

FOR IMMEDIATE RELEASE

**Hitachi Announces Consolidated Financial Results
for the Six Months Ended September 30, 2024**

Tokyo, October 30, 2024 --- Hitachi, Ltd. (TSE:6501) today announced its consolidated financial results for the six months ended September 30, 2024

Condensed Semi-annual Consolidated Statement of Profit or Loss

(Millions of yen)

	Six months ended September 30, 2023 (A)	Six months ended September 30, 2024 (B)	(B)/(A) (%)
Revenues	4,960,069	4,545,982	92
Cost of sales	(3,730,503)	(3,252,750)	87
Gross profit	1,229,566	1,293,232	105
Selling, general and administrative expenses	(904,084)	(888,493)	98
Adjusted operating income	325,482	404,739	124
Other income	21,566	54,539	253
Other expenses	(42,775)	(40,121)	94
Financial income	6,624	27,877	421
Financial expenses	(4,243)	(3,426)	81
Share of profits (losses) of investments accounted for using the equity method	33,232	4,697	14
EBIT (Earnings before interest and taxes)	339,886	448,305	132
Interest income	19,731	21,748	110
Interest charges	(37,561)	(30,718)	82
Income before income taxes	322,056	439,335	136
Income taxes	(89,718)	(123,948)	138
Net income	232,338	315,387	136
Net income attributable to:			
Hitachi, Ltd. stockholders	209,103	292,273	140
Non-controlling interests	23,235	23,114	99
Earnings per share attributable to Hitachi, Ltd. stockholders	Yen	Yen	
Basic	44.83	63.29	141
Diluted	44.78	63.22	141

Note: On July 1, 2024, the Company completed a share split into 5 shares for every one common share. The figures for basic and diluted earnings per share attributable to Hitachi, Ltd. stockholders are calculated on the assumption that the Company conducted this split at the beginning of the previous fiscal year.

Condensed Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2023 (A)	Six months ended September 30, 2024 (B)	(B)/(A) (%)
Net income	232,338	315,387	136
Other comprehensive income (OCI)			
Items not to be reclassified into net income			
Net changes in financial assets measured at fair value through OCI	32,280	(3,596)	-
Remeasurements of defined benefit plans	(165)	365	-
Share of OCI of investments accounted for using the equity method	397	(2,119)	-
Total items not to be reclassified into net income	32,512	(5,350)	-
Items that can be reclassified into net income			
Foreign currency translation adjustments	390,417	(249,203)	-
Net changes in cash flow hedges	10,704	4,413	41
Share of OCI of investments accounted for using the equity method	23,376	(3,847)	-
Total items that can be reclassified into net income	424,497	(248,637)	-
Other comprehensive income (OCI)	457,009	(253,987)	-
Comprehensive income	689,347	61,400	9
Comprehensive income attributable to:			
Hitachi, Ltd. stockholders	641,493	38,741	6
Non-controlling interests	47,854	22,659	47

Condensed Semi-annual Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2024 (A)	As of September 30, 2024 (B)	(B)-(A)
Assets			
Current assets			
Cash and cash equivalents	705,367	794,264	88,897
Trade receivables and contract assets	2,991,316	3,080,101	88,785
Inventories	1,510,647	1,606,906	96,259
Investments in securities and other financial assets	331,280	305,447	(25,833)
Other current assets	315,987	361,470	45,483
Total Current assets	5,854,597	6,148,188	293,591
Non-current assets			
Investments accounted for using the equity method	816,434	797,376	(19,058)
Investments in securities and other financial assets	320,101	332,906	12,805
Property, plant and equipment	1,221,842	1,219,756	(2,086)
Goodwill	2,371,678	2,394,333	22,655
Other intangible assets	1,178,750	1,219,378	40,628
Other non-current assets	457,882	456,691	(1,191)
Total Non-current assets	6,366,687	6,420,440	53,753
Total Assets	12,221,284	12,568,628	347,344
Liabilities			
Current liabilities			
Short-term debt	37,827	337,382	299,555
Current portion of long-term debt	187,486	226,476	38,990
Other financial liabilities	266,245	210,627	(55,618)
Trade payables	1,399,699	1,462,387	62,688
Accrued expenses	697,471	612,158	(85,313)
Contract liabilities	1,658,435	1,902,662	244,227
Other current liabilities	555,437	573,345	17,908
Total Current liabilities	4,802,600	5,325,037	522,437
Non-current liabilities			
Long-term debt	954,709	965,226	10,517
Retirement and severance benefits	246,231	268,768	22,537
Other non-current liabilities	358,141	353,998	(4,143)
Total Non-current liabilities	1,559,081	1,587,992	28,911
Total Liabilities	6,361,681	6,913,029	551,348
Equity			
Hitachi, Ltd. stockholders' equity			
Common stock	463,417	464,384	967
Capital surplus	-	-	-
Retained earnings	4,084,729	4,282,935	198,206
Accumulated other comprehensive income	1,160,550	881,700	(278,850)
(Foreign currency translation adjustments)	984,432	732,297	(252,135)
(Remeasurements of defined benefit plans)	103,039	102,918	(121)
(Net changes in financial assets measured at fair value through OCI)	50,378	45,024	(5,354)
(Net changes in cash flow hedges)	22,701	1,461	(21,240)
Treasury stock, at cost	(4,991)	(127,659)	(122,668)
Total Hitachi, Ltd. stockholders' equity	5,703,705	5,501,360	(202,345)
Non-controlling interests	155,898	154,239	(1,659)
Total Equity	5,859,603	5,655,599	(204,004)
Total Liabilities and Equity	12,221,284	12,568,628	347,344

