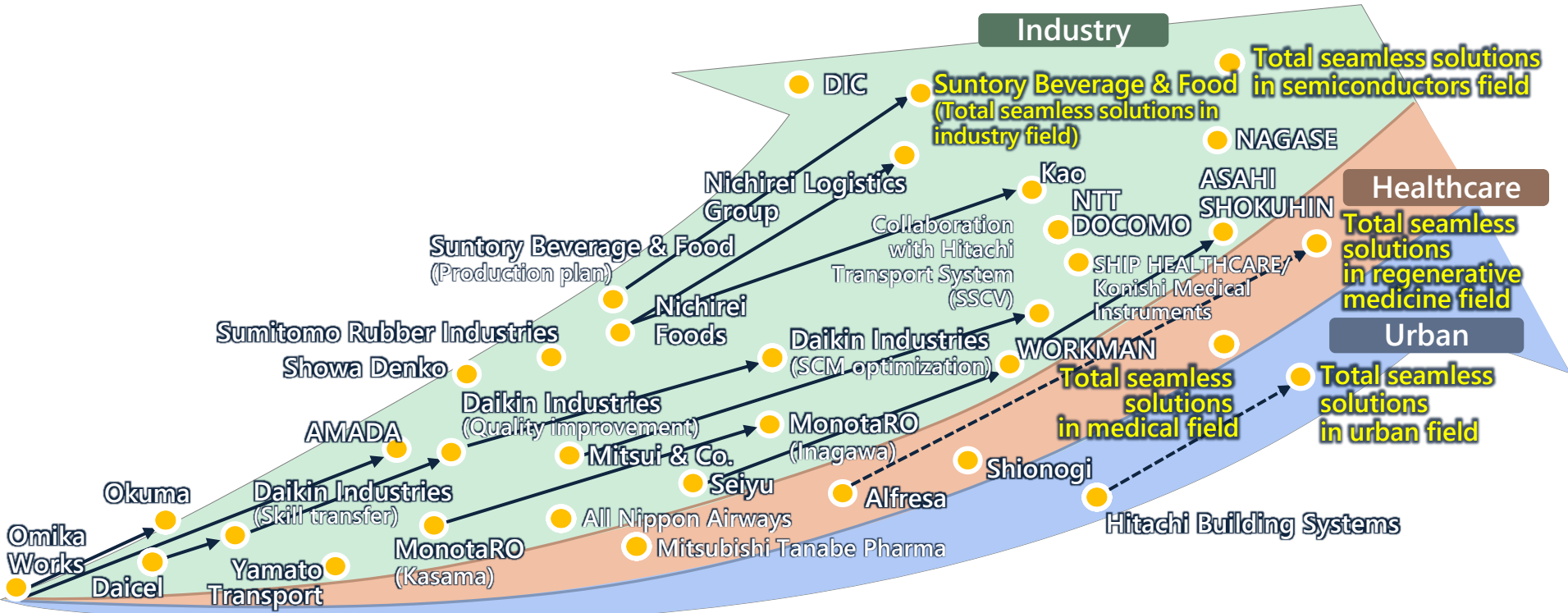


# 4-3-2. Expansion of total seamless solutions

Accelerating the development of total seamless solutions which have been expanding in the industry field to a wide range of fields

Until 2021 Mid-term Management Plan

2024 Mid-term Mgmt. Plan



# 4-3-3. Example of total seamless solutions (Industry Field)

## In co-creation with Suntory Beverage & Food, we provide IoT platform and factory automated transportation system for factory management and workstyle DX

IoT infrastructure that collects and consolidates data from production equipment and IT systems to be utilized for overall optimization

### Suntory Kita-Alps Shinano-no-Mori Water Plant

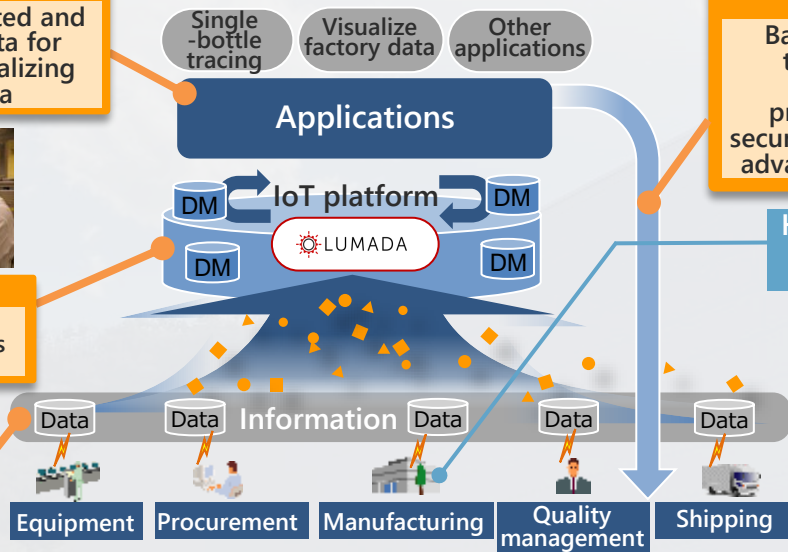


**3 Utilize**  
Utilize consolidated and aggregated data for traceability/visualizing factory data



**2 Connect**  
Consolidate and aggregate various forms of data

**1 Collect**  
Data collection



**4 Act**  
Based on information from traceability/factory data visualization, etc., promote better safety and security/work-style reform/more advanced factory management

High-speed special printing



Marking system

Automated in-factory transportation



Automated guided robot



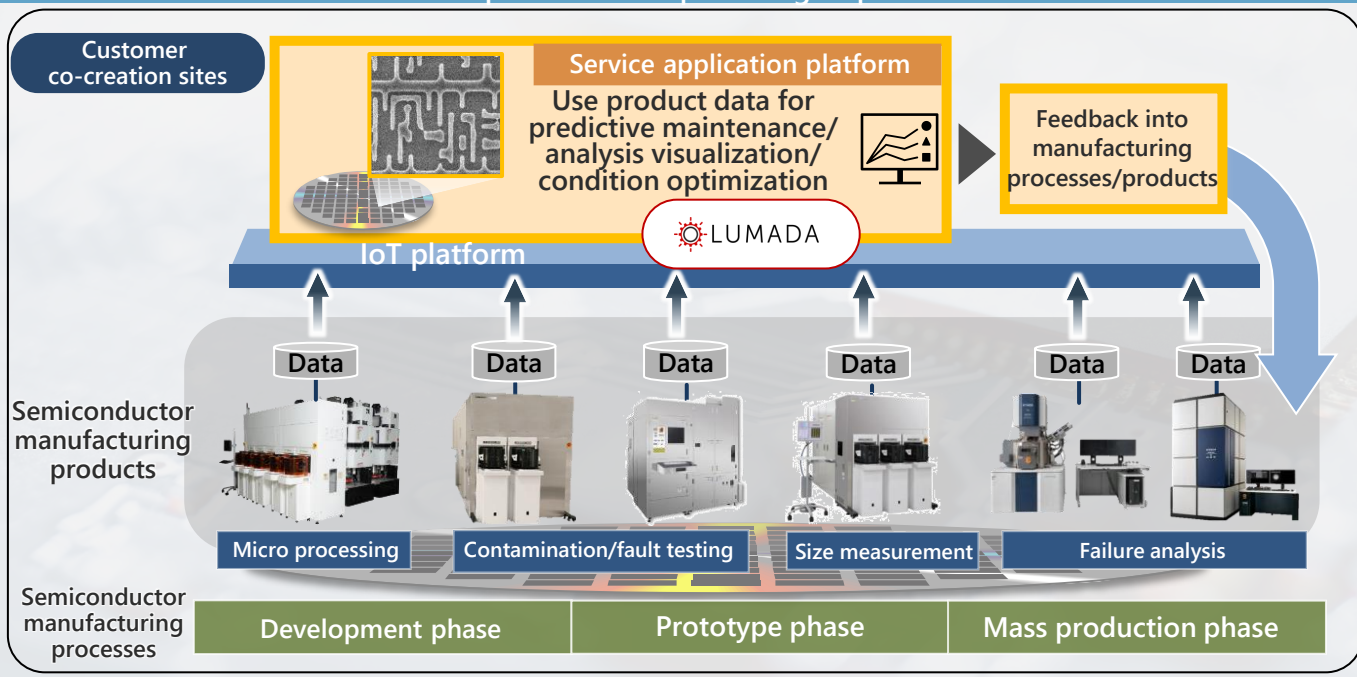
Better product safety and security with single-bottle traceability

