



Outline of Consolidated Financial Results for the First Quarter Ended June 30, 2021 [Fiscal 2021]

July 30, 2021

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1. Key Messages

1

Results remained firm led by reforms of business and cost structure

- Five sectors^{*1}, Hitachi Astemo and listed subsidiaries increased revenues and profits from Q1 FY20
- Secured outcome of reforms of low-profit businesses and cost structure
- IT segment remained firm, posting record-high adjusted operating income^{*2} and ratio (9.8%)
- Building Systems business in China, Railway Systems business in Europe and Industry business in North America expanded. Achieved record-high overseas revenues (1,459.8bn yen) and overseas revenues ratio (62%)

2

Solid order intakes mainly in markets recovering from the COVID-19 pandemic

- Accumulated orders surpassing Q1 FY20 mainly in North America, Europe and China, supported by market recovery
- Hitachi ABB Power Grids business sees steady order intakes in the trend of carbon neutral (Q1 orders: \$2.7bn, order backlog: approx. \$12.0bn)

3

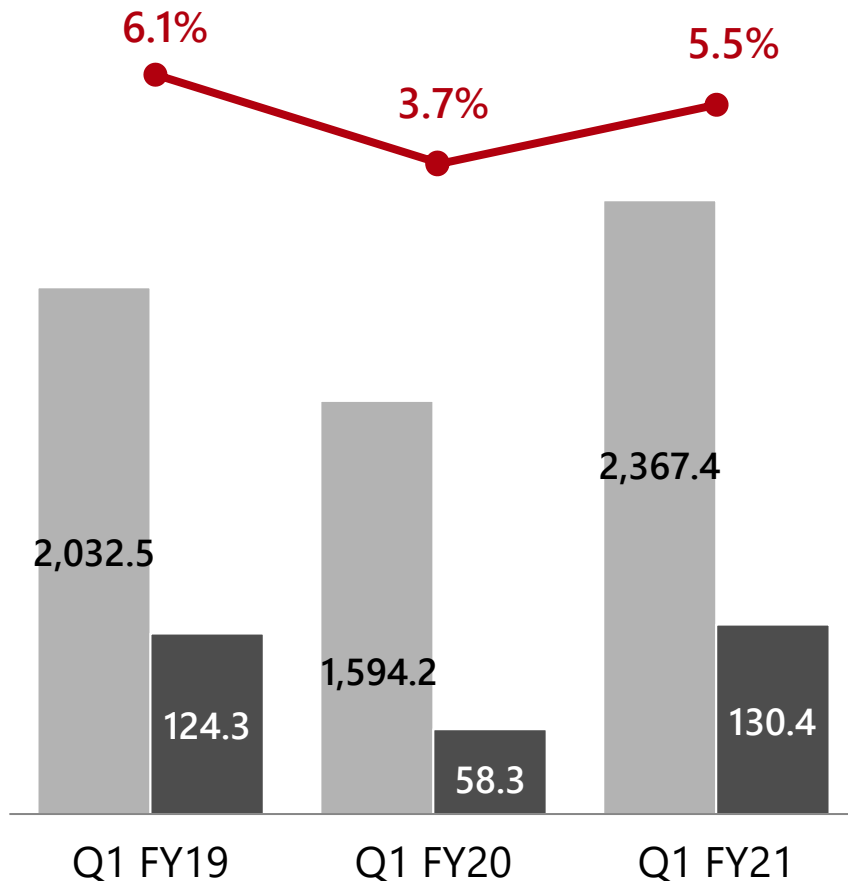
Transforming business portfolio for further growth

- Established a joint venture in the global home appliances business with Arçelik (ownership ratio: 60% for Arçelik and 40% for Hitachi Global Life Solutions)
- Completed acquisition of GlobalLogic. Revenues and profits of Q1 remained firm (before completion of acquisition)

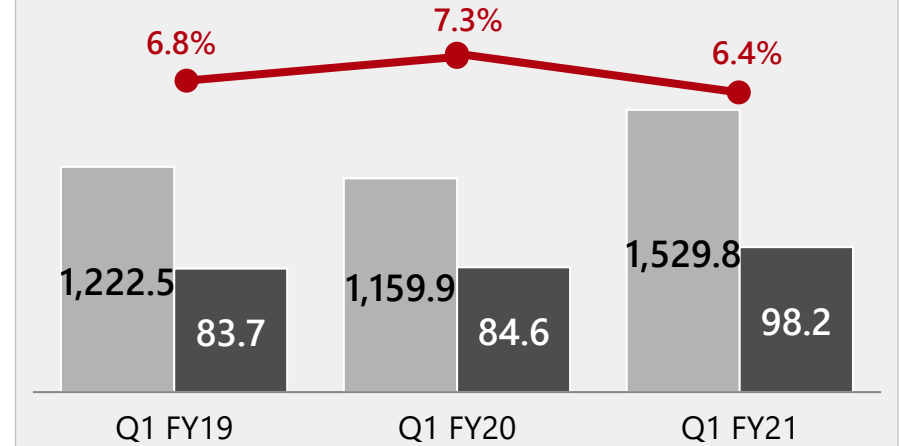
Total: revenues and profits increased from Q1 FY19, before the COVID-19 pandemic

Billions of yen

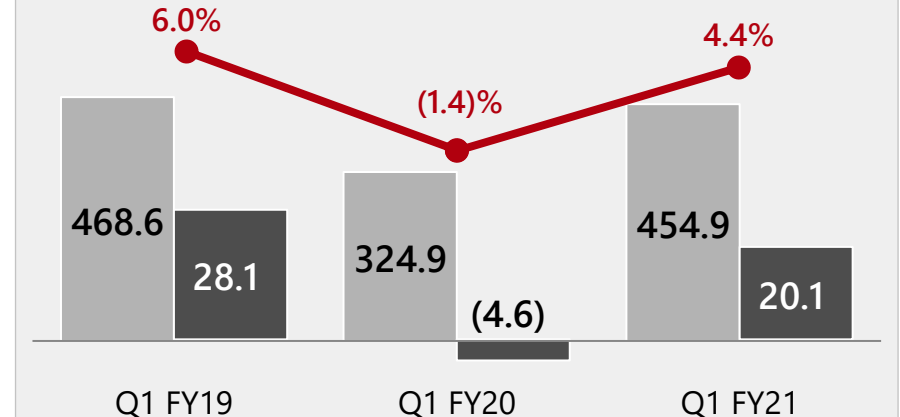
■ Revenues ■ Adjusted operating income ● Adjusted operating income ratio



Five sectors: revenues and profits increased due to market recovery and the acquisition of power grids business



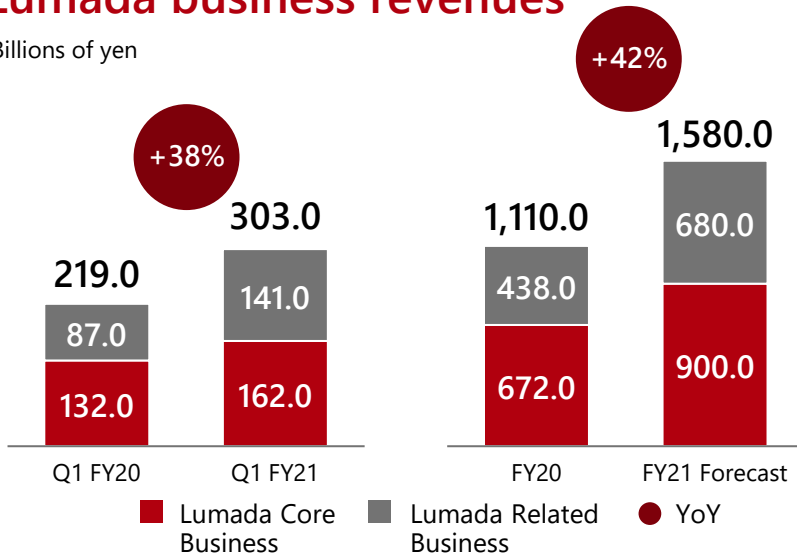
Listed subsidiaries⁽¹⁾: revenues and profits increased in Hitachi Construction Machinery and Hitachi Metals due to market recovery



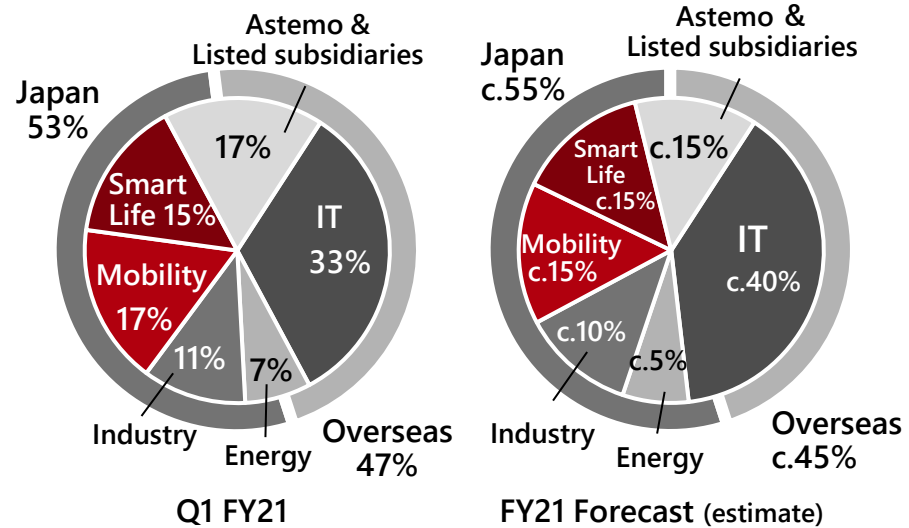
(1) Q1 FY19 figures of "Listed subsidiaries" do not include the financial results of Hitachi Chemical

Lumada business revenues

Billions of yen



Composition by segments



Topics

IT: Selected as the system vendor for a demand response demonstration project of Electricity Generating Authority of Thailand to optimize the balance between electricity supply and demand in Thailand

Promote the efficient use of renewable energy and support the reduction of greenhouse gas emissions by contributing to the creation of Thailand's smart grid system

Industry: Co-creation aiming for a next-generation factory model with Suntory Kita-Alps Shinano-no-Mori Water Plant

Created an IoT platform and started the operation to realize precision traceability and DX for factory management and work style by integrating and utilizing factory data

Hitachi High-Tech: Plans to establish Hitachi Center of Excellence in Portland, as a new semiconductor engineering base in the U.S.

