

# Outline of Consolidated Financial Results for the Second Quarter Ended September 30, 2024

[Fiscal 2024]

October 30, 2024

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# Contents

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1. Key Messages
2. Q2 FY2024 Results
3. FY2024 Forecasts
4. Performance by Business Segment
5. Appendices

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# 1. Key Messages

## Q2 FY24 Results

Revenues and profits increased in Three Sectors. DSS benefited from the tailwind of DX/modernization in the Japanese IT market, while GEM performed well with renewal demand for power grid facilities, in addition to renewable energy, and data center-related solutions

### Three Sectors (excl. Hitachi Astemo)

|          |                                  |            |                    |                   |              |
|----------|----------------------------------|------------|--------------------|-------------------|--------------|
| Revenues | <b>+11%</b> [+9%] <sup>(*)</sup> | Adj. EBITA | <b>+23%</b> [+22%] | Adj. EBITA Margin | <b>10.7%</b> |
|          | 2,334.5 bn yen                   |            | 249.3 bn yen       |                   | +1.0 pts     |

### Consolidated Total

|   |                     |          |                    |
|---|---------------------|----------|--------------------|
| Net Income attributable to Hitachi, Ltd. Stockholders | <b>116.9</b> bn yen | Core FCF | <b>97.6</b> bn yen |
|   | (22.1) bn yen       |          | +5.5 bn yen        |

The decrease in Net Income was mainly due to equity in losses of Hitachi Astemo

## FY24 Forecasts

Three Sectors was revised upward by 150.0 bn yen in Revenues and 19.5 bn yen in Adj. EBITA  
DX/GX demand and new opportunities drive revenues and profits growth  
Core FCF is expected to exceed the target of the Mid-term Management Plan 2024 by 0.3 tn yen, reaching 1.5 tn yen in three-year cumulative total

### Three Sectors (excl. Hitachi Astemo)

|          |                  |            |                    |                   |              |
|----------|------------------|------------|--------------------|-------------------|--------------|
| Revenues | <b>+7%</b> [+7%] | Adj. EBITA | <b>+23%</b> [+23%] | Adj. EBITA Margin | <b>11.5%</b> |
|          | 9,150.0 bn yen   |            | 1,050.0 bn yen     |                   | +1.5 pts     |

### Consolidated Total

|   |                     |          |                     |      |             |
|---|---------------------|----------|---------------------|------|-------------|
| Net Income attributable to Hitachi, Ltd. Stockholders | <b>600.0</b> bn yen | Core FCF | <b>480.0</b> bn yen | ROIC | <b>9.5%</b> |
|   | +10.1 bn yen        |          | (91.4) bn yen       |      | +0.8 pts    |

Core FCF is expected to decrease due to CAPEX increase and tax increase related to selling of strategic shareholding

## Capture megatrends (mainly DSS・GEM) for continuous growth trends

### H1 FY24 Business performance

| bn yen     | Order   | YoY  | Revenues | YoY  | Adj. EBITA / % | YoY   |          |
|------------|---------|------|----------|------|----------------|-------|----------|
| <b>DSS</b> | 1,522.2 | +9%  | 1,312.4  | +10% | 169.1 / 12.9%  | +34.1 | +1.6 pts |
| <b>GEM</b> | 3,115.4 | +42% | 1,785.7  | +33% | 152.9 / 8.6%   | +73.2 | +2.7 pts |

### Q2 FY24 Order backlog

**DSS** 1.6 tn yen

**GEM** 12.0 tn yen (Hitachi Energy: 5.3 tn yen, Railway systems: 5.9 tn yen)

## Acquire new business opportunities

- In addition to its existing collaboration with Japanese data center operators, Hitachi has expanded the partnership with Singtel, a leading communications technology group in Asia, in the files of next-generation data centers and GPU Cloud in Japan and Asia Pacific regions
- Hitachi Rail to sign with The Copenhagen Metro to deliver HMAX, its digital asset management suite integrated with NVIDIA AI technology. Accelerate expansion of its Service and Digital Businesses through operational and maintenance support for rolling stocks, signaling, and infrastructure

## Plan to pay the FY24 interim dividend of 21 yen per share

- 5 yen increase (YoY+31%) from the FY23 interim dividend, 1 yen increase (YoY+10%) from the FY23 year-end dividend, total 96.5 bn yen
- The 200 bn yen share buyback (announced on April 26) is progressing as planned (123.4 bn yen, 61.7% progress) as of the end of September



## 2. Q2 FY2024 Results

# Highlights of Results (Q2 FY24)

- Three Sectors (excl. Hitachi Astemo) achieved revenue growth (YoY +11%) and Adj. EBITA increase (YoY: +46.5 billion yen, +23%), leading to improved profitability
- In Consolidated Total, profits decreased YoY mainly due to equity in loss of Hitachi Astemo
- Core FCF increased in YoY due to the increase of paid in advance and others

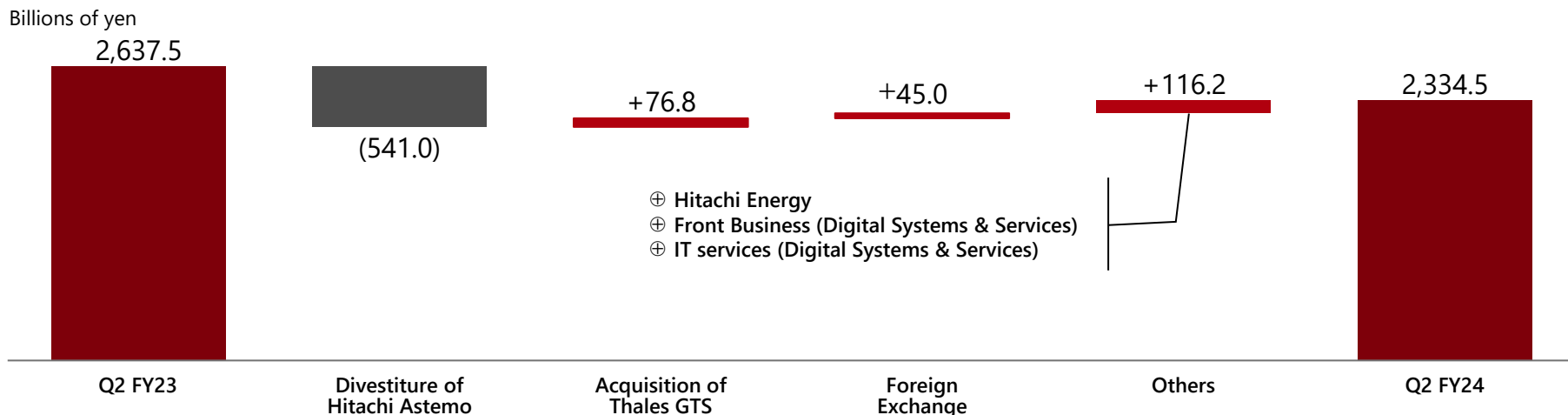
| Billions of yen  | Consolidated Total | Three Sectors<br>(excl. Hitachi Astemo) |       |
|--|--------------------|---|-------|
| <b>Revenues</b>  | 2,334.5            | 2,334.5                                 |       |
| YoY  | (11)%              | [+9%] <sup>(*)</sup>                    | +11%  |
| <b>Adj. EBITA</b>  | 224.5              | 249.3                                   |       |
| YoY  | (5.4)              | [+22%]                                  | +46.5 |
| <b>Adj. EBITA margin</b>                                     | 9.6%               | 10.7%                                   |       |
| YoY  | +0.9 pts           | +1.0 pts                                |       |
| <b>Net income attributable to Hitachi, Ltd. stockholders</b> | 116.9              | 141.7                                   |       |
| YoY  | (22.1)             | (2.7)                                   |       |
| <b>Core free cash flows</b>                                  | 97.6               |   |       |
| YoY  | +5.5               |   |       |

