



Outline of Consolidated Financial Results for the First Quarter Ended June 30, 2023

[Fiscal 2023]

July 28, 2023

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Hitachi, Ltd.

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1. Key Messages

1

Q1 FY23 continuing consolidated business⁽¹⁾ revenues were 1,828.3bn yen (YoY +12%), Adjusted EBITA*¹ was 156.9bn yen (YoY +31.9bn yen)

- Hitachi Energy performed well on strong demand, and profitability improved

2

Stable order growth mainly in large-scale businesses

- Digital Systems & Services: orders 731.7bn yen (YoY +11%), backlog c.1.5trn yen
- Hitachi Energy: orders 1,015.4bn yen (YoY +69%), backlog c.3.6trn yen
- Railway Systems: orders 190.5bn yen (YoY +149%), backlog c.4.6trn yen

3

FY2023 forecast remains unchanged from the previous forecast

- Forecast is based on the assumption that Hitachi Astemo is expected to become an equity method affiliate in September 2023
- Thales GTS is included in the forecast for the second half of the year
- Share repurchase up to 100.0 bn yen is in progress (Total repurchase amount aggregated to c.30.0 bn yen as of the end of June 2023)



2. Q1 FY2023 Results

Highlights of Results (Q1 FY23)

- Continuing consolidated business performed well mainly in Hitachi Energy. Revenues and profits increased due to the absence of the impact of lockdown in China in previous fiscal year, and FX impact
- While the impact of rising material prices continued, the impact was largely offset by price pass-through

Billions of yen	Total	Continuing consolidated business ⁽¹⁾	Deconsolidated business ⁽²⁾
Revenues	2,322.4	1,828.3	494.1
YoY	(10)%	[+9%] ⁽³⁾	(47)%
Adjusted EBITA	170.9	156.9	14.0
YoY	+16.1	+31.9	(15.8)
Adjusted EBITA margin	7.4%	8.6%	2.9%
YoY	+1.4 pts	+1.0 pts	(0.3) pts
Net income attributable to Hitachi, Ltd. stockholders	70.0	73.1	(3.1)
YoY	+32.8	+32.6	+0.2
Core free cash flows^{*2}	29.0		
YoY	+23.6		

	Actual FX rate	Q1 FY22 (Average)	Q1 FY23 (Average)
US \$		130 yen	137 yen
€		138 yen	149 yen

(1) Consolidated total minus deconsolidated business

(2) Total of Hitachi Astemo, Hitachi Construction Machinery and Hitachi Metals

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

Q1 FY23 Results by Business Segment (1/3)

Billions of yen	Q1 FY23		YoY		Dynamics
	Revenues	Adj. EBITA ⁽¹⁾	Revenues	Adj. EBITA	
Digital Systems & Services^{*3}	545.9	52.4 9.6%	+8% [+6%] ⁽²⁾	+3.1 (0.2) pts	<ul style="list-style-type: none"> Segment revenues and profits increased In Front Business, revenues and profits increased due to steady growth in Lumada business, despite the continued impact of restrained investment mainly in the transportation and electric power field In IT Services, revenues and profits increased due to solid performance of Lumada business (security, cloud-related services, and services for manufacturing and distribution) In Services & Platforms, profits decreased due to sales decrease in overseas storage business by the impact of restrained investment in North America and Europe, and investment for growth to expand business, etc., despite revenues increase due to FX impact and growth of GlobalLogic GlobalLogic revenues increased YoY +26% (dollar base YoY +19%) and maintained high profitability; Adjusted EBITA margin of 19%
Front Business ^{*4}	213.5	14.2 6.7%	+7%	+4.5 +1.8 pts	
IT Services ^{*5}	208.1	20.9 10.0%	+10%	+0.7 (0.6) pts	
Services & Platforms ^{*6}	225.9	16.1 7.1%	+6%	(0.3) (0.6) pts	
Green Energy & Mobility^{*7*8}	627.9	43.1 6.9%	+23% [+18%]	+19.0 +2.2 pts	<ul style="list-style-type: none"> Segment revenues and profits increased due to solid business performance in Hitachi Energy and Railway Systems In Nuclear Energy and Hitachi Power Solutions, profits decreased due to decrease in equity in earnings of affiliates, etc., despite revenues increase due to solid business performance in Nuclear Energy Hitachi Energy revenues increased due to solid orders, such as expansion of HVDC business and accumulation of transformers with short delivery times. Profits increased due to profitability improvement Railway Systems revenues and profits increased due to progress in major projects and profitability improvement resulting from better project mix
Nuclear Energy ^{*9}	22.5	-	+28%	-	
Hitachi Power Solutions ^{*9}	19.6	-	(4)%	-	
Nuclear Energy & Hitachi Power Solutions	54.9	3.8 6.9%	+9%	(1.9) (4.4) pts	
Hitachi Energy	385.9	29.3 7.6%	+28%	+11.9 +1.8 pts	
Related cost ⁽³⁾	-	(1.7)	-	+2.0	
Railway Systems ^{*9}	185.7	13.7 7.4%	+19%	+7.8 +3.6 pts	

