Progress of the Mid-term Management Plan 2024

April 27, 2023
Keiji Kojima
President & CEO
Hitachi, Ltd.
Today’s Topics

1. Positioning of Mid-term Management Plan 2024
2. Enhancement of enterprise value through the Social Innovation Business
3. Sustainable management to support growth
Positioning of Mid-term Management Plan 2024
1.1 Background of Mid-term Management Plan 2024

A modal change from business portfolio transformation to sustainable growth, and acceleration of enterprise value enhancement

- Following the management crisis after the Global Financial Crisis, Hitachi decided to concentrate on the Social Innovation Business.
- Continued business portfolio transformation for over 10 years, aiming to become a global leader in the Social Innovation Business.
- As of FY2022, Hitachi no longer retains any listed subsidiaries and announced deconsolidation of Hitachi Astemo targeting an IPO.
- Having completed portfolio transformation, Hitachi will switch its management focus to sustainable growth.
- MMP’2024 is an important turning point towards enterprise value enhancement through realization of sustainable growth.

* MMP: Mid-term Management Plan
### Past business portfolio transformation

#### Business portfolio transformation to focus on the Social Innovation Business

**Acquisition of assets required in the global expansion of the Social Innovation Business**

**Track record FY2013-FY2021**
- MMP2015 Ansaldo STS/Breda
- MMP2018 Sullair

**Track record FY2022**
- Dissolved Hitachi Energy JV; established as 100% subsidiary
- Acquired two companies to strengthen GlobalLogic’s engineering capabilities

**Transfer of business assets with lesser relation to the Social Innovation Business**

**Track record FY2013-FY2021**
- Main businesses: air conditioning, thermal power generation systems, diagnostic imaging-related business
- Listed subsidiaries: Hitachi Koki, Hitachi Chemical, Hitachi Capital, Hitachi Maxell, Clarion

**Track record FY2022**
- Hitachi Astemo to be deconsolidated targeting IPO
- Hitachi Construction Machinery, Hitachi Metals, Hitachi Transport System

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*Excerpt of major deals

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<table>
<thead>
<tr>
<th>Total revenues of acquired assets</th>
<th>3.1 trillion yen (approx.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition amount</td>
<td>3.6 trillion yen (approx.)</td>
</tr>
<tr>
<td>Total revenues of transferred assets</td>
<td>5.0 trillion yen (approx.)</td>
</tr>
<tr>
<td>Transferred amount</td>
<td>2.0 trillion yen (approx.)</td>
</tr>
</tbody>
</table>
1.3 Globalization of business assets

Business assets were globalized drastically by business portfolio transformation

Status of assets*1

<table>
<thead>
<tr>
<th>Region</th>
<th>FY2018</th>
<th>FY2021</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>0.2 trillion yen</td>
<td>1.5 trillion yen</td>
<td>1.3 trillion yen (26%*2)</td>
</tr>
<tr>
<td>Asia</td>
<td>0.4 trillion yen</td>
<td>0.6 trillion yen</td>
<td>0.2 trillion yen (11%*2)</td>
</tr>
<tr>
<td>North America</td>
<td>0.6 trillion yen</td>
<td>1.9 trillion yen</td>
<td>1.3 trillion yen (33%*2)</td>
</tr>
<tr>
<td>Japan</td>
<td>1.6 trillion yen</td>
<td>1.7 trillion yen</td>
<td>0.1 trillion yen (30%*2)</td>
</tr>
</tbody>
</table>

*1 Property, plant and equipment, investment properties, goodwill and other intangible assets  
*2 Assets ratio by region

Enhanced green area (e.g. energy and railways)

Enhanced digital area, green area (e.g. energy and railways) and industrial area (e.g. robotics)

Hold IT area (e.g. finance and public services), industrial area (e.g. production systems) and green area (e.g. railways and nuclear power)
1.4 Integrating large-scale M&A assets

Business assets obtained and integrated through major M&A as engines for global growth

**Hitachi High-Tech**
- Measurement and analytical system orders remained firm. Increased profitability drastically through restructuring. Further growth acceleration by investments for production expansion.

