



Outline of Consolidated Financial Results for the First Quarter Ended June 30, 2022

[Fiscal 2022]

July 29, 2022

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Contents

1. Points
2. Q1 FY2022 Results
3. FY2022 Forecast



1. Points

1

Q1 FY22 consolidated total revenues were 2,569.8bn yen (YoY+9%), adjusted EBITA^{*1} was 154.8bn yen (YoY (6.3)bn yen), and net income was 37.1bn yen (YoY (85.0)bn yen)

- Revenues and profits increased in Digital Systems & Services and Hitachi High-Tech, etc.
- Profits decreased mainly in Hitachi Astemo and Smart Life & Ecofriendly Systems due to semiconductor shortage and lockdown in China
- Net income decreased due to one-time factors including the impact of the shift to risk-sharing corporate pension plans

2

In growth strategies centered on DX and GX, revenues growth in Lumada business, including GlobalLogic, remained firm, and Hitachi Energy and Railway Systems business increased orders

- Lumada business increased revenues by YoY +58%, adjusted EBITA⁽¹⁾ ratio was approx. 12%
- GlobalLogic achieved revenues growth of YoY +47%
- Hitachi Energy/s orders remained firm (Q1 orders: \$4.6bn, order backlog: approx. \$16bn)
- Railway Systems business orders remained firm (Q1 orders: 76.7bn yen, order backlog: 3,718.6bn yen)

3

FY2022 forecast is revised upward to revenues of 9,850.0bn yen (+4% from previous forecast), adjusted EBITA of 845.0bn yen (+25.0bn yen from previous forecast) and core free cash flows^{(2)*2} of 235.0bn yen (+25.0bn yen from previous forecast). Net income forecast of 600.0bn yen has not changed from previous forecast

- Selling a part of Hitachi Construction Machinery shares is expected to be completed during the first half of FY2022. Selling Hitachi Metals shares and Hitachi Transport System shares are expected to be completed by the end of FY2022

Notes which are not included in each page of this material are listed on page 28

(1) Adjusted EBITA for Lumada business represents adjusted operating income^{*3}

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

Macro economy outlook (real GDP YoY growth rate⁽¹⁾)

Region	CY2022 Hitachi forecast as of June	CY2022 Hitachi forecast as of March	Outlook
Global	+3.2%	+3.8%	The macroeconomic environment is deteriorating as recession risk increases as shown in economic slowdown of Europe and China, while material prices hike associated with the situation in Ukraine and inflation in the U.S. are continuing
Japan	+1.4%	+2.5%	Economic growth is slowing as soaring oil and raw material prices and supply constraints put downward pressure on the economy
U.S.	+2.8%	+3.6%	Continuing inflation and Federal Reserve's interest rate raise put downward pressure on economic growth, while strong domestic demand drives economic recovery
Europe	+2.7%	+3.0%	Economic growth decelerates due to energy price increase caused by sanctions against Russia, despite strong consumption through the suppression of COVID-19 expansion
China	+4.1%	+5.3%	Significant economic slowdown due to strengthened zero-corona policy. Recovery of domestic demand, especially consumption and capital investment, is moderate, while the stimulus packages of infrastructure investment sustain the economy

Positive and negative factors of macro economy

Positive factors	Negative factors
<ul style="list-style-type: none"> • World-wide expansion of DX demand • Increase in environment-related investment for carbon neutral transition • Increase in EV usage and expansion of EV charging system • Increase in infrastructure investment <ul style="list-style-type: none"> – Investment in building national resilience in Japan (ex. cross-regional coordination of electricity transmission) – \$1 trillion expenditure of the U.S. Infrastructure Investment Act – China's policy to promote infrastructure construction for economic growth 	<ul style="list-style-type: none"> • Geopolitical risks, including the situation in Ukraine • Soaring resource prices and rising global inflation • Risk of economic deterioration due to the U.S. Federal Reserve's interest rate raise • Activity restrictions due to China's zero-corona policy and destabilization of the real estate market • Continued price hikes for materials and logistics costs • Continuing semiconductor shortage

(1) Based on Short-term Economic Outlook of Hitachi Research Institute

Business Environment (Q1 FY22)

- Semiconductor shortage has affected mainly Hitachi Astemo (Shortages of some logic, analog, and discrete semiconductors)
- Soaring material prices has impacted mainly on Hitachi Energy and Hitachi Astemo
- Lockdown in China including supply chain disruptions has affected mainly Hitachi Astemo and Smart Life & Ecofriendly Systems

	Semiconductor shortage	Soaring material prices, electricity, and transportation cost	Activity constraint due to pandemic	Situation in Ukraine and Russia
Digital Systems & Services	<ul style="list-style-type: none"> • Revenues decrease in IT products and ATM related business ⇒ Conducting procurement from multiple suppliers and strategic inventory securing, etc. 	<ul style="list-style-type: none"> • Soaring materials prices for IT products ⇒ Revising selling prices and reducing costs 	<ul style="list-style-type: none"> • Some customer investment restraint in Japan • Partial procurement delay due to lockdown in China 	<ul style="list-style-type: none"> • Minimized business impact while some business bases of GlobalLogic exist in Ukraine
Green Energy & Mobility	<ul style="list-style-type: none"> • Revenues decrease and cost increase in power grids business ⇒ Negotiations with suppliers to secure inventory 	<ul style="list-style-type: none"> • Cost increases of electrical steel sheet and logistics in power grids business ⇒ Revising selling prices and reducing costs 	Minor Impact	Minor Impact
Connective Industries	<ul style="list-style-type: none"> • Impact on products delivery (factory automation equipment, etc.) due to lower production than planned ⇒ Recovering production, suppressing semiconductor purchase prices and revising selling prices • Parts shortage affected Hitachi High-Tech production ⇒ Securing generic parts and searching for alternatives 	<ul style="list-style-type: none"> • Cost increase in Building Systems business ⇒ Conducting cost reduction and revising selling prices • Cost increase for some products of Industrial Products business ⇒ Conducting measures to suppress price increases in materials, and revising selling prices 	<ul style="list-style-type: none"> • Delay in procuring some parts in Smart Life & Ecofriendly Systems ⇒ Reviewing supply chain, etc. 	Minor Impact
Hitachi Astemo	<ul style="list-style-type: none"> • Large revenues decrease due to OEM production cutbacks 	<ul style="list-style-type: none"> • Cost increase in some products due to price increase in materials such as steel and copper ⇒ Conducting cost reduction 	<ul style="list-style-type: none"> • Large revenues decrease due to OEM production cutbacks in China ⇒ Securing resources for production recovery after lockdown is lifted 	Minor Impact

GlobalLogic

- Q1 revenues increased YoY 147% (dollar base YoY 124%), and maintained high profitability; adjusted EBITA ratio of 23.1% and EBITDA^{*4} ratio of 25.1%
- GlobalLogic Japan, established on April 1, launched the collaborative creation project with Nojima Corporation to accelerate the development and implementation of DX strategy

Billions of yen	Q1	YoY ⁽³⁾
Revenues	46.3	147%
Adjusted EBITA⁽¹⁾ (standalone⁽²⁾)	10.7 23.1%	+4.1 +2.2 pts

Hitachi Energy

- Q1 revenues increased YoY due to FX impact, but adjusted EBITA remained flat due to soaring materials prices
- Orders increased mainly in North America, Europe, etc., due to acceleration of energy transition toward carbon neutral society. Received several major orders, including HVDC for one of the world's largest offshore wind farms and HVDC to help power supply in Mumbai, India

Billions of yen	Q1	YoY
Revenues	301.9	114%
Adjusted EBITA (standalone)	17.4 5.8%	±0.0 (0.8) pts

Measurement & Analysis Systems (Hitachi High-Tech)

- Q1 revenues and profits increased due to demand expansion for semiconductor manufacturing equipment and clinical chemistry and immunochemistry analyzers
- Accelerated the strengthening of collaborative creation, including the opening of the Advanced-Technology Innovation Center Naka, a new demonstration and collaboration base

Billions of yen	Q1	YoY
Revenues	156.4	108%
Adjusted EBITA	23.5 15.0%	+9.1 +5.0 pts

Hitachi Astemo

- Q1 profits decreased due to reduced production by OEM caused by semiconductor shortage, the lockdown in China, and soaring material prices
- Investing in growth areas such as electrification and automated driving, including the start of mass production of xEV inverters at a new plant in Miyagi Prefecture

Billions of yen	Q1	YoY	QoQ
Revenues	388.2	101%	87%
Adjusted EBITA	(4.6) (1.2)%	(17.8) (4.6) pts	(29.6) (6.8) pts

(1) Percentage indicates adjusted EBITA ratio

(2) Standalone does not include acquisition related cost

(3) Acquisition of GlobalLogic was closed on July 14, 2021.