Realize evolving next-generation factory model

# 4-3-4. Expand total seamless solutions to Semiconductors Field

Utilize product data and improve development and manufacturing efficiency through co-creation with customers to handle increasingly complicated challenges in semiconductor device structuring and manufacturing processes

Consolidate and analyze data generated by Hitachi High-Tech semiconductor manufacturing products for processing, testing, measurement, and analysis, and feed it back into manufacturing processes and product groups



Speed up solution generation at co-creation sites near our customers

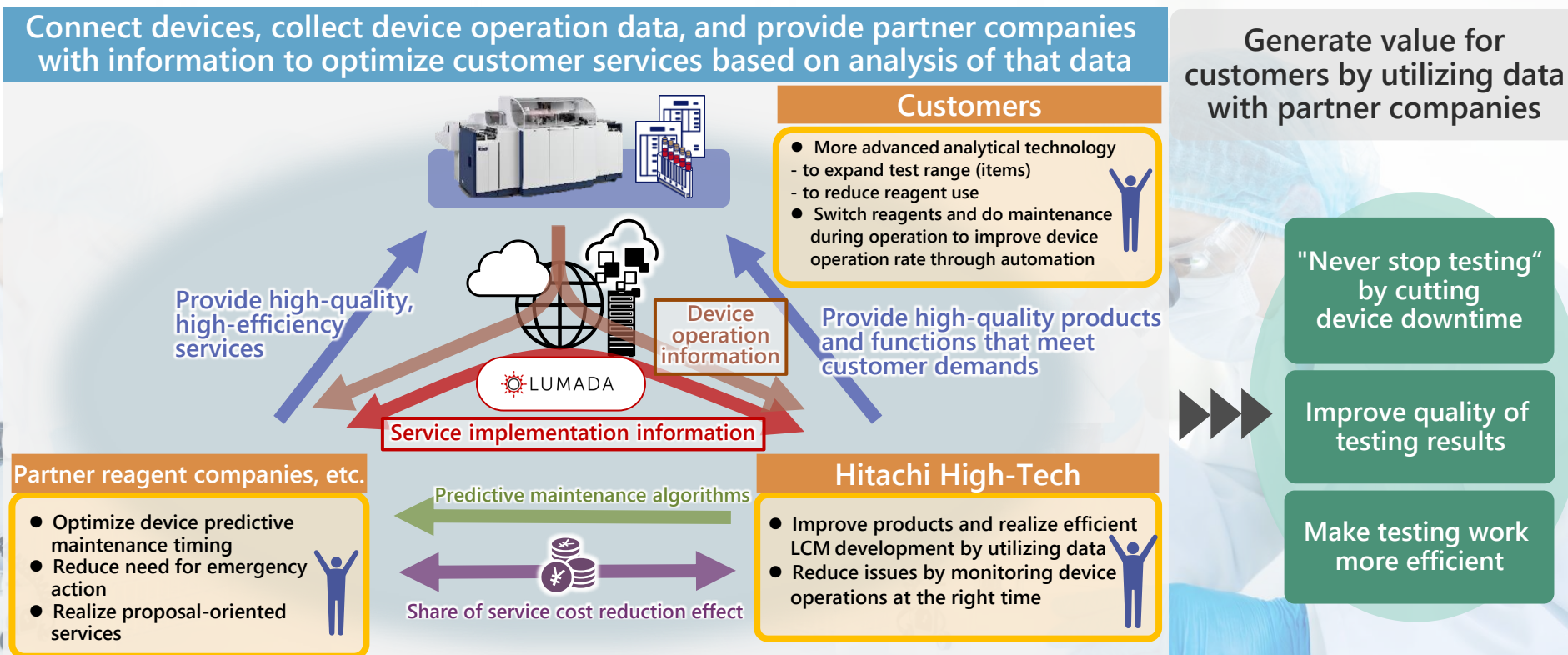
- Development phase  
Shorten the development of new products and processes
- Prototype phase  
Improve the yield rate of new products and processes
- Mass production phase  
Improve the productivity of mass production lines



# 4-3-5. Expand total seamless solutions to Medical Field

## Improve testing quality and efficient work tasks for customers through an "Information Service Platform" centered on predictive maintenance (CBM) based on product operation data

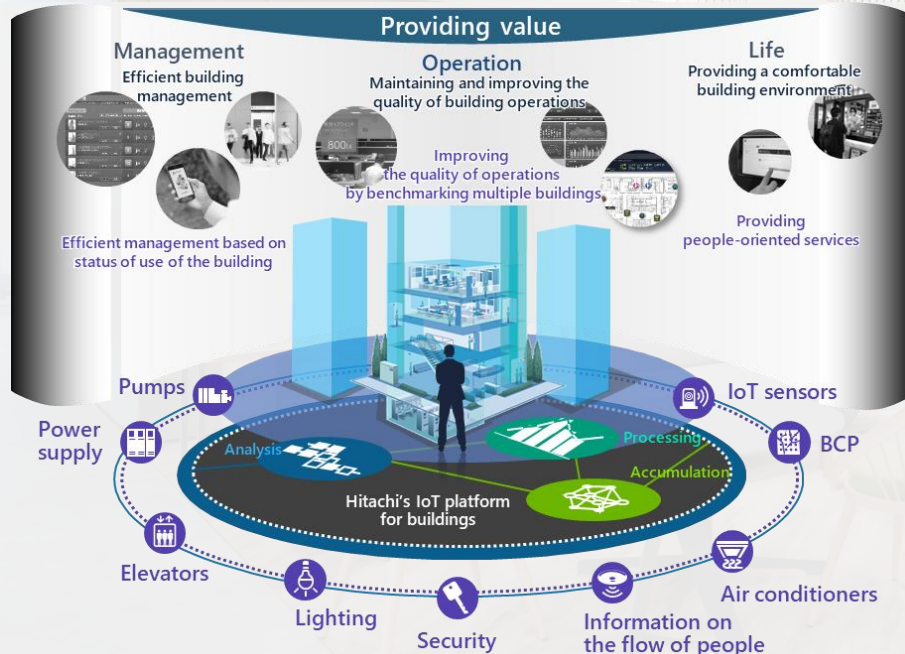
Connect devices, collect device operation data, and provide partner companies with information to optimize customer services based on analysis of that data



# 4-3-6. Expand total seamless solutions to the Urban Field

Using our knowhow in remote monitoring and control of equipment to collect, visualize, and analyze various in-building data through a building IoT platform, we improve building management efficiency, operating quality, and user services

Providing smart building solutions for overall optimization by seamlessly connecting boundaries between "owners (managers) and users," "common and private spaces," facilities and systems



**Building IoT platform**

Using our knowhow in remote monitoring and control to collect, visualize, and analyze various in-building data, such as equipment, people flows, and air environment

