

Outline of Consolidated Financial Results for the Third Quarter Ended December 31, 2022

[Fiscal 2022]

February 1, 2023

Yoshihiko Kawamura

Executive Vice President and Executive Officer, CFO

Hitachi, Ltd.

Contents

1. Points
2. Q1-Q3 FY2022 Results
3. FY2022 Forecast
4. Appendix



1. Points

1

Q1-Q3 FY22 consolidated total revenues were 8,108.7bn yen (YoY+10%), Adjusted EBITA*¹ was 624.2bn yen (YoY+49.0bn yen), and net income was 292.2bn yen (YoY(158.5)bn yen)

- Adjusted EBITA increased due to solid business performance mainly in three sectors. Net income of Q1-Q3 decreased YoY due to the impact of the shift to risk-sharing corporate pension plan and Hitachi Energy's goodwill impairment

2

Orders remained firm mainly in Digital Systems & Services and Green Energy & Mobility

- Digital Systems & Services: Q3 orders 651.3bn yen, YoY+22%
- Green Energy & Mobility: Hitachi Energy won an order of HVDC system for the AC transmission of electricity between Quebec and New York, Railway Systems awarded an order of trains and systems for new Ontario Line
 - Hitachi Energy Q3 orders 554.4bn yen, YoY +15% order backlog approx. 2.5 trillion yen
 - Railway Systems Q3 orders 666.5bn yen, YoY +135% order backlog approx. 3.9 trillion yen

3

Steady progress in portfolio reforms

- Completed making Hitachi Energy a wholly owned subsidiary on December 28, 2022
- Completed Selling Hitachi Metals⁽¹⁾ shares on January 5, 2023
- Tender offer for Hitachi Transport System shares was closed on November 29, and selling the shares is expected to be completed in FY2022

4

Forecasts for FY2022 are revenues of 10,550.0bn yen (+1% from previous forecast), Adjusted EBITA of 877.0bn yen (± 0.0 bn yen from previous forecast), core free cash flows^{(2)*2} of 270.0bn yen (+20.0bn yen from previous forecast), and net income is expected to achieve a record high of 630.0bn yen (+30.0bn yen from previous forecast)

Notes which are not included in each page of this material are listed on page 34

(1) Hitachi Metals has changed the company's name to Proterial, Ltd., on January 4, 2023

(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 December	CY2023 Hitachi forecast as of December	CY2023 World Bank forecast as of January	Outlook
Global	+3.3%	+2.4%	+1.7%	The economy is expected to stagnate in the first half of CY2023 due to interest rate hikes in various countries and the sluggish Chinese economy. Each Manufacturing PMI (Purchasing Managers' Index) in major countries is currently below 50
Japan	+1.2%	+1.5%	+1.0%	Economic measures including stimulus of consumption and curbs on electricity and gas price hikes support the economy. While capital investment is expected to recover due to improved corporate earnings, the pace will be slow
U.S. ⁽²⁾	+2.1%	+0.3%	+0.5%	Continued economic slowdown, especially in domestic demand, due to higher interest rates and prices; growth is expected to remain mostly flat in CY2023, inflation will gradually decline, and the Fed will stop raising interest rates
Europe	+3.3%	+0.3%	+0.0%	Business activity and consumer spending slumped due to rising electricity prices. German GDP is expected to turn negative in CY2023. Current energy supply and demand is improving due to mild winter and increased LNG imports, and inflation pressure is easing
China ⁽²⁾	+3.0%	+4.6%	+4.3%	Drastic shift from Zero-COVID policy to With-COVID policy. Stagnation in consumer confidence due to a sharp increase in infections will restrain economic recovery in the first half of CY2023. Real estate market is expected to improve in mid-2023 and beyond, despite supportive measures being put in place

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 Infrastructure investment and economic measures <ul style="list-style-type: none"> Investment in building national resilience in Japan (ex. cross-regional coordination of electricity transmission) Infrastructure Investment Act, Chips and Science Act, and Inflation Reduction Act in the U.S. 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 and food prices and rising global inflation China's with-COVID policy change leads to more infected people and continued real estate market stagnation Stagflation due to ECB interest rate raise and economic slowdown Risk of economic deterioration due to the U.S. Federal Reserve's interest rate raise Continued price hikes for materials and logistics costs Continuing supply shortages in some semiconductors

(1) Based on Short-term Economic Outlook of Hitachi Research Institute and the World Bank's Global Economic Prospects report

(2) CY2022 is actual figure

- Semiconductor shortage has continuously affected mainly Hitachi Astemo (Shortages of some logic, analog, and discrete semiconductors)
 - ⇒ Implementing countermeasures of procuring from multiple suppliers, strategic inventory securing, and searching for alternatives, etc.
- Soaring material prices has continuously impacted mainly on Hitachi Energy and Hitachi Astemo
 - ⇒ Revising selling prices and reducing costs

	Semiconductor shortage	Soaring material prices and transportation cost	Soaring electricity price	Situation in Ukraine and Russia
Digital Systems & Services	<ul style="list-style-type: none"> • Continued some impacts on IT products and ATM related business 	<ul style="list-style-type: none"> • Soaring prices of some materials for IT products and ATM related business 	Minor Impact	<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 	<ul style="list-style-type: none"> • Cost increases of electrical steel sheet and logistics in power grids business 	<ul style="list-style-type: none"> • Cost increase due to higher electricity prices 	Minor Impact
Connective Industries	<ul style="list-style-type: none"> • Impact on products delivery due to lower production than planned in Industrial Products • Parts shortage affected Hitachi High-Tech production 	<ul style="list-style-type: none"> • Cost increase in Building Systems and Smart Life & Ecofriendly Systems • Cost increase for some products of Industrial Products 	Minor Impact	Minor Impact
Hitachi Astemo	<ul style="list-style-type: none"> • Delayed production recovery of some OEMs • Revenues decrease due to semiconductor supply constraints at some suppliers 	<ul style="list-style-type: none"> • Cost increase in some products due to price increase in materials such as steel and copper 	<ul style="list-style-type: none"> • Cost increase due to higher electricity prices 	Minor Impact

Highlights of Business (Q3 FY22)

Billions of yen	Q3 FY22		YoY		Dynamics
	Revenues	Adj. EBITA ⁽¹⁾	Revenues	Adj. EBITA	
Digital Systems & Services^{*3}	578.1	70.8 12.3%	+11%	+8.0 +0.2 pts	• Segment revenues and profits increased led by Lumada business, despite increased investment for growth to expand business
GlobalLogic (standalone ⁽²⁾)	54.8	12.1 22.1%	+46%	+3.7 (0.3) pts	• GlobalLogic revenues increased YoY +46% (dollar base YoY +17%) and maintained high profitability; Adjusted EBITA ratio of 22.1%. Synergies with Hitachi Vantara and others steadily expanded
Green Energy & Mobility	652.1	46.1 7.1%	+27%	+23.0 +2.6 pts	• Segment revenues and profits increased due to solid business performance for Hitachi Energy and Railway Systems
Hitachi Energy (standalone)	388.4	32.8 8.4%	+39%	+11.2 +0.7 pts	• Hitachi Energy revenues and profits increased due to FX impact and stable growth in business
Connective Industries	742.5	78.2 10.5%	+12%	+11.3 +0.4 pts	• Segment revenues and profits increased mainly in Measurement & Analysis Systems (Hitachi High-Tech) and Building Systems BU ⁽³⁾
Building Systems	242.4	25.4 10.5%	+12%	+7.6 +2.2 pts	• Building Systems BU revenues and profits increased due to FX impact and expansion of building service business
Measurement & Analysis Systems (Hitachi High-Tech)	165.7	24.5 14.8%	+31%	+14.3 +6.7 pts	• Measurement & Analysis Systems (Hitachi High-Tech) revenues and profits increased due to sales increase in semiconductor manufacturing equipment and clinical chemistry and immunochemistry analyzers
Hitachi Astemo	493.1	28.0 5.7%	+25%	+14.9 +2.4 pts	• Revenues and profits increased due to FX impact and moderate production recovery of OEMs, despite the continuous semiconductor shortage and supply chain disruptions in China
Consolidated Total	2,692.0	231.1 8.6%	+7%	+28.4 +0.5 pts	

