

**Outline of Consolidated Financial Results
for the Second Quarter
Ended September 30, 2019**

October 30, 2019

Hitachi, Ltd.

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for the Second Quarter Ended September 30, 2019**
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**1. Outline of Consolidated Financial Results
for the Second Quarter Ended September 30, 2019**

1-1. Highlights of the 1st Half (Apr. - Sep.) FY2019 Financial Results

Revenues	4,221.3 billion yen	down 6% / 270.5 billion yen year over year <ul style="list-style-type: none"> ● Increased in IT and Industry segments ● Decreased in Smart Life segment due to divestitures, Mobility segment, Hitachi Metals and Hitachi Chemical
Adjusted operating income*1	297.2 billion yen	down 14% / 47.3 billion yen year over year <ul style="list-style-type: none"> ● Increased in IT and Smart Life segments ● Decreased in Hitachi Construction Machinery, Hitachi Metals and Hitachi Chemical
EBIT*2	290.5 billion yen	down 18% / 61.8 billion yen year over year <ul style="list-style-type: none"> ● Increased by selling a part of Agility Trains West stocks ● Posted Impairment loss on fixed assets and goodwill in magnetic materials business of Hitachi Metals
Net income attributable to Hitachi, Ltd. stockholders	189.2 billion yen	down 2% / 3.7 billion yen year over year
Free cash flows	(1.3) billion yen	down 70.9 billion yen year over year
The interim dividend for FY2019	45 yen per share	

*1 "Adjusted operating income" is presented as revenues less selling, general and administrative expenses as well as cost of sales .

*2 "EBIT" is presented as income from continuing operations, before income taxes less interest income plus interest charges.

1-2. Consolidated Statement of Profit or Loss

Billions of yen

	H1 FY2018	H1 FY2019	Year over year
Revenues	4,491.8	4,221.3	(270.5) [94%]
<i>Adjusted operating income ratio</i>	7.7%	7.0%	(0.7%)
Adjusted operating income	344.5	297.2	(47.3)
<i>EBIT ratio</i>	7.8%	6.9%	(0.9%)
EBIT	352.3	290.5	(61.8)
Income from continuing operations, before income taxes	352.9	288.9	(63.9)
Income taxes	(92.7)	(90.6)	+2.1
Income from continuing operations	260.1	198.3	(61.8)
Loss from discontinued operations*	(4.0)	(0.7)	+3.2
Net income	256.1	197.5	(58.6)
Net income attributable to Hitachi, Ltd. stockholders	192.9	189.2	(3.7)

* A part of the thermal power generation systems business is classified as discontinued operations in accordance with the provision of IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations," which was not transferred to Mitsubishi Hitachi Power Systems, Ltd. as part of the business integration in the thermal power generation systems with Mitsubishi Heavy Industries, Ltd. The results of the discontinued operations are reported separately from continuing operations.

1-3. Financial Results by Five Sectors and Listed Subsidiaries

Billions of yen

		H1 FY2018*4		H1 FY2019*4		Year over year	
Five sectors total*1,2,3 (IT/ Energy/ Industry/ Mobility/ Smart Life)	Revenues		2,749.0		2,620.8		95%
	Adjusted operating income	7.0%	193.6	7.6%	199.0	+0.6%	+5.4
	EBIT	7.4%	202.7	9.8%	257.7	+2.4%	+54.9
	Net income attributable to Hitachi, Ltd. stockholders		138.4		192.1		+53.7
Listed subsidiaries total*1,3 (Hitachi High-Technologies/ Hitachi Construction Machinery/ Hitachi Metals/ Hitachi Chemical)	Revenues		1,742.8		1,600.4		92%
	Adjusted operating income	8.7%	150.9	6.1%	98.1	(2.6%)	(52.8)
	EBIT	8.6%	149.5	2.1%	32.8	(6.5%)	(116.7)
	Net income attributable to Hitachi, Ltd. stockholders		54.5		(2.8)		(57.4)

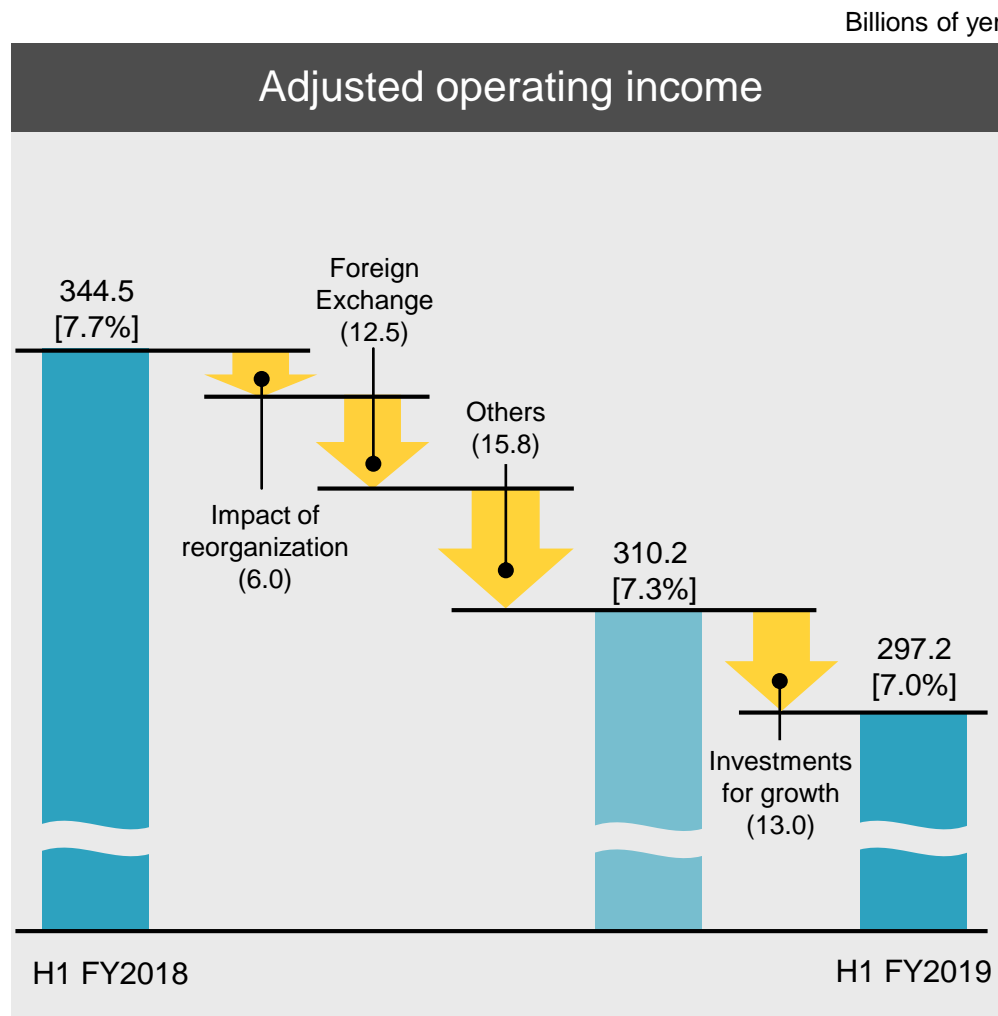
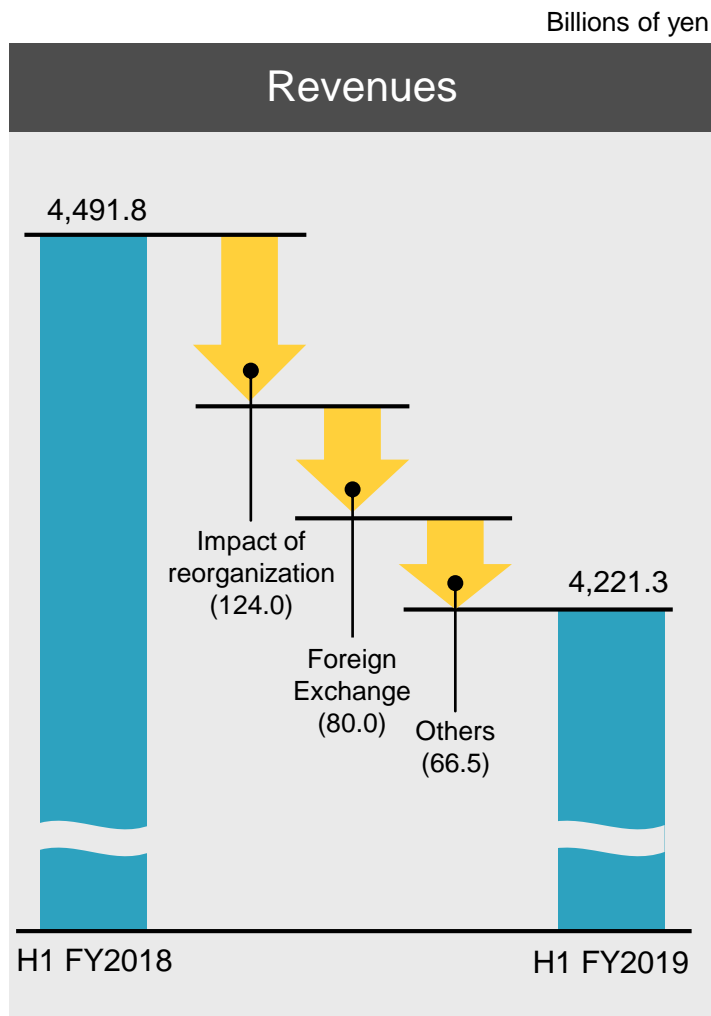
*1 Business segment changed on the beginning of FY2019, and figures for H1 FY2018 using the new segment classification are shown.

