



Outline of Consolidated Financial Results for the Year Ended March 31, 2021

[Fiscal 2020]

April 28, 2021

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Contents

1. Key Messages
2. FY2020 Results
3. FY2021 Forecast
4. Appendix



1. Key Messages

1

Achieved *Record-high* Net Income and *Record-high* CF Margin from Operating Activities of 9.1% in FY2020 Consolidated Total

- Achieved net income attributable to Hitachi, Ltd. stockholders of 501.6bn yen (*record-high*)
- Achieved CF from operating activities of 793.1bn yen in excess of adjusted operating income*1 by thorough cash flow management

2

IT Segment Achieved *Record-high* Profits under Severe Business Environments, Leading Hitachi's Performance

- Increased profitability through structural reform and rigid cost management
- IT segment achieved record-high adjusted operating income ratio of 13.2% in FY2020

3

Hitachi ABB Power Grids, Mobility Segment and Hitachi Astemo Remained Firm

- Hitachi ABB Power Grids:
 - Expanding energy solution business for a carbon neutral future
 - Accumulating order intakes(Q4 orders: \$2.3bn, order backlog: approx. \$12.0bn)
- Railway Systems business: awarded up to approx. 239.8bn yen contract to design and build railcar vehicles with Washington Metropolitan Area Transit Authority
- Building Systems business: expanding the business in China (revenues YoY approx. +30%)

4

Transformed Business Portfolio for Further Growth

- Divested Hitachi Chemical, diagnostic imaging-related business in FY2020 and plan to divest Hitachi Metals in FY2021
- Launched Hitachi ABB Power Grids and Hitachi Astemo in FY2020 and plan to complete acquisition of GlobalLogic in FY2021

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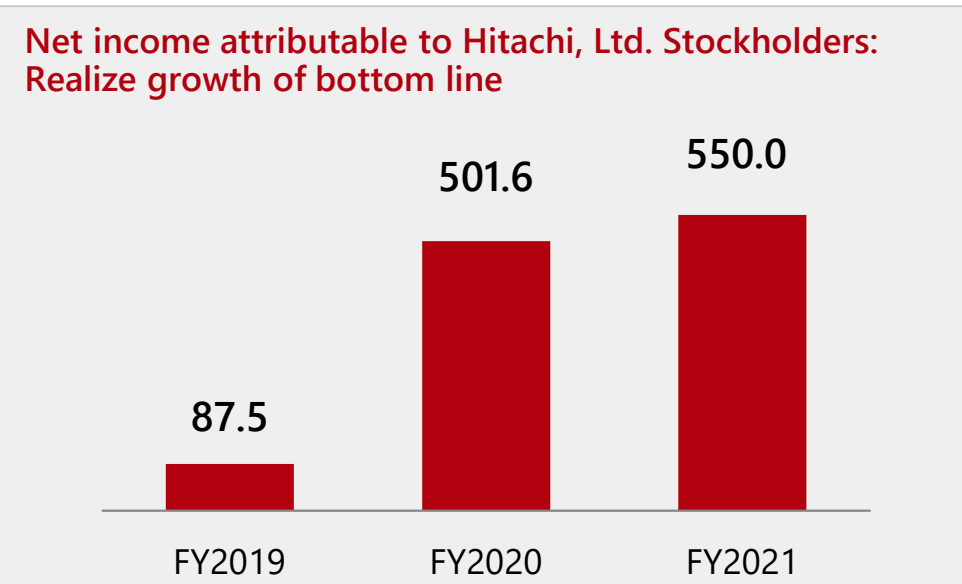
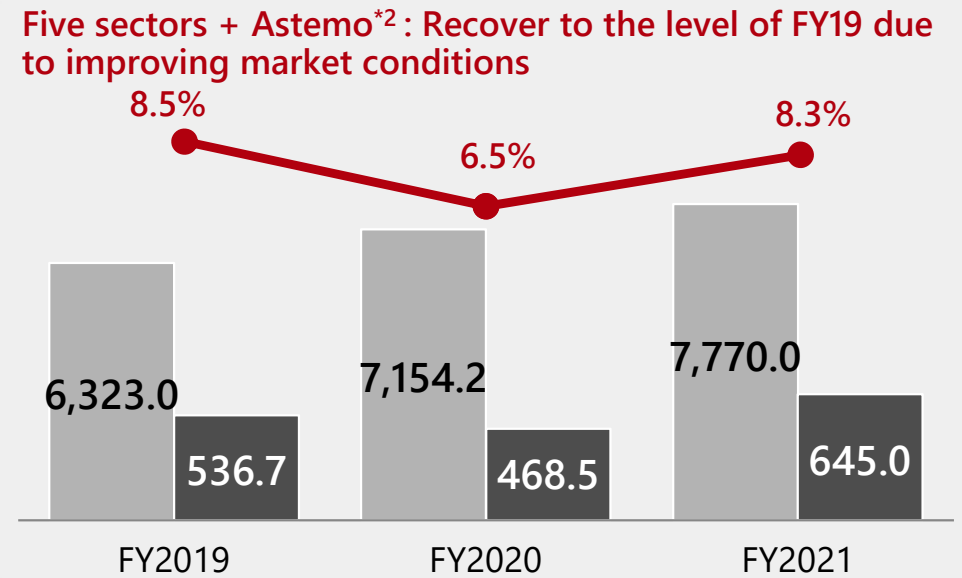
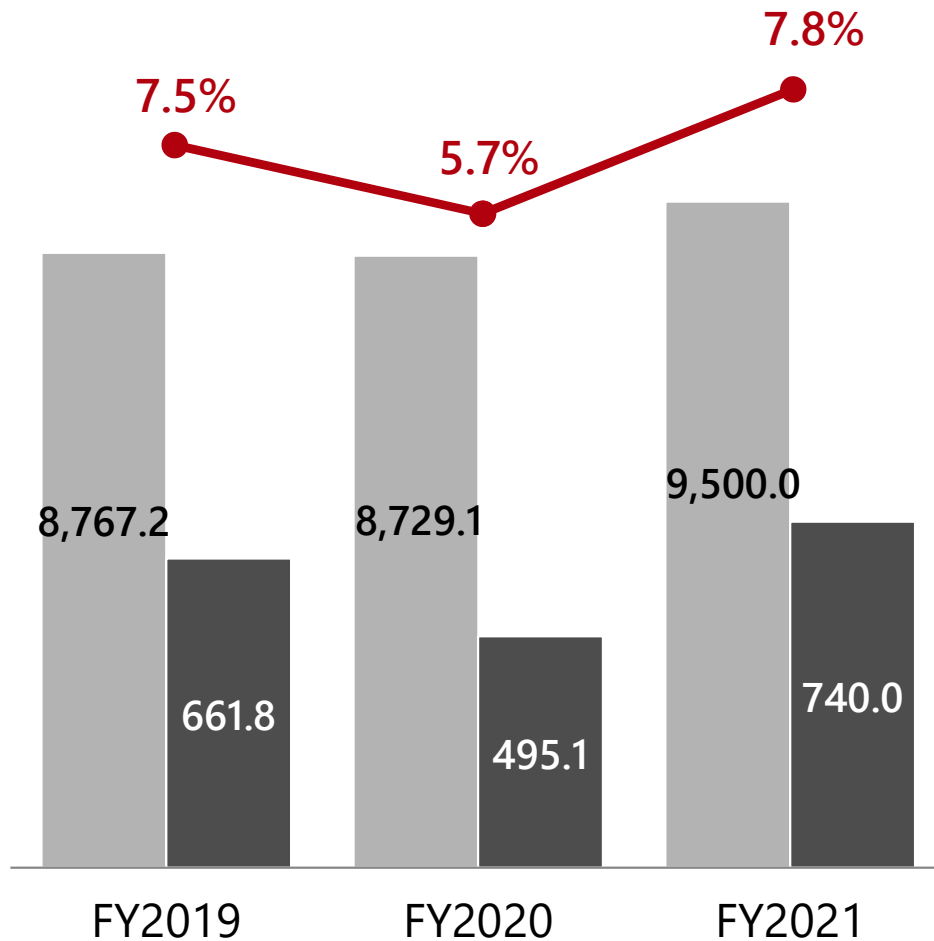
Conducted Cost Structure Reform

- Realized cost reduction of over 120.0bn yen in FY2020 (compared to FY2019)

Total

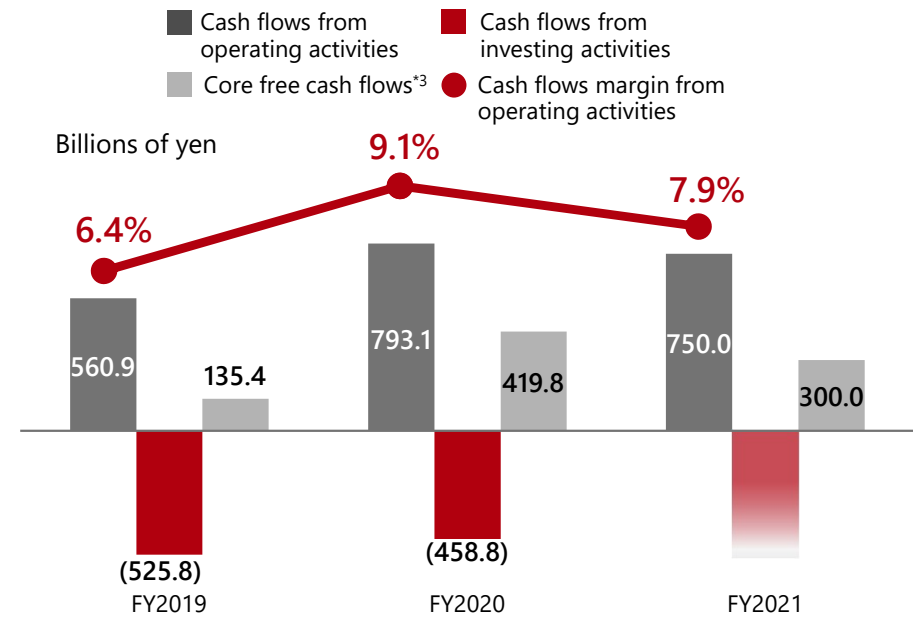
Billions of yen

■ Revenues ■ Adjusted operating income ● Adjusted operating income ratio



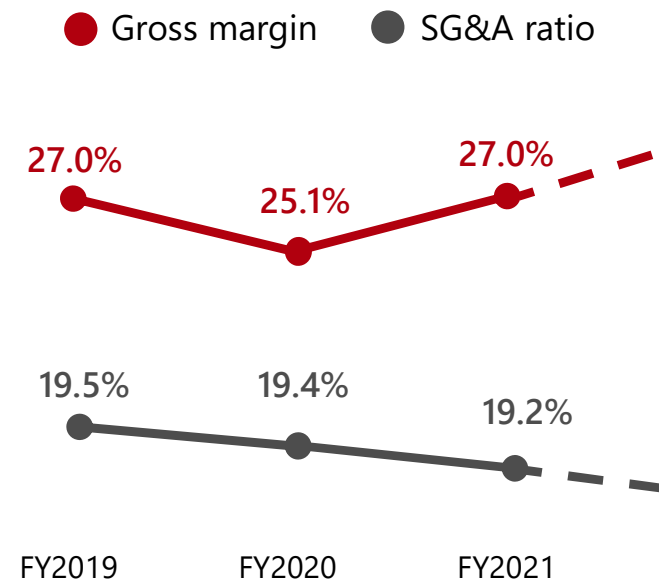
Cash flow management

- Secured cash flows from operating activities in FY2020 that exceeded the previous year, despite revenues decrease due to COVID-19
- Accumulated cash flows through cost structure reform, reducing working capital, screening capital expenditures and promoting sales of assets in FY2020 and continue in FY2021