Revenues and Adjusted EBITA by each segment are listed from page 30

(1) Percentages are Adjusted EBITA ratio

(2) Standalone does not include acquisition related cost

(3) BU: Business Unit

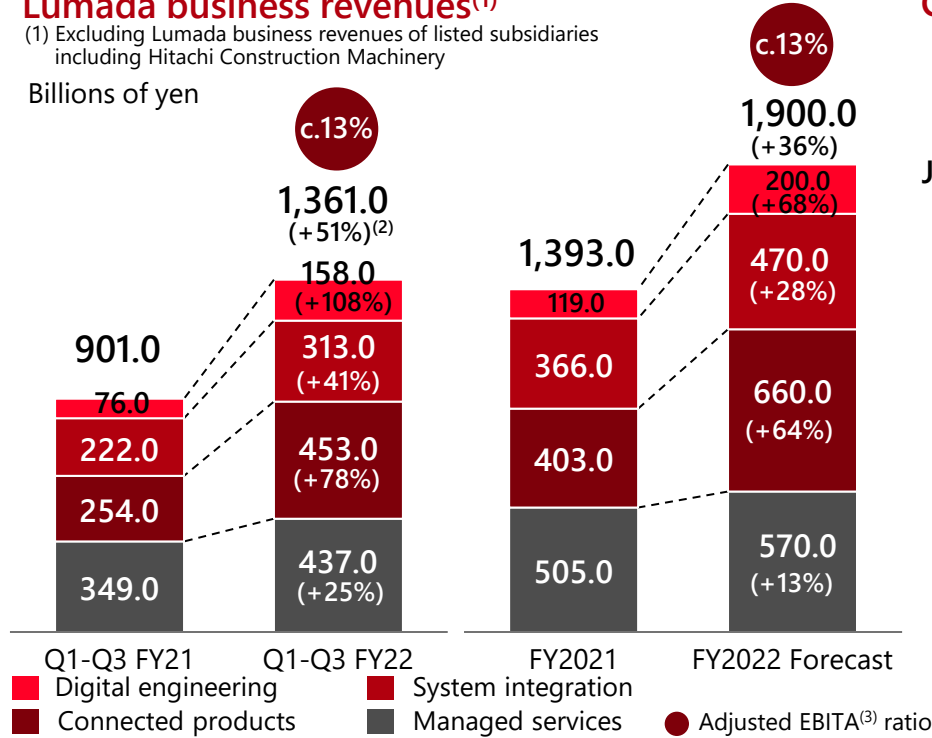
Highlights of Orders Results (Q3 FY22)

Billions of yen	FY22 Orders		YoY		Dynamics (Q3 FY22)
	Q3	Q1-Q3	Q3	Q1-Q3	
Digital Systems & Services	651.3	1,893.1	+22%	+17%	<ul style="list-style-type: none"> Segment orders increased due to major orders in financial field and strong sales in Lumada solutions that meet DX demand, including Hitachi Solutions, despite continued investment restraint of customers in transportation and electric power field GlobalLogic added 16 new customers, mainly in the U.S., including IT high-tech companies
Hitachi Energy	554.4	1,730.6	+15%	+64%	<ul style="list-style-type: none"> Orders increased mainly Europe, North America, Greater China and South Asia driven by acceleration of energy transition towards a carbon neutral society Solid base order growth and significant large orders driven by the push for integration of renewables. Order backlog at record high approx. 2.5 trillion yen (approx. 19bn USD)
Railway Systems	666.5	818.0	+135%	+49%	<ul style="list-style-type: none"> Several major orders, including new Ontario Line trains, systems, maintenance and operations and commuter railway in Philippines
Building Systems	203.1	747.2	+9%	+11%	<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)	153.1	494.2	(28)%	(15)%	<ul style="list-style-type: none"> Orders decreased in semiconductor manufacturing equipment due to the reactionary decline by orders for long-lead items in the previous fiscal year.

Lumada business revenues⁽¹⁾

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

Billions of yen



(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 income⁴

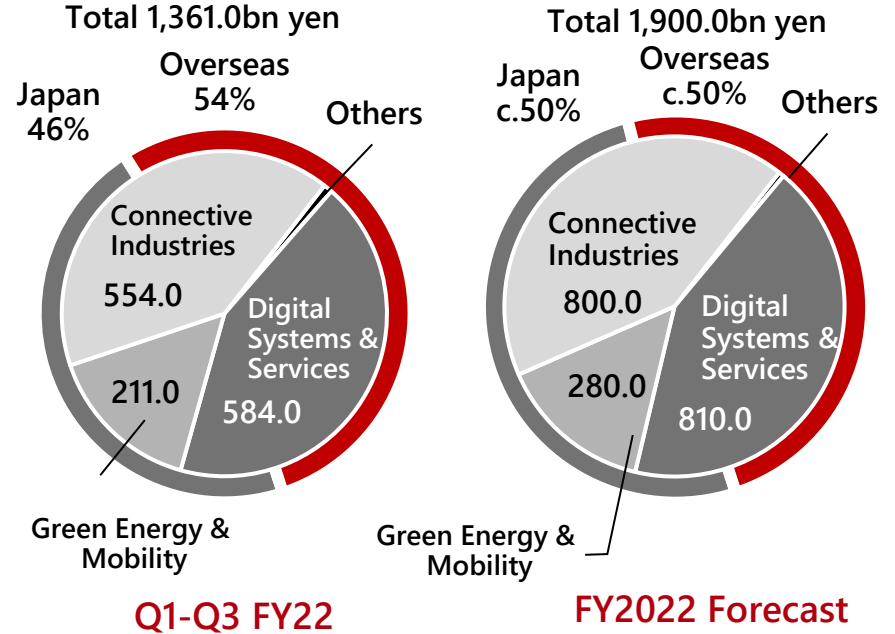
Progress of Lumada business expansion by Q3 FY22

- Hitachi Energy: Expanding delivery of asset management software jointly developed with Hitachi Vantara and GlobalLogic to major overseas electric power companies
- GlobalLogic: Strong cross-selling with Hitachi Vantara, collaborating on cloud application operation enhancement, etc.
GlobalLogic's development technologies have been introduced and applied to domestic projects. Enhancing development speed, flexibility and scalability
- ESG solutions for CO2 visualization, etc., are being developed through collaboration among multiple divisions including Hitachi Digital. Plans to demonstrate in Rail Systems and Hitachi Energy

Actions for next growth

- GlobalLogic signed agreements to acquire two digital engineering companies in Romania and Uruguay, expanding its delivery footprint
- R&D group aims to build operation and maintenance sites in metaverse space and provide new ways of working through work support and education, etc., and to apply them to railroads, plants, etc.
- Rail Systems is implementing and expanding smart mobility solutions, including digital ticketing, in several cities in Italy, such as Genoa and Trento

Composition by segments





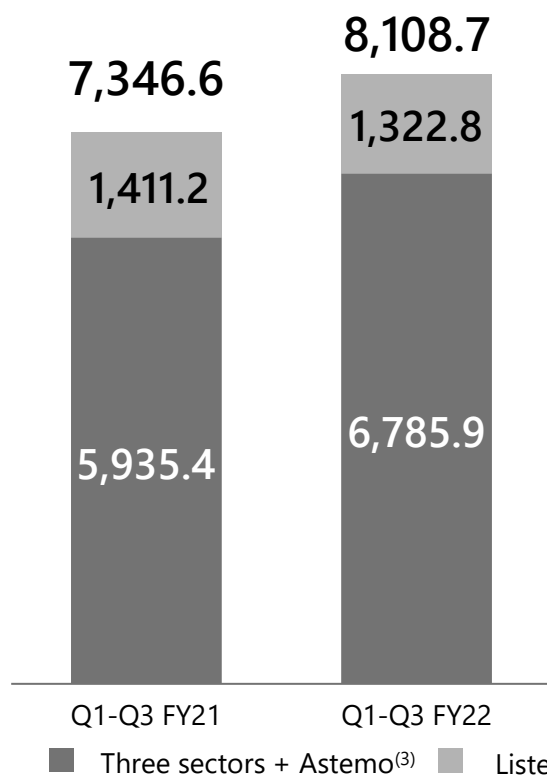
2. Q1-Q3 FY2022 Results

Highlights of Results (Q1-Q3 FY22)

Revenues

YoY +10%, +762.1bn yen

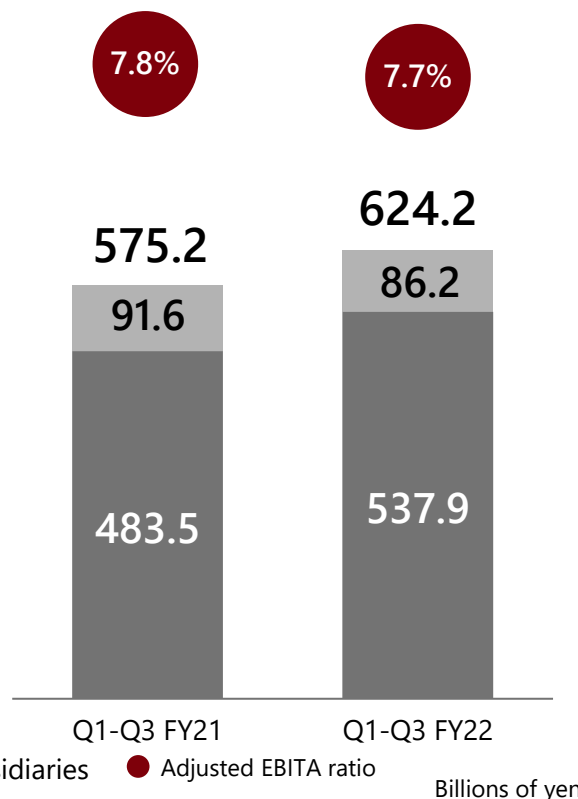
Revenues increased due to FX impact, customer investment growth and acquisition of GlobalLogic