**Remote monitoring and control of equipment**

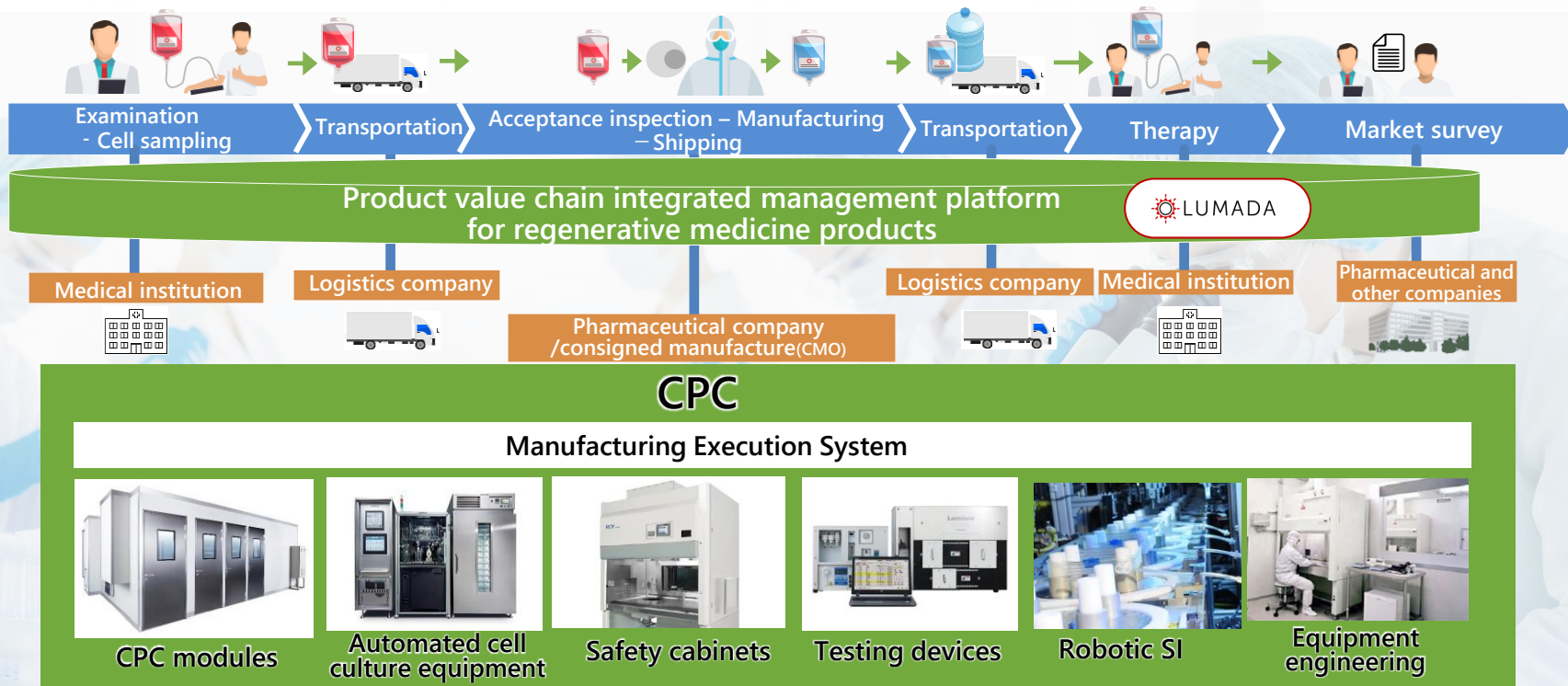
Providing high-efficiency operation, predictive maintenance, and other advanced services by utilizing operation and maintenance data from elevators, air conditioners, etc.

Speeding up co-creation with major developers and other partners



## 2 Evolution and expansion of total seamless solutions 4-3-7. Example of total seamless solutions Connecting Fields (Regenerative Medicine)

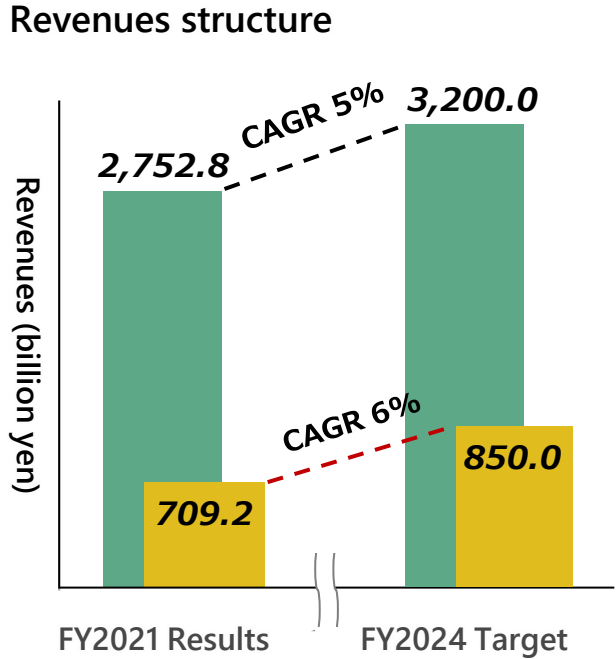
Realizing dynamic linkage of manufacturing progress and therapy planning through a value chain-wide management platform that connects fields and merges CPC equipment (products, OT) as the cornerstone of product manufacturing for regenerative medicine products



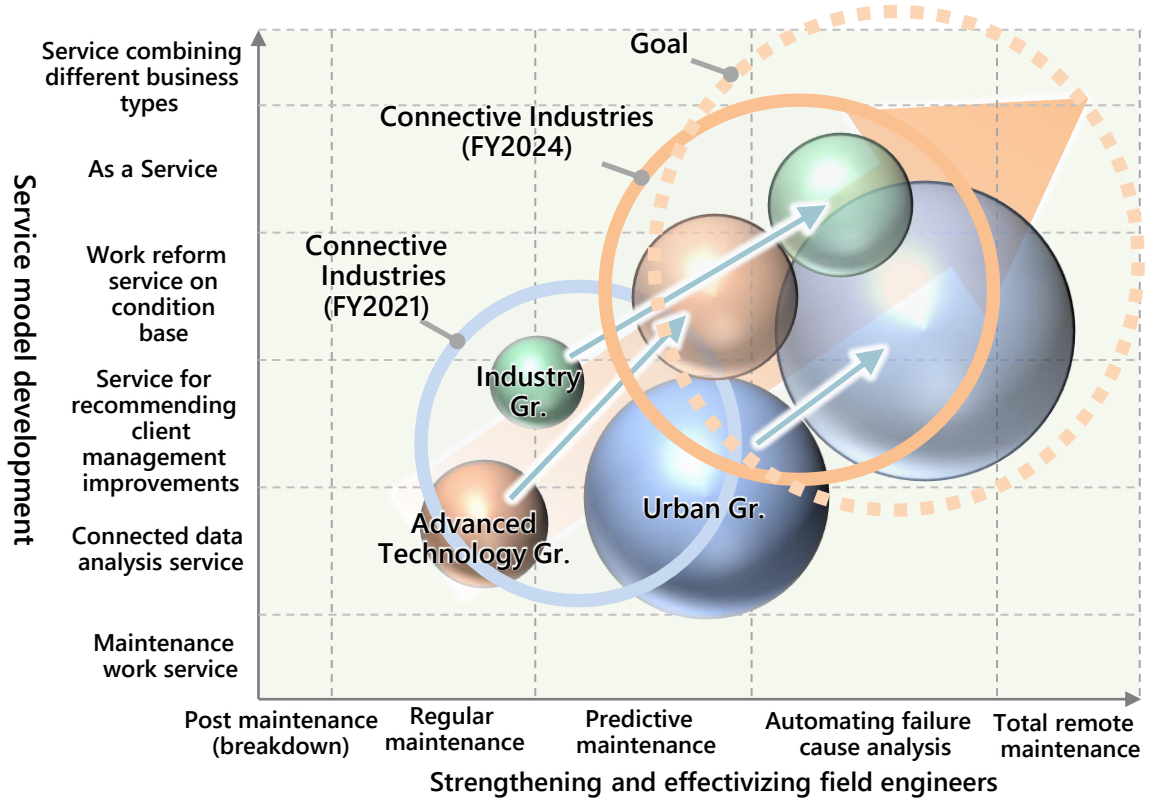
# 4-4-1. Recurring Business Growth Strategy

- Aim for business growth and a solid profit base by increasing recurring business revenues by CAGR 6%
- Expand recurring business by strengthening and effectivizing field engineers and developing service models