| Actual FX rate | Q2 FY23<br>(Average) | Q2 FY24<br>(Average) |
|----------------|----------------------|----------------------|
| US \$          | 145 yen              | 149 yen              |
| €              | 157 yen              | 164 yen              |

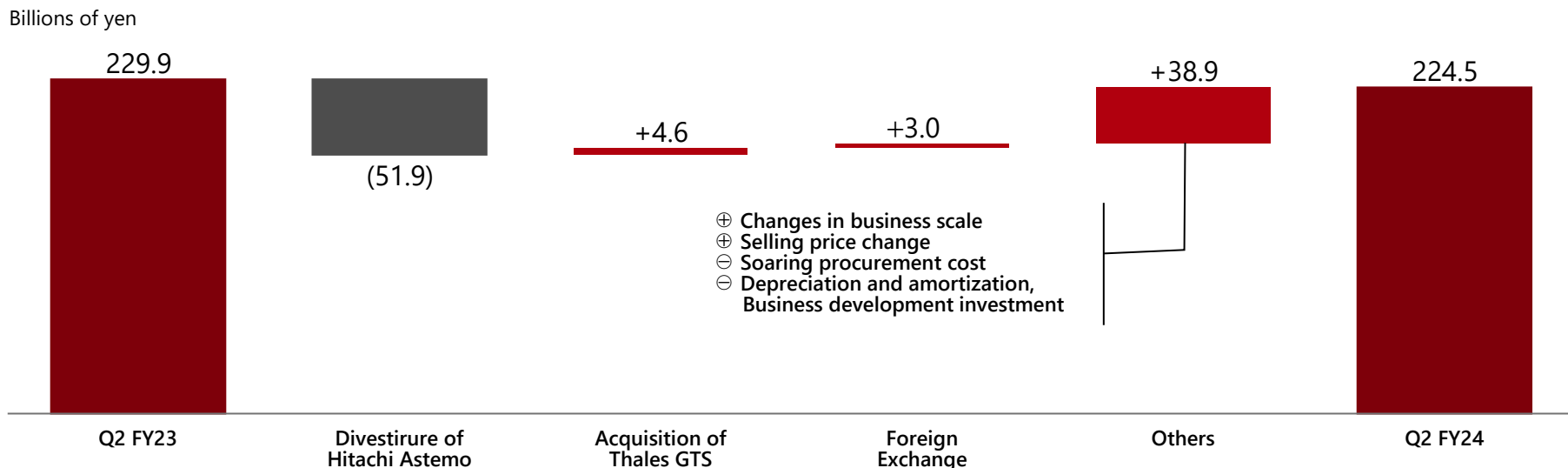
(\*) [ ]: Estimated YoY changes excl. FX impact

# Factors Affecting Year over Year Changes in Revenues and Adj. EBITA (Q2 FY24 Consolidated Total)

## Revenues



## Adj. EBITA





## Summary of Consolidated Financial Position

| Billions of yen                                | As of<br>March 31, 2024 | As of<br>September 30, 2024 | Difference from<br>March 31, 2024 |
|--|-------------------------|-----------------------------|-----------------------------------|
| Total assets                                   | 12,221.2                | 12,568.6                    | +347.3                            |
| Cash and cash equivalents                      | 705.3                   | 794.2                       | +88.8                             |
| Trade receivables and contract assets          | 2,991.3                 | 3,080.1                     | +88.7                             |
| Total liabilities                              | 6,361.6                 | 6,913.0                     | +551.3                            |
| Interest-bearing debt                          | 1,180.0                 | 1,529.0                     | +349.0                            |
| Total Hitachi, Ltd. stockholders' equity       | 5,703.7                 | 5,501.3                     | (202.3)                           |
| Non-controlling interests                      | 155.8                   | 154.2                       | (1.6)                             |
| Cash Conversion Cycle                          | 54.2 days               | 51.8 days                   | (2.4) days                        |
| Total Hitachi, Ltd. stockholders' equity ratio | 46.7%                   | 43.8%                       | (2.9) pts                         |
| D/E ratio                                      | 0.20 times              | 0.27 times                  | +0.07 pts                         |

## Summary of Consolidated Statement of Cash Flows

| Billions of yen                      | Q2 FY23 | Q2 FY24 | YoY    | H1 FY23 | H1 FY24 | YoY     |
|--------------------------------------|---------|---------|--------|---------|---------|---------|
| Cash flows from operating activities | 198.7   | 180.2   | (18.5) | 316.9   | 323.3   | +6.4    |
| Cash flows from investing activities | (70.4)  | (77.4)  | (7.0)  | (110.2) | (311.8) | (201.5) |
| Free cash flows                      | 128.3   | 102.7   | (25.6) | 206.6   | 11.4    | (195.1) |
| Core free cash flows                 | 92.1    | 97.6    | +5.5   | 121.1   | 168.6   | +47.4   |