Adjusted EBITA⁽¹⁾

YoY +49.0bn yen

Adjusted EBITA increased mainly in Connective Industries and Green Energy & Mobility



Overseas revenues

5,235.6bn yen (YoY +17%)

Lumada business revenues⁽²⁾

1,361.0bn yen (YoY +51%)

Net income attributable to Hitachi, Ltd. stockholders

292.2bn yen (YoY (158.5)bn yen)

EBITDA*⁵

881.6bn yen (YoY (118.7)bn yen)

Cash flows from operating activities

380.0bn yen (YoY +122.9bn yen)

Core free cash flows

74.9bn yen (YoY +123.4bn yen)

(1) Changed definition of Adjusted EBITA from FY2022

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

(3) Changed reporting segment structure from FY2022

- Three sectors: revenues and profits increased due to FX impact, customer investment growth and acquisition of GlobalLogic
- Astemo: revenues and profits increased due to FX impact and moderate production recovery of OEMs, despite the continuous semiconductor shortage and supply chain disruptions in China
- Listed subsidiaries: while revenues and profits decreased due to selling a part of Hitachi Construction Machinery shares, revenues and profits increased in Hitachi Metals due to price slide for soaring raw materials prices, FX impact and cost reduction measures

Billions of yen	Three sectors* ⁶ [Digital Systems & Services, Green Energy & Mobility, Connective Industries]	Astemo [Automotive Systems]	Listed subsidiaries [Hitachi Construction Machinery, Hitachi Metals]	Total
Revenues	5,408.7	1,377.2	1,322.8	8,108.7
YoY	+13%	+20%	(6)%	+10%
Adjusted EBITA	498.0	39.8	86.2	624.2
YoY	+51.8	+2.5	(5.3)	+49.0
Adjusted EBITA ratio	9.2%	2.9%	6.5%	7.7%
YoY	(0.1) pts	(0.3) pts	±0.0 pts	(0.1) pts
Net income attributable to Hitachi, Ltd. stockholders	286.3	(26.4)	32.3	292.2
YoY	(130.0)	(29.9)	+1.4	(158.5)

Q1-Q3 FY22 Results by Business Segment (1/3)

Billions of yen	Q1-Q3 FY22		YoY		Dynamics
	Revenues	Adj. EBITA ⁽¹⁾	Revenues	Adj. EBITA	
Digital Systems & Services	1,678.0	188.3 11.2%	+12%	+8.5 (0.8) pts	<ul style="list-style-type: none"> Segment revenues increased due to steady growth in Lumada business, and promoted investment for growth to expand business In Front Business, profits decreased due to the continued impact of restrained investment mainly in the transportation and electric power field and cost increases in certain projects In IT Services, revenues increased due to solid performance of Lumada business (security and cloud services) In Services & Platforms, GlobalLogic business grew steadily, and overseas cloud business performed well, despite the impact of soaring material prices for IT products
Front Business ^{*7}	665.5	47.6 7.2%	+4%	(5.5) (1.1) pts	
IT Services ^{*8}	630.5	71.2 11.3%	+6%	+2.5 (0.2) pts	
Services & Platforms ^{*9}	689.0	56.8 8.2%	+24%	+8.1 (0.6) pts	
Green Energy & Mobility	1,723.7	91.9 5.3%	+18%	+36.9 +1.5 pts	<ul style="list-style-type: none"> Segment revenues and profits increased due to FX impact and firm demand for Hitachi Energy and Railway Systems BU Nuclear Energy BU and Energy BU revenues and profits decreased due to the decrease in large-scale solar power projects and strategy change of wind power generation system business in Energy BU, and cost increases in a certain project Hitachi Energy revenues and profits increased due to FX impact and stable growth in business Railway Systems BU revenues and profits increased due to FX impact, ramp-up production and profitability improvement
Nuclear Energy ^{*10}	74.4	-	(4)%	-	
Energy ^{*10}	116.0	-	(9)%	-	
Nuclear Energy & Energy	189.4	5.8 3.0%	(10)%	(7.5) (3.3) pts	
Hitachi Energy	1,018.4	69.7 6.8%	+28%	+19.4 +0.5 pts	
Related cost ⁽²⁾	-	(9.6)	-	+7.3	
Railway Systems ^{*10}	509.7	28.4 5.6%	+15%	+16.8 +3.0 pts	

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

(1) Percentages are Adjusted EBITA ratio

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

Q1-Q3 FY22 Results by Business Segment (2/3)

Billions of yen	Q1-Q3 FY22		YoY		Dynamics
	Revenues	Adj. EBITA	Revenues	Adj. EBITA	
Connective Industries	2,170.3	227.4 <i>10.5%</i>	+9%	+41.4 <i>+1.2 pts</i>	<ul style="list-style-type: none"> Segment revenues and profits increased due to firm performance of Measurement & Analysis Systems (Hitachi High-Tech) and Building Systems BU, while Smart Life & Ecofriendly Systems revenues decreased due to selling overseas home appliance business and the impact of lockdown in China Building Systems BU revenues and profits increased due to FX impact and expansion of building service business Smart Life & Ecofriendly Systems revenues and profits decreased due to selling overseas home appliance business and the lockdown in China Measurement & Analysis Systems (Hitachi High-Tech) revenues and profits increased due to sales increase in semiconductor manufacturing equipment and clinical chemistry and immunochemistry analyzers Industrial Digital BU revenues increased due to growth in digital solution business. Profits decreased due to increased investment and sales expenses associated with promotion activities, etc. Water & Environment BU revenues and profits were almost flat due to solid business performance Industrial Products revenues and profits increased due to firm performance of mass-produced and non-mass-produced products
Building Systems	706.3	71.7 <i>10.1%</i>	+9%	+11.5 <i>+0.8 pts</i>	
Smart Life & Ecofriendly Systems (Hitachi GLS ⁽¹⁾)	284.1	24.4 <i>8.6%</i>	(5)%	(8.5) <i>(2.4) pts</i>	
Measurement & Analysis Systems (Hitachi High-Tech)	501.6	78.3 <i>15.6%</i>	+22%	+40.9 <i>+6.5 pts</i>	
Industrial Digital ^{*10}	251.3	21.8 <i>8.7%</i>	+5%	(10.5) <i>(4.8) pts</i>	
Water & Environment ^{*10}	105.0	6.2 <i>5.9%</i>	±0%	+0.2 <i>+0.2 pts</i>	
Industrial Products	307.2	26.4 <i>8.6%</i>	+10%	+4.5 <i>+0.7 pts</i>	

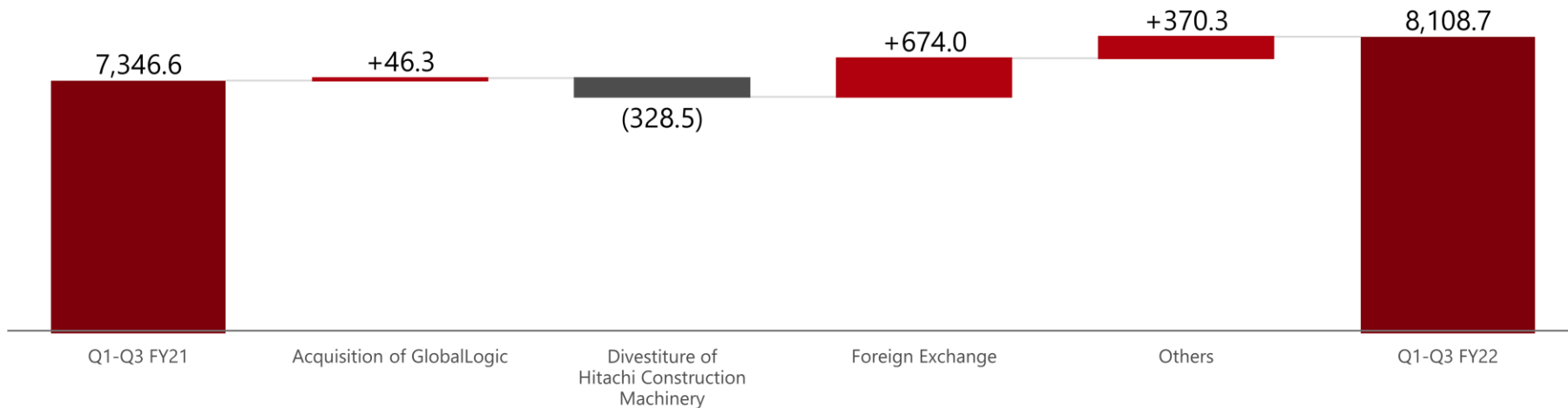
Q1-Q3 FY22 Results by Business Segment (3/3)

