

FOR IMMEDIATE RELEASE

Hitachi Announces Consolidated Financial Results for Fiscal 2021

Tokyo, April 28, 2022 --- Hitachi, Ltd. (TSE:6501) today announced its consolidated financial results for fiscal 2021, ended March 31, 2022.

Note: All figures were converted at the rate of 122 yen to the U.S. dollar, as of March 31, 2022.

Summary

	Years ended March 31			
	Billions of yen		(B)/(A) (%)	Millions of U.S. dollars
	2021(A)	2022(B)		2022
1. Revenues	8,729.1	10,264.6	118	84,136
2. Adjusted operating income	495.1	738.2	149	6,051
3. EBIT (Earnings before interest and taxes)	850.2	850.9	100	6,975
4. Income from continuing operations, before income taxes	844.4	839.3	99	6,880
5. Net income	518.5	670.8	129	5,499
6. Net income attributable to Hitachi, Ltd. stockholders	501.6	583.4	116	4,783
7. Earnings per share attributable to Hitachi, Ltd. stockholders	(Yen)	(Yen)		(U.S.dollars)
Basic	519.29	603.75	116	4.95
Diluted	518.51	602.96	116	4.94

Notes: 1. The Company's consolidated financial statements are prepared based on IFRS.

2. "Adjusted operating income" is presented as revenues less cost of sales as well as selling, general and administrative expenses.

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

4. The figures of the company are for 853 consolidated subsidiaries and 287 equity-method associates and joint ventures.

5. 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. (currently Mitsubishi Power, Ltd.) for 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. Qualitative Information Concerning Consolidated Business Results

(1) Summary of Fiscal 2021 Consolidated Business Results

	Year ended March 31, 2022		
	Yen (billions)	Year over year change (billion yen)	U.S. dollars (millions)
Revenues	10,264.6	+18%	84,136
Adjusted operating income	738.2	+243.0	6,051
EBIT	850.9	+0.6	6,975
Income from continuing operations, before income taxes	839.3	(5.1)	6,880
Income from continuing operations	670.8	+151.6	5,499
Income from discontinued operations	0.0	+0.6	0
Net income	670.8	+152.3	5,499
Net income attributable to Hitachi, Ltd. stockholders	583.4	+81.8	4,783

For fiscal 2021, the Hitachi's consolidated revenues were 10,264.6 billion yen, increased 18% year over year. While revenues in Smart Life segment decreased due to the sale of diagnostic imaging-related business and the overseas home appliance business, the revenues increased mainly in Automotive Systems segment where the revenues were affected by the integration impact from the establishment of Hitachi Astemo, Energy segment where the power grids business was acquired from ABB, Ltd., and Hitachi Construction Machinery segment where was benefited from firm demand due to market recovery.

Adjusted operating income increased 243.0 billion yen year over year, to 738.2 billion yen. The increase was mainly due to the increase in Energy segment, Hitachi Construction Machinery segment and Industry segment, despite the decrease in profit in IT segment and Smart Life segment.

EBIT increased 0.6 billion yen year over year, to 850.9 billion yen, led by adjusted operating income increase, despite gains from selling of Hitachi Chemical stock and gains from selling of diagnostic imaging-related business in Smart Life segment in fiscal 2020.

Income from continuing operations, before income taxes, decreased 5.1 billion yen year over year, to 839.3 billion yen. After deducting income taxes of 168.4 billion yen, Hitachi posted income from continuing operations of 670.8 billion yen, up 151.6 billion yen year over year. Net income increased 152.3 billion yen year over year, to 670.8 billion yen. Net income attributable to Hitachi, Ltd. stockholders increased 81.8 billion yen year over year, to 583.4 billion yen.

(2) Revenues, Adjusted Operating Income and EBIT by Segment

Please refer to the presentation material, "Outline of Consolidated Financial Results for the Year Ended March 31, 2022."

(3) Outlook for Fiscal 2022

	Year ending March 31, 2023		
	Yen (billions)	Year over year change (billion yen)	U.S. dollars (millions)
Revenues	9,500.0	(7%)	77,869
Adjusted operating income	700.0	(38.2)	5,738
Adjusted EBITA	820.0	(35.3)	6,721
Income from continuing operations, before income taxes	871.0	+31.6	7,139
Net income	656.0	(14.8)	5,377
Net income attributable to Hitachi, Ltd. stockholders	600.0	+16.5	4,918

Reflecting these business environments, Hitachi forecasts the results shown above for fiscal 2022, the year ending March 31, 2023.