**Hitachi Energy**
- Strong order capturing growth in the GX market. Further growth by investments for production expansion and productivity improvement.

**GlobalLogic**
- Steadily expanded the digital engineering business and created synergy with Hitachi’s OT* businesses. Further growth by M&A obtaining digital talent.

**Performance**
- Achieved record high profits in FY2022
- Strong orders, increased order backlogs
- High growth linked with DX market growth

<table>
<thead>
<tr>
<th>Business directions</th>
<th>Performance</th>
<th>Hitachi High-Tech</th>
<th>Hitachi Energy</th>
<th>GlobalLogic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measurement and analytical system orders remained firm. Increased profitability drastically through restructuring. Further growth acceleration by investments for production expansion.</td>
<td>• Achieved record high profits in FY2022</td>
<td>• Strong order capturing growth in the GX market. Further growth by investments for production expansion and productivity improvement.</td>
<td>• Steadily expanded the digital engineering business and created synergy with Hitachi’s OT* businesses. Further growth by M&amp;A obtaining digital talent.</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>FY2021</th>
<th>FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues (billion yen)</td>
<td></td>
</tr>
<tr>
<td>Hitachi High-Tech</td>
<td>576.8</td>
</tr>
<tr>
<td>Hitachi Energy</td>
<td>1075.8</td>
</tr>
<tr>
<td>GlobalLogic</td>
<td>144.3</td>
</tr>
</tbody>
</table>

*Operational Technology
## 1.5 KPIs in MMP2024

### Major MMP2024 targets as a result of deconsolidation of listed subsidiaries and Hitachi Astemo*1

<table>
<thead>
<tr>
<th>KPI Area</th>
<th>Before Hitachi Astemo deconsolidation</th>
<th>After Hitachi Astemo deconsolidation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues growth (FY2021-FY2024 CAGR)</td>
<td>5%-7%</td>
<td>5%-7%</td>
</tr>
<tr>
<td>Adj. EBITA*2</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>ROIC</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>EPS growth*3</td>
<td>10%-14%</td>
<td>10%-14%</td>
</tr>
<tr>
<td>Core FCF*4</td>
<td>1.4 trillion yen</td>
<td>1.2 trillion yen</td>
</tr>
<tr>
<td>Shareholder returns</td>
<td>Approx. 50%</td>
<td>0.8-0.9 trillion yen</td>
</tr>
</tbody>
</table>

*1 Revenues, profits and cash-flow of listed subsidiaries and Hitachi Astemo are subtracted, and equity in earnings of affiliates are added to results and plans of FY2021-FY2024

*2 Adjusted operating income plus Acquisition-related amortization and equity in earnings/losses of affiliates.

*3 Impact of one-time factors is excluded from net income in FY2021

*4 Core FCF = Cashflows from operating activities - CAPEX
Enhancement of enterprise value through the Social Innovation Business
2.1 Hitachi’s Social Innovation Business

Business that leverages Hitachi's IT, OT and products to resolve social challenges together with customers

- Work with customers to support people’s quality of life and fosters a sustainable society through the use of data and technology

- Expand the Social Innovation Business in diverse industries using three global trends of Digital, Green, and Connective, as transformation drivers

**Digital**
transforming social systems
finance, public services, electric power, transportation, communications, etc.

**Green**
transforming social infrastructures
power grids, nuclear power, railways, etc.

**Connective**
transforming industrial systems
factories, tech, buildings, homes, etc.

- Globally expand Lumada as customer co-creation framework of the Social Innovation Business
2.2 Global growth of the Social Innovation Business

Lumada business expansion by One Hitachi focusing on customer footprints obtained through large-scale M&A

- Global-scale major M&A enhanced Hitachi’s resources including human capital and footprints to create businesses in each region
- Achieve growth of the Social Innovation Business by resolving customer’s challenges in each region

Europe
Expand green business focusing on railways and power grids business

North America
Target region that drives growth, mainly in digital and infrastructures

China
Growth utilizing existing footprints of elevators, Hitachi Energy, etc.