Billions of yen	Q1-Q3 FY22		YoY		Dynamics
	Revenues	Adj. EBITA	Revenues	Adj. EBITA	
Hitachi Astemo	1,377.2	39.8 2.9%	+20%	+2.5 (0.3) pts	• Revenues and profits increased due to FX impact and moderate production recovery of OEMs, despite the impacts of semiconductor shortage, supply chain disruptions in China and soaring raw material prices
Hitachi Construction Machinery	475.1	43.2 9.1%	(34)%	(24.9) (0.4) pts	• Included in consolidated total until August 2022 when selling a part of HCM shares was completed
Hitachi Metals	847.7	43.0 5.1%	+23%	+19.5 +1.7 pts	• Revenues and profits increased due to sliding-scale pricing following soaring material prices, FX impact and cost reduction
Others	332.9	9.4 2.8%	+3%	(5.9) (2.0) pts	• Overseas and domestic sales companies, etc.
Corporate items & Eliminations	(496.3)	(19.1)	-	(29.1)	• Cost for updating the company-wide management platform, etc.
Total	8,108.7	624.2 7.7%	+10%	+49.0 (0.1) pts	

Factors Affecting Changes in Revenues and Adjusted EBITA (Q1-Q3 FY22 Total)

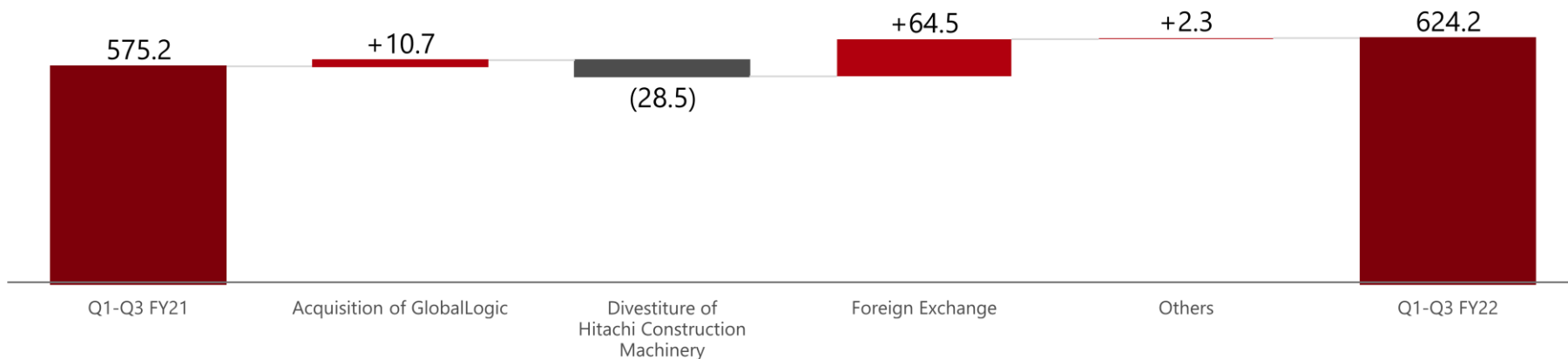
Revenues

Billions of yen



Adjusted EBITA

Billions of yen



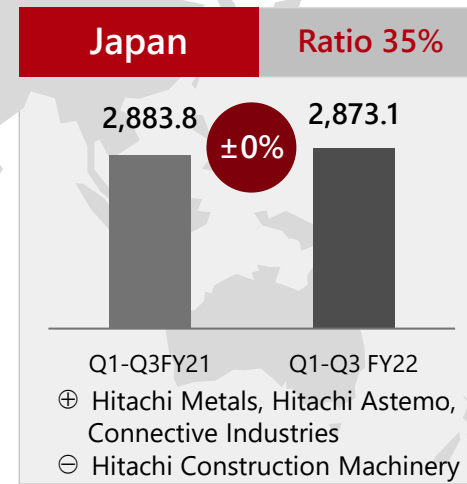
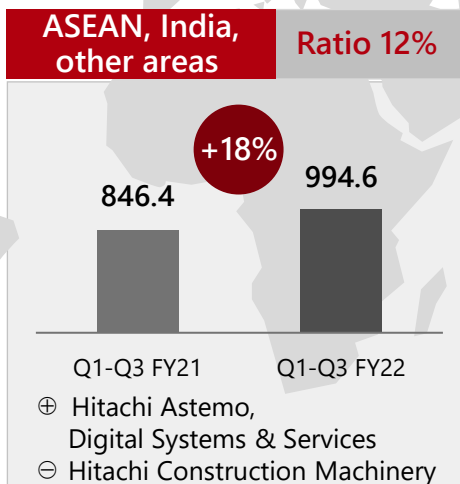
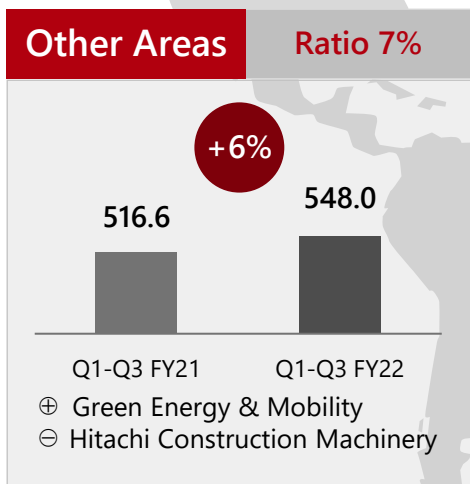
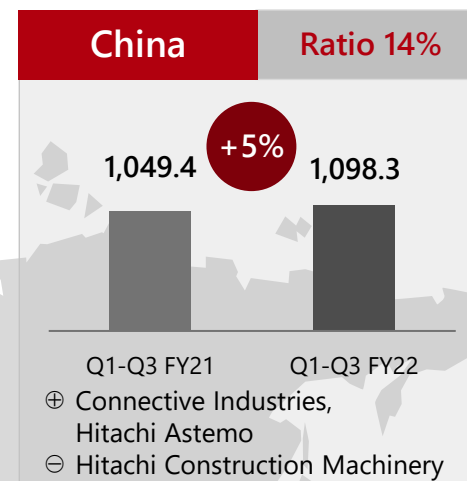
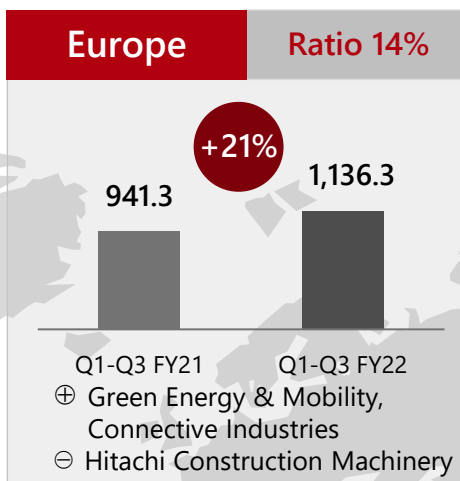
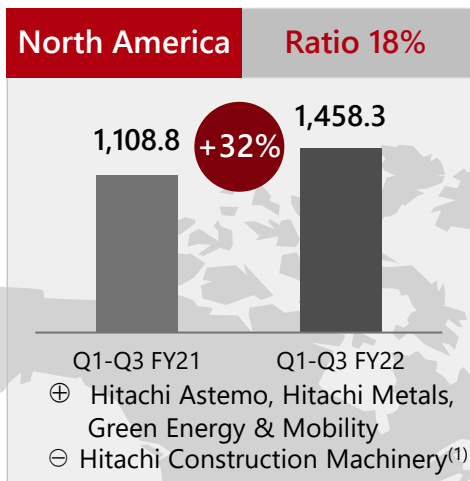
Summary of Consolidated Financial Position

Billions of yen	As of March 31, 2022	As of December 31, 2022	Change from March 31, 2022
Total assets	13,887.5	13,281.0	(606.4)
Cash and cash equivalents	968.8	839.6	(129.2)
Trade receivables and contract assets	2,978.1	2,568.8	(409.3)
Total liabilities	8,532.2	8,110.4	(421.8)
Interest-bearing debt	3,126.7	3,054.7	(71.9)
Total Hitachi, Ltd. stockholders' equity	4,341.8	4,524.1	+182.3
Non-controlling interests	1,013.4	646.4	(367.0)
Cash Conversion Cycle	78.1 days	56.7 days	(21.4) days
Total Hitachi, Ltd. stockholders' equity ratio	31.3%	34.1%	+2.8 pts
D/E ratio	0.58 times	0.59 times	+0.01 pts

