



Outline of Consolidated Financial Results for the Year Ended March 31, 2023

[Fiscal 2022]

April 27, 2023

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Hitachi, Ltd.

Contents

1. Key Messages
2. FY2022 Results
3. FY2023 Forecast
4. Appendix



1. Key Messages

1

FY2022 consolidated total revenues were 10,881.1bn yen (YoY +6%), Adjusted EBITA*¹ was 884.6bn yen (YoY +29.2bn yen), core free cash flows⁽¹⁾ were 416.4bn yen (YoY +126.3bn yen) and net income was 649.1bn yen (YoY +65.6bn yen)

- Q4 FY22 three sectors revenues and profits increased YoY

2

Progressing portfolio reforms

- Completed selling Hitachi Transport System⁽²⁾ shares, as well as a part of Hitachi Construction Machinery shares and Hitachi Metals⁽³⁾ shares
- Announced selling a part of Hitachi Astemo shares, planning to make Hitachi Astemo an equity method affiliate in September 2023

3

On shareholder returns, annual dividend is planned to be 145 yen/share (interim dividend was 70 yen/share and year-end dividend is planned to be 75 yen/share). 100.0bn yen share buyback is planned for FY2023, following 200.0bn yen share buyback in FY2022

4

Continuing consolidated business⁽⁴⁾ forecasts for FY2023 are revenues of 7,840.0bn yen (YoY +3%), Adjusted EBITA of 800.0bn yen (YoY +75.1bn yen), and net income of 496.0bn yen (YoY (145.7)bn yen)

- Total revenues and profits including deconsolidated business are expected to decrease due to divestiture of listed subsidiaries and Hitachi Astemo
- Forecasts are based on the assumption that Hitachi Astemo is expected to become an equity method affiliate in September 2023

Notes which are not included in each page of this material are listed on page 23

(1) Core free cash flows = cash flows from operating activities – CAPEX

(2) Hitachi Transport System changed the company's name to LOGISTEED, Ltd. on April 1, 2023

(3) Hitachi Metals changed the company's name to Proterial, Ltd. on January 4, 2023

(4) Consolidated total minus Hitachi Astemo and listed subsidiaries



2. FY2022 Results

- Semiconductor shortage has continuously affected mainly Hitachi Astemo (shortages of some logic, analog, and discrete semiconductors)
 - ⇒ Implementing countermeasures of procuring from multiple suppliers, strategic inventory securing, and searching for alternatives, etc.
- Soaring material prices has continuously impacted mainly on Hitachi Energy and Hitachi Astemo
 - ⇒ Revising selling prices and reducing costs

	Semiconductor shortage	Soaring material prices and transportation cost	Soaring electricity price
Digital Systems & Services	<ul style="list-style-type: none"> • Continued some impacts on IT products and ATM related business 	<ul style="list-style-type: none"> • Soaring prices of some materials for IT products and ATM related business 	Minor Impact
Green Energy & Mobility	<ul style="list-style-type: none"> • Revenues decrease and cost increase in power grids business 	<ul style="list-style-type: none"> • Cost increases of electrical steel sheet and logistics in power grids business 	<ul style="list-style-type: none"> • Cost increase due to higher electricity prices
Connective Industries	<ul style="list-style-type: none"> • Impact on production of some products remains but its impact is decreasing in Industrial Products 	<ul style="list-style-type: none"> • Cost increase in Building Systems and Smart Life & Ecofriendly Systems • Cost increase for products of Industrial Products 	Minor Impact
Hitachi Astemo	<ul style="list-style-type: none"> • Delayed production recovery of some OEMs • Revenues decrease due to semiconductor supply constraints at some suppliers 	<ul style="list-style-type: none"> • Cost increase in some products due to price increase in materials such as steel and copper 	<ul style="list-style-type: none"> • Cost increase due to higher electricity prices

Highlights of Results (FY2022)

- Three sectors: revenues and profits increased due to FX impact, customer investment growth and acquisition of GlobalLogic
- Astemo: revenues and profits increased due to FX impact and moderate production recovery of OEMs. Net income decreased mainly due to impact of the shift to risk-sharing corporate pension plan and impairment losses
- Listed subsidiaries: revenues and profits decreased due to selling a part of Hitachi Construction Machinery shares and selling Hitachi Metals shares

Billions of yen	Total	Three sectors* ²	Astemo	Listed subsidiaries ⁽¹⁾
Revenues	10,881.1	7,638.2	1,920.0	1,322.8
YoY	+6%	+14%	+20%	(33)%
Adjusted EBITA	884.6	724.8	73.4	86.2
YoY	+29.2	+62.7	+11.1	(44.5)
Adjusted EBITA ratio	8.1%	9.5%	3.8%	6.5%
YoY	(0.2) pts	(0.4) pts	(0.1) pts	(0.2) pts
Net income attributable to Hitachi, Ltd. stockholders	649.1	641.7	(24.9)	32.3
YoY	+65.6	+117.6	(39.6)	(12.3)
EPS⁽²⁾	684 yen	676 yen	-	-
YoY	+80 yen	+134 yen	-	-
Core free cash flows*³	416.4	-	-	-
YoY	+126.3	-	-	-
ROIC*⁴	7.6%	-	-	-
YoY	(0.1) pts	-	-	-

(1) Listed subsidiaries: Hitachi Construction Machinery and Hitachi Metals

(2) EPS: (Basic) Earnings per share attributable to Hitachi, Ltd. stockholders.