GlobalLogic's results have been included in Hitachi's consolidated results since Q2 FY21.

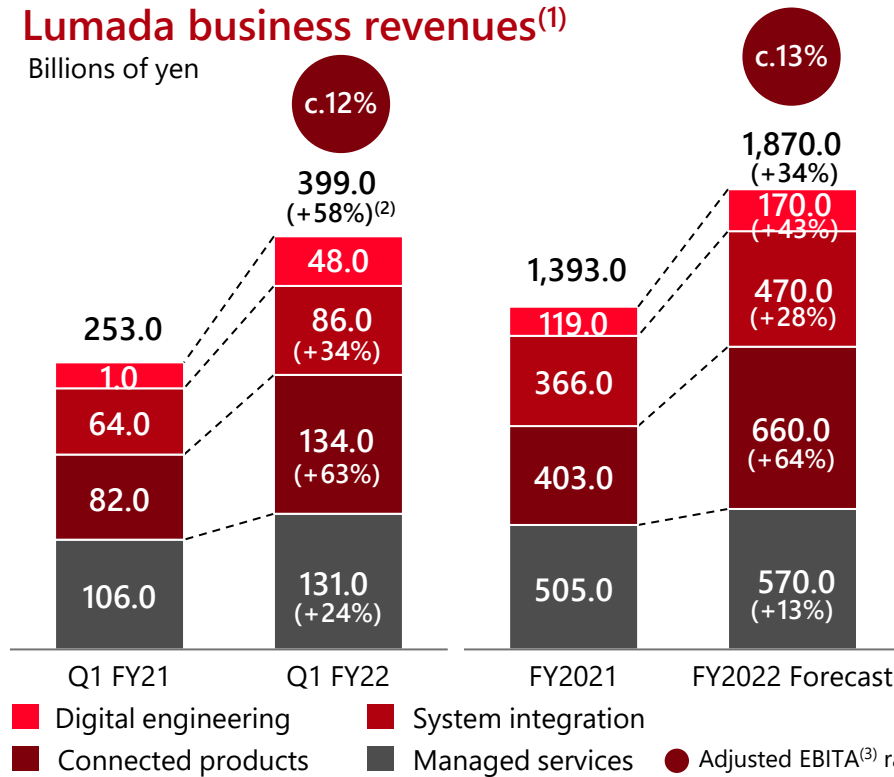
YoY is a comparison of GlobalLogic's performance for the period of April-June 2022 versus that of April-June 2021

Highlights of Orders Results (Q1 FY22)

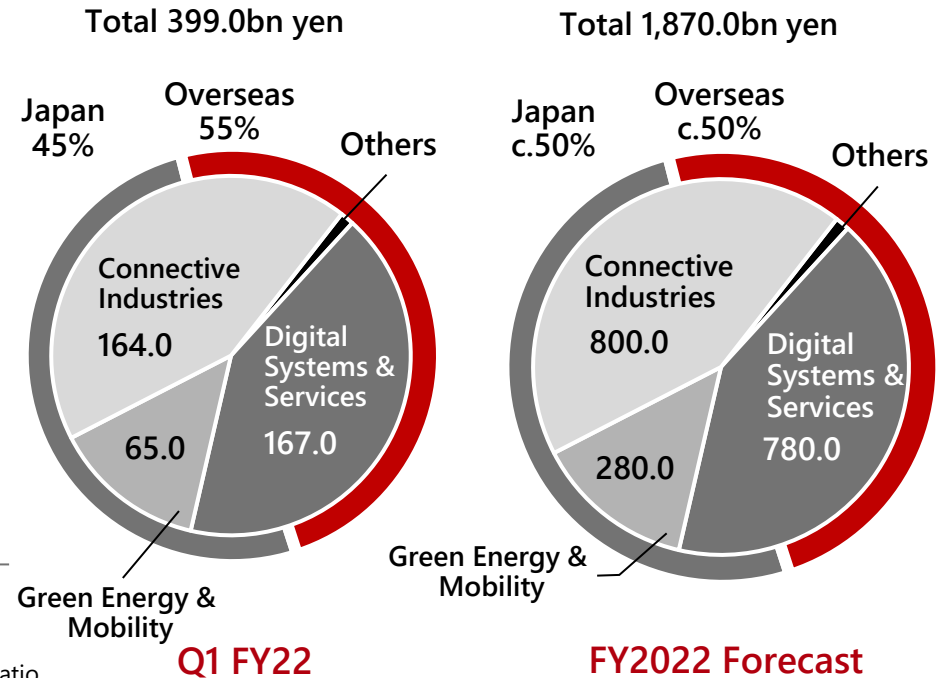
Billions of yen	Q1 FY22 Orders	YoY	Dynamics
Digital Systems & Services	659.1	112%	<ul style="list-style-type: none"> Segment orders increased due to strong sales in Lumada solutions that meet DX demand, including financial field and Hitachi Solutions, despite continued investment restraint of customers in transportation field 25 global major brands added to the portfolio of GlobalLogic, including top U.S. companies
Hitachi Energy	600.8	202%	<ul style="list-style-type: none"> Orders increased mainly in North America, Europe, etc. due to acceleration of energy transition toward carbon neutral society Received several major orders, including HVDC for one of the world's largest offshore wind farms and HVDC to help power supply in Mumbai, India
Railway Systems	76.7	116%	<ul style="list-style-type: none"> Steady growth in overseas orders mainly in Europe due to market recovery and shift to carbon-neutral
Building Systems	276.3	117%	<ul style="list-style-type: none"> In China, orders for new installation remained firm despite a continued adjustment phase of demand. In Japan, orders for new installation and modernization increased
Measurement & Analysis Systems (Hitachi High-Tech)	173.2	107%	<ul style="list-style-type: none"> Orders increased due to demand expansion for semiconductor manufacturing equipment and clinical chemistry and immunochemistry analyzers
Industrial Digital	77.7	104%	<ul style="list-style-type: none"> Steady orders due to expansion of digital solutions business and large orders for projects in the automotive and pharmaceutical fields, etc.
Water & Environment	51.4	187%	<ul style="list-style-type: none"> Steady orders for air-conditioning systems business for the industrial sector, in addition to large orders for water supply and sewage facilities for the public sector
Industrial Products	111.1	103%	<ul style="list-style-type: none"> Steady orders in air compressors on mass production business globally, environment-related products such as electrification of dump trucks for Hitachi Construction Machinery and UPS (Uninterruptible Power Supply) in Japan on built-to-order production business

Lumada business revenues⁽¹⁾

Billions of yen



Composition by segments (FY2022)⁽¹⁾




Category	Business	Topics
Digital engineering	Consulting on DX, digital solution business through customer co-creation, etc.	GlobalLogic provides DX services to 25 new brands across various sectors, including consumer services, manufacturing, and IT & software
System integration	System integration with digital technology, engineering services for OT (Operational Technology)	System integration for the manufacturing industry remains firm, including the joint project with Lion Corporation that helps shorten product development time
Connected products	Equipment and facilities with data collection/transmission functions to support digital services, etc.	Connected products are expanding, such as semiconductor manufacturing equipment and power grids equipment
Managed services	Cloud-based services, equipment and facility operation monitoring services, etc.	Hitachi Energy and Hitachi Vantara launched jointly developed solution to support automated asset inspections

(1) Excluding Lumada business revenues of listed subsidiaries including Hitachi Construction Machinery

(2) Figures in parentheses are the growth percentage of revenues compared to the previous fiscal year for each category