Accelerate the deployment of solutions to shorten development turnaround time and improve productivity and yield by consolidating our semiconductor technology development bases in the U.S.

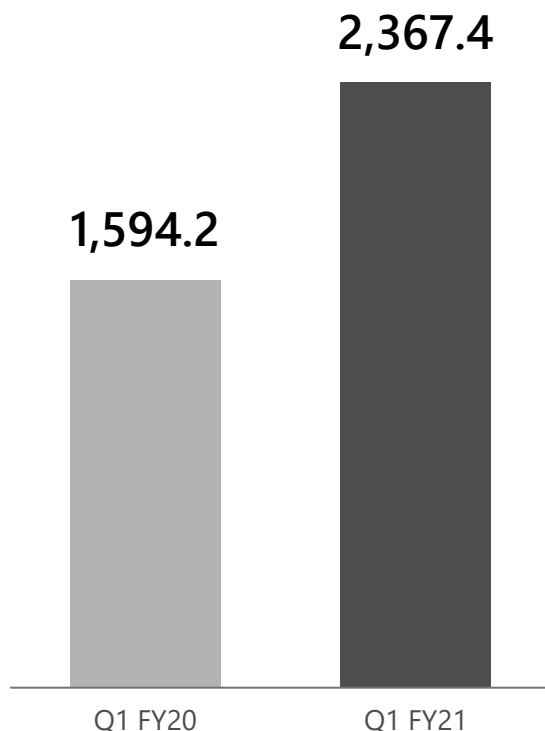


2. Q1 FY2021 Results

Revenues

YoY 48% up

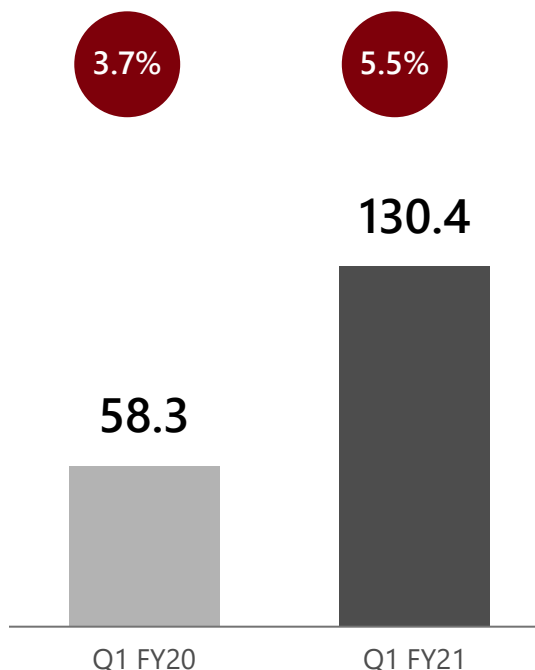
Revenues increased due to market recovery, the acquisition of power grids business and the integration impact as Hitachi Astemo



Adjusted operating income

YoY 1.8 points increase
(Income ratio)

Adjusted operating income increased led by revenues increase



● Adjusted operating income ratio Billions of yen

Overseas revenues

1,459.8bn yen (YoY +88%)

Lumada business revenues

303.0bn yen (YoY +38%)

EBIT*3

168.6bn yen (YoY (171.7)bn yen)

Net income attributable to Hitachi, Ltd. stockholders

122.2bn yen (YoY (101.0)bn yen)

EBITDA*4

300.0bn yen (YoY (139.1)bn yen)

Cash flows from operating activities

137.0bn yen (YoY (16.7)bn yen)

Results by Five Sectors, Astemo and Listed Subsidiaries (Q1 FY21)

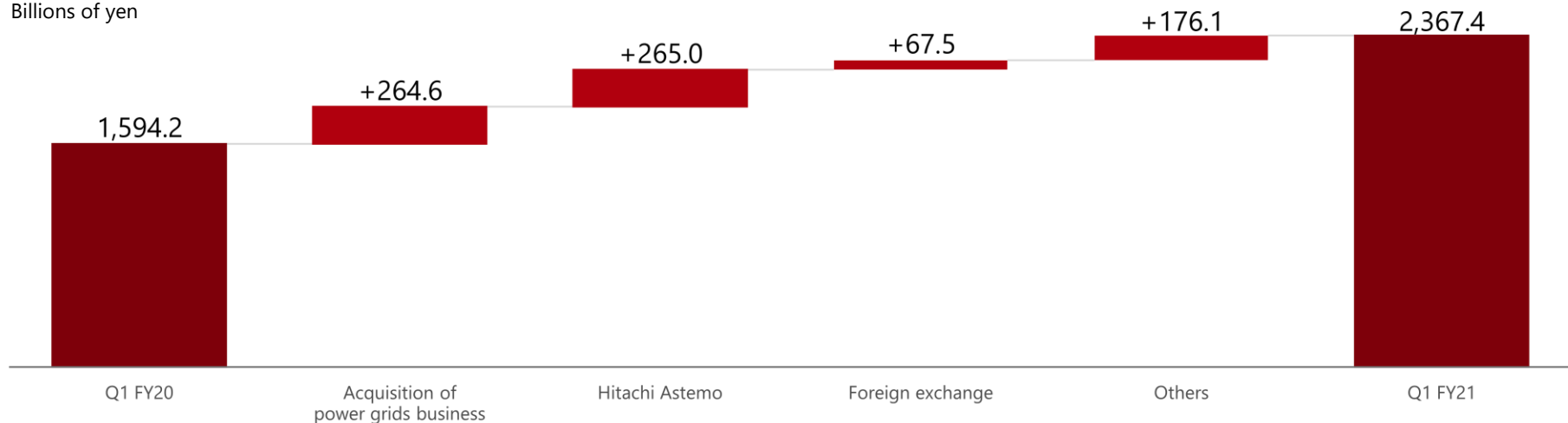
- Five sectors: revenues and profits increased due to market recovery and the acquisition of power grids business
- Astemo: revenues and profits increased due to market recovery and the integration impact as Hitachi Astemo
- Listed subsidiaries: revenues and profits increased in Hitachi Construction Machinery and Hitachi Metals due to market recovery

Billions of yen	Five sectors [IT, Energy, Industry, Mobility, Smart Life*5]	Astemo [Automotive Systems*5,6]	Listed subsidiaries [Hitachi Construction Machinery, Hitachi Metals]	Total
Revenues	1,529.8	382.5	454.9	2,367.4
YoY	132%	350%	140%	148%
Adjusted operating income	98.2	12.1	20.1	130.4
YoY	+13.6	+33.7	+24.7	+72.1
Adjusted operating income ratio	6.4%	3.2%	4.4%	5.5%
YoY	(0.9) points	+23.0 points	+5.8 points	+1.8 points
EBIT	138.8	12.8	17.0	168.6
YoY	(233.8)	+40.7	+21.2	(171.7)
EBIT ratio	9.1%	3.3%	3.7%	7.1%
YoY	(23.0) points	+28.9 points	+5.0 points	(14.3) points
Net income attributable to Hitachi, Ltd. stockholders	114.2	2.8	5.1	122.2
YoY	(135.4)	+27.5	+6.9	(101.0)

Factors Affecting Changes in Revenues and Adjusted Operating Income (Q1 FY21 Total)