Weighted average number of shares on which (basic) earnings per share is 948,247,986 shares

Highlights of Business (FY2022)

Billions of yen	FY2022		YoY		Dynamics
	Revenues	Adj. EBITA ⁽¹⁾	Revenues	Adj. EBITA	
Digital Systems & Services⁵	2,389.0	293.7 12.3%	+11%	+12.3 (0.8) pts	<ul style="list-style-type: none"> Segment revenues and profits increased due to FX impact and expansion of Lumada business
GlobalLogic (standalone ⁽²⁾)	207.3	45.2 21.8%	+84%	+20.3 (0.3) pts	<ul style="list-style-type: none"> GlobalLogic revenues increased YoY +84% (dollar base YoY +54%) and maintained high profitability; Adjusted EBITA ratio of 21.8%
Green Energy & Mobility	2,492.5	132.7 5.3%	+22%	+40.4 +0.8 pts	<ul style="list-style-type: none"> Segment revenues and profits increased due to FX impact and solid business performance for Hitachi Energy and Railway Systems
Hitachi Energy (standalone)	1,413.9	101.0 7.1%	+31%	+35.7 +1.0 pts	<ul style="list-style-type: none"> Hitachi Energy revenues and profits increased due to solid business performance, improvement of profitability and FX impact, despite the continuing impact of soaring material prices
Connective Industries	2,975.2	312.1 10.5%	+8%	+54.3 +1.1 pts	<ul style="list-style-type: none"> Segment revenues and profits increased mainly in Measurement & Analysis Systems (Hitachi High-Tech) and Building Systems BU⁽³⁾
Building Systems	891.0	83.6 9.4%	+8%	+13.8 +0.9 pts	<ul style="list-style-type: none"> Building Systems BU revenues and profits increased due to FX impact and expansion of building service business
Measurement & Analysis Systems (Hitachi High-Tech)	674.2	92.6 13.7%	+17%	+32.8 +3.3 pts	<ul style="list-style-type: none"> Measurement & Analysis Systems (Hitachi High-Tech) revenues and profits increased due to sales increase in semiconductor manufacturing equipment and clinical chemistry and immunochemistry analyzers, etc.
Hitachi Astemo	1,920.0	73.4 3.8%	+20%	+11.1 (0.1) pts	<ul style="list-style-type: none"> Revenues and profits increased due to FX impact and moderate production recovery of OEMs, despite the continuous semiconductor shortage and supply chain disruptions in China
Consolidated Total	10,881.1	884.6 8.1%	+6%	+29.2 (0.2) pts	

Adjusted operating income^{*6}, EBIT^{*7} and EBITDA^{*8} by segments are provided in the "Supplemental Material" on the Hitachi web site

(1) Percentages are Adjusted EBITA ratio

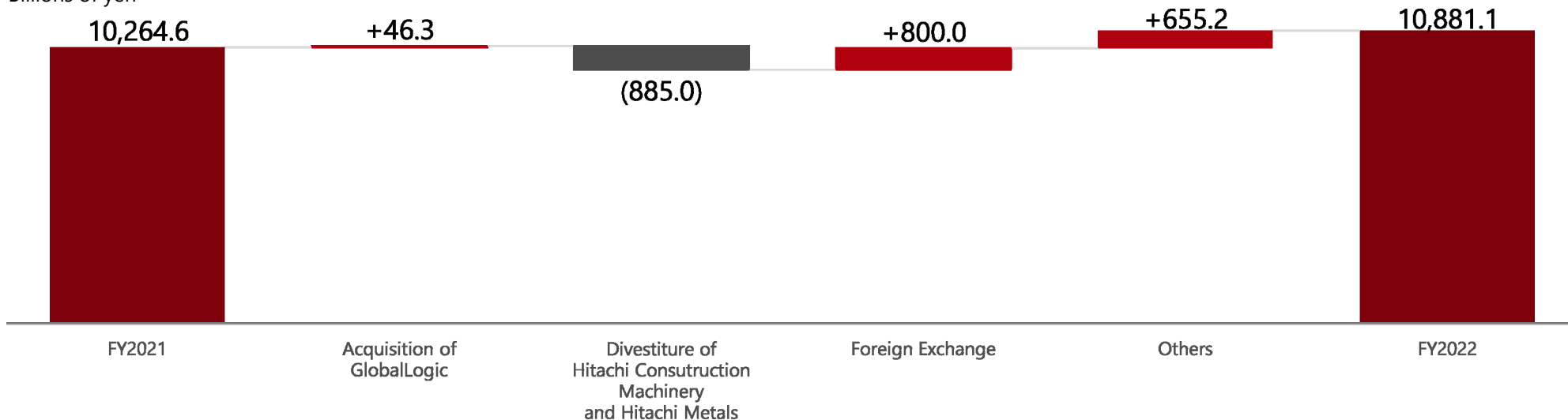
(2) Standalone does not include acquisition related cost

(3) BU: Business Unit

Factors Affecting Changes in Revenues and Adjusted EBITA (FY2022 Total)