## Revenues structure



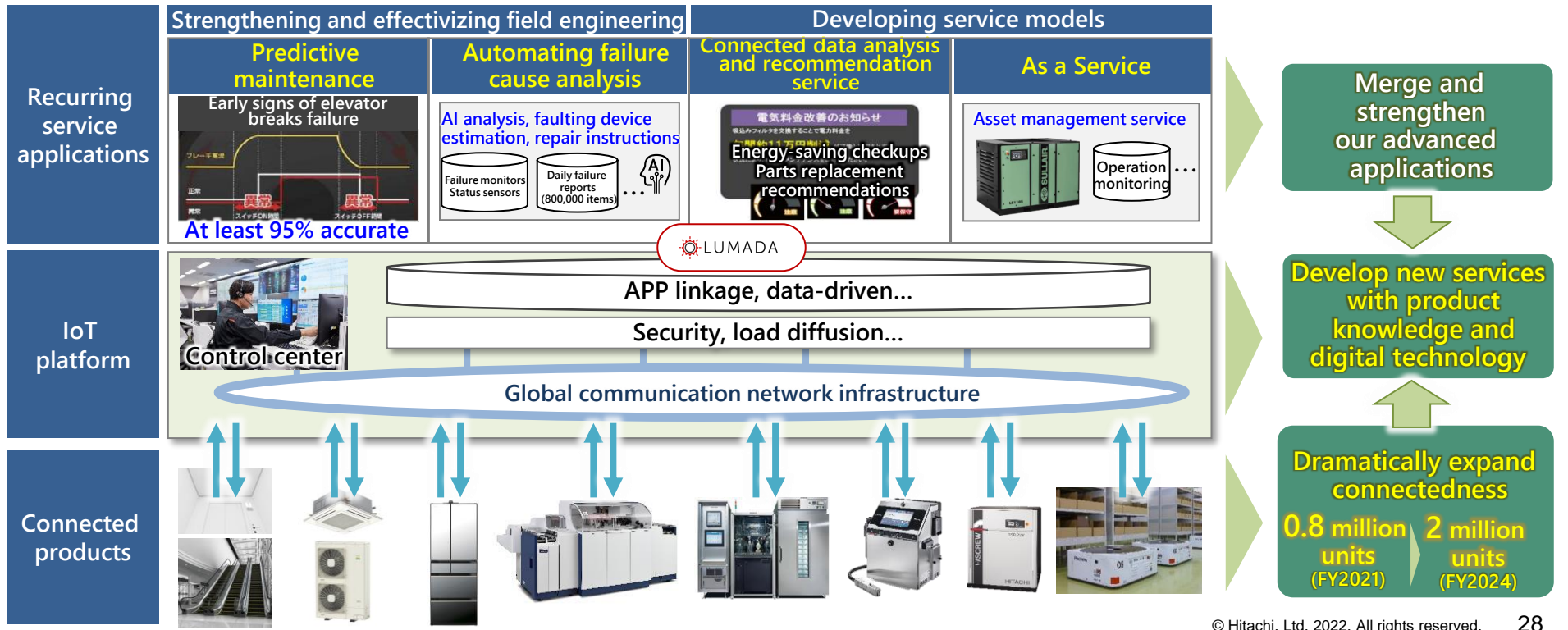
■ Entire sector  
■ Recurring (included number)



### 3 Strengthening recurring business

## 4-4-2. Enhancing Development of New Recurring Services through Connected Products x Digital

Dramatically expand product connectedness, better understand the reality of customer challenges. Merge and strengthen our advanced applications, develop new services with product knowledge and digital technology.



# 4-4-3. Example of Recurring Business: Air Compressors

Accommodating high-profit recurring model and circular economy based on connected products and data driven

Recurring business



Circular economy

Develop circular economy by developing ultra-efficient and environmentally friendly products as well as promoting the rebuilding and recycling of new service models by utilizing operating data

## Re-business

- **Re**manufacturing
- **Re**build
- **Re**use
- **Re**cycle



Analysis, Checkup, & Suggestion

Quote & Take order



Remote monitoring service

Maintenance & Parts

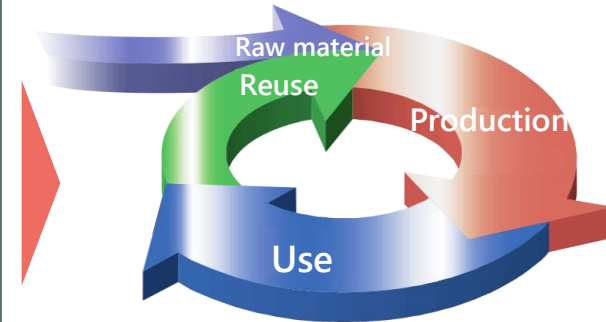
Installation & Adjustment

IoT & Remote Monitoring

## Preventive maintenance and improvement suggestions

- Regular inspections
- Repairs, parts replacement
- CO<sub>2</sub> emissions management
- Cloud-based remote monitoring

Promote circular economy business model



## Life cycle management

- Monitoring (energy optimization, failure detection)
- Asset management (As a Service)

# Connective Industries Sector

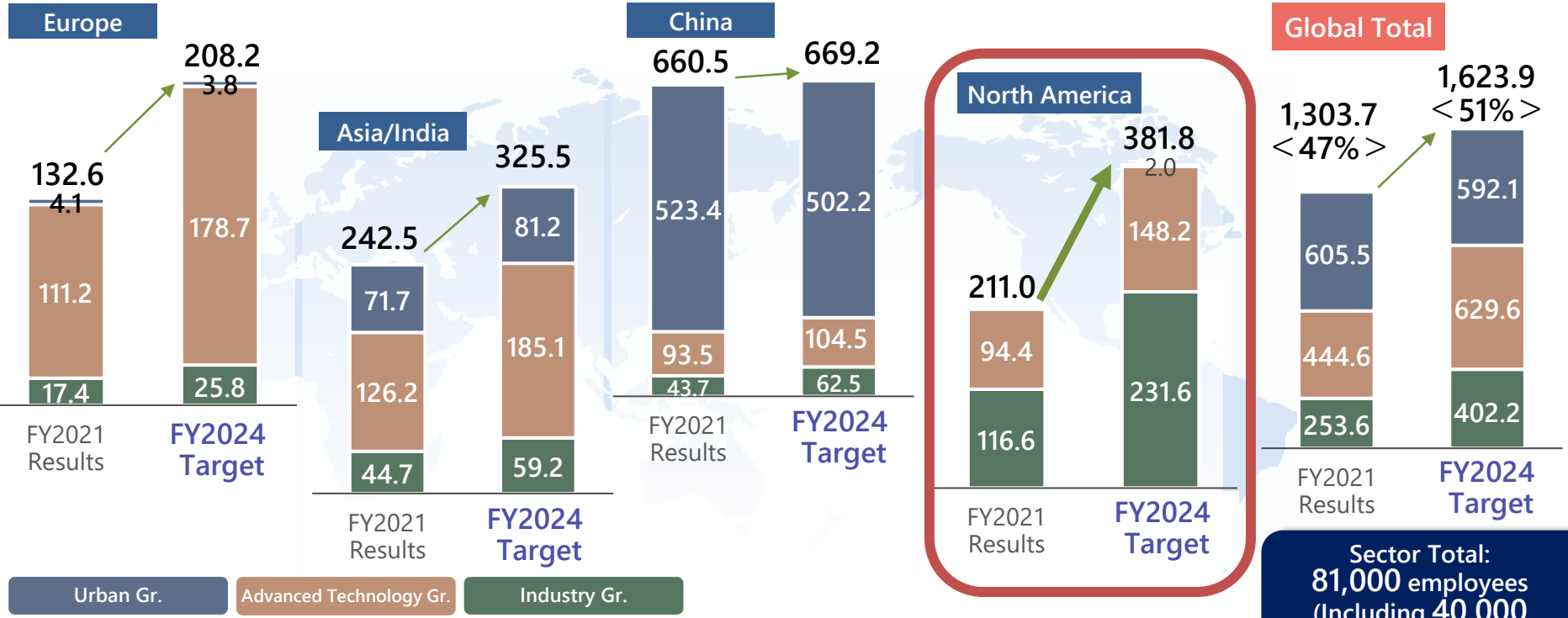
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# 5-1. Global Sales Growth

- Increase global sales ratio centering on key markets: 47% in FY2021 → 51% in FY2024
- Aiming for CAGR 22% increase in North America business by strengthening key markets, including investment



Urban Gr.    Advanced Technology Gr.    Industry Gr.