Projections for fiscal 2022 assume exchange rates of 120 yen to the U.S. dollar and 130 yen to the euro.

Hitachi will accelerate the global expansion of its Social Innovation Business through collaborative creation with customers, persist with its business structural reforms and pursue efforts to strengthen its business foundations by reviewing its business portfolio, with the aim of achieving sustainable growth.

2. Financial Position

(1) Financial Position

	As of March 31, 2022		
	Yen (billions)	Change from March 31, 2021 (billion yen)	U.S. dollars (millions)
Total assets	13,887.5	+2,034.6	113,832
Total liabilities	8,532.2	+1,137.6	69,936
Interest-bearing debt	3,126.7	+729.3	25,629
Total Hitachi, Ltd. stockholders' equity	4,341.8	+816.3	35,589
Non-controlling interests	1,013.4	+80.7	8,307
Cash Conversion Cycle	78.1 days	2.9 days decrease	-
Total Hitachi, Ltd. stockholders' equity ratio	31.3%	1.6 points increase	-
D/E ratio (including non-controlling interests)	0.58 times	0.04 points increase	-

Total assets increased 2,034.6 billion yen from March 31, 2021, to 13,887.5 billion yen, mainly due to the acquisition of GlobalLogic. Interest-bearing debt increased 729.3 billion yen from March 31, 2021, to 3,126.7 billion yen, due to the acquisition of GlobalLogic. As of March 31, 2022, the total Hitachi, Ltd. stockholders' equity increased 816.3 billion yen from March 31, 2021, to 4,341.8 billion yen. As a result, the total Hitachi, Ltd. stockholders' equity ratio was 31.3%. The debt-to-equity ratio, including non-controlling interests, was 0.58 times and Cash Conversion Cycle was 78.1 days.

(2) Cash Flows

	Year ended March 31, 2022		
	Yen (billions)	Year over year change (billion yen)	U.S. dollars (millions)
Cash flows from operating activities	729.9	(63.1)	5,983
Cash flows from investing activities	(1,048.8)	(590.0)	(8,597)
Free cash flows	(318.9)	(653.2)	(2,614)
Cash flows from financing activities	202.7	+387.5	1,662

Operating activities provided net cash of 729.9 billion yen, 63.1 billion yen less than in the previous fiscal year, mainly due to the increase in working capital led by revenues increase and the increase in tax payments for selling assets, despite increase in adjusted operating income. Investing activities used net cash of 1,048.8 billion yen, 590.0 billion yen more than in the previous fiscal year, mainly due to the expenditure related to the acquisition of GlobalLogic. Free cash flows were negative 318.9 billion yen, a decrease of 653.2 billion yen year over year. Financing activities provided net cash of 202.7 billion yen, 387.5 billion yen more than in the previous fiscal year, mainly due to the absence of expenditures due to the conversion of Hitachi High-Technologies into a wholly owned subsidiary in the previous fiscal year, and the borrowings for growth investments.

Accordingly, cash and cash equivalents were 968.8 billion yen, down 47.0 billion yen from the end of the previous fiscal year.