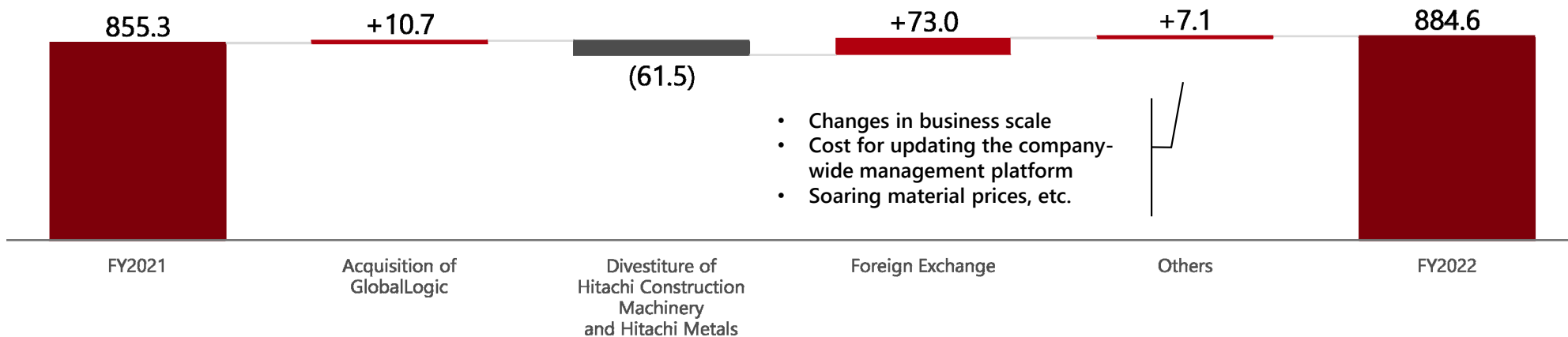
Revenues

Billions of yen



Adjusted EBITA

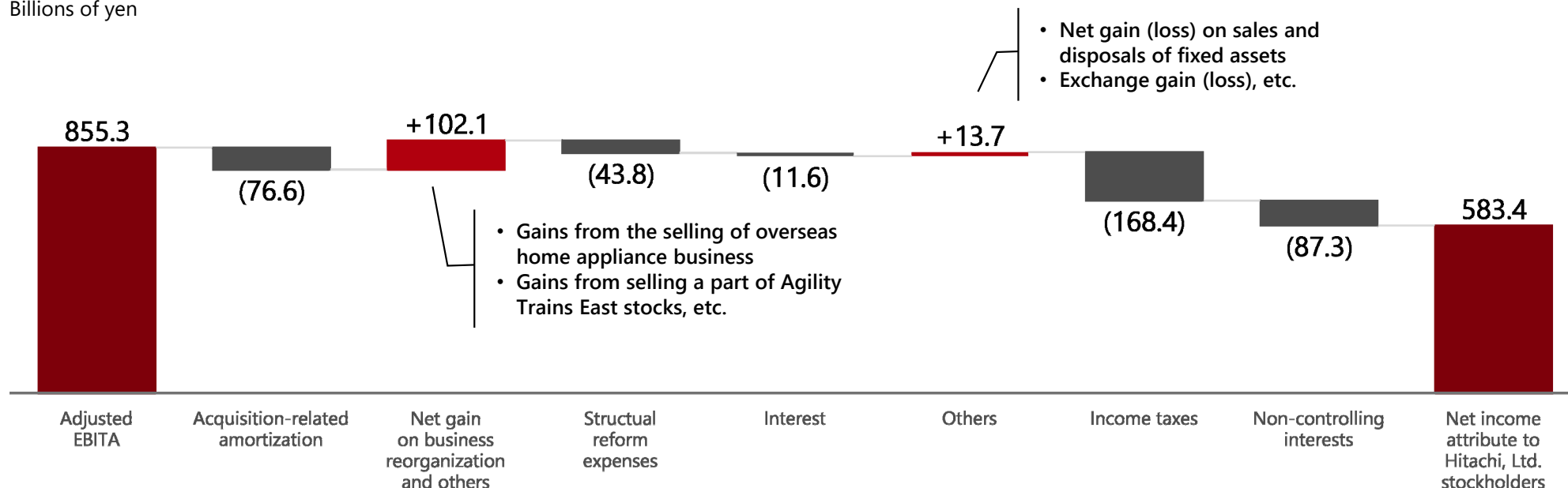
Billions of yen



Factors Affecting Changes in Net Income Attributable to Hitachi, Ltd. Stockholders (FY2022 Total)