(3) Adjusted EBITA for Lumada business represents adjusted operating income



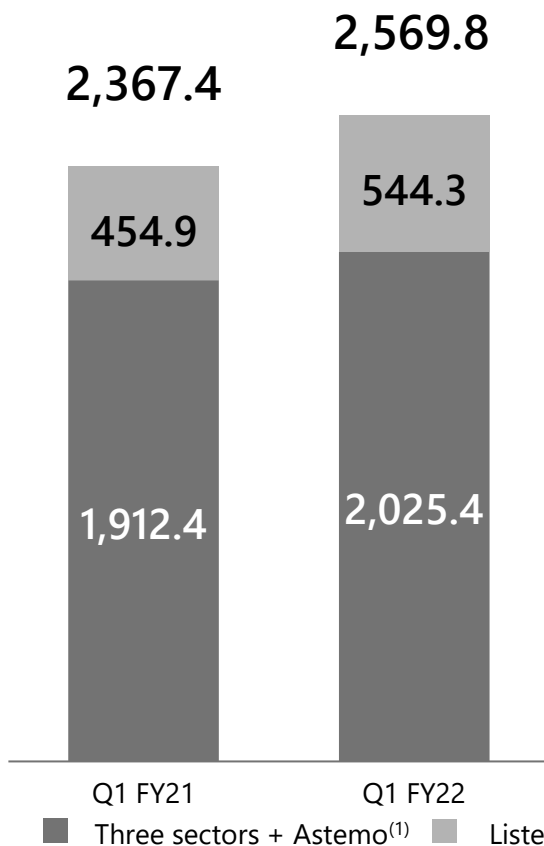
2. Q1 FY2022 Results

Highlights of Results (Q1 FY22)

Revenues

YoY 9% up

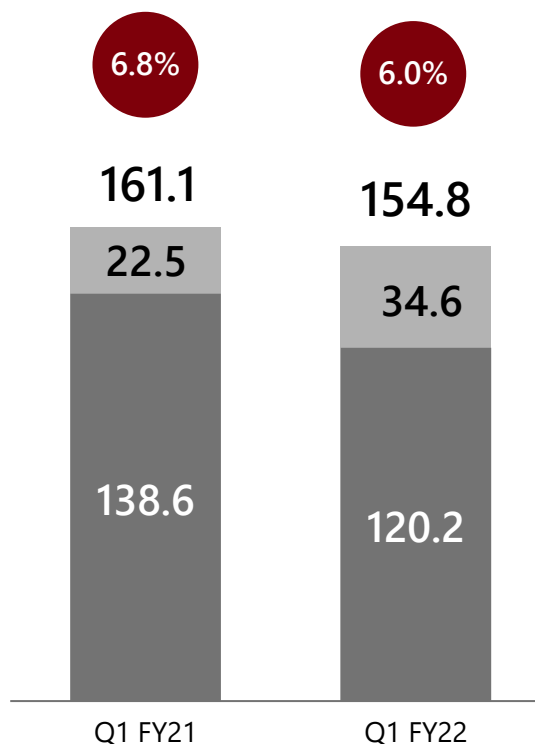
Revenues increased due to FX impact, market recovery trend and acquisition of GlobalLogic



Adjusted EBITA⁽²⁾

YoY (6.3)bn yen

Adjusted EBITA decreased mainly in Hitachi Astemo and Smart Life & Ecofriendly Systems due to the lockdown in China



Overseas revenues

1,696.3bn yen (YoY +16%)

Lumada business revenues⁽³⁾

399.0bn yen (YoY +58%)

Net income attributable to Hitachi, Ltd. stockholders

37.1bn yen (YoY (85.0)bn yen)

EBITDA

222.7bn yen (YoY (77.2)bn yen)

Cash flows from operating activities

106.1bn yen (YoY (30.9)bn yen)

Core free cash flows

5.3bn yen (YoY (34.1)bn yen)

(1) Changed reporting segment structure from FY2022

(2) Changed definition of adjusted EBITA from FY2022

(3) Excluding Lumada business revenues of listed subsidiaries including Hitachi Construction Machinery

Billions of yen

- Three sectors: revenues increased due to market recovery trend and acquisition of GlobalLogic, but profits decreased due to the lockdown in China
- Astemo: profits decreased due to OEM production cutbacks following continuous semiconductor shortage and supply chain disruptions in China
- Listed subsidiaries: revenues and profits increased in Hitachi Construction Machinery and Hitachi Metals due to market recovery trend

Billions of yen	Three sectors*5 [Digital Systems & Services, Green Energy & Mobility, Connective Industries]	Astemo [Automotive Systems]	Listed subsidiaries [Hitachi Construction Machinery, Hitachi Metals]	Total
Revenues	1,637.2	388.2	544.3	2,569.8
YoY	107%	101%	120%	109%
Adjusted EBITA	124.9	(4.6)	34.6	154.8
YoY	(0.5)	(17.8)	+12.0	(6.3)
Adjusted EBITA ratio	7.6%	(1.2)%	6.4%	6.0%
YoY	(0.6) pts	(4.6) pts	+1.4 pts	(0.8) pts
Net income attributable to Hitachi, Ltd. stockholders	40.5	(20.9)	17.4	37.1
YoY	(73.6)	(23.7)	+12.3	(85.0)

Q1 FY22 Results by Business Segment (1/3)

Billions of yen	Q1 FY22		YoY		Dynamics
	Revenues	Adj. EBITA ⁽²⁾	Revenues	Adj. EBITA	
Digital Systems & Services^{*6}	505.3	49.3 9.8%	114%	+5.0 (0.2) pts	<ul style="list-style-type: none"> Segment revenues and profits increased led by Lumada business and GlobalLogic In Front Business, Lumada business remained firm despite the continued impact of restrained investment in the transportation field, etc. Profit decreased due to lower ATM shipments caused by semiconductor shortage, lockdown of Chinese subsidiary, and increased investment in growth for expansion of digital solutions In IT Services, revenues and profits increased due to solid performance of Lumada business (security and cloud services) In Services & Platforms, despite semiconductor shortage impacting IT products revenues, revenues and profits increased due to steady business growth of GlobalLogic and firm overseas cloud business
Front Business ^{*7}	200.4	9.7 4.9%	103%	(3.2) (1.7) pts	
IT Services ^{*8}	192.3	20.6 10.7%	104%	+2.2 +0.8 pts	
Services & Platforms ^{*9}	210.2	16.0 7.6%	135%	+4.6 +0.3 pts	
Green Energy & Mobility	512.4	18.5 3.6%	108%	+6.7 +1.1 pts	<ul style="list-style-type: none"> Segment revenues increased due to FX impact and firm demand for Hitachi Energy and Railway Systems business Nuclear Energy BU⁽³⁾ and Energy BU revenues and profits decreased due to the transfer of Hitachi Plant Construction's thermal power-related business in Nuclear Energy BU and cost increases in a certain project in Energy BU Hitachi Energy revenues increased due to FX impact, but adjusted EBITA remained flat due to the impact of soaring material prices Railway Systems BU revenues and profits increased due to FX impact, project ramp-up and profitability improvement
Nuclear Energy ^{*10}	17.6	-	87%	-	
Energy ^{*10}	36.4	-	95%	-	
Nuclear Energy & Energy ^{*10}	54.2	0.1 0.3%	92%	(4.9) (8.2) pts	
Hitachi Energy	301.9	17.4 5.8%	114%	±0.0 (0.8) pts	
Related cost ⁽¹⁾	-	(3.7)	-	+5.8	
Railway Systems ^{*10}	155.7	6.0 3.8%	107%	+6.3 +4.0 pts	

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

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

(2) Percentages are adjusted EBITA ratio (3) BU: Business Unit

Q1 FY22 Results by Business Segment (2/3)

Billions of yen	Q1 FY22		YoY		Dynamics
	Revenues	Adj. EBITA	Revenues	Adj. EBITA	
Connective Industries⁽¹⁾	670.8	61.0 9.1%	100%	(1.1) (0.2) pts	<ul style="list-style-type: none"> Segment profit decreased impacted by the Smart Life & Ecofriendly Systems business revenues and profits decreases due to selling overseas home appliance business and the impact of the lockdown in China, while the Measurement & Analysis Systems and Industrial Digital BU increased in both revenues and profits due to firm performance Building Systems BU profits decreased due to the impact of soaring material prices despite the increase in revenues due to FX impact Smart Life & Ecofriendly Systems business revenues and profits decreased due to the impacts of the selling of overseas home appliance business and the lockdown in China Measurement & Analysis Systems business revenues and profits increased due to demand expansion for semiconductor manufacturing equipment and clinical chemistry and immunochemistry analyzers Industrial Digital BU revenues and profits increased due to growth in digital solution business Water & Environment BU revenues and profits decreased due to the impact of large-scale projects in the year-before period in air conditioning system business, despite firm performance Industrial Products business profits decreased due to the impact of soaring material prices
Building Systems	234.0	22.5 9.6%	109%	(1.0) (1.4) pts	
Smart Life & Ecofriendly Systems (Hitachi GLS ⁽²⁾)	81.9	4.3 5.2%	74%	(9.0) (6.8) pts	
Measurement & Analysis Systems (Hitachi High-Tech)	156.4	23.5 15.0%	108%	+9.1 +5.0 pts	
Industrial Digital ^{*10}	75.2	5.1 6.8%	108%	+1.2 +1.2 pts	
Water & Environment ^{*10}	29.9	0.4 1.5%	90%	(0.8) (2.1) pts	
Industrial Products	87.5	4.9 5.5%	99%	(2.2) (2.5) pts	

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

(1) The results of Connective Industries segment includes revenues and adjusted EBITA of healthcare business, etc.

