

Outline of Consolidated Financial Results for the First Quarter Ended June 30, 2019

July 29, 2019

Hitachi, Ltd.

Contents

- 1. Outline of Consolidated Financial Results
for the First Quarter Ended June 30, 2019**
- 2. Outlook for Fiscal 2019**
- 3. Supplemental Information**

1. Outline of Consolidated Financial Results for the First Quarter Ended June 30, 2019

1-1. Highlights of the First Quarter FY2019 Financial Results

Revenues	2,032.5 billion yen	down 6% / 133.3 billion yen year over year <ul style="list-style-type: none"> ● Increased in IT segment ● Decreased in Smart Life segment due to divestitures, Hitachi Metals and Hitachi Chemical
Adjusted operating income*1	124.3 billion yen	down 16% / 23.7 billion yen year over year <ul style="list-style-type: none"> ● Increased in IT, Mobility and Smart Life segments ● Decreased in Hitachi Construction Machinery, Hitachi Metals and Hitachi Chemical
EBIT*2	182.5 billion yen	up 1% / 2.0 billion yen year over year <ul style="list-style-type: none"> ● Posted record-high for Q1(Apr. - Jun.)*3 ● Increased by selling a part of Agility Trains West stocks
Net income attributable to Hitachi, Ltd. stockholders	120.3 billion yen	up 14% / 15.0 billion yen year over year <ul style="list-style-type: none"> ● Posted record-high for Q1(Apr. - Jun.)*3
Free cash flows	(26.2) billion yen	down 56.6 billion yen year over year

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

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

*3 The result is record-high since FY2001 ended March 31, 2002 when Hitachi introduced the quarterly announcement of financial results.

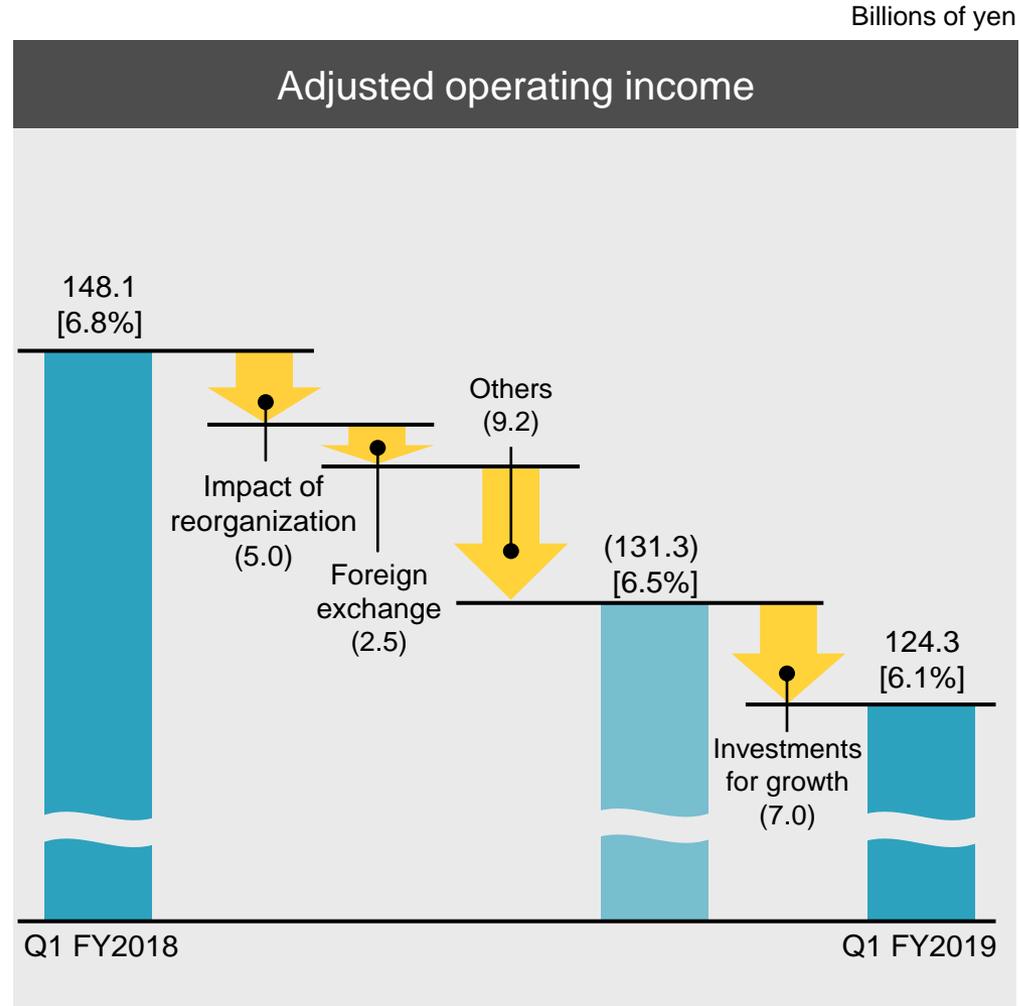
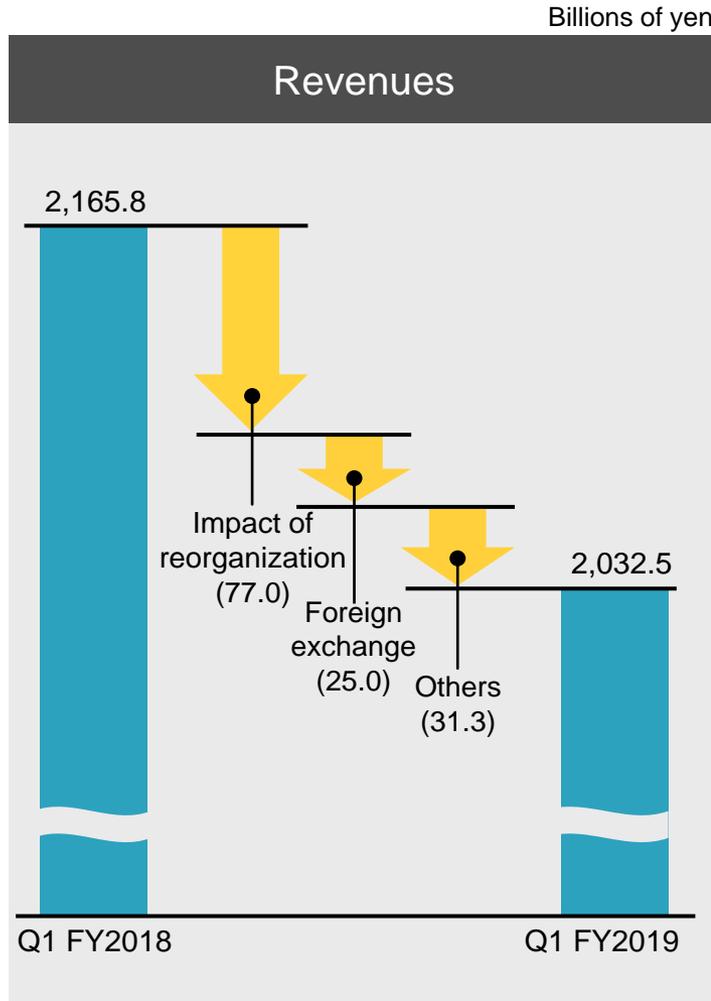
1-2. Consolidated Statement of Profit or Loss