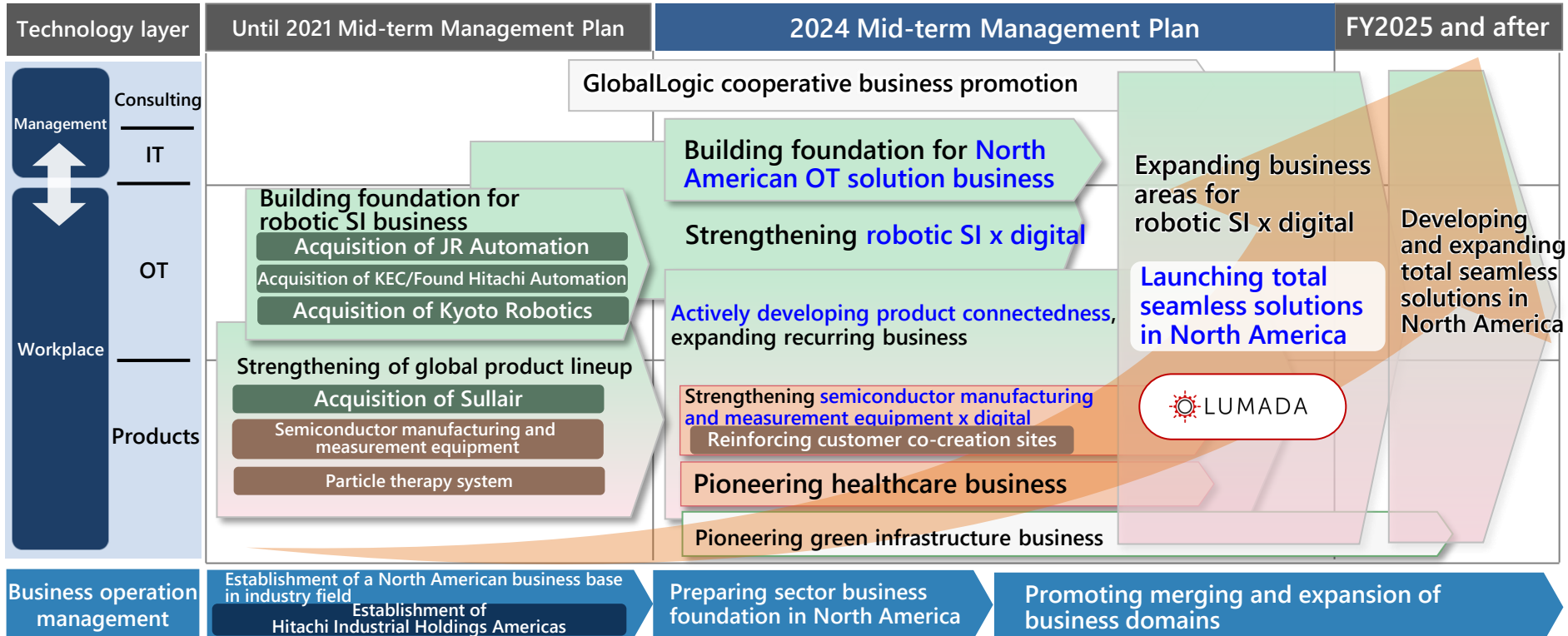
**Sector Total:**  
81,000 employees  
(Including 40,000 overseas)\*

Unit: billion yen  
Values in < > are overseas revenues ratio \*As of the end of March 2022



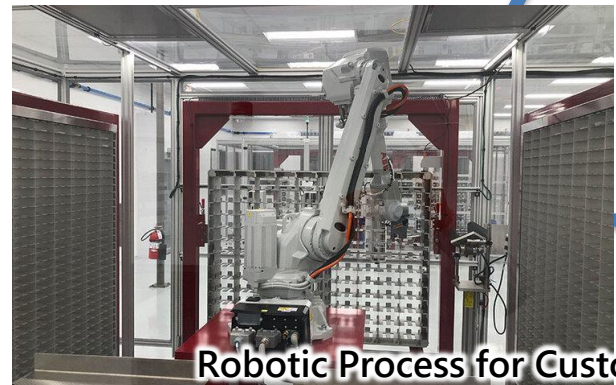
# 5-2. Strengthening Business in the North America Markets

Launch total seamless solutions and aim to expand business in North America by strengthening solutions through Connectedness x Digital based on foundations of robotic SI and products

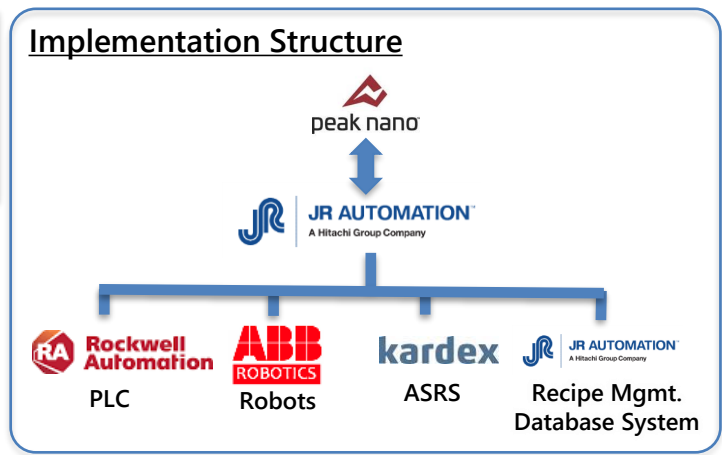


# 5-3. Example of Integrating Robotic SI with Digital Solutions: Peak Nano

- In the manufacturing process for custom lens, Design, Build, and Integrate robotic process and complex recipe management database
- In North America, Hitachi/JR Automation continue pursuing Robotic SI business with digital solutions



**Robotic Process for Custom Lens Production**



**Line Specification**  
 •15 robots •4 PLCs •ASRS

\* INGENOVA360: A suite of JR software that fully connects equipment to a planning and control system, delivering the information you need to make strategic decisions on every business level – from supplier receiving to final packaging and shipping.