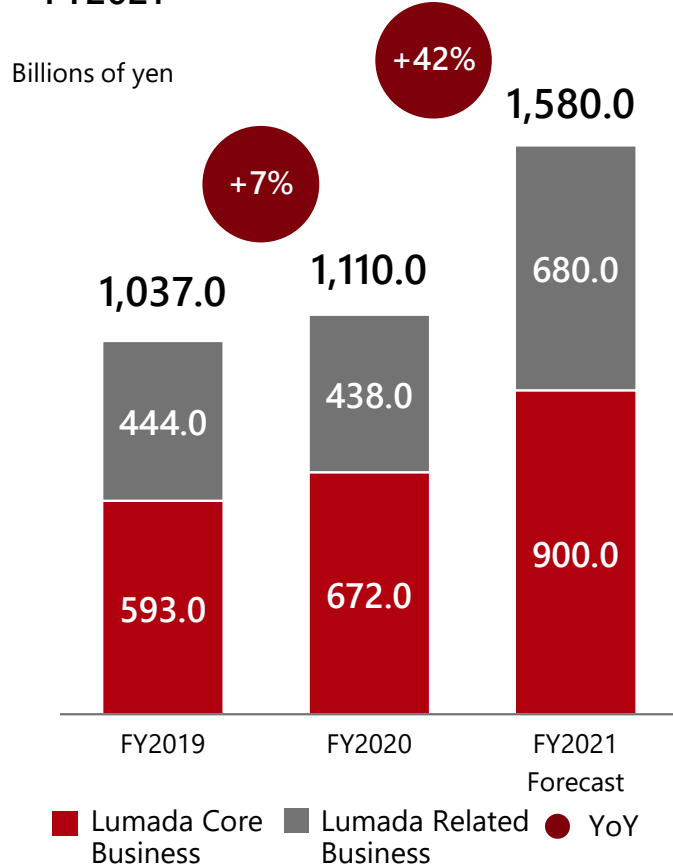
Cost structure reform

- Aim to reduce total cost by a cumulative 100.0bn yen by FY2025 through utilization of shared service function of Hitachi ABB Power Grids, streamlining the functions of procurement, general affairs, finance & accounting, etc.
- Continuous cost reduction by promoting the reform of indirect operations and work style reform (reducing office space, etc.) for New Normal
- Focusing on high profit areas centered on Lumada business and increasing gross margin



Lumada business revenues

- Lumada core business led expansion of Lumada business in FY2020
- Aim for further expansion through the collaboration of Lumada and digital technologies provided by Hitachi ABB Power Grids and GlobalLogic in FY2021



Decided to acquire GlobalLogic, a leading U.S.-based digital engineering services company

Accelerate global expansion of Lumada business through creating synergies with five sectors and Hitachi Astemo

Established "Lumada Innovation Hub Tokyo"

Stimulate the creation of new innovations in the post COVID-19 world by connecting diverse stakeholders and Hitachi's Lumada sites both virtually and at each site

Energy: smart digital substation

Hitachi ABB Power Grids provides smart digital substations to enable a 'smarter' grid and support the acceleration of the energy transition

Industry: co-creation with WORKMAN CO., LTD.

Started to introduce the system to all stores that automates ordering of 100,000 items through AI demand forecasting etc.

Hitachi Astemo: deliver AD ECU and OTA to new model Honda Legend achieved Autonomous Driving Level 3

Realized one-stop solution that provides a data center for sending software updates and the in-vehicle device system

Transform business portfolio for further growth

- Plan to sell Hitachi Metals shares, forecasting gains of approx. 114.0bn yen (proceeds of sale: approx. 382.0bn yen) in FY2021

Expanding businesses contributing to environmental value

- Hitachi ABB Power Grids:
 - Awarded additional order of Dogger Bank HVDC (the world's largest offshore wind farm, capable of powering six million homes)
 - Delivered energy storage solution for Singapore's virtual power plant
- Railway Systems business:
 - Awarded up to approx. 239.8bn yen contract with options to design and build max 800 railcar vehicle with Washington Metropolitan Area Transit Authority

Expanding businesses contributing to social value

- Healthcare business:
 - Started collaboration with SOPHiA GENETICS (Switzerland) to advance data driven precision medicine and expand commercial footprint
 - Started joint development of solutions with Axcelead (Japan) for the creation of next-generation biopharmaceuticals
- Social Innovation Business:
 - Established "principles guiding the ethical use of AI", contributing to the creation of a safe and resilient society and the enhancement of people's quality of life by human-centered development and societal implementation of AI



2. FY2020 Results

Q4: revenues increased YoY due to the acquisition of power grids business and the integration impact of Hitachi Astemo, while there was a decrease in the revenues and profit from the deconsolidation of Hitachi Chemical

FY2020: revenues decreased YoY due to the deconsolidation of Hitachi Chemical and deterioration of market conditions, despite the increase in revenues from the acquisition of power grids business and the integration impact of Hitachi Astemo. IT segment achieved a record-high adjusted operating income ratio of 13.2%. Secured 793.1 (9.1% margin) consolidated CF from operating activities

Overseas revenues (FY2020)
4,574.3bn yen (YoY +8%)

Lumada business revenues (FY2020)

1,110.0bn yen (YoY +7%)
(Previous forecast comparison +1%)

EBIT*4 (FY2020)
850.2bn yen (YoY +666.6bn yen)
(Previous forecast comparison +170.2bn yen)

Net income attributable to Hitachi, Ltd. stockholders (FY2020)
501.6bn yen (YoY +414.0bn yen)
(Previous forecast comparison +131.6bn yen)

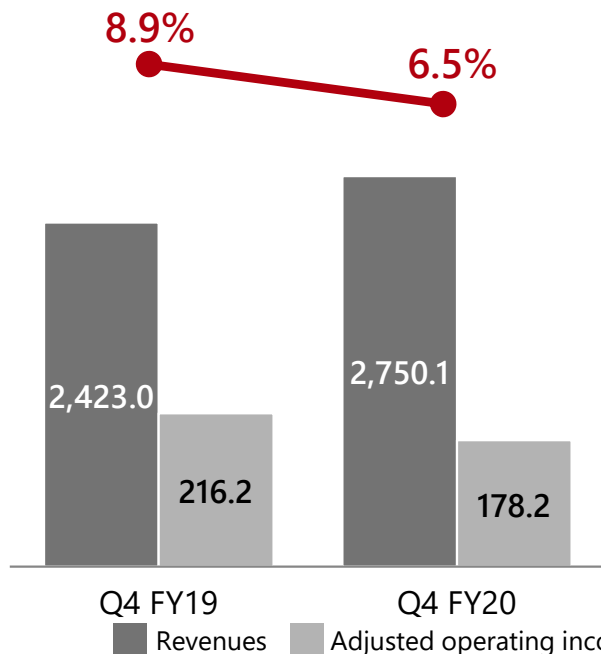
EBITDA*5 (FY2020)
1,343.0bn yen (YoY +724.0bn yen)
(Previous forecast comparison +169.0bn yen)

Cash flows from operating activities (FY2020)
793.1bn yen (YoY +232.2bn yen)
(Previous forecast comparison +243.1bn yen)

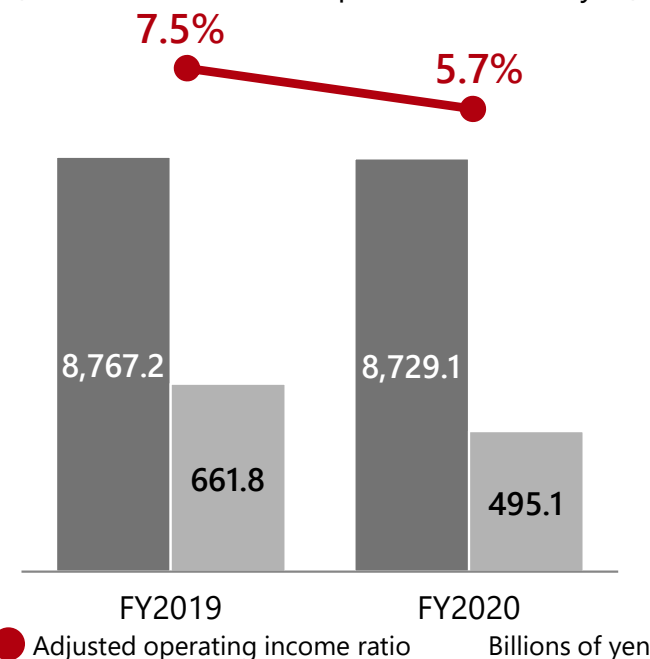
ROIC*6
6.4% (YoY (3.0) points)

Year-end Dividend
55 yen / share (YoY +5 yen)

Q4 FY20
Revenues
2,750.1bn yen (YoY +13%)
Adjusted operating income
178.2bn yen (YoY (37.9)bn yen)



FY2020
Revenues
8,729.1bn yen (YoY ±0%)
(Previous forecast comparison +5%)
Adjusted operating income
495.1bn yen (YoY (166.7)bn yen)
(Previous forecast comparison +75.1bn yen)



"Previous forecast" is the forecast as of February 3, 2021

Results by Five Sectors and Listed Subsidiaries (FY2020)

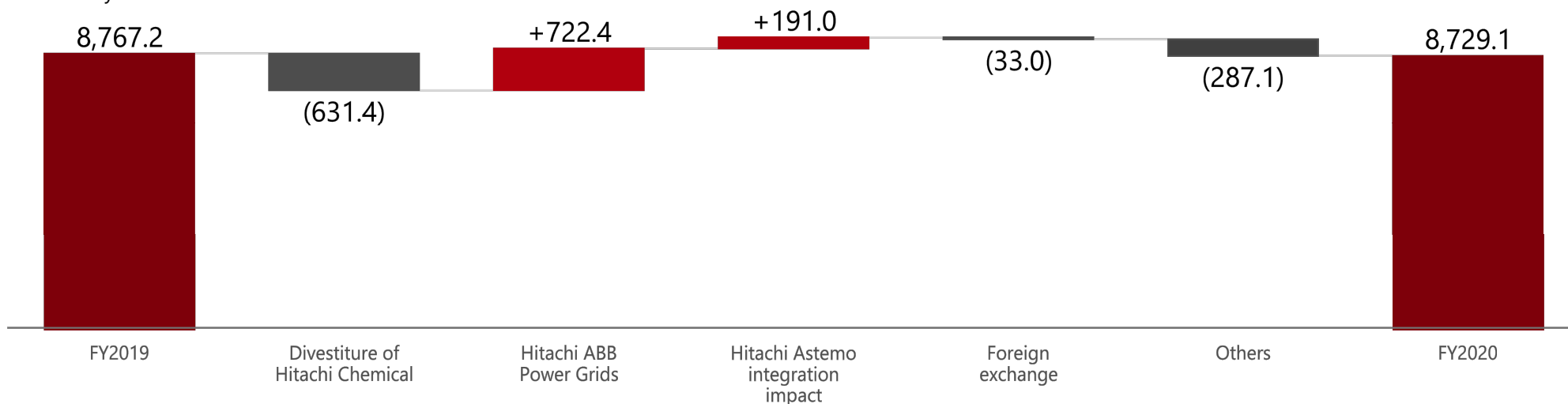
- Five sectors: revenues increased, income decreased (increase in revenues due to the acquisition of power grids business and the integration impact of Hitachi Astemo)
- Listed subsidiaries: both revenues and income decreased (due to the divestiture of Hitachi Chemical and the deterioration of market conditions of Hitachi Construction Machinery and Hitachi Metals)