Cautionary Statement

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

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

- exacerbation of social and economic impacts of the spread of COVID-19;
- economic conditions, including consumer spending and plant and equipment investment in Hitachi’s major markets, as well as levels of demand in the major industrial sectors Hitachi serves;
- exchange rate fluctuations of the yen against other currencies in which Hitachi makes significant sales or in which Hitachi’s assets and liabilities are denominated;
- uncertainty as to Hitachi’s ability to access, or access on favorable terms, liquidity or long-term financing;
- uncertainty as to general market price levels for equity securities, declines in which may require Hitachi to write down equity securities that it holds;
- fluctuations in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum, synthetic resins, rare metals and rare-earth minerals, or shortages of materials, parts and components;
- estimates, fluctuations in cost and cancellation of long-term projects for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- increased commoditization of and intensifying price competition for products;
- uncertainty as to Hitachi’s ability to attract and retain skilled personnel;
- uncertainty as to Hitachi’s ability to continue to develop and market products that incorporate new technologies on a timely and cost-effective basis and to achieve market acceptance for such products;
- fluctuations in demand of products, etc. and industry capacity;
- uncertainty as to Hitachi’s ability to implement measures to reduce the potential negative impact of fluctuations in demand of products, etc., exchange rates and/or price of raw materials or shortages of materials, parts and components;
- credit conditions of Hitachi’s customers and suppliers;
- uncertainty as to Hitachi’s ability to achieve the anticipated benefits of its strategy to strengthen its Social Innovation Business;
- uncertainty as to the success of acquisitions of other companies, joint ventures and strategic alliances and the possibility of incurring related expenses;
- uncertainty as to the success of restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness;
- general socioeconomic and political conditions and the regulatory and trade environment of countries where Hitachi conducts business, particularly Japan, Asia, the United States and Europe, including, without limitation, direct or indirect restrictions by other nations on imports and differences in commercial and business customs including, without limitation, contract terms and conditions and labor relations;
- the potential for significant losses on Hitachi’s investments in equity-method associates and joint ventures;
- uncertainty as to the success of cost structure overhaul;
- the possibility of disruption of Hitachi’s operations by natural disasters such as earthquakes and tsunamis, the spread of infectious diseases, and geopolitical and social instability such as terrorism and conflict;
- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity-method associates and joint ventures have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- uncertainty as to Hitachi’s ability to maintain the integrity of its information systems, as well as Hitachi’s ability to protect its confidential information or that of its customers;
- uncertainty as to Hitachi’s access to, or ability to protect, certain intellectual property; and
- uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its employee benefit-related costs.

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

3. Basic Stance on Accounting Standard Selection

Hitachi, Ltd. applied International Financial Reporting Standards (IFRS), starting with the consolidated financial statements in its annual securities report for fiscal 2014, the year ended March 31, 2015. IFRS was applied in response to globalization, with the primary goal of building a uniform standard for evaluating operating results, standardizing operations, and improving management efficiency of the Hitachi Group.

Consolidated Statement of Profit or Loss

	Years ended March 31			
	Millions of yen		(B)/(A) (%)	Millions of U.S. dollars
	2021 (A)	2022 (B)		2022
Revenues	8,729,196	10,264,602	118	84,136
Cost of sales	(6,533,890)	(7,705,981)	118	(63,164)
Gross profit	2,195,306	2,558,621	117	20,972
Selling, general and administrative expenses	(1,700,126)	(1,820,385)	107	(14,921)
Adjusted operating income	495,180	738,236	149	6,051
Other income	476,137	128,354	27	1,052
Other expenses	(172,407)	(83,965)	49	(688)
Financial income	13,969	27,938	200	229
Financial expenses	(1,456)	(97)	7	(1)
Share of profits (losses) of investments accounted for using the equity method	38,864	40,485	104	332
EBIT (Earnings before interest and taxes)	850,287	850,951	100	6,975
Interest income	16,934	15,492	91	127
Interest charges	(22,778)	(27,110)	119	(222)
Income from continuing operations, before income taxes	844,443	839,333	99	6,880
Income taxes	(325,247)	(168,469)	52	(1,381)
Income from continuing operations	519,196	670,864	129	5,499
Income (loss) from discontinued operations	(686)	0	-	0
Net income	518,510	670,864	129	5,499
Net income attributable to:				
Hitachi, Ltd. stockholders	501,613	583,470	116	4,783
Non-controlling interests	16,897	87,394	517	716
Earnings per share from continuing operations, attributable to Hitachi, Ltd. stockholders	Yen	Yen		U.S. dollars
Basic	520.00	603.75	116	4.95
Diluted	519.22	602.96	116	4.94
Earnings per share attributable to Hitachi, Ltd. stockholders	Yen	Yen		U.S. dollars
Basic	519.29	603.75	116	4.95
Diluted	518.51	602.96	116	4.94