Condensed Semi-annual Consolidated Statement of Changes in Equity

(Millions of yen)

Six months ended September 30, 2023								
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
Balance at beginning of period	462,817	-	3,637,184	846,392	(3,539)	4,942,854	392,713	5,335,567
Changes in equity								
Reclassified into retained earnings	-	-	6,282	(6,282)	-	-	-	-
Net income	-	-	209,103	-	-	209,103	23,235	232,338
Other comprehensive income	-	-	-	432,390	-	432,390	24,619	457,009
Dividends to Hitachi, Ltd. stockholders	-	-	(70,317)	-	-	(70,317)	-	(70,317)
Dividends to non-controlling interests	-	-	-	-	-	-	(30,291)	(30,291)
Acquisition of treasury stock	-	-	-	-	(98,685)	(98,685)	-	(98,685)
Sales of treasury stock	-	(152)	-	-	206	54	-	54
Issuance of new shares	600	600	-	-	-	1,200	-	1,200
Transfer to capital surplus from retained earnings	-	-	-	-	-	-	-	-
Changes in non-controlling interests	-	(448)	477	(817)	-	(788)	(325)	(1,113)
Total changes in equity	600	-	145,545	425,291	(98,479)	472,957	17,238	490,195
Balance at end of period	463,417	-	3,782,729	1,271,683	(102,018)	5,415,811	409,951	5,825,762

(Millions of yen)

Six months ended September 30, 2024								
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
Balance at beginning of period	463,417	-	4,084,729	1,160,550	(4,991)	5,703,705	155,898	5,859,603
Changes in equity								
Reclassified into retained earnings	-	-	125	(125)	-	-	-	-
Net income	-	-	292,273	-	-	292,273	23,114	315,387
Other comprehensive income	-	-	-	(253,532)	-	(253,532)	(455)	(253,987)
Dividends to Hitachi, Ltd. stockholders	-	-	(92,662)	-	-	(92,662)	-	(92,662)
Dividends to non-controlling interests	-	-	-	-	-	-	(27,966)	(27,966)
Acquisition of treasury stock	-	-	-	-	(123,678)	(123,678)	-	(123,678)
Sales of treasury stock	-	(791)	-	-	1,010	219	-	219
Issuance of new shares	967	966	-	-	-	1,933	-	1,933
Transfer to capital surplus from retained earnings	-	1,530	(1,530)	-	-	-	-	-
Changes in non-controlling interests	-	(1,705)	-	(25,193)	-	(26,898)	3,648	(23,250)
Total changes in equity	967	-	198,206	(278,850)	(122,668)	(202,345)	(1,659)	(204,004)
Balance at end of period	464,384	-	4,282,935	881,700	(127,659)	5,501,360	154,239	5,655,599