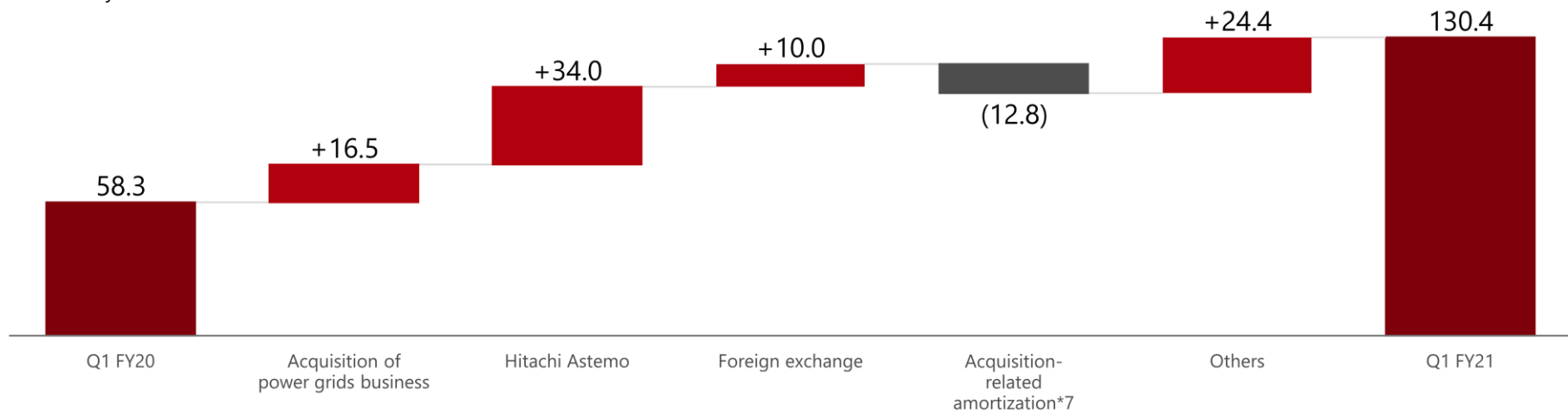
Revenues

Billions of yen



Adjusted operating income

Billions of yen



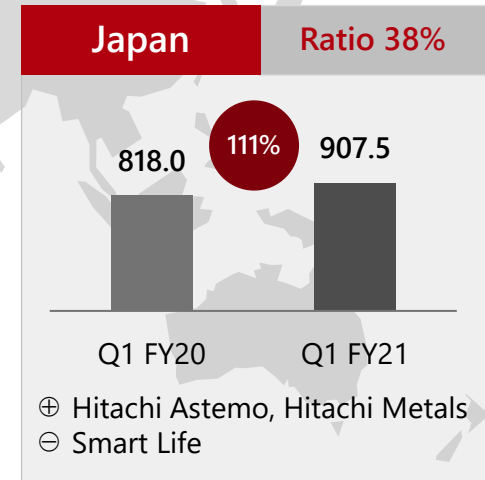
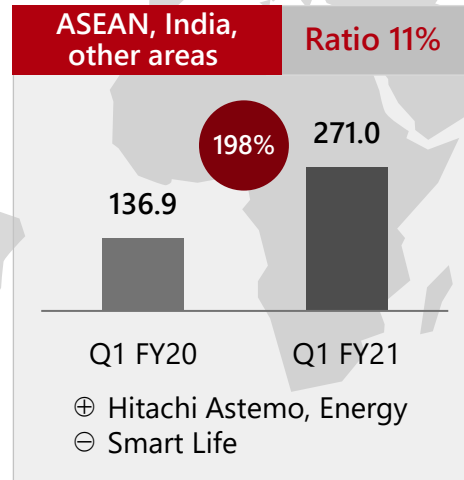
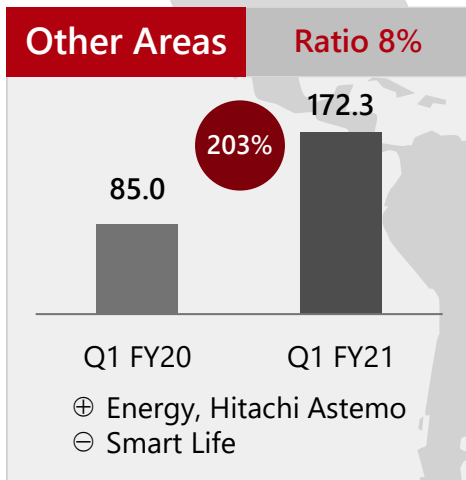
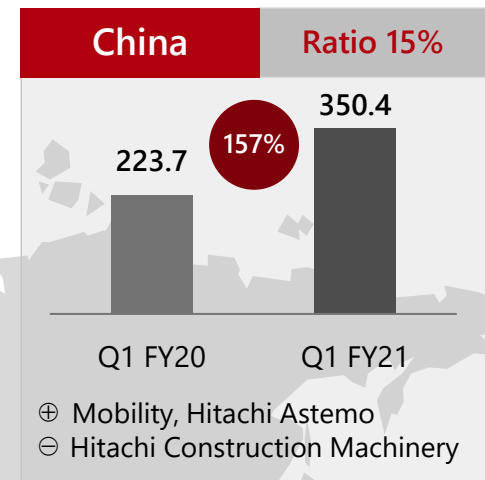
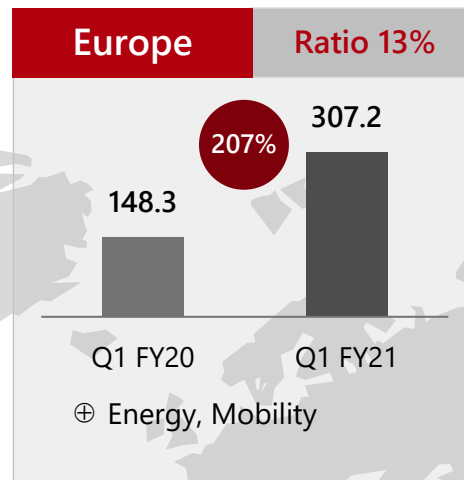
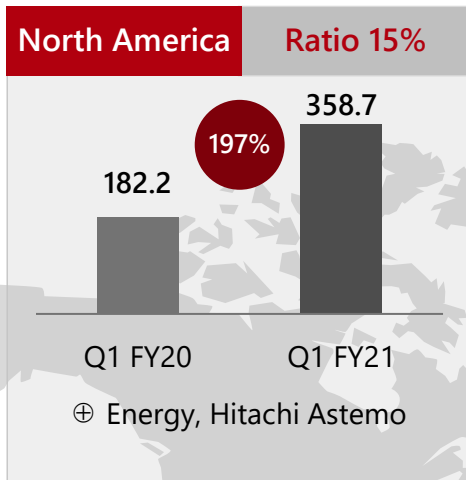
Summary of Consolidated Financial Position

Billions of yen	As of March 31, 2021	As of June 30, 2021	Change from March 31, 2021
Total assets	11,852.8	11,899.7	+46.8
Cash and cash equivalents	1,015.8	1,161.9	+146.1
Trade receivables and contract assets	2,734.4	2,492.8	(241.6)
Total liabilities	7,394.6	7,396.6	+2.0
Interest-bearing debt	2,397.3	2,531.9	+134.6
Total Hitachi, Ltd. stockholders' equity	3,525.5	3,594.0	+68.5
Non-controlling interests	932.7	909.1	(23.6)
Cash Conversion Cycle	81.0 days	68.1 days	(12.9) days
Total Hitachi, Ltd. stockholders' equity ratio	29.7%	30.2%	+0.5 points
D/E ratio	0.54 times	0.56 times	+0.02 points

Summary of Consolidated Statement of Cash Flows

Billions of yen	Q1 FY2020	Q1 FY2021	YoY
Cash flows from operating activities	153.7	137.0	(16.7)
Cash flows from investing activities	357.4	(7.0)	(364.5)
Free cash flows	511.2	130.0	(381.2)
Core free cash flows* ⁸	80.7	39.5	(41.1)

Revenues by Market



Overseas Revenues **1,459.8** billion yen

Ratio **62%**

Billions of yen

3. FY2021 Forecast

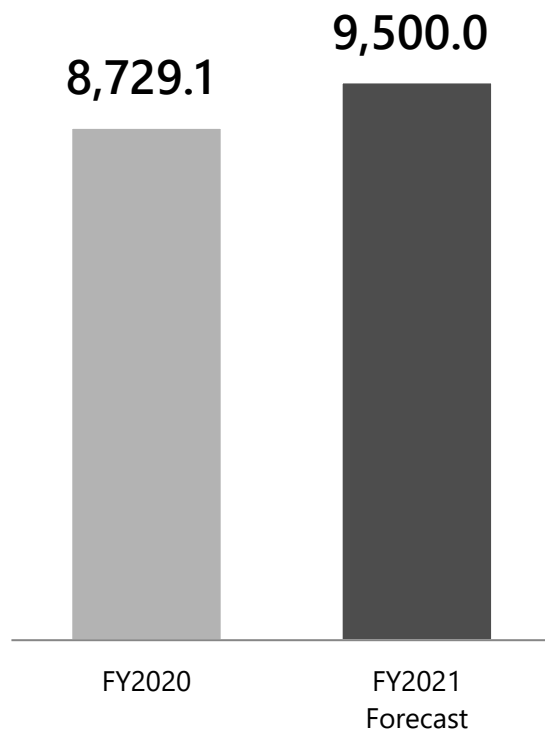
Highlights of Forecast (FY2021)

Revenues

YoY 9% up

Previous forecast comparison $\pm 0\%$

Revenues increase due to market recovery, the acquisition of power grids business and the integration impact as Hitachi Astemo

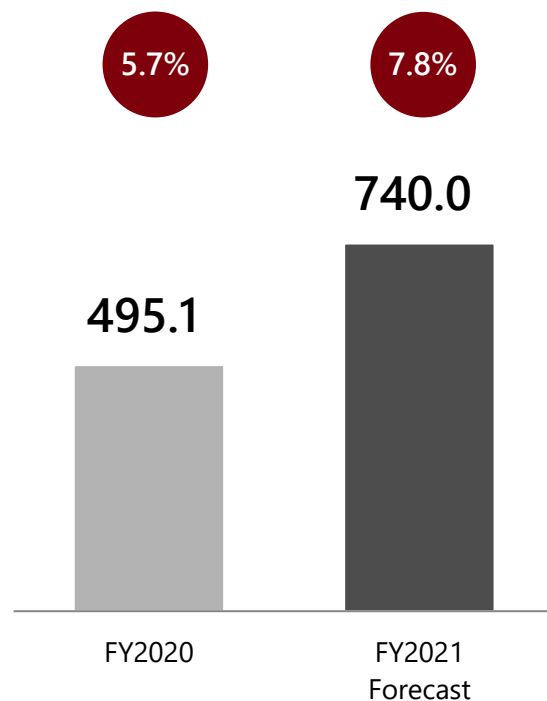


Adjusted operating income

YoY +244.8bn yen

Previous forecast comparison ± 0.0 bn yen

Adjusted operating income increases led by revenues increase



● Adjusted operating income ratio Billions of yen

Lumada business revenues

1,580.0bn yen (YoY +42%)
(Previous forecast comparison $\pm 0\%$)