Consolidated Statement of Comprehensive Income

	Years ended March 31			
	Millions of yen		(B)/(A) (%)	Millions of U.S. dollars
	2021 (A)	2022 (B)		2022
Net income	518,510	670,864	129	5,499
Other comprehensive income (OCI)				
Items not to be reclassified into net income				
Net changes in financial assets measured at fair value through OCI	69,362	(11,224)	-	(92)
Remeasurements of defined benefit plans	88,736	30,795	35	252
Share of OCI of investments accounted for using the equity method	2,151	(403)	-	(3)
Total items not to be reclassified into net income	160,249	19,168	12	157
Items that can be reclassified into net income				
Foreign currency translation adjustments	191,821	391,489	204	3,209
Net changes in cash flow hedges	5,346	8,172	153	67
Share of OCI of investments accounted for using the equity method	58,755	41,207	70	338
Total items that can be reclassified into net income	255,922	440,868	172	3,614
Other comprehensive income (OCI)	416,171	460,036	111	3,771
Comprehensive income	934,681	1,130,900	121	9,270
Comprehensive income attributable to:				
Hitachi, Ltd. stockholders	838,237	958,008	114	7,853
Non-controlling interests	96,444	172,892	179	1,417

Consolidated Statement of Financial Position

	Millions of yen		(B)-(A)	Millions of U.S. dollars
	As of March 31, 2021 (A)	As of March 31, 2022 (B)		As of March 31, 2022
Assets				
Current assets				
Cash and cash equivalents	1,015,886	968,827	(47,059)	7,941
Trade receivables and contract assets	2,734,476	2,978,149	243,673	24,411
Inventories	1,653,395	2,042,432	389,037	16,741
Investments in securities and other financial assets	328,153	376,315	48,162	3,085
Other current assets	211,390	233,708	22,318	1,916
Total Current assets	5,943,300	6,599,431	656,131	54,094
Non-current assets				
Investments accounted for using the equity method	472,105	411,201	(60,904)	3,371
Investments in securities and other financial assets	534,324	584,806	50,482	4,793
Property, plant and equipment	2,408,887	2,478,901	70,014	20,319
Goodwill	1,161,210	2,153,706	992,496	17,653
Other intangible assets	964,830	1,257,128	292,298	10,304
Other non-current assets	368,197	402,329	34,132	3,298
Total Non-current assets	5,909,553	7,288,071	1,378,518	59,738
Total Assets	11,852,853	13,887,502	2,034,649	113,832
Liabilities				
Current liabilities				
Short-term debt	416,635	1,234,119	817,484	10,116
Current portion of long-term debt	274,392	336,418	62,026	2,758
Other financial liabilities	288,973	294,047	5,074	2,410
Trade payables	1,515,954	1,754,633	238,679	14,382
Accrued expenses	698,553	738,030	39,477	6,049
Contract liabilities	933,844	1,069,732	135,888	8,768
Other current liabilities	468,579	427,087	(41,492)	3,501
Total Current liabilities	4,596,930	5,854,066	1,257,136	47,984
Non-current liabilities				
Long-term debt	1,706,329	1,556,175	(150,154)	12,756
Retirement and severance benefits	433,954	414,839	(19,115)	3,400
Other non-current liabilities	657,408	707,145	49,737	5,796
Total Non-current liabilities	2,797,691	2,678,159	(119,532)	21,952
Total Liabilities	7,394,621	8,532,225	1,137,604	69,936
Equity				
Hitachi, Ltd. stockholders' equity				
Common stock	460,790	461,731	941	3,785
Capital surplus	84,040	46,119	(37,921)	378
Retained earnings	2,710,604	3,197,725	487,121	26,211
Accumulated other comprehensive income	273,561	639,263	365,702	5,240
(Foreign currency translation adjustments)	110,727	444,651	333,924	3,645
(Remeasurements of defined benefit plans)	80,300	105,675	25,375	866
(Net changes in financial assets measured at fair value through OCI)	135,022	110,109	(24,913)	903
(Net changes in cash flow hedges)	(52,488)	(21,172)	31,316	(174)
Treasury stock, at cost	(3,493)	(3,002)	491	(25)
Total Hitachi, Ltd. stockholders' equity	3,525,502	4,341,836	816,334	35,589
Non-controlling interests	932,730	1,013,441	80,711	8,307
Total Equity	4,458,232	5,355,277	897,045	43,896
Total Liabilities and Equity	11,852,853	13,887,502	2,034,649	113,832