Billions of yen

	Q1 FY2018	Q1 FY2019	Year over year
Revenues	2,165.8	2,032.5	(133.3) [94%]
<i>Adjusted operating income ratio</i>	6.8%	6.1%	(0.7%)
Adjusted operating income	148.1	124.3	(23.7)
<i>EBIT ratio</i>	8.3%	9.0%	+0.7%
EBIT	180.4	182.5	+2.0
Income from continuing operations, before income taxes	180.4	181.8	+1.4
Income taxes	(48.9)	(41.2)	+7.6
Income from continuing operations	131.5	140.6	+9.0
Income (loss) from discontinued operations*	5.8	(0.4)	(6.2)
Net income	137.4	140.2	+2.8
Net income attributable to Hitachi, Ltd. stockholders	105.2	120.3	+15.0

* 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. 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

1-4. Revenues by Market

Billions of yen

	Q1 FY2018		Q1 FY2019		Year over year
		Ratio		Ratio	
Japan	981.4	45%	966.3	48%	98%
Outside Japan	1,184.4	55%	1,066.2	52%	90%
Asia	520.3	24%	442.6	22%	85%
China	261.3	12%	233.9	12%	90%
ASEAN, India, other areas	258.9	12%	208.6	10%	81%
North America	299.6	14%	282.7	14%	94%
Europe	248.1	12%	234.4	11%	95%
Other Areas	116.4	5%	106.3	5%	91%
Total	2,165.8	100%	2,032.5	100%	94%

1-5. 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 June 30, 2019	Change from March 31, 2019
Total assets	9,626.5	9,732.7	+106.1
Trade receivables and contract assets	2,399.9	2,112.1	(287.7)
Total liabilities	5,212.1	5,312.6	+100.4
Interest-bearing debt	1,004.7	1,377.4	+372.7
Total Hitachi, Ltd. stockholders' equity	3,262.6	3,288.3	+25.7
Non-controlling interests	1,151.8	1,131.8	(19.9)
Cash Conversion Cycle	69.3 days	66.4 days	2.9 days decrease
Total Hitachi, Ltd. stockholders' equity ratio	33.9%	33.8%	0.1 points decrease
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

	Q1 FY2018	Q1 FY2019	Year over year
Cash flows from operating activities	134.3	78.8	(55.4)
Cash flows from investing activities	(103.9)	(105.1)	(1.1)
Free cash flows	30.4	(26.2)	(56.6)