EBIT

820.0bn yen (YoY (30.2)bn yen)
(Previous forecast comparison ± 0.0 bn yen)

Net income attributable to Hitachi, Ltd. stockholders

550.0bn yen (YoY +48.3bn yen)
(Previous forecast comparison ± 0.0 bn yen)

EBITDA

1,370.0bn yen (YoY +26.9bn yen)
(Previous forecast comparison ± 0.0 bn yen)

Cash flows from operating activities

750.0bn yen (YoY (43.1)bn yen)
(Previous forecast comparison ± 0.0 bn yen)

Core free cash flows

300.0bn yen (YoY (119.8)bn yen)
(Previous forecast comparison ± 0.0 bn yen)

ROIC*9

8.3% (YoY +1.9 points)
(Previous forecast comparison ± 0.0 bn yen)

Assumed foreign exchange rate for Q2-Q4 FY21

105 yen / U.S. dollar
125 yen / Euro

*Previous forecast" is the forecast as of April 28, 2021

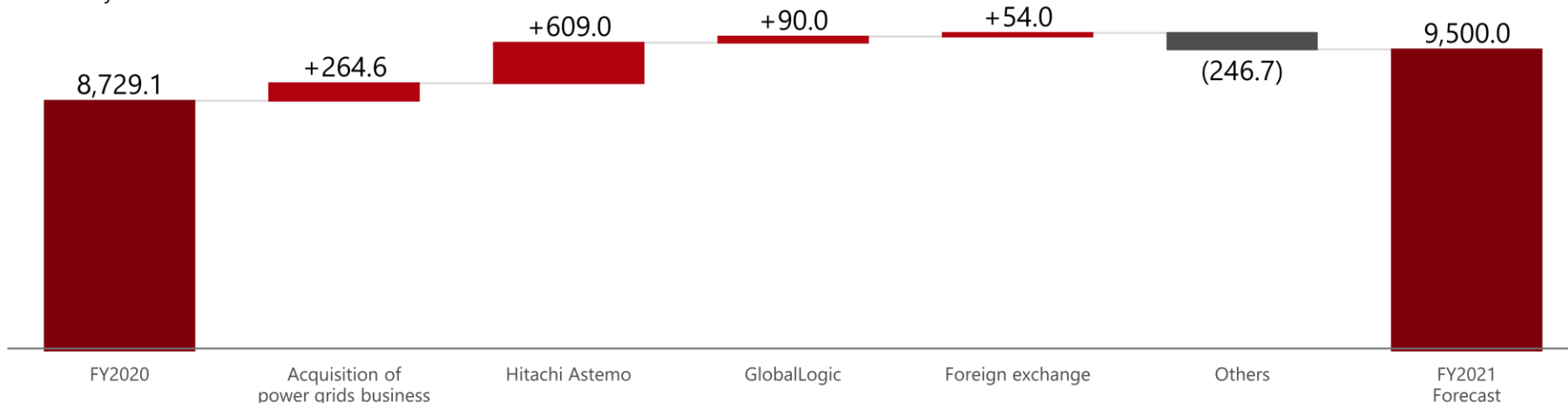
- Five sectors: revenues and profits increase due to market recovery and the acquisition of power grids business
- Astemo: revenues and profits increase due to market recovery and the integration impact as Hitachi Astemo
- Listed subsidiaries: revenues and profits increase in Hitachi Construction Machinery and Hitachi Metals due to market recovery

Billions of yen	Five sectors [IT, Energy, Industry, Mobility, Smart Life]	Astemo [Automotive Systems]	Listed subsidiaries [Hitachi Construction Machinery, Hitachi Metals]	Total
Revenues	6,170.0	1,600.0	1,730.0	9,500.0
YoY	100%	162%	110%	109%
Adjusted operating income	548.0	97.0	95.0	740.0
YoY	+114.1	+62.2	+68.3	+244.8
Adjusted operating income ratio	8.9%	6.1%	5.5%	7.8%
YoY	+1.9 points	+2.6 points	+3.8 points	+2.1 points
EBIT	668.0	76.0	76.0	820.0
YoY	(199.4)	+71.6	+97.4	(30.2)
EBIT ratio	10.8%	4.8%	4.4%	8.6%
YoY	(3.3) points	+4.4 points	+5.8 points	(1.1) points
Net income attributable to Hitachi, Ltd. stockholders	497.0	32.0	21.0	550.0
YoY	(51.8)	+61.6	+38.5	+48.3

Factors Affecting Changes in Revenues and Adjusted Operating Income (FY2021 Total)