(2) Hitachi GLS: Hitachi Global Life Solutions

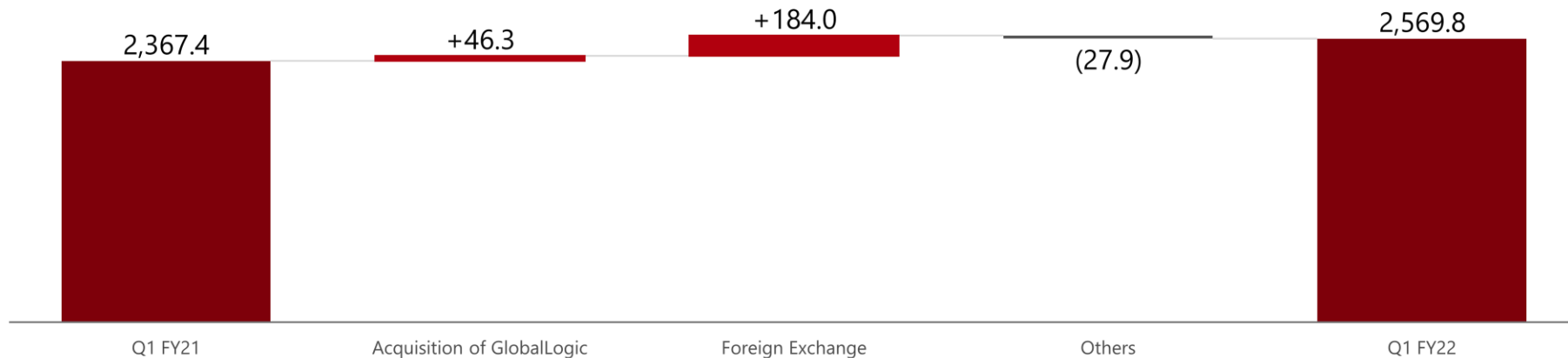
Q1 FY22 Results by Business Segment (3/3)

Billions of yen	Q1 FY22		YoY		Dynamics
	Revenues	Adj. EBITA	Revenues	Adj. EBITA	
Hitachi Astemo	388.2	(4.6) <i>(1.2)%</i>	101%	(17.8) <i>(4.6) pts</i>	• Profits decreased due to the impact of reduced production by OEM due to the impacts of semiconductor shortage and the lockdown in China in addition to soaring raw material prices
Hitachi Construction Machinery	267.5	21.4 <i>8.0%</i>	117%	+8.1 <i>+2.2 pts</i>	• Revenues and profits increased due to increase in sales volume of new machine for mining and parts and service, and the impact of foreign exchange rates, etc., despite decreased demand in China and Russia CIS and the impact of the lower profits from the cost increase mainly in steel prices
Hitachi Metals	276.8	13.1 <i>4.8%</i>	122%	+3.8 <i>+0.7 pts</i>	• Revenues and profits increased due to soaring material prices, FX and cost reduction
Others	107.3	1.6 <i>1.5%</i>	101%	(3.4) <i>(3.3) pts</i>	
Corporate items & Eliminations	(158.6)	(5.6)	-	(7.6)	• Cost for renewing the company-wide management platform, etc.
Total	2,569.8	154.8 <i>6.0%</i>	109%	(6.3) <i>(0.8) pts</i>	

Factors Affecting Changes in Revenues and Adjusted EBITA (Q1 FY22 Total)