Adjusted operating income^{*10}, EBIT^{*11} and EBITDA^{*12} by segments are provided in the "Supplemental Material" on the Hitachi web site

(1) Percentages are Adjusted EBITA margin. (2) Figures in parentheses are estimated YoY changes excluding the impact of FX rate fluctuation

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

Q1 FY23 Results by Business Segment (2/3)

Billions of yen	Q1 FY23		YoY		Dynamics
	Revenues	Adj. EBITA	Revenues	Adj. EBITA	
Connective Industries	695.3	67.8 9.8%	+4% [+3%] ⁽¹⁾	+6.7 +0.7 pts	<ul style="list-style-type: none"> Segment revenues and profits increased due to sales expansion of digital solutions and products for industrial fields, and the absence of the impact of lockdown in China Building Systems BU⁽²⁾ revenues decreased due to continued adjustment phase in Chinese real estate market. Profits increased due to expansion of building service business Smart Life & Ecofriendly Systems revenues and profits increased due to the absence of the impact of lockdown in China in Q1 FY22, etc. Measurement & Analysis Systems (Hitachi High-Tech) revenues and profits decreased due to sales decrease in semiconductor manufacturing equipment Industrial Digital BU revenues and profits increased due to business expansion in digital solutions and robotic SI businesses, and cost reduction, etc. Water & Environment BU revenues and profits increased due to solid business performance in air conditioning system business Industrial Products revenues and profits increased due to sales increase and cost reduction, etc. in mass-produced and non-mass-produced products
Building Systems	228.0	25.3 11.1%	(3)%	+2.9 +1.5 pts	
Smart Life & Ecofriendly Systems (Hitachi GLS ⁽³⁾)	88.3	11.6 13.1%	+8%	+7.3 +7.9 pts	
Measurement & Analysis Systems (Hitachi High-Tech)	153.6	15.1 9.8%	(2)%	(8.4) (5.2) pts	
Industrial Digital* ⁹	78.2	5.5 7.0%	+4%	+0.4 +0.2 pts	
Water & Environment* ⁹	36.2	0.8 2.1%	+21%	+0.3 +0.6 pts	
Industrial Products	103.1	9.5 9.2%	+18%	+4.6 +3.7 pts	

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) BU: Business Unit

(3) Hitachi GLS : Hitachi Global Life Solutions

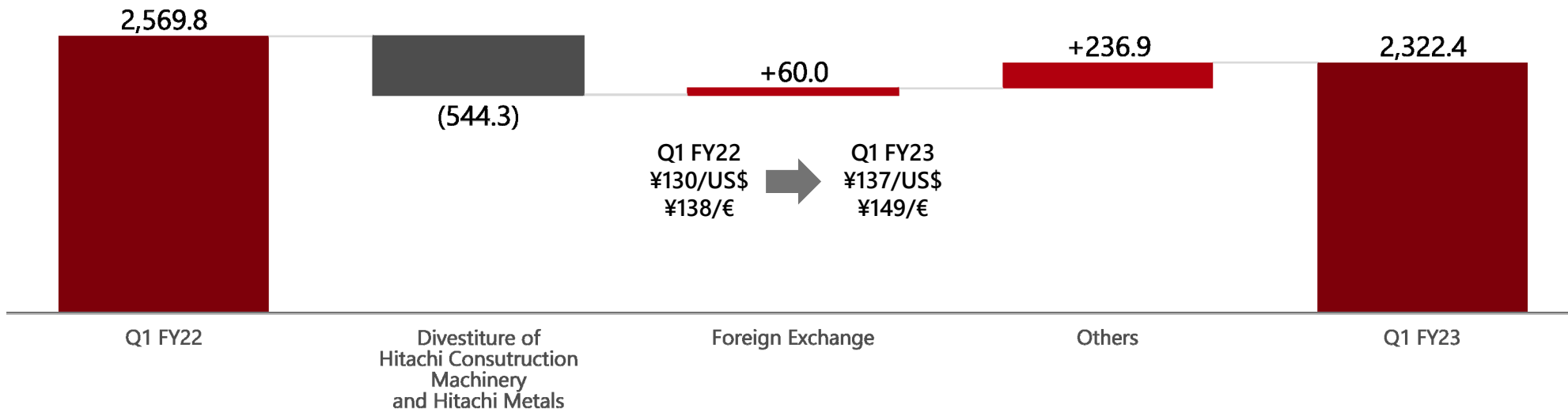
Q1 FY23 Results by Business Segment (3/3)