PLC : Programmable logic controller ASRS: Automated Storage and Retrieval System

# Connective Industries Sector

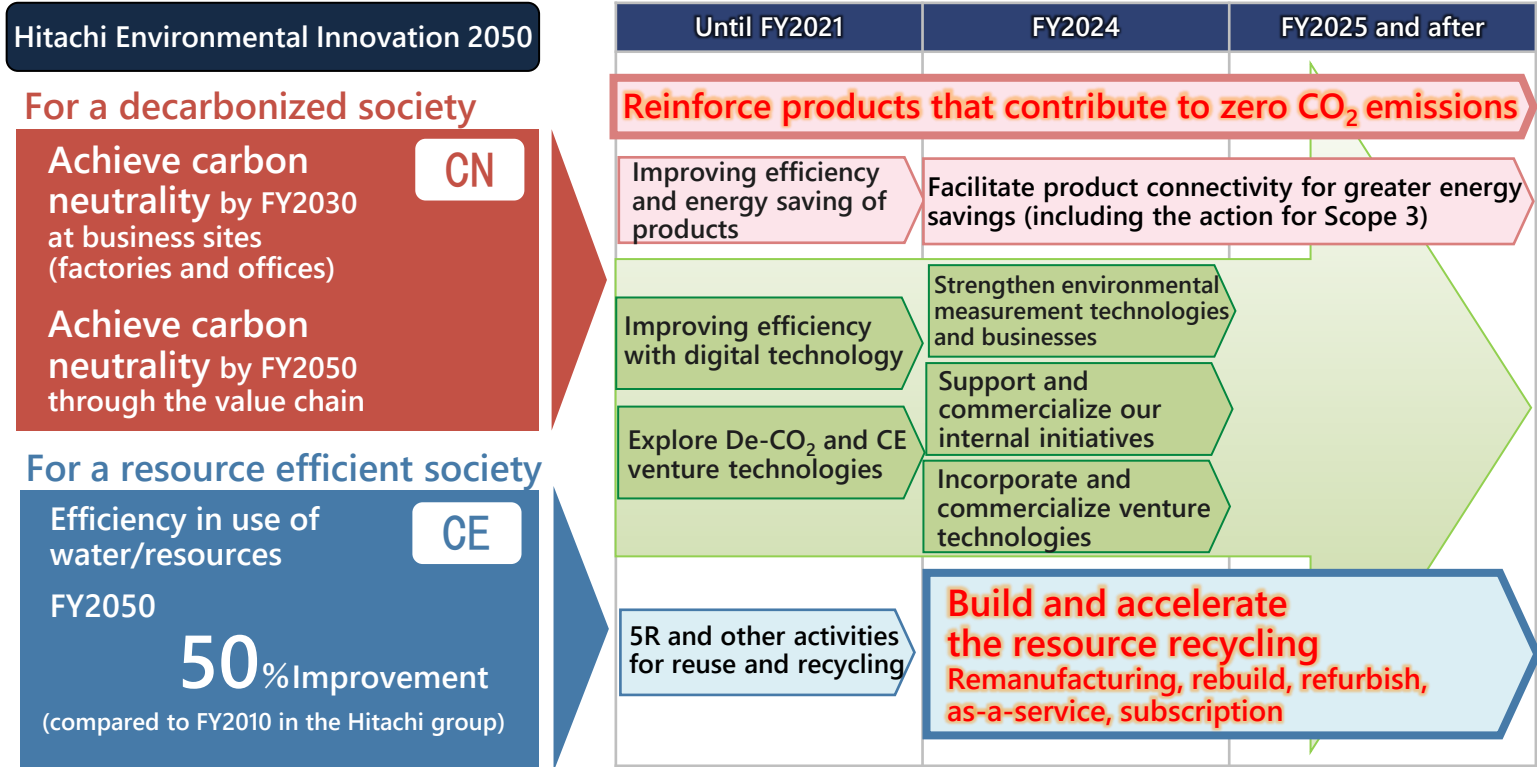
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# 6-1. Environmental Business Roadmap

Contribute to the zero CO<sub>2</sub> society and advanced recycling society targeted by Hitachi Environmental Innovation 2050 by further reducing greenhouse gas emissions through products and connections that contribute to zero CO<sub>2</sub> emissions and by conserving resources through as-a-service business model



- Solutions that bridge the boundaries between zero CO<sub>2</sub> and CE using data
- Reduce environmental impact throughout the VC

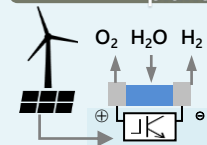
## Reduce CO<sub>2</sub> throughout the value chain using the products and key technologies supporting hydrogen and ammonia production, energy conversion and consumption

### Production and CO<sub>2</sub> recovery

### Power generation and supply/hydrogen

### Consumption

Hydrogen and ammonia plants/accepting base



Process compressor for ammonia plants

High-capacity rectifier for water electrolysis

CCS/CCUS: CO<sub>2</sub> geological storage

Japan's first large-scale CCS demonstration test in Tomakomai, supplying CCS compressors (CO<sub>2</sub> injection of 300,000 tons)



CO<sub>2</sub> compressor for CCS

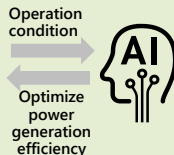
Power generation from hydrogen mixed combustion



Hydrogen mixed-combustion power generator\*



AI-based coordination control



Hydrogen transportation



Compressor for pipelines

Solar & wind power



Generator for wind power



Power conditioner for solar power

Charging station



Rapid charger for EVs

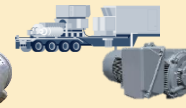
Electrically powered vehicles



Railway motors



Drive system for dump truck



Drive system for shale oil truck

High-efficiency electrification (under development)



For EVs/FC-powered large trucks and buses



For FC/electrically powered aircraft



For catenary wires, batteries and FC-powered railroad vehicles

IT/OT system

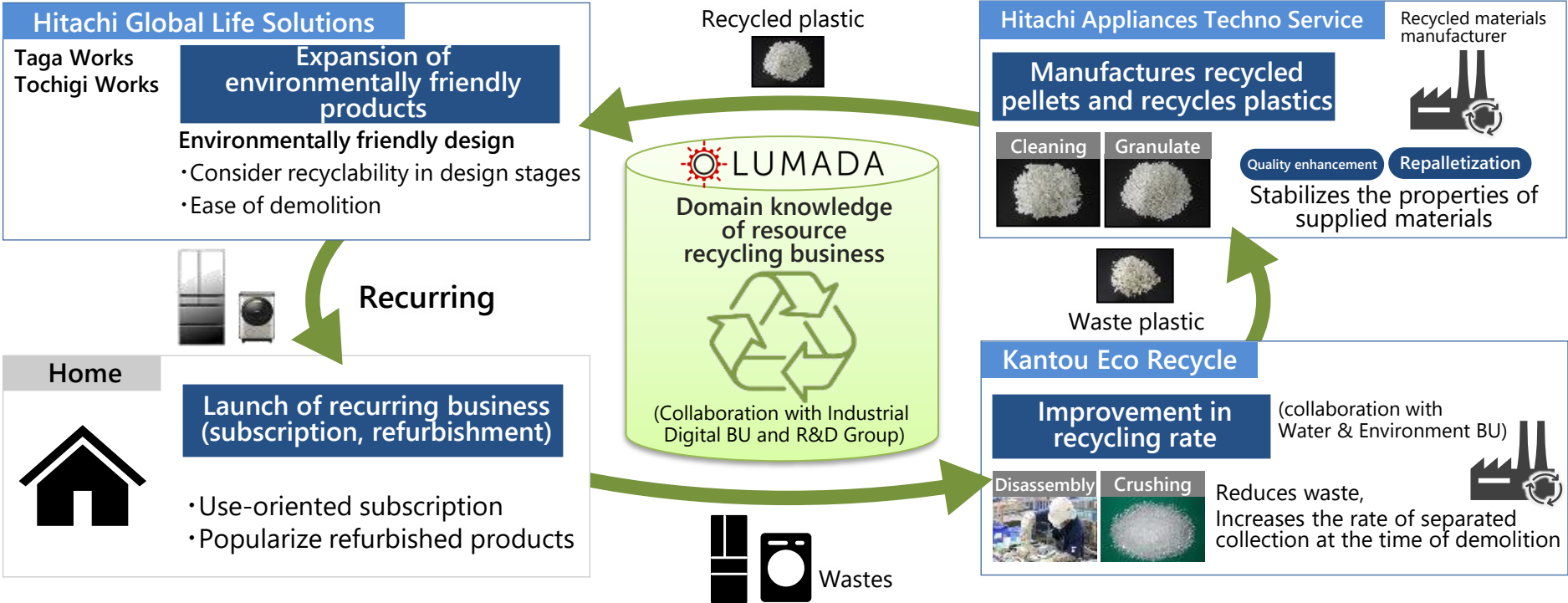
LUMADA

Facility management

Supply chain management

Energy management

## Building a resource recycling platform using Lumada Accelerating resource recycling through expansion of environmentally friendly products, launch of recycling business, and improvement in recycling rate



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# 7-1. Policy of Focused Investment in Connective Industries

Aggressively invest in focus fields to facilitate business growth and enhance the value of Connective Industries' business

## Focus fields for investment

### Urban Gr.

#### Enhance solutions

- Strengthen the elevator and escalator business by digital technologies and create the new building IoT business.
- Connected products and services, recycling-oriented manufacturing and de-CO<sub>2</sub>