Billions of yen	Five sectors*² [IT, Energy, Industry, Mobility, Smart Life]	Listed subsidiaries*⁷ [Hitachi Construction Machinery, Hitachi Metals]	Total
Revenues	7,154.2	1,574.9	8,729.1
YoY	113%	64%	100%
Adjusted operating income	468.5	26.6	495.1
YoY	(68.2)	(98.4)	(166.7)
Adjusted operating income ratio	6.5%	1.7%	5.7%
YoY	(2.0) points	(3.4) points	(1.8) points
EBIT	871.7	(21.4)	850.2
YoY	+726.2	(59.5)	+666.6
EBIT ratio	12.2%	(1.4)%	9.7%
YoY	+9.9 points	(3.0) points	+7.6 points
Net income (loss) attributable to Hitachi, Ltd. stockholders	519.1	(17.5)	501.6
YoY	+430.4	(16.4)	+414.0

Factors Affecting Changes in Revenues and Adjusted Operating Income (FY2020 Total)

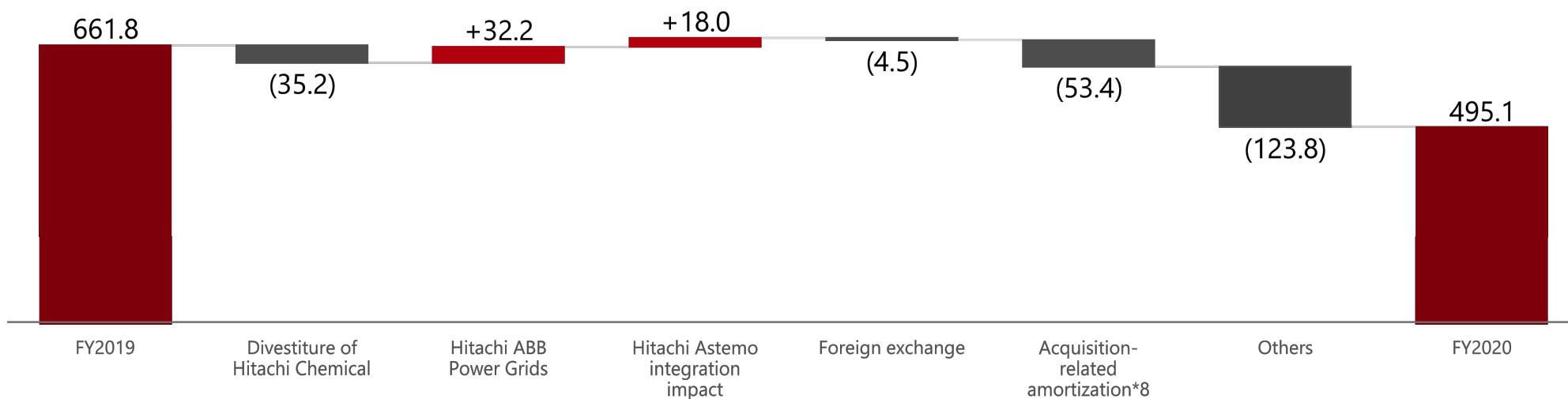
Revenues

Billions of yen



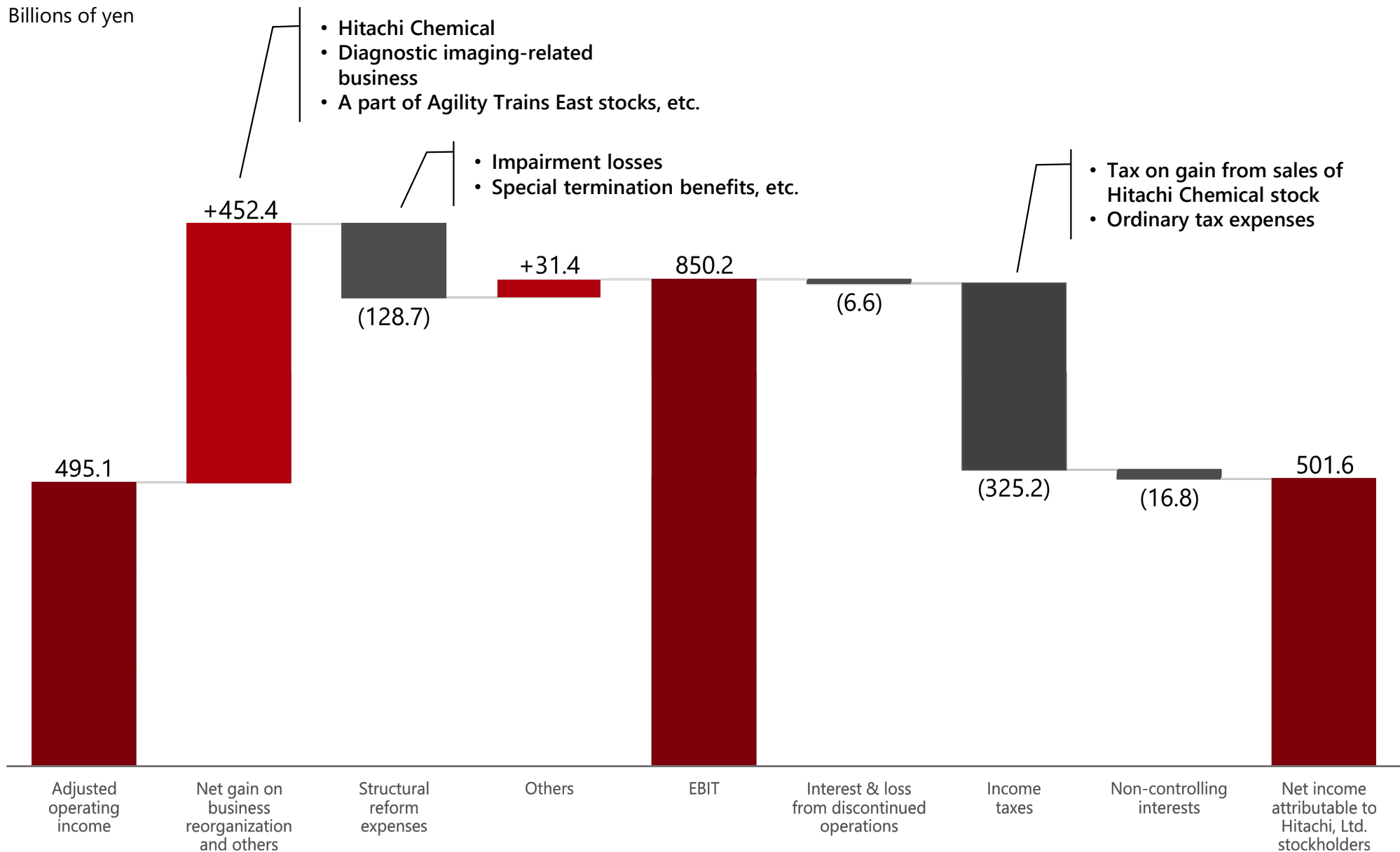
Adjusted operating income

Billions of yen



Factors Affecting Changes in Net Income Attributable to Hitachi, Ltd. Stockholders (FY2020 Total)

Billions of yen



Summary of Consolidated Financial Position

Billions of yen	As of March 31, 2020	As of March 31, 2021	Change from March 31, 2020
Total assets	9,930.0	11,852.8	+1,922.7
Cash and cash equivalents	812.3	1,015.8	+203.5
Trade receivables and contract assets	2,260.2	2,734.4	+474.2
Total liabilities	5,663.3	7,394.6	+1,731.2
Interest-bearing debt	1,485.0	2,397.3	+912.3
Total Hitachi, Ltd. stockholders' equity	3,159.9	3,525.5	+365.5
Non-controlling interests	1,106.7	932.7	(174.0)
Cash Conversion Cycle	74.2 days	81.0 days	+6.8 days
Total Hitachi, Ltd. stockholders' equity ratio	31.8%	29.7%	(2.1) points
D/E ratio	0.35 times	0.54 times	+0.19 points

Summary of Consolidated Statement of Cash Flows

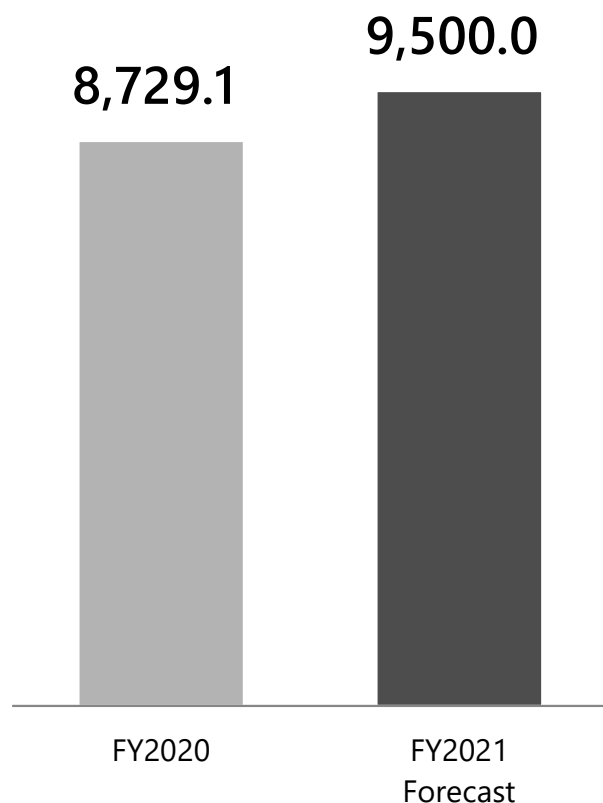
Billions of yen	FY2019	FY2020	YoY
Cash flows from operating activities	560.9	793.1	+232.2
Cash flows from investing activities	(525.8)	(458.8)	+66.9
Free cash flows	35.0	334.2	+299.1
Core free cash flows	135.4	419.8	+284.4