India, ASEAN
Focus on growing countries and regions, and obtain growth opportunities

Japan
Focus on growing customers and domains by DX and GX
2.3 Revenues and profits growth driven by Lumada

Lumada business expansion leads revenues and profits growth of Hitachi overall

- Lumada business has performed a high growth rate
- Expecting steady growth with a tailwind of DX market expansion in FY2023
- Forecasting approx. one-third of revenues and over 40% of profits of Hitachi overall in FY2024

<table>
<thead>
<tr>
<th>Revenues [trillion yen](^1)</th>
<th>Lumada ratio(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2021</td>
<td>1.38</td>
</tr>
<tr>
<td>FY2022</td>
<td>1.96</td>
</tr>
<tr>
<td>FY2023 (forecast)</td>
<td>2.28</td>
</tr>
<tr>
<td>FY2024 (MMP target)</td>
<td>2.65</td>
</tr>
<tr>
<td>FY2024</td>
<td>6.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adj. EBITA [trillion yen](^1)</th>
<th>Lumada ratio(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2021</td>
<td>0.66</td>
</tr>
<tr>
<td>FY2022</td>
<td>0.72</td>
</tr>
<tr>
<td>FY2023 (forecast)</td>
<td>0.80</td>
</tr>
<tr>
<td>FY2024 (MMP target)</td>
<td>0.96</td>
</tr>
</tbody>
</table>

\(^1\) Revenues and profits of listed subsidiaries and Hitachi Astemo are subtracted, and equity in earnings of affiliates are added to results and plans of FY2021-FY2024
\(^2\) Equity in earnings of Hitachi Construction Machinery are classified into Lumada, those of Hitachi Astemo are classified into Non-Lumada
2.4 Profitability growth driven by Lumada

Lumada’s customer co-creation framework leads profitability improvement of Hitachi overall

Lumada Business growth

- **Adj. EBITA margin**
  - FY2018: 9.9%
  - FY2022: 16%
  - Hitachi Group: 12%

- **Revenues [trillion yen]**
  - FY2021: 1.38
  - FY2022: 1.96
  - FY2023 (forecast): 2.28
  - FY2024 (MMP target): 2.65

Steady growth of Lumada Business profitability

- **Number of registered use cases (installed cases)**
  - FY2018: 650
  - FY2022: 1330

- **Number of registered solutions**
  - FY2018: 71
  - FY2022: 202

Profitability improvement by Lumada’s customer co-creation framework

*1 Equity in earnings of Hitachi Construction Machinery are classified into Lumada, those of Hitachi Astemo are classified into Non-Lumada
*2 Revenues and profits of listed subsidiaries and Hitachi Astemo are subtracted, and equity in earnings of affiliates are added to results and plans of FY2021-FY2024
2.5 Stabilizing the bottom-line

Phase shift from business portfolio transformation to stable growth

Impact on bottom-line due to non-operating profits from major asset sales diminishing

Net Income (billion yen)

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<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td></td>
</tr>
</tbody>
</table>

- Losses including UK nuclear project, South African thermal power project, Sales of Capital*1, Koki*2, HTS*3, etc.
- Sales of Chemical*4, HTS*3, HCM*5, Metals*6, etc.

Stable growth

Risk management minimizes impact of one-time expenses and the economy

<table>
<thead>
<tr>
<th>Risk</th>
<th>Response</th>
</tr>
</thead>
</table>
| Economic environment (Inflation, exchange rate fluctuations) | - Strengthen investment risk/return monitoring
| Supply chain | - Reduce working capital
| Geopolitics | - Promote price pass-through, supplier diversification
| EPC | - Swiftly ensure employee safety and continue business
| Cyberattack | - Review overseas risk assets
| Pandemic Natural disasters | - Ensure limitation of liability in contracts
| | - Reinforce security including the adoption of Zero Trust security model
| | - Create BCP
| | - Continue business system that allows remote operations

*1 Hitachi Capital  *2 Hitachi Koki  *3 Hitachi Transport System  *4 Hitachi Chemical  *5 Hitachi Construction Machinery  *6 Hitachi Metals
### 2.6 Capital allocation policies

