

**Outline of Consolidated Financial Results
for the Third Quarter
Ended December 31, 2021**
[Fiscal 2021]

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Contents

1. Points
2. Q1-Q3 FY2021 Results
3. Q3 FY2021 Results
4. FY2021 Forecast
5. Appendix



1. Points

Macro economy outlook (GDP YoY growth rate⁽¹⁾)

Region	CY2021	CY2022	Outlook
Global	+5.6%	+4.4%	Economy is continuing to recover, while supply-side constraints remain for 2022
Japan	+1.5%	+3.1%	Economy recovers supported by increasing consumption and economic measures
U.S.	+5.5%	+3.8%	Financial economy and real economy may be impacted by interest rate increase expected in March at earliest due to inflation, while domestic demand leads recovery
Europe	+5.1%	+3.9%	Infrastructure investment is expected to accelerate mainly in environment-related fields
China	+8.1%	+5.2%	Economy is expected to recover gradually under accommodative policy management although some factors such as deterioration of real estate market could dampen recovery

Positive and negative factors of macro economy

Positive factors	Negative factors
<ul style="list-style-type: none"> World-wide expansion of DX demand Increase in environment-related investment for carbon neutral transition Increase in EV usage and expansion of EV charging system Increase in infrastructure investment <ul style="list-style-type: none"> Investment in building national resilience in Japan (ex. cross-regional coordination of electricity transmission) Recently passed \$ 1 trillion Infrastructure bill in U.S. 	<ul style="list-style-type: none"> Continuing soaring material prices and transportation cost increase Continuing semiconductor shortage Electricity tight supply and demand Activity constraints due to COVID-19 Geopolitical risk such as U.S./China conflict and Ukraine, etc. Instability in Chinese real estate market Economic impact from tapering and interest rate increase

(1) Based on Short-term Economic Outlook of Hitachi Research Institute. GDP growth rates are estimations as of December 2021.

CY2021 GDP growth rate of China is actual result
Notes which are not included in each page of this material are listed on page 38

1

Continuing harsh business conditions, such as semiconductor shortage, soaring material prices and COVID-19 re-expansion. Maintain FY2021 forecast by conducting measures for securing operating profits and decrease in tax expenses of FY2021, despite the postponement of Hitachi Metals divestiture

- Semiconductor shortage causing revenues decrease mainly in Hitachi Astemo and Measurement & Analysis Systems business (Hitachi High-Tech)
- Strong impact of soaring material prices in Hitachi Astemo, Hitachi Energy and Building Systems business
- COVID-19 causing challenges in some businesses, such as project delays

2

Orders remained firm mainly in environment-related businesses (Hitachi Energy, Railway Systems business, etc.)

Lumada and GlobalLogic businesses are growing steadily

- Hitachi Energy's orders remained firm(Q3 orders: \$ 4.2bn, order backlog: c. \$ 14bn)
- Railway Systems business and Alstom won order of c.£ 1.97bn (c.295.7bn yen) to build and maintain High Speed Two trains in Britain
- Q1-Q3 Lumada business revenues increased by YoY+40% (organic base YoY+15%)
- Q3 GlobalLogic realized increase in revenues by YoY+51% (dollar base YoY+39%)

3

Transforming business portfolio following Hitachi Metals divestiture: determined sale of a part of Hitachi Construction Machinery shares, heading to dissolve parent-child listing

- Sell a part of Hitachi Construction Machinery (HCM) shares (26.0%) to HCJI Holdings G.K., which is expected to be indirectly jointly invested by Japan Industrial Partners and ITOCHU, making HCM be an equity method affiliate (scheduled in June 2022)

Business Environment (Q3 FY21)

- Semiconductor shortage is affecting mainly Hitachi Astemo
- Soaring material prices are impacting mainly on Hitachi Astemo, Hitachi Energy and Building Systems business