Consolidated Statement of Changes in Equity

Millions of yen

Year ended March 31, 2021								
	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 year	459,862	464,795	2,296,208	(57,070)	(3,809)	3,159,986	1,106,753	4,266,739
Changes in equity								
Reclassified into retained earnings	-	-	9,436	(9,436)	-	-	-	-
Net income	-	-	501,613	-	-	501,613	16,897	518,510
Other comprehensive income	-	-	-	336,624	-	336,624	79,547	416,171
Dividends to Hitachi, Ltd. stockholders	-	-	(96,653)	-	-	(96,653)	-	(96,653)
Dividends to non-controlling interests	-	-	-	-	-	-	(41,076)	(41,076)
Acquisition of treasury stock	-	-	-	-	(159)	(159)	-	(159)
Sales of treasury stock	-	108	-	-	475	583	-	583
Issuance of new shares	928	928	-	-	-	1,856	-	1,856
Changes in non-controlling interests	-	(381,791)	-	3,443	-	(378,348)	(229,391)	(607,739)
Total changes in equity	928	(380,755)	414,396	330,631	316	365,516	(174,023)	191,493
Balance at end of year	460,790	84,040	2,710,604	273,561	(3,493)	3,525,502	932,730	4,458,232

Millions of yen

Year ended March 31, 2022								
	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 year	460,790	84,040	2,710,604	273,561	(3,493)	3,525,502	932,730	4,458,232
Changes in equity								
Reclassified into retained earnings	-	-	14,861	(14,861)	-	-	-	-
Net income	-	-	583,470	-	-	583,470	87,394	670,864
Other comprehensive income	-	-	-	374,538	-	374,538	85,498	460,036
Dividends to Hitachi, Ltd. stockholders	-	-	(111,210)	-	-	(111,210)	-	(111,210)
Dividends to non-controlling interests	-	-	-	-	-	-	(63,647)	(63,647)
Acquisition of treasury stock	-	-	-	-	(251)	(251)	-	(251)
Sales of treasury stock	-	(291)	-	-	742	451	-	451
Issuance of new shares	941	941	-	-	-	1,882	-	1,882
Changes in non-controlling interests	-	(38,571)	-	6,025	-	(32,546)	(28,534)	(61,080)
Total changes in equity	941	(37,921)	487,121	365,702	491	816,334	80,711	897,045
Balance at end of year	461,731	46,119	3,197,725	639,263	(3,002)	4,341,836	1,013,441	5,355,277

Millions of U.S. dollars

Year ended March 31, 2022								
	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 year	3,777	689	22,218	2,242	(29)	28,898	7,645	36,543
Changes in equity								
Reclassified into retained earnings	-	-	122	(122)	-	-	-	-
Net income	-	-	4,783	-	-	4,783	716	5,499
Other comprehensive income	-	-	-	3,070	-	3,070	701	3,771
Dividends to Hitachi, Ltd. stockholders	-	-	(912)	-	-	(912)	-	(912)
Dividends to non-controlling interests	-	-	-	-	-	-	(522)	(522)
Acquisition of treasury stock	-	-	-	-	(2)	(2)	-	(2)
Sales of treasury stock	-	(2)	-	-	6	4	-	4
Issuance of new shares	8	8	-	-	-	15	-	15
Changes in non-controlling interests	-	(316)	-	49	-	(267)	(234)	(501)
Total changes in equity	8	(311)	3,993	2,998	4	6,691	662	7,353
Balance at end of year	3,785	378	26,211	5,240	(25)	35,589	8,307	43,896