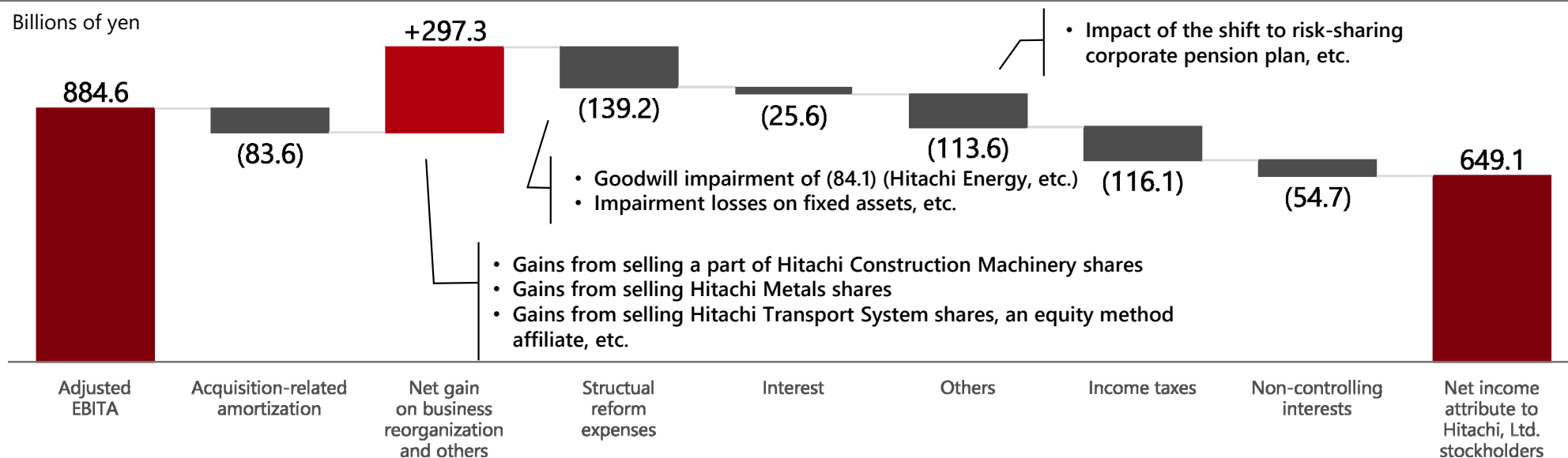
FY2021

Billions of yen



FY2022

Billions of yen



Summary of Consolidated Financial Position

Billions of yen	As of March 31, 2022	As of March 31, 2023	Change from March 31, 2022
Total assets	13,887.5	12,501.4	(1,386.0)
Cash and cash equivalents	968.8	833.2	(135.5)
Trade receivables and contract assets	2,978.1	2,874.9	(103.1)
Total liabilities	8,532.2	7,165.8	(1,366.3)
Interest-bearing debt	3,126.7	2,213.3	(913.3)
Total Hitachi, Ltd. stockholders' equity	4,341.8	4,942.8	+601.0
Non-controlling interests	1,013.4	392.7	(620.7)
Cash Conversion Cycle	78.1 days	58.1 days	(20.0) days
Total Hitachi, Ltd. stockholders' equity ratio	31.3%	39.5%	+8.2 pts
D/E ratio	0.58 times	0.41 times	(0.17) pts

Summary of Consolidated Statement of Cash Flows

Billions of yen	FY2021	FY2022	YoY
Cash flows from operating activities	729.9	827.0	+97.1
Cash flows from investing activities	(1,048.8)	151.0	+1,199.9
Free cash flows	(318.9)	978.1	+1,297.0
Core free cash flows	290.0	416.4	+126.3



3. FY2023 Forecast

Highlights of Forecast (FY2023)

- Forecasts are based on the assumption that acquisition of Thales' railway signal-related business is planned to be completed in the end of September 2023
- Hitachi Astemo is scheduled to become an equity method affiliate in September 2023 due to selling a part of the company shares

Billions of yen	Total	Continuing consolidated business	Deconsolidated business ⁽¹⁾
Revenues	8,800.0	7,840.0	960.0
YoY	[(18%)] ⁽²⁾ (19)%	[+4%] +3%	[(70)%] (70)%
Adjusted EBITA	835.0	800.0	35.0
YoY	(49.6)	+75.1	(124.7)
Adjusted EBITA ratio	9.5%	10.2%	3.6%
YoY	+1.4 pts	+0.7 pts	(1.3) pts
Net income attributable to Hitachi, Ltd. Stockholders	500.0	496.0	4.0
YoY	(149.1)	(145.7)	(3.3)
EPS⁽³⁾	533 yen	529 yen	-
YoY	(151) yen	(147) yen	-
Core free cash flows	310.0		
YoY	(106.4)		
ROIC	7.5%		
YoY	(0.1) pts		
		Assumed FX rate	FX sensitivity ⁽⁴⁾ (FY2023)
			Revenues Adj. EBITA
		US \$ 130 yen	+13.5bn yen +1.5bn yen
		€ 140 yen	+7.0bn yen +0.5bn yen

(1) Hitachi Astemo, Hitachi Construction Machinery and Hitachi Metals

(2) Figures in parentheses are estimated YoY changes excluding the impact of FX rate fluctuation

(3) EPS: (Basic) Earnings per share attributable to Hitachi, Ltd. stockholders.

Weighted average number of shares on which (basic) earnings per share is 937,348,725 shares

(4) Impact of FX rate fluctuation by one-yen depreciation from assumed rate

FY2023 Forecast by Business Segment (1/3)

Billions of yen	FY2023 Forecast		YoY		Dynamics
	Revenues	Adj. EBITA ⁽¹⁾	Revenues	Adj. EBITA	
Digital Systems & Services^{(2)*9}	2,450.0	308.0 12.6%	+3% [+4%] ⁽³⁾	+14.2 +0.3 pts	<ul style="list-style-type: none"> Segment forecasts revenues and profits increase due to harvesting digital demand domestically and internationally by expanding Lumada business such as system modernization, cloud and security related services, despite the continued impact of restrained investment mainly in the transportation and electric power field Global Logic forecasts high growth more than 20% (US \$ base) continues, and synergies with other sectors accelerate
Front Business ^{*10}	1,030.0	112.0 10.9%	+5%	+17.7 +1.3 pts	
IT Services ^{*11}	919.0	105.5 11.5%	+4%	+5.2 +0.2 pts	
Services & Platforms ^{*12}	978.0	95.5 9.8%	+3%	+16.5 +1.5 pts	
Green Energy & Mobility^{*13*14}	2,580.0	173.0 6.7%	+4% [+6%]	+9.4 +0.1 pts	<ul style="list-style-type: none"> Segment forecasts revenues and profits increase due to solid demand and acquisition of Thales' railway signal-related business (planned)
Nuclear Energy ^{*15}	156.6	-	(9)%	-	
Hitachi Power Solutions ^{*15}	124.0	-	+12%	-	<ul style="list-style-type: none"> Nuclear Energy and Hitachi Power Solutions forecasts revenues and profits increase due to solid demand for the renewable energy solution business and services business of Hitachi Power Solutions
Nuclear Energy & Hitachi Power Solutions	325.0	37.7 11.6%	+3%	+1.3 +0.1 pts	
Hitachi Energy	1,362.5	112.5 8.3%	(4)%	+11.5 +1.2 pts	<ul style="list-style-type: none"> Hitachi Energy forecasts profits increase due to solid demand for business and improvement of profitability despite revenues decrease due to FX impact
Related cost ⁽⁴⁾	-	(28.7)	-	(14.2)	
Railway Systems ^{*15}	907.3	56.8 6.3%	+23%	+9.3 (0.2) pts	<ul style="list-style-type: none"> Railway Systems forecasts revenues and profits increase due to major project progression, profitability improvement and acquisition of Thales' railway signal-related business (planned)

Adjusted operating income, EBIT and EBITDA by segments are provided in the "Supplemental Material" on the Hitachi web site