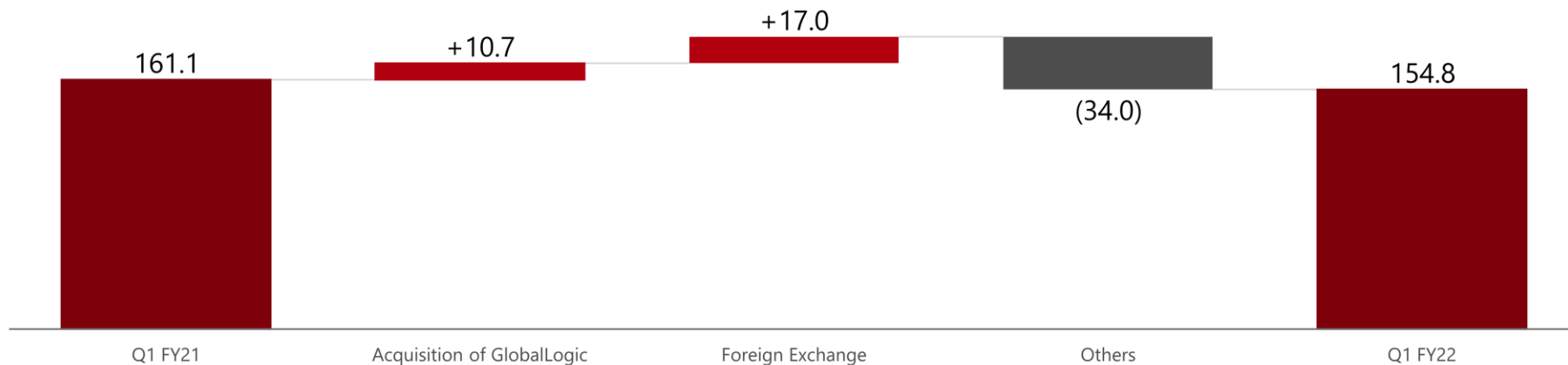
Revenues

Billions of yen



Adjusted EBITA

Billions of yen



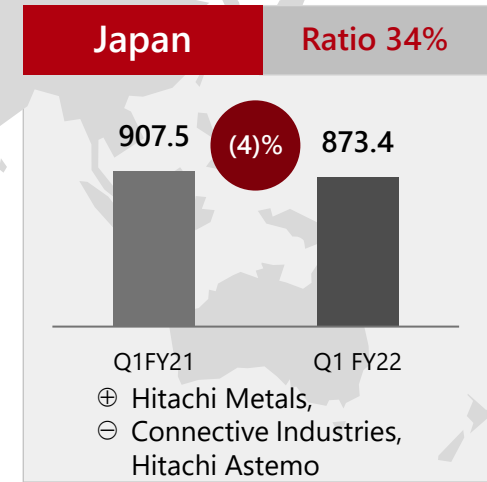
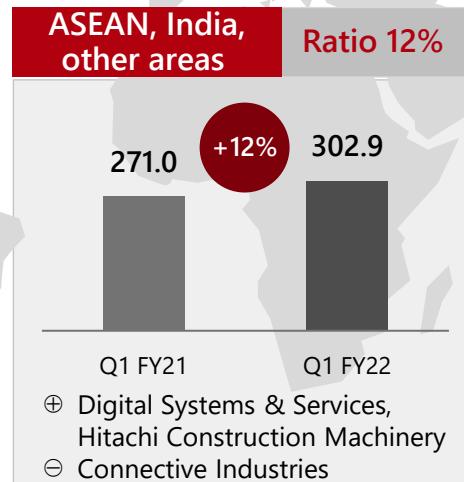
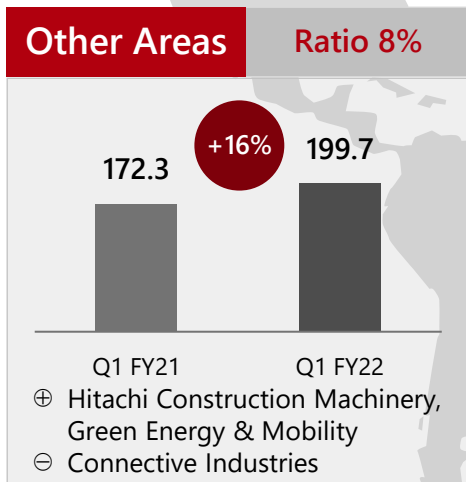
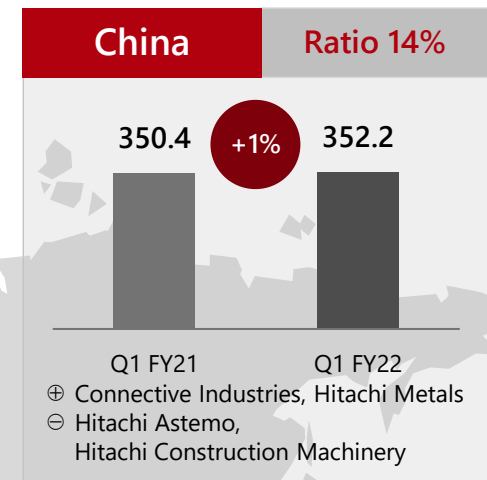
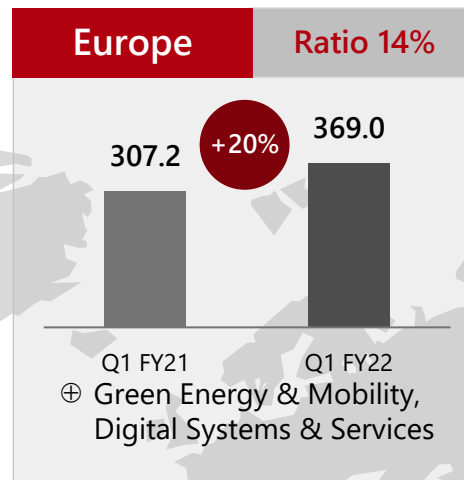
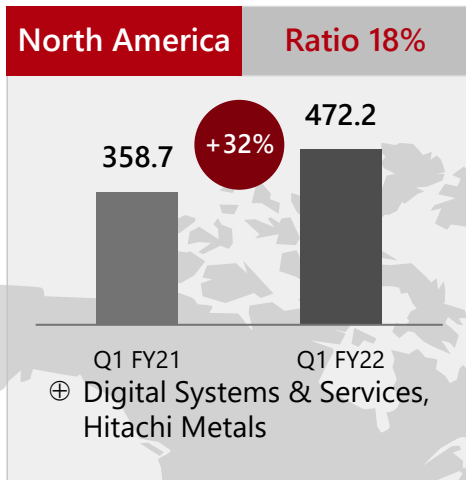
Summary of Consolidated Financial Position

Billions of yen	As of March 31, 2022	As of June 30, 2022	Change from March 31, 2022
Total assets	13,887.5	14,602.0	+714.5
Cash and cash equivalents	968.8	1,079.2	+110.4
Trade receivables and contract assets	2,978.1	2,764.0	(214.1)
Total liabilities	8,532.2	8,952.9	+420.7
Interest-bearing debt	3,126.7	3,459.9	+333.2
Total Hitachi, Ltd. stockholders' equity	4,341.8	4,618.1	+276.3
Non-controlling interests	1,013.4	1,030.9	+17.4
Cash Conversion Cycle	78.1 days	76.4 days	(1.7) days
Total Hitachi, Ltd. stockholders' equity ratio	31.3%	31.6%	+0.3 pts
D/E ratio	0.58 times	0.61 times	+0.03 pts

Summary of Consolidated Statement of Cash Flows

Billions of yen	Q1 FY2021	Q1 FY2022	YoY
Cash flows from operating activities	137.0	106.1	(30.9)
Cash flows from investing activities	(7.0)	(72.0)	(64.9)
Free cash flows	130.0	34.1	(95.8)
Core free cash flows	39.5	5.3	(34.1)

Revenues by Market (Q1 FY22)



Overseas Revenues **1,696.3** billion yen

Ratio **66** %

Billions of yen



3. FY2022 Forecast

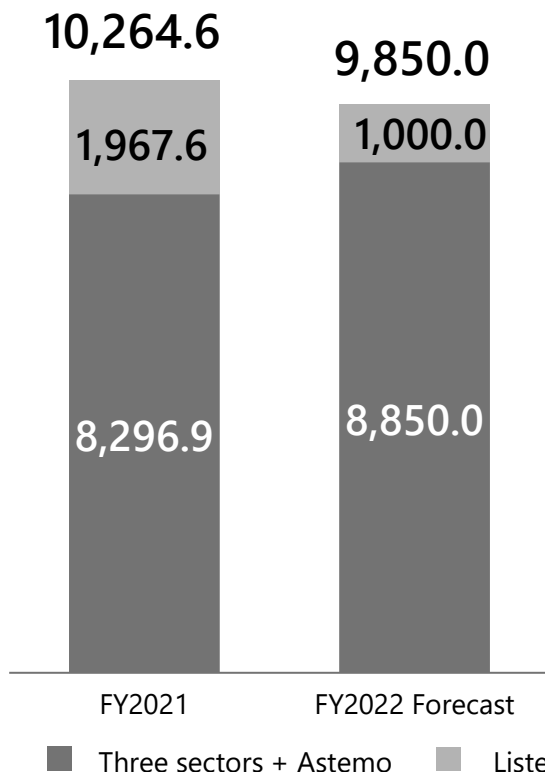
Highlights of Forecast (FY2022)

Revenues

YoY 4% down

(Previous forecast comparison⁽¹⁾ 4% up)

Despite total revenues YoY decrease due to the divestiture of listed subsidiaries, revenues increase by +7% in three sectors + Astemo

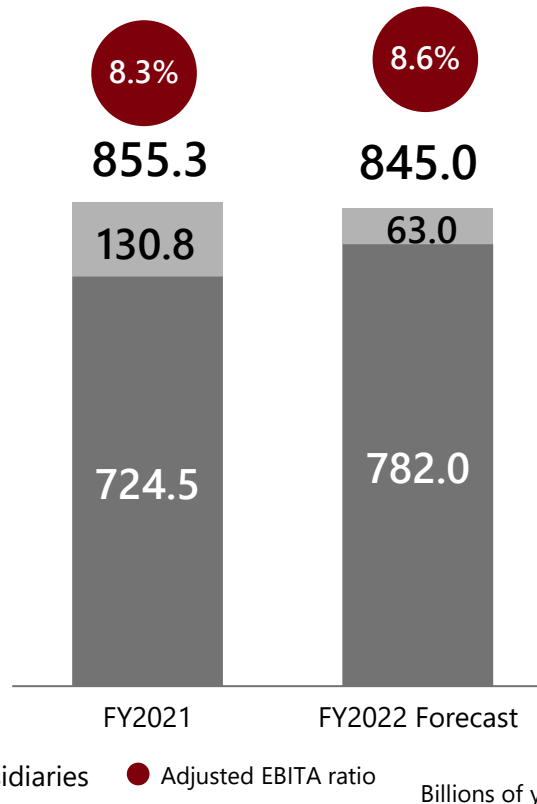


Adjusted EBITA

YoY (10.3)bn yen

(Previous forecast comparison +25.0)

Despite total adjusted EBITA decrease due to divestiture of listed subsidiaries, adjusted EBITA of three sectors + Astemo increases by +57.4



Lumada business revenues⁽²⁾

1,870.0bn yen (YoY +34%)

Net income attributable to Hitachi, Ltd. stockholders

600.0bn yen (YoY +16.5bn yen)
(Previous forecast comparison ±0.0bn yen)

EBITDA

1,444.0bn yen (YoY +51.1bn yen)
(Previous forecast comparison +44.0bn yen)

Cash flows from operating activities

675.0bn yen (YoY (54.9)bn yen)
(Previous forecast comparison +25.0bn yen)

Core free cash flows

235.0bn yen (YoY (55.0)bn yen)
(Previous forecast comparison +25.0bn yen)

ROIC*¹²

7.2% (YoY (0.5) pts)
(Previous forecast comparison ±0.0 pts)

Assumed FX rate for Q2-Q4 FY22

130 yen / US \$, 140 yen / €

FX sensitivity⁽³⁾ for Q2-Q4 FY22

US \$: Revenues +13.5
Adjusted EBITA +1.0
€: Revenues +5.0
Adjusted EBITA +0.5

(1) "Previous forecast" is the forecast as of April 28, 2022
(2) Excluding Lumada business revenues of listed subsidiaries including Hitachi Construction Machinery
(3) Impact of FX rate fluctuation by one-yen depreciation from assumed rate (unit: billion yen)