1-6. Revenues, Adjusted Operating Income and EBIT by Business Segment (1)*1

Billions of yen

		Q1 FY2018*2		Q1 FY2019*2		Year over year		Dynamics
IT	Revenues		449.0		462.8		103%	(+) Expansion of systems integration business (+) Sales increase of storage and PC servers in Japan
	Adjusted operating income	7.8%	35.1	8.7%	40.2	+0.9%	+5.1	(+) Increase in revenues (-) Increase of strategic investment for expansion of digital solution business
	EBIT	6.7%	29.9	9.4%	43.5	+2.7%	+13.6	(+) Increase in adjusted operating income (+) Gains by selling the land of former production base
Energy	Revenues		82.1		72.0		88%	(-) Decrease in revenues due to the business transfer of power receiving and transforming facilities business for industry field (-) Decrease of large-scale projects in power generation solution business
	Adjusted operating income	1.7%	1.4	0.7%	0.5	(1.0%)	(0.8)	(-) Decrease in revenues
	EBIT	(11.6%)	(9.5)	8.7%	6.2	+20.3%	+15.7	(+) Improvement in the share of profits (losses) of investments accounted for using the equity method

*1 Business segment changed on the beginning of FY2019, and figures for Q1 FY2018 using the new segment classification are shown.

*2 Italic figures indicate adjusted operating income ratio or EBIT ratio.

1-7. Revenues, Adjusted Operating Income and EBIT by Business Segment (2)

Billions of yen

		Q1 FY2018	Q1 FY2019	Year over year		Dynamics
Industry	Revenues	161.0	160.1	99%		(-) Sales decrease of industrial products (+) Sales increase in air conditioning systems business for industry field
	Adjusted operating income	1.2% 1.8	0.9% 1.4	(0.3%)	(0.4)	(-) Decrease in revenues
	EBIT	2.2% 3.5	1.4% 2.1	(0.8%)	(1.3)	(-) Decrease in adjusted operating income
Mobility	Revenues	282.6	280.3	99%		(+) Increase in revenues in Japan and Italy market of Railway Systems BU* (-) Decrease in revenues in the UK market of Railway Systems BU (-) Impact of foreign exchange
	Adjusted operating income	6.2% 17.6	7.1% 19.9	+0.9%	+2.2	(+) Profitability improvement due to cost reduction, etc.
	EBIT	5.8% 16.2	15.2% 42.5	+9.4%	+26.3	(+) Gains by selling a part of Agility Trains West stocks

* Business Unit

1-8. Revenues, Adjusted Operating Income and EBIT by Business Segment (3)

Billions of yen

		Q1 FY2018		Q1 FY2019		Year over year		Dynamics
Smart Life	Revenues		392.9		337.5		86%	(-) Impact of divestitures on automotive systems business
	Adjusted operating income	1.6%	6.4	2.7%	9.2	+1.1%	+2.8	(+) Profitability improvement in home appliances business due to cost reduction
	EBIT	2.6%	10.3	2.8%	9.5	+0.2%	(0.8)	(-) Posting of business reorganization expenses in automotive systems business
Hitachi High-Technologies	Revenues		173.0		161.6		93%	(-) Sales decrease of liquid crystal display exposure systems (+) Sales increase of semiconductor processing equipment
	Adjusted operating income	9.4%	16.3	8.8%	14.1	(0.6%)	(2.1)	(-) Decrease in revenues (-) Increase of R&D expenditure
	EBIT	9.2%	15.9	8.9%	14.4	(0.3%)	(1.5)	(-) Decrease in adjusted operating income

1-9. Revenues, Adjusted Operating Income and EBIT by Business Segment (4)

Billions of yen

		Q1 FY2018		Q1 FY2019		Year over year		Dynamics
Hitachi Construction Machinery	Revenues		240.2		234.6		98%	(-) Impact of foreign exchange
	Adjusted operating income	11.4%	27.3	9.6%	22.6	(1.8%)	(4.6)	(-) Increase in indirect expenses
	EBIT	10.5%	25.3	9.6%	22.5	(0.9%)	(2.8)	(-) Decrease in adjusted operating income
Hitachi Metals	Revenues		258.9		233.9		90%	(-) Decrease in demand for automobile, semiconductor and FA* (-) Impact of business transfer of aluminum wheels business
	Adjusted operating income	6.2%	15.9	2.4%	5.5	(3.8%)	(10.4)	(-) Decrease in revenues (-) Revaluation loss on inventories
	EBIT	8.5%	21.9	2.2%	5.1	(6.3%)	(16.8)	(-) Decrease in adjusted operating income (-) Absence of gains on business reorganization recorded in the previous fiscal year
Hitachi Chemical	Revenues		168.9		155.9		92%	(-) Decrease in demand for semiconductor and automobile
	Adjusted operating income	6.9%	11.6	4.8%	7.4	(2.1%)	(4.2)	(-) Decrease in revenues
	EBIT	6.8%	11.5	5.0%	7.8	(1.8%)	(3.6)	(-) Decrease in adjusted operating income

* Factory Automation

1-10. Revenues, Adjusted Operating Income and EBIT by Business Segment (5)