Summary of Consolidated Statement of Cash Flows

Billions of yen	Q1-Q3 FY2021	Q1-Q3 FY2022	YoY
Cash flows from operating activities	257.1	380.0	+122.9
Cash flows from investing activities	(1,027.7)	(145.2)	+882.4
Free cash flows	(770.5)	234.8	+1,005.3
Core free cash flows	(48.5)	74.9	+123.4

Revenues by Market (Q1-Q3 FY22)



Overseas Revenues **5,235.6** billion yen

Ratio **65** % (YoY +4%)

Billions of yen

(1) Included in consolidated total until August 2022 when selling a part of HCM shares was completed



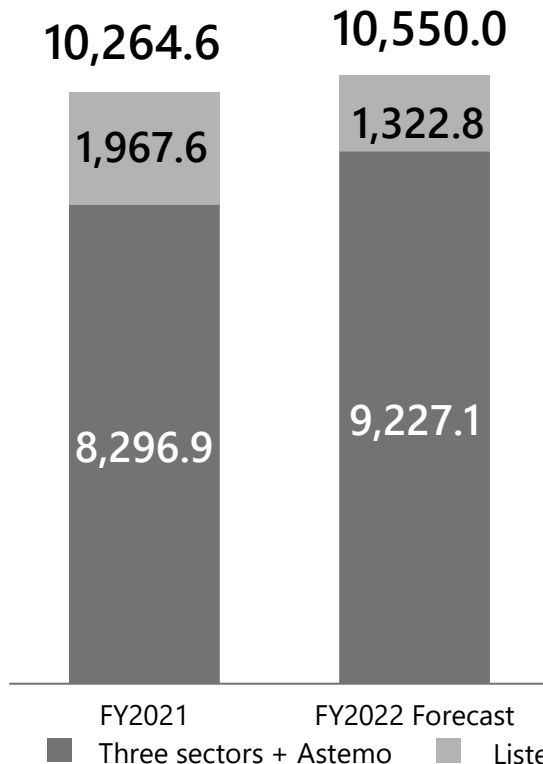
3. FY2022 Forecast

Highlights of Forecast (FY2022)

Revenues

YoY +3%, +285.3bn yen
(Previous forecast comparison⁽¹⁾ +1%,
+150.0bn yen)

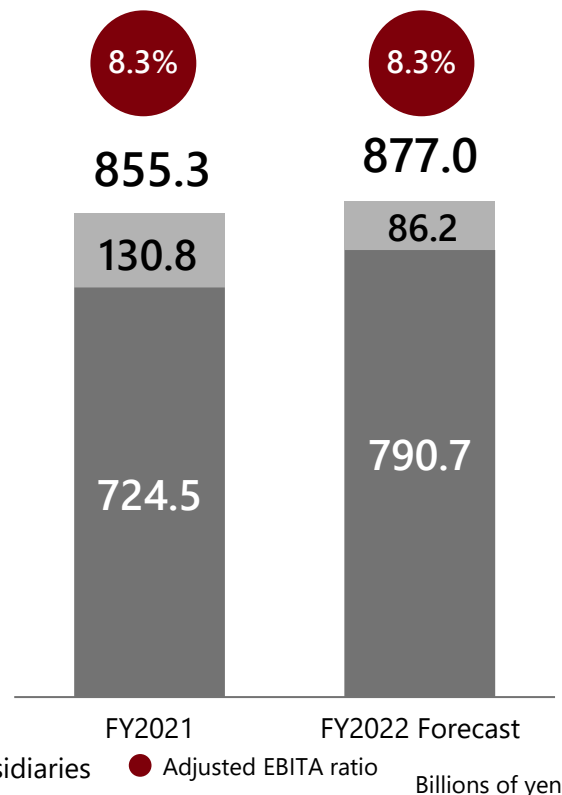
Revenues increase by +11%
in three sectors + Astemo



Adjusted EBITA

YoY +21.6bn yen
(Previous forecast comparison ±0.0bn yen)

Adjusted EBITA increases by +66.2
in three sectors + Astemo



Lumada business revenues⁽²⁾

1,900.0bn yen (YoY +36%)
(Previous forecast comparison ±0.0bn yen)

Net income attributable to Hitachi, Ltd. stockholders

630.0bn yen (YoY +46.5bn yen)
(Previous forecast comparison +30.0bn yen)

EBITDA

1,390.0bn yen (YoY (2.8)bn yen)
(Previous forecast comparison +13.0bn yen)

Cash flows from operating activities

710.0bn yen (YoY (19.9)bn yen)
(Previous forecast comparison +20.0bn yen)

Core free cash flows

270.0bn yen (YoY (20.0)bn yen)
(Previous forecast comparison +20.0bn yen)

ROIC^{*12}

7.4% (YoY (0.3) pts)
(Previous forecast comparison +0.2 pts)

Assumed FX rate for Q4 FY22

130 yen / US \$, 140 yen / €

FX sensitivity⁽³⁾ for Q4 FY22

US \$: Revenues +4.0bn yen
Adj. EBITA +0.2bn yen
€: Revenues +2.0bn yen
Adj. EBITA +0.1bn yen

(1) "Previous forecast" is the forecast as of October 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

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 moderate production recovery of OEMs
- Listed subsidiaries: revenues and profits decrease due to selling a part of Hitachi Construction Machinery shares and selling Hitachi Metals⁽¹⁾ 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	7,357.1	1,870.0	1,322.8	10,550.0
YoY	+10%	+17%	(33)%	+3%
Previous forecast comparison	+2%	+1%	±0%	+1%
Adjusted EBITA	698.7	92.0	86.2	877.0
YoY	+36.5	+29.6	(44.5)	+21.6
Previous forecast comparison	+0.9	±0.0	(0.9)	±0.0
Adjusted EBITA ratio	9.5%	4.9%	6.5%	8.3%
YoY	(0.4) pts	+1.0 pts	(0.2) pts	±0.0 pts
Previous forecast comparison	(0.2) pts	(0.1) pts	(0.1) pts	(0.1) pts
Net income attributable to Hitachi, Ltd. stockholders	605.7	(8.0)	32.3	630.0
YoY	+81.6	(22.7)	(12.3)	+46.5
Previous forecast comparison	+38.4	(8.7)	+0.3	+30.0

(1) Hitachi Metals has changed the company's name to Proterial, Ltd., on January 4, 2023

FY2022 Forecast by Business Segment (1/3)

Billions of yen	FY2022 Forecast		YoY		Previous forecast comparison		Dynamics
	Revenues	Adj. EBITA ⁽¹⁾	Revenues	Adj. EBITA	Revenues	Adj. EBITA	
Digital Systems & Services⁽²⁾	2,290.0	300.0 13.1%	+6%	+18.5 ±0.0 pts	±0%	±0.0 ±0.0 pts	<ul style="list-style-type: none"> No change from the previous segment forecast Forecast increased revenues and profits by capturing digital demand in Japan and overseas 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%	+4%	+7.6 +0.4 pts	±0%	±0.0 ±0.0 pts	
IT Services	860.0	103.0 12.0%	+2%	+2.6 +0.1 pts	±0%	±0.0 ±0.0 pts	
Services & Platforms	840.0	80.0 9.5%	+8%	+6.6 ±0.0 pts	±0%	±0.0 ±0.0 pts	
Green Energy & Mobility	2,440.0	159.0 6.5%	+19%	+66.6 +2.0 pts	+6%	±0.0 (0.4) pts	<ul style="list-style-type: none"> Segment forecast was revised upward from the previous segment forecast (Revenues +130.0bn yen) 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 continuing impact of soaring material prices Railway Systems BU forecasts revenues and profits increase due to FX impact, ramp-up production and profitability improvement
Nuclear Energy	160.4	-	+6%	-	±0%	-	
Energy	177.3	-	(3)%	-	±0%	-	
Nuclear Energy & Energy	321.8	33.3 10.3%	(4)%	+3.8 +1.5 pts	±0%	±0.0 ±0.0 pts	
Hitachi Energy	1,396.1	105.2 7.5%	+30%	+39.9 +1.4 pts	+7%	+0.3 (0.5) pts	
Related cost ⁽³⁾	-	(17.0)	-	+7.3	-	+5.8	
Railway Systems	726.9	45.8 6.3%	+16%	+16.9 +1.7 pts	+7%	+3.1 ±0.0 pts	

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

(1) Percentages are Adjusted EBITA ratio

(2) Earnings of GlobalLogic (standalone bases), revenues: 200.0bn yen, Adjusted EBITA: 43.0bn yen, are included in FY2022 forecast