*2 "Five sectors total" is presented as the financial results subtracted listed subsidiaries total from consolidated total. It includes others and corporate items & eliminations.

*3 Figures for H1 FY2018 of listed subsidiaries total include financial results of Hitachi Kokusai Electric.

*4 Figures of percentage indicate adjusted operating income ratio or EBIT ratio.

1-4. Factors Affecting Changes in Revenues and Adjusted Operating Income (Year over Year)



- Impact of reorganization
 - Deconsolidation of Hitachi Kokusai Electric
 - Divestitures on automotive systems business

[]: Adjusted operating income ratio

1-5. Revenues by Market

Billions of yen

	H1 FY2018		H1 FY2019		Year over year
		Ratio		Ratio	
Japan	2,121.8	47%	2,125.9	50%	100%
Outside Japan	2,369.9	53%	2,095.3	50%	88%
Asia	1,031.5	23%	876.4	21%	85%
China	519.1	12%	446.6	11%	86%
ASEAN, India, other areas	512.4	11%	429.7	10%	84%
North America	595.5	13%	563.0	13%	95%
Europe	494.2	11%	440.8	11%	89%
Other Areas	248.6	6%	214.9	5%	86%
Total	4,491.8	100%	4,221.3	100%	94%

1-6. Summary of Consolidated Financial Position and Summary of Consolidated Statements of Cash Flows

■ Summary of Consolidated Financial Position

Billions of yen

	As of March 31, 2019	As of September 30, 2019	Change from March 31, 2019
Total assets	9,626.5	9,719.5	+93.0
Trade receivables and contract assets	2,399.9	2,156.7	(243.1)
Total liabilities	5,212.1	5,273.7	+61.5
Interest-bearing debt	1,004.7	1,387.3	+382.5
Total Hitachi, Ltd. stockholders' equity	3,262.6	3,341.2	+78.6
Non-controlling interests	1,151.8	1,104.6	(47.1)
Cash Conversion Cycle	69.3 days	71.6 days	2.3 days increase
Total Hitachi, Ltd. stockholders' equity ratio	33.9%	34.4%	0.5 points increase
D/E ratio (Including non-controlling interests)	0.23 times	0.31 times	0.08 points increase

■ Summary of Consolidated Statements of Cash Flows

Billions of yen

	H1 FY2018	H1 FY2019	Year over year
Cash flows from operating activities	211.9	205.6	(6.3)
Cash flows from investing activities	(142.4)	(207.0)	(64.6)
Free cash flows	69.5	(1.3)	(70.9)

1-7. Revenues, Adjusted Operating Income and EBIT by Business Segment (1)*1

Billions of yen

		H1 FY2018*2		H1 FY2019*2		Year over year		Dynamics
IT	Revenues		976.1		995.2		102%	(+) Expansion of systems integration business (+) Sales increase of storage and PC servers in Japan
	Adjusted operating income	10.1%	98.2	11.0%	109.1	+0.9%	+10.8	(+) Increase in revenues (-) Increase of strategic investment for expansion of digital solution business
	EBIT	9.0%	88.3	10.6%	105.8	+1.6%	+17.5	(+) Increase in adjusted operating income (+) Gains by selling the land of former production base
Energy	Revenues		177.1		161.6		91%	(-) Decrease in revenues due to the business transfer of power receiving and transforming facilities business for industry field (-) Decrease of projects related to new regulations in Nuclear Energy BU*3
	Adjusted operating income	3.0%	5.3	0.1%	0.2	(2.9%)	(5.1)	(-) Decrease in revenues
	EBIT	(2.7%)	(4.7)	0.7%	1.0	+3.4%	+5.8	(+) Improvement in profit of equity-method associates

*1 Business segment changed on the beginning of FY2019, and figures for H1 FY2018 using the new segment classification are shown.

*2 Figures of percentage indicate adjusted operating income ratio or EBIT ratio.

*3 Business Unit

1-8. Revenues, Adjusted Operating Income and EBIT by Business Segment (2)

Billions of yen

		H1 FY2018		H1 FY2019		Year over year		Dynamics
Industry	Revenues		359.9		366.7		102%	(+) Sales increase in air conditioning systems business for industry field
	Adjusted operating income	3.8%	13.6	3.8%	13.8	±0.0%	+0.2	(+) Increase in revenues
	EBIT	4.2%	15.2	5.6%	20.6	+1.4%	+5.4	(+) Improvement in profit of an equity-method associate
Mobility	Revenues		581.0		529.9		91%	(-) Impact of foreign exchange (-) Decrease in revenues in the UK market of Railway Systems BU (-) Sales price down in the China market of Building Systems BU
	Adjusted operating income	6.6%	38.5	7.3%	38.6	+0.7%	+0.0	(-) Decrease in revenues (+) Profitability improvement in Building Systems BU due to cost reduction, etc.
	EBIT	6.1%	35.1	12.1%	63.9	+6.0%	+28.7	(+) Gains by selling a part of Agility Trains West stocks

1-9. Revenues, Adjusted Operating Income and EBIT by Business Segment (3)

Billions of yen

		H1 FY2018	H1 FY2019	Year over year		Dynamics
Smart Life	Revenues	806.8	708.9		88%	(-) Impact of divestitures of car information systems business, etc. in automotive systems business
	Adjusted operating income	2.3% 18.4	4.1% 28.8	+1.8%	+10.3	(+) Profitability improvement in automotive systems business, home appliances business and Healthcare BU due to cost reduction
	EBIT	0.1% 1.1	3.9% 27.9	+3.8%	+26.8	(+) Increase in adjusted operating income (+) Posting of structural reform expenses in automotive systems business in the previous fiscal year
Hitachi High-Technologies	Revenues	363.0	346.3		95%	(-) Sales decrease of liquid crystal display exposure systems (-) Impact of foreign exchange (+) Sales increase of semiconductor processing equipment
	Adjusted operating income	9.8% 35.7	8.9% 30.8	(0.9%)	(4.8)	(-) Decrease in revenues (-) Impact of foreign exchange
	EBIT	9.4% 33.9	8.9% 30.7	(0.5%)	(3.1)	(-) Decrease in adjusted operating income

1-10. Revenues, Adjusted Operating Income and EBIT by Business Segment (4)

Billions of yen

		H1 FY2018		H1 FY2019		Year over year		Dynamics
Hitachi Construction Machinery	Revenues		490.4		480.5		98%	(-) Impact of foreign exchange (+) Sales increase in North America, Japan and Europe, etc.
	Adjusted operating income	10.8%	52.8	9.2%	44.4	(1.6%)	(8.3)	(-) Increase in indirect expenses (-) Impact of foreign exchange
	EBIT	10.1%	49.3	8.9%	42.8	(1.2%)	(6.5)	(-) Decrease in adjusted operating income (-) Posting of structural reform expenses (+) Gains on business reorganization
Hitachi Metals	Revenues		518.9		456.8		88%	(-) Decrease in demand for automobile, semiconductor and FA* (-) Impact of business transfer of aluminum wheels business
	Adjusted operating income	6.4%	33.0	1.3%	5.9	(5.1%)	(27.1)	(-) Decrease in revenues (-) Revaluation loss on inventories
	EBIT	7.3%	38.1	(12.3%)	(56.3)	(19.6%)	(94.4)	(-) Decrease in adjusted operating income (-) Posting of impairment loss on fixed assets and goodwill in magnetic materials business
Hitachi Chemical	Revenues		343.5		316.6		92%	(-) Decrease in demand for semiconductor and automobile
	Adjusted operating income	7.2%	24.8	5.3%	16.8	(1.9%)	(7.9)	(-) Decrease in revenues
	EBIT	6.9%	23.5	4.9%	15.5	(2.0%)	(8.0)	(-) Decrease in adjusted operating income

* Factory Automation

1-11. Revenues, Adjusted Operating Income and EBIT by Business Segment (5)