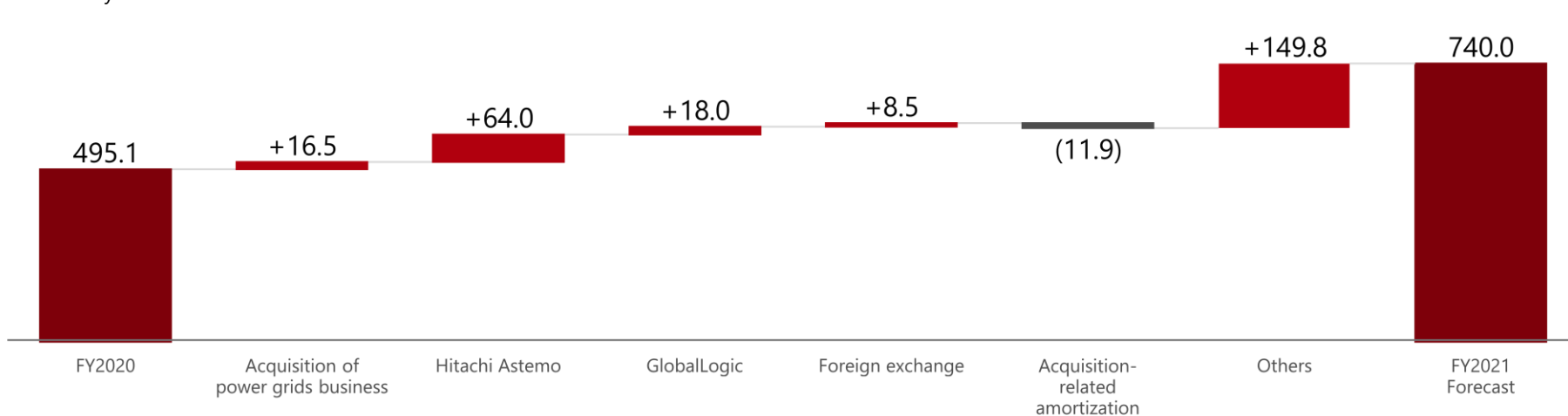
Revenues

Billions of yen



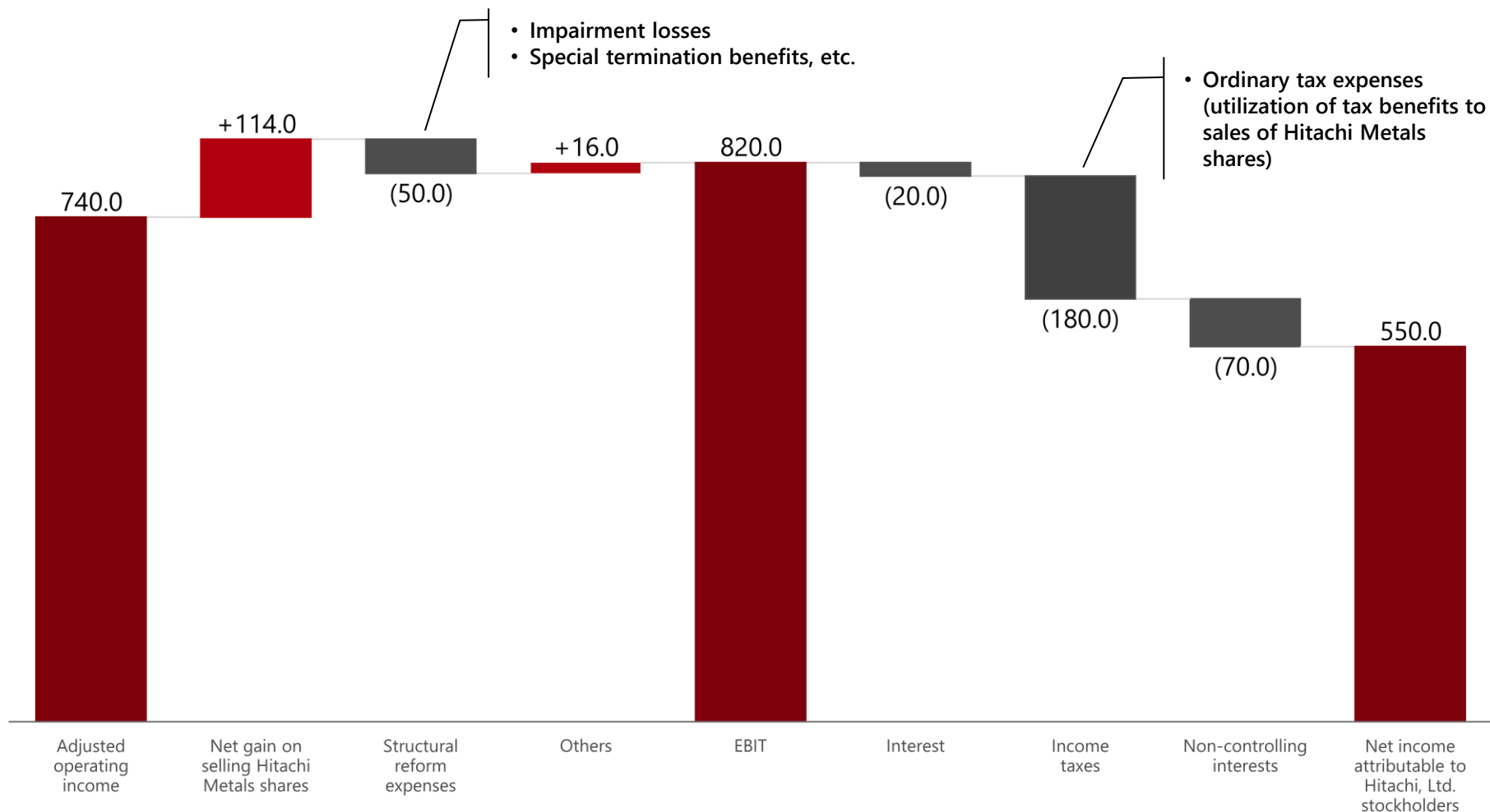
Adjusted operating income

Billions of yen



Factors Affecting Changes in Net Income Attributable to Hitachi, Ltd. Stockholders (FY2021 Total)

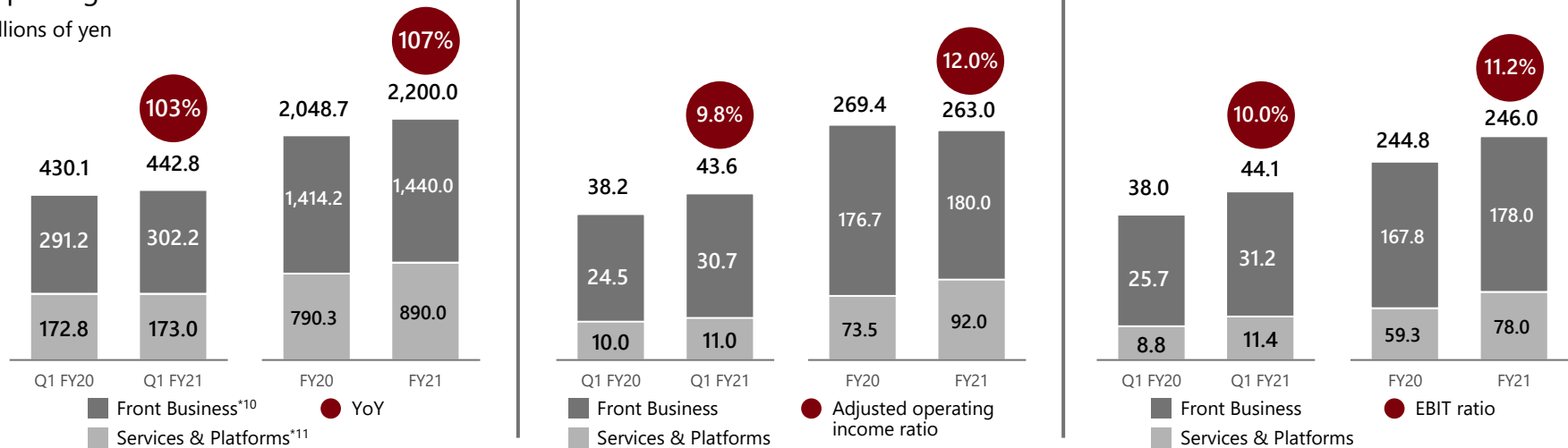
Billions of yen



4. Appendix

Digital-related business led revenues increase and thorough cost control contributed to record-high profits in Q1 FY21
 Expect to see accelerated expansion of the Lumada business through the acquisition of GlobalLogic for further growth and capturing DX demand in FY21

Billions of yen



Revenues

Adjusted operating income

EBIT

Q1 FY2021

442.8bn yen (YoY 103%)

⊕ Growth of Lumada business

43.6bn yen (YoY +5.3bn yen)

⊕ Increase in revenues
 ⊕ Secured profitability by improved cost structure

44.1bn yen (YoY +6.0bn yen)

⊕ Increase in adjusted operating income

FY2021 Forecast

Previous forecast comparison: revenues increase 100.0bn yen

including GlobalLogic (standalone base⁽¹⁾) earnings: revenues of 90.0bn yen and adjusted operating income of 18.0bn yen⁽²⁾

2,200.0bn yen (YoY 107%)

⊕ Accelerating expansion of Lumada business through acquisition of GlobalLogic and capturing strong DX demand

263.0bn yen (YoY (6.4)bn yen)

⊕ Increase in revenues
 ⊖ Acquisition-related amortization

246.0bn yen (YoY +1.1bn yen)

⊖ Decrease in adjusted operating income
 ⊕ Decrease in structural reform expenses

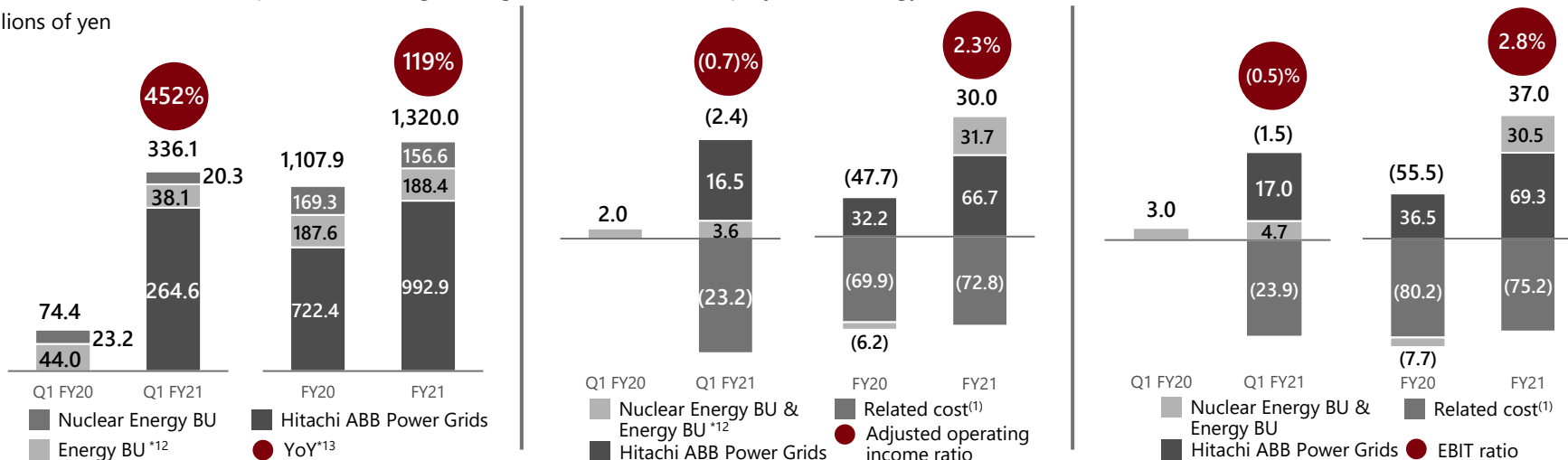
(1) Standalone base does not include acquisition-related amortization

(2) The acquisition of GlobalLogic had been closed on July 14, 2021, and nine months earnings to be consolidated. Earnings of GlobalLogic (standalone base) is included in Services & Platforms, and acquisition-related amortization for GlobalLogic is included in IT segment total

Revenues increased due to the acquisition of power grids business in Q1 FY21

Forecast revenues increase led by acquisition of power grids business and profit increase due to the revenues and profitability improvement in power grids business and the completion of strengthening measures for some projects of Energy BU, etc. in FY21

Billions of yen



Revenues

Adjusted operating income

EBIT

Q1 FY2021

336.1bn yen (YoY 452%)

⊕ Power grids business

(2.4)bn yen (YoY (4.5)bn yen)

⊕ Power grids business
⊖ Acquisition-related amortization
⊖ Acquisition-related structural reform expenses

(1.5)bn yen (YoY (4.5)bn yen)

⊖ Decrease in adjusted operating income

FY2021 Forecast

Previous forecast comparison: adjusted operating income and EBIT decrease each 5.0bn yen and 2.0bn yen

1,320.0bn yen (YoY 119%)

⊕ Power grids business

30.0bn yen (YoY +77.7bn yen)