3. FY2021 Forecast

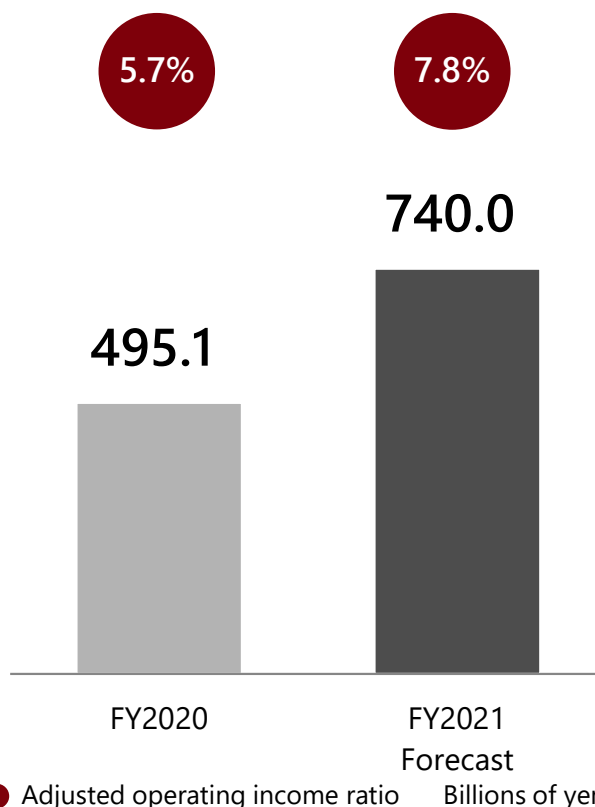
Revenues YoY 9% up

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



Adjusted operating income YoY +244.8bn yen

Forecast profit increase led by revenues increase



Lumada business revenues

1,580.0bn yen (YoY +42%)

EBIT

820.0bn yen (YoY (30.2)bn yen)

Net income attributable to Hitachi, Ltd. stockholders

550.0bn yen (YoY +48.3bn yen)

EBITDA

1,370.0bn yen (YoY +26.9bn yen)

Cash flows from operating activities

750.0bn yen (YoY (43.1)bn yen)

Core free cash flows

300.0bn yen (YoY (119.8)bn yen)

ROIC

8.3% (YoY +1.9 points)

Assumed foreign exchange rate for FY2021

105 yen / U.S. dollar

125 yen / Euro

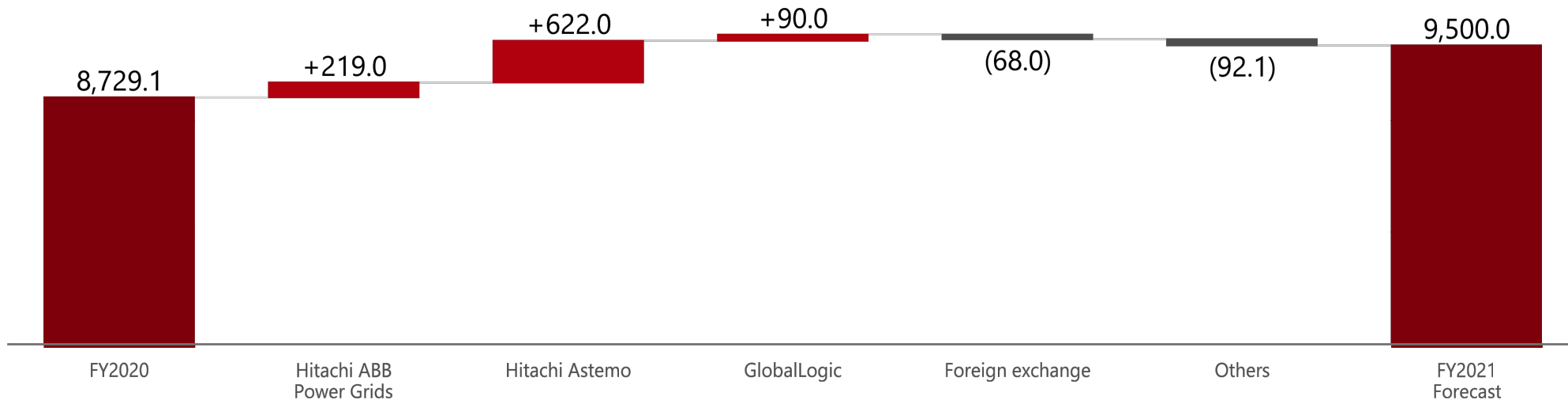
- Five sectors + Astemo: revenues and profits are forecasted to increase due to market recovery, the acquisition of power grids business and the integration impact of Hitachi Astemo
- Listed subsidiaries: revenues and profits are forecasted to increase due to market recovery

Billions of yen	Five sectors + Astemo [IT, Energy, Industry, Mobility, Smart Life, Automotive Systems]	Listed subsidiaries [Hitachi Construction Machinery, Hitachi Metals]	Total
Revenues	7,770.0	1,730.0	9,500.0
YoY	109%	110%	109%
Adjusted operating income	645.0	95.0	740.0
YoY	+176.4	+68.3	+244.8
Adjusted operating income ratio	8.3%	5.5%	7.8%
YoY	+1.8 points	+3.8 points	+2.1 points
EBIT	744.0	76.0	820.0
YoY	(127.7)	+97.4	(30.2)
EBIT ratio	9.6%	4.4%	8.6%
YoY	(2.6) points	+5.8 points	(1.1) points
Net income attributable to Hitachi, Ltd. stockholders	529.0	21.0	550.0
YoY	+9.8	+38.5	+48.3