# Regional revenues (Q2 FY24)

| Billions of yen                       | Japan | North America | Europe | China | ASEAN, India, other areas | Other areas | Overseas revenues |
|---------------------------------------|-------|---------------|--------|-------|---------------------------|-------------|-------------------|
| <b>Digital Systems &amp; Services</b> | 460.0 | 91.8          | 55.4   | 8.1   | 49.0                      | 13.8        | 218.3             |
| YoY                                   | +8%   | +6%           | (6)%   | (10)% | (5)%                      | (1)%        | (1)%              |
| <b>Green Energy &amp; Mobility</b>    | 95.2  | 201.5         | 332.1  | 52.4  | 75.2                      | 144.7       | 806.2             |
| YoY                                   | +10%  | +29%          | +36%   | +3%   | +11%                      | +28%        | +28%              |
| <b>Connective Industries</b>          | 370.1 | 68.7          | 56.9   | 204.7 | 71.0                      | 9.3         | 410.8             |
| YoY                                   | ±0%   | +5%           | +13%   | +3%   | (3)%                      | (9)%        | +3%               |
| <b>Three sectors</b>                  | 888.6 | 362.1         | 445.0  | 268.0 | 202.4                     | 168.1       | 1,445.8           |
| YoY                                   | +6%   | +17%          | +26%   | +3%   | +1%                       | +22%        | +15%              |
| <b>Ratio</b>                          | 38%   | 16%           | 19%    | 11%   | 9%                        | 7%          | 62%               |
| <b>Consolidated Total</b>             | 888.6 | 362.1         | 445.0  | 268.0 | 202.4                     | 168.1       | 1,445.8           |
| YoY(*)                                | (8)%  | (19)%         | +12%   | (21)% | (34)%                     | (6)%        | (14)%             |
| <b>Ratio</b>                          | 38%   | 16%           | 19%    | 11%   | 9%                        | 7%          | 62%               |

(\*) YoY of Consolidated Total is compared to the previous year's results including Hitachi Astemo

# Orders Results by Business Segment (Q2/H1 FY24)

| Billions of yen                       | Q2 FY24 | YoY   | H1 FY24 | YoY   | Q2 FY24  | YoY   | H1 FY24 | YoY     |       |
|---------------------------------------|---------|-------|---------|-------|--|-------|---------|---------|-------|
| <b>Digital Systems &amp; Services</b> | 647.1   | (3)%  | 1,522.2 | +9%   | <b>Connective Industries</b>                       | 777.9 | (1)%    | 1,519.8 | (2)%  |
| Front Business                        | 254.2   | (11)% | 717.7   | +9%   | Building Systems                                   | 223.8 | (9)%    | 440.2   | (9)%  |
| IT Services                           | 267.7   | +4%   | 569.8   | +11%  | Smart Life & Ecofriendly Systems (Hitachi GLS)     | 94.2  | (5)%    | 177.2   | (5)%  |
| Services & Platforms                  | 256.3   | +2%   | 519.0   | +9%   | Measurement & Analysis Systems (Hitachi High-Tech) | 181.5 | +11%    | 352.9   | +6%   |
| <b>Green Energy &amp; Mobility</b>    | 1,709.3 | +84%  | 3,115.4 | +42%  | Industrial Digital                                 | 88.2  | +6%     | 194.6   | +7%   |
| Nuclear Energy                        | 48.8    | (11)% | 169.9   | +114% | Water & Environment                                | 43.2  | (29)%   | 79.6    | (33)% |
| Hitachi Power Solutions               | 39.9    | +75%  | 65.4    | +38%  | Industrial Products                                | 146.9 | +12%    | 275.4   | +9%   |
| Hitachi Energy                        | 893.8   | +37%  | 1,966.0 | +18%  |  |       |         |         |       |
| Railway Systems                       | 724.2   | +290% | 910.8   | +142% |  |       |         |         |       |

Front Business : Impact of some projects brought forward to Q1, and Impact of large projects in the same period of the previous year

Nuclear Energy / Water & Environment : Impact of large projects in the same period of the previous year

Railway Systems : Impact of a large-scale maintenance project in overseas and the acquisition of Thales's railway signaling-related business

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## 3. FY2024 Forecasts

# Highlights of Forecasts (FY24)

- Three Sectors was revised upward by 150.0 bn yen in revenues and 19.5 bn yen in Adj. EBITA
- In Consolidated Total, profits were unchanged from the previous forecast mainly due to equity in loss of Hitachi Astemo
- Almost all KPIs of the Mid-term Management Plan 2024 are expected to be achieved

| Billions of yen  | Consolidated Total |                  | Three Sectors<br>(excl. Hitachi Astemo) |                          |
|--|--------------------|------------------|---|--------------------------|
|  | Previous Forecast  | Present Forecast | Previous Forecast                       | Present Forecast         |
| <b>Revenues</b>  | 9,000.0            | 9,150.0          | 9,000.0                                 | 9,150.0                  |
| YoY  |                    | (6)%             |   | [+7%] <sup>(*)</sup> +7% |
| <b>Adj. EBITA</b>  | 1,035.0            | 1,035.0          | 1,030.5                                 | 1,050.0                  |
| YoY  |                    | +116.8           |   | [+23%] +194.2            |
| <b>Adj. EBITA margin</b>                                     | 11.5%              | 11.3%            | 11.5%                                   | 11.5%                    |
| YoY  |                    | +1.9 pts         |   | +1.5 pts                 |
| <b>Net Income attributable to Hitachi, Ltd. Stockholders</b> | 600.0              | 600.0            | 595.5                                   | 615.0                    |
| YoY  |                    | +10.1            |   | +20.0                    |
| <b>EPS</b>   | 129 yen            | 130 yen          |   |                          |
| <b>Core FCF</b>  | 480.0              | 480.0            |   |                          |
| YoY  |                    | (91.4)           |   |                          |
| <b>ROIC</b>  | 9.5%               | 9.5%             |   |                          |
| YoY  |                    | +0.8 pts         |   |                          |