Billions of yen

		Q1 FY2018		Q1 FY2019		Year over year		Dynamics
Others	Revenues		151.3		107.4		71%	(-) Impact of deconsolidation of Hitachi Kokusai Electric
	Adjusted operating income	6.2%	9.4	3.1%	3.3	(3.1%)	(6.1)	
	EBIT	7.4%	11.1	4.4%	4.7	(3.0%)	(6.4)	
Corporate items & Eliminations	Revenues		(194.3)		(174.2)		-	(-) Absence of gains by selling Hitachi Kokusai Electric stock recorded in the previous fiscal year
	Adjusted operating income		4.9		0.0		(4.9)	
	EBIT		44.0		23.8		(20.1)	
Total	Revenues		2,165.8		2,032.5		94%	
	Adjusted operating income	6.8%	148.1	6.1%	124.3	(0.7%)	(23.7)	
	EBIT	8.3%	180.4	9.0%	182.5	+0.7%	+2.0	

■ Progress of Lumada Business

Billions of yen

	FY2018		FY2019				
	Q1	Total	Q1		Total (Forecast)		
				Year over year		Year over year	Previous forecast* comparison
Revenues of Lumada business	223.0	1,127.0	251.0	113%	1,170.0	104%	100%
1) Lumada core business	56.0	335.0	75.0	134%	370.0	110%	100%
2) Lumada SI business	167.0	792.0	176.0	105%	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

- Global expansion of Lumada solutions :

- ✓ Rolled out vehicle sharing service for Thailand's logistic sector with Hitachi Transport System, Ltd. Providing a service to dispatch appropriate vehicles by using "Hitachi Digital Solution for Logistics" /Delivery Optimization Service"
- ✓ Started a partnership with Virtusa Corporation to provide AI-based solutions for financial field Combining expertise and advantages of Hitachi and Virtusa to develop new solutions

- Expansion of co-creation business utilizing digital technology :

- ✓ Started proof of concept of a new digital ticketing solution for the public transportation operator in Italy Realizing cashless payment by automatic fare calculation using location information data
- ✓ Received an order from TOA Oil Co., Ltd. for high-temperature parts management platform for gas turbines Contributing to reliable & efficient inspection/maintenance work and increase of operators' maintenance capability

* Announced on April 26, 2019

■ Progress of Structural Reforms in Automotive Systems Business

- Agreed to acquire Chassis Brakes International B.V., to create an industry leader in automotive safety solutions (Scheduled to be completed by the end of 2019)
- Agreed to transfer shares issued by PALENET CO., LTD., which engages in rental business of cargo handling materials (pallets), to Hitachi Transport System, Ltd. (Scheduled to be completed in August, 2019)

■ Strengthening Management Base of Railway Systems Business

- Sold a part of shares of Agility Trains West Limited additionally (in April, 2019)

■ Further Expansion of Global Business in Mobility Sector

- Received an order for delivery of 174 units of elevators, escalators and moving sidewalks for Suvarnabhumi International Airport in Thailand (in May, 2019)
- Received an order for the delivery of 106 units of elevators for large-scale office buildings in Hyderabad, India (in June, 2019)
- Received an order from Trenitalia S.p.A in Italy for 14 high-speed trains with Bombardier Transportation GmbH (in June, 2019)

2. Outlook for Fiscal 2019

2-1. Outlook for FY2019

- Projections for Q2-Q4 (Jul.-Mar.) FY2019 assume an exchange rate of 110 yen to the U.S. dollar and 125 yen to the euro.

Billions of yen

	FY2018	FY2019		
		Forecast	Year over year	Previous forecast comparison ^{*4}
Revenues	9,480.6	9,000.0	(480.6) [95%]	±0.0 [100%]
<i>Adjusted operating income ratio</i>	8.0%	8.5%	+0.5%	±0.0%
Adjusted operating income	754.9	765.0	+10.0	±0.0
<i>EBIT ratio</i>	5.4%	8.3%	+2.9%	±0.0%
EBIT	513.9	750.0	+236.0	±0.0
Income from continuing operations, before income taxes	516.5	740.0	+223.4	±0.0
Income taxes	(186.3)	(195.0)	(8.6)	±0.0
Income from continuing operations	330.1	545.0	+214.8	±0.0
Loss from discontinued operations	(9.1)	(2.0)	+7.1	±0.0
Net income	321.0	543.0	+221.9	±0.0
Net income attributable to Hitachi, Ltd. stockholders	222.5	435.0	+212.4	±0.0
Earnings per share ^{*1,2}	230.47 yen	450.45 yen	+219.98 yen	(0.04 yen)
ROIC ^{*3}	8.5%	10.3%	+1.8%	±0.0%

*1 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.