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

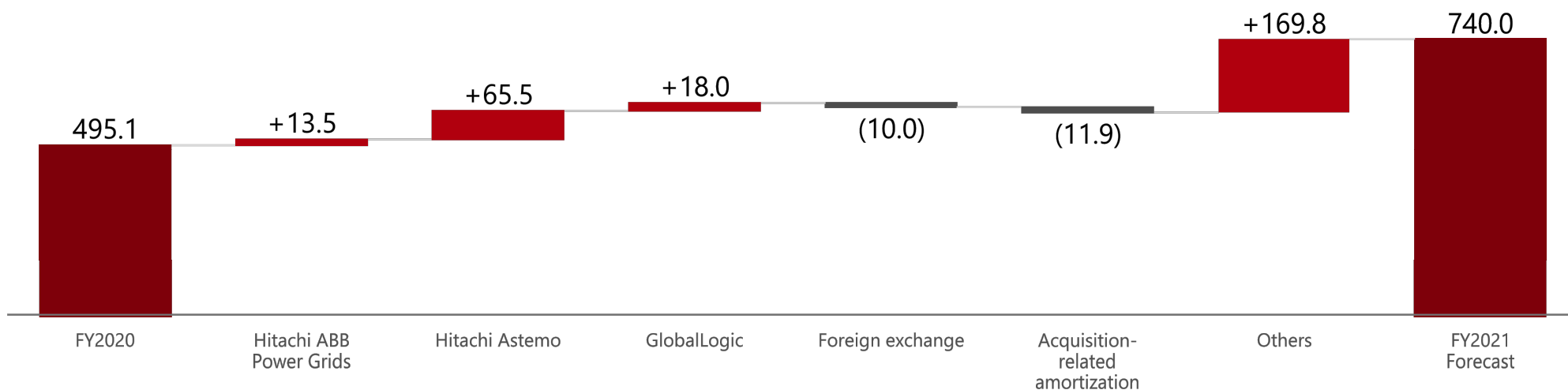
Revenues

Billions of yen



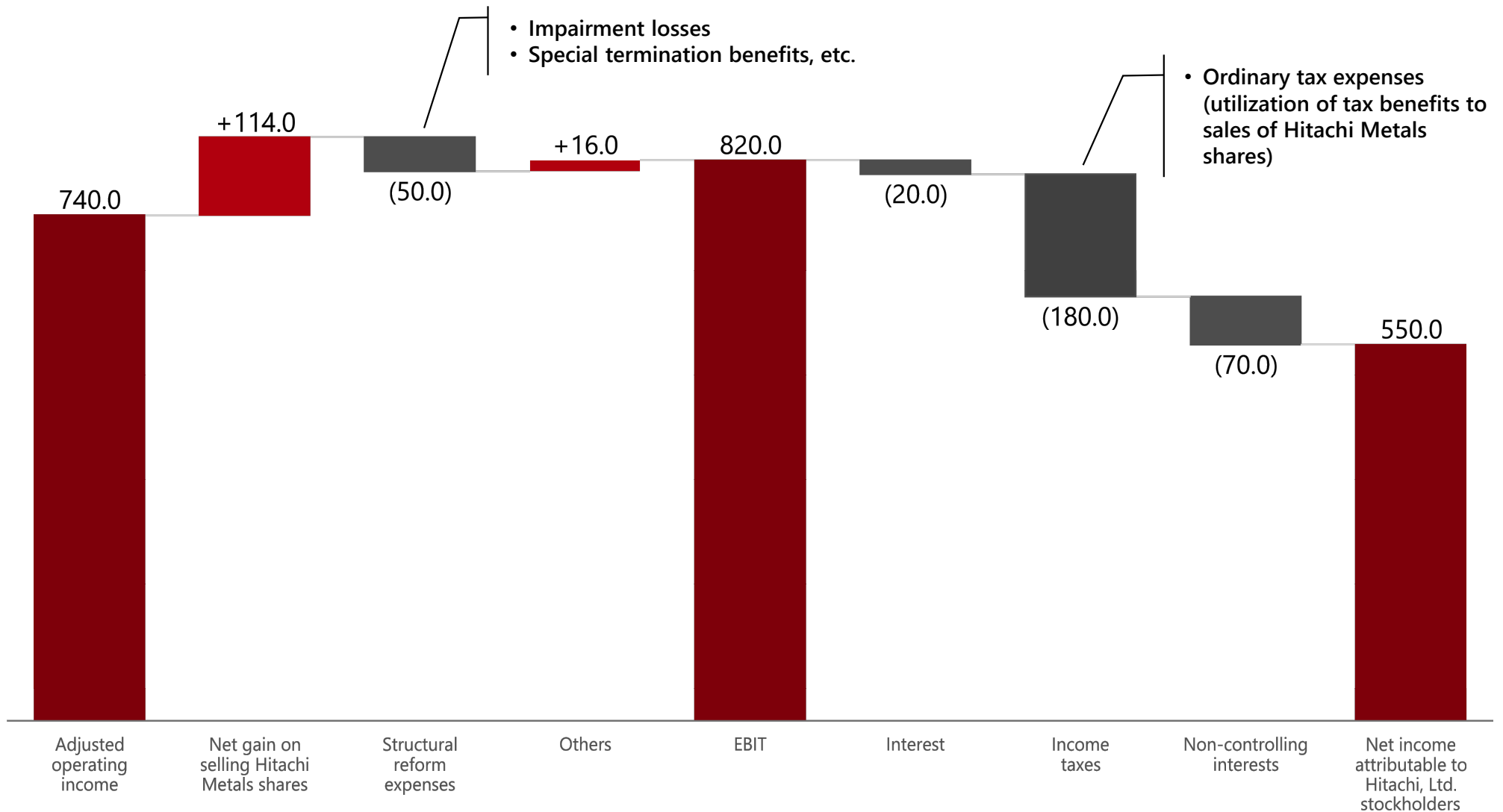
Adjusted operating income

Billions of yen



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

Billions of yen



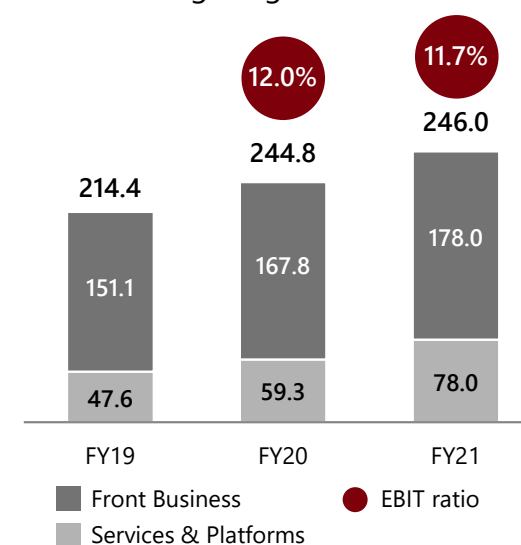
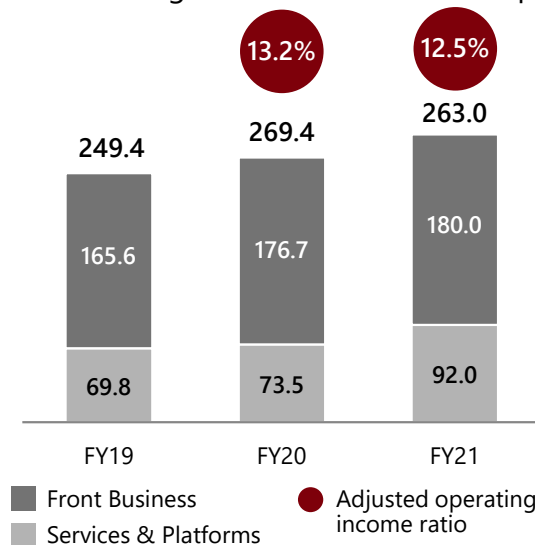
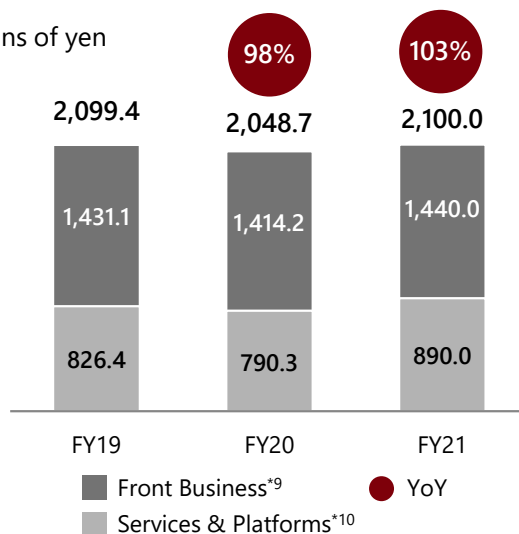


4. Appendix

Achieved record-high profit in FY20 through swift response to DX demand and thorough cost control, despite the decrease in revenues due to the impact of COVID-19 mainly in North America and India.

Accelerate expansion of Lumada through acquisition of GlobalLogic in FY21, and maintain profitability while investing for growth

Billions of yen



Revenues

Adjusted operating income

EBIT

FY2020

2,048.7bn yen (YoY 98%)

- ⊖ Decline in overseas sales, mainly in North America
- ⊖ Reactionary decrease in IT service business (including projects for one-time demand in FY19)

269.4bn yen (YoY +20.0bn yen)

- ⊕ Secured profitability by improved cost structure
- ⊖ Decrease in revenues

244.8bn yen (YoY +30.4bn yen)

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

FY2021 Forecast

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

2,100.0bn yen (YoY 103%)

- ⊕ Accelerating expansion of Lumada through acquisition of GlobalLogic

263.0bn yen (YoY (6.4)bn yen)

- ⊕ Increase in revenues
- ⊖ Acquisition-related amortization

246.0bn yen (YoY +1.1bn yen)

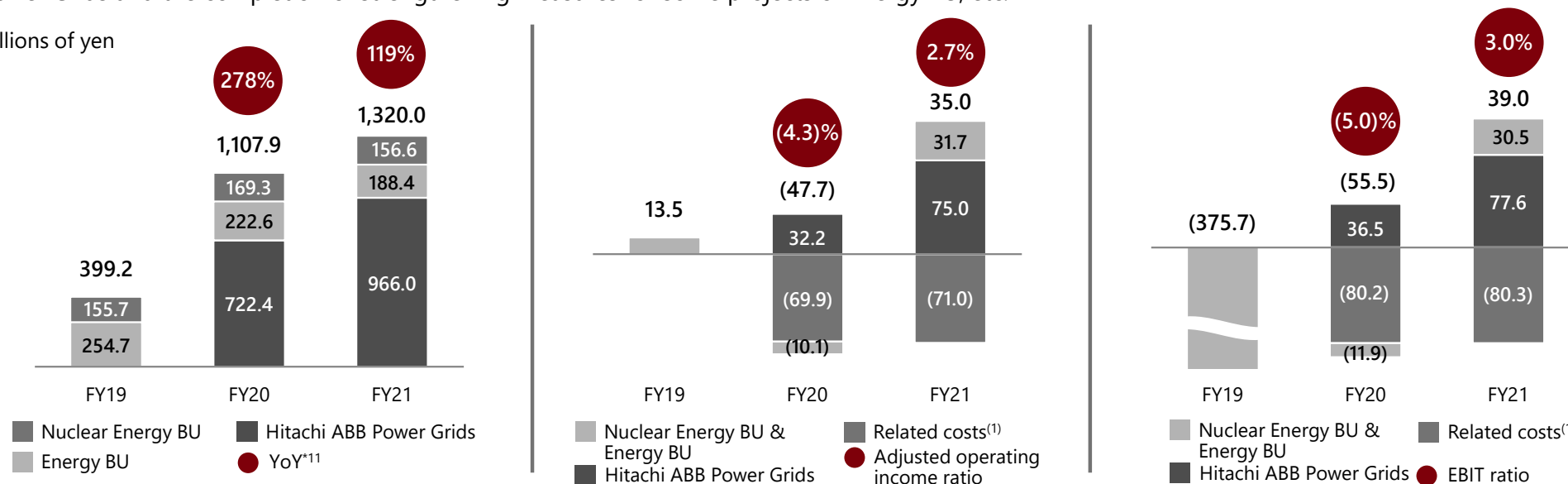
- ⊖ Decrease in adjusted operating income
- ⊕ Decrease in structural reform expenses

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

(2) Assuming the acquisition of GlobalLogic to be closed on July 1, 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 but profit decreased due to acquisition-related amortization and strengthening measures for some projects of Energy BU, etc. in FY20. Forecast revenues increase led by Hitachi ABB Power Grids and profit increase due to the revenues and profitability improvement in Hitachi ABB Power Grids and the completion of strengthening measures for some projects of Energy BU, etc. in FY21

Billions of yen



Revenues

Adjusted operating income

EBIT

FY2020

1,107.9bn yen (YoY 278%)

- ⊕ Hitachi ABB Power Grids
- ⊖ Energy BU

FY2021 Forecast

1,320.0bn yen (YoY 119%)

- ⊕ Hitachi ABB Power Grids

(47.7)bn yen (YoY (61.2)bn yen)

- ⊖ Acquisition-related amortization
- ⊖ Strengthening measures for some projects in Energy BU, etc.
- ⊕ Increase in revenues

35.0bn yen (YoY +82.7bn yen)

- ⊕ Revenues and profitability improvement in Hitachi ABB Power Grids
- ⊕ Completion of strengthening measures for some projects in Energy BU, etc.
- ⊕ Acquisition-related amortization

(55.5)bn yen (YoY +320.2bn yen)

- ⊖ Decrease in adjusted operating income
- ⊕ Loss for the settlement on the South Africa projects conducted in FY19

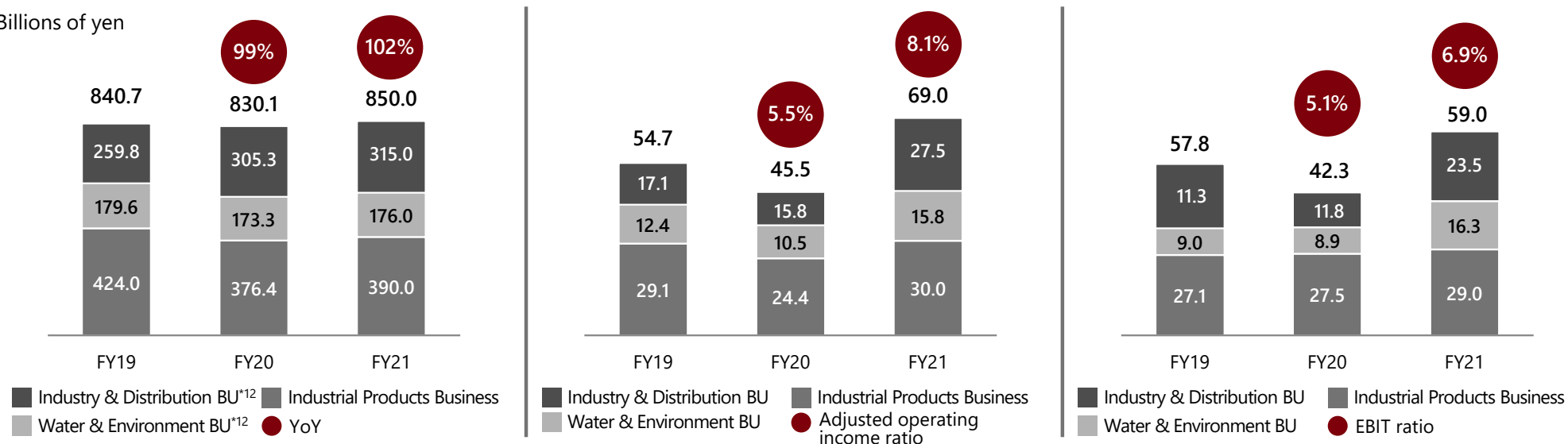
39.0bn yen (YoY +94.5bn yen)

- ⊕ Increase in adjusted operating income

(1) Related costs include acquisition-related amortization for Hitachi ABB Power Grids and PMI related costs

In FY20, revenues and profit decreased mainly due to revenues decrease in Industrial Products Business, while there was an increase in revenues and profit from the acquisition of JR Automation. Forecast revenues and profit increase due to expansion of digital solution business and market recovery in FY21

Billions of yen



Revenues

Adjusted operating income

EBIT

FY2020

830.1bn yen (YoY 99%)

- ⊖ Industrial Products Business
- ⊕ Acquisition of JR Automation

45.5bn yen (YoY (9.1)bn yen)

- ⊖ Decrease in revenues
- ⊕ Profit increase from acquisition of JR Automation and expansion of digital solution business

42.3bn yen (YoY (15.4)bn yen)

- ⊖ Decrease in adjusted operating income
- ⊖ Decrease in profit of an equity-method associate, etc.