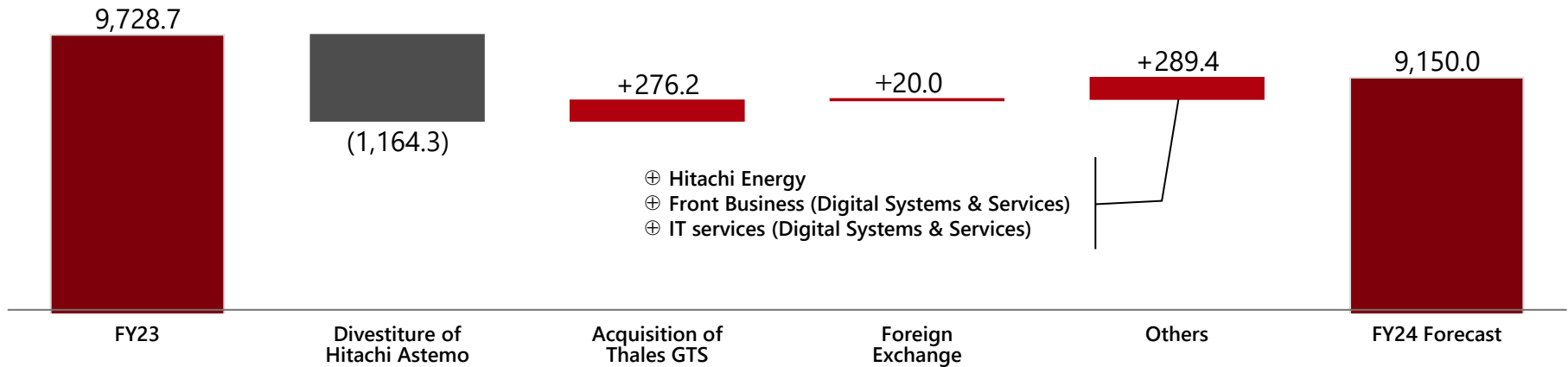
|       | Assumed FX rate | FX sensitivity <sup>(*)</sup><br>(FY2024 Q3-Q4) |             |
|-------|-----------------|---|-------------|
|       |                 | Revenues  | Adj. EBITA  |
| US \$ | 140 yen         | +6.0 bn yen                                     | +0.5 bn yen |
| €     | 150 yen         | +4.0 bn yen                                     | +0.3 bn yen |

(\*) [ ]: Estimated YoY changes excl. FX impact (\*) Impact of FX rate fluctuation by one-yen depreciation from assumed rate © Hitachi, Ltd. 2024. All rights reserved.

# Factors Affecting Year over Year Changes in Revenues and Adj. EBITA (FY24 Consolidated Total)

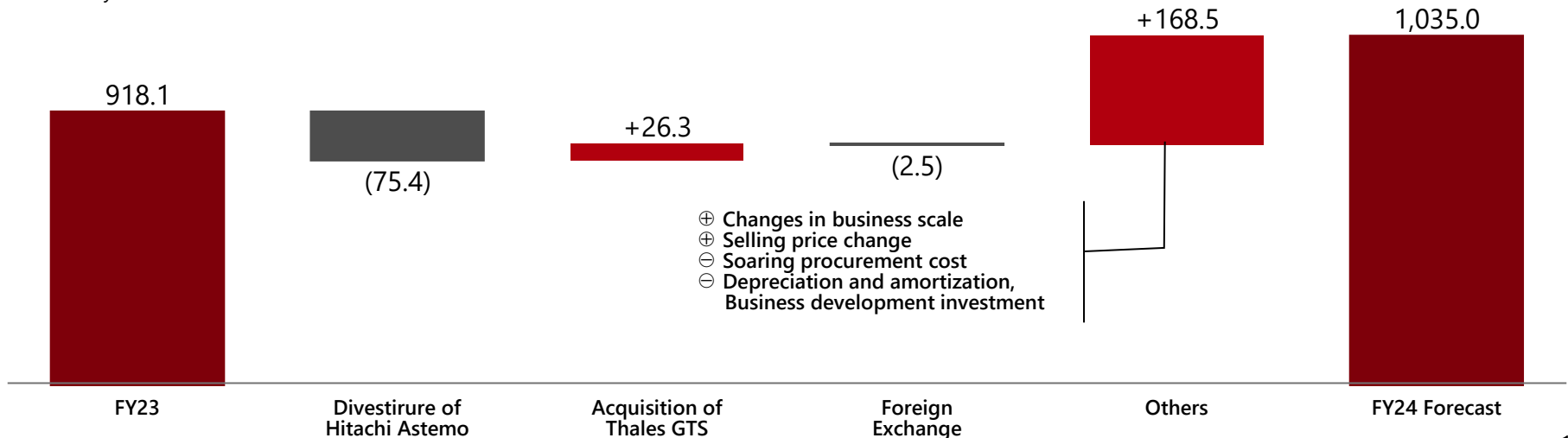
## Revenues

Billions of yen



## Adj. EBITA

Billions of yen



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## 4. Performance by Business Segment

# Performance by Business Segment (DSS)

| Billions of yen                               | Q2 FY24  |               | YoY              |                   | FY24 Forecasts |                | YoY            |                   | vs Previous Forecasts |                   |
|---|----------|---------------|------------------|-------------------|----------------|----------------|----------------|-------------------|-----------------------|-------------------|
|   | Revenues | Adj. EBITA    | Revenues         | Adj. EBITA        | Revenues       | Adj. EBITA     | Revenues       | Adj. EBITA        | Revenues              | Adj. EBITA        |
| <b>Digital Systems &amp; Services</b>         | 678.3    | 90.7<br>13.4% | +5%<br>[+4%] (*) | +8.1<br>+0.6 pts  | 2,800.0        | 378.0<br>13.5% | +8%<br>[+8%]   | +44.5<br>+0.7 pts | ±0%<br>±0.0 pts       | ±0.0<br>±0.0 pts  |
| <b>Front Business</b>                         | 293.7    | 32.6<br>11.1% | +9%              | +4.3<br>+0.5 pts  | 1,210.0        | 148.0<br>12.2% | +9%            | +24.2<br>+1.1 pts | +2%<br>(0.1) pts      | +2.0<br>(0.1) pts |
| <b>IT Services</b>                            | 260.6    | 33.6<br>12.9% | +6%              | +3.4<br>+0.6 pts  | 1,030.0        | 122.0<br>11.8% | +6%            | +10.0<br>+0.3 pts | +1%<br>(0.1) pts      | +1.0<br>(0.1) pts |
| <b>Services &amp; Platforms</b>               | 256.3    | 22.7<br>8.9%  | +2%              | +1.7<br>+0.5 pts  | 1,030.0        | 120.0<br>11.7% | +5%            | +32.9<br>+2.8 pts | (1)%<br>±0.0 pts      | (2.0)<br>±0.0 pts |
| <b>GlobalLogic (standalone<sup>(*)</sup>)</b> | 73.5     | 14.4<br>19.5% | +18%<br>[+14%]   | +1.8<br>(0.7) pts | 291.4          | 57.6<br>19.8%  | +14%<br>[+15%] | +7.7<br>+0.2 pts  | ±0%<br>±0.0 pts       | ±0.0<br>±0.0 pts  |