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

*3 ROIC(Return on Invested Capital)=(NOPAT + Share of profits(losses) of investments accounted for using the equity method) / "Invested Capital" x 100

Invested Capital = Debt + Total equity, NOPAT(Net Operating Profit after Tax) = Adjusted Operating Income x (1 – Tax burden rate)

*4 Announced on April 26, 2019

2-2. 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	
Total	Revenues		9,480.6		9,000.0		95%		100%
	Adjusted operating income	8.0%	754.9	8.5%	765.0	+0.5%	+10.0	±0.0%	±0.0
	EBIT	5.4%	513.9	8.3%	750.0	+2.9%	+236.0	±0.0%	±0.0
IT	Revenues		2,121.6		2,060.0		97%		100%
	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%
	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%
	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%
	Adjusted operating income	7.6%	92.6	8.2%	93.0	+0.6%	+0.3	±0.0%	±0.0
	EBIT	10.5%	127.4	9.7%	110.0	(0.8%)	(17.4)	±0.0%	±0.0
Smart Life	Revenues		1,649.3		1,550.0		94%		100%
	Adjusted operating income	3.9%	64.9	5.7%	88.0	+1.8%	+23.0	±0.0%	±0.0
	EBIT	7.1%	116.9	5.8%	90.0	(1.3%)	(26.9)	±0.0%	±0.0

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

*2 Italic figures indicate adjusted operating income ratio or EBIT ratio.

2-3. 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	
Hitachi High-Technologies	Revenues		731.1		710.0		97%		100%
	Adjusted operating income	9.1%	66.7	7.9%	56.0	(1.2%)	(10.7)	±0.0%	±0.0
	EBIT	8.8%	64.2	7.9%	56.0	(0.9%)	(8.2)	±0.0%	±0.0
Hitachi Construction Machinery	Revenues		1,033.7		1,000.0		97%		100%
	Adjusted operating income	11.2%	115.7	12.2%	122.0	+1.0%	+6.2	±0.0%	±0.0
	EBIT	10.1%	104.5	11.9%	119.0	+1.8%	+14.4	±0.0%	±0.0
Hitachi Metals	Revenues		1,023.4		1,000.0		98%		100%
	Adjusted operating income	5.0%	51.4	5.4%	54.0	+0.4%	+2.5	±0.0%	±0.0
	EBIT	4.4%	45.3	4.0%	40.0	(0.4%)	(5.3)	±0.0%	±0.0
Hitachi Chemical	Revenues		681.0		690.0		101%		100%
	Adjusted operating income	7.1%	48.5	7.2%	50.0	+0.1%	+1.4	±0.0%	±0.0
	EBIT	6.0%	41.1	6.7%	46.0	+0.7%	+4.8	±0.0%	±0.0
Others	Revenues		561.3		500.0		89%		100%
	Adjusted operating income	5.6%	31.3	3.2%	16.0	(2.4%)	(15.3)	±0.0%	±0.0
	EBIT	5.4%	30.2	3.2%	16.0	(2.2%)	(14.2)	±0.0%	±0.0
Corporate items & Eliminations	Revenues		(884.5)		(810.0)		-		-
	Adjusted operating income		(1.2)		(13.0)		(11.7)		±0.0
	EBIT		50.3		(11.0)		(61.3)		±0.0

3. Supplemental Information

Billions of yen

		Q1 FY2018*3		Q1 FY2019*3		Year over year	
5 sectors total*1,2 (IT/ Energy/ Industry/ Mobility/ Smart Life)	Revenues		1,297.8		1,246.3		96%
	Adjusted operating income	5.6%	72.3	6.0%	74.6	+0.4%	+2.2
	EBIT	7.8%	101.1	10.6%	132.6	+2.8%	+31.4
	Net income attributable to Hitachi, Ltd. stockholders		75.3		103.8		+28.4
Listed subsidiaries total*2 (Hitachi High-Technologies/ Hitachi Construction Machinery/ Hitachi Metals/ Hitachi Chemical)	Revenues		868.0		786.2		91%
	Adjusted operating income	8.7%	75.7	6.3%	49.7	(2.4%)	(26.0)
	EBIT	9.1%	79.3	6.3%	49.8	(2.8%)	(29.4)
	Net income attributable to Hitachi, Ltd. stockholders		29.8		16.4		(13.4)

*1 "5 sectors total" is presented as the financial results subtracted listed subsidiaries total from consolidated total. It includes Others and Corporate Items & Eliminations.

*2 Figures for Q1 FY2018 of listed subsidiaries total include financial results of Hitachi Kokusai Electric.

*3 Italic figures indicate adjusted operating income ratio or EBIT ratio.

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

Billions of yen

	FY2018*5				FY2019*5									
	Q1		Total		Q1				Total (Forecast)					
							Year over year			Year over year	Previous forecast*6 comparison			
Revenues	449.0	2,121.6	462.8	103%	2,060.0	97%	100%							
Front Business*3	295.9	1,393.0	300.5	102%	1,356.0	97%	100%							
Services & Platforms*4	176.4	817.6	184.1	104%	818.0	100%	100%							
Adjusted operating income	7.8%	35.1	10.8%	230.1	8.7%	40.2	+0.9%	+5.1	10.7%	220.0	(0.1%)	(10.1)	±0.0%	±0.0
Front Business	6.8%	19.9	11.2%	155.3	7.8%	23.4	+1.0%	+3.4	10.5%	143.0	(0.7%)	(12.3)	±0.0%	±0.0
Services & Platforms	7.7%	13.5	9.3%	76.2	6.7%	12.2	(1.0%)	(1.2)	7.8%	64.0	(1.5%)	(12.2)	±0.0%	±0.0
EBIT	6.7%	29.9	10.0%	212.6	9.4%	43.5	+2.7%	+13.6	10.2%	210.0	+0.2%	(2.6)	±0.0%	±0.0
Front Business	6.5%	19.2	9.4%	131.4	7.8%	23.3	+1.3%	+4.1	10.4%	141.0	+1.0%	+9.5	±0.0%	±0.0
Services & Platforms	5.6%	9.9	10.7%	87.2	9.4%	17.3	+3.8%	+7.3	6.6%	54.0	(4.1%)	(33.2)	±0.0%	±0.0

*1 Business segment changed on the beginning of FY2019, and figures for Q1 and total 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 Italic figures indicate adjusted operating income ratio or EBIT ratio.

