

FOR IMMEDIATE RELEASE

**Hitachi Announces Consolidated Financial Results
for the Nine Months Ended December 31, 2024**

Tokyo, January 31, 2025 --- Hitachi, Ltd. (TSE:6501) today announced its consolidated financial results for the third quarter of fiscal 2024, ended December 31, 2024

Condensed Quarterly Consolidated Statement of Profit or Loss

(Millions of yen)

	Nine months ended December 31, 2023 (A)	Nine months ended December 31, 2024 (B)	(B)/(A) (%)
Revenues	7,218,154	7,011,222	97
Cost of sales	(5,355,406)	(5,005,773)	93
Gross profit	1,862,748	2,005,449	108
Selling, general and administrative expenses	(1,337,047)	(1,350,542)	101
Adjusted operating income	525,701	654,907	125
Other income	119,775	54,869	46
Other expenses	(55,410)	(45,526)	82
Financial income	41,899	6,008	14
Financial expenses	(7,570)	(31,209)	412
Share of profits (losses) of investments accounted for using the equity method	42,631	28,594	67
EBIT (Earnings before interest and taxes)	667,026	667,643	100
Interest income	29,987	28,802	96
Interest charges	(54,906)	(41,818)	76
Income before income taxes	642,107	654,627	102
Income taxes	(165,603)	(188,721)	114
Net income	476,504	465,906	98
Net income attributable to:			
Hitachi, Ltd. stockholders	445,092	430,785	97
Non-controlling interests	31,412	35,121	112
Earnings per share attributable to Hitachi, Ltd. stockholders	Yen	Yen	
Basic	95.65	93.50	98
Diluted	95.54	93.40	98

Note: On July 1, 2024, the Company completed a share split into 5 shares for every one common share. The figures for basic and diluted earnings per share attributable to Hitachi, Ltd. stockholders are calculated on the assumption that the Company conducted this split at the beginning of the previous fiscal year.

Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2023 (A)	Nine months ended December 31, 2024 (B)	(B)/(A) (%)
Net income	476,504	465,906	98
Other comprehensive income (OCI)			
Items not to be reclassified into net income			
Net changes in financial assets measured at fair value through OCI	43,966	(3,813)	-
Remeasurements of defined benefit plans	(211)	365	-
Share of OCI of investments accounted for using the equity method	322	(2,089)	-
Total items not to be reclassified into net income	44,077	(5,537)	-
Items that can be reclassified into net income			
Foreign currency translation adjustments	106,539	130,074	122
Net changes in cash flow hedges	9,412	(10,896)	-
Share of OCI of investments accounted for using the equity method	4,457	18,454	414
Total items that can be reclassified into net income	120,408	137,632	114
Other comprehensive income (OCI)	164,485	132,095	80
Comprehensive income	640,989	598,001	93
Comprehensive income attributable to:			
Hitachi, Ltd. stockholders	587,227	558,592	95
Non-controlling interests	53,762	39,409	73

Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2024 (A)	As of December 31, 2024 (B)	(B)-(A)
Assets			
Current assets			
Cash and cash equivalents	705,367	1,009,286	303,919
Trade receivables and contract assets	2,991,316	3,286,061	294,745
Inventories	1,510,647	1,726,253	215,606
Investments in securities and other financial assets	331,280	323,182	(8,098)
Other current assets	315,987	426,721	110,734
Total Current assets	5,854,597	6,771,503	916,906
Non-current assets			
Investments accounted for using the equity method	816,434	843,265	26,831
Investments in securities and other financial assets	320,101	333,727	13,626
Property, plant and equipment	1,221,842	1,284,436	62,594
Goodwill	2,371,678	2,670,570	298,892
Other intangible assets	1,178,750	1,291,191	112,441
Other non-current assets	457,882	471,917	14,035
Total Non-current assets	6,366,687	6,895,106	528,419
Total Assets	12,221,284	13,666,609	1,445,325
Liabilities			
Current liabilities			
Short-term debt	37,827	540,477	502,650
Current portion of long-term debt	187,486	492,124	304,638
Other financial liabilities	266,245	332,217	65,972
Trade payables	1,399,699	1,551,559	151,860
Accrued expenses	697,471	622,590	(74,881)
Contract liabilities	1,658,435	2,084,553	426,118
Other current liabilities	555,437	641,445	86,008
Total Current liabilities	4,802,600	6,264,965	1,462,365
Non-current liabilities			
Long-term debt	954,709	759,305	(195,404)
Retirement and severance benefits	246,231	254,216	7,985
Other non-current liabilities	358,141	368,636	10,495
Total Non-current liabilities	1,559,081	1,382,157	(176,924)
Total Liabilities	6,361,681	7,647,122	1,285,441
Equity			
Hitachi, Ltd. stockholders' equity			
Common stock	463,417	464,384	967
Capital surplus	-	-	-
Retained earnings	4,084,729	4,324,742	240,013
Accumulated other comprehensive income	1,160,550	1,263,796	103,246
(Foreign currency translation adjustments)	984,432	1,124,895	140,463
(Remeasurements of defined benefit plans)	103,039	103,640	601
(Net changes in financial assets measured at fair value through OCI)	50,378	44,903	(5,475)
(Net changes in cash flow hedges)	22,701	(9,642)	(32,343)
Treasury stock, at cost	(4,991)	(204,139)	(199,148)
Total Hitachi, Ltd. stockholders' equity	5,703,705	5,848,783	145,078
Non-controlling interests	155,898	170,704	14,806
Total Equity	5,859,603	6,019,487	159,884
Total Liabilities and Equity	12,221,284	13,666,609	1,445,325