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

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	2,840.0	303.0 10.7%	+3%	+45.1 +1.3 pts	±0%	±0.0 ±0.0 pts	<ul style="list-style-type: none"> No change from the previous segment forecast Building Systems BU forecasts revenues and profits YoY increase due to FX impact and expansion of building service business, etc. Smart Life & Ecofriendly Systems forecasts revenues remain flat and profits YoY decrease due to the impacts of the lockdown in China Measurement & Analysis Systems (Hitachi High-Tech) forecasts revenues and profits YoY increase due to sales increase in 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 and sales expenses associated with promotion activities, etc. 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 forecasts revenues and profits YoY increase due to its solid business performance
Building Systems	880.0	77.6 8.8%	+7%	+7.8 +0.3 pts	+2%	+1.0 (0.1) pts	
Smart Life & Ecofriendly Systems (Hitachi GLS ⁽¹⁾)	400.0	36.0 9.0%	+1%	(4.0) (1.1) pts	+8%	(2.0) (1.2) pts	
Measurement & Analysis Systems (Hitachi High-Tech)	680.0	90.7 13.3%	+18%	+30.9 +2.9 pts	±0%	±0.0 ±0.0 pts	
Industrial Digital	350.0	39.2 11.2%	+2%	(3.6) (1.2) pts	±0%	±0.0 ±0.0 pts	
Water & Environment	188.0	19.5 10.4%	+3%	+2.0 +0.8 pts	±0%	±0.0 ±0.0 pts	
Industrial Products	436.0	44.6 10.2%	+6%	+6.8 +1.0 pts	±0%	±0.0 ±0.0 pts	

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

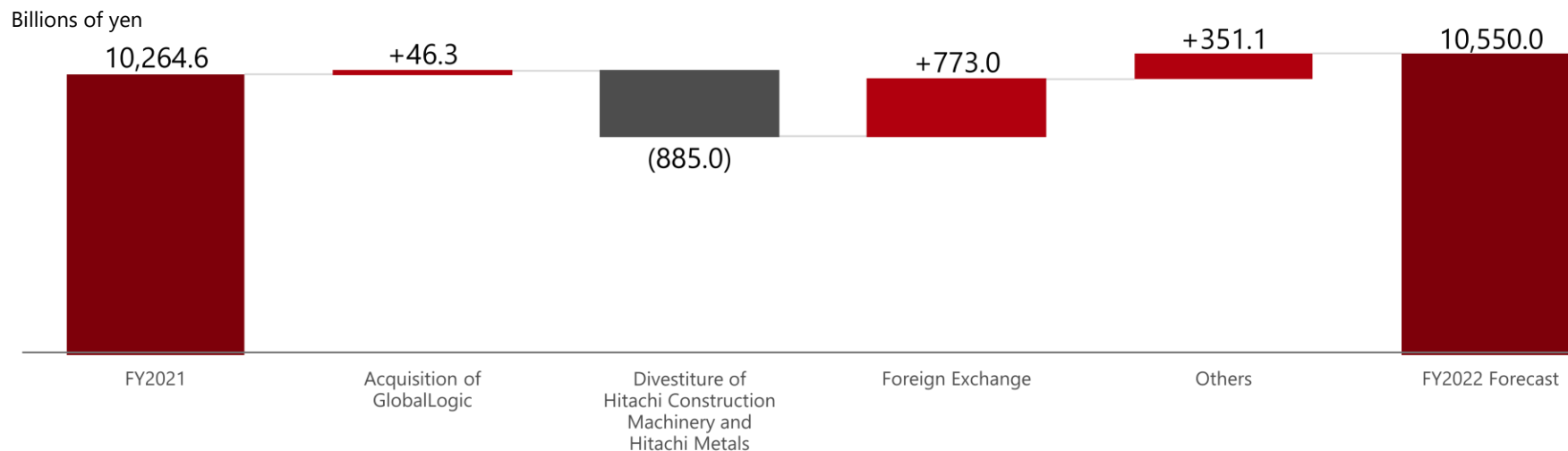
(1) Hitachi GLS: Hitachi Global Life Solutions

FY2022 Forecast by Business Segment (3/3)

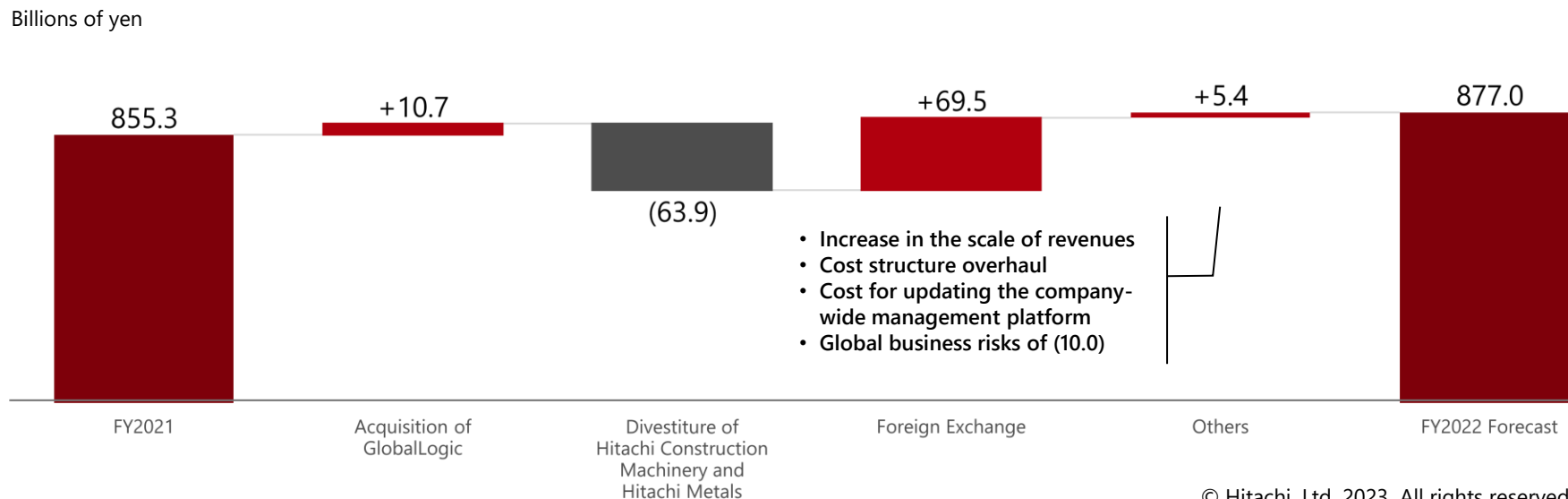
Billions of yen	FY2022 Forecast		YoY		Previous forecast comparison		Dynamics
	Revenues	Adj. EBITA	Revenues	Adj. EBITA	Revenues	Adj. EBITA	
Hitachi Astemo	1,870.0	92.0 4.9%	+17%	+29.6 +1.0 pts	+1%	±0.0 (0.1) pts	<ul style="list-style-type: none"> Revenues forecast was revised by +20.0bn yen from the previous forecast due to FX impact, etc. Forecasts revenues and profits YoY increase due to moderate production recovery of OEMs, despite the impact of semiconductor shortage and supply chain disruptions in China, in addition to soaring material prices
Hitachi Construction Machinery	475.1	43.2 9.1%	(54)%	(56.9) (0.7) pts	±0%	±0.0 ±0.0 pts	<ul style="list-style-type: none"> Included in consolidated total until August 2022 when selling a part of HCM shares was completed
Hitachi Metals	847.7	43.0 5.1%	(10)%	+12.3 +1.8 pts	±0%	(0.9) (0.1) pts	<ul style="list-style-type: none"> Q1-Q3 results are included in Hitachi consolidated totals due to sale of Hitachi Metals⁽¹⁾ shares
Others	460.0	17.0 3.7%	+1%	(6.6) (1.5) pts	±0%	±0.0 ±0.0 pts	<ul style="list-style-type: none"> Overseas and domestic sales companies, etc.
Corporate items & Eliminations	(672.8)	(80.2)	-	(87.3)	-	+0.9	<ul style="list-style-type: none"> Cost for updating the company-wide management platform, global business risks of (10.0)bn yen, etc.
Total	10,550.0	877.0 8.3%	+3%	+21.6 ±0.0 pts	+1%	±0.0 (0.1) pts	