	Semiconductor shortage	Soaring material prices (steel, copper, etc.)	Activity constraint due to pandemic	Logistics and others
IT	Revenues decrease in IT products	Minor Impact	Customer investment restraint, delay of demand recovery mainly in India	Minor Impact
Energy	Revenues decrease and cost increase in power grids business	Cost increase of electrical steel sheet, etc. in power grids business	Minor Impact	Logistic cost increase in power grids business
Industry	Impact on delivery date of products (factory automation equipment, etc.)	Cost increase in some products business	Minor Impact	Minor Impact
Mobility	Minor Impact	Cost increase in Building Systems BU	Progress delay in some projects in Railway Systems BU	Minor Impact
Smart Life	Minor Impact	Cost increase in Smart Life & Ecofriendly Systems business	Delay in procuring some parts in Smart Life & Ecofriendly Systems business	Impact on production of Measurement & Analysis Systems business due to some parts supply shortage
Hitachi Astemo	Large revenues decrease due to OEM production cutbacks	Cost increase in some products due to price increase in materials such as steel and copper	Decrease in parts supply in India	Minor Impact
Listed subsidiaries	Revenues decrease in Hitachi Metals' automobile-related business (automotive casting, etc.)	Cost increase mainly in steel prices at Hitachi Construction Machinery	Minor Impact	Minor Impact

Highlights of Orders Results (Q3 FY21)

- Solid orders mainly in environment-related businesses such as Hitachi Energy and Railway Systems business, and orders of Industry segment and Measurement & Analysis Systems business (Hitachi High-Tech) increased YoY
- First Bus and Hitachi Europe to drive zero emission agenda forward via strategic partnership, which delivers an 'as a service' offering including smart charging software to manage EV charging
- Hitachi Astemo's inverter adopted by Chinese EV maker's hybrid powertrain platform

Billions of yen	FY21 Orders		YoY		Dynamics (Q3 FY21)
	Q3	Q1-Q3	Q3	Q1-Q3	
IT	533.4	1,619.6	112%	106%	<ul style="list-style-type: none"> • Increased due to big project order in public fields and solid demand for Lumada solutions, despite impacts from investment restraint of customers in transportation fields, etc. • GlobalLogic acquired new orders for digital solutions mainly from major companies in Europe and U.S.
Hitachi Energy	481.9	1,057.0	162%	197%	<ul style="list-style-type: none"> • Steady growth due to market recovery and accelerating energy transition toward a carbon-neutral society • Major order wins across the world including the Saudi-Egypt HVDC interconnector and supply of low-carbon power from Abu Dhabi's mainland grid to Abu Dhabi National Oil Company's production operations • Battery energy storage system for Denmark's fast-charge EV operations
Industry	258.0	700.1	122%	114%	<ul style="list-style-type: none"> • In Industry & Distribution BU, steady orders in digital solutions business due to market recovery • In Industrial Products business, orders were strong mainly overseas due to market recovery • Strong orders for environment-related products such as electrification of dump trucks for Hitachi Construction Machinery. Orders of compressors for decarbonized energy production plants (green/blue ammonia, etc.) are increasing
Railway Systems	283.6	547.8	182%	128%	<ul style="list-style-type: none"> • Steady growth due to market recovery and shift to carbon-neutral • Won order of c.£ 1.97bn (c.295.7bn yen) to build and maintain High Speed Two trains in Britain with Alstom • FERROVIENORD, an Italian transport company, and Hitachi Rail STS SpA signed contract of c.59.7bn yen for 50 high capacity trains
Hitachi High-Tech	213.9	583.2	132%	144%	<ul style="list-style-type: none"> • Orders remained firm due to market recovery from COVID-19 in Analytical & Medical Solutions business and increasing demand in Nano-Technology Solutions business for semiconductor manufacturing equipment including long-lead items, while impact from parts supply shortage is concerned

GlobalLogic

- Q3 revenues increased YoY 151% (dollar base YoY 139%), and achieved high profitability, AOI⁽¹⁾ ratio of 22.5% and EBITDA*¹ ratio of 23.6%
- Accelerating activities to create synergies, including collaborations with Hitachi Energy in green digital business and Railway Systems business in railway services such as predictive maintenance

Billions of yen	Q3	YoY ⁽³⁾
Revenues	37.6	151%
AOI (standalone ⁽²⁾)	8.5	+2.9
	22.5%	+0.2 pts

Railway Systems

- Solid Q3 orders including big projects such as High Speed Two trains in Britain
- Proceeding with the closing of the acquisition of Thales' railroad signaling business, scheduled for the second half of fiscal 2022
- Profits decreased due to product mix difference, despite revenues increase due to project ramp-up and FX impact

Billions of yen	Q3	YoY
Revenues	157.0	112%
AOI	3.4	(0.2)
	2.1%	(0.5) pts

Hitachi Energy

- Solid Q3 orders including HVDC major order wins and battery energy storage system for Denmark's fast-charge EV operations
- Profits were flat due to the FX impact and continued operational efficiency improvements, despite lower profit due to soaring material prices, semiconductor shortage and logistics network turmoil