Condensed Quarterly Consolidated Statement of Changes in Equity

(Millions of yen)

Nine months ended December 31, 2023								
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
Balance at beginning of period	462,817	-	3,637,184	846,392	(3,539)	4,942,854	392,713	5,335,567
Changes in equity								
Reclassified into retained earnings	-	-	14,189	(14,189)	-	-	-	-
Net income	-	-	445,092	-	-	445,092	31,412	476,504
Other comprehensive income	-	-	-	142,135	-	142,135	22,350	164,485
Dividends to Hitachi, Ltd. stockholders	-	-	(144,461)	-	-	(144,461)	-	(144,461)
Dividends to non-controlling interests	-	-	-	-	-	-	(30,291)	(30,291)
Acquisition of treasury stock	-	-	-	-	(100,301)	(100,301)	-	(100,301)
Sales of treasury stock	-	(152)	-	-	208	56	-	56
Cancellation of treasury stock	-	(98,793)	-	-	98,793	-	-	-
Issuance of new shares	600	600	-	-	-	1,200	-	1,200
Transfer to capital surplus from retained earnings	-	105,109	(105,109)	-	-	-	-	-
Changes in non-controlling interests	-	(6,764)	(2,854)	1,707	-	(7,911)	(271,455)	(279,366)
Total changes in equity	600	-	206,857	129,653	(1,300)	335,810	(247,984)	87,826
Balance at end of period	463,417	-	3,844,041	976,045	(4,839)	5,278,664	144,729	5,423,393

(Millions of yen)

Nine months ended December 31, 2024								
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
Balance at beginning of period	463,417	-	4,084,729	1,160,550	(4,991)	5,703,705	155,898	5,859,603
Changes in equity								
Reclassified into retained earnings	-	-	(663)	663	-	-	-	-
Net income	-	-	430,785	-	-	430,785	35,121	465,906
Other comprehensive income	-	-	-	127,807	-	127,807	4,288	132,095
Dividends to Hitachi, Ltd. stockholders	-	-	(189,207)	-	-	(189,207)	-	(189,207)
Dividends to non-controlling interests	-	-	-	-	-	-	(28,315)	(28,315)
Acquisition of treasury stock	-	-	-	-	(200,236)	(200,236)	-	(200,236)
Sales of treasury stock	-	(843)	-	-	1,088	245	-	245
Issuance of new shares	967	966	-	-	-	1,933	-	1,933
Transfer to capital surplus from retained earnings	-	902	(902)	-	-	-	-	-
Changes in non-controlling interests	-	(1,025)	-	(25,224)	-	(26,249)	3,712	(22,537)
Total changes in equity	967	-	240,013	103,246	(199,148)	145,078	14,806	159,884
Balance at end of period	464,384	-	4,324,742	1,263,796	(204,139)	5,848,783	170,704	6,019,487

Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2023 (A)	Nine months ended December 31, 2024 (B)	(B)-(A)
Cash flows from operating activities			
Net Income	476,504	465,906	(10,598)
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	350,519	327,131	(23,388)
Impairment losses	7,879	5,482	(2,397)
Income taxes	165,603	188,721	23,118
Share of (profits) losses of investments accounted for using the equity method	(42,631)	(28,594)	14,037
Financial income and expenses	19,755	7,008	(12,747)
Net (gain) loss on business reorganization and others	(96,601)	(33,248)	63,353
(Gain) loss on sale of property, plant and equipment	(21,671)	(20,676)	995
Change in trade receivables and contract assets	205,904	187,947	(17,957)
Change in inventories	(220,680)	(154,804)	65,876
Change in trade payables	(12,242)	6,255	18,497
Change in accrued expenses	(64,457)	(85,471)	(21,014)
Change in retirement and severance benefits	1,846	(13,635)	(15,481)
Other	(80,674)	29,880	110,554
Subtotal	689,054	881,902	192,848
Interest received	28,431	27,537	(894)
Dividends received	17,655	22,284	4,629
Interest paid	(54,729)	(46,298)	8,431
Income taxes paid	(137,546)	(267,264)	(129,718)
Net cash provided by (used in) operating activities	542,865	618,161	75,296
Cash flows from investing activities			
Purchase of property, plant and equipment	(160,881)	(142,575)	18,306
Purchase of intangible assets	(113,403)	(101,292)	12,111
Proceeds from sale of property, plant and equipment, and intangible assets	39,544	38,306	(1,238)
Purchase of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	(58,265)	(276,463)	(218,198)
Proceeds from sale of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	106,004	66,492	(39,512)
Other	14,998	(6,055)	(21,053)
Net cash provided by (used in) investing activities	(172,003)	(421,587)	(249,584)
Free cash flows	370,862	196,574	(174,288)
Cash flows from financing activities			
Change in short-term debt, net	(72,076)	495,930	568,006
Proceeds from long-term debt	95,907	80,632	(15,275)
Payments on long-term debt	(121,228)	(77,781)	43,447
Proceeds from payments from non-controlling interests	350	-	(350)
Dividends paid to Hitachi, Ltd. stockholders	(144,442)	(189,173)	(44,731)
Dividends paid to non-controlling interests	(32,323)	(28,494)	3,829
Acquisition of common stock for treasury	(100,301)	(200,236)	(99,935)
Proceeds from sales of treasury stock	56	5	(51)
Purchase of shares of consolidated subsidiaries from non-controlling interests	(1,703)	(38)	1,665
Net cash provided by (used in) financing activities	(375,760)	80,845	456,605
Effect of exchange rate changes on cash and cash equivalents	35,916	26,500	(9,416)
Change in cash and cash equivalents	31,018	303,919	272,901
Cash and cash equivalents at beginning of period	833,283	705,367	(127,916)
Cash and cash equivalents at end of period	864,301	1,009,286	144,985

Segment Information

(1) Segment revenues and profit (loss)

The operating segments of the Company are the components for which separate financial information is available and which is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

The Company discloses its business in four reportable segments, corresponding to categories of activities classified primarily by the similarities for the nature of markets, products and services, and economic characteristics. Several operating segments are aggregated into Green Energy & Mobility and Connective Industries for financial reporting purposes so that users of the financial statements better understand the Company's financial position and business performance. The Company aggregates operating segments based on the similarities of economic characteristics mainly using the segment profit (loss) margin ratio of operating segments. The primary products and services included in each reportable segment are as follows:

(a) Digital Systems & Services:

Digital solutions (System integration, Consulting, Cloud services), IT products (Storage, Servers), Software, and ATMs

(b) Green Energy & Mobility:

Energy solutions (Power grids, Renewable energy, Nuclear), and Railway systems

(c) Connective Industries:

Building systems (Elevators, Escalators), Smart life & ecofriendly systems (Home appliances, Air conditioners), Measurement and analytical systems (Semiconductor manufacturing equipment, Clinical analyzers), Industry & distribution solutions, Water & environment solutions, and Industrial machinery

(d) Others:

Property management and others

In October 2023, the Company sold a certain number of shares of Hitachi Astemo, Ltd. (Hitachi Astemo). As a result, Hitachi Astemo and its subsidiaries, which were included in the Automotive Systems segment, became equity-method associates of the Company. Accordingly, the Automotive Systems segment ceased to be operating segments, but the segment figures for the nine months ended December 31, 2023 and 2024 are disclosed individually to enhance fair disclosure. The Company includes its share of profits (losses) of investments accounted for using the equity method of Hitachi Astemo and its subsidiaries after the transfer of shares from the third quarter of the fiscal year ended March 31, 2024 in Corporate items & Eliminations.

The following tables show segment information for the nine months ended December 31, 2023 and 2024.