Billions of yen

		H1 FY2018		H1 FY2019		Year over year		Dynamics
Others	Revenues		292.6		236.3		81%	(-) Impact of deconsolidation of Hitachi Kokusai Electric
	Adjusted operating income	6.1%	17.8	5.0%	11.8	(1.1%)	(5.9)	
	EBIT	6.7%	19.4	6.0%	14.2	(0.7%)	(5.2)	
Corporate items & Eliminations	Revenues		(417.9)		(377.9)		-	(-) Absence of gains by selling Hitachi Kokusai Electric stock recorded in the previous fiscal year
	Adjusted operating income		6.0		(3.4)		(9.4)	
	EBIT		52.7		24.0		(28.7)	
Total	Revenues		4,491.8		4,221.3		94%	
	Adjusted operating income	7.7%	344.5	7.0%	297.2	(0.7%)	(47.3)	
	EBIT	7.8%	352.3	6.9%	290.5	(0.9%)	(61.8)	

■ Progress of Lumada Business

Billions of yen

	FY2018		FY2019				
	H1	Total	H1		Total (Forecast)		
				Year over year		Year over year	Previous forecast* comparison
Revenues of Lumada business	500.0	1,127.0	558.0	112%	1,170.0	104%	100%
1) Lumada core business	131.0	335.0	166.0	127%	370.0	110%	100%
2) Lumada SI business	369.0	792.0	392.0	106%	800.0	101%	100%

1) Lumada core business: Service business that converts customers data into valuable insight through AI and analytics, and improves management indicators or offers problem solutions

2) Lumada SI business: SI business which is deployed within the IoT area (industry / manufacturing and social infrastructure area) that is led by the Lumada core business

- ✓ Decided to integrate Hitachi Vantara Corporation and Hitachi Consulting Corporation (To be completed in January 2020)
The new company will lead the Lumada business globally by playing key role in front line and delivery capabilities
- ✓ Started to provide an elevator remote monitoring and maintenance service in Southeast Asia
- ✓ Started to implement collaborative creation initiatives with Sumitomo Rubber Industries, Ltd. and PTC Japan to deploy a high-quality and high-efficiency tire production system by leveraging AI and IoT

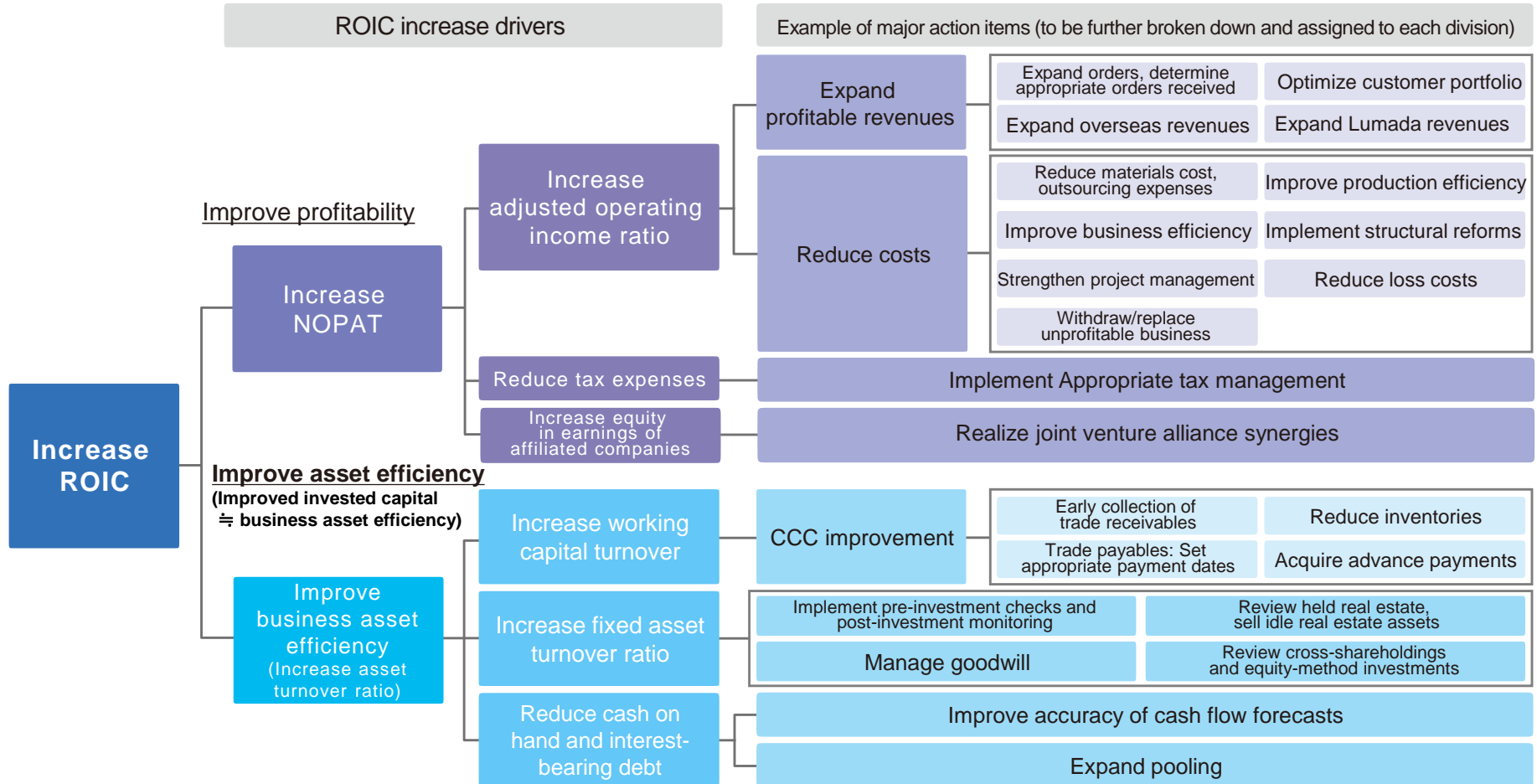
■ Business Strengthening toward Growth

- Agreed with Frasers Property Limited on collaborative creation to digitalize cities and buildings in the Asia Pacific region toward human-centered smart city
- Hitachi Vantara Corporation announced a strategic alliance with Disney Parks to help enhance the operational efficiency of shows and attractions in the U.S.
- Completed the acquisition of Chassis Brakes International B.V. to strengthen the automotive safety solutions business (on October 11)

* Announced on July 29, 2019

■ ROIC* Improvement Activities

- Promote business in accordance to targets of each action items settled through ROIC tree.
- Increase employees consciousness of improving ROIC in their daily work by introducing e-learning in Japanese, English and Chinese.



* ROIC(Return on Invested Capital)=(NOPAT + Share of profits(losses) of investments accounted for using the equity method) / “Invested Capital” x 100
 NOPAT(Net Operating Profit after Tax) = Adjusted Operating Income x (1 – Tax burden rate), Invested Capital = Interest-bearing debt + Total equity

2. Outlook for Fiscal 2019

2-1. Outlook for FY2019

- Projections for the H2 (Oct.-Mar.) FY2019 assume an exchange rate of 105 yen to the U.S. dollar and 115 yen to the euro (Previous projections^{*1}: assumed exchange rate of 110 yen to the U.S. dollar and 125 yen to the euro)

Billions of yen

	FY2018	FY2019			
		Previous forecast ^{*1}	Forecast	Year over year	Previous forecast comparison
Revenues	9,480.6	9,000.0	8,700.0	(780.6) [92%]	(300.0) [97%]
<i>Adjusted operating income ratio</i>	8.0%	8.5%	7.9%	(0.1%)	(0.6%)
Adjusted operating income	754.9	765.0	685.0	(69.9)	(80.0)
<i>EBIT ratio</i>	5.4%	8.3%	7.0%	+1.6%	(1.3%)
EBIT	513.9	750.0	605.0	+91.0	(145.0)
Income from continuing operations, before income taxes	516.5	740.0	593.0	+76.4	(147.0)
Income taxes	(186.3)	(195.0)	(180.0)	+6.3	+15.0
Income from continuing operations	330.1	545.0	413.0	+82.8	(132.0)
Loss from discontinued operations	(9.1)	(2.0)	(2.0)	+7.1	±0.0
Net income	321.0	543.0	411.0	+89.9	(132.0)
Net income attributable to Hitachi, Ltd. stockholders	222.5	435.0	360.0	+137.4	(75.0)
Earnings per share ^{*2,3}	230.47 yen	450.45 yen	372.78 yen	+142.31 yen	(77.67 yen)
ROIC	8.5%	10.3%	9.1%	+0.6%	(1.2%)

*1 Announced on July 29, 2019

*2 On October 1, 2018, Hitachi completed the share consolidation of every five shares into one share for its common stock. Earnings per share are calculated on the assumption that the company conducted consolidation at the beginning of FY2018.

*3 Forecast of FY2019 is affected by restricted stocks issued on May 31, 2019, etc.