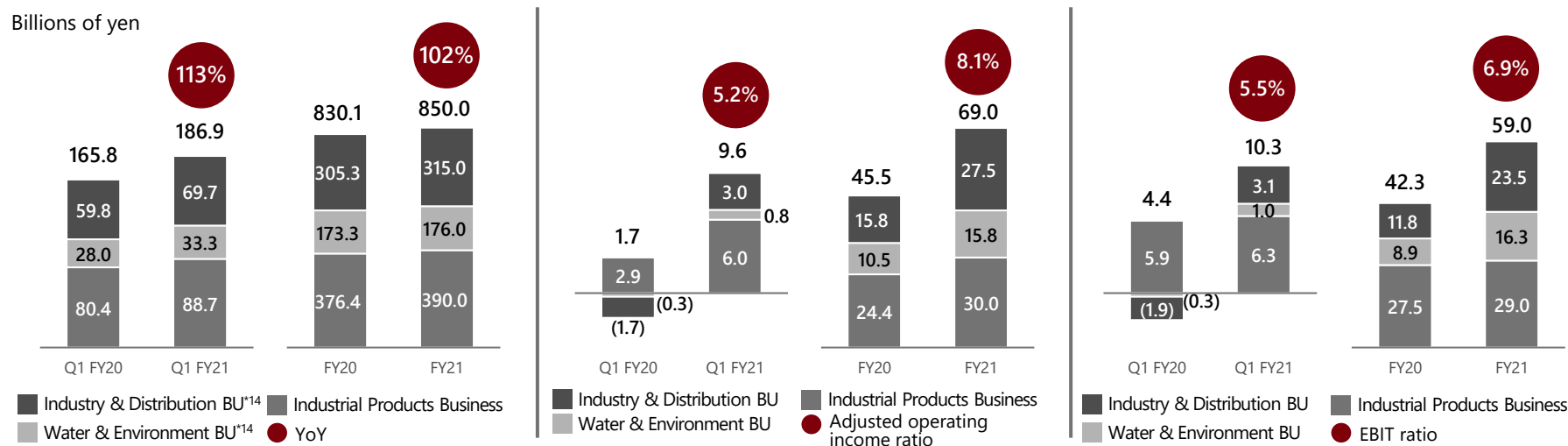
⊕ Revenues and profitability improvement in power grids business
⊕ Completion of strengthening measures for some projects in Energy BU, etc.
⊕ Acquisition-related amortization

37.0bn yen (YoY +92.5bn yen)

⊕ Increase in adjusted operating income

Revenues and profits increased due to market recovery and revenues increase in JR Automation in Q1 FY21
Forecast revenues and profits increase by expansion of digital solution business and revenues increase due to market recovery in FY21

Billions of yen



Revenues

Q1 FY2021

186.9bn yen (YoY 113%)

- ⊕ Increase in revenues due to market recovery
- ⊕ Increase in revenues in JR Automation

FY2021 Forecast: No change from previous forecast

850.0bn yen (YoY 102%)

- ⊕ Expansion of digital solution business
- ⊕ Revenues increase due to market recovery

Adjusted operating income

9.6bn yen (YoY +7.8bn yen)

- ⊕ Increase in revenues and profitability improvement

69.0bn yen (YoY +23.4bn yen)

- ⊕ Increase in revenues and profitability improvement of digital solutions business

EBIT

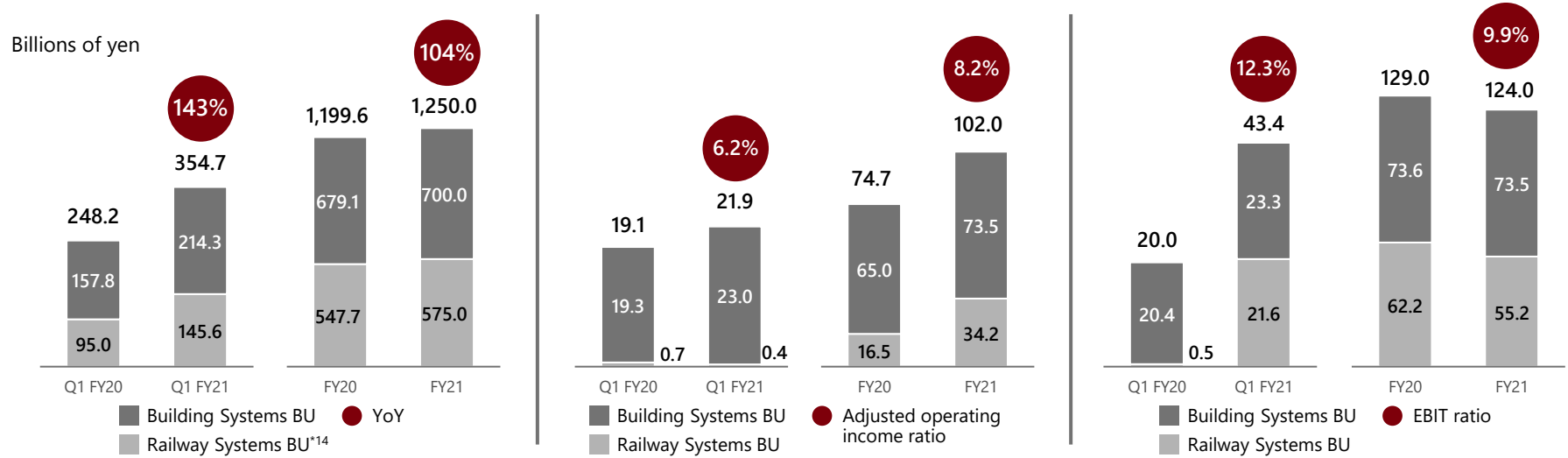
10.3bn yen (YoY +5.9bn yen)

- ⊕ Increase in adjusted operating income

59.0bn yen (YoY +16.6bn yen)

- ⊕ Increase in adjusted operating income

Revenues and profits increased due to expansion of Chinese business in Building Systems BU and market recovery of Railway Systems BU in Q1 FY21
Forecast revenues and profits increase due to market recovery of Railway Systems BU and Chinese business expansion of Building Systems BU in FY21



Revenues

Q1 FY2021

354.7bn yen (YoY 143%)

- ⊕ Expansion of Chinese business in Building Systems BU
- ⊕ Impact of foreign exchange
- ⊕ Increase in revenues due to market recovery of Railway Systems BU

FY2021 Forecast

Previous forecast comparison: EBIT increase 5.0bn yen

1,250.0bn yen (YoY 104%)

- ⊕ Expansion of Chinese business in Building Systems BU
- ⊕ Increase in revenues due to market recovery of Railway Systems BU

Adjusted operating income

21.9bn yen (YoY +2.7bn yen)

- ⊕ Increase in revenues

102.0bn yen (YoY +27.2bn yen)

- ⊕ Increase in revenues

EBIT

43.4bn yen (YoY +23.4bn yen)

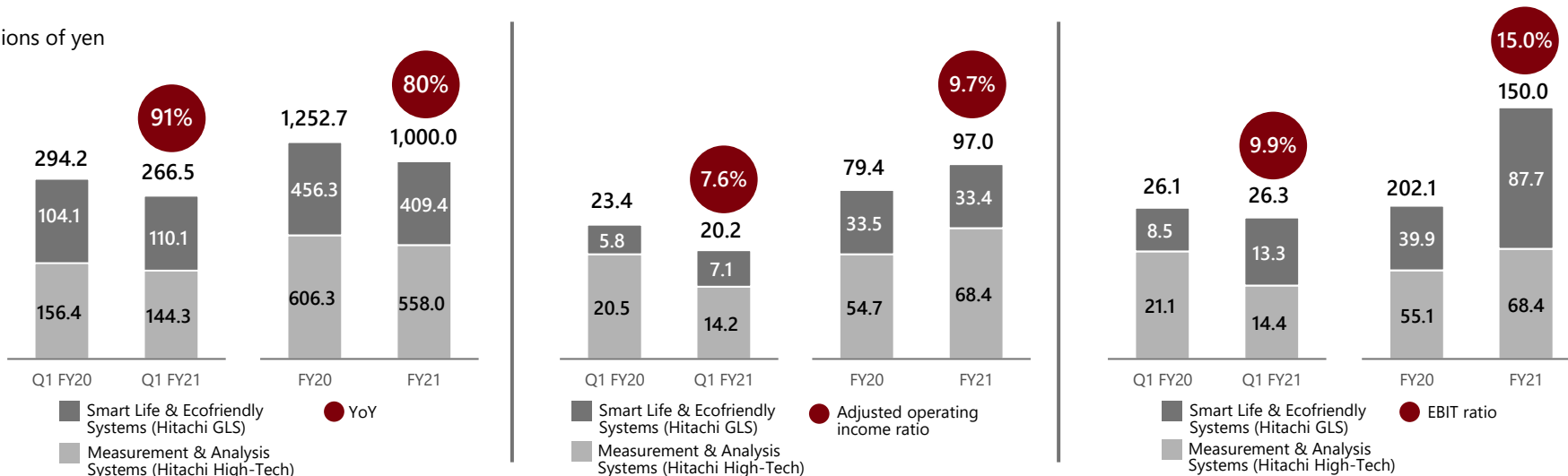
- ⊕ Gains from selling a part of Agility Trains East stocks

124.0bn yen (YoY (5.0)bn yen)

- ⊕ Increase in adjusted operating income
- ⊖ Decrease in gains from selling a part of Agility Trains East stocks

In Q1 FY21, total revenues and profits decreased due to the impact of selling diagnostic imaging-related business. Forecast revenues decrease due to the impact of selling diagnostic imaging-related business and profits increase mainly in Measurement & Analysis Systems business in FY21

Billions of yen



Revenues

Adjusted operating income

EBIT

Q1 FY2021*5

266.5bn yen (YoY 91%)

- ⊖ Impact of selling diagnostic imaging-related business

20.2bn yen (YoY (3.2)bn yen)

- ⊖ Decrease in revenues

26.3bn yen (YoY +0.1bn yen)