Billions of yen	Q3	YoY
Revenues	280.4	103%
AOI (standalone)	20.4	(0.4)
	7.3%	(0.3) pts

Hitachi Astemo

- Revenues increased YoY due to the impact of integration. Profits decreased YoY due to the impact of semiconductor shortage and soaring material prices
- Revenues and profits increased QoQ due to partial easing of OEM production cutbacks
- Assumed heaviest impact of semiconductor shortage in Q3, but impact is expected to continue after Q3

Billions of yen	Q3	YoY ⁽⁴⁾	QoQ
Revenues	395.3	164%	106%
AOI	12.2	(6.4)	+2.0
	3.1%	(4.7) pts	+0.4 pts

(1) AOI: adjusted operating income*2. Percentage indicates adjusted operating income ratio

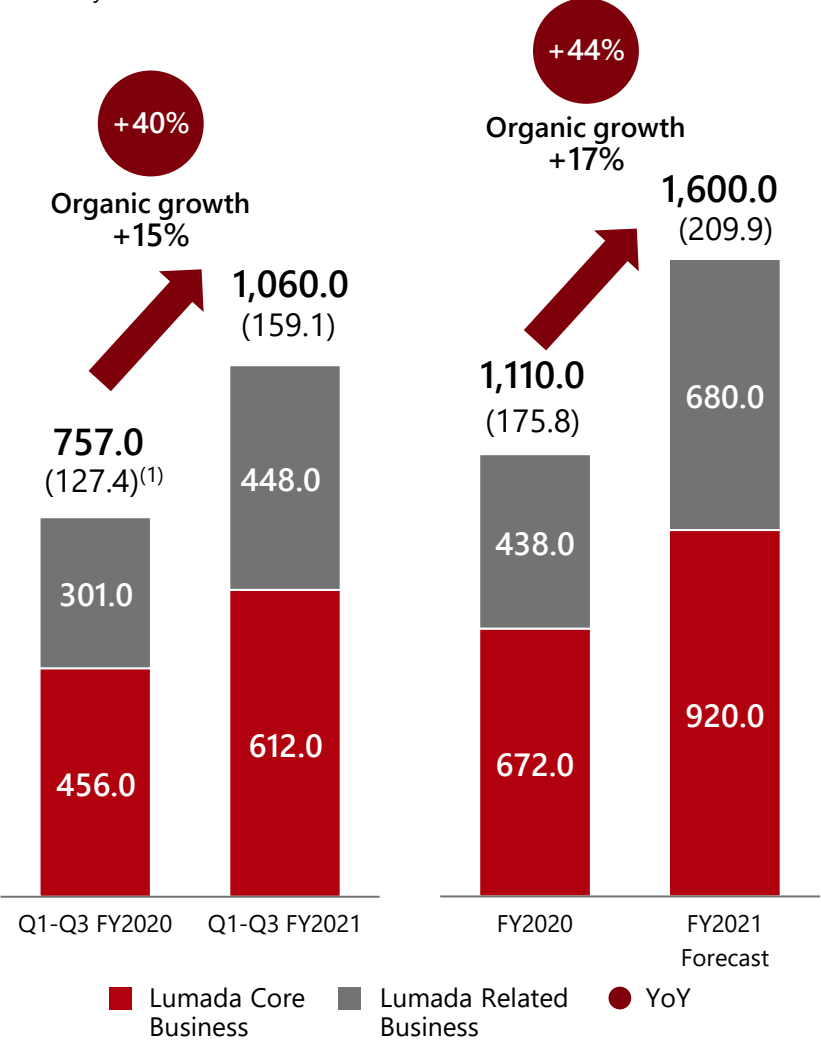
(2) Standalone doesn't include acquisition-related amortization³ and related cost

(3) The acquisition of GlobalLogic had been closed on July 14, 2021. FY2020 results of Hitachi don't include GlobalLogic

(4) Figures of Q3 FY20 do not include the financial results of Keihin Corporation, Showa Corporation, and Nissin Kogyo Co., Ltd.