2-2. Outlook for FY2019 by Five Sectors and Listed Subsidiaries

Billions of yen

		FY2018*4		FY2019							
				Forecast*4		Year over year		Previous forecast comparison			
								Excluding foreign exchange impact			
Five sectors total*1,2,3 (IT/ Energy/ Industry/ Mobility/ Smart Life)	Revenues	5,984.5	5,495.0	92%	98%	100%					
	Adjusted operating income	7.8% 468.0	8.6% 472.5	+0.8%	+4.4	±0.0%	(10.5)	+0.1%	+1.5		
	EBIT	4.2% 254.1	8.6% 470.0	+4.4%	+215.8	(0.1%)	(19.0)				
	Net income attributable to Hitachi, Ltd. stockholders	128.1	331.0	+202.8	(14.0)						
Listed subsidiaries total*1,3 (Hitachi High-Technologies/ Hitachi Construction Machinery/ Hitachi Metals/ Hitachi Chemical)	Revenues	3,496.1	3,205.0	92%	94%	96%					
	Adjusted operating income	8.2% 286.9	6.6% 212.5	(1.6%)	(74.4)	(1.7%)	(69.5)	(1.3%)	(53.5)		
	EBIT	7.4% 259.7	4.2% 135.0	(3.2%)	(124.7)	(3.5%)	(126.0)				
	Net income attributable to Hitachi, Ltd. stockholders	94.3	29.0	(65.3)	(61.0)						

*1 Business segment changed on the beginning of FY2019, and figures for FY2018 using the new segment classification are shown.

*2 "Five sectors total" is presented as the financial results subtracted listed subsidiaries total from consolidated total. It includes others and corporate items & eliminations.

*3 Figures for FY2018 of listed subsidiaries total include financial results of Hitachi Kokusai Electric.

*4 Figures of percentage indicate adjusted operating income ratio or EBIT ratio.

2-3. Outlook for FY2019: Revenues, Adjusted Operating Income and EBIT by Business Segment (1)*1

Billions of yen

		FY2018*2		FY2019						
				Forecast*2		Year over year		Previous forecast comparison		Dynamics (Previous forecast comparison)
Total	Revenues		9,480.6		8,700.0	92%		97%		
	Adjusted operating income	8.0%	754.9	7.9%	685.0	(0.1%)	(69.9)	(0.6%)	(80.0)	
	EBIT	5.4%	513.9	7.0%	605.0	+1.6%	+91.0	(1.3%)	(145.0)	
IT	Revenues		2,121.6		2,060.0	97%		100%		<ul style="list-style-type: none"> ✓ Effects of changes in assumed exchange rates ✓ Movement in IT investments is steady, mainly in social infrastructure fields such as power systems and transportation systems ✓ Promotion of strategic investments aimed at expanding the digital solutions business, as planned
	Adjusted operating income	10.8%	230.1	10.7%	220.0	(0.1%)	(10.1)	±0.0%	±0.0	
	EBIT	10.0%	212.6	10.2%	210.0	+0.2%	(2.6)	±0.0%	±0.0	
Energy	Revenues		453.9		370.0	81%		100%		<ul style="list-style-type: none"> ✓ Progressing as planned
	Adjusted operating income	7.5%	34.0	6.2%	23.0	(1.3%)	(11.0)	±0.0%	±0.0	
	EBIT	(65.6%)	(298.0)	7.3%	27.0	+72.9%	+325.0	±0.0%	±0.0	
Industry	Revenues		895.4		800.0	89%		100%		<ul style="list-style-type: none"> ✓ Movement in IT related investments in industry field is steady. ✓ Progress in industrial products business as planned
	Adjusted operating income	2.3%	20.6	7.0%	56.0	+4.7%	+35.3	±0.0%	±0.0	
	EBIT	2.1%	19.1	5.9%	47.0	+3.8%	+27.8	±0.0%	±0.0	
Mobility	Revenues		1,214.1		1,130.0	93%		100%		<ul style="list-style-type: none"> ✓ Effects of changes in assumed exchange rates ✓ Business scale expansion ✓ Posting of structural reform expenses in Building Systems BU
	Adjusted operating income	7.6%	92.6	8.1%	92.0	+0.5%	(0.6)	(0.1%)	(1.0)	
	EBIT	10.5%	127.4	9.5%	107.0	(1.0%)	(20.4)	(0.2%)	(3.0)	
Smart Life	Revenues		1,649.3		1,540.0	93%		99%		<ul style="list-style-type: none"> ✓ Acquisition of Chassis Brakes International B.V. and sales decrease in China and North America in automotive systems business ✓ Sales decrease of home appliances in Japan ✓ Posting of business reorganization expenses in automotive systems business
	Adjusted operating income	3.9%	64.9	5.7%	88.0	+1.8%	+23.0	±0.0%	±0.0	
	EBIT	7.1%	116.9	5.4%	83.0	(1.7%)	(33.9)	(0.4%)	(7.0)	

*1 Business segment changed on the beginning of FY2019, and figures for FY2018 using the new segment classification are shown.

*2 Figures of percentage indicate adjusted operating income ratio or EBIT ratio.

2-4. Outlook for FY2019: Revenues, Adjusted Operating Income and EBIT by Business Segment (2)

Billions of yen

		FY2018		FY2019						
				Forecast		Year over year		Previous forecast comparison		Dynamics (Previous forecast comparison)
Hitachi High-Technologies	Revenues		731.1		700.0		96%		99%	✓ Decrease in demand for automobiles
	Adjusted operating income	9.1%	66.7	8.0%	56.0	(1.1%)	(10.7)	+0.1%	±0.0	✓ Sales increase of semiconductor processing equipment
	EBIT	8.8%	64.2	8.6%	60.0	(0.2%)	(4.2)	+0.7%	+4.0	✓ Posting of profits from the sales of fixed assets
Hitachi Construction Machinery	Revenues		1,033.7		970.0		94%		97%	✓ Effects of changes in assumed exchange rates
	Adjusted operating income	11.2%	115.7	10.7%	104.0	(0.5%)	(11.7)	(1.5%)	(18.0)	
	EBIT	10.1%	104.5	10.4%	101.0	+0.3%	(3.5)	(1.5%)	(18.0)	
Hitachi Metals	Revenues		1,023.4		895.0		87%		90%	✓ Effects of changes in assumed exchange rates ✓ Decrease in demand for automobile, semiconductor, and FA ✓ Posting of impairment loss on fixed assets and goodwill in magnetic materials business
	Adjusted operating income	5.0%	51.4	1.6%	14.0	(3.4%)	(37.4)	(3.8%)	(40.0)	
	EBIT	4.4%	45.3	(6.7%)	(60.0)	(11.1%)	(105.3)	(10.7%)	(100.0)	
Hitachi Chemical	Revenues		681.0		640.0		94%		93%	✓ Effects of changes in assumed exchange rates ✓ Decrease in demand for semiconductors and automobiles
	Adjusted operating income	7.1%	48.5	6.0%	38.5	(1.1%)	(10.0)	(1.2%)	(11.5)	
	EBIT	6.0%	41.1	5.3%	34.0	(0.7%)	(7.1)	(1.4%)	(12.0)	
Others	Revenues		561.3		480.0		86%		96%	
	Adjusted operating income	5.6%	31.3	3.3%	16.0	(2.3%)	(15.3)	+0.1%	±0.0	
	EBIT	5.4%	30.2	3.3%	16.0	(2.1%)	(14.2)	+0.1%	±0.0	
Corporate items & Eliminations	Revenues		(884.5)		(885.0)		-		-	
	Adjusted operating income		(1.2)		(22.5)		(21.2)		(9.5)	
	EBIT		50.3		(20.0)		(70.3)		(9.0)	

**3-1. Supplemental Information:
Financial Results of Q2 (Jul. – Sep.) FY2019**

Q2 FY2019 Consolidated Statement of Profit or Loss

Billions of yen

	Q2 FY2018	Q2 FY2019	Year over year
Revenues	2,325.9	2,188.7	(137.1) [94%]
<i>Adjusted operating income ratio</i>	8.4%	7.9%	(0.5%)
Adjusted operating income	196.4	172.8	(23.6)
<i>EBIT ratio</i>	7.4%	4.9%	(2.5%)
EBIT	171.8	108.0	(63.8)
Income from continuing operations, before income taxes	172.4	107.1	(65.3)
Income taxes	(43.8)	(49.4)	(5.5)
Income from continuing operations	128.6	57.6	(70.9)
Loss from discontinued operations	(9.8)	(0.3)	+9.4
Net income	118.7	57.2	(61.4)
Net income attributable to Hitachi, Ltd. stockholders	87.7	68.9	(18.7)