Billions of yen	Q1 FY23		YoY		Dynamics
	Revenues	Adj. EBITA	Revenues	Adj. EBITA	
Hitachi Astemo	494.1	14.0 2.9%	+27% [+23%] ⁽¹⁾	+18.7 +4.1 pts	• Revenues and profits increased due to the absence of the impact of lockdown in China in Q1 FY22, resolving semiconductor shortage and FX impact
Hitachi Construction Machinery	0.0	0.0 -	(100)%	(21.4) -	• Revenues and profits decreased 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)%	(13.1) -	• Revenues and profits decreased due to selling Hitachi Metals shares in FY2022 (Included in consolidated total until Q3 FY22)
Others*⁸	108.0	0.6 0.6%	(3)% [(3)%]	+4.6 +4.1 pts	• Overseas and domestic sales companies, etc.
Corporate items & Eliminations	(148.9)	(7.2)	-	(1.5)	• Cost for updating the company-wide management platform, etc.
Total	2,322.4	170.9 7.4%	(10)% [(12)%]	+16.1 +1.4 pts	

Factors Affecting Changes in Revenues and Adjusted EBITA (Q1 FY23 Total)

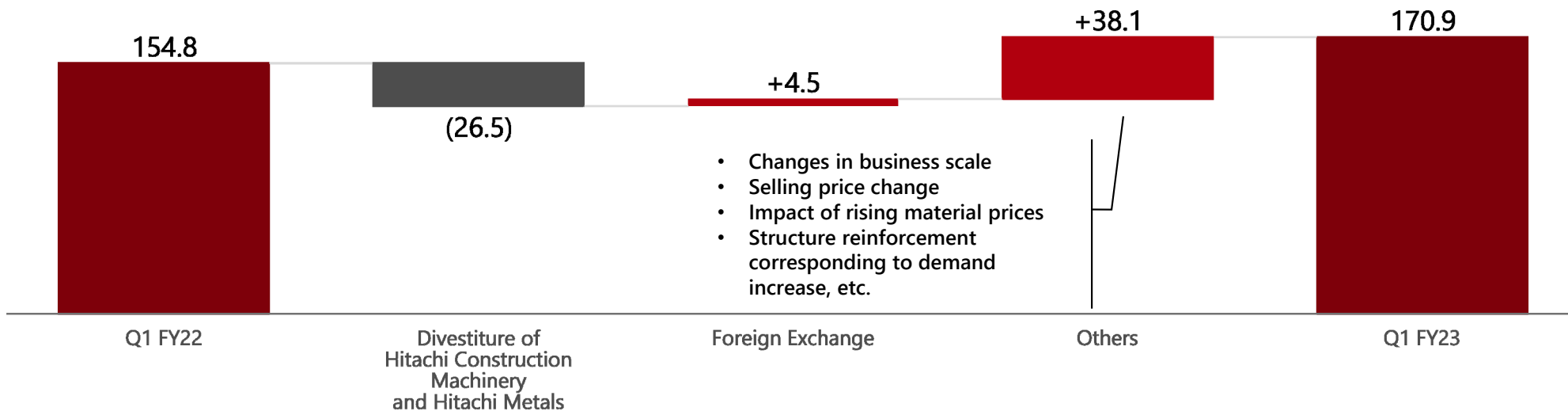
Revenues

Billions of yen



Adjusted EBITA

Billions of yen



Summary of Consolidated Financial Position

Billions of yen	As of March 31, 2023	As of Jun 30, 2023	Change from March 31, 2023
Total assets	12,501.4	13,155.3	+653.9
Cash and cash equivalents	833.2	925.4	+92.1
Trade receivables and contract assets	2,874.9	2,741.0	(133.9)
Total liabilities	7,165.8	7,516.8	+350.9
Interest-bearing debt	2,213.3	2,419.1	+205.7
Total Hitachi, Ltd. stockholders' equity	4,942.8	5,245.1	+302.2
Non-controlling interests	392.7	393.4	+0.7
Cash Conversion Cycle	58.1 days	55.3 days	(2.8) days
Total Hitachi, Ltd. stockholders' equity ratio	39.5%	39.9%	+0.4 pts
D/E ratio	0.41 times	0.43 times	+0.02 pts

Summary of Consolidated Statement of Cash Flows

Billions of yen	Q1 FY2022	Q1 FY2023	YoY
Cash flows from operating activities	106.1	118.1	+12.0
Cash flows from investing activities	(72.0)	(39.8)	+32.1
Free cash flows	34.1	78.2	+44.1
Core free cash flows	5.3	29.0	+23.6



3. FY2023 Forecast

Highlights of Forecast (FY2023)

- No change from the previous forecast
- Hitachi Astemo is scheduled to become an equity method affiliate in September 2023 due to selling a part of the company shares
- Thales GTS is included in the forecast for the second half of the year

Billions of yen	Total	Continuing consolidated business ⁽¹⁾	Deconsolidated business ⁽²⁾		
Revenues	8,800.0	7,820.0	980.0		
YoY	(19)%	[+3%] ⁽³⁾	(70)%		
Adjusted EBITA	835.0	800.0	35.0		
YoY	(49.6)	+75.1	(124.7)		
Adjusted EBITA margin	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	502.0	(2.0)		
YoY	(149.1)	(139.7)	(9.4)		
EPS⁽⁴⁾	535 yen	537 yen	-		
YoY	(149) yen	(140) yen	-		
Core free cash flows	310.0				
YoY	(106.4)				
ROIC*¹³	7.5%				
YoY	(0.1) pts				
		Assumed FX rate	FX sensitivity ⁽⁵⁾ (Q2-Q4 FY2023)		
			Revenues		
			Adj. EBITA		
		US \$	130 yen	+10.0bn yen [+100.0bn yen]	+1.0bn yen [+10.0bn yen]
		€	140 yen	+4.0bn yen [+40.0bn yen]	+0.5bn yen [+5.0bn yen]

(1) Consolidated total minus deconsolidated business