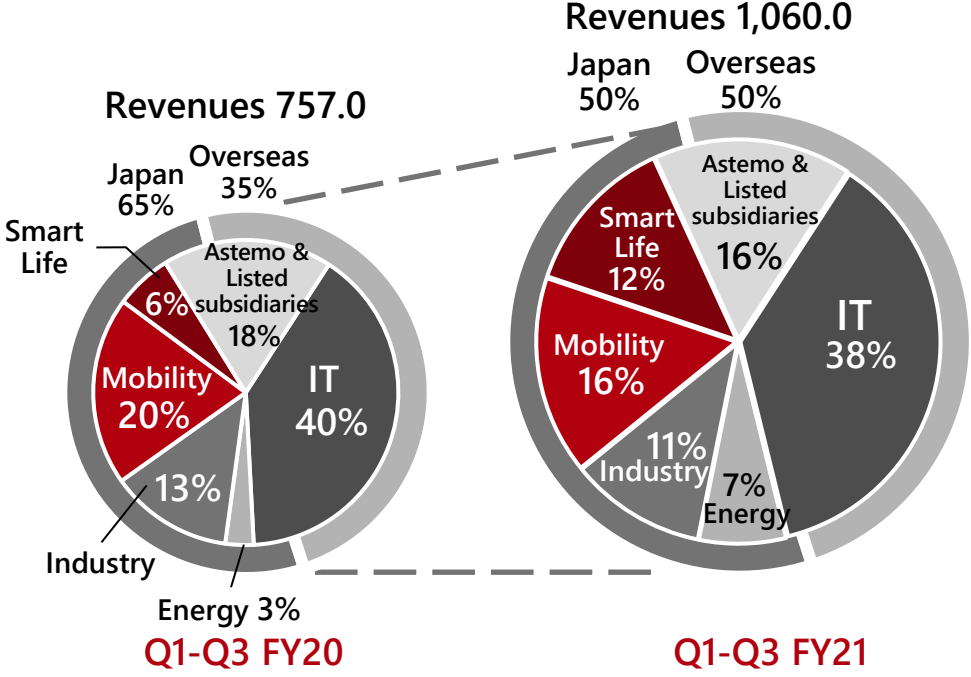
Lumada business revenues

Billions of yen



Composition by segments

Overseas revenues ratio of Lumada business increased through organic growth and acquisition of power grids business and GlobalLogic



Topics

For further growth, IT segment commenced collaboration with financial institutions to provide solutions contributing to customers' decarbonization, accelerating the activities to realize ESG and sustainable finance platform business leveraging Lumada

(1) Figures in parentheses are Lumada business revenues of Hitachi Construction Machinery



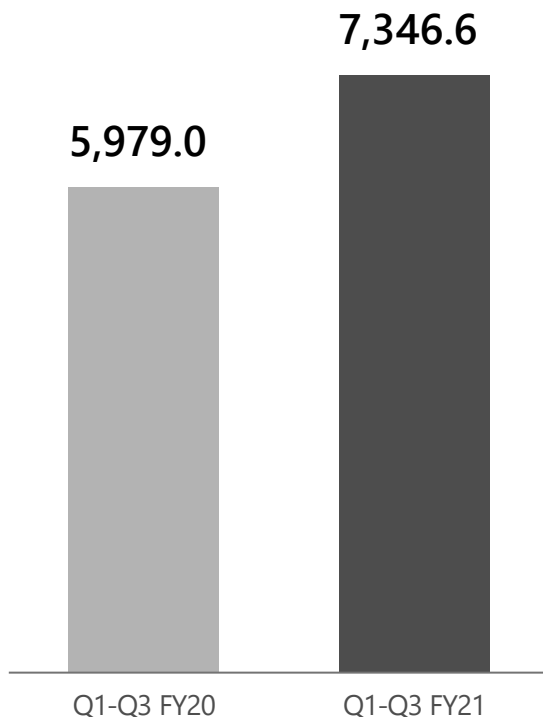
2. Q1-Q3 FY2021 Results

Highlights of Results (Q1-Q3 FY21)