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

Revenues



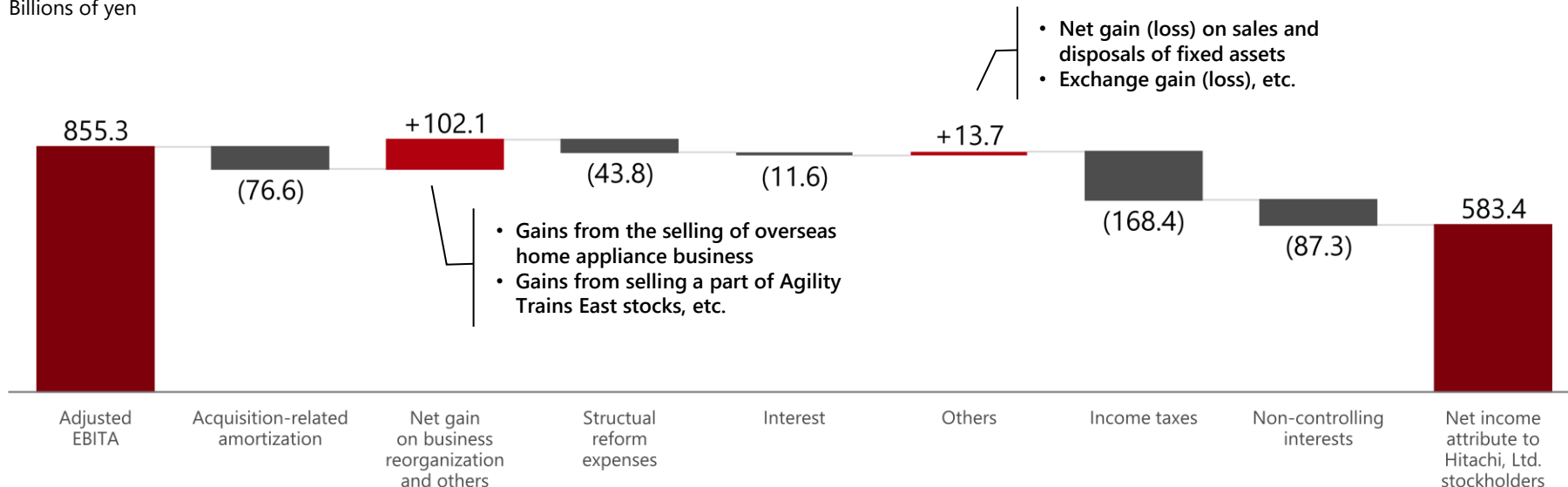
Adjusted EBITA



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

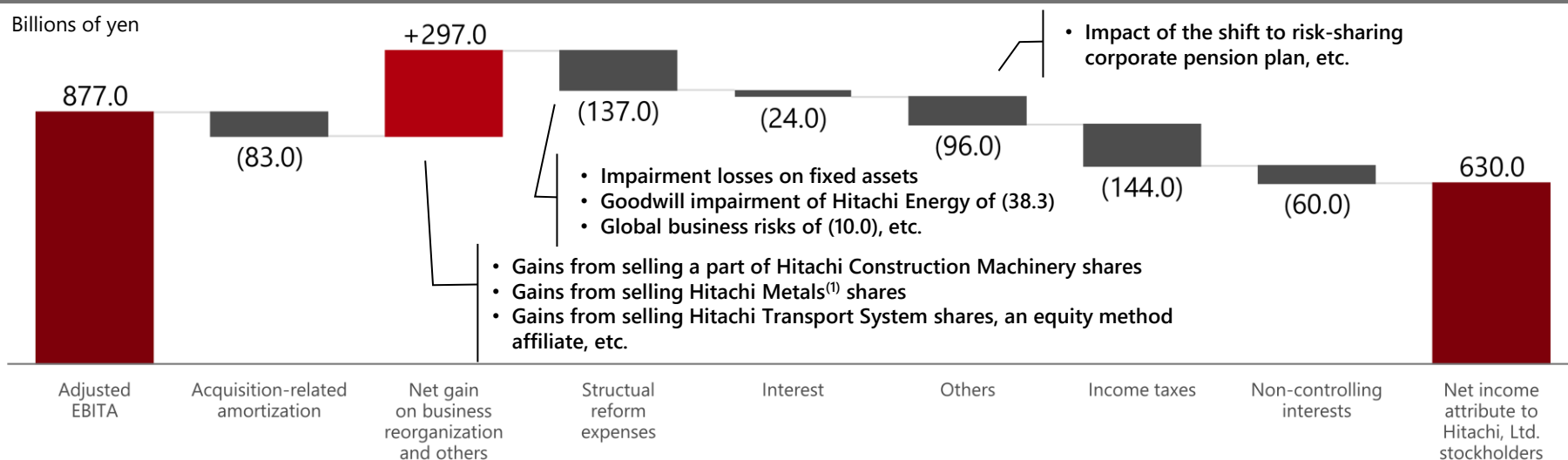
FY2021

Billions of yen



FY2022 Forecast

Billions of yen



(1) Hitachi Metals has changed the company's name to Proterial, Ltd., on January 4, 2023

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

	Q3 FY21	Q3 FY22	YoY	Q1-Q3 FY21	Q1-Q3 FY22	YoY	FY2021	FY2022	YoY	Previous forecast comparison
Billions of yen										
Revenues	2,514.0	2,692.0	+7%	7,346.6	8,108.7	+10%	10,264.6	10,550.0	+3%	+1%
Adjusted Operating Income	174.4	202.8	+28.4	484.4	527.4	+43.0	738.2	753.0	+14.7	±0.0
Equity in earnings (losses) of affiliates	+9.9	+7.3	(2.5)	+33.3	+34.0	+0.6	+40.4	+41.0	+0.5	(4.0)
Acquisition-related amortization* ¹³ to be added back	+18.4	+20.9	+2.5	+57.4	+62.7	+5.2	+76.6	+83.0	+6.3	+4.0
Adjusted EBITA	202.7	231.1	+28.4	575.2	624.2	+49.0	855.3	877.0	+21.6	±0.0
Net gain on business reorganization and others	(3.6)	(1.1)	+2.4	+93.9	+64.9	(28.9)	+102.1	+297.0	+194.8	±0.0
Acquisition-related amortization	(18.4)	(20.9)	(2.5)	(57.4)	(62.7)	(5.2)	(76.6)	(83.0)	(6.3)	(4.0)
Structural reform expenses ⁽¹⁾	(4.3)	(5.5)	(1.2)	(9.1)	(71.1)	(62.0)	(43.8)	(137.0)	(93.1)	+35.0
Others	(0.3)	(21.2)	(20.8)	(1.1)	(80.7)	(79.6)	+13.9	(96.0)	(109.9)	(8.0)
EBIT	175.9	182.2	+6.2	601.4	474.5	(126.8)	850.9	858.0	+7.0	+23.0
Interest	(2.7)	(7.5)	(4.7)	(8.1)	(17.7)	(9.5)	(11.6)	(24.0)	(12.3)	+7.0
Income taxes [Effective income tax rate]	(25.3)	(41.6)	(16.3)	(81.0)	(122.9)	(41.9)	(168.4) [20.1%]	(144.0) [17.3%]	+24.4	±0.0
Non-controlling interests	(19.4)	(13.2)	+6.1	(61.4)	(41.6)	+19.8	(87.3)	(60.0)	+27.3	±0.0
Net income attributable to Hitachi, Ltd. Stockholders	128.3	119.7	(8.6)	450.7	292.2	(158.5)	583.4	630.0	+46.5	+30.0

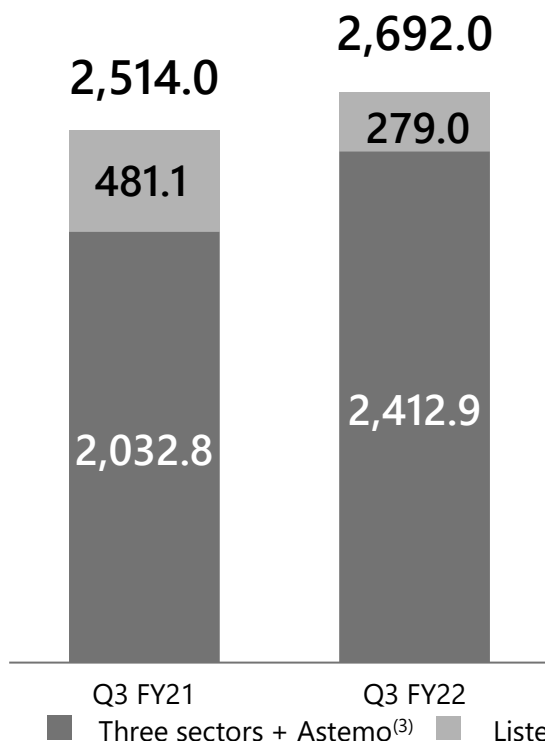
(1) Structural reform expenses include impairment loss and special severance pay

4. Appendix

Highlights of Results (Q3 FY22)