(Millions of yen)

	Nine months ended December 31, 2023			
	Reportable Segment			
	Digital Systems & Services	Green Energy & Mobility	Connective Industries	Automotive Systems
Revenues				
Revenues from External Customers	1,704,088	2,081,752	2,064,586	1,160,008
Revenues from Intersegment Transactions	119,160	46,700	139,282	4,376
Total Revenues	1,823,248	2,128,452	2,203,868	1,164,384
Segment Profit (Loss)	222,071	126,971	224,409	50,694

(Millions of yen)

	Nine months ended December 31, 2023			
	Reportable Segment		Corporate items & Eliminations	Total
	Others	Subtotal		
Revenues				
Revenues from External Customers	189,012	7,199,446	18,708	7,218,154
Revenues from Intersegment Transactions	179,074	488,592	(488,592)	-
Total Revenues	368,086	7,688,038	(469,884)	7,218,154
Segment Profit (Loss)	13,539	637,684	(5,457)	632,227

(Millions of yen)

	Nine months ended December 31, 2024			
	Reportable Segment			
	Digital Systems & Services	Green Energy & Mobility	Connective Industries	Automotive Systems
Revenues				
Revenues from External Customers	1,881,720	2,735,115	2,171,276	-
Revenues from Intersegment Transactions	127,486	42,782	129,510	-
Total Revenues	2,009,206	2,777,897	2,300,786	-
Segment Profit (Loss)	266,384	246,532	267,834	-

(Millions of yen)

	Nine months ended December 31, 2024			
	Reportable Segment		Corporate items & Eliminations	Total
	Others	Subtotal		
Revenues				
Revenues from External Customers	193,512	6,981,623	29,599	7,011,222
Revenues from Intersegment Transactions	162,681	462,459	(462,459)	-
Total Revenues	356,193	7,444,082	(432,860)	7,011,222
Segment Profit (Loss)	7,221	787,971	(15,202)	772,769

Segment profit (loss) is measured by Adjusted EBITA. Adjusted EBITA is defined as Adjusted Earnings before Interest, Taxes and Amortization. Adjusted EBITA represents profit (loss) calculated by deducting selling, general and administrative expenses from gross profit, adding back amortization of intangible assets, etc. recognized upon business combinations, and adding or deducting share of profits (losses) of investments accounted for using the equity method. Intersegment transactions are generally recorded at the same prices used in arm's length transactions. Corporate items include corporate expenses not allocated to individual segments, such as expenditures for advanced R&D, a part of net gain (loss) on share of profits (losses) of investments accounted for using the equity method, and others.

Adjustments to income before income taxes from segment profit (loss) are as follows.

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Segment Profit (Loss)	632,227	772,769
Amortization of Intangible assets, etc. recognized upon business combinations	(63,895)	(89,268)
Other income	119,775	54,869
Other expenses	(55,410)	(45,526)
Financial income	41,899	6,008
Financial expenses	(7,570)	(31,209)
EBIT (Earnings before interest and taxes)	667,026	667,643
Interest income	29,987	28,802
Interest charges	(54,906)	(41,818)
Income before income taxes	642,107	654,627

(2) Revenues by Market

(Millions of yen)

	Nine months ended December 31, 2023 (A)	Nine months ended December 31, 2024 (B)	(B)/(A) (%)
Japan	2,627,187 36%	2,577,684 37%	98
North America	1,217,870 17%	1,112,313 16%	91
Europe	1,150,862 16%	1,376,297 20%	120
Asia	1,723,227 24%	1,419,177 20%	82
Other Areas	499,008 7%	525,751 7%	105
Overseas Revenues Subtotal	4,590,967 64%	4,433,538 63%	97
Total Revenues	7,218,154 100%	7,011,222 100%	97

Notes

(1) Notes Regarding Going Concern

Not applicable.

(2) Subsequent Events

Cancellation of Treasury Shares

The Company cancelled its treasury shares pursuant to Article 178 of the Companies Act of Japan, as follows.

(a) Class of cancelled shares

Common stock of the Company

(b) Number of cancelled shares

56,227,700 shares (1.21% of total number of outstanding shares before the cancellation)

(c) Total number of outstanding shares after the cancellation

4,580,341,685 shares

(d) Cancellation date

January 27, 2025

(e) Accounting

Decreased in Capital surplus

Summary of Consolidated Business Results, etc.

For detailed information, please refer to the Presentation Material "Outline of Consolidated Financial Results for the Third Quarter Ended December 31, 2024" (disclosed on January 31) on TDnet and our website.

(<https://www.hitachi.com/IR-e/library/fr/index.html>)

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.