## Q2 FY24 Results

- Segment revenues and profits increased
- Front Business revenues and profits increased due to large projects for DX/modernizations in the Japanese IT market despite an impact of project for renewal of Japanese banknotes in the previous year
- IT Services revenues and profits increased mainly due to Lumada business (cloud-related services, security-related services, and others)
- Services & Platforms revenues and profits increased due to GlobalLogic and DX/Cloud services in the Japanese IT market despite an impact of overseas storage business revenues brought forward to Q1
- GlobalLogic revenues increased YoY +18% (US dollar base YoY +14%) despite continued constraints on investment by customers in Europe

## FY24 Forecasts

- No change from the previous segment forecast
- Segment forecasts revenues and profits increase due to strong digital demand in both Japan and overseas markets (FY24 Q2/E Backlog: 1.6 tn yen, vs FY23/E YTD +13%). Increasing investments for next growth including generative AI
- Front Business forecasts revenues and profits increase due to large-scale system renewal projects and steady growth in Lumada business
- IT Services forecasts revenues and profits increase due to solid performance of Lumada business
- Services & Platforms forecasts revenues and profits increase due to growth of GlobalLogic and DX/Cloud services
- GlobalLogic forecasts revenues increase YoY +14% (US dollar base YoY +15%) due to synergies with other sectors and harvesting of demand for generative AI, despite continued constraints on investment by customers in Europe

(\*) [ ]: Estimated YoY changes excl. FX impact  
For GlobalLogic, the figures represent estimated YoY changes on US dollar base



# Performance by Business Segment (GEM)

| Billions of yen   | Q2 FY24  |               | YoY                           |                   | FY24 Forecasts |                | YoY                  |                    | vs Previous Forecasts |                    |
|---|----------|---------------|-------------------------------|-------------------|----------------|----------------|----------------------|--------------------|-----------------------|--------------------|
|   | Revenues | Adj. EBITA    | Revenues                      | Adj. EBITA        | Revenues       | Adj. EBITA     | Revenues             | Adj. EBITA         | Revenues              | Adj. EBITA         |
| <b>Green Energy &amp; Mobility</b>                          | 901.4    | 67.0<br>7.4%  | +26%<br>[+22%] <sup>(*)</sup> | +30.4<br>+2.3 pts | 3,630.0        | 315.0<br>8.7%  | +19%<br>[+19%]       | +115.8<br>+2.2 pts | +4%                   | +13.0<br>+0.1 pts  |
| <b>Nuclear Energy &amp; Hitachi Power Solutions</b>         | 69.4     | 3.3<br>4.7%   | (3)% <sup>(*)</sup>           | +5.6<br>+7.9 pts  | 292.8          | 27.9<br>9.5%   | (16)% <sup>(*)</sup> | +1.7<br>+1.9 pts   | +3%                   | +0.2<br>(0.3) pts  |
| Nuclear Energy  | 43.5     | -             | +42%                          | -                 | 172.0          | -              | +1%                  | -                  | +6%                   | -                  |
| Hitachi Power Solutions                                     | 25.2     | -             | (4)%                          | -                 | 130.0          | -              | +9%                  | -                  | ±0%                   | -                  |
| <b>Hitachi Energy (Standalone)<sup>(*)</sup></b>            | 542.3    | 56.7<br>10.4% | +23%                          | +22.7<br>+2.7 pts | 2,192.4        | 230.1<br>10.5% | +19%                 | +72.8<br>+2.0 pts  | +3%                   | +17.8<br>+0.5 pts  |
| Related cost <sup>(*)</sup>                                 | -        | (12.7)        | -                             | (5.0)             | -              | (29.3)         | -                    | +11.5              | -                     | (2.2)              |
| <b>Railway Systems (Exclude related cost)<sup>(*)</sup></b> | 285.6    | 16.9<br>5.9%  | +40%                          | +3.7<br>(0.6) pts | 1,146.9        | 107.0<br>9.3%  | +34%                 | +41.4<br>+1.6 pts  | +4%                   | (3.8)<br>(0.8) pts |
| Related cost <sup>(*)</sup>                                 | -        | △1.3          | -                             | △1.2              | -              | (9.7)          | -                    | (8.2)              | -                     | +8.1               |

## Q2 FY24 Results

## FY24 Forecasts

- Segment revenues and profits increased due to solid performance in Hitachi Energy and Railway Systems, the acquisition of Thales GTS, and FX impact despite increases in acquisition related costs
- Nuclear Energy & Hitachi Power Solutions profits increased due to an impact of the cost increases in a certain project in the previous year despite decrease in revenues resulting from the transfer of Hitachi Power Semiconductor Device
- Hitachi Energy revenues and profits increased due to execution of strong order backlog, enhanced production, and FX impact  
Profitability continued to improve with operating leverage
- Railway Systems revenues and profits increased due to progress in signaling projects in North America, and FX impact, as well as the acquisition of Thales GTS (revenue: 76.8 bn yen, Adj. EBITA: 4.6 bn yen (excl. Related cost)), despite the impact of some low-profitability projects

- Segment forecast was revised upward by 130.0 bn yen in revenues and 13.0 bn yen in Adj. EBITA from the previous forecast
- Segment aims to higher revenues and profits due to firm orders and expansion of Lumada business (service business), as well as the acquisition of Thales GTS and FX impact
- Hitachi Energy aims to grow revenues and profits through solid execution of growing order backlog (FY24 Q2/E Backlog: 5.3 tn yen, vs FY23/E YTD+14%) and further improvement of operational efficiencies. Related cost for Power Grids is expected to be settled within FY24
- Railway Systems forecasts higher revenues and profits due to the acquisition of Thales GTS (revenue: 276.2 bn yen, Adj. EBITA: 26.3 bn yen (excl. Related cost)) to exceed 1.0 tn yen in revenue, along with profitability improvement from increased signaling business ratio, and the settlement of low-profitability projects that occurred in the previous year

(\*) [ ]: Estimated YoY changes excl. FX impact   (\*) Hitachi Energy (Standalone) and Railway Systems (Exclude related cost) do not include related cost

(\*) Related cost includes PMI related costs associated with acquisition

(\*) Nuclear Energy & Hitachi Power Solutions YoY includes the impact of selling Hitachi Power Semiconductor Device shares