Sustainable growth by well-balanced allocation of generated cash to growth investments and shareholder returns

#### Growth investments
- Focus on Digital, Green and Innovation
- Criteria: Adj. EBITA margin over 12%, ROIC over 10%

<table>
<thead>
<tr>
<th></th>
<th>Original Plan</th>
<th>Update</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset sales</td>
<td>0.9 trillion yen</td>
<td>1.1 trillion yen</td>
</tr>
<tr>
<td>Core FCF</td>
<td>1.4 trillion yen</td>
<td>1.2 trillion yen</td>
</tr>
<tr>
<td>Growth investments</td>
<td>1.6 trillion yen</td>
<td>≥1.4 trillion yen</td>
</tr>
</tbody>
</table>

#### Shareholder returns
- Dividends: Stable distribution based on business growth
- Share buyback: Implement based on funding demands and business environment, etc.
- Consider both 50% of core FCF and 50% of net income for total shareholder returns

<table>
<thead>
<tr>
<th></th>
<th>Original Plan</th>
<th>Update</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share buyback</td>
<td>approx. 200 billion yen</td>
<td>100 billion yen in FY2023</td>
</tr>
<tr>
<td>Additional share buyback</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

#### Capital allocation
- Apply financial leverage flexibly, combining both existing D/E ratio target of 0.5x and net debt/EBITDA (1-2x)
- Additional purchase of Hitachi Energy’s share
- Bolt-on acquisitions of GlobalLogic
- Thales GTS’ acquisition planned in FY2023
- Share buyback of approx. 200 billion yen
- Additional share buyback of 100 billion yen in FY2023

* GTS: Ground Transportation Systems
## 2.7 EPS and CFPS growth

### EPS and CFPS*¹ growth through revenues expansion, profitability improvement, bottom-line stability and cash generation

<table>
<thead>
<tr>
<th></th>
<th>Up to now</th>
<th>FY2024 onward</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Topline growth:</strong> Revenues growth rate</td>
<td>2-5%</td>
<td>5-9%</td>
</tr>
<tr>
<td>Expansion capturing DX and GX growth markets</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>≤10%</th>
<th>≥12%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Increasing profitability:</strong> Adj. EBITA margin</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lumada growth driving increased profit margin</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>≤50%</th>
<th>≥60%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bottom-line stability:</strong> Net Income*²/Adj. EBITA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk management minimizing loss costs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>≤70%</th>
<th>≥80%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash generation:</strong> Core FCF / Net Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balanced capital allocation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- EPS growth:
  - EPS growth through revenues expansion, profitability improvement, bottom-line stability and cash generation
  - EPS 404 yen
  - MMP2021 (3 years average)
  - FY2024 ≥600 yen

- CFPS growth:
  - CFPS growth through revenues expansion, profitability improvement, bottom-line stability and cash generation
  - CFPS 291 yen
  - MMP2021 (3 years average)
  - FY2024 ≥500 yen

*¹ CFPS : Core FCF per share  
*² Excluded impact of one-time factors

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Sustainable management to support growth
3.1 Human capital activation

Accelerate sustainable growth with talent acquisition and development, DEI implementation and engagement improvement

Strengthen global talent for growth
Acquisition and development of digital talent

- Continue to strengthen talent leveraging GlobalLogic’s recruiting/development methods

Increase the ability for innovation
Implement Diversity, Equity and Inclusion

- FY2022 Results*2 Female 11%
  Non-Japanese 20%

- Understand customers’ challenges to deliver innovations globally through inclusion of diverse talent

Enhance a growth mindset as One Hitachi
Increase engagement

- FY2022 score results 69.5

- Globally accelerate co-creation by fostering One Hitachi growth mindset

MMP target (digital talent)
97,000 people*1

MMP target (executives)
Female: 15%
Non-Japanese: 15%

MMP target (engagement score)
68.0

*1 Hitachi Astemo is excluded  
*2 Included assignment as of April 1, 2023
3.2 Contributing to decarbonized society