Revenues

YoY 23% up

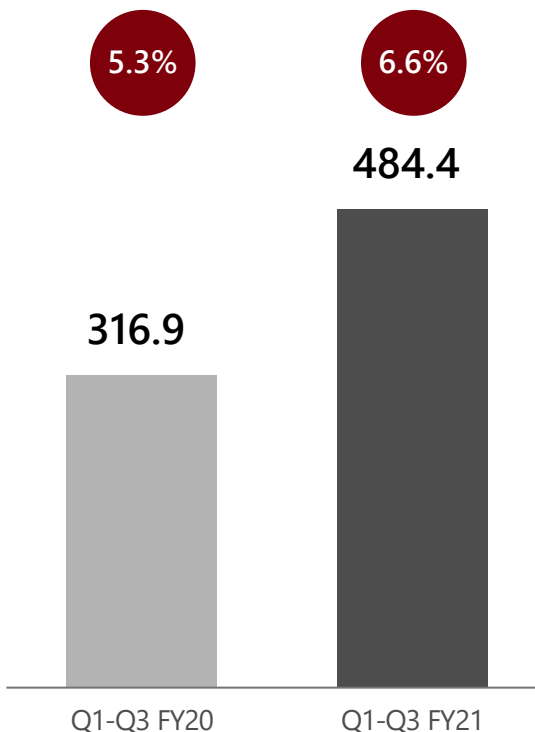
Revenues increased due to market recovery, the acquisition of power grids business and GlobalLogic, and the integration impact as Hitachi Astemo



Adjusted operating income

YoY 1.3 points increase
(Income ratio)

Adjusted operating income increased led by revenues increase



● Adjusted operating income ratio Billions of yen

Overseas revenues

4,462.8bn yen (YoY +41%)

Lumada business revenues

1,060.0bn yen (YoY +40%)

EBIT*4

601.4bn yen (YoY +97.8bn yen)

Net income attributable to Hitachi, Ltd. stockholders

450.7bn yen (YoY +142.9bn yen)

EBITDA

1,000.4bn yen (YoY +144.9bn yen)

Cash flows from operating activities

257.1bn yen (YoY (169.2)bn yen)

- Five sectors: revenues and profits increased due to market recovery and the acquisition of power grids business and GlobalLogic
- Astemo: revenues and profits increased due to the integration impact as Hitachi Astemo
- Listed subsidiaries: revenues and profits increased in Hitachi Construction Machinery and Hitachi Metals due to market recovery

Billions of yen	Five sectors*⁵ [IT, Energy, Industry, Mobility, Smart Life* ⁶]	Astemo [Automotive Systems* ^{6,7}]	Listed subsidiaries [Hitachi Construction Machinery, Hitachi Metals]	Total
Revenues	4,784.1	1,151.3	1,411.2	7,346.6
YoY	111%	204%	128%	123%
Adjusted operating income	368.7	34.5	81.1	484.4
YoY	+60.7	+34.6	+72.2	+167.5
Adjusted operating income ratio	7.7%	3.0%	5.7%	6.6%
YoY	+0.6 points	+3.0 points	+4.9 points	+1.3 points
EBIT	480.2	31.9	89.2	601.4
YoY	(87.7)	+71.7	+113.9	+97.8
EBIT ratio	10.0%	2.8%	6.3%	8.2%
YoY	(3.2) points	+9.9 points	+8.5 points	(0.2) points
Net income attributable to Hitachi, Ltd. stockholders	416.4	3.5	30.8	450.7
YoY	+45.1	+50.3	+47.4	+142.9

Q1-Q3 FY21 Results by Business Segment (1/3)

Billions of yen	Q1-Q3 FY21			YoY			Dynamics
	Revenues	AOI ⁽²⁾⁽³⁾	EBIT ⁽³⁾	Revenues	AOI	EBIT	
IT	1,495.4	170.6 11.4%	162.6 10.9%	104%	(3.2) (0.7) points	+0.8 (0.4) points	<ul style="list-style-type: none"> Segment revenues increased led by Lumada business and GlobalLogic. Profit decreased due to the impact of semiconductor shortage, the acquisition-related amortization and one-time cost related to acquisition of GlobalLogic In Front Business, Lumada business expanded steadily, despite impacts from investment restraint of customers in transportation field, etc. Services & Platforms revenues increased led by GlobalLogic despite expanding impact of the semiconductor shortage
Front Business ^{*8}	983.9	119.0 12.1%	117.5 11.9%	100%	+6.7 +0.7 points	+10.3 +1.0 points	
Services & Platforms ^{*9}	612.9	47.8 7.8%	41.2 6.7%	109%	+1.3 (0.5) points	(0.4) (0.7) points	
Energy	1,036.3	6.9 0.7%	20.4 2.0%	137%	+15.6 +1.9 points	+30.9 +3.4 points	<ul style="list-style-type: none"> Nuclear Energy BU and Energy BU profits increased due to completion of strengthening measures for some projects in Energy BU, etc., despite revenues decrease due to workload change in Nuclear Energy BU and strategy change of wind power generation system business in Energy BU Revenues and profits of Hitachi Energy increased due to the impact of acquisition, despite the impact of soaring raw material prices
Nuclear Energy ^{*10}	77.6	-	-	80%	-	-	
Energy ^{*10,11}	127.0	-	-	98%	-	-	
Nuclear Energy & Energy ^{*10,11}	-	11.7 5.6%	14.9 7.1%	-	+9.3 +4.5 points	+11.4 +5.5 points	
Hitachi Energy	798.7	47.6 6.0%	49.9 6.2%	158%	+12.0 (1.0) points	+11.7 (1.3) points	
Related cost ⁽¹⁾	-	(52.7)	(54.9)	-	(8.1)	(4.6)	