### Advanced Technology Gr.

#### Improve proprietary semiconductor and healthcare technologies

- Improve technologies for next-generation measurement/analysis, and semiconductor manufacturing/inspection processes
- Create and improve the in-vitro diagnosis, regenerative medicine and healthcare IT businesses

### Industry Gr.

#### Acquire global and digital businesses

- Strengthen the robotic SI, OT solutions and digital infrastructure businesses
- Strengthen products for high value-added industries and recurring businesses

Cumulative investment in R&D specified in the 2024 Mid-term Management Plan: 300 billion yen (+30%, compared to the period of the 2021 Mid-term Management Plan)

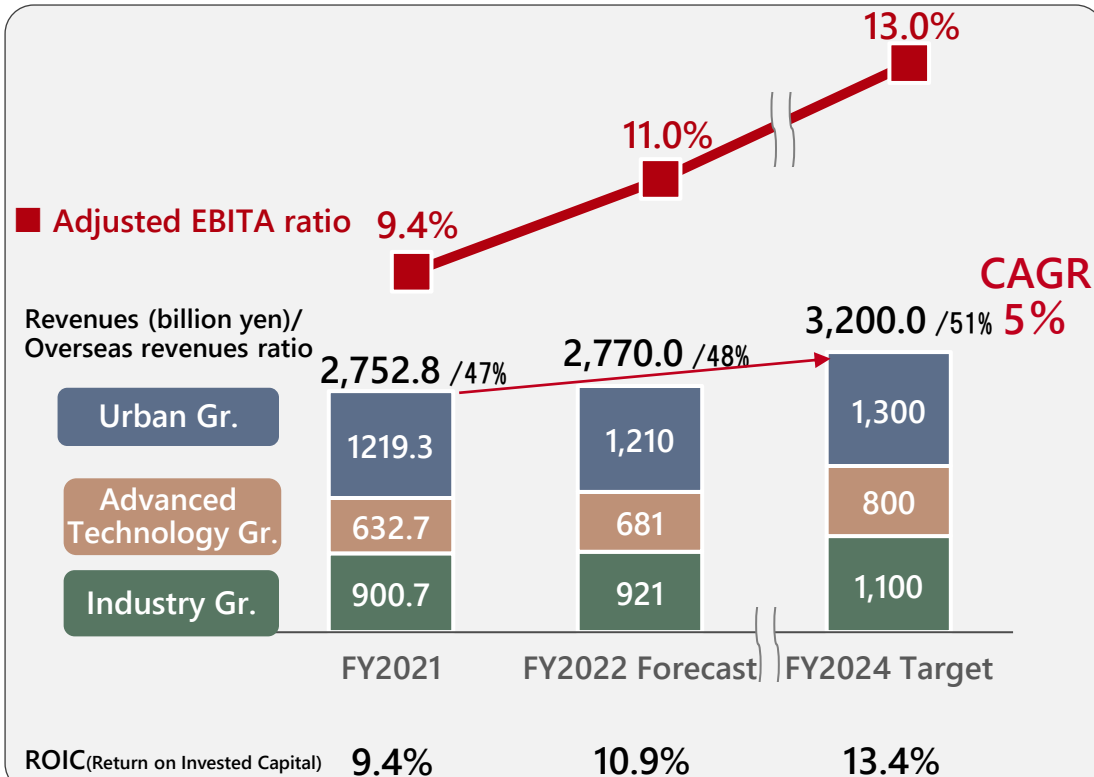
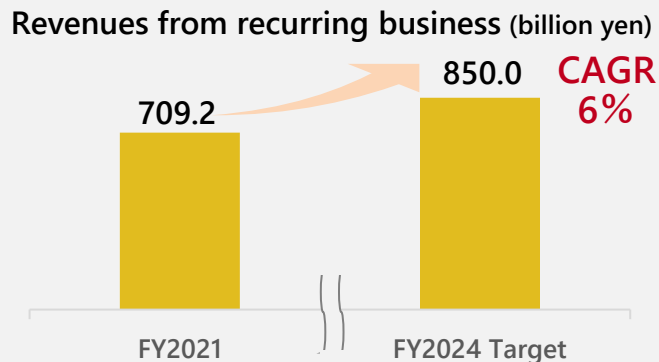
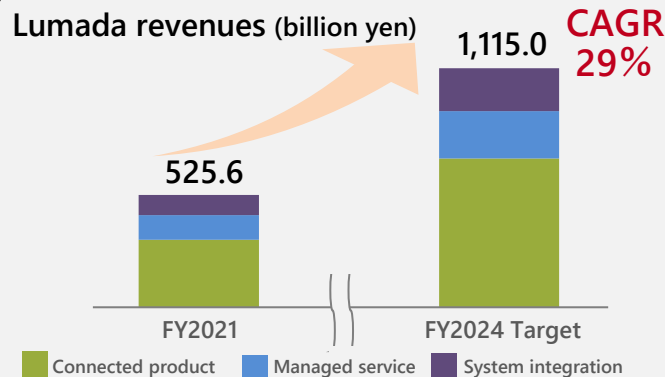
Increase in revenues from inorganic investments: 170 billion yen



# 7-2. 2024 Mid-term Management Plan

Achieve growth using Lumada to facilitate the evolution and expansion of total seamless solutions and recurring business.

Aim to achieve the FY2024 target of 3.2-trillion-yen in revenues and an adjusted EBITA ratio of 13%.



# Connective Industries

Connecting  
data, value, industry, and society.

- Evolve and expand total seamless solutions
- Expand and strengthen recurring business
- Accelerate global growth
- Generate green value

**Become a sustainable value creator by co-creation with customers**



Hitachi Social Innovation is  
**POWERING GOOD**

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# Appendix 1. Business Performance Trends

|                                 | FY2021              | FY2022<br>Forecast  | FY2024<br>Target    |
|---------------------------------|---------------------|---------------------|---------------------|
| Revenues                        | 2,752.8 billion yen | 2,770.0 billion yen | 3,200.0 billion yen |
| Adjusted operating income       | 228.8 billion yen   | 277.0 billion yen   | –                   |
| Adjusted operating income ratio | 8.3%                | 10.0%               | –                   |
| Adjusted EBITA                  | 257.8 billion yen   | 305.0 billion yen   | 417.0 billion yen   |
| Adjusted EBITA ratio            | 9.4%                | 11.0%               | 13.0%               |
| EBITDA                          | 358.9 billion yen   | 359.0 billion yen   | 477.0 billion yen   |
| EBITDA ratio                    | 13.0%               | 13.0%               | 14.9%               |
| Overseas revenues ratio         | 47%                 | 48%                 | 51%                 |
| Lumada revenues                 | 525.6 billion yen   | 808.6 billion yen   | 1,115.0 billion yen |
| ROIC                            | 9.4%                | 10.9%               | 13.4%               |