Consolidated Statement of Cash Flows

	Years ended March 31			
	Millions of yen		(B)-(A)	Millions of U.S. dollars
	2021 (A)	2022 (B)		2022
Cash flows from operating activities				
Net Income	518,510	670,864	152,354	5,499
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	491,663	540,252	48,589	4,428
Impairment losses	109,009	35,091	(73,918)	288
Income taxes	325,247	168,469	(156,778)	1,381
Share of (profits) losses of investments accounted for using the equity method	(38,864)	(40,485)	(1,621)	(332)
Financial income and expenses	1,337	(2,012)	(3,349)	(16)
Net (gain) loss on business reorganization and others	(452,422)	(102,135)	350,287	(837)
(Gain) loss on sale of property, plant and equipment	(16,976)	(21,066)	(4,090)	(173)
Change in trade receivables and contract assets	89,722	(33,292)	(123,014)	(273)
Change in inventories	(47,937)	(330,187)	(282,250)	(2,706)
Change in trade payables	(31,811)	156,475	188,286	1,283
Change in accrued expenses	32,693	9,679	(23,014)	79
Change in retirement and severance benefits	(29,239)	(29,122)	117	(239)
Other	11,322	(52,596)	(63,918)	(431)
Subtotal	962,254	969,935	7,681	7,950
Interest received	21,648	16,372	(5,276)	134
Dividends received	20,560	18,824	(1,736)	154
Interest paid	(22,368)	(26,698)	(4,330)	(219)
Income taxes paid	(188,966)	(248,490)	(59,524)	(2,037)
Net cash provided by (used in) operating activities	793,128	729,943	(63,185)	5,983
Cash flows from investing activities				
Purchase of property, plant and equipment	(254,750)	(296,968)	(42,218)	(2,434)
Purchase of intangible assets	(118,195)	(142,893)	(24,698)	(1,171)
Proceeds from sale of property, plant and equipment, and intangible assets	83,483	109,836	26,353	900
Purchase of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	(861,035)	(933,200)	(72,165)	(7,649)
Proceeds from sale of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	682,408	168,892	(513,516)	1,384
Other	9,249	45,467	36,218	373
Net cash provided by (used in) investing activities	(458,840)	(1,048,866)	(590,026)	(8,597)
Free cash flows	334,288	(318,923)	(653,211)	(2,614)
Cash flows from financing activities				
Change in short-term debt, net	199,679	653,244	453,565	5,354
Proceeds from long-term debt	523,467	44,798	(478,669)	367
Payments on long-term debt	(230,488)	(305,943)	(75,455)	(2,508)
Proceeds from payments from non-controlling interests	5,190	-	(5,190)	-
Dividends paid to Hitachi, Ltd. stockholders	(96,611)	(111,149)	(14,538)	(911)
Dividends paid to non-controlling interests	(40,687)	(56,338)	(15,651)	(462)
Acquisition of common stock for treasury	(159)	(251)	(92)	(2)
Proceeds from sales of treasury stock	583	451	(132)	4
Purchase of shares of consolidated subsidiaries from non-controlling interests	(545,790)	(22,009)	523,781	(180)
Other	(22)	(64)	(42)	(1)
Net cash provided by (used in) financing activities	(184,838)	202,739	387,577	1,662
Effect of exchange rate changes on cash and cash equivalents	54,105	69,125	15,020	567
Change in cash and cash equivalents	203,555	(47,059)	(250,614)	(386)
Cash and cash equivalents at beginning of year	812,331	1,015,886	203,555	8,327
Cash and cash equivalents at end of year	1,015,886	968,827	(47,059)	7,941