Steady progress toward achieving carbon neutrality commitment

Achieve carbon neutrality*1 in FY2030

- Progress of CO2 emission reduction has exceeded target of MMP2024 and expected to reach 64% reduction in FY2024

CO2 reduction roadmap*2

Contribute to customer’s decarbonization

- Forecast for CO2 avoided emissions*3 aligned with calculation methodology of Category 11 in Scope 3*4:
  - 126.1 million ton/year (Target: 100 million ton/year)
  - 119.9 million ton/year avoided by energy transition (HVDC)
  - 6.2 million ton/year avoided by energy saving & electrification

*1 Scope1,2 (Emissions from the company’s factories and offices) *2 Hitachi Astemo is excluded *3 3 years average during MMP2024 *4 GHG Protocol Standard, baseline is FY2013 (FY2020 for Hitachi Energy)
3.3 Contributing to circular economy

Promoting internal and external activities to achieve a circular economy

Aiming to build a sustainable recycling society

- Applying eco-design for all newly-developed products*1
  - FY2022: 326 products registered

- 100% utilization of plastic waste*2
  - FY2022: 77% (estimation)

- Zero waste to landfill*2
  - FY2022: 112 workplaces (estimation)

- 50% improvement of efficiency in use of water*3
  - FY2022: 30% (estimation)

Contributing to a circular economy for society

- Hitachi-AIST*4 Circular Economy Cooperative Research Laboratory (since October 2022)
  - Grand design, rule-making, and social implementation to realize circular economy

- Vacuum cleaner utilizing recycled plastics
  - Developed and released product of recycled plastic utilization ratio 40%+ (released in August 2022)

- Hitachi Global Air Power’s REMAN program
  - End of life compressors are disassembled, parts reclaimed, then remanufactured to give equipment a 2nd and even 3rd life (Over 3000 compressors remanufactured since 2013)

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*1 FY2024 target  *2 FY2030 target, wherever this is compatible with local conditions and regulations  *3 FY2050 target, Baseline is FY2010  *4 National Institute of Advanced Industrial Science and Technology © Hitachi, Ltd. 2023. All rights reserved.
3.4 Strengthening governance

Accelerate global management transformation through active discussions with a diverse Board of Directors

Promoting highly effective measures through discussions with the Board of Directors

- Monitoring progress of MMP
- Investments deliberation
- CEO succession plan

Corporate Governance of the Year 2022

- Awarded grand prize among approx. 1,800 listed companies in Tokyo Stock Exchange prime market
- Recognized for the diversity of the board members, continuous review of business portfolio, etc.

Composition of the Board of Directors

12 board of directors

- Emphasize independence, diversity, and appropriate tenures

<table>
<thead>
<tr>
<th>Independent</th>
<th>Non-Japanese, Female</th>
<th>Average Tenure</th>
</tr>
</thead>
<tbody>
<tr>
<td>75%</td>
<td>42%, 17%</td>
<td>5 years</td>
</tr>
</tbody>
</table>

(9 members) (5 members, 2 members respectively)

Executive compensation system linked with enterprise value improvement

- Strengthen links between compensation and enterprise value to further accelerate growth as a global company
  - Enlarged portion of mid to long term incentives linked to stock price
  - Introduced MMP achievement incentive by setting MMP targets as evaluation KPIs
  - Added comparison of global competitors in stock growth as evaluation KPI

Accelerate global management transformation through active discussions with a diverse Board of Directors
Introducing Hitachi’s modal change from business portfolio transformation to sustainable growth, focusing on growth strategies of each area of the Social Innovation Business

- Date: Tuesday, June 13, 2023
- Agenda:
  1. CEO Remarks Keiji Kojima, President & CEO
  2. Green Alistair Dormer, Executive Vice President
  3. Digital Toshiaki Tokunaga, Executive Vice President
  4. Connective Masakazu Aoki, Executive Vice President
  5. CFO Session Yoshihiko Kawamura, Executive Vice President, CFO
  6. Q&A Session
Hitachi Social Innovation is POWERING GOOD
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:

- 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 response 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.