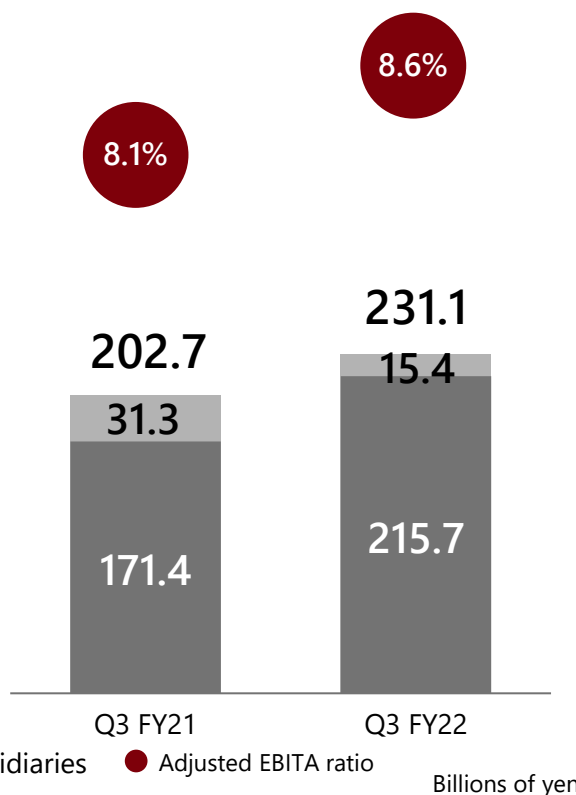
Revenues

YoY +7%, +178.0bn yen
Revenues increased due to FX impact and customer investment growth



Adjusted EBITA⁽¹⁾

YoY +28.4bn yen
Adjusted EBITA increased mainly in Green Energy & Mobility and Astemo



Overseas revenues

1,721.7bn yen (YoY +12%)

Lumada business revenues⁽²⁾

482.0bn yen (YoY +47%)

Net income attributable to Hitachi, Ltd. stockholders

119.7bn yen (YoY (8.6)bn yen)

EBITDA

306.1bn yen (YoY (4.9)bn yen)

Cash flows from operating activities

146.4bn yen (YoY +50.7bn yen)

Core free cash flows

50.2bn yen (YoY +55.2bn yen)

(1) Changed definition of Adjusted EBITA from FY2022
(2) Excluding Lumada business revenues of listed subsidiaries including Hitachi Construction Machinery
(3) Changed reporting segment structure from FY2022

Billions of yen

- Three sectors: revenues and profits increased due to FX impact and customer investment growth
- Astemo: revenues and profits increased due to FX impact and moderate production recovery of OEMs, despite the continuous semiconductor shortage and supply chain disruptions in China
- Listed subsidiaries: while revenues and profits decreased due to selling a part of Hitachi Construction Machinery shares, revenues and profits increased in Hitachi Metals due to price slide for soaring raw materials prices, FX impact and cost reduction measures

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	1,919.8	493.1	279.0	2,692.0
YoY	+17%	+25%	(42)%	+7%
Adjusted EBITA	187.7	28.0	15.4	231.1
YoY	+29.3	+14.9	(15.8)	+28.4
Adjusted EBITA ratio	9.8%	5.7%	5.5%	8.6%
YoY	+0.1 pts	+2.4 pts	(1.0) pts	+0.5 pts
Net income attributable to Hitachi, Ltd. stockholders	117.1	1.3	1.1	119.7
YoY	(2.5)	+1.4	(7.4)	(8.6)

Q3 FY22 Results by Business Segment (1/3)

Billions of yen	Q3 FY22		YoY		Dynamics
	Revenues	Adj. EBITA ⁽¹⁾	Revenues	Adj. EBITA	
Digital Systems & Services	578.1	70.8 12.3%	+11%	+8.0 +0.2 pts	<ul style="list-style-type: none"> Segment revenues and profits increased led by Lumada business In Front Business, revenues and profits increased due to steady growth in Lumada business, despite the continued impact of restrained investment in the transportation and electric power field, etc. In IT Services, revenues increased due to solid performance of Lumada business (security and cloud services) In Services & Platforms, GlobalLogic business grew steadily, and overseas cloud business performed well, despite the impact of soaring material prices for IT products
Front Business	220.2	19.8 9.0%	+4%	+1.1 +0.2 pts	
IT Services	213.1	22.7 10.7%	+7%	+0.3 (0.6) pts	
Services & Platforms	244.0	23.2 9.5%	+21%	+5.8 +0.8 pts	
Green Energy & Mobility	652.1	46.1 7.1%	+27%	+23.0 +2.6 pts	<ul style="list-style-type: none"> Segment revenues and profits increased due to FX impact and solid business performance for Hitachi Energy and Railway Systems BU Nuclear Energy BU and Energy BU revenues and profits decreased due to the decrease in large-scale solar power projects in Energy BU despite the stable growth in Nuclear Energy BU Hitachi Energy revenues and profits increased due to FX impact and stable growth in business Railway Systems BU revenues and profits increased due to FX impact and ramp-up production
Nuclear Energy	28.1	-	±0%	-	
Energy	40.2	-	(8)%	-	
Nuclear Energy & Energy	68.1	4.5 6.6%	(6)%	(0.3) ±0.0 pts	
Hitachi Energy	388.4	32.8 8.4%	+39%	+11.2 +0.7 pts	
Related cost ⁽²⁾	-	(2.8)	-	+4.0	
Railway Systems	196.0	13.2 6.8%	+25%	+8.6 +3.8 pts	

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

(1) Percentages are Adjusted EBITA ratio

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

Q3 FY22 Results by Business Segment (2/3)

Billions of yen	Q3 FY22		YoY		Dynamics
	Revenues	Adj. EBITA	Revenues	Adj. EBITA	
Connective Industries	742.5	78.2 10.5%	+12%	+11.3 +0.4 pts	<ul style="list-style-type: none"> Segment revenues and profits increased mainly in Measurement & Analysis Systems (Hitachi High-Tech) and Building Systems BU Building Systems BU revenues and profits increased due to FX impact and expansion of building service business Smart Life & Ecofriendly Systems revenues remained flat and profits decreased due to the soaring materials prices, etc. Measurement & Analysis Systems (Hitachi High-Tech) revenues and profits increased due to sales increase in semiconductor manufacturing equipment and clinical chemistry and immunochemistry analyzers Industrial Digital BU profits decreased due to increased investment and sales expenses associated with promotion activities, etc. Water & Environment BU revenues and profits increased due to solid business performance Industrial Products revenues and profits increased mainly due to increase in mass-produced products
Building Systems	242.4	25.4 10.5%	+12%	+7.6 +2.2 pts	
Smart Life & Ecofriendly Systems (Hitachi GLS ⁽¹⁾)	96.0	7.7 8.0%	+1%	(2.1) (2.4) pts	
Measurement & Analysis Systems (Hitachi High-Tech)	165.7	24.5 14.8%	+31%	+14.3 +6.7 pts	
Industrial Digital	85.1	8.3 9.8%	±0%	(11.2) (13.1) pts	
Water & Environment	37.9	1.9 4.9%	+11%	+0.1 (0.4) pts	
Industrial Products	109.5	10.0 9.1%	+12%	+1.2 ±0.0 pts	

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

(1) Hitachi GLS: Hitachi Global Life Solutions

Q3 FY22 Results by Business Segment (3/3)

Billions of yen	Q3 FY22		YoY		Dynamics
	Revenues	Adj. EBITA	Revenues	Adj. EBITA	
Hitachi Astemo	493.1	28.0 5.7%	+25%	+14.9 +2.4 pts	• Revenues and profits increased due to FX impact and moderate production recovery of OEMs, despite continuous semiconductor shortage and supply chain disruptions in China
Hitachi Construction Machinery	0.0	0.0 -	(100)%	(24.8) -	• Hitachi Construction Machinery was included in Hitachi's consolidated total until August 2022 when selling a part of shares of Hitachi Construction Machinery has been completed
Hitachi Metals	279.0	15.4 5.5%	+19%	+8.9 +2.8 pts	• Revenues and profits increased due to sliding-scale pricing following soaring material prices, FX impact and cost reduction
Others	108.3	2.6 2.4%	+2%	(0.8) (0.9) pts	• Overseas and domestic sales companies, etc.
Corporate items & Eliminations	(161.4)	(10.0)	-	(12.2)	• Cost for updating the company-wide management platform, etc.
Total	2,692.0	231.1 8.6%	+7%	+28.4 +0.5 pts	

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 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
- *4 "Adjusted operating income" is presented as revenues less selling, general and administrative expenses as well as cost of sales
- *5 "EBITDA" is presented as income before income taxes less interest income plus interest charges, depreciation and amortization
- *6 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
- *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
- *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 before income taxes less interest income plus interest charges
- *12 ROIC (Return on Invested Capital) = (NOPAT + equity in earnings (losses) of affiliates) / "Invested Capital" x 100
NOPAT (Net Operating Profit after Tax) = Adjusted operating income x (1 – tax burden rate)
Invested Capital = interest-bearing debt + total equity
- *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.



Hitachi Social Innovation is
POWERING GOOD