Segment Information

(1) Business Segments

	Years ended March 31			
	Millions of yen		(B)/(A) (%)	Millions of U.S. dollars 2022
	2021 (A)	2022 (B)		
IT	2,048,756 21%	2,153,625 20%	105	17,653
Energy	1,107,986 12%	1,447,967 13%	131	11,869
Industry	830,162 9%	900,761 8%	109	7,383
Mobility	1,199,632 13%	1,425,750 13%	119	11,686
Smart Life	1,252,751 13%	1,029,443 9%	82	8,438
Automotive Systems	987,583 11%	1,597,718 15%	162	13,096
Hitachi Construction Machinery	813,331 8%	1,024,961 9%	126	8,401
Hitachi Metals	761,615 8%	942,701 9%	124	7,727
Others	449,008 5%	456,305 4%	102	3,740
Subtotal	9,450,824 100%	10,979,231 100%	116	89,994
Corporate items & Eliminations	(721,628)	(714,629)	-	(5,858)
Total Revenues	8,729,196	10,264,602	118	84,136
IT	269,438 53%	268,122 36%	100	2,198
Energy	(47,704) (9%)	18,120 2%	-	149
Industry	45,587 9%	82,288 11%	181	674
Mobility	74,790 15%	87,473 12%	117	717
Smart Life	79,400 16%	79,221 11%	100	649
Automotive Systems	34,704 7%	58,751 8%	169	482
Hitachi Construction Machinery	31,641 6%	91,760 13%	290	752
Hitachi Metals	(4,977) (1%)	26,809 4%	-	220
Others	21,230 4%	23,489 3%	111	193
Subtotal	504,109 100%	736,033 100%	146	6,033
Corporate items & Eliminations	(8,929)	2,203	-	18
Total Adjusted operating income	495,180	738,236	149	6,051
IT	244,860 43%	240,600 29%	98	1,972
Energy	(55,567) (10%)	26,617 3%	-	218
Industry	42,366 7%	79,477 10%	188	651
Mobility	129,036 23%	113,654 14%	88	932
Smart Life	202,187 35%	137,758 16%	68	1,129
Automotive Systems	4,340 1%	60,897 7%	-	499
Hitachi Construction Machinery	27,678 5%	112,233 13%	405	920
Hitachi Metals	(49,155) (8%)	34,192 4%	-	280
Others	25,319 4%	32,552 4%	129	267
Subtotal	571,064 100%	837,980 100%	147	6,869
Corporate items & Eliminations	279,223	12,971	-	106
Total EBIT	850,287	850,951	100	6,975

Notes: 1. Revenues by business segment include intersegment transactions.

2. In January 2021, Hitachi Automotive Systems, Ltd., a consolidated subsidiary of the Company, integrated management with Keihin Corporation, Showa Corporation, and Nissin Kogyo Co., Ltd and established Hitachi Astemo, Ltd. Subsequently, on April 1, 2021, in addition to the current five sectors which are the areas of focus of the Social Innovation Business, Hitachi Astemo, Ltd. was spun off from the Smart Life segment and positioned as a business alongside the five sectors. Also, this change will facilitate swift decision-making to establish a structure that will achieve smooth integration and growth strategies, create synergies and further accelerate the growth of the business. As a result, effective from April 1, 2021, the Automotive systems segment is identified as a separate reportable segment. Accordingly, figures for the year ended March 31, 2021 have been restated on the basis of the reclassification.

(2) Revenues by Market

	Years ended March 31			
	Millions of yen		(B)/(A) (%)	Millions of U.S. dollars
	2021 (A)	2022 (B)		2022
Japan	4,154,818 48%	4,187,077 41%	101	34,320
Asia	1,893,620 22%	2,514,843 24%	133	20,613
North America	1,117,554 13%	1,555,142 15%	139	12,747
Europe	1,013,487 11%	1,299,413 13%	128	10,651
Other Areas	549,717 6%	708,127 7%	129	5,804
Overseas Revenues Subtotal	4,574,378 52%	6,077,525 59%	133	49,816
Total Revenues	8,729,196 100%	10,264,602 100%	118	84,136

Notes

(1) Notes Regarding Going Concern

Not applicable.

(2) Subsequent Events

(a) Repurchase of Shares of Common Stock

The Board of Directors decided to repurchase shares of its own common stock pursuant to Article 459, Paragraph 1 of the Companies Act of Japan and Article 31 of the Company's Articles of Incorporation, as follows.

(i) Reason for repurchase

The Company views the return of profits to shareholders through enhancing corporate value from mid- and long-term perspective and paying dividends continuously as an important managerial issue. The Company has decided to repurchase its own shares this time, taking into consideration its financial condition and the price of its common stock as well as the progress of the review of the business portfolio.

(ii) Outline of the Repurchase

1) Class of shares to be repurchased

Common stock of the Company

2) Aggregate number of shares to be repurchased

Up to 50 million shares

(5.17% of the number of outstanding shares (excluding treasury stocks))

3) Aggregate amount of repurchase

Up to 200 billion yen

4) Period of the repurchase

From May 2, 2022 to March 31, 2023

5) Method of repurchase

Expected open market purchase through the Tokyo Stock Exchange

(b) Sale of all shares of Hitachi Transport System, Ltd. (hereinafter "Hitachi Transport System")

On April 28, 2022, the Company entered into a basic agreement with HTSK Co., Ltd., a wholly owned subsidiary of HTSK Holdings Co., Ltd., all equity interests in which are currently owned by HTSK Investment L.P., which is indirectly held and operated by Kohlberg Kravis Roberts & Co. L.P., regarding that the Company will not tender any of its shares of Hitachi Transport System in a tender offer for common shares of Hitachi Transport System, etc.. Hitachi Transport System is an equity method affiliate of the Company in the Corporate items of Segment information.