Forecast by Three Sectors, Astemo and Listed Subsidiaries (FY2022)

- Three sectors: revenues and profits increase in Digital Systems & Services, Green Energy & Mobility and Connective Industries
- Astemo: revenues and profits increase due to easing supply constraints and market recovery trend
- Listed subsidiaries: revenues and profits decrease due to selling a part of Hitachi Construction Machinery shares and selling Hitachi Metals shares

Billions of yen	Three sectors [Digital Systems & Services, Green Energy & Mobility, Connective Industries]	Astemo [Automotive Systems]	Listed subsidiaries [Hitachi Construction Machinery, Hitachi Metals]	Total
Revenues	7,050.0	1,800.0	1,000.0	9,850.0
YoY	105%	113%	51%	96%
Previous forecast comparison	102%	100%	132%	104%
Adjusted EBITA	690.0	92.0	63.0	845.0
YoY	+27.8	+29.6	(67.8)	(10.3)
Previous forecast comparison	+23.0	(17.0)	+19.0	+25.0
Adjusted EBITA ratio	9.8%	5.1%	6.3%	8.6%
YoY	(0.1) pts	+1.2 pts	(0.4) pts	+0.3 pts
Previous forecast comparison	+0.2 pts	(1.0) pts	+0.5 pts	±0.0 pts
Net income attributable to Hitachi, Ltd. stockholders	570.0	10.0	20.0	600.0
YoY	+45.8	(4.6)	(24.6)	+16.5
Previous forecast comparison	+5.0	(15.0)	+10.0	±0.0

FY2022 Forecast by Business Segment (1/3)

Billions of yen	FY2022 Forecast		YoY		Previous forecast comparison		Dynamics
	Revenues	Adj. EBITA ⁽³⁾	Revenues	Adj. EBITA	Revenues	Adj. EBITA	
Digital Systems & Services⁽¹⁾	2,290.0	300.0 13.1%	106%	+18.5 ±0.0 pts	100%	±0.0 ±0.0 pts	<ul style="list-style-type: none"> No change from the previous segment forecast Forecast increased revenues and profits by reaping the benefits of digital demand in Japan and overseas and maintaining continuous growth, despite increasing uncertainty in the macroeconomic environment GlobalLogic expects over 20% high growth rate as it continues BCP measures and leverages its strengths in digital engineering to create DX projects
Front Business	985.0	105.0 10.7%	104%	+7.6 +0.4 pts	100%	±0.0 ±0.0 pts	
IT Services	860.0	103.0 12.0%	102%	+2.6 +0.1 pts	100%	±0.0 ±0.0 pts	
Services & Platforms	840.0	80.0 9.5%	108%	+6.6 ±0.0 pts	100%	±0.0 ±0.0 pts	
Green Energy & Mobility	2,300.0	159.0 6.9%	112%	+66.6 +2.4 pts	106%	+7.0 (0.1) pts	<ul style="list-style-type: none"> Segment forecast was revised by +130.0bn yen in revenues and +7.0bn yen in adjusted EBITA from the previous Nuclear Energy BU and Energy BU forecast profits YoY increase due to profitability improvement while Energy BU forecasts revenues YoY decrease due to strategy change of wind power generation system business Hitachi Energy forecasts revenues and profits YoY increase due to solid business performance, improved profitability and FX impact, despite the continued impact of soaring material prices Railway Systems BU forecasts revenues and profits increase due to FX impact
Nuclear Energy	160.4	-	106%	-	100%	-	
Energy	177.3	-	97%	-	100%	-	
Nuclear Energy & Energy	321.8	33.3 10.3%	96%	+3.8 +1.5 pts	100%	±0.0 ±0.0 pts	
Hitachi Energy	1,291.2	104.5 8.1%	120%	+39.2 +2.0 pts	108%	+8.4 +0.1 pts	
Related cost ⁽²⁾	-	(27.8)	-	(3.6)	-	(2.2)	
Railway Systems	687.9	43.5 6.3%	109%	+14.6 +1.7 pts	105%	+2.0 ±0.0 pts	

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

(1) Earnings of GlobalLogic (standalone bases), revenues: 172.0bn yen, adjusted EBITA: 32.0bn yen, are included in FY2022 forecast

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

(3) Percentages are adjusted EBITA ratio

FY2022 Forecast by Business Segment (2/3)

Billions of yen	FY2022 Forecast		YoY		Previous forecast comparison		Dynamics
	Revenues	Adj. EBITA	Revenues	Adj. EBITA	Revenues	Adj. EBITA	
Connective Industries⁽¹⁾	2,770.0	296.0 <i>10.7%</i>	101%	+38.1 <i>+1.3 pts</i>	100%	(9.0) <i>(0.3) pts</i>	<ul style="list-style-type: none"> Segment adjusted EBITA forecast was revised by (9.0)bn yen from the previous due to the impact of the lockdown in China in Smart Life & Ecofriendly Systems business Building Systems BU forecasts profits YoY increase due to cost reduction, etc. Smart Life & Ecofriendly Systems business forecasts revenues and profits YoY decrease due to the impacts of the selling of overseas home appliance business and the lockdown in China Measurement & Analysis Systems business forecasts revenues and profits YoY increase due to demand expansion for semiconductor manufacturing equipment and clinical chemistry and immunochemistry analyzers Industrial Digital BU forecasts revenues YoY increase due to growth in digital solution business etc., while forecasting profits YoY decrease due to increase in growth investment such as R&D for expansion of Lumada business Water & Environment BU forecasts revenues and profits YoY increase due to fixed cost reduction, as well as stable growth in air conditioning system business Industrial Products business forecasts revenues and profits YoY increase due to its solid business performance
Building Systems	820.0	74.6 <i>9.1%</i>	100%	+4.8 <i>+0.6 pts</i>	100%	±0.0 <i>±0.0 pts</i>	
Smart Life & Ecofriendly Systems (Hitachi GLS ⁽²⁾)	372.0	38.0 <i>10.2%</i>	94%	(2.0) <i>+0.1 pts</i>	95%	(8.0) <i>(1.5) pts</i>	
Measurement & Analysis Systems (Hitachi High-Tech)	680.0	84.0 <i>12.4%</i>	118%	+24.2 <i>+2.0 pts</i>	108%	+1.8 <i>(0.6) pts</i>	
Industrial Digital	350.0	39.2 <i>11.2%</i>	102%	(3.6) <i>(1.2) pts</i>	100%	±0.0 <i>±0.0 pts</i>	
Water & Environment	188.0	19.5 <i>10.4%</i>	103%	+2.0 <i>+0.8 pts</i>	100%	±0.0 <i>±0.0 pts</i>	
Industrial Products	418.0	43.7 <i>10.5%</i>	102%	+5.9 <i>+1.3 pts</i>	100%	±0.0 <i>±0.0 pts</i>	

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

(1) The forecast of Connective Industries segment includes revenues and adjusted EBITA of healthcare business, etc.

(2) Hitachi GLS: Hitachi Global Life Solutions

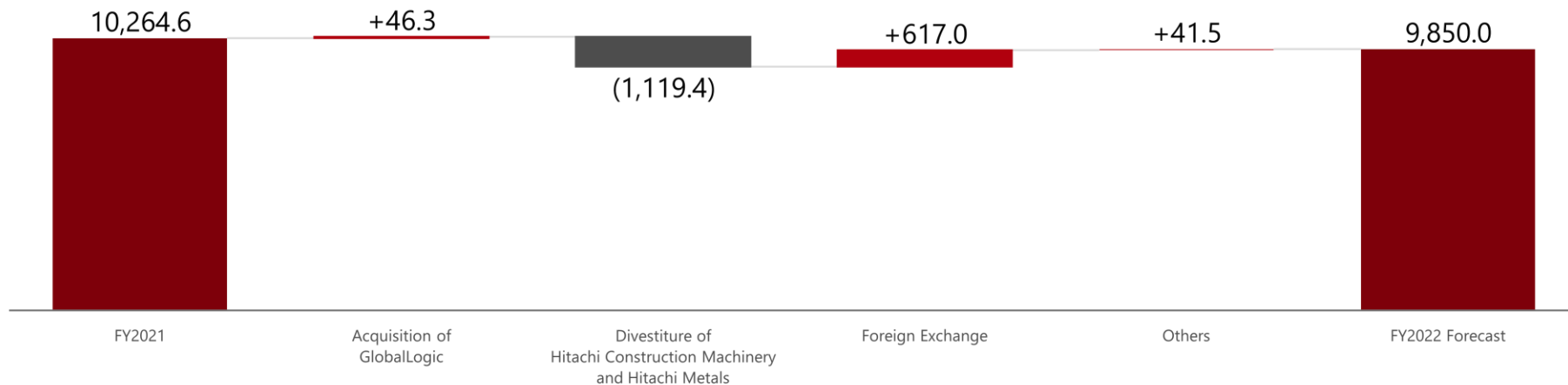
FY2022 Forecast by Business Segment (3/3)