(2) Total of Hitachi Astemo, Hitachi Construction Machinery and Hitachi Metals

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

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

Weighted average number of shares to calculate (basic) earnings per share is 934,418,597

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

Figures in parentheses are impact of exchange rate at ¥140/US \$ and ¥150/€

Highlights of Forecast (FY2023)

Billions of yen	FY2023 Forecast		YoY		Previous forecast comparison		Dynamics
	Revenues	Adj. EBITA ⁽¹⁾	Revenues	Adj. EBITA	Revenues	Adj. EBITA	
Digital Systems & Services	2,450.0	308.0 12.6%	+3% [+4%] ⁽²⁾	+14.2 +0.3 pts	±0%	±0.0 ±0.0 pts	<ul style="list-style-type: none"> No change from the previous segment forecast Segment forecasts revenues and profits increase due to the expand of Lumada business by harvesting digital demand GlobalLogic forecasts continuing growth despite the impact of the economic slowdown in North America and Europe
GlobalLogic (standalone) ⁽³⁾	252.0	52.0 20.6%	+22%	+68 (1.2) pts	±0%	±0.0 ±0.0 pts	
Green Energy & Mobility	2,580.0	173.0 6.7%	+4% [+5%]	+9.4 +0.1 pts	±0%	±0.0 ±0.0 pts	<ul style="list-style-type: none"> No change from the previous segment forecast Hitachi Energy forecasts revenues increase due to solid orders, such as expansion of HVDC business and accumulation of transformers with short delivery times, and profits increase due to profitability improvement Railway Systems forecasts revenues and profits increase due to major projects progression, profitability improvement and acquisition of Thales GTS (included in the forecast for the second half of the year)
Hitachi Energy (standalone)	1,502.7	122.0 8.1%	+6%	+21.0 +1.0 pts	+10%	+9.5 (0.2) pts	
Railway Systems ^{*9}	925.1	57.9 6.3%	+26%	+10.3 (0.2) pts	+2%	+1.0 ±0.0 pts	
Connective Industries	3,000.0	330.0 11.0%	+1% [+2%]	+17.8 +0.5 pts	±0%	±0.0 ±0.0 pts	<ul style="list-style-type: none"> No change from the previous segment forecast Segment forecasts profits increase despite decreasing revenues and profits of Measurement & Analysis Systems (Hitachi High-Tech) Building Systems BU forecasts profits increase due to expansion of building service business despite revenues decrease due to continuing adjustment phase in Chinese real estate market and FX impact Measurement & Analysis Systems (Hitachi High-Tech) forecasts profits decrease due to increase in development cost, etc.
Building Systems	840.0	84.2 10.0%	(6)%	+0.6 +0.6 pts	±0%	±0.0 ±0.0 pts	
Measurement & Analysis Systems (Hitachi High-Tech)	670.0	80.3 12.0%	(1)%	(12.3) (1.7) pts	±0%	±0.0 ±0.0 pts	
Hitachi Astemo	980.0	35.0 3.6%	(49)% [(49)%]	(38.4) (0.2) pts	+2%	±0.0 ±0.0 pts	<ul style="list-style-type: none"> Revenues forecast is revised upward by 20.0 bn yen from the previous forecast
Consolidated Total	8,800.0	835.0 9.5%	(19)% [(18)%]	(49.6) +1.4 pts	±0%	±0.0 ±0.0 pts	