# Performance by Business Segment (CI)

| Billions of yen   | Q2 FY24  |               | YoY                         |                    | FY24 Forecasts |                | YoY          |                   | vs Previous Forecasts |                   |
|---|----------|---------------|-----------------------------|--------------------|----------------|----------------|--------------|-------------------|-----------------------|-------------------|
|   | Revenues | Adj. EBITA    | Revenues                    | Adj. EBITA         | Revenues       | Adj. EBITA     | Revenues     | Adj. EBITA        | Revenues              | Adj. EBITA        |
| <b>Connective Industries</b>                                  | 780.9    | 87.7<br>11.2% | +2%<br>[±0%] <sup>(*)</sup> | +9.8<br>+1.1 pts   | 3,150.0        | 361.0<br>11.5% | +3%<br>[+3%] | +40.3<br>+1.0 pts | ±0%                   | ±0.0<br>±0.0 pts  |
| <b>Building Systems</b>                                       | 242.2    | 31.4<br>13.0% | +1%                         | +3.9<br>+1.6 pts   | 900.0          | 101.3<br>11.3% | (2)%         | +4.3<br>+0.8 pts  | +3%                   | +3.3<br>±0.0 pts  |
| <b>Smart Life &amp; Ecofriendly Systems (Hitachi GLS)</b>     | 94.2     | 8.0<br>8.5%   | (5)%                        | +0.4<br>+0.9 pts   | 360.0          | 35.0<br>9.7%   | (4)%         | +0.3<br>+0.4 pts  | ±0%                   | ±0.0<br>±0.0 pts  |
| <b>Measurement &amp; Analysis Systems (Hitachi High-Tech)</b> | 180.8    | 20.4<br>11.3% | +3%                         | +2.4<br>+1.0 pts   | 760.0          | 92.0<br>12.1%  | +5%          | +16.5<br>+1.7 pts | ±0%                   | ±0.0<br>±0.0 pts  |
| <b>Industrial Digital</b>                                     | 101.2    | 13.1<br>13.0% | +5%                         | +3.1<br>+2.5 pts   | 390.0          | 46.6<br>12.0%  | +5%          | +4.3<br>+0.6 pts  | ±0%                   | ±0.0<br>±0.0 pts  |
| <b>Water &amp; Environment</b>                                | 49.5     | 5.0<br>10.2%  | +7%                         | +2.6<br>+4.9 pts   | 200.0          | 22.7<br>11.3%  | (6)%         | +0.9<br>+1.0 pts  | ±0%                   | ±0.0<br>±0.0 pts  |
| <b>Industrial Products</b>                                    | 120.9    | 11.6<br>9.6%  | +2%                         | (1.1)<br>(1.1) pts | 511.0          | 59.5<br>11.6%  | +5%          | +4.6<br>+0.3 pts  | +2%                   | +0.9<br>(0.1) pts |

Q2 FY24 Results

FY24 Forecasts

- Segment revenues and profits increased due to solid performance in Building Systems, Industrial Digital, Water & Environment, and Measurement & Analysis Systems
- Building Systems revenues and profits increased due to growth of building service business and FX impact despite the decline in demand for the new installation of elevators and escalators in China
- Industrial Digital revenues and profits increased due to expansion of digital solutions business in the industrial field
- Measurement & Analysis Systems revenues and profits increased due to revenues increase in clinical chemistry and immunochemistry analyzers

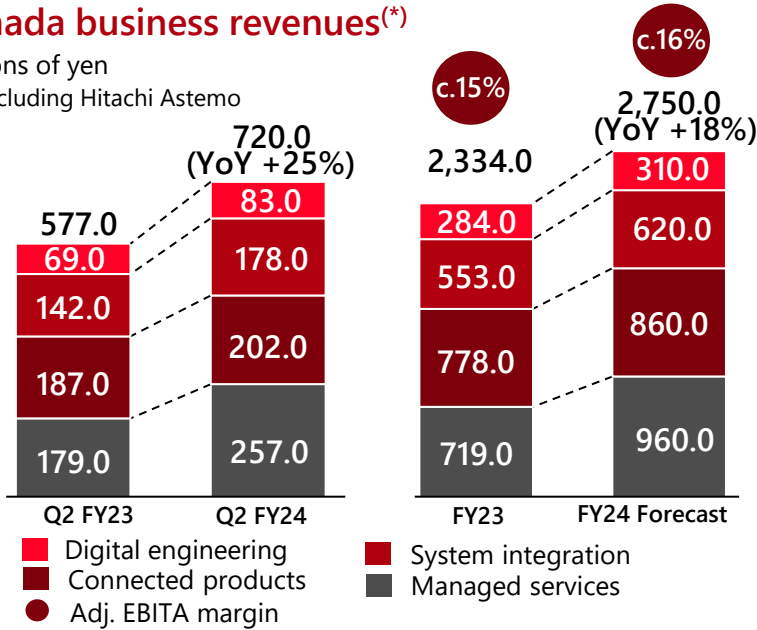
- No change from the previous segment forecast
- Segment forecasts revenues and profits increase mainly due to revenue increase in Measurement & Analysis Systems and expansion of Lumada business (service business), despite revenues decrease in Building Systems, Smart Life & Ecofriendly Systems, and Water & Environment
- Building Systems forecasts revenues decrease and profits increase due to activities to improve profitability (cost reduction, fixed cost reduction, and price improvement) despite the continued adjustment phase in Chinese real estate market
- Measurement & Analysis Systems forecasts revenues and profits increase due to revenues increase in clinical chemistry and immunochemistry analyzers, and radiation therapy system

(\*) [ ]: Estimated YoY changes excl. FX impact

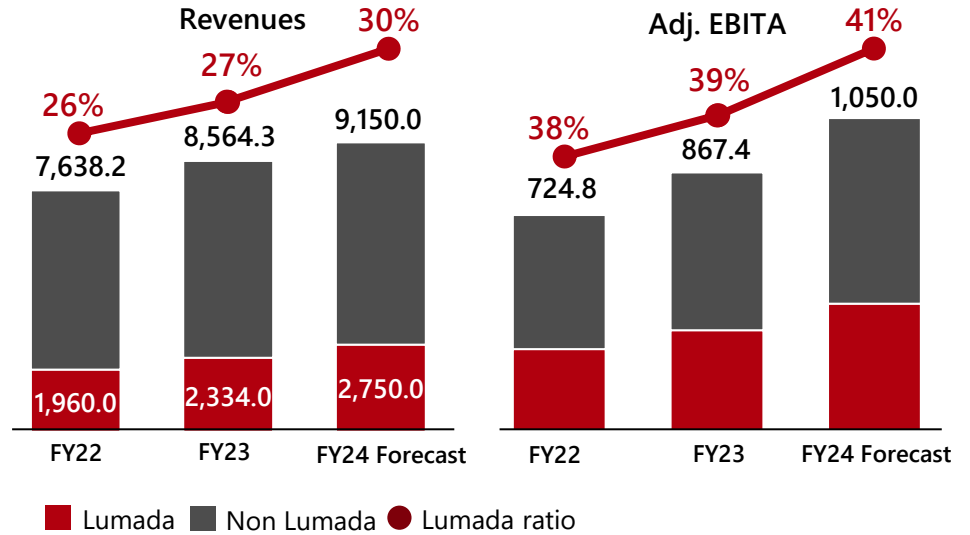
## Lumada business revenues(\*)