(1) Percentages are Adjusted EBITA ratio

(2) Earnings of GlobalLogic (standalone bases), revenues: 252.0bn yen, Adjusted EBITA: 52.0bn yen, are included in FY2023 forecast

(3) Figures in parentheses are estimated YoY changes excluding the impact of FX rate fluctuation

(4) Related cost includes PMI related costs associated with the acquisition of power grids business

FY2023 Forecast by Business Segment (2/3)

Billions of yen	FY2023 Forecast		YoY		Dynamics
	Revenues	Adj. EBITA	Revenues	Adj. EBITA	
Connective Industries	3,000.0	330.0 <i>11.0%</i>	+1% [+2%] ⁽¹⁾	+17.8 <i>+0.5 pts</i>	<ul style="list-style-type: none"> Segment forecasts profits increase despite decreasing revenues and profits of Measurement & Analysis Systems (Hitachi High-Tech)
Building Systems	840.0	84.2 <i>10.0%</i>	(6)%	+0.6 <i>+0.6 pts</i>	<ul style="list-style-type: none"> Building Systems BU forecasts profits increase due to expansion of building service business despite revenues decrease due to continued adjustment phase in Chinese real estate market and FX impact
Smart Life & Ecofriendly Systems (Hitachi GLS ⁽²⁾)	400.0	45.5 <i>11.4%</i>	+2%	+10.0 <i>+2.4 pts</i>	<ul style="list-style-type: none"> Smart Life & Ecofriendly Systems forecasts revenues and profits increase due to sales increase in domestic home appliances and structural reform, etc.
Measurement & Analysis Systems (Hitachi High-Tech)	670.0	80.3 <i>12.0%</i>	(1)%	(12.3) <i>(1.7) pts</i>	<ul style="list-style-type: none"> Measurement & Analysis Systems (Hitachi High-Tech) forecasts revenues remain firm in clinical chemistry and immunochemistry analyzers in addition to semiconductor manufacturing equipment despite adjustment phase in the current semiconductor market and forecasts profits decrease due to increase in development cost, etc.
Industrial Digital ^{*15}	360.0	41.8 <i>11.6%</i>	±0%	+1.1 <i>+0.3 pts</i>	<ul style="list-style-type: none"> Industrial Digital BU forecasts profits increase due to sales increase in digital solution and robotic SI businesses, and cost reduction, etc.
Water & Environment ^{*15}	194.0	21.5 <i>11.1%</i>	+4%	+2.4 <i>+0.9 pts</i>	<ul style="list-style-type: none"> Water & Environment BU forecasts revenues and profits increase due to solid business performance in air conditioning system business
Industrial Products	458.6	49.9 <i>10.9%</i>	+2%	+4.0 <i>+0.7 pts</i>	<ul style="list-style-type: none"> Industrial Products forecasts revenues and profits increase due to sales increase in non-mass-produced products and cost reduction in mass-produced and non-mass-produced products

Adjusted operating income, EBIT and EBITDA by segments are provided in the "Supplemental Material" on the Hitachi web site

(1) Figures in parentheses are estimated YoY changes excluding the impact of FX rate fluctuation

(2) Hitachi GLS : Hitachi Global Life Solutions

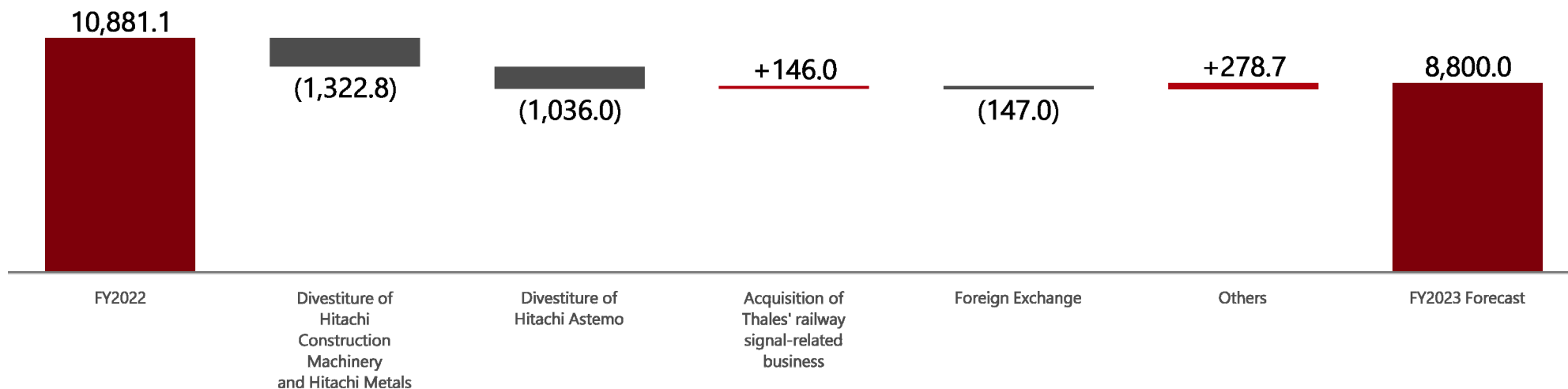
FY2023 Forecast by Business Segment (3/3)