Condensed Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2023 (A)	Six months ended September 30, 2024 (B)	(B)-(A)
Cash flows from operating activities			
Net Income	232,338	315,387	83,049
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	247,004	214,928	(32,076)
Impairment losses	6,156	4,030	(2,126)
Income taxes	89,718	123,948	34,230
Share of (profits) losses of investments accounted for using the equity method	(33,232)	(4,697)	28,535
Financial income and expenses	13,540	1,187	(12,353)
Net (gain) loss on business reorganization and others	(11,105)	(32,172)	(21,067)
(Gain) loss on sale of property, plant and equipment	(9,737)	(21,895)	(12,158)
Change in trade receivables and contract assets	165,915	213,753	47,838
Change in inventories	(137,760)	(109,683)	28,077
Change in trade payables	(76,507)	(17,610)	58,897
Change in accrued expenses	(29,928)	(67,300)	(37,372)
Change in retirement and severance benefits	889	3,776	2,887
Other	(70,472)	(134,185)	(63,713)
Subtotal	386,819	489,467	102,648
Interest received	19,810	21,529	1,719
Dividends received	7,032	10,876	3,844
Interest paid	(36,842)	(34,088)	2,754
Income taxes paid	(59,893)	(164,449)	(104,556)
Net cash provided by (used in) operating activities	316,926	323,335	6,409
Cash flows from investing activities			
Purchase of property, plant and equipment	(116,587)	(90,922)	25,665
Purchase of intangible assets	(79,165)	(63,810)	15,355
Proceeds from sale of property, plant and equipment, and intangible assets	20,689	34,978	14,289
Purchase of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	(12,049)	(270,754)	(258,705)
Proceeds from sale of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	81,792	66,072	(15,720)
Other	(4,970)	12,550	17,520
Net cash provided by (used in) investing activities	(110,290)	(311,886)	(201,596)
Free cash flows	206,636	11,449	(195,187)
Cash flows from financing activities			
Change in short-term debt, net	57,653	314,247	256,594
Proceeds from long-term debt	3,199	80,619	77,420
Payments on long-term debt	(65,854)	(51,555)	14,299
Dividends paid to Hitachi, Ltd. stockholders	(70,235)	(92,464)	(22,229)
Dividends paid to non-controlling interests	(20,099)	(28,139)	(8,040)
Acquisition of common stock for treasury	(98,685)	(123,678)	(24,993)
Proceeds from sales of treasury stock	54	3	(51)
Purchase of shares of consolidated subsidiaries from non-controlling interests	(362)	-	362
Net cash provided by (used in) financing activities	(194,329)	99,033	293,362
Effect of exchange rate changes on cash and cash equivalents	60,248	(21,585)	(81,833)
Change in cash and cash equivalents	72,555	88,897	16,342
Cash and cash equivalents at beginning of period	833,283	705,367	(127,916)
Cash and cash equivalents at end of period	905,838	794,264	(111,574)

Segment Information

(1) Segment revenues and profit (loss)

The operating segments of the Company are the components for which separate financial information is available and which is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

The Company discloses its business in four reportable segments, corresponding to categories of activities classified primarily by the similarities for the nature of markets, products and services, and economic characteristics. Several operating segments are aggregated into Green Energy & Mobility and Connective Industries for financial reporting purposes so that users of the financial statements better understand the Company's financial position and business performance. The Company aggregates operating segments based on the similarities of economic characteristics mainly using the segment profit (loss) margin ratio of operating segments. The primary products and services included in each reportable segment are as follows:

Digital Systems & Services:

Digital solutions (System integration, Consulting, Cloud services), IT products (Storage, Servers), Software, and ATMs

Green Energy & Mobility:

Energy solutions (Power grids, Renewable energy, Nuclear), and Railway systems

Connective Industries:

Building systems (Elevators, Escalators), Smart life & ecofriendly systems (Home appliances, Air conditioners), Measurement and analytical systems (Semiconductor manufacturing equipment, Clinical analyzers), Industry & distribution solutions, Water & environment solutions, and Industrial machinery

Others:

Property management and others

In October 2023, the Company sold a certain number of shares of Hitachi Astemo, Ltd. (Hitachi Astemo). As a result, Hitachi Astemo and its subsidiaries, which were included in the Automotive Systems segment, became equity-method associates of the Company. Accordingly, the Automotive Systems segment ceased to be operating segments, but the segment figures for the six months ended September 30, 2023 and 2024 are disclosed individually to enhance fair disclosure. The Company includes its share of profits (losses) of investments accounted for using the equity method of Hitachi Astemo and its subsidiaries after the transfer of shares from the third quarter of the fiscal year ended March 31, 2024 in Corporate items & Eliminations.

The following tables show segment information for the six months ended September 30, 2023 and 2024.