*6 Announced on April 26, 2019

■ Revenues, Adjusted Operating Income and EBIT*1

Billions of yen

	FY2018				FY2019									
	Q1		Total		Q1				Total (Forecast)					
					Year over year				Year over year		Previous forecast comparison			
Revenues	82.1	453.9	72.0	88%	370.0	81%	100%							
Nuclear Energy BU*2	21.9	171.6	20.3	93%	153.0	89%	100%							
Energy BU*2	63.9	304.2	51.3	80%	246.9	81%	100%							
Adjusted operating income	1.7%	1.4	7.5%	34.0	0.7%	0.5	(1.0%)	(0.8)	6.2%	23.0	(1.3%)	(11.0)	±0.0%	±0.0
EBIT	(11.6%)	(9.5)	(65.6%)	(298.0)	8.7%	6.2	+20.3%	+15.7	7.3%	27.0	+72.9%	+325.0	±0.0%	±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									
	Q1		Total		Q1				Total (Forecast)					
							Year over year				Year over year		Previous forecast comparison	
Revenues	161.0	895.4	160.1	99%	800.0	89%	100%							
Industry & Distribution BU*2	49.0	331.6	49.5	101%	234.5	71%	100%							
Water & Environment BU*2	24.6	169.1	26.0	106%	171.2	101%	100%							
Industrial Products Business	90.8	419.8	88.0	97%	432.9	103%	100%							
Adjusted operating income	1.2%	1.8	2.3%	20.6	0.9%	1.4	(0.3%)	(0.4)	7.0%	56.0	+4.7%	+35.3	±0.0%	±0.0
Industry & Distribution BU*2	(2.8%)	(1.4)	(6.5%)	(21.5)	1.0%	0.5	+3.8%	+1.9	6.0%	14.0	+12.5%	+35.5	±0.0%	±0.0
Water & Environment BU*2	(5.2%)	(1.3)	7.5%	12.7	(7.4%)	(1.9)	(2.2%)	(0.7)	7.1%	12.1	(0.4%)	(0.6)	±0.0%	±0.0
Industrial Products Business	4.0%	3.6	7.8%	32.9	3.0%	2.6	(1.0%)	(1.0)	7.7%	33.2	(0.1%)	+0.3	±0.0%	±0.0
EBIT	2.2%	3.5	2.1%	19.1	1.4%	2.1	(0.8%)	(1.3)	5.9%	47.0	+3.8%	+27.8	±0.0%	±0.0
Industry & Distribution BU*2	(3.2%)	(1.6)	(7.5%)	(24.8)	0.0%	0.0	+3.2%	+1.6	4.5%	10.5	+12.0%	+35.3	±0.0%	±0.0
Water & Environment BU*2	(1.8%)	(0.5)	8.6%	14.5	(6.9%)	(1.8)	(5.1%)	(1.4)	7.3%	12.5	(1.3%)	(2.0)	±0.0%	±0.0
Industrial Products Business	4.9%	4.4	7.8%	32.9	4.2%	3.7	(0.7%)	(0.7)	6.5%	28.2	(1.3%)	(4.8)	±0.0%	±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									
	Q1		Total		Q1				Total (Forecast)					
							Year over year				Year over year		Previous forecast comparison	
Revenues	282.6	1,214.1			280.3	99%			1,130.0	93%	100%			
Building Systems BU	147.7	621.6			147.3	100%			585.0	94%	100%			
Railway Systems BU*2	136.9	616.5			136.3	100%			570.0	92%	100%			
Adjusted operating income	6.2%	17.6	7.6%	92.6	7.1%	19.9	+0.9%	+2.2	8.2%	93.0	+0.6%	+0.3	±0.0%	±0.0
Building Systems BU	8.3%	12.3	8.7%	54.0	8.2%	12.0	(0.1%)	(0.3)	9.4%	55.0	+0.7%	+1.0	±0.0%	±0.0
Railway Systems BU*2	4.5%	6.1	7.5%	46.3	6.2%	8.5	+1.7%	+2.4	7.2%	41.2	(0.3%)	(5.1)	±0.0%	±0.0
EBIT	5.8%	16.2	10.5%	127.4	15.2%	42.5	+9.4%	+26.3	9.7%	110.0	(0.8%)	(17.4)	±0.0%	±0.0
Building Systems BU	8.8%	12.9	8.7%	54.3	7.7%	11.3	(1.1%)	(1.6)	9.4%	55.0	+0.7%	+0.7	±0.0%	±0.0
Railway Systems BU*2	3.0%	4.1	13.1%	80.8	23.4%	31.9	+20.4%	+27.8	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									
	Q1		Total		Q1				Total (Forecast)					
							Year over year				Year over year		Previous forecast comparison	
Revenues	392.9	1,649.3	337.5	86%	1,550.0	94%	100%							
Healthcare BU	36.2	176.1	32.9	91%	187.3	106%	100%							
Smart Life & Ecofriendly Systems Business	114.3	485.0	115.6	101%	501.2	103%	100%							
Automotive Systems Business	238.5	971.0	185.4	78%	845.0	87%	100%							
Adjusted operating income	1.6%	6.4	3.9%	64.9	2.7%	9.2	+1.1%	+2.8	5.7%	88.0	+1.8%	+23.0	±0.0%	±0.0
Healthcare BU	(4.1%)	(1.5)	2.4%	4.3	(2.5%)	(0.8)	+1.6%	+0.7	6.2%	11.7	+3.8%	+7.4	±0.0%	±0.0
Smart Life & Ecofriendly Systems Business	2.3%	2.6	4.6%	22.4	4.7%	5.4	+2.4%	+2.7	5.5%	27.7	+0.9%	+5.2	±0.0%	±0.0
Automotive Systems Business	2.2%	5.3	3.9%	38.0	2.7%	5.1	+0.5%	(0.3)	6.1%	51.3	+2.2%	+13.3	±0.0%	±0.0
EBIT	2.6%	10.3	7.1%	116.9	2.8%	9.5	+0.2%	(0.8)	5.8%	90.0	(1.3%)	(26.9)	±0.0%	±0.0
Healthcare BU	(5.7%)	(2.1)	0.9%	1.6	(3.2%)	(1.1)	+2.5%	+1.0	4.4%	8.2	+3.5%	+6.6	±0.0%	±0.0
Smart Life & Ecofriendly Systems Business	6.7%	7.6	6.1%	29.5	7.9%	9.1	+1.2%	+1.4	7.5%	37.5	+1.4%	+7.9	±0.0%	±0.0
Automotive Systems Business	1.9%	4.4	8.8%	85.3	1.2%	2.2	(0.7%)	(2.3)	5.7%	47.8	(3.1%)	(37.6)	±0.0%	±0.0