Billions of yen	FY2023 Forecast		YoY		Dynamics
	Revenues	Adj. EBITA	Revenues	Adj. EBITA	
Hitachi Astemo	960.0	35.0 3.6%	(50)% [(49)%] ⁽¹⁾	(38.4) (0.2) pts	• The company is scheduled to be included in Hitachi's consolidated total until Q2 FY23 when it becomes an equity method affiliate
Hitachi Construction Machinery	0.0	0.0 -	(100)%	(43.2) -	• Segment forecasts revenues and profits decrease due to selling a part of Hitachi Construction Machinery in FY2022 (Included in consolidated total until August FY22)
Hitachi Metals	0.0	0.0 -	(100)%	(43.0) -	• Segment forecasts revenues and profits decrease due to selling Hitachi Metals shares in FY2022 (Included in consolidated total until Q3 FY22)
Others*¹⁴	490.0	5.0 1.0%	(1)% [±0%]	+20.2 +4.1 pts	• Overseas and domestic sales companies, etc.
Corporate items & Eliminations	(680.0)	(16.0)	-	+13.3	• Cost for updating the company-wide management platform, etc.
Total	8,800.0	835.0 9.5%	(19)% [(18)%]	(49.6) +1.4 pts	

Factors Affecting Changes in Revenues and Adjusted EBITA (FY2023 Total)