- ⊕ Increase in profit of an equity-method associate

FY2021 Forecast*5: No change from previous forecast

1,000.0bn yen (YoY 80%)

- ⊖ Impact of selling diagnostic imaging-related business
- ⊖ Impact of JV establishment in overseas home appliances business

97.0bn yen (YoY +17.6bn yen)

- ⊕ Increase in revenues and profitability of Measurement & Analysis Systems
- ⊖ Decrease in revenues

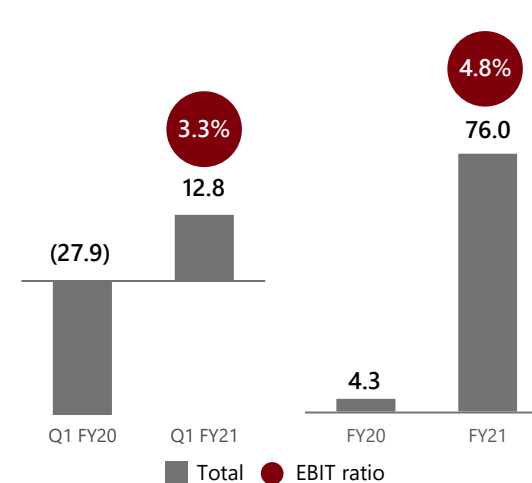
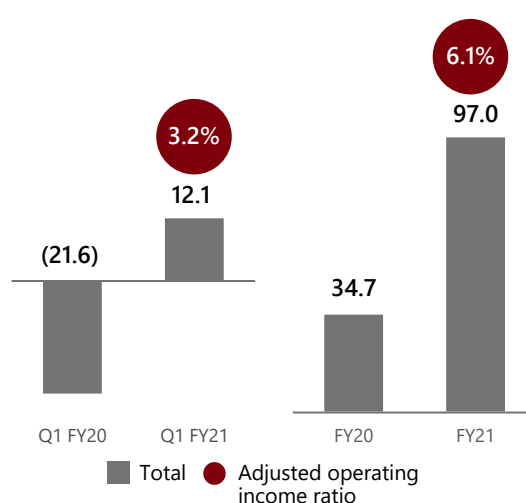
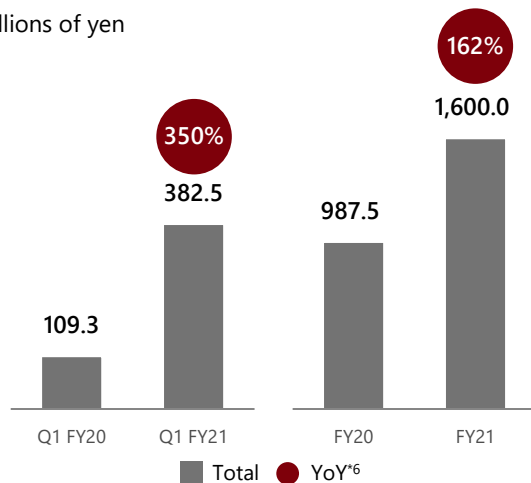
150.0bn yen (YoY (52.1)bn yen)

- ⊕ Increase in adjusted operating income
- ⊕ Gains from selling a part of shares of JV in overseas home appliances business
- ⊖ Gains from selling diagnostic imaging-related business in FY20

Automotive Systems (Hitachi Astemo)

Revenues and profits increased due to the integration impact as Hitachi Astemo and market recovery in Q1 FY21. Forecast revenues and profits increase due to the integration impact as Hitachi Astemo, market share gains and structural and operational improvements in FY21

Billions of yen



Revenues

Adjusted operating income

EBIT

Q1 FY2021^{*5}

382.5bn yen (YoY 350%)

- ⊕ Hitachi Astemo integration impact
- ⊕ Increase in revenues due to market recovery

12.1bn yen (YoY +33.7bn yen)

- ⊕ Increase in revenues

12.8bn yen (YoY +40.7bn yen)

- ⊕ Increase in adjusted operating income

FY2021 Forecast^{*5} : No change from previous forecast

1,600.0bn yen (YoY 162%)

- ⊕ Hitachi Astemo integration impact
- ⊕ Increase in revenues due to market recovery

97.0bn yen (YoY +62.2bn yen)

- ⊕ Increase in revenues

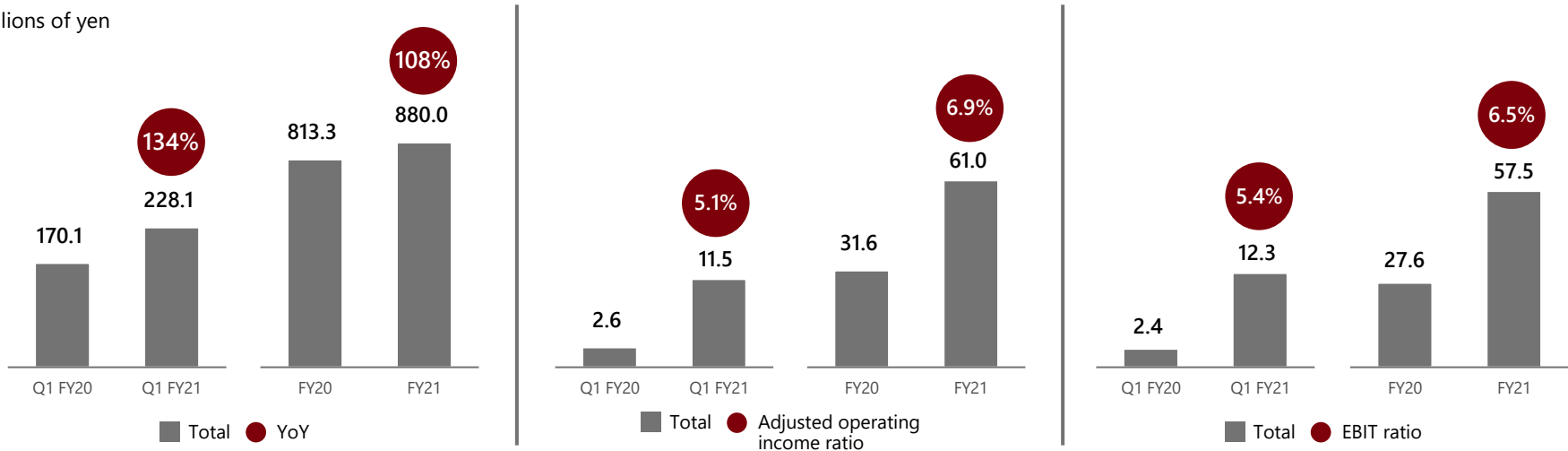
76.0bn yen (YoY +71.6bn yen)

- ⊕ Increase in adjusted operating income
- ⊕ Impairment loss on fixed assets in FY20

Revenues and profits increased due to market recovery in Q1 FY21

Forecast revenues and profits increase due to recovery in major markets excluding China, Africa, and India in FY21

Billions of yen



Revenues

Adjusted operating income

EBIT

Q1 FY2021

228.1bn yen (YoY 134%)

- ⊕ Increase in revenues due to market recovery
- ⊕ Impact of foreign exchange

11.5bn yen (YoY +8.8bn yen)

- ⊕ Increase in revenues

12.3bn yen (YoY +9.9bn yen)

- ⊕ Increase in adjusted operating income

FY2021 Forecast: No change from previous forecast

880.0bn yen (YoY 108%)

- ⊕ Revenues increase due to recovery in major markets excluding China, Africa, and India

61.0bn yen (YoY +29.3bn yen)

- ⊕ Increase in revenues

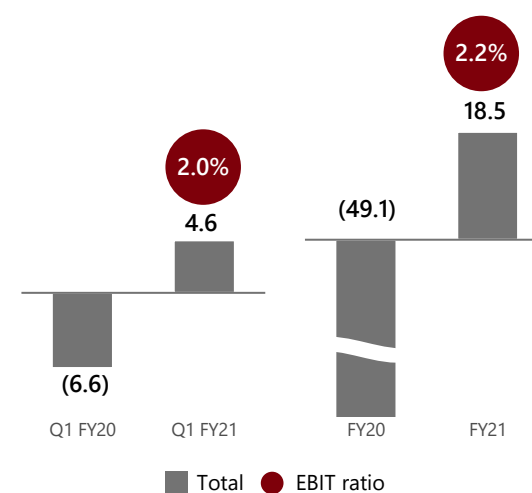
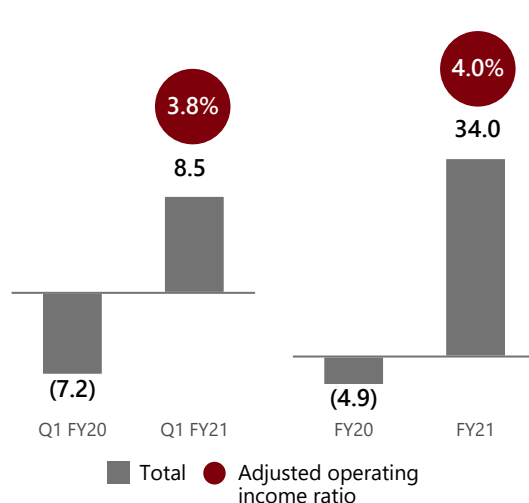
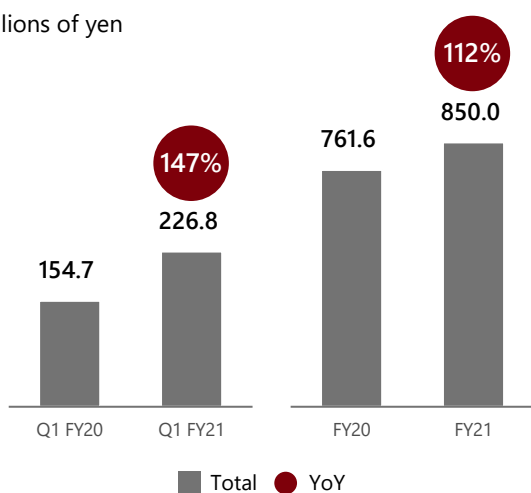
57.5bn yen (YoY +29.8bn yen)