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

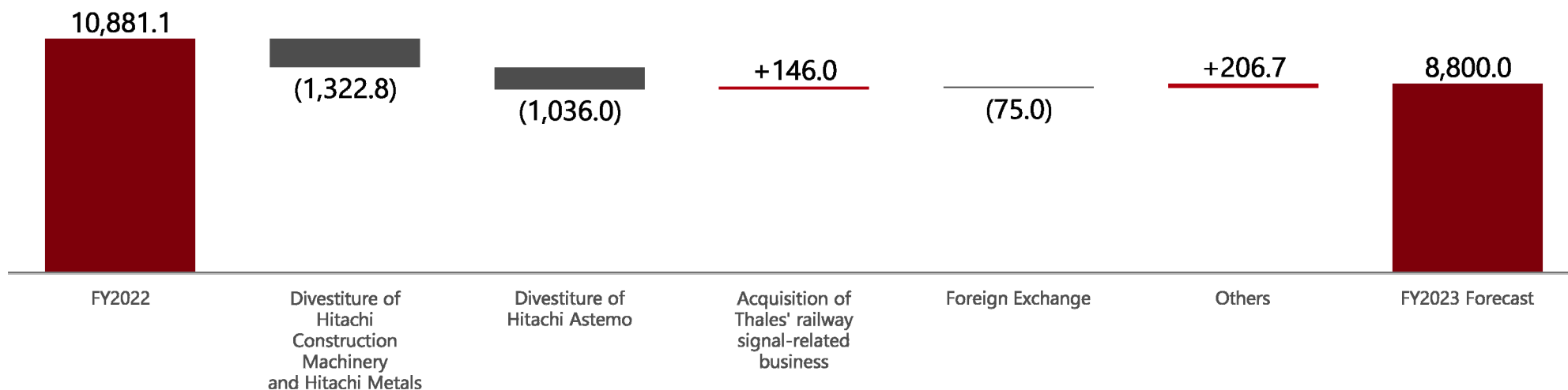
(1) Percentages are Adjusted EBITA margin (2) Figures in parentheses are estimated YoY changes excluding the impact of FX rate fluctuation