Billions of yen

(\*) Excluding Hitachi Astemo



## Lumada business ratio



## Lumada business revenues composition by segment

| Billions of yen | Q2 FY24 Results | YoY  | FY24 Forecasts | YoY  |
|-----------------|-----------------|------|----------------|------|
| <b>DSS</b>      | 305.0           | +14% | 1,220.0        | +17% |
| <b>GEM</b>      | 147.0           | +58% | 560.0          | +37% |
| <b>CI</b>       | 268.0           | +24% | 1,100.0        | +25% |

## Growth strategy & Topics

- Expands strategic partnership with Singapore Telecom (Singtel) in the areas of next-generation data centers and GPU clouds to enhance AI implementation support for its customers in Japan and Asia Pacific regions
- Hitachi Energy collaborates with GlobalLogic and Hitachi Digital Services to enhance digital businesses, including integrated management of facilities asset
- Rail Systems accelerates expansion of its digital service business by providing AI-enhanced digital solutions that optimize trains, signaling, and infrastructure management with the development of HMAX, powered by NVIDIA AI technology
- Completed acquisition of MA micro automation, a Germany-based robotic SI company, and Castle Hill, a U.S.-based pharmaceutical engineering services company, strengthening the integration business for growth

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## 5. Appendix

# Performance by Business Segment (Consolidated Total)

| Billions of yen                             | Q2 FY24  |            | YoY                  |            | H1 FY24  |            | YoY       |            | FY24 Forecasts |            | YoY       |            | vs Previous Forecasts |            |
|---|----------|------------|----------------------|------------|----------|------------|-----------|------------|----------------|------------|-----------|------------|-----------------------|------------|
|   | Revenues | Adj. EBITA | Revenues             | Adj. EBITA | Revenues | Adj. EBITA | Revenues  | Adj. EBITA | Revenues       | Adj. EBITA | Revenues  | Adj. EBITA | Revenues              | Adj. EBITA |
| <b>Digital Systems &amp; Services</b>       | 678.3    | 90.7       | +5%                  | +8.1       | 1,312.4  | 169.1      | +10%      | +34.1      | 2,800.0        | 378.0      | +8%       | +44.5      | ±0%                   | ±0.0       |
|   |          | 13.4%      | [+4%] <sup>(*)</sup> | +0.6 pts   |          | 12.9%      | [+7%]     | +1.6 pts   |                | 13.5%      | [+8%]     | +0.7 pts   |                       | ±0.0 pts   |
| <b>Green Energy &amp; Mobility</b>          | 901.4    | 67.0       | +26%                 | +30.4      | 1,785.7  | 152.9      | +33%      | +73.2      | 3,630.0        | 315.0      | +19%      | +115.8     | +4%                   | +13.0      |
|   |          | 7.4%       | [+22%]               | +2.3 pts   |          | 8.6%       | [+25%]    | +2.7 pts   |                | 8.7%       | [+19%]    | +2.2 pts   |                       | +0.1 pts   |
| <b>Connective Industries</b>                | 780.9    | 87.7       | +2%                  | +9.8       | 1,495.0  | 167.0      | +2%       | +21.3      | 3,150.0        | 361.0      | +3%       | +40.3      | ±0%                   | ±0.0       |
|   |          | 11.2%      | [±0%]                | +1.1 pts   |          | 11.2%      | [(1)%]    | +1.2 pts   |                | 11.5%      | [+3%]     | +1.0 pts   |                       | ±0.0 pts   |
| <b>Hitachi Astemo</b>                       | -        | -          | (541.0)              | (27.2)     | -        | -          | (1,035.2) | (41.2)     | -              | -          | (1,164.3) | (50.6)     | -                     | -          |
| <b>Others</b>                               | 123.2    | 6.4        | (8)%                 | (0.7)      | 237.7    | 6.0        | (2)%      | (1.8)      | 477.0          | 3.0        | (6)%      | (3.7)      | +1%                   | +2.0       |
|   |          | 5.2%       | [(8)%]               | (0.1) pts  |          | 2.5%       | [(3)%]    | (0.7) pts  |                | 0.6%       | [(6)%]    | (0.7) pts  |                       | +0.4 pts   |
| <b>Corporate Items &amp; Eliminations</b>   | (149.5)  | (27.4)     | -                    | (26.0)     | (284.9)  | (28.1)     | -         | (19.4)     | (907.0)        | (22.0)     | -         | (29.4)     | -                     | (15.0)     |
| <b>Consolidated Total</b>                   | 2,334.5  | 224.5      | (11)%                | (5.4)      | 4,545.9  | 467.0      | (8)%      | +66.1      | 9,150.0        | 1,035.0    | (6)%      | +116.8     | +2%                   | ±0.0       |
|   |          | 9.6%       | [(13)%]              | +0.9 pts   |          | 10.3%      | [(12)%]   | +2.2 pts   |                | 11.3%      | [(6)%]    | +1.9 pts   |                       | (0.2) pts  |
| <b>Three Sectors (excl. Hitachi Astemo)</b> | 2,334.5  | 249.3      | +11%                 | 46.5       | 4,545.9  | 492.4      | +16%      | +132.7     | 9,150.0        | 1,050.0    | +7%       | +194.2     | +2%                   | +19.5      |
|   |          | 10.7%      | [+9%]                | +1.0 pts   |          | 10.8%      | [+11%]    | +1.6 pts   |                | 11.5%      | [+7%]     | +1.5 pts   |                       | ±0.0 pts   |

(\*) [ ]: Estimated YoY changes excl. FX impact

For details of EBIT, EBITDA, etc. for each sector, refer to ["Supplemental Material" for the relevant quarter](#)