- ⊕ Increase in adjusted operating income

Revenues and profits increased due to market recovery in Q1 FY21

Forecast revenues and profits increase due to market recovery and profitability improvement through structural reform in FY21

Billions of yen



Revenues

Adjusted operating income

EBIT

Q1 FY2021

226.8bn yen (YoY 147%)

- ⊕ Revenues increase due to market recovery, including increase in demand for automobiles

8.5bn yen (YoY +15.8bn yen)

- ⊕ Increase in revenues

4.6bn yen (YoY +11.3bn yen)

- ⊕ Increase in adjusted operating income

FY2021 Forecast: No change from previous forecast

850.0bn yen (YoY 112%)

- ⊕ Increase in revenues due to market recovery

34.0bn yen (YoY +38.9bn yen)

- ⊕ Increase in revenues

18.5bn yen (YoY +67.6bn yen)

- ⊕ Increase in adjusted operating income
- ⊕ Decrease in structural reform expenses

Financial Results and Forecasts by Business Segments (1/2)

Billions of yen		Q1 FY20	Q1 FY21	YoY	FY2020	FY2021 Forecast	YoY	Prev. forecast comparison
IT	Revenues	430.1	442.8	103%	2,048.7	2,200.0	107%	105%
	Adjusted operating income	38.2	43.6	+5.3	269.4	263.0	(6.4)	±0.0
	Adjusted operating income ratio	8.9%	9.8%	+0.9 points	13.2%	12.0%	(1.2) points	(0.5) points
	EBIT	38.0	44.1	+6.0	244.8	246.0	+1.1	±0.0
	EBITDA	65.6	69.5	+3.8	352.5	378.0	+25.4	±0.0
Energy	Revenues	74.4	336.1	452%	1,107.9	1,320.0	119%	100%
	Adjusted operating income	2.0	(2.4)	(4.5)	(47.7)	30.0	+77.7	(5.0)
	Adjusted operating income ratio	2.8%	(0.7)%	(3.5) points	(4.3)%	2.3%	+6.6 points	(0.4) points
	EBIT	3.0	(1.5)	(4.5)	(55.5)	37.0	+92.5	(2.0)
	EBITDA	4.3	23.1	+18.7	31.1	123.0	+91.8	(2.0)
Industry	Revenues	165.8	186.9	113%	830.1	850.0	102%	100%
	Adjusted operating income	1.7	9.6	+7.8	45.5	69.0	+23.4	±0.0
	Adjusted operating income ratio	1.1%	5.2%	+4.1 points	5.5%	8.1%	+2.6 points	±0.0 point
	EBIT	4.4	10.3	+5.9	42.3	59.0	+16.6	±0.0
	EBITDA	10.9	15.6	+4.7	66.9	79.0	+12.0	±0.0
Mobility	Revenues	248.2	354.7	143%	1,199.6	1,250.0	104%	100%
	Adjusted operating income	19.1	21.9	+2.7	74.7	102.0	+27.2	±0.0
	Adjusted operating income ratio	7.7%	6.2%	(1.5) points	6.2%	8.2%	+2.0 points	±0.0 point
	EBIT	20.0	43.4	+23.4	129.0	124.0	(5.0)	+5.0
	EBITDA	27.6	51.9	+24.3	161.0	158.5	(2.5)	+5.0
Smart Life	Revenues	294.2	266.5	91%	1,252.7	1,000.0	80%	100%
	Adjusted operating income	23.4	20.2	(3.2)	79.4	97.0	+17.6	±0.0
	Adjusted operating income ratio	8.0%	7.6%	(0.4) points	6.3%	9.7%	+3.4 points	±0.0 point
	EBIT	26.1	26.3	+0.1	202.1	150.0	(52.1)	±0.0
	EBITDA	34.7	34.7	±0.0	238.7	187.0	(51.7)	±0.0

Financial Results and Forecasts by Business Segments (2/2)

Billions of yen		Q1 FY20	Q1 FY21	YoY	FY2020	FY2021 Forecast	YoY	Prev. forecast comparison
Automotive Systems	Revenues	109.3	382.5	350%	987.5	1,600.0	162%	100%
	Adjusted operating income	(21.6)	12.1	+33.7	34.7	97.0	+62.2	±0.0
	Adjusted operating income ratio	(19.8)%	3.2%	+23.0 points	3.5%	6.1%	+2.6 points	±0.0 point
	EBIT	(27.9)	12.8	+40.7	4.3	76.0	+71.6	±0.0
	EBITDA	(15.5)	36.0	+51.6	65.0	174.0	+108.9	±0.0
Hitachi Construction Machinery	Revenues	170.1	228.1	134%	813.3	880.0	108%	100%
	Adjusted operating income	2.6	11.5	+8.8	31.6	61.0	+29.3	±0.0
	Adjusted operating income ratio	1.6%	5.1%	+3.5 points	3.9%	6.9%	+3.0 points	±0.0 point
	EBIT	2.4	12.3	+9.9	27.6	57.5	+29.8	±0.0
	EBITDA	14.4	25.9	+11.5	78.9	114.5	+35.5	+2.0
Hitachi Metals	Revenues	154.7	226.8	147%	761.6	850.0	112%	100%
	Adjusted operating income	(7.2)	8.5	+15.8	(4.9)	34.0	+38.9	±0.0
	Adjusted operating income ratio	(4.7)%	3.8%	+8.5 points	(0.7)%	4.0%	+4.7 points	±0.0 point
	EBIT	(6.6)	4.6	+11.3	(49.1)	18.5	+67.6	±0.0
	EBITDA	6.6	16.2	+9.6	1.2	64.5	+63.2	±0.0
Others	Revenues	98.5	106.4	108%	449.0	450.0	100%	100%
	Adjusted operating income	1.6	5.1	+3.5	21.2	16.0	(5.2)	±0.0
	Adjusted operating income ratio	1.6%	4.8%	+3.2 points	4.7%	3.6%	(1.1) points	±0.0 point
	EBIT	4.4	5.4	+1.0	25.3	13.0	(12.3)	±0.0
	EBITDA	11.6	13.8	+2.1	59.2	45.0	(14.2)	±0.0
Corporate items & Eliminations	Revenues	(151.6)	(163.8)	-	(721.6)	(900.0)	-	-
	Adjusted operating income	(1.7)	0.1	+1.9	(8.9)	(29.0)	(20.0)	+5.0
	EBIT	276.5	10.6	(265.8)	279.2	39.0	(240.2)	(3.0)
Total	Revenues	1,594.2	2,367.4	148%	8,729.1	9,500.0	109%	100%
	Adjusted operating income	58.3	130.4	+72.1	495.1	740.0	+244.8	±0.0
	Adjusted operating income ratio	3.7%	5.5%	+1.8 points	5.7%	7.8%	+2.1 points	±0.0 point
	EBIT	340.4	168.6	(171.7)	850.2	820.0	(30.2)	±0.0
	EBITDA	439.1	300.0	(139.1)	1,343.0	1,370.0	+26.9	±0.0

- *1 The total of “five sectors” is presented as the consolidated total less the total of Astemo and listed subsidiaries. It includes others and corporate items & eliminations
- *2 “Adjusted operating income” is presented as revenues less selling, general and administrative expenses as well as cost of sales
- *3 “EBIT” is presented as income from continuing operations, before income taxes less interest income plus interest charges
- *4 “EBITDA” is presented as income from continuing operations, before income taxes less interest income plus interest charges, depreciation and amortization
- *5 Automotive Systems (Hitachi Astemo) is included in Automotive Systems (Hitachi Astemo) segment from FY21. The year-over-year comparison of Q1 FY21 results and FY21 forecast for Smart Life segment and Automotive Systems (Hitachi Astemo) segment reflects this change
- *6 Figures of Q1 FY20 do not include the financial results of Keihin Corporation, Showa Corporation, and Nissin Kogyo Co., Ltd.
- *7 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
- *8 “Core free cash flows” are cash flows presented as free cash flows excluding cash flows from M&A and asset sales, etc.
- *9 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
- *10 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.
- *11 Sales, maintenance and services of control systems, server, storage, related software, etc.
- *12 The year-over-year comparison of Q1 FY21 results and FY21 forecast for Energy BU reflects the reorganization related to power grids business
- *13 Figures of Q1 FY20 do not include the financial results of Hitachi ABB Power Grids
- *14 Figures for each BU include control systems business, which is posted in IT segment

Cautionary Statement

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

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

- exacerbation of social and economic impacts of the spread of COVID-19;
- 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;
- 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;
- 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;
- 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;
- credit conditions of Hitachi’s customers and suppliers;
- 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;
- 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;
- the potential for significant losses on Hitachi’s investments in equity-method associates and joint ventures;
- uncertainty as to the success of cost structure overhaul;
- 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 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 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 access to, or ability to protect, certain intellectual property; and
- uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its employee benefit-related costs.

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

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