Billions of yen

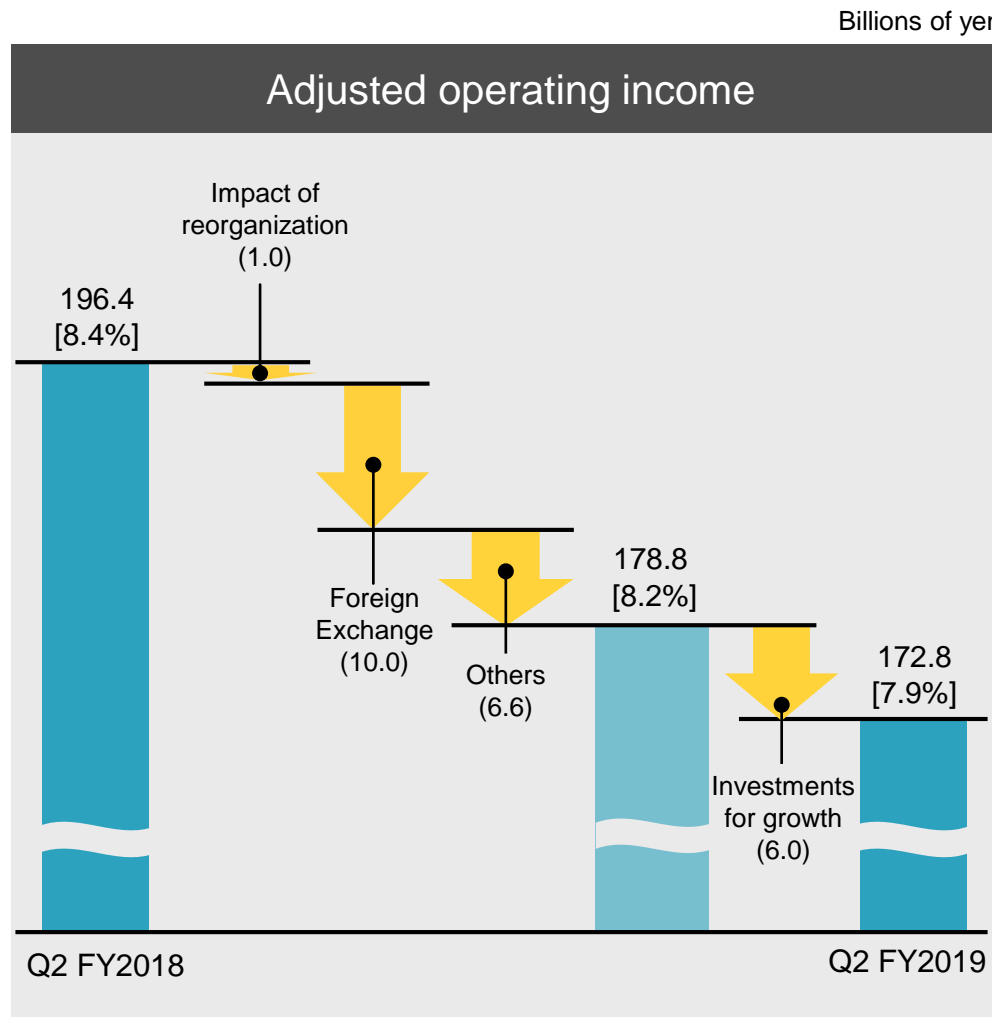
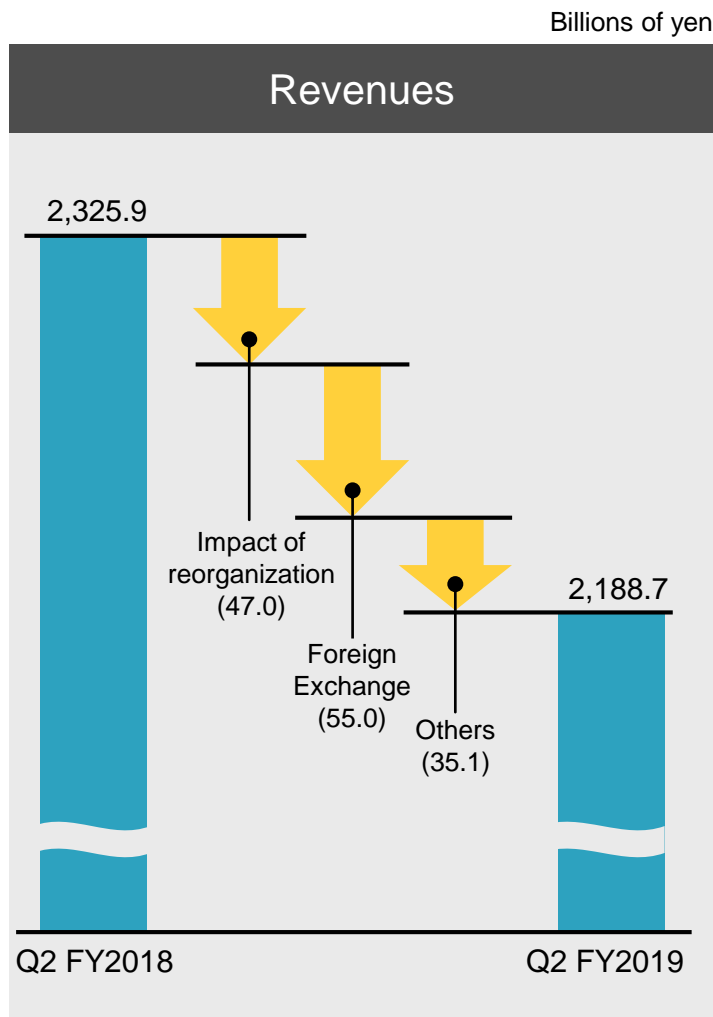
		Q2 FY2018*3		Q2 FY2019*3		Year over year	
Five sectors total*1,2 (IT/ Energy/ Industry/ Mobility/ Smart Life)	Revenues		1,451.1		1,374.5		95%
	Adjusted operating income	8.4%	121.2	9.1%	124.4	+0.7%	+3.1
	EBIT	7.0%	101.6	9.1%	125.0	+2.1%	+23.4
	Net income attributable to Hitachi, Ltd. stockholders		63.0		88.2		+25.2
Listed subsidiaries total*1 (Hitachi High-Technologies/ Hitachi Construction Machinery/ Hitachi Metals/ Hitachi Chemical)	Revenues		874.8		814.2		93%
	Adjusted operating income	8.6%	75.1	5.9%	48.4	(2.7%)	(26.7)
	EBIT	8.0%	70.2	(2.1%)	(17.0)	(10.1%)	(87.3)
	Net income attributable to Hitachi, Ltd. stockholders		24.7		(19.2)		(44.0)

*1 Business segment changed on the beginning of FY2019, and figures for Q2 FY2018 using the new segment classification are shown.

*2 "Five sectors total" is presented as the financial results subtracted listed subsidiaries total from consolidated total. It includes others and corporate items & eliminations.

*3 Figures of percentage indicate adjusted operating income ratio or EBIT ratio.

Q2 FY2019 Factors Affecting Changes in Revenues and Adjusted Operating Income (Year over Year)



■ Impact of reorganization

- Divestitures on automotive systems business

[]: Adjusted operating income ratio

Q2 FY2019 Revenues by Market and Summary of Consolidated Statements of Cash Flows

Revenues by Market

Billions of yen

	Q2 FY2018		Q2 FY2019		Year over year
		Ratio		Ratio	
Japan	1,140.4	49%	1,159.5	53%	102%
Outside Japan	1,185.4	51%	1,029.1	47%	87%
Asia	511.2	22%	433.8	20%	85%
China	257.7	11%	212.6	10%	83%
ASEAN, India, other areas	253.5	11%	221.1	10%	87%
North America	295.9	13%	280.3	13%	95%
Europe	246.1	10%	206.3	9%	84%
Other Areas	132.1	6%	108.5	5%	82%
Total	2,325.9	100%	2,188.7	100%	94%

Summary of Consolidated Statements of Cash Flows

Billions of yen

	Q2 FY2018	Q2 FY2019	Year over year
Cash flows from operating activities	77.6	126.8	+49.1
Cash flows from investing activities	(38.5)	(101.9)	(63.4)
Free cash flows	39.1	24.8	(14.2)

Q2 FY2019 Revenues, Adjusted Operating Income and EBIT by Business Segment (1)*1

Billions of yen

		Q2 FY2018*2	Q2 FY2019*2	Year over year	
Total	Revenues	2,325.9	2,188.7	94%	
	Adjusted operating income	8.4% 196.4	7.9% 172.8	(0.5%)	(23.6)
	EBIT	7.4% 171.8	4.9% 108.0	(2.5%)	(63.8)
IT	Revenues	527.1	532.3	101%	
	Adjusted operating income	12.0% 63.1	12.9% 68.8	+0.9%	+5.7
	EBIT	11.1% 58.4	11.7% 62.3	+0.6%	+3.9
Energy	Revenues	94.9	89.5	94%	
	Adjusted operating income	4.1% 3.9	(0.3%) (0.2)	(4.4%)	(4.2)
	EBIT	5.0% 4.7	(5.8%) (5.2)	(10.8%)	(9.9)
Industry	Revenues	198.9	206.5	104%	
	Adjusted operating income	5.9% 11.7	6.0% 12.4	+0.1%	+0.7
	EBIT	5.9% 11.6	8.9% 18.4	+3.0%	+6.7
Mobility	Revenues	298.4	249.6	84%	
	Adjusted operating income	7.0% 20.8	7.5% 18.6	+0.5%	(2.1)
	EBIT	6.3% 18.8	8.5% 21.3	+2.2%	+2.4
Smart Life	Revenues	413.8	371.3	90%	
	Adjusted operating income	2.9% 12.0	5.3% 19.6	+2.4%	+7.5
	EBIT	(2.2%) (9.1)	5.0% 18.4	+7.2%	+27.6

*1 Business segment changed on the beginning of FY2019, and figures for Q2 FY2018 using the new segment classification are shown.