# Appendix 1. Business Performance Trends: By Group and Business Unit (1/3)

|                                   | FY2021                   | FY2022<br>Forecast        | FY2024<br>Target    |
|-----------------------------------|--------------------------|---------------------------|---------------------|
| Revenues                          | 2,752.8 billion yen      | 2,770.0 billion yen       | 3,200.0 billion yen |
| Urban Gr.                         | 1,219.3 billion yen      | 1,212.0 billion yen       | 1,300.0 billion yen |
| Building Systems BU               | 822.7 billion yen        | 820.0 billion yen         | —                   |
| Hitachi Global Life Solutions     | 396.6 billion yen        | 392.0 billion yen         | —                   |
| Advanced Technology Gr.           | 632.7 billion yen        | 681.0 billion yen         | 800.0 billion yen   |
| Hitachi High-Tech                 | 576.8 billion yen        | 630.0 billion yen         | —                   |
| Industry Gr.                      | 900.7 billion yen        | 921.0 billion yen         | 1,100.0 billion yen |
| Industrial Digital BU             | 343.1 billion yen        | 350.0 billion yen         | —                   |
| Water & Environment BU            | 182.3 billion yen        | 188.0 billion yen         | —                   |
| Industrial Products               | 409.4 billion yen        | 418.0 billion yen         | —                   |
| Adjusted operating income (ratio) | 228.8 billion yen (8.3%) | 277.0 billion yen (10.0%) | —                   |
| Urban Gr.                         | 92.3 billion yen (7.6%)  | 102.0 billion yen (8.4%)  | —                   |
| Building Systems BU               | 67.4 billion yen (8.2%)  | 72.0 billion yen (8.8%)   | —                   |
| Hitachi Global Life Solutions     | 25.0 billion yen (6.3%)  | 30.0 billion yen (7.7%)   | —                   |
| Advanced Technology Gr.           | 54.1 billion yen (8.6%)  | 79.6 billion yen (11.7%)  | —                   |
| Hitachi High-Tech                 | 58.7 billion yen (10.2%) | 81.6 billion yen (13.0%)  | —                   |
| Industry Gr.                      | 82.2 billion yen (9.1%)  | 88.3 billion yen (9.6%)   | —                   |
| Industrial Digital BU             | 38.5 billion yen (11.2%) | 35.0 billion yen (10.0%)  | —                   |
| Water & Environment BU            | 16.4 billion yen (9.0%)  | 18.8 billion yen (10.0%)  | —                   |
| Industrial Products               | 33.5 billion yen (8.2%)  | 40.0 billion yen (9.6%)   | —                   |

# Appendix 1. Business Performance Trends: By Group and Business Unit (2/3)

|                               | FY2021                    | FY2022<br>Forecast        | FY2024<br>Target          |
|-------------------------------|---------------------------|---------------------------|---------------------------|
| Adjusted EBITA(ratio)         | 257.8 billion yen (9.4%)  | 305.0 billion yen (11.0%) | 417.0 billion yen (13.0%) |
| Urban Gr.                     | 109.8 billion yen (9.0%)  | 120.6 billion yen (10.0%) | —                         |
| Building Systems BU           | 69.8 billion yen (8.5%)   | 74.6 billion yen (9.1%)   | —                         |
| Hitachi Global Life Solutions | 40.0 billion yen (10.1%)  | 46.0 billion yen (11.7%)  | —                         |
| Advanced Technology Gr.       | 55.3 billion yen (8.8%)   | 80.8 billion yen (11.9%)  | —                         |
| Hitachi High-Tech             | 59.8 billion yen (10.4%)  | 82.2 billion yen (13.0%)  | —                         |
| Industry Gr.                  | 92.5 billion yen (10.3%)  | 96.5 billion yen (10.5%)  | —                         |
| Industrial Digital BU         | 42.7 billion yen (12.4%)  | 39.2 billion yen (11.2%)  | —                         |
| Water & Environment BU        | 17.5 billion yen (9.6%)   | 19.5 billion yen (10.4%)  | —                         |
| Industrial Products           | 37.8 billion yen (9.2%)   | 43.7 billion yen (10.5%)  | —                         |
| EBITDA(ratio)                 | 358.9 billion yen (13.0%) | 359.0 billion yen (13.0%) | 477.0 billion yen (14.9%) |
| Urban Gr.                     | 180.4 billion yen (14.8%) | 142.0 billion yen (11.7%) | —                         |
| Building Systems BU           | 86.3 billion yen (10.5%)  | 87.4 billion yen (10.7%)  | —                         |
| Hitachi Global Life Solutions | 94.1 billion yen (23.7%)  | 54.7 billion yen (13.9%)  | —                         |
| Advanced Technology Gr.       | 76.2 billion yen (12.1%)  | 110.5 billion yen (16.2%) | —                         |
| Hitachi High-Tech             | 79.7 billion yen (13.8%)  | 109.5 billion yen (17.4%) | —                         |
| Industry Gr.                  | 102.3 billion yen (11.4%) | 99.2 billion yen (10.8%)  | —                         |
| Industrial Digital BU         | 43.5 billion yen (12.7%)  | 38.8 billion yen (11.1%)  | —                         |
| Water & Environment BU        | 18.7 billion yen (10.3%)  | 19.0 billion yen (10.1%)  | —                         |
| Industrial Products           | 45.3 billion yen (11.1%)  | 50.9 billion yen (12.2%)  | —                         |

# Appendix 1. Business Performance Trends: By Group and Business Unit (3/3)

|                               | FY2021            | FY2022<br>Forecast | FY2024<br>Target    |
|-------------------------------|-------------------|--------------------|---------------------|
| Overseas revenues ratio       | 47%               | 48%                | 51%                 |
| Urban Gr.                     | 50%               | 45%                | —                   |
| Building Systems BU           | 69%               | 64%                | —                   |
| Hitachi Global Life Solutions | 9%                | 4%                 | —                   |
| Advanced Technology Gr.       | 70%               | 78%                | —                   |
| Hitachi High-Tech             | 73%               | 80%                | —                   |
| Industry Gr.                  | 28%               | 29%                | —                   |
| Industrial Digital BU         | 31%               | 30%                | —                   |
| Water & Environment BU        | 8%                | 11%                | —                   |
| Industrial Products           | 32%               | 34%                | —                   |
| Lumada revenues               | 525.6 billion yen | 808.6 billion yen  | 1,115.0 billion yen |
| Urban Gr.                     | 176.2 billion yen | 216.7 billion yen  | —                   |
| Building Systems BU           | 134.3 billion yen | 155.0 billion yen  | —                   |
| Hitachi Global Life Solutions | 41.9 billion yen  | 61.7 billion yen   | —                   |
| Advanced Technology Gr.       | 160.8 billion yen | 387.9 billion yen  | —                   |
| Hitachi High-Tech             | 154.5 billion yen | 386.3 billion yen  | —                   |
| Industry Gr.                  | 188.7 billion yen | 203.9 billion yen  | —                   |
| Industrial Digital BU         | 92.5 billion yen  | 95.5 billion yen   | —                   |
| Water & Environment BU        | 6.7 billion yen   | 18.9 billion yen   | —                   |
| Industrial Products           | 89.5 billion yen  | 89.6 billion yen   | —                   |



## Urban Gr.

### Building Systems BU

Provide smart building solutions and green x digital solutions based on connected building equipment such as elevators and escalators



Elevator



Control center



Building IoT platform

### Hitachi Global Life Solutions, Inc.

Sale and provide engineering and maintenance services for home appliances, air conditioning equipment and other equipment and devices; and provide products and solutions utilizing digital technologies



Home appliances



Air conditioning and solutions business



Regenerative Medicine  
Innovation Center

## Advanced Technology Gr.

### Healthcare, Measurement, and Analysis Systems Business (Hitachi High-Tech Corporation)

Provide solutions that resolve customers' issues by utilizing technological capabilities based on measurement and analysis and together with global sales in fields such as biomedical, semiconductors, and social and industrial infrastructure



Advanced CD measurement SEM



Clinical chemistry analyzer

Provide medical equipment and solutions utilizing up-to-the-minute digital technologies in fields including cancer therapy, in-vitro diagnosis, regenerative medicine, and precision medicine



Particle therapy system



Automated cell culture equipment

## Industry Gr.

### Industrial Digital BU

Provide digital solutions and robotic SI integrating IT and OT in the industry and distribution fields



Manufacturing solution



Robotic SI

### Water & Environment BU

Provide a wide range of utility solutions, from social infrastructure facilities for water supply, sewerage, etc. to air conditioning and industrial plant facilities



Water supply and sewerage solution



Clean room facility

## Industrial Products Business

### Hitachi Industrial Products, Ltd.

Provide highly dependable large industrial products globally in the industrial and social infrastructure fields



Railway motor



UPS



Automated guided robot

### Hitachi Industrial Equipment Systems Co., Ltd

Provide a broad line-up of connected and connecting products supporting industrial and social infrastructure coupled with total support throughout the product life cycle



Air compressor



Marking system



IoT Controller

# 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.