# Summary of Consolidated Statement of Profit or Loss

| Billions of yen  | Q2 FY23 | Q2 FY24 | YoY    | H1 FY23 | H1 FY24 | YoY    | FY23    | FY24                   | YoY    | vs Previous Forecasts |
|--|---------|---------|--------|---------|---------|--------|---------|------------------------|--------|-----------------------|
| <b>Revenues</b>  | 2,637.5 | 2,334.5 | (11)%  | 4,960.0 | 4,545.9 | (8)%   | 9,728.7 | 9,150.0                | (6)%   | +2%                   |
| <b>Adj. Operating Income</b>                                 | 194.9   | 207.1   | +12.1  | 325.4   | 404.7   | +79.2  | 755.8   | 875.0                  | +119.1 | +20.0                 |
| Equity in earnings of affiliates                             | +13.3   | (13.5)  | (26.9) | +33.2   | +4.6    | (28.5) | +75.2   | +43.0                  | (32.2) | (17.0)                |
| Acquisition-related amortization to be added back            | +21.6   | +30.9   | +9.3   | +42.2   | +57.6   | +15.3  | +87.0   | +117.0                 | +29.9  | (3.0)                 |
| <b>Adj. EBITA</b>  | 229.9   | 224.5   | (5.4)  | 400.9   | 467.0   | +66.1  | 918.1   | 1,035.0                | +116.8 | ±0.0                  |
| Acquisition-related amortization                             | (21.6)  | (30.9)  | (9.3)  | (42.2)  | (57.6)  | (15.3) | (87.0)  | (117.0)                | (29.9) | +3.0                  |
| Net gain on business reorganization and others               | +12.3   | +15.1   | +2.8   | +11.1   | +32.1   | +21.0  | +97.0   |                        |        |                       |
| Structural reform expenses <sup>(*)</sup>                    | (4.8)   | (5.6)   | (0.8)  | (8.3)   | (7.7)   | +0.5   | (49.1)  | (33.0) <sup>(**)</sup> | (59.9) | (3.0)                 |
| Others   | +2.1    | (12.9)  | (15.0) | (21.6)  | +14.4   | +36.0  | (21.0)  |                        |        |                       |
| <b>EBIT</b>  | 217.9   | 190.1   | (27.8) | 339.8   | 448.3   | +108.4 | 857.9   | 885.0                  | +27.0  | ±0.0                  |
| Interest   | (11.4)  | (3.1)   | +8.2   | (17.8)  | (8.9)   | +8.8   | (32.1)  | (30.0)                 | +2.1   | +5.0                  |
| Income taxes [Effective income tax rate]                     | (55.9)  | (58.3)  | (2.4)  | (89.7)  | (123.9) | (34.2) | (199.0) | (224.0)                | (24.9) | (4.0)                 |
|  |         |         |        |         |         |        | [24.1%] | [26.2%]                |        |                       |
| Deduction for non-controlling interests                      | (11.5)  | (11.6)  | (0.1)  | (23.2)  | (23.1)  | +0.1   | (36.8)  | (31.0)                 | +5.8   | (1.0)                 |
| <b>Net income attributable to Hitachi, Ltd. Stockholders</b> | 139.0   | 116.9   | (22.1) | 209.1   | 292.2   | +83.1  | 589.8   | 600.0                  | +10.1  | ±0.0                  |

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

(\*\*) Figures for FY2024 are the sum of "Net gain on business reorganization and others", "Structural reform expenses" and "Others"

For details of EBITDA, depreciation and amortization, amortization of intangible assets, amortization of intangible assets associated with acquisitions, etc., refer to

["Supplemental Material" for the relevant quarter](#)

| Item                                 | Contents   |
|--------------------------------------|--|
| Three sectors (excl. Hitachi Astemo) | Consolidated Total less equity in earnings of Hitachi Astemo as an affiliated company and consolidated figures of Hitachi Astemo prior to be accounted for using the equity method, includes "Others" and "Corporate items & Eliminations"                               |
| DSS / GEM / CI                       | Digital Systems & Services / Green Energy & Mobility / Connective Industries   |
| Adj. EBITA                           | Adj. operating income plus acquisition-related amortization and equity in earnings (losses) of affiliates  |
| Acquisition-related amortization     | 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 |
| Adj. operating income                | Revenues less selling, general and administrative expenses as well as cost of sales  |
| EBIT                                 | Income before income taxes less interest income plus interest charges  |
| EBITDA                               | Income before income taxes less interest income plus interest charges, depreciation and amortization   |
| ROIC (Return on Invested Capital)    | (NOPAT + equity in earnings (losses) of affiliates) / "Invested Capital" x 100<br>*Invested Capital = interest-bearing debt + total equity<br>NOPAT (Net Operating Profit after Tax) = Adj. operating income x (1 – tax burden rate)                                     |
| Core free cash flows                 | Cash flows presented as free cash flows excluding cash flows from M&A and asset sales, etc.  |
| EPS (Earnings per share)             | (Basic) Earnings per share attributable to Hitachi, Ltd. stockholders.<br>On July 1, 2024, Hitachi conducted a 5-for-1 split of its common share<br>Weighted average number of shares to calculate (basic) earnings per share for FY2024 forecast is 4,607,550,156       |

| Items                   | Regarding YoY comparison   |
|-------------------------|--|
| Green Energy & Mobility | Railway Systems completed the acquisition of Thales's railway signaling-related business in May 2024<br>Hitachi Power Semiconductor Device, which was included in the Total for Nuclear Energy and Hitachi Power Solutions, was divested in May 2024       |
| Connective Industries   | Figures for Healthcare Business Division, which were not disclosed independently until FY2023, are included in Measurement & Analysis Systems (Hitachi High-Tech) from FY2024. YoY Measurement & Analysis Systems (Hitachi High-Tech) reflects this change |

# Cautionary Statement

Certain statements found in this document may constitute “forward-looking statements” as defined in the U.S. Private Securities Litigation Reform Act of 1995. Such “forward-looking statements” reflect management’s current views with respect to certain future events and financial performance and include any statement that does not directly relate to any historical or current fact. Words such as “anticipate,” “believe,” “expect,” “estimate,” “forecast,” “intend,” “plan,” “project” and similar expressions which indicate future events and trends may identify “forward-looking statements.” Such statements are based on currently available information and are subject to various risks and uncertainties that could cause actual results to differ materially from those projected or implied in the “forward-looking statements” and from historical trends. Certain “forward-looking statements” are based upon current assumptions of future events which may not prove to be accurate. Undue reliance should not be placed on “forward-looking statements,” as such statements speak only as of the date of this report.

Factors that could cause actual results to differ materially from those projected or implied in any “forward-looking statement” and from historical trends include, but are not limited to:

- 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;
- 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.

\* This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.





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