*2 Figures of percentage indicate adjusted operating income ratio or EBIT ratio.

Q2 FY2019 Revenues, Adjusted Operating Income and EBIT by Business Segment (2)

Billions of yen

		Q2 FY2018	Q2 FY2019	Year over year	
Hitachi High-Technologies	Revenues	190.0	184.7	97%	
	Adjusted operating income	10.2% 19.4	9.1% 16.7	(1.1%)	(2.7)
	EBIT	9.5% 17.9	8.8% 16.3	(0.7%)	(1.6)
Hitachi Construction Machinery	Revenues	250.2	245.8	98%	
	Adjusted operating income	10.2% 25.5	8.9% 21.7	(1.3%)	(3.7)
	EBIT	9.6% 24.0	8.3% 20.3	(1.3%)	(3.7)
Hitachi Metals	Revenues	259.9	222.9	86%	
	Adjusted operating income	6.6% 17.0	0.2% 0.4	(6.4%)	(16.6)
	EBIT	6.2% 16.1	(27.6%) (61.4)	(33.8%)	(77.6)
Hitachi Chemical	Revenues	174.5	160.6	92%	
	Adjusted operating income	7.5% 13.1	5.9% 9.4	(1.6%)	(3.6)
	EBIT	6.9% 12.0	4.8% 7.6	(2.1%)	(4.3)
Others	Revenues	141.3	128.8	91%	
	Adjusted operating income	6.0% 8.4	6.7% 8.5	+0.7%	+0.1
	EBIT	5.9% 8.3	7.4% 9.5	+1.5%	+1.2
Corporate items & Eliminations	Revenues	(223.5)	(203.6)	-	
	Adjusted operating income	1.0	(3.5)	(4.5)	
	EBIT	8.7	0.2	(8.5)	

3-2. Supplemental Information: Detailed Information by Business Segments

■ Revenues, Adjusted Operating Income and EBIT*1,2

Billions of yen

	FY2018*5			FY2019*5						
	Q2	H1	Total	Q2		H1		Total (Forecast)		
				Year over Year	Year over Year	Year over year	Previous forecast*6 comparison			
Revenues	527.1	976.1	2,121.6	532.3	101%	995.2	102%	2,060.0	97%	100%
Front Business*3	353.5	649.5	1,393.0	367.4	104%	667.9	103%	1,376.0	99%	101%
Services & Platforms*4	200.8	377.3	817.6	194.6	97%	378.8	100%	806.0	99%	99%
Adjusted operating income	12.0% 63.1	10.1% 98.2	10.8% 230.1	12.9% 68.8	+0.9% +5.7	11.0% 109.1	+0.9% +10.8	10.7% 220.0	(0.1%) (10.1)	±0.0% ±0.0
Front Business	11.7% 41.5	9.5% 61.5	11.2% 155.3	12.6% 46.3	+0.9% +4.7	10.5% 69.8	+1.0% +8.2	10.8% 148.0	(0.4%) (7.3)	+0.3% +5.0
Services & Platforms	9.5% 19.1	8.7% 32.7	9.3% 76.2	9.0% 17.4	(0.5%) (1.6)	7.9% 29.7	(0.8%) (2.9)	7.9% 64.0	(1.4%) (12.2)	+0.1% ±0.0
EBIT	11.1% 58.4	9.0% 88.3	10.0% 212.6	11.7% 62.3	+0.6% +3.9	10.6% 105.8	+1.6% +17.5	10.2% 210.0	+0.2% (2.6)	±0.0% ±0.0
Front Business	11.4% 40.2	9.2% 59.4	9.4% 131.4	12.4% 45.5	+1.0% +5.2	10.3% 68.8	+1.1% +9.3	10.3% 142.0	+0.9% +10.5	(0.1%) +1.0
Services & Platforms	7.9% 15.9	6.9% 25.8	10.7% 87.2	6.0% 11.6	(1.9%) (4.3)	7.6% 28.9	+0.7% +3.0	6.7% 54.0	(4.0%) (33.2)	+0.1% ±0.0

*1 Business segment changed on the beginning of FY2019, and figures for FY2018 using the new segment classification are shown.

*2 Figures for each subsegment include intersegment transactions.

*3 System integration, sales, maintenance and related services of software and hardware for financial, public, enterprise and social infrastructure (power, rail, telecommunication, etc.) sectors, consulting, etc.

*4 Sales, maintenance and services of control systems, server, storage, related software, etc.

*5 Figures of percentage indicate adjusted operating income ratio or EBIT ratio.

*6 Announced on July 29, 2019

■ Revenues, Adjusted Operating Income and EBIT*1

Billions of yen

	FY2018			FY2019						
	Q2	H1	Total	Q2		H1		Total (Forecast)		
				Year over Year	Year over Year	Year over year	Previous forecast comparison			
Revenues	94.9	177.1	453.9	89.5	94%	161.6	91%	370.0	81%	100%
Nuclear Energy BU ^{*2}	35.0	56.9	171.6	30.4	87%	50.7	89%	153.0	89%	100%
Energy BU ^{*2}	63.5	127.4	304.2	61.8	97%	113.1	89%	246.9	81%	100%
Adjusted operating income	4.1%	3.0%	7.5%	(0.3%)	(4.4%)	0.1%	(2.9%)	6.2%	(1.3%)	±0.0%
	3.9	5.3	34.0	(0.2)	(4.2)	0.2	(5.1)	23.0	(11.0)	±0.0
EBIT	5.0%	(2.7%)	(65.6%)	(5.8%)	(10.8%)	0.7%	+3.4%	7.3%	+72.9%	±0.0%
	4.7	(4.7)	(298.0)	(5.2)	(9.9)	1.0	+5.8	27.0	+325.0	±0.0

*1 Figures for each subsegment include intersegment transactions.

*2 Figures for each BU include control systems business, which is posted in IT segment.

Revenues, Adjusted Operating Income and EBIT*1

Billions of yen

	FY2018			FY2019						
	Q2	H1	Total	Q2		H1		Total (Forecast)		
				Year over Year	Year over Year	Year over year	Previous forecast comparison			
Revenues	198.9	359.9	895.4	206.5	104%	366.7	102%	800.0	89%	100%
Industry & Distribution BU*2	65.6	114.6	331.6	66.2	101%	115.7	101%	234.5	71%	100%
Water & Environment BU*2	35.3	59.9	169.1	40.0	113%	66.0	110%	171.2	101%	100%
Industrial Products Business	101.5	192.3	419.8	104.6	103%	192.6	100%	432.9	103%	100%
Adjusted operating income	5.9%	3.8%	2.3%	6.0%	+0.1%	3.8%	±0.0%	7.0%	+4.7%	±0.0%
	11.7	13.6	20.6	12.4	+0.7	13.8	+0.2	56.0	+35.3	±0.0
Industry & Distribution BU*2	7.1%	2.9%	(6.5%)	6.1%	(1.0%)	3.9%	+1.0%	6.0%	+12.5%	±0.0%
	4.6	3.3	(21.5)	4.0	(0.6)	4.5	+1.2	14.0	+35.5	±0.0
Water & Environment BU*2	3.7%	0.0%	7.5%	3.8%	+0.1%	(0.6%)	(0.6%)	7.1%	(0.4%)	±0.0%
	1.3	0.0	12.7	1.5	+0.2	(0.4)	(0.4)	12.1	(0.6)	±0.0
Industrial Products Business	7.3%	5.7%	7.8%	7.1%	(0.2%)	5.2%	(0.5%)	7.7%	(0.1%)	±0.0%
	7.4	11.0	32.9	7.4	+0.0	10.0	(1.0)	33.2	+0.3	±0.0
EBIT	5.9%	4.2%	2.1%	8.9%	+3.0%	5.6%	+1.4%	5.9%	+3.8%	±0.0%
	11.6	15.2	19.1	18.4	+6.7	20.6	+5.4	47.0	+27.8	±0.0
Industry & Distribution BU*2	6.0%	2.1%	(7.5%)	14.9%	+8.9%	8.5%	+6.4%	4.5%	+12.0%	±0.0%
	3.9	2.4	(24.8)	9.8	+5.9	9.8	+7.5	10.5	+35.3	±0.0
Water & Environment BU*2	5.5%	2.5%	8.6%	3.5%	(2.0%)	(0.6%)	(3.1%)	7.3%	(1.3%)	±0.0%
	1.9	1.5	14.5	1.4	(0.5)	(0.4)	(1.9)	12.5	(2.0)	±0.0
Industrial Products Business	7.3%	6.2%	7.8%	7.5%	+0.2%	6.0%	(0.2%)	6.5%	(1.3%)	±0.0%
	7.4	11.9	32.9	7.8	+0.4	11.5	(0.3)	28.2	(4.8)	±0.0

*1 Figures for each subsegment include intersegment transactions.