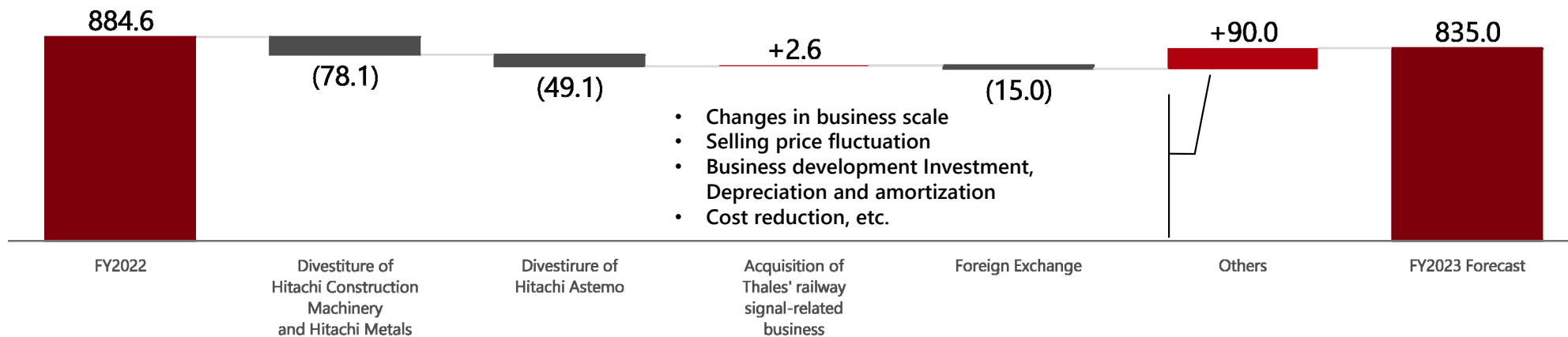
Revenues

Billions of yen



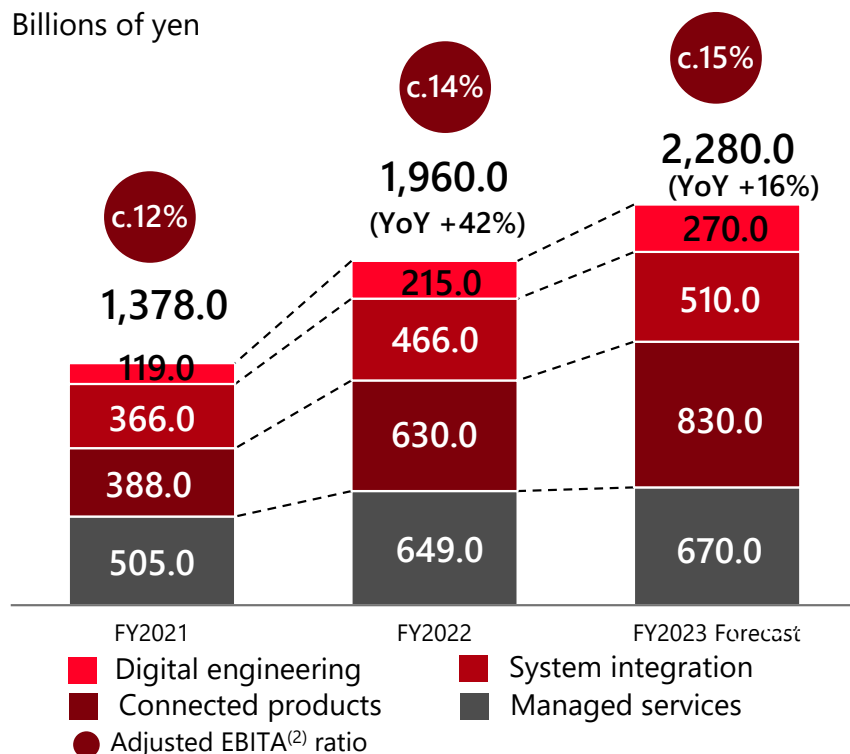
Adjusted EBITA

Billions of yen



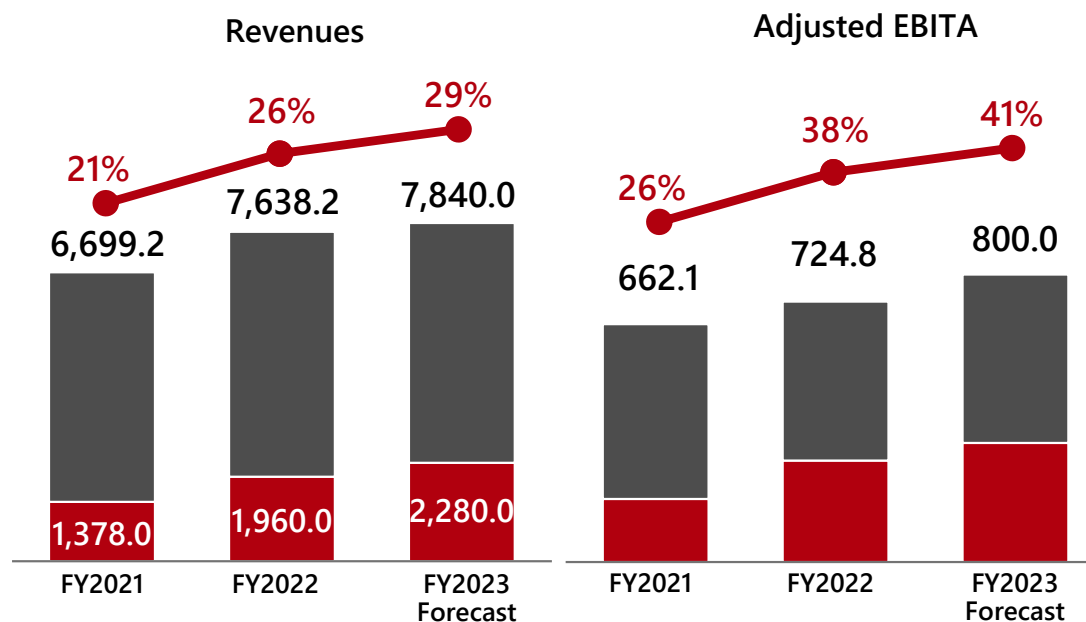
Lumada business revenues⁽¹⁾

Billions of yen

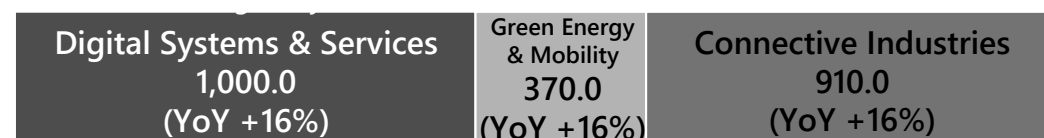


Lumada business ratio

■ Lumada ■ Non Lumada ● Lumada ratio



Lumada business revenues composition by segments (FY2023)



(1) Excluding Hitachi Astemo

(2) Adjusted EBITA for Lumada business includes equity method profits of Hitachi Construction Machinery

Lumada business expansion

Expanding GlobalLogic business	<ul style="list-style-type: none"> Expanding delivery footprint by opening new digital engineering centers in Spain and Mexico, and completed the acquisition of digital engineering companies based on Romania and Uruguay, etc. Opening a software facility in Poland with Stellantis which is one of the world's leading automakers and a mobility provider, expanding support by creating a dedicated engineering lab
Acceleration of collaboration with partners	<ul style="list-style-type: none"> Promoting initiatives to create new services by integrating Hitachi's biometric information encryption technology (PBI: Public Biometric Infrastructure) with face recognition technology of Panasonic Connect



4. Appendix

Highlights of Results (Q4 FY22)

- Three sectors: revenues and profits increased due to FX impact and customer investment growth
- Astemo: revenues and profits increased due to FX impact and moderate production recovery of OEMs, etc.
- Listed subsidiaries: revenues and profits decreased due to selling a part of Hitachi Construction Machinery shares and selling Hitachi Metals shares

Billions of yen	Total	Three sectors	Astemo	Listed subsidiaries ⁽¹⁾
Revenues	2,772.3	2,229.5	542.8	0
YoY	(5)%	+16%	+22%	-
Adjusted EBITA	260.3	226.7	33.5	0
YoY	(19.8)	+10.8	+8.5	(39.2)
Adjusted EBITA ratio	9.4%	10.2%	6.2%	-
YoY	(0.2) pts	(1.1) pts	+0.6 pts	-
Net income attributable to Hitachi, Ltd. stockholders	356.8	355.4	1.4	0
YoY	+224.2	+247.7	(9.7)	(13.8)
Core free cash flows	341.5	-	-	-
YoY	+2.9	-	-	-

Summary of Consolidated Statement of Profit or Loss

Billions of yen	Q4 FY21	Q4 FY22	YoY	FY2021	FY2022	YoY	FY2023	YoY
Revenues	2,917.9	2,772.3	(5)%	10,264.6	10,881.1	+6%	8,800.0	(19)%
Adjusted Operating Income	253.7	220.6	(33.1)	738.2	748.1	+9.9	675.0	(73.1)
Equity in earnings of affiliates	+7.1	+18.8	+11.6	+40.4	+52.8	+12.3	+65.0	+12.1
Acquisition-related amortization*16 to be added back	+19.2	+20.8	+1.6	+76.6	+83.6	+6.9	+95.0	+11.3
Adjusted EBITA	280.1	260.3	(19.8)	855.3	884.6	+29.2	835.0	(49.6)
Net gain on business reorganization and others	+8.2	+232.3	+224.1	+102.1	+297.3	+195.2	+110.0	(187.3)
Acquisition-related amortization	(19.2)	(20.8)	(1.6)	(76.6)	(83.6)	(6.9)	(95.0)	(11.3)
Structural reform expenses ⁽¹⁾	(34.7)	(68.0)	(33.2)	(43.8)	(139.2)	(95.3)	-	-
Others	+15.1	(32.7)	(47.8)	+13.9	(113.4)	(127.4)	-	-
EBIT	249.5	371.1	+121.5	850.9	845.6	(5.3)	740.0	(105.6)
Interest	(3.4)	(7.9)	(4.4)	(11.6)	(25.6)	(14.0)	(35.0)	(9.3)
Income taxes [Effective income tax rate]	(87.4)	+6.8	+94.3	(168.4) [20.1%]	(116.1) [14.2%]	+52.3	(163.0) [23.1%]	(46.8)
Non-controlling interests	(25.9)	(13.1)	+12.8	(87.3)	(54.7)	+32.6	(42.0)	+12.7
Net income attributable to Hitachi, Ltd. Stockholders	132.6	356.8	+224.2	583.4	649.1	+65.6	500.0	(149.1)