(1) Related cost includes acquisition-related amortization for the acquisition of power grids business and PMI related costs

(2) AOI: adjusted operating income

(3) Percentages indicate adjusted operating income ratio or EBIT ratio

Q1-Q3 FY21 Results by Business Segment (2/3)

Billions of yen	Q1-Q3 FY21			YoY			Dynamics
	Revenues	AOI	EBIT	Revenues	AOI	EBIT	
Industry	606.1	53.6 8.8%	54.6 9.0%	110%	+29.6 +4.4 points	+28.6 +4.3 points	<ul style="list-style-type: none"> Industry & Distribution BU revenues and profits increased due to market recovery and revenues increase in JR Automation Water & Environment BU revenues and profits increased due to fixed cost reductions, as well as steady performance in air conditioning system business Industrial Products business revenues and profits increased due to market recovery
Industry & Distribution* ¹⁰	238.2	29.9 12.6%	28.6 12.0%	112%	+20.2 +8.0 points	+18.6 +7.3 points	
Water & Environment* ¹⁰	104.9	5.2 5.0%	6.3 6.0%	110%	+2.9 +2.6 points	+5.5 +5.2 points	
Industrial Products	278.3	18.8 6.7%	20.0 7.2%	109%	+8.0 +2.5 points	+5.5 +1.5 points	
Mobility	1,077.7	64.7 6.0%	90.1 8.4%	125%	+5.3 (0.9) points	+19.9 +0.3 points	<ul style="list-style-type: none"> Building Systems BU revenues and profits increased due to expansion of Chinese business and FX impact, despite the impact of lower income due to soaring raw material prices Railway Systems BU revenues and profits increased due to project ramp-up and FX impact. EBIT increased due to gains from selling a part of Agility Trains East stocks
Building Systems	649.0	58.4 9.0%	58.5 9.0%	126%	+2.1 (1.9) points	(8.3) (3.9) points	
Railway Systems* ¹⁰	444.9	10.1 2.3%	35.3 7.9%	122%	+2.7 +0.3 points	+27.7 +5.8 points	
Smart Life⁽¹⁾	743.3	51.9 7.0%	110.0 14.8%	83%	(10.8) ±0.0 point	+46.7 +7.8 points	<ul style="list-style-type: none"> Segment revenues decreased due to the impact of selling diagnostic imaging-related business Smart Life & Ecofriendly Systems business revenues and profits decreased due to the impact of the selling the overseas home appliance business despite expansion of Lumada business. EBIT increased due to the gains from selling a part of shares of JV in overseas home appliances business Measurement & Analysis Systems business revenues decreased due to revenues decrease in Industrial Solutions business because of partial business withdrawal, despite revenues increase in Analytical & Medical Solutions business. Its profits decreased due to product mix difference and increase in strategic investments in Nano-Technology Solutions business
Smart Life & Ecofriendly Systems (Hitachi GLS ⁽²⁾)	299.2	19.8 6.6%	78.3 26.2%	89%	(7.8) (1.6) points	+48.7 +17.4 points	
Measurement & Analysis Systems (Hitachi High-Tech)	410.0	36.6 8.9%	36.4 8.9%	93%	(5.7) (0.7) points	(6.7) (0.9) points	

(1) The results of Smart Life segment include the revenues, adjusted operating income and EBIT of healthcare business and other businesses

(2) Hitachi GLS: Hitachi Global Life Solutions