Assuming the transaction is settled, it is expected that the Company will transfer all of Hitachi Transport System shares held by the Company through an acquisition of treasury stock by Hitachi Transport System. The consideration is expected to be approximately 222.0 billion yen, and Hitachi Transport System will be no longer the Company's equity method affiliate. An expected gain on the sale of Hitachi Transport System shares in the amount of approximately 140.0 billion yen will be recognized in Other income in the consolidated statement of profit or loss for the year ending March 31, 2023.

Please refer to the News Release "Recognition of Extraordinary Gain on Unconsolidated Basis due to Transfer of Shares of Hitachi Transport System" announced on April 28, 2022, for detailed information.

(3) Other Note

Since the Company and some subsidiaries shifted to a risk-sharing corporate pension plans from a defined benefit pension plan on April 2019, the same has been promoted to the other subsidiaries participating pension plans managed by the Hitachi Pension Fund.

Newly 43 subsidiaries have changed their pension plans for current employees from defined benefit pension plans to risk-sharing corporate pension plans on April 1, 2022, and now almost all companies participating in the Hitachi Pension Fund have shifted to the risk-sharing corporate pension plans.

Under the risk-sharing corporate plan, a risk reserve contribution is determined in advance in accordance with the rules governing the plan, and the pension benefits are adjusted annually based on the financial position of the plan to maintain balanced finance.

In terms of the corresponding accounting treatments for retirement benefits, risk-sharing corporate pension plans, for which an entity accepts contribution obligations to the extent stipulated in the rules but has no further obligations to make any additional contributions, are classified as defined contribution plans. Since this risk-sharing corporate pension plan imposes no additional contribution obligations, at the time of the shift to the revised plan, the difference between the defined benefit obligations related to the portion transferred to the revised plan and the amount of assets transferred to the revised plan corresponding to the the decrease in defined benefit obligations, approximately 44.0 billion yen, will be recognized as a settlement loss for the year ending March 31, 2023.

Per share information

	Years ended March 31		
	2021	2022	2022
	(Yen)	(Yen)	(U.S.dollars)
Hitachi, Ltd. stockholders' equity per share	3,646.46	4,488.91	36.79
Earnings per share from continuing operations, attributable to Hitachi, Ltd. stockholders			
Basic	520.00	603.75	4.95
Diluted	519.22	602.96	4.94
Earnings per share from discontinued operations, attributable to Hitachi, Ltd. stockholders			
Basic	(0.71)	0.00	0.00
Diluted	(0.71)	0.00	0.00
Earnings per share attributable to Hitachi, Ltd. stockholders			
Basic	519.29	603.75	4.95
Diluted	518.51	602.96	4.94

The reconciliations of the numbers and the amounts used in the basic and diluted earnings per share attributable to Hitachi, Ltd. stockholders computations are as follows:

	Years ended March 31		
	2021	2022	2022
	(Number of shares)	(Number of shares)	
Weighted average number of shares on which basic earnings per share is calculated	965,965,329	966,413,255	
Effect of dilutive securities			
Stock options	731,540	512,108	
Restricted stock	684,997	715,736	
Restricted stock units	24,533	37,232	
Number of shares on which diluted earnings per share is calculated	967,406,399	967,678,331	
	(Millions of yen)	(Millions of yen)	(Millions of U.S. dollars)
Net income from continuing operations, attributable to Hitachi, Ltd. stockholders			
Basic	502,299	583,470	4,783
Effect of dilutive securities	-	-	-
Diluted	502,299	583,470	4,783
Net income (loss) from discontinued operations, attributable to Hitachi, Ltd. stockholders			
Basic	(686)	0	0
Effect of dilutive securities	-	-	-
Diluted	(686)	0	0
Net income attributable to Hitachi, Ltd. stockholders			
Basic	501,613	583,470	4,783
Effect of dilutive securities	-	-	-
Diluted	501,613	583,470	4,783

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