FY2021 Forecast

850.0bn yen (YoY 102%)

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

69.0bn yen (YoY +23.4bn yen)

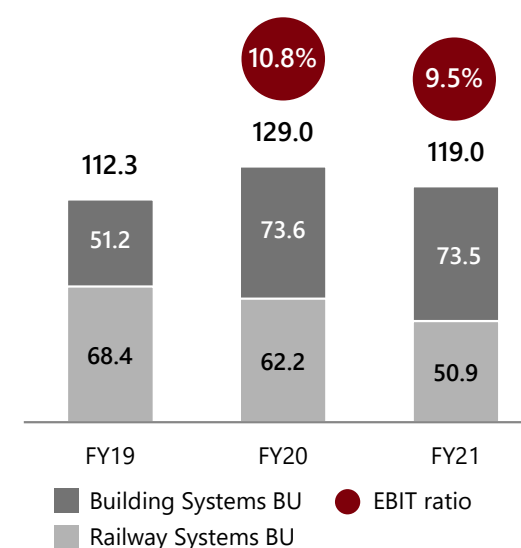
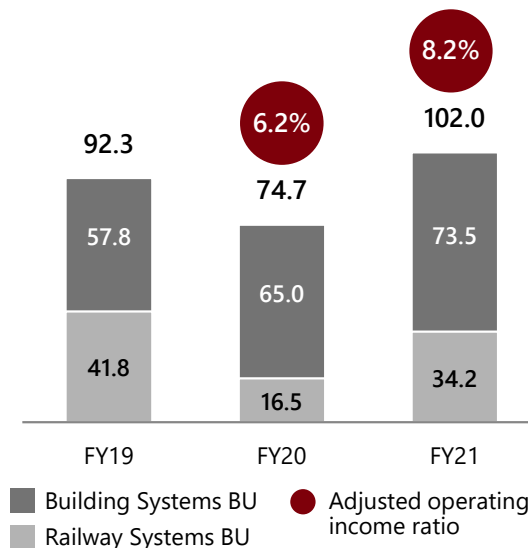
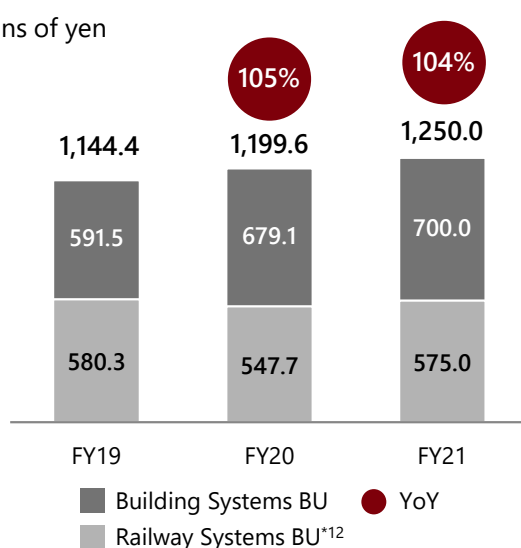
- ⊕ Increase in revenues

59.0bn yen (YoY +16.6bn yen)

- ⊕ Increase in adjusted operating income

Revenues and profit increased due to China business expansion of Building Systems BU in FY20. Forecast revenues and profit increase led by boosted workload in Railway Systems BU and China business expansion of Building Systems BU in FY21

Billions of yen



Revenues

Adjusted operating income

EBIT

FY2020

1,199.6bn yen (YoY 105%)

- ⊕ Expansion of Chinese business in Building Systems BU
- ⊖ Decrease in workload of Railway Systems BU

74.7bn yen (YoY (17.5)bn yen)

- ⊖ Decrease in revenues of Railway Systems BU
- ⊕ Increase in revenues and profitability improvement due to cost reduction, etc. in Building Systems BU

129.0bn yen (YoY +16.6bn yen)

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

FY2021 Forecast

1,250.0bn yen (YoY 104%)

- ⊕ Expansion of Chinese business in Building Systems BU
- ⊕ Increase in workload of Railway Systems BU

102.0bn yen (YoY +27.2bn yen)

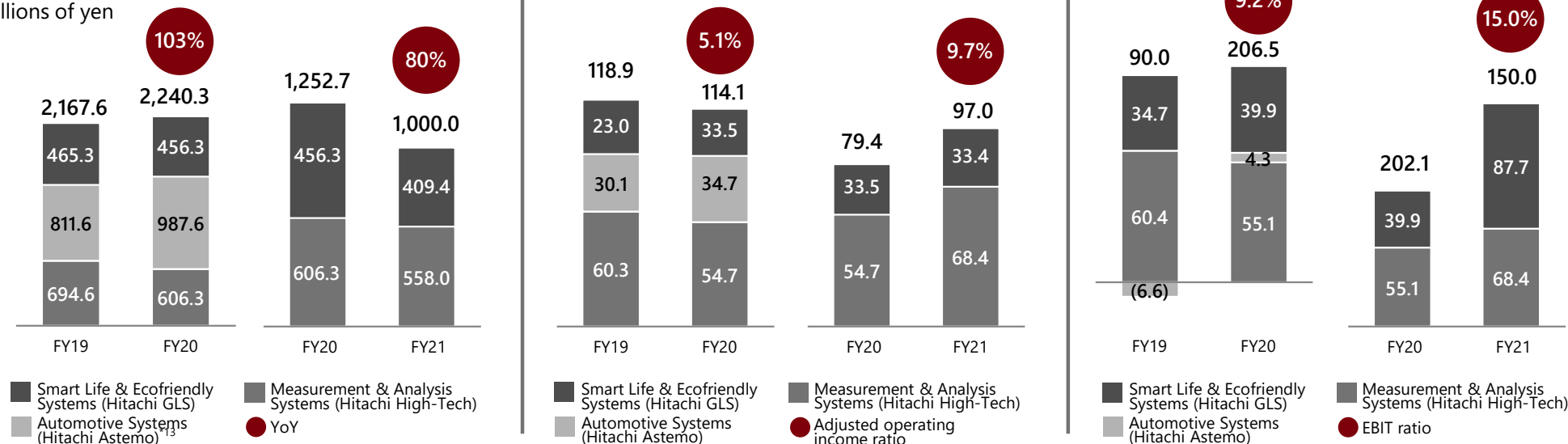
- ⊕ Increase in revenues

119.0bn yen (YoY (10.0)bn yen)

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

Revenues increased due to the integration impact of Hitachi Astemo, but profit decreased mainly due to COVID-19 impact in FY20
 Forecast revenues decrease due to the impact of selling diagnostic imaging-related business and profit increase mainly in Measurement & Analysis Systems business in FY21

Billions of yen



Revenues

Adjusted operating income

EBIT

FY2020*14

2,240.3bn yen (YoY 103%)

- ⊕ Hitachi Astemo integration impact
- ⊖ COVID-19 impact

114.1bn yen (YoY (4.8)bn yen)

- ⊕ Profitability improvement in home appliances business
- ⊖ Profitability decrease in diagnostic imaging-related business

206.5bn yen (YoY +116.5bn yen)

- ⊖ Impairment loss on fixed assets in Automotive Systems business
- ⊕ Gains from selling diagnostic imaging-related business

FY2021 Forecast*15

1,000.0bn yen (YoY 80%)

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

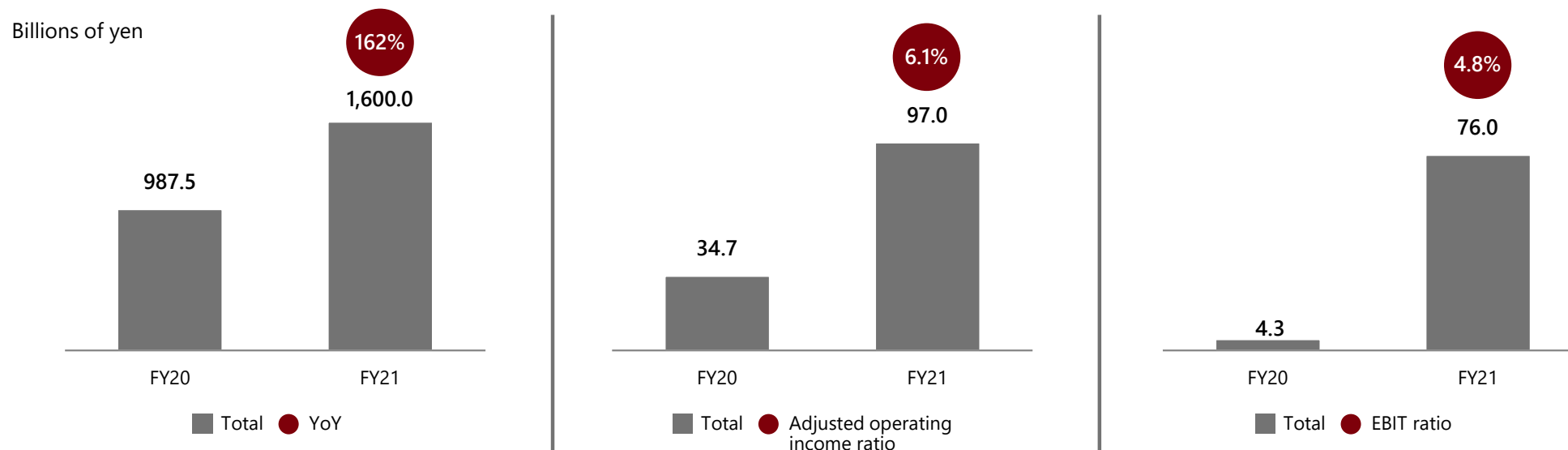
97.0bn yen (YoY +17.6bn yen)

- ⊕ Profitability increase
- ⊕ 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

Forecast revenues and profit increase due to the integration impact of Hitachi Astemo and market recovery in FY21



Revenues

Adjusted operating income

EBIT

FY2020

987.5bn yen (YoY 122%)

34.7bn yen (YoY +4.5bn yen)

4.3bn yen (YoY +10.8bn yen)

FY2021 Forecast^{*15}

1,600.0bn yen (YoY 162%)

⊕ Hitachi Astemo integration impact

97.0bn yen (YoY +62.2bn yen)

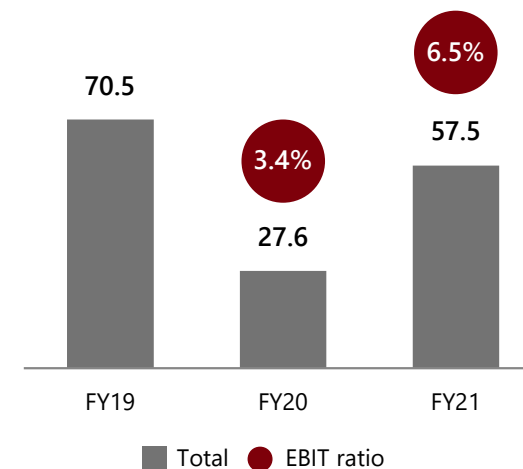
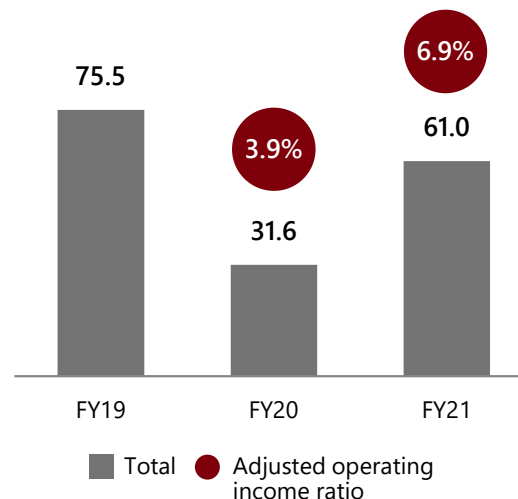
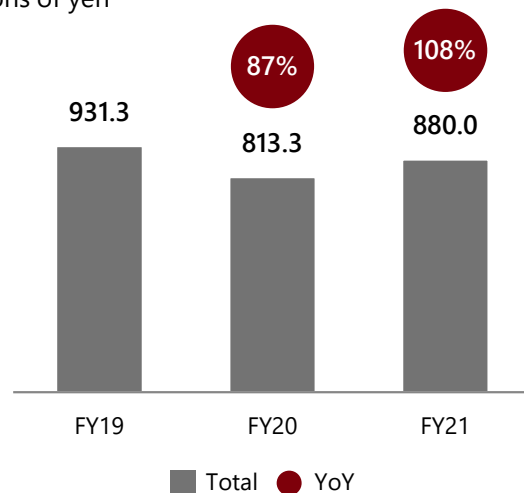
⊕ Increase in revenues