* Figures for each subsegment include intersegment transactions.

Consolidated Revenues by Market and Business Segment (1)*

Billions of yen

	IT			Energy		
	Q1 FY2018	Q1 FY2019		Q1 FY2018	Q1 FY2019	
		Year over year			Year over year	
Japan	311.6	325.5	104%	71.0	63.7	90%
Outside Japan	137.3	137.2	100%	11.0	8.3	76%
China	14.7	14.0	95%	1.5	2.4	154%
ASEAN, India, other areas	25.8	29.7	115%	5.0	2.4	48%
North America	47.0	48.3	103%	1.5	1.8	115%
Europe	39.9	36.4	91%	1.5	1.0	67%
Other Areas	9.7	8.6	89%	1.3	0.6	49%
Total	449.0	462.8	103%	82.1	72.0	88%

* Business segment changed on the beginning of FY2019, and figures for Q1 and total FY2018 using the new segment classification are shown.

Consolidated Revenues by Market and Business Segment (2)

Billions of yen

	Industry			Mobility		
	Q1 FY2018	Q1 FY2019		Q1 FY2018	Q1 FY2019	
		Year over year			Year over year	
Japan	117.4	119.7	102%	70.9	76.3	108%
Outside Japan	43.5	40.4	93%	211.6	203.9	96%
China	11.9	11.4	96%	85.4	83.9	98%
ASEAN, India, other areas	9.2	9.1	99%	12.9	16.4	127%
North America	14.0	12.1	86%	12.9	8.8	69%
Europe	3.6	2.4	67%	91.7	84.3	92%
Other Areas	4.7	5.2	110%	8.6	10.3	120%
Total	161.0	160.1	99%	282.6	280.3	99%

Consolidated Revenues by Market and Business Segment (3)

Billions of yen

	Smart Life			Hitachi High-Technologies		
	Q1 FY2018	Q1 FY2019		Q1 FY2018	Q1 FY2019	
		Year over year			Year over year	
Japan	207.5	192.2	93%	62.4	55.3	89%
Outside Japan	185.4	145.3	78%	110.5	106.2	96%
China	39.9	28.4	71%	20.1	22.9	114%
ASEAN, India, other areas	30.2	26.9	89%	46.5	27.0	58%
North America	75.8	56.7	75%	13.2	25.4	192%
Europe	21.4	19.1	89%	24.2	25.3	105%
Other Areas	17.9	14.1	79%	6.3	5.4	85%
Total	392.9	337.5	86%	173.0	161.6	93%

Consolidated Revenues by Market and Business Segment (4)