Billions of yen	FY2022 Forecast		YoY		Previous forecast comparison		Dynamics
	Revenues	Adj. EBITA	Revenues	Adj. EBITA	Revenues	Adj. EBITA	
Hitachi Astemo	1,800.0	92.0 5.1%	113%	+29.6 +1.2 pts	100%	(17.0) (1.0) pts	<ul style="list-style-type: none"> Adjusted EBITA forecast was revised by (17.0)bn yen from the previous due to the impacts of prolonged semiconductor shortage and lockdown in China Forecasts revenues and profits YoY increase due to market recovery in the second half of the year, despite the impact of reduced production by OEM due to semiconductor shortage and the lockdown in China in addition to soaring material prices
Hitachi Construction Machinery	430.0	36.0 8.4%	42%	(64.1) (1.4) pts	195%	+18.0 +0.2 pts	<ul style="list-style-type: none"> Segment forecast was revised by +210.0bn yen in revenues and +18.0bn yen in adjusted EBITA from the previous due to change in the closing date of share transfer
Hitachi Metals	570.0	27.0 4.7%	60%	(3.7) +1.4 pts	106%	+1.0 (0.1) pts	<ul style="list-style-type: none"> Segment forecast was revised by +30.0bn yen in revenues and +1.0bn yen in adjusted EBITA from the previous based on Q1 performance Hitachi Metals is included in Hitachi's consolidated total for the first half due to the selling of Hitachi Metals shares
Others	460.0	17.0 3.7%	101%	(6.6) (1.5) pts	100%	±0.0 ±0.0 pts	
Corporate items & Eliminations	(770.0)	(82.0)	-	(89.0)	-	+25.0	<ul style="list-style-type: none"> Cost for renewing the company-wide management platform, global business risks of (10.0)bn yen, etc.
Total	9,850.0	845.0 8.6%	96%	(10.3) +0.3 pts	104%	+25.0 ±0.0 pts	