*2 Figures for each BU include control systems business, which is posted in IT segment.

■ Revenues, Adjusted Operating Income and EBIT*1

Billions of yen

	FY2018			FY2019						
	Q2	H1	Total	Q2		H1		Total (Forecast)		
					Year over Year		Year over Year		Year over year	Previous forecast comparison
Revenues	298.4	581.0	1,214.1	249.6	84%	529.9	91%	1,130.0	93%	100%
Building Systems BU	156.0	303.7	621.6	137.5	88%	284.9	94%	585.0	94%	100%
Railway Systems BU*2	145.5	282.3	616.5	117.8	81%	254.1	90%	570.0	92%	100%
Adjusted operating income	7.0% 20.8	6.6% 38.5	7.6% 92.6	7.5% 18.6	+0.5% (2.1)	7.3% 38.6	+0.7% +0.0	8.1% 92.0	+0.5% (0.6)	(0.1%) (1.0)
Building Systems BU	7.9% 12.3	8.1% 24.6	8.7% 54.0	11.5% 15.8	+3.6% +3.4	9.8% 27.8	+1.7% +3.2	9.4% 55.1	+0.7% +1.1	±0.0% +0.1
Railway Systems BU*2	6.3% 9.2	5.4% 15.3	7.5% 46.3	3.6% 4.2	(2.7%) (5.0)	5.0% 12.7	(0.4%) (2.6)	7.2% 41.2	(0.3%) (5.1)	±0.0% ±0.0
EBIT	6.3% 18.8	6.1% 35.1	10.5% 127.4	8.5% 21.3	+2.2% +2.4	12.1% 63.9	+6.0% +28.7	9.5% 107.0	(1.0%) (20.4)	(0.2%) (3.0)
Building Systems BU	7.7% 12.0	8.2% 24.9	8.7% 54.3	11.6% 15.9	+3.9% +3.9	9.5% 27.2	+1.3% +2.3	9.1% 53.0	+0.4% (1.3)	(0.3%) (2.0)
Railway Systems BU*2	5.2% 7.5	4.1% 11.7	13.1% 80.8	5.7% 6.7	+0.5% (0.8)	15.2% 38.7	+11.1% +27.0	10.2% 57.9	(2.9%) (22.9)	±0.0% ±0.0

*1 Figures for each subsegment include intersegment transactions.

*2 Figures for Railway Systems BU include control systems business, which is posted in IT segment.

Revenues, Adjusted Operating Income and EBIT*

Billions of yen

	FY2018			FY2019						
	Q2	H1	Total	Q2		H1		Total (Forecast)		
				Year over Year	Year over Year	Year over year	Previous forecast comparison			
Revenues	413.8	806.8	1,649.3	371.3	90%	708.9	88%	1,540.0	93%	99%
Healthcare BU	40.8	76.9	176.1	49.0	120%	81.9	106%	183.5	104%	98%
Smart Life & Ecofriendly Systems Business	128.6	243.0	485.0	126.1	98%	241.6	99%	490.7	101%	98%
Automotive Systems Business	240.4	479.0	971.0	192.2	80%	377.6	79%	845.0	87%	100%
Adjusted operating income	2.9%	2.3%	3.9%	5.3%	+2.4%	4.1%	+1.8%	5.7%	+1.8%	±0.0%
	12.0	18.4	64.9	19.6	+7.5	28.8	+10.3	88.0	+23.0	±0.0
Healthcare BU	3.3%	(0.2%)	2.4%	7.0%	+3.7%	3.2%	+3.4%	6.4%	+4.0%	+0.2%
	1.3	(0.1)	4.3	3.4	+2.1	2.6	+2.8	11.7	+7.4	±0.0
Smart Life & Ecofriendly Systems Business	4.8%	3.7%	4.6%	6.3%	+1.5%	5.5%	+1.8%	5.6%	+1.0%	+0.1%
	6.2	8.8	22.4	8.0	+1.8	13.4	+4.5	27.7	+5.2	±0.0
Automotive Systems Business	1.9%	2.1%	3.9%	5.0%	+3.1%	3.9%	+1.8%	6.1%	+2.2%	±0.0%
	4.5	9.8	38.0	9.6	+5.0	14.6	+4.8	51.3	+13.3	±0.0
EBIT	(2.2%)	0.1%	7.1%	5.0%	+7.2%	3.9%	+3.8%	5.4%	(1.7%)	(0.4%)
	(9.1)	1.1	116.9	18.4	+27.6	27.9	+26.8	83.0	(33.9)	(7.0)
Healthcare BU	1.0%	(2.1%)	0.9%	5.7%	+4.7%	2.1%	+4.2%	4.5%	+3.6%	+0.1%
	0.4	(1.6)	1.6	2.8	+2.4	1.7	+3.4	8.2	+6.6	±0.0
Smart Life & Ecofriendly Systems Business	6.4%	6.6%	6.1%	7.4%	+1.0%	7.6%	+1.0%	7.6%	+1.5%	+0.1%
	8.2	15.9	29.5	9.3	+1.0	18.4	+2.4	37.5	+7.9	±0.0
Automotive Systems Business	(7.6%)	(2.9%)	8.8%	4.1%	+11.7%	2.7%	+5.6%	4.8%	(4.0%)	(0.9%)
	(18.2)	(13.7)	85.3	8.0	+26.2	10.1	+23.9	40.8	(44.6)	(7.0)

* Figures for each subsegment include intersegment transactions.

Consolidated Revenues by Market and Business Segment (1)*

Billions of yen

	IT						Energy					
	FY2018		FY2019				FY2018		FY2019			
	Q2	H1	Q2		H1		Q2	H1	Q2		H1	
			Year over year		Year over year				Year over year		Year over year	
Japan	375.3	687.0	395.1	105%	720.7	105%	85.1	156.2	77.8	91%	141.5	91%
Outside Japan	151.7	289.1	137.2	90%	274.4	95%	9.7	20.8	11.6	119%	20.0	96%
China	14.3	29.0	13.6	95%	27.6	95%	1.5	3.1	2.4	151%	4.8	153%
ASEAN, India, other areas	31.7	57.5	29.9	94%	59.7	104%	3.9	8.9	5.4	136%	7.8	87%
North America	51.2	98.3	46.2	90%	94.6	96%	2.1	3.7	1.6	80%	3.5	95%
Europe	43.6	83.5	37.4	86%	73.8	88%	1.4	3.0	0.9	66%	2.0	67%
Other Areas	10.8	20.5	9.8	92%	18.5	90%	0.6	2.0	1.1	190%	1.8	92%
Total	527.1	976.1	532.3	101%	995.2	102%	94.9	177.1	89.5	94%	161.6	91%

* Business segment changed on the beginning of FY2019, and figures for FY2018 using the new segment classification are shown.

Consolidated Revenues by Market and Business Segment (2)

Billions of yen

	Industry						Mobility					
	FY2018		FY2019				FY2018		FY2019			
	Q2	H1	Q2		H1		Q2	H1	Q2		H1	
			Year over year		Year over year				Year over year		Year over year	
Japan	148.7	266.1	161.6	109%	281.4	106%	84.1	155.1	84.6	101%	161.0	104%
Outside Japan	50.1	93.7	44.8	89%	85.3	91%	214.2	425.8	164.9	77%	368.8	87%
China	13.3	25.3	10.7	80%	22.2	88%	87.5	172.9	65.8	75%	149.8	87%
ASEAN, India, other areas	11.6	20.8	12.2	106%	21.4	103%	10.5	23.4	15.2	145%	31.7	135%
North America	12.8	26.8	12.9	101%	25.1	94%	13.5	26.4	10.7	79%	19.6	74%
Europe	3.4	7.0	2.9	87%	5.3	76%	91.7	183.5	63.2	69%	147.6	80%
Other Areas	8.8	13.6	5.9	67%	11.1	82%	10.7	19.4	9.7	90%	20.0	103%
Total	198.9	359.9	206.5	104%	366.7	102%	298.4	581.0	249.6	84%	529.9	91%

Consolidated Revenues by Market and Business Segment (3)