(3) Standalone does not include acquisition related cost

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

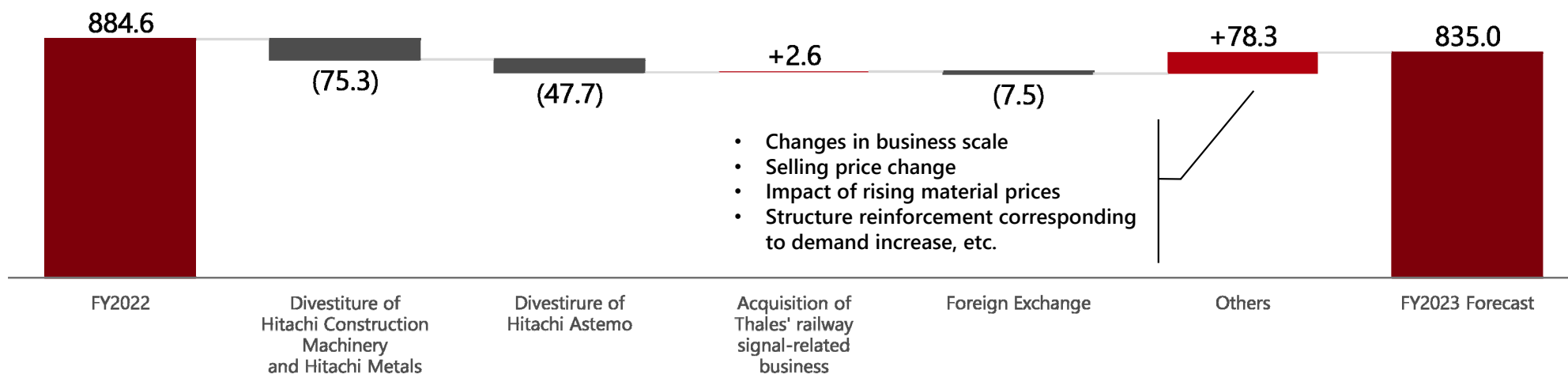
Revenues

Billions of yen



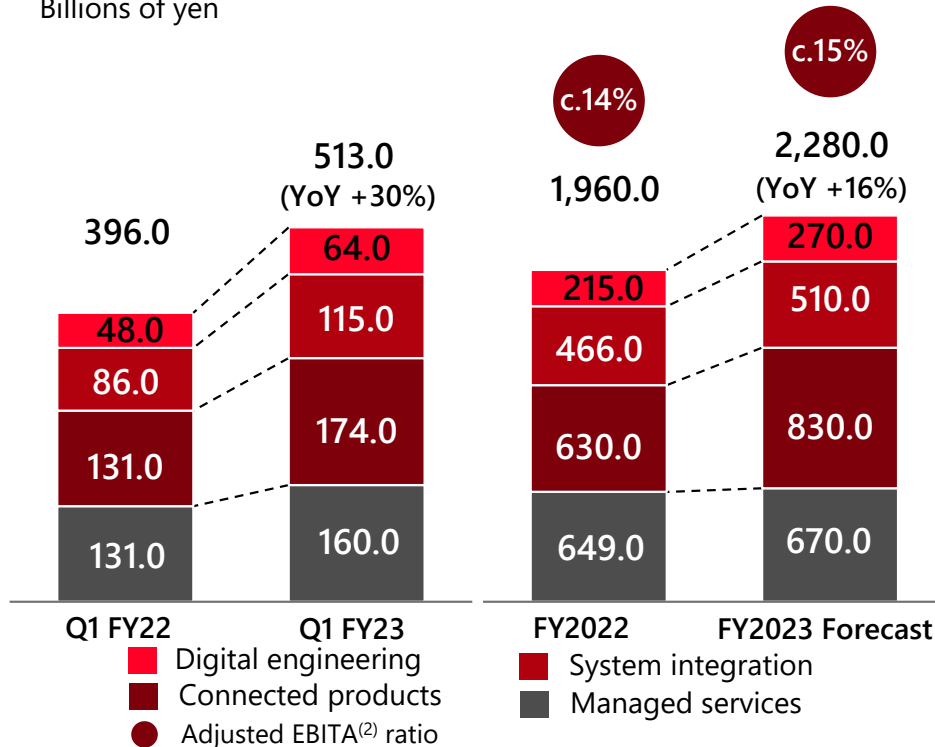
Adjusted EBITA

Billions of yen



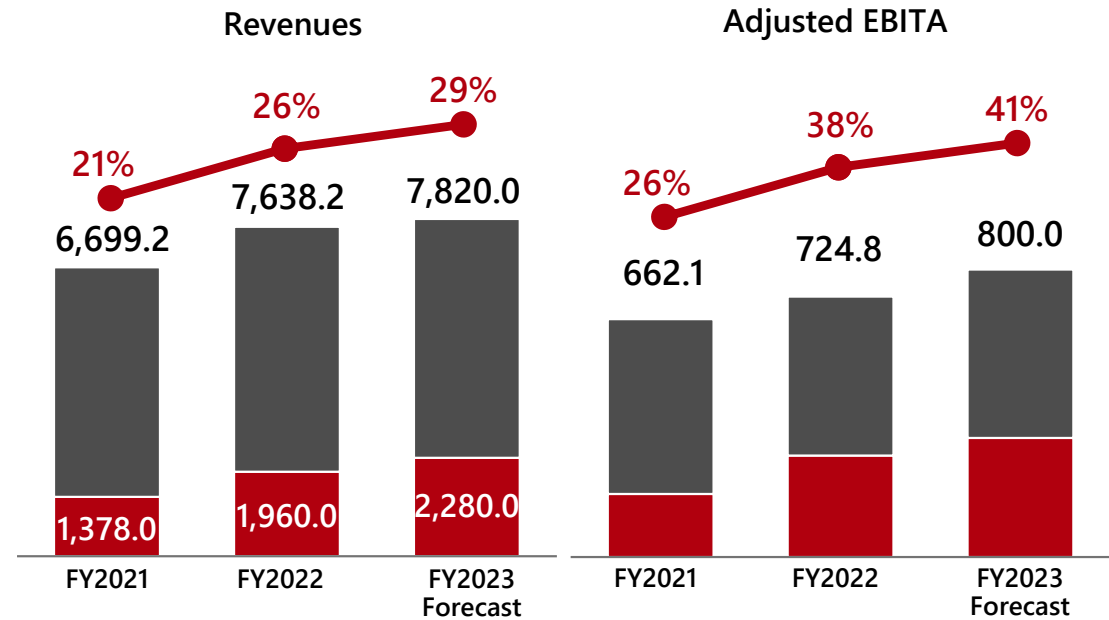
Lumada business revenues⁽¹⁾

Billions of yen

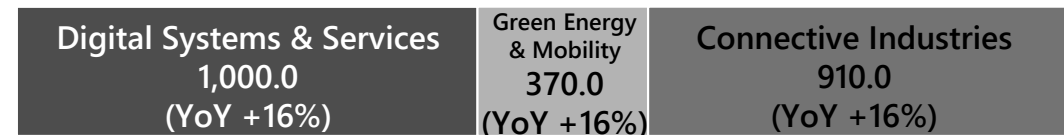


Lumada business ratio

■ Lumada ■ Non Lumada ● Lumada ratio



Lumada business revenues composition by segments (FY2023)



(1) Excluding Hitachi Astemo

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

Lumada business expansion

Business expansion	<ul style="list-style-type: none"> Signed an acquisition agreement with Sidero, an Irish digital engineering company, to strengthen its telecommunications business Strengthened alliances with AWS, Microsoft, and Equinix to expand cloud business. Launched "Hitachi Application Reliability Centers Service⁽³⁾", which has a proven track record overseas, in Japan The first fully automated urban rail system in the U.S., designed and manufactured by Hitachi, began operation in Honolulu, Hawaii (Total orders including non-Lumada business were c.200.0 billion yen)
Strengthening digital infrastructure	<ul style="list-style-type: none"> Established "Generative AI Center" to promote using Generative AI both internally and externally Established the \$300 million third corporate venture capital fund to create innovations in the digital domain including Generative AI and Web3