76.0bn yen (YoY +71.6bn yen)

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

Revenues and profit decreased due to COVID-19 impact and the impact of foreign exchange in FY20, despite cost reduction for profitability improvement. Forecast revenues and profit increase due to recovery in major markets excluding China in FY21

Billions of yen



Revenues

Adjusted operating income

EBIT

FY2020

813.3bn yen (YoY 87%)

- ⊖ COVID-19 impact
- ⊖ Impact of foreign exchange

31.6bn yen (YoY (43.9)bn yen)

- ⊖ Decrease in revenues
- ⊕ Profitability improvement due to cost reduction, etc.

27.6bn yen (YoY (42.8)bn yen)

- ⊖ Decrease in adjusted operating income

FY2021 Forecast

880.0bn yen (YoY 108%)

- ⊕ Revenues increase due to recovery in major markets excluding China

61.0bn yen (YoY +29.3bn yen)

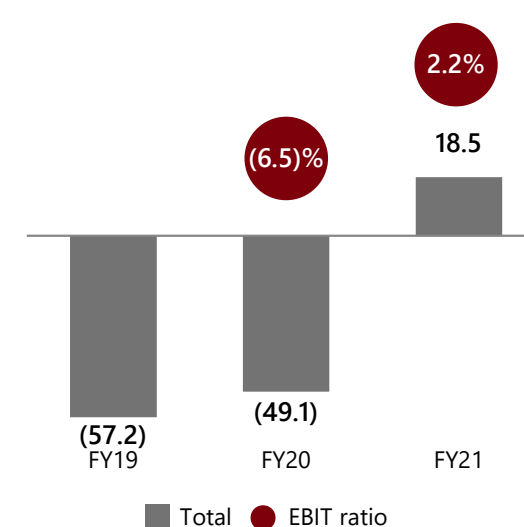
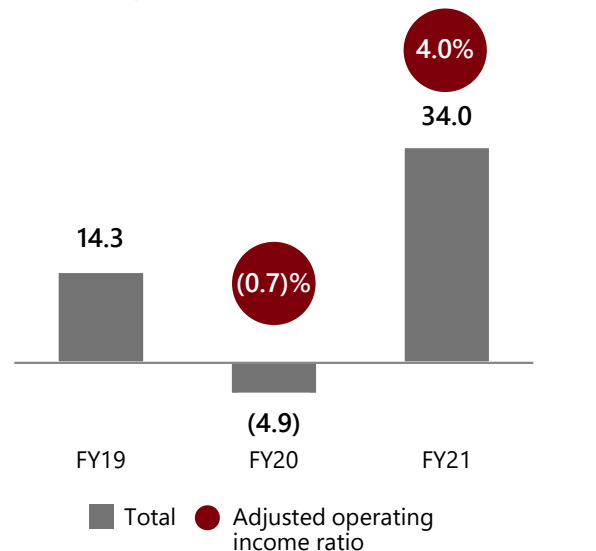
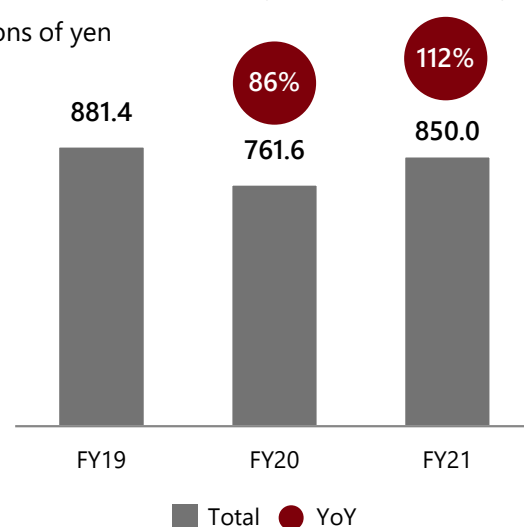
- ⊕ Increase in revenues

57.5bn yen (YoY +29.8bn yen)

- ⊕ Increase in adjusted operating income

Revenues and profit decreased due to the demand decline for automobiles and others in FY20. Forecast revenues and profit increase due to market recovery and profitability improvement through structural reform in FY21

Billions of yen



Revenues

Adjusted operating income

EBIT

FY2020

761.6bn yen (YoY 86%)

⊖ Decrease in demand for automobiles

(4.9)bn yen (YoY (19.3)bn yen)

⊖ Decrease in revenues

(49.1)bn yen (YoY +8.1bn yen)

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

FY2021 Forecast

850.0bn yen (YoY 112%)

⊕ Revenues increase 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

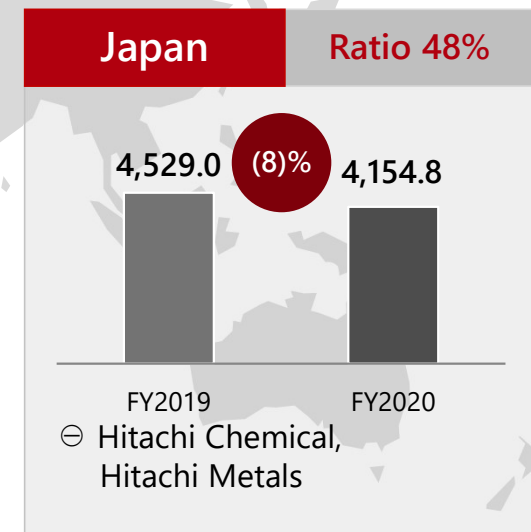
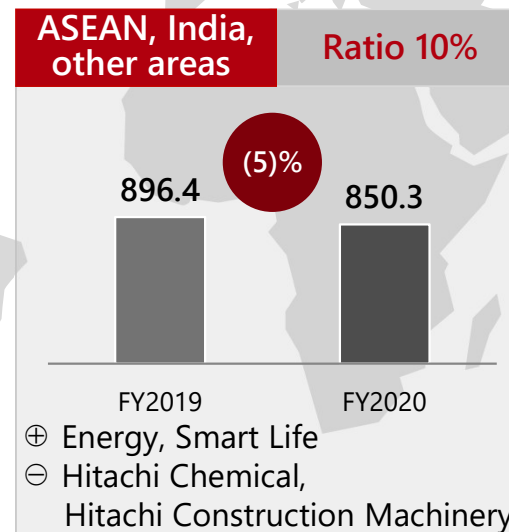
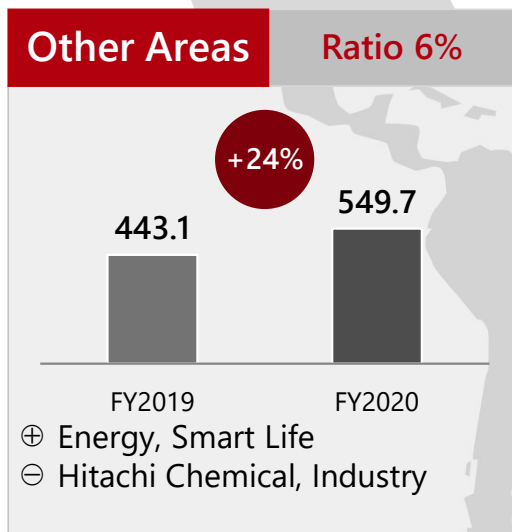
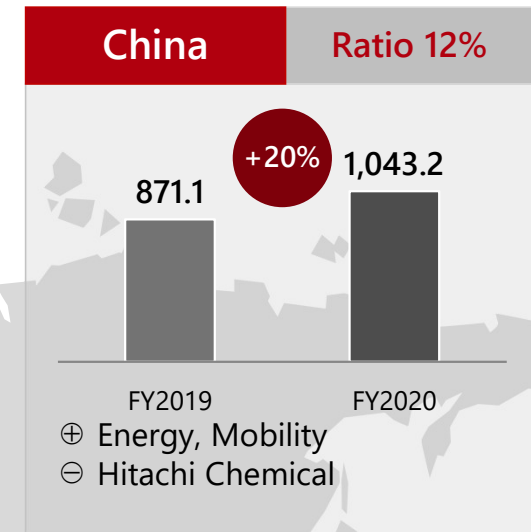
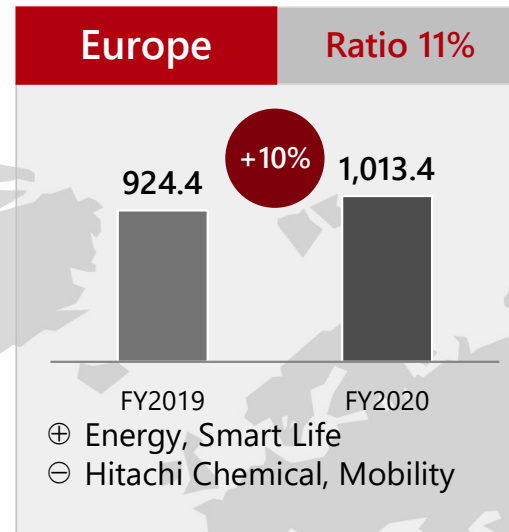
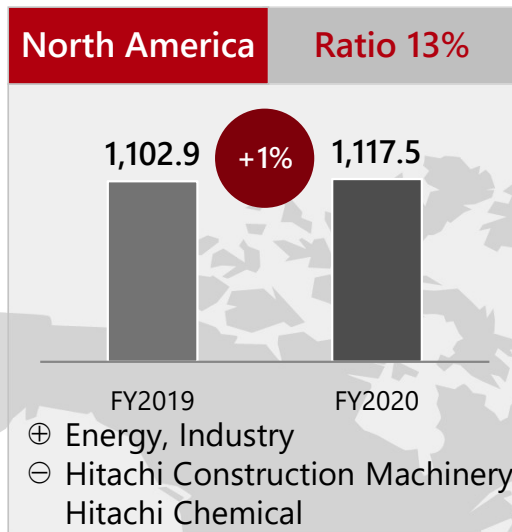
Financial Results and Forecasts by Business Segments (1/2)