Billions of yen

	Smart Life						Hitachi High-Technologies					
	FY2018		FY2019				FY2018		FY2019			
	Q2	H1	Q2		H1		Q2	H1	Q2		H1	
			Year over year		Year over year				Year over year		Year over year	
Japan	235.9	443.5	224.6	95%	416.9	94%	70.9	133.4	72.5	102%	127.8	96%
Outside Japan	177.8	363.3	146.6	82%	292.0	80%	119.0	229.6	112.2	94%	218.4	95%
China	35.1	75.0	30.2	86%	58.6	78%	26.1	46.2	27.2	104%	50.1	108%
ASEAN, India, other areas	32.9	63.1	26.4	80%	53.3	85%	45.5	92.0	29.7	65%	56.8	62%
North America	68.7	144.6	56.5	82%	113.2	78%	14.6	27.8	30.9	212%	56.4	202%
Europe	21.8	43.2	19.8	91%	38.9	90%	22.5	46.7	20.7	92%	46.0	98%
Other Areas	19.2	37.2	13.6	71%	27.7	75%	10.2	16.5	3.5	35%	8.9	54%
Total	413.8	806.8	371.3	90%	708.9	88%	190.0	363.0	184.7	97%	346.3	95%

Consolidated Revenues by Market and Business Segment (4)

Billions of yen

	Hitachi Construction Machinery						Hitachi Metals					
	FY2018		FY2019				FY2018		FY2019			
	Q2	H1	Q2		H1		Q2	H1	Q2		H1	
Year over year			Year over year	Year over year	Year over year							
Japan	50.2	89.7	59.0	117%	99.9	111%	114.3	226.7	103.0	90%	207.6	92%
Outside Japan	199.9	400.6	186.8	93%	380.6	95%	145.5	292.2	119.8	82%	249.2	85%
China	24.7	56.9	16.6	67%	43.0	76%	20.5	40.9	16.2	79%	32.3	79%
ASEAN, India, other areas	36.6	71.4	35.2	96%	65.4	92%	31.8	63.3	26.3	83%	53.3	84%
North America	40.9	79.2	45.0	110%	92.1	116%	77.0	155.7	61.3	80%	130.4	84%
Europe	33.4	68.3	35.5	106%	73.8	108%	13.0	26.5	10.8	83%	22.5	85%
Other Areas	64.0	124.7	54.4	85%	106.1	85%	3.0	5.6	5.1	170%	10.5	188%
Total	250.2	490.4	245.8	98%	480.5	98%	259.9	518.9	222.9	86%	456.8	88%

Consolidated Revenues by Market and Business Segment (5)

Billions of yen

	Hitachi Chemical						Consolidated Revenues							
	FY2018		FY2019				FY2018		FY2019					
	Q2	H1	Q2		H1		Q2	H1	Q2		H1		Total (Forecast)	
			Year over year	Year over year	Year over year	Year over year			Year over year	Year over year				
Japan	63.2	123.2	58.6	93%	115.4	94%	1,140.4	2,121.8	1,159.5	102%	2,125.9	100%	4,390.0	94%
Outside Japan	111.3	220.2	102.0	92%	201.2	91%	1,185.4	2,369.9	1,029.1	87%	2,095.3	88%	4,310.0	89%
China	30.0	57.9	26.4	88%	52.2	90%	257.7	519.1	212.6	83%	446.6	86%		
ASEAN, India, other areas	48.4	95.5	43.0	89%	84.7	89%	253.5	512.4	221.1	87%	429.7	84%		
North America	12.2	24.5	12.2	100%	24.1	98%	295.9	595.5	280.3	95%	563.0	95%		
Europe	16.8	34.7	15.4	92%	30.8	89%	246.1	494.2	206.3	84%	440.8	89%		
Other Areas	3.7	7.4	4.8	130%	9.2	124%	132.1	248.6	108.5	82%	214.9	86%		
Total	174.5	343.5	160.6	92%	316.6	92%	2,325.9	4,491.8	2,188.7	94%	4,221.3	94%	8,700.0	92%

Consolidated Capital Expenditure by Business Segment (Completion basis)

Billions of yen

	FY2018		FY2019				Total (Forecast)	
	Q2	H1	Q2		H1			Year over year
				Year over year		Year over year		
IT	6.8	18.3	14.4	210%	27.5	150%		
Energy	14.5	25.6	1.5	11%	3.9	16%		
Industry	2.3	3.7	2.2	97%	3.9	107%		
Mobility	3.1	7.0	3.5	113%	7.4	106%		
Smart Life	19.3	39.9	22.7	117%	40.7	102%		
Hitachi High-Technologies	3.8	7.9	3.6	96%	8.6	109%		
Hitachi Construction Machinery	7.4	12.1	11.6	156%	19.7	162%		
Hitachi Metals	21.2	43.6	13.3	63%	24.4	56%		
Hitachi Chemical	13.0	24.2	11.1	86%	20.0	83%		
Others	2.7	5.0	8.7	325%	15.3	304%		
Corporate items	0.5	0.8	6.3	1,165%	7.3	849%		
Total	95.0	188.6	99.3	105%	179.2	95%	400.0	96%

Consolidated Depreciation by Business Segment

Billions of yen

	FY2018		FY2019				Total (Forecast)	
	Q2	H1	Q2		H1			
			Year over year	Year over year	Year over year	Year over year		
IT	10.6	22.8	17.4	164%	34.4	151%		
Energy	0.9	1.7	0.8	99%	1.7	98%		
Industry	2.3	4.7	3.0	128%	6.2	132%		
Mobility	3.8	7.8	4.7	121%	9.3	119%		
Smart Life	14.0	28.6	13.6	97%	27.3	96%		
Hitachi High-Technologies	2.4	4.9	3.1	126%	6.1	126%		
Hitachi Construction Machinery	7.7	15.5	9.6	124%	19.3	124%		
Hitachi Metals	11.4	22.5	13.0	114%	25.8	115%		
Hitachi Chemical	8.0	16.1	9.4	116%	18.7	116%		
Others	3.4	6.9	6.1	177%	12.2	177%		
Corporate items	0.9	1.8	2.6	290%	5.3	286%		
Total	65.9	133.7	83.6	127%	166.8	125%	310.0	114%

Consolidated R&D Expenditure by Business Segment

Billions of yen

	FY2018		FY2019				Total (Forecast)	
	Q2	H1	Q2		H1		Total (Forecast)	Year over year
				Year over year		Year over year		
IT	12.5	24.7	13.2	106%	25.5	103%		
Energy	2.2	4.1	2.2	97%	3.7	90%		
Industry	2.6	5.0	2.8	109%	5.6	113%		
Mobility	8.4	15.9	7.4	89%	14.4	91%		
Smart Life	21.1	42.6	15.1	72%	30.0	70%		
Hitachi High-Technologies	8.5	14.9	8.7	102%	15.3	102%		
Hitachi Construction Machinery	6.4	12.0	6.3	97%	12.3	103%		
Hitachi Metals	4.8	9.3	4.2	88%	8.2	88%		
Hitachi Chemical	8.2	16.1	8.0	98%	16.1	100%		
Others	0.7	0.9	0.5	73%	0.8	86%		
Corporate items	5.2	10.6	5.0	96%	9.9	93%		
Total	81.1	156.5	73.9	91%	142.2	91%	320.0	99%
Percentage of revenues (%)	3.5	3.5	3.4	-	3.4	-	3.7	-

■ Average Foreign Exchange Rate*1

	FY2018				FY2019			
	Q2	H1	H2	Total	Q2	H1	H2 (Forecast)	Total (Forecast)
U.S. dollar	111	110	112	111	107	109	105	107
Euro	130	130	127	128	119	121	115	118

Yen

■ Foreign Exchange Sensitivity*2,3

	Revenues	Adjusted operating income
U.S. dollar	9.0	1.5
Euro	3.0	0.5

Billions of yen

■ Number of Employees and Consolidated Subsidiaries

	As of March 31, 2019	As of September 30, 2019
Number of employees	295,941	298,088
Japan	162,083	164,272
Outside Japan	133,858	133,816
Number of consolidated subsidiaries	803	793
Japan	181	175
Outside Japan	622	618

*1 Exchange rate applied for calculating profits and losses of overseas companies (average rate for the period)

*2 Impact of exchange rate fluctuation H2 FY2019 impact by one yen depreciation from H2 forecast rate

*3 Figures here represent information voluntarily prepared by 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,” “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 document.

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, particularly Japan, Asia, the United States and Europe, 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;
- the possibility of cost fluctuations during the lifetime of, or cancellation of, long-term contracts for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- credit conditions of Hitachi’s customers and suppliers;
- fluctuations in product demand and industry capacity;
- uncertainty as to Hitachi’s ability to implement measures to reduce the potential negative impact of fluctuations in product demand, exchange rates and/or price of raw materials or shortages of materials, parts and components;
- 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;
- uncertainty as to Hitachi’s ability to attract and retain skilled personnel;
- increased commoditization of and intensifying price competition for products;
- 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;
- 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 the success of cost structure overhaul;
- uncertainty as to Hitachi’s access to, or ability to protect, certain intellectual property;
- 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;
- 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;
- 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; 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 in other materials published by Hitachi.

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