(3) Services to support customers' application migration, modernization, and cloud operations on leading cloud platforms

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4. Appendix

Summary of Consolidated Statement of Profit or Loss

Billions of yen	Q1 FY22	Q1 FY23	YoY	FY22	FY23	YoY	Previous forecast comparison
Revenues	2,569.8	2,322.4	(10)%	10,881.1	8,800.0	(19)%	±0%
Adjusted Operating Income	121.5	130.5	+8.9	748.1	675.0	(73.1)	±0.0
Equity in earnings of affiliates	+12.9	+19.8	+6.9	+52.8	+65.0	+12.1	±0.0
Acquisition-related amortization* ¹⁴ to be added back	+20.4	+20.5	+0.1	+83.6	+95.0	+11.3	±0.0
Adjusted EBITA	154.8	170.9	+16.1	884.6	835.0	(49.6)	±0.0
Net gain on business reorganization and others	+1.2	(1.2)	(2.4)	+297.3	+110.0	(187.3)	±0.0
Acquisition-related amortization	(20.4)	(20.5)	(0.1)	(83.6)	(95.0)	(11.3)	±0.0
Structural reform expenses ⁽¹⁾	(2.7)	(3.4)	(0.7)	(139.2)	(110.0) ⁽²⁾	+142.6	±0.0
Others	(52.3)	(24.0)	+28.3	(113.4)			
EBIT	80.6	121.8	+41.2	845.6	740.0	(105.6)	±0.0
Interest	(4.0)	(6.4)	(2.3)	(25.6)	(35.0)	(9.3)	±0.0
Income taxes [Effective income tax rate]	(29.5)	(33.8)	(4.2)	(116.1) [14.2%]	(163.0) [23.1%]	(46.8)	±0.0
Non-controlling interests	(9.8)	(11.6)	(1.7)	(54.7)	(42.0)	+12.7	±0.0
Net income attributable to Hitachi, Ltd. Stockholders	37.1	70.0	+32.8	649.1	500.0	(149.1)	±0.0