(1) Structural reform expenses include impairment loss and special severance pay

Revenues by Market (FY2022)

Billions of yen	Japan	China	ASEAN, India, other areas	North America	Europe	Other areas	Overseas Revenues
Digital Systems & Services	1,555.2	44.2	192.2	321.9	222.3	53.1	833.8
YoY	+2%	+1%	+41%	+39%	+28%	+29%	+33%
Green Energy & Mobility	444.4	175.4	238.1	458.9	829.3	346.1	2,048.0
YoY	+6%	+1%	+4%	+42%	+26%	+40%	+26%
Connective Industries	1,480.9	722.9	271.8	259.9	201.8	37.8	1,494.3
YoY	+2%	+9%	+12%	+23%	+52%	(33)%	+15%
Hitachi Astemo	485.7	302.5	396.7	455.2	161.0	118.7	1,434.2
YoY	+7%	±0%	+30%	+44%	+24%	+32%	+26%
Hitachi Construction Machinery	80.6	15.7	67.2	94.6	80.4	136.3	394.4
YoY	(63)%	(70)%	(53)%	(52)%	(51)%	(46)%	(51)%
Hitachi Metals	323.1	73.0	108.2	283.6	41.5	18.1	524.5
YoY	(20)%	(15)%	(9)%	+3%	(2)%	(4)%	(3)%
Total	4,118.2	1,345.2	1,289.8	1,877.9	1,535.9	713.8	6,762.9
YoY	(2)%	+1%	+9%	+21%	+18%	+1%	+11%
Ratio	38%	12%	12%	17%	14%	7%	62%

Orders Results by Business Segment

Billions of yen	Q4 FY22	YoY	FY2022	YoY		Q4 FY22	YoY	FY2022	YoY
Digital Systems & Services	636.4	+12%	2,529.5	+16%	Connective Industries	720.8	(2)%	3,038.3	±0%
Front Business	269.0	+12%	1,134.1	+12%	Building Systems	201.9	+14%	949.1	+12%
IT Services	254.9	+8%	947.0	+8%	Smart Life & Ecofriendly Systems (Hitachi GLS ⁽¹⁾)	108.1	+11%	392.3	(1)%
Services & Platforms	249.1	+13%	938.1	+21%	Measurement & Analysis Systems (Hitachi High-Tech)	142.4	(30)%	636.6	(19)%
Green Energy & Mobility	1,105.1	+63%	3,864.8	+53%	Industrial Digital	106.3	+7%	345.8	±0%
Nuclear Energy	94.7	+3%	185.2	(7)%	Water & Environment	35.1	(6)%	191.9	+25%
Energy	65.3	+7%	174.7	(4)%	Industrial Products	117.0	+8%	484.7	+9%
Hitachi Energy	559.5	+65%	2,290.1	+64%					
Railway Systems	378.7	+115%	1,196.7	+65%					

(1)Hitachi GLS : Hitachi Global Life Solutions

- *1 "Adjusted EBITA" is presented as Adjusted operating income plus acquisition-related amortization and equity in earnings (losses) of affiliates
- *2 The total of "three sectors" is presented as the consolidated total less the total of Hitachi Astemo and listed subsidiaries. It includes others and corporate items & eliminations
- *3 "Core free cash flows" are cash flows presented as free cash flows excluding cash flows from M&A and asset sales, etc.
- *4 ROIC (Return on Invested Capital) = (NOPAT + equity in earnings (losses) of affiliates) / "Invested Capital" x 100
NOPAT (Net Operating Profit after Tax) = Adjusted operating income x (1 – tax burden rate)
Invested Capital = interest-bearing debt + total equity
- *5 Figures for information control systems business, which were included in Services & Platforms until FY2021, are included in Front Business from FY2022. The year-over-year comparison for Digital Systems & Services segment reflects this change
- *6 "Adjusted operating income" is presented as revenues less selling, general and administrative expenses as well as cost of sales
- *7 "EBIT" is presented as income before income taxes less interest income plus interest charges
- *8 "EBITDA" is presented as income before income taxes less interest income plus interest charges, depreciation and amortization
- *9 Figures for Hitachi Consulting Japan, which were included in IT Services until FY2022, are included in Services & Platforms from FY2023. The year-over-year comparison for Digital Systems & Services segment reflects this change
- *10 System integration, sales, maintenance, related services of software and hardware, and consulting businesses for financial, public, enterprise and social infrastructure (power, rail, telecommunication, etc.) sectors, and information control systems business
- *11 Businesses of Hitachi Solutions and Hitachi Systems
- *12 Businesses of digital solutions (artificial intelligence, IoT platform, software, cloud service, etc.), sales of IT products (storage and server), maintenance, etc.
- *13 Figures for Hitachi Power Solutions, which were included in Energy BU until FY2022, are disclosed independently from FY2023. The year-over-year comparison for Green Energy & Mobility segment reflects this change
- *14 Figures for Business Management Reinforcement Division, which were included in Energy BU until FY2022, are included in Others segment from FY2023. The year-over-year comparison for Green Energy & Mobility segment and Others segment reflect this change
- *15 Figures for each BU include information control systems business, which are also included in Digital Systems & Services segment
- *16 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

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:

- 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;
- credit conditions of Hitachi’s customers and suppliers;
- 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;
- uncertainty as to Hitachi’s ability to respond to tightening of regulations to prevent climate change
- 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 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;
- exacerbation of social and economic impacts of the spread of COVID-19;
- 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;
- 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;
- 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;
- uncertainty as to the success of cost structure overhaul;
- 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;
- the potential for significant losses on Hitachi’s investments in equity-method associates and joint ventures;
- 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 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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