Billions of yen		FY2019	FY2020	YoY	Prev. forecast Comparison	FY2020	FY2021 Forecast	YoY
IT	Revenues	2,099.4	2,048.7	98%	104%	2,048.7	2,100.0	103%
	Adjusted operating income	249.4	269.4	+20.0	+37.4	269.4	263.0	(6.4)
	Adjusted operating income ratio	11.9%	13.2%	+1.3 points	+1.4 points	13.2%	12.5%	(0.7) points
	EBIT	214.4	244.8	+30.4	+37.8	244.8	246.0	+1.1
	EBITDA	326.9	352.5	+25.5	+39.5	352.5	378.0	+25.4
Energy	Revenues	399.2	1,107.9	278%	107%	1,107.9	1,320.0	119%
	Adjusted operating income	13.5	(47.7)	(61.2)	(33.7)	(47.7)	35.0	+82.7
	Adjusted operating income ratio	3.4%	(4.3)%	(7.7) points	(3.0) points	(4.3)%	2.7%	+7.0 points
	EBIT	(375.7)	(55.5)	+320.2	(23.5)	(55.5)	39.0	+94.5
	EBITDA	(370.9)	31.1	+402.0	(23.8)	31.1	125.0	+93.8
Industry	Revenues	840.7	830.1	99%	104%	830.1	850.0	102%
	Adjusted operating income	54.7	45.5	(9.1)	+5.5	45.5	69.0	+23.4
	Adjusted operating income ratio	6.5%	5.5%	(1.0) points	+0.5 points	5.5%	8.1%	+2.6 points
	EBIT	57.8	42.3	(15.4)	+7.3	42.3	59.0	+16.6
	EBITDA	80.1	66.9	(13.1)	+8.9	66.9	79.0	+12.0
Mobility	Revenues	1,144.4	1,199.6	105%	104%	1,199.6	1,250.0	104%
	Adjusted operating income	92.3	74.7	(17.5)	+1.7	74.7	102.0	+27.2
	Adjusted operating income ratio	8.1%	6.2%	(1.9) points	(0.1) points	6.2%	8.2%	+2.0 points
	EBIT	112.3	129.0	+16.6	+11.0	129.0	119.0	(10.0)
	EBITDA	143.0	161.0	+18.0	+11.0	161.0	153.5	(7.5)
Smart Life	Revenues	2,167.6	2,240.3	103%	107%	1,252.7	1,000.0	80%
	Adjusted operating income	118.9	114.1	(4.8)	+14.1	79.4	97.0	+17.6
	Adjusted operating income ratio	5.5%	5.1%	(0.4) points	+0.3 points	6.3%	9.7%	+3.4 points
	EBIT	90.0	206.5	+116.5	+26.5	202.1	150.0	(52.1)
	EBITDA	170.8	303.8	+132.9	+18.8	238.7	187.0	(51.7)

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

Billions of yen		FY2019	FY2020	YoY	Prev. forecast Comparison	FY2020	FY2021 Forecast	YoY
Automotive Systems	Revenues	-	-	-	-	987.5	1,600.0	162%
	Adjusted operating income	-	-	-	-	34.7	97.0	+62.2
	Adjusted operating income ratio	-	-	-	-	3.5%	6.1%	+2.6 points
	EBIT	-	-	-	-	4.3	76.0	+71.6
	EBITDA	-	-	-	-	65.0	174.0	+108.9
Hitachi Construction Machinery	Revenues	931.3	813.3	87%	106%	813.3	880.0	108%
	Adjusted operating income	75.5	31.6	(43.9)	(7.3)	31.6	61.0	+29.3
	Adjusted operating income ratio	8.1%	3.9%	(4.2) points	(1.2) points	3.9%	6.9%	+3.0 points
	EBIT	70.5	27.6	(42.8)	(9.3)	27.6	57.5	+29.8
	EBITDA	117.6	78.9	(38.7)	(9.0)	78.9	112.5	+33.5
Hitachi Metals	Revenues	881.4	761.6	86%	102%	761.6	850.0	112%
	Adjusted operating income	14.3	(4.9)	(19.3)	+5.0	(4.9)	34.0	+38.9
	Adjusted operating income ratio	1.6%	(0.7)%	(2.3) points	+0.6 points	(0.7)%	4.0%	+4.7 points
	EBIT	(57.2)	(49.1)	+8.1	+6.8	(49.1)	18.5	+67.6
	EBITDA	(2.0)	1.2	+3.3	+7.2	1.2	64.5	+63.2
Others	Revenues	484.8	449.0	93%	100%	449.0	450.0	100%
	Adjusted operating income	22.3	21.2	(1.1)	+5.2	21.2	16.0	(5.2)
	Adjusted operating income ratio	4.6%	4.7%	+0.1 points	+1.1 points	4.7%	3.6%	(1.1) points
	EBIT	31.2	25.3	(5.9)	+7.3	25.3	13.0	(12.3)
	EBITDA	60.7	59.2	(1.5)	+11.2	59.2	45.0	(14.2)
Corporate items & Eliminations	Revenues	(813.2)	(721.6)	-	-	(721.6)	(800.0)	-
	Adjusted operating income	(14.6)	(8.9)	+5.6	+47.0	(8.9)	(34.0)	(25.0)
	EBIT	15.3	279.2	+263.8	+106.2	279.2	42.0	(237.2)
Total	Revenues	8,767.2	8,729.1	100%	105%	8,729.1	9,500.0	109%
	Adjusted operating income	661.8	495.1	(166.7)	+75.1	495.1	740.0	+244.8
	Adjusted operating income ratio	7.5%	5.7%	(1.8) points	+0.6 points	5.7%	7.8%	+2.1 points
	EBIT	183.6	850.2	+666.6	+170.2	850.2	820.0	(30.2)
	EBITDA	619.0	1,343.0	+724.0	+169.0	1,343.0	1,370.0	+26.9

Revenues by Market



Overseas Revenues **4,574.3** billion yen

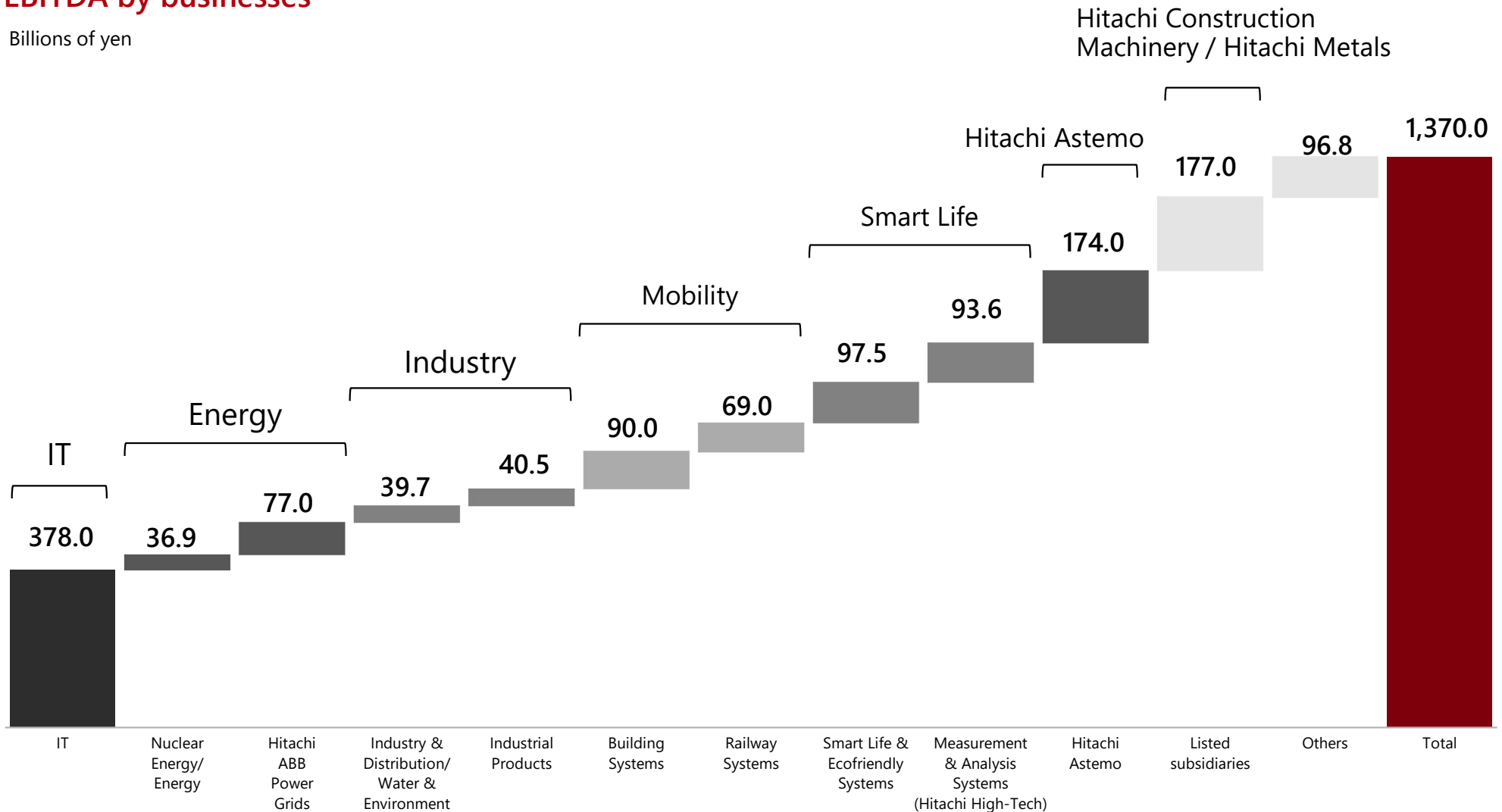
Ratio **52** %

Billions of yen

Disclosure of EBITDA by businesses starts from FY2021

EBITDA by businesses

Billions of yen



- *1 "Adjusted operating income" is presented as revenues less selling, general and administrative expenses as well as cost of sales
- *2 The total of "five sectors + Astemo" and "five sectors" are presented as the consolidated total less the total of listed subsidiaries. It includes others and corporate items & eliminations
- *3 "Core free cash flows" are cash flows presented as free cash flows excluding cash flows from M&A and asset sales, etc.
- *4 "EBIT" is presented as income from continuing operations, before income taxes less interest income plus interest charges
- *5 "EBITDA" is presented as income from continuing operations, before income taxes less interest income plus interest charges, depreciation and amortization
- *6 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
- *7 Figures for FY19 of listed subsidiaries include financial results of Hitachi Chemical
- *8 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
- *9 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.
- *10 Sales, maintenance and services of control systems, server, storage, related software, etc.
- *11 Figures of FY19 do not include the financial results of Hitachi ABB Power Grids
- *12 Figures for each BU include control systems business, which is posted in IT segment
- *13 Figures of FY19 do not include the financial results of Keihin Corporation, Showa Corporation, and Nissin Kogyo Co., Ltd.
- *14 Measurement & Analysis Systems (Hitachi High-Tech) is included in Smart Life segment from FY20. The year-over-year comparison of FY20 results for Smart Life segment reflects this change
- *15 Automotive Systems (Hitachi Astemo) is included in Automotive Systems (Hitachi Astemo) segment from FY21. The year-over-year comparison of FY21 forecast for Smart Life segment and Automotive Systems (Hitachi Astemo) segment reflects this change

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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