

FOR IMMEDIATE RELEASE

Hitachi Announces Revisions to Full-year Consolidated Business Forecast

Tokyo, December 18, 2019 --- Hitachi, Ltd. (TSE: 6501) today announced that it has revised its full-year consolidated business forecast for fiscal 2019, the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020), which was disclosed on October 30, 2019, based on “Notification of Tender of Shares of Subsidiary in Tender Offer, and Recognition of Extraordinary Gain on Unconsolidated Basis and Other Income on Consolidated Basis^{*1}” (“Tender of Shares of Hitachi Chemical in the Tender Offer”) and “Notification of Settlement on the Projects Conducted by Mitsubishi Hitachi Power Systems, Ltd. in the Republic of South Africa and Recognition of Extraordinary Loss on Unconsolidated Basis and Other Expenses on Consolidated Basis^{*2}” (“Settlement of the South Africa Project”), which were announced today.

*1: Notification of Tender of Shares of Subsidiary in Tender Offer, and Recognition of Extraordinary Gain on Unconsolidated Basis and Other Income on Consolidated Basis

<http://www.hitachi.com/New/cnews/month/2019/12/191218b.html>

*2: Notification of Settlement on the Projects Conducted by Mitsubishi Hitachi Power Systems, Ltd. in the Republic of South Africa and Recognition of Extraordinary Loss on Unconsolidated Basis and Other Expenses on Consolidated Basis

<http://www.hitachi.com/New/cnews/month/2019/12/191218c.html>

1. Revisions of Business Forecast

(1) Revisions of Full-year Consolidated Business Forecast for Fiscal 2019 (from April 1, 2019 to March 31, 2020)

(Millions of yen)

	Revenues	Adjusted operating income	EBIT	Income from continuing operations, before income taxes	Net income	Net income attributable to Hitachi, Ltd. stockholders	Earnings per share attributable to Hitachi, Ltd. stockholders (basic)
Previous forecast (A)	8,700,000	685,000	605,000	593,000	411,000	360,000	372.78
Revised forecast (B)	8,700,000	685,000	505,000	493,000	221,000	170,000	176.04 yen
(B) - (A)	0	0	(100,000)	(100,000)	(190,000)	(190,000)	(196.74) yen
% change	0.0	0.0	(16.5)	(16.9)	(46.2)	(52.8)	(52.8)
Year Ended March 31, 2019	9,480,619	754,976	513,906	516,502	321,022	222,546	230.47 yen

Notes: 1. “Adjusted operating income” is presented as revenues less cost of sales as well as selling, general and administrative expenses.

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

3. “Earnings per share attributable to Hitachi, Ltd. stockholders (basic)” in fiscal 2019 is affected by restricted stocks issued on May 31, 2019, etc.

4. On October 1, 2018, Hitachi completed the share consolidation of every five shares into one share for its common stock.

The figures for “Earnings per share attributable to Hitachi, Ltd. stockholders (basic)” are calculated on the assumption that the company conducted this consolidation at the beginning of fiscal 2018.

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(2) Reasons for Revisions

Hitachi plans to post an other income of 278.0 billion yen due to “Tender of Shares of Hitachi Chemical in the Tender Offer” and an other expenses of 378.0 billion yen due to “Settlement of the South Africa Project” in its consolidated statements of operations for the fiscal year ending March 31, 2020. Based on these impacts and others, Hitachi has revised its full-year consolidated business forecast for fiscal 2019, the year ending March 31, 2020 as above (1).

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, is focusing on Social Innovation Business combining its operational technology, information technology and products. The company’s consolidated revenues for fiscal 2018 (ended March 31, 2019) totaled 9,480.6 billion yen (\$85.4 billion), and the company has approximately 296,000 employees worldwide. Hitachi delivers digital solutions utilizing Lumada in five sectors including Mobility, Smart Life, Industry, Energy and IT, to increase our customer’s social, environmental and economic value. For more information on Hitachi, please visit the company's website at <https://www.hitachi.com>.

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 document.

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

- economic conditions, including consumer spending and plant and equipment investment in Hitachi’s major markets, particularly Japan, Asia, the United States and Europe, as well as levels of demand in the major industrial sectors Hitachi serves;
- exchange rate fluctuations of the yen against other currencies in which Hitachi makes significant sales or in which Hitachi’s assets and liabilities are denominated;
- uncertainty as to Hitachi’s ability to access, or access on favorable terms, liquidity or long-term financing;
- uncertainty as to general market price levels for equity securities, declines in which may require Hitachi to write down equity securities that it holds;
- fluctuations in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum, synthetic resins, rare metals and rare-earth minerals, or shortages of materials, parts and components;

- the possibility of cost fluctuations during the lifetime of, or cancellation of, long-term contracts for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- credit conditions of Hitachi's customers and suppliers;
- fluctuations in product demand and industry capacity;
- uncertainty as to Hitachi's ability to implement measures to reduce the potential negative impact of fluctuations in product demand, exchange rates and/or price of raw materials or shortages of materials, parts and components;
- uncertainty as to Hitachi's ability to continue to develop and market products that incorporate new technologies on a timely and cost-effective basis and to achieve market acceptance for such products;
- uncertainty as to Hitachi's ability to attract and retain skilled personnel;
- increased commoditization of and intensifying price competition for products;
- uncertainty as to Hitachi's ability to achieve the anticipated benefits of its strategy to strengthen its Social Innovation Business;
- uncertainty as to the success of acquisitions of other companies, joint ventures and strategic alliances and the possibility of incurring related expenses;
- uncertainty as to the success of restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness;
- the potential for significant losses on Hitachi's investments in equity-method associates and joint ventures;
- general socioeconomic and political conditions and the regulatory and trade environment of countries where Hitachi conducts business, particularly Japan, Asia, the United States and Europe, including, without limitation, direct or indirect restrictions by other nations on imports and differences in commercial and business customs including, without limitation, contract terms and conditions and labor relations;
- uncertainty as to the success of cost structure overhaul;
- uncertainty as to Hitachi's access to, or ability to protect, certain intellectual property;
- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity-method associates and joint ventures have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- the possibility of disruption of Hitachi's operations by natural disasters such as earthquakes and tsunamis, the spread of infectious diseases, and geopolitical and social instability such as terrorism and conflict;
- uncertainty as to Hitachi's ability to maintain the integrity of its information systems, as well as Hitachi's ability to protect its confidential information or that of its customers; and
- uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its employee benefit-related costs.

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

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Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.