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

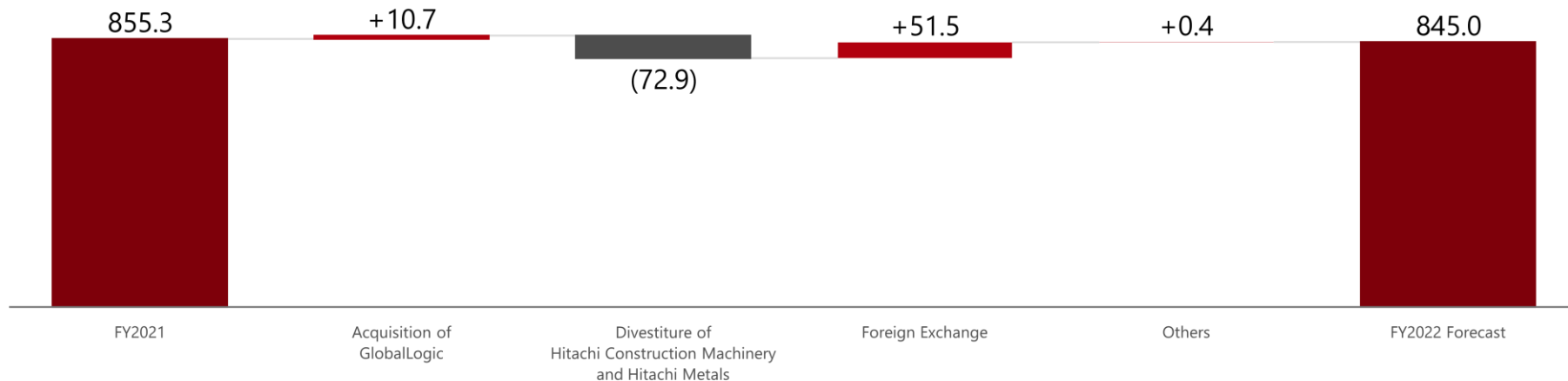
Revenues

Billions of yen



Adjusted EBITA

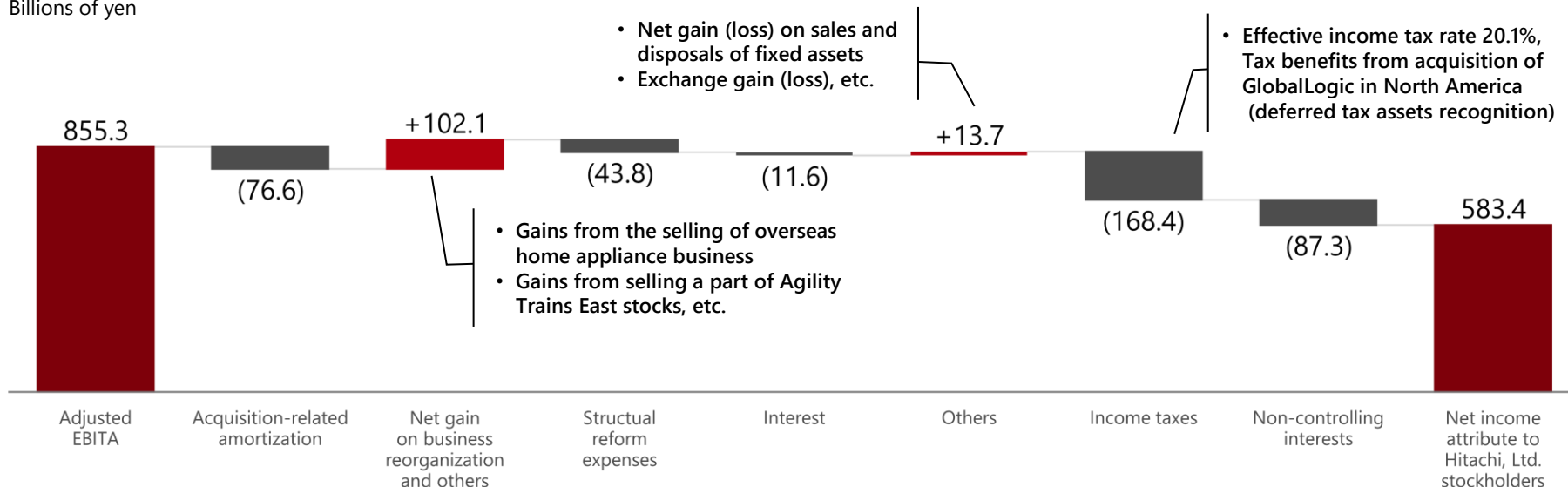
Billions of yen



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

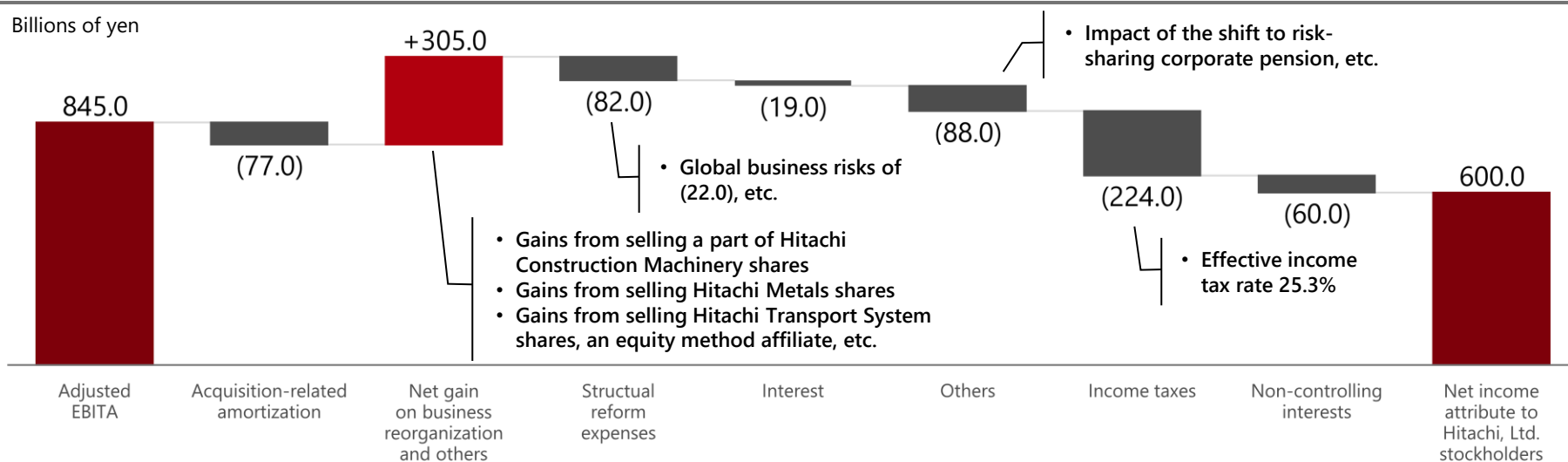
FY2021

Billions of yen



FY2022 Forecast

Billions of yen



Summary of Consolidated Statement of Profit or Loss (FY2022 total)

Billions of yen	Q1 FY21	Q1 FY22	YoY	FY2021	FY2022	YoY	Previous forecast comparison
Revenues	2,367.4	2,569.8	109%	10,264.6	9,850.0	96%	104%
Adjusted Operating Income	130.4	121.5	(8.9)	738.2	725.0	(13.2)	+25.0
Equity in earnings (losses) of affiliates	+11.8	+12.9	+1.0	+40.4	+43.0	+2.5	(3.0)
Acquisition-related Amortization*13 to be added back	+18.8	+20.4	+1.5	+76.6	+77.0	+0.3	+3.0
Adjusted EBITA	161.1	154.8	(6.3)	855.3	845.0	(10.3)	+25.0
Net gain on business reorganization and others	+36.7	+1.2	(35.5)	+102.1	+305.0	+202.8	(5.0)
Acquisition-related Amortization	(18.8)	(20.4)	(1.5)	(76.6)	(77.0)	(0.3)	(3.0)
Structural reform expenses	(3.2)	(2.7)	+0.5	(43.8)	(82.0)	(38.1)	+13.0
Others	(7.1)	(52.3)	(45.2)	+13.9	(88.0)	(101.9)	(17.0)
EBIT	168.6	80.6	(88.0)	850.9	903.0	+52.0	+13.0
Interest	(1.8)	(4.0)	(2.2)	(11.6)	(19.0)	(7.3)	±0.0
Income taxes	(29.9)	(29.5)	+0.3	(168.4)	(224.0)	(55.5)	(9.0)
Non-controlling interests	(14.7)	(9.8)	+4.8	(87.3)	(60.0)	(27.3)	(4.0)
Net income attributable to Hitachi, Ltd. Stockholders	122.2	37.1	(85.0)	583.4	600.0	+16.5	±0.0

The following data is provided in the "Supplemental Material" on the Hitachi web site

No	Data
1	Summary of Condensed Quarterly Consolidated Statement of Profit or Loss
2	Summary of Condensed Quarterly Consolidated Statement of Cash Flows
3	Summary of Condensed Quarterly Consolidated Statement of Financial Position
4	Financial Results and Forecast by Sectors, Astemo and Listed Subsidiaries
5	Financial Results and Forecast by Business Segments
6	Revenues by Market
7	Capital Expenditure (Completion Basis)
8	Depreciation and Amortization
9	Shares of Profits (Losses) of Investments Accounted for Using Equity Method
10	R&D Expenditure
11	Foreign Exchange Rate
12	Number of Employees and Consolidated Subsidiaries

- *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 "Adjusted operating income" is presented as revenues less selling, general and administrative expenses as well as cost of sales
- *4 "EBITDA" is presented as income before income taxes less interest income plus interest charges, depreciation and amortization
- *5 The total of "three sectors" is presented as the consolidated total less the total of Hitachi Astemo and listed subsidiaries. It includes others and corporate items & eliminations
- *6 Figures for information control systems business, which were included in Services & Platforms until FY2021, are included in Front Business from FY2022. The year-over-year comparison for Digital Systems & Services segment reflects this change
- *7 System integration, sales, maintenance, related services of software and hardware, and consulting businesses for financial, public, enterprise and social infrastructure (power, rail, telecommunication, etc.) sectors, and information control systems business (The figures for information control systems business in FY2021 are included in Services & Platforms)
- *8 Businesses of Hitachi Solutions, Hitachi Systems, and Hitachi Consulting
- *9 Businesses of digital solutions (artificial intelligence, IoT platform, software, cloud service, etc.), sales of IT products (storage and server), maintenance, etc.
- *10 Figures for each BU include information control systems business, which are also included in Digital Systems & Services segment
- *11 "EBIT" is presented as income from continuing operations, before income taxes less interest income plus interest charges
- *12 $ROIC \text{ (Return on Invested Capital)} = \frac{\text{NOPAT} + \text{equity in earnings (losses) of affiliates}}{\text{Invested Capital}} \times 100$
NOPAT (Net Operating Profit after Tax) = adjusted operating income x (1 – tax burden rate)
Invested Capital = interest-bearing debt + total equity
- *13 Acquisition-related amortization is presented as amortization and depreciation of intangible assets and other assets allocated from goodwill recognized through fair-value evaluation of an acquired company's assets and liabilities. This cost is a non-cash cost and is included in the purchase price for the company

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

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

- economic conditions, including consumer spending and plant and equipment investment in Hitachi’s major markets, as well as levels of demand in the major industrial sectors Hitachi serves;
- exchange rate fluctuations of the yen against other currencies in which Hitachi makes significant sales or in which Hitachi’s assets and liabilities are denominated;
- uncertainty as to Hitachi’s ability to access, or access on favorable terms, liquidity or long-term financing;
- uncertainty as to general market price levels for equity securities, declines in which may require Hitachi to write down equity securities that it holds;
- fluctuations in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum, synthetic resins, rare metals and rare-earth minerals, or shortages of materials, parts and components;
- credit conditions of Hitachi’s customers and suppliers;
- general socioeconomic and political conditions and the regulatory and trade environment of countries where Hitachi conducts business, particularly Japan, Asia, the United States and Europe, including, without limitation, direct or indirect restrictions by other nations on imports and differences in commercial and business customs including, without limitation, contract terms and conditions and labor relations;
- uncertainty as to Hitachi’s ability to respond to tightening of regulations to prevent climate change
- uncertainty as to Hitachi’s ability to maintain the integrity of its information systems, as well as Hitachi’s ability to protect its confidential information or that of its customers;
- uncertainty as to Hitachi’s ability to attract and retain skilled personnel;
- uncertainty as to Hitachi’s ability to continue to develop and market products that incorporate new technologies on a timely and cost-effective basis and to achieve market acceptance for such products;
- exacerbation of social and economic impacts of the spread of COVID-19;
- the possibility of disruption of Hitachi’s operations by natural disasters such as earthquakes and tsunamis, the spread of infectious diseases, and geopolitical and social instability such as terrorism and conflict;
- estimates, fluctuations in cost and cancellation of long-term projects for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- increased commoditization of and intensifying price competition for products;
- fluctuations in demand of products, etc. and industry capacity;
- uncertainty as to Hitachi’s ability to implement measures to reduce the potential negative impact of fluctuations in demand of products, etc., exchange rates and/or price of raw materials or shortages of materials, parts and components;
- uncertainty as to the success of cost structure overhaul;
- uncertainty as to Hitachi’s ability to achieve the anticipated benefits of its strategy to strengthen its Social Innovation Business;
- uncertainty as to the success of acquisitions of other companies, joint ventures and strategic alliances and the possibility of incurring related expenses;
- uncertainty as to the success of restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness;
- the potential for significant losses on Hitachi’s investments in equity-method associates and joint ventures;
- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity-method associates and joint ventures have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- uncertainty as to Hitachi’s access to, or ability to protect, certain intellectual property; and
- uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its employee benefit-related costs.

The factors listed above are not all-inclusive and are in addition to other factors contained elsewhere in this report and in other materials published by Hitachi.

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