(Millions of yen)

	Six months ended September 30, 2023			
	Reportable Segment			
	Digital Systems & Services	Green Energy & Mobility	Connective Industries	Automotive Systems
Revenues				
Revenues from External Customers	1,112,099	1,317,555	1,369,447	1,030,966
Revenues from Intersegment Transactions	80,403	28,158	94,403	4,251
Total Revenues	1,192,502	1,345,713	1,463,850	1,035,217
Segment Profit (Loss)	135,061	79,671	145,719	41,291

(Millions of yen)

	Six months ended September 30, 2023			
	Reportable Segment		Corporate items & Eliminations	Total
	Others	Subtotal		
Revenues				
Revenues from External Customers	120,152	4,950,219	9,850	4,960,069
Revenues from Intersegment Transactions	121,666	328,881	(328,881)	-
Total Revenues	241,818	5,279,100	(319,031)	4,960,069
Segment Profit (Loss)	7,849	409,591	(8,653)	400,938

(Millions of yen)

	Six months ended September 30, 2024			
	Reportable Segment			
	Digital Systems & Services	Green Energy & Mobility	Connective Industries	Automotive Systems
Revenues				
Revenues from External Customers	1,229,372	1,757,559	1,410,329	-
Revenues from Intersegment Transactions	83,046	28,175	84,677	-
Total Revenues	1,312,418	1,785,734	1,495,006	-
Segment Profit (Loss)	169,187	152,944	167,051	-

(Millions of yen)

	Six months ended September 30, 2024			
	Reportable Segment		Corporate items & Eliminations	Total
	Others	Subtotal		
Revenues				
Revenues from External Customers	129,029	4,526,289	19,693	4,545,982
Revenues from Intersegment Transactions	108,737	304,635	(304,635)	-
Total Revenues	237,766	4,830,924	(284,942)	4,545,982
Segment Profit (Loss)	6,014	495,196	(28,144)	467,052

Segment profit (loss) is measured by Adjusted EBITA. Adjusted EBITA is defined as Adjusted Earnings before Interest, Taxes and Amortization. Adjusted EBITA represents profit (loss) calculated by deducting selling, general and administrative expenses from gross profit, adding back amortization of intangible assets, etc. recognized upon business combinations, and adding or deducting share of profits (losses) of investments accounted for using the equity method.

Intersegment transactions are generally recorded at the same prices used in arm's length transactions. Corporate items include corporate expenses not allocated to individual segments, such as expenditures for advanced R&D, a part of net gain (loss) on share of profits (losses) of investments accounted for using the equity method, and others.

Adjustments to income before income taxes from segment profit (loss) are as follows.

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Segment Profit (Loss)	400,938	467,052
Amortization of Intangible assets, etc. recognized upon business combinations	(42,224)	(57,616)
Other income	21,566	54,539
Other expenses	(42,775)	(40,121)
Financial income	6,624	27,877
Financial expenses	(4,243)	(3,426)
EBIT (Earnings before interest and taxes)	339,886	448,305
Interest income	19,731	21,748
Interest charges	(37,561)	(30,718)
Income before income taxes	322,056	439,335

(2) Revenues by Market

(Millions of yen)

	Six months ended September 30, 2023 (A)	Six months ended September 30, 2024 (B)	(B)/(A) (%)
Japan	1,769,829 36%	1,679,008 37%	95
North America	867,386 17%	741,254 17%	85
Europe	767,233 15%	872,555 19%	114
Asia	1,229,468 25%	921,586 20%	75
Other Areas	326,153 7%	331,579 7%	102
Overseas Revenues Subtotal	3,190,240 64%	2,866,974 63%	90
Total Revenues	4,960,069 100%	4,545,982 100%	92

Notes

(1) Notes Regarding Going Concern

Not applicable.

Summary of Consolidated Business Results, etc.

For detailed information, please refer to the Presentation Material "Outline of Consolidated Financial Results for the Second Quarter Ended September 30, 2024" (disclosed on October 30) on TDnet and our website.

(<https://www.hitachi.com/IR-e/library/fr/index.html>)

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 respond to tightening of regulations to prevent climate change;
- uncertainty as to Hitachi's ability to maintain the integrity of its information systems, as well as Hitachi's ability to protect its confidential information or that of its customers;
- uncertainty as to Hitachi's ability to attract and retain skilled personnel;
- uncertainty as to Hitachi's ability to continue to develop and market products that incorporate new technologies on a timely and cost-effective basis and to achieve market acceptance for such products;
- 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.

*This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.