Billions of yen

	Hitachi Construction Machinery			Hitachi Metals		
	Q1 FY2018	Q1 FY2019		Q1 FY2018	Q1 FY2019	
			Year over year			Year over year
Japan	39.4	40.8	104%	112.3	104.6	93%
Outside Japan	200.7	193.8	97%	146.6	129.3	88%
China	32.1	26.4	82%	20.3	16.1	79%
ASEAN, India, other areas	34.8	30.1	87%	31.5	26.9	86%
North America	38.3	47.1	123%	78.6	69.1	88%
Europe	34.8	38.2	110%	13.5	11.6	86%
Other Areas	60.6	51.7	85%	2.6	5.4	209%
Total	240.2	234.6	98%	258.9	233.9	90%

Consolidated Revenues by Market and Business Segment (5)

Billions of yen

	Hitachi Chemical			Consolidated Revenues				
	Q1 FY2018	Q1 FY2019		Q1 FY2018	Q1 FY2019		Total FY2019 (Forecast)	
		Year over year	Year over year		Year over year	Year over year	Year over year	
Japan	60.0	56.8	95%	981.4	966.3	98%	4,360.0	93%
Outside Japan	108.9	99.1	91%	1,184.4	1,066.2	90%	4,640.0	96%
China	27.8	25.8	93%	261.3	233.9	90%		
ASEAN, India, other areas	47.1	41.6	88%	258.9	208.6	81%		
North America	12.2	11.8	97%	299.6	282.7	94%		
Europe	17.9	15.4	86%	248.1	234.4	95%		
Other Areas	3.6	4.3	117%	116.4	106.3	91%		
Total	168.9	155.9	92%	2,165.8	2,032.5	94%	9,000.0	95%

Consolidated Capital Expenditure by Business Segment (Completion basis)

Billions of yen

	FY2018		FY2019			
	Q1	Total	Q1		Total (Forecast)	
				Year over year		Year over year
IT	11.4	35.4	13.1	114%		
Energy	11.1	45.9	2.4	22%		
Industry	1.4	8.8	1.7	123%		
Mobility	3.8	17.4	3.8	100%		
Smart Life	20.5	89.3	17.9	88%		
Hitachi High-Technologies	4.1	17.9	5.0	122%		
Hitachi Construction Machinery	4.7	30.3	8.1	171%		
Hitachi Metals	22.4	93.9	11.1	50%		
Hitachi Chemical	11.2	49.4	8.8	79%		
Others	2.3	24.7	6.5	280%		
Corporate items	0.3	1.3	0.9	310%		
Total	93.6	414.7	79.8	85%	400.0	96%

Consolidated Depreciation by Business Segment

Billions of yen

	FY2018		FY2019			
	Q1	Total	Q1		Total (Forecast)	
				Year over year		Year over year
IT	12.1	46.9	17.0	140%		
Energy	0.8	3.3	0.8	97%		
Industry	2.3	9.6	3.1	136%		
Mobility	3.9	15.7	4.6	117%		
Smart Life	14.5	56.3	13.7	94%		
Hitachi High-Technologies	2.4	10.1	3.0	126%		
Hitachi Construction Machinery	7.8	32.3	9.7	124%		
Hitachi Metals	11.1	46.3	12.8	115%		
Hitachi Chemical	8.0	32.6	9.3	116%		
Others	3.4	14.5	6.1	178%		
Corporate items	0.9	3.6	2.6	281%		
Total	67.7	271.6	83.1	123%	310.0	114%

Consolidated R&D Expenditure by Business Segment

Billions of yen

	FY2018		FY2019			
	Q1	Total	Q1		Total (Forecast)	
				Year over year		Year over year
IT	12.2	50.9	12.2	101%		
Energy	1.9	9.6	1.5	81%		
Industry	2.3	10.3	2.8	117%		
Mobility	7.4	31.6	6.9	93%		
Smart Life	21.5	86.6	14.8	69%		
Hitachi High-Technologies	6.3	31.1	6.5	103%		
Hitachi Construction Machinery	5.5	24.7	6.0	109%		
Hitachi Metals	4.5	18.6	3.9	88%		
Hitachi Chemical	7.9	32.5	8.1	103%		
Others	0.2	4.2	0.2	132%		
Corporate items	5.3	22.5	4.8	91%		
Total	75.4	323.1	68.3	91%	335.0	104%
Percentage of revenues (%)	3.5	3.4	3.4	-	3.7	-

■ Average Foreign Exchange Rate*1

Yen

	FY2018		FY2019	
	Q1	Full-year	Q1	Q2-Q4 (Forecast)
U.S. dollar	109	111	110	110
Euro	130	128	123	125

■ Foreign Exchange Sensitivity*2,3

Billions of yen

	Revenues	Adjusted operating income
U.S. dollar	14.0	2.5
Euro	4.0	1.0

■ Number of Employees and Consolidated Subsidiaries

	As of March 31, 2019	As of June 30, 2019
Number of employees	295,941	298,145
Japan	162,083	165,733
Overseas	133,858	132,412
Number of consolidated subsidiaries	803	798
Japan	181	176
Overseas	622	622

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

*2 Impact of exchange rate fluctuation (Q2-Q4 FY2019 impact by one yen depreciation from Q2-Q4 FY2019 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,” “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 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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