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

(2) Sum of "Structural reform expenses" and "Others"

Revenues by Market (Q1 FY23)

Billions of yen	Japan	China	ASEAN, India, other areas	North America	Europe	Other areas	Overseas Revenues
Digital Systems & Services	348.2	7.7	44.5	78.7	52.8	13.8	197.6
YoY	+9%	(28)%	+11%	+11%	+6%	+9%	+7%
Green Energy & Mobility	70.9	46.8	61.5	139.2	221.1	88.3	557.0
YoY	+2%	±0%	+31%	+47%	+23%	+24%	+27%
Connective Industries	314.3	190.7	67.2	64.7	50.4	7.7	381.0
YoY	+6%	(5)%	+10%	+4%	+21%	(15)%	+2%
Hitachi Astemo	113.1	67.0	96.7	134.1	44.7	38.3	381.0
YoY	+18%	+12%	+21%	+44%	+33%	+46%	+30%
Hitachi Construction Machinery	0.0	0.0	0.0	0.0	0.0	0.0	0.0
YoY	-	-	-	-	-	-	-
Hitachi Metals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
YoY	-	-	-	-	-	-	-
Total	804.3	309.4	274.2	417.5	369.9	147.0	1,518.1
YoY	(8)%	(12)%	(9)%	(12)%	±0%	(26)%	(11)%
Ratio	35%	13%	12%	18%	16%	6%	65%

Orders Results by Business Segment (Q1 FY23)

Billions of yen	Q1 FY23	YoY		Q1 FY23	YoY
Digital Systems & Services	731.7	+11%	Connective Industries	773.1	(1)%
Front Business	372.5	+17%	Building Systems	237.8	(14)%
IT Services	254.9	+6%	Smart Life & Ecofriendly Systems (Hitachi GLS ⁽¹⁾)	88.3	+8%
Services & Platforms	225.9	+6%	Measurement & Analysis Systems (Hitachi High-Tech)	151.9	(12)%
Green Energy & Mobility	1,278.3	+72%	Industrial Digital	99.1	+28%
Nuclear Energy	24.4	+10%	Water & Environment	57.4	+12%
Hitachi Power Solutions	24.6	(9)%	Industrial Products	121.6	+9%
Hitachi Energy	1,015.4	+69%			
Railway Systems	190.5	+149%			

(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 "Core free cash flows" are cash flows presented as free cash flows excluding cash flows from M&A and asset sales, etc.
- *3 Figures for Hitachi Consulting Japan, which were included in IT Services until FY2022, are included in Services & Platforms from FY2023. The year-over-year comparisons for Digital Systems & Services segment reflects this change
- *4 System integration, sales, maintenance, related services of software and hardware, and consulting businesses for financial, public and social infrastructure (power, rail, telecommunication, etc.) sectors, and information control systems business
- *5 Businesses of Hitachi Solutions and Hitachi Systems
- *6 Businesses of digital solutions (artificial intelligence, IoT platform, software, cloud service, etc.), sales of IT products (storage and server), maintenance, etc.
- *7 Figures for Hitachi Power Solutions, which were included in Energy BU until FY2022, are disclosed independently from FY2023. The year-over-year comparisons for Green Energy & Mobility segment reflects this change
- *8 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 comparisons for Green Energy & Mobility segment and Others segment reflect this change
- *9 Figures for each BU include information control systems business, which are also included in Digital Systems & Services segment
- *10 "Adjusted operating income" is presented as revenues less selling, general and administrative expenses as well as cost of sales
- *11 "EBIT" is presented as income before income taxes less interest income plus interest charges
- *12 "EBITDA" is presented as income before income taxes less interest income plus interest charges, depreciation and amortization
- *13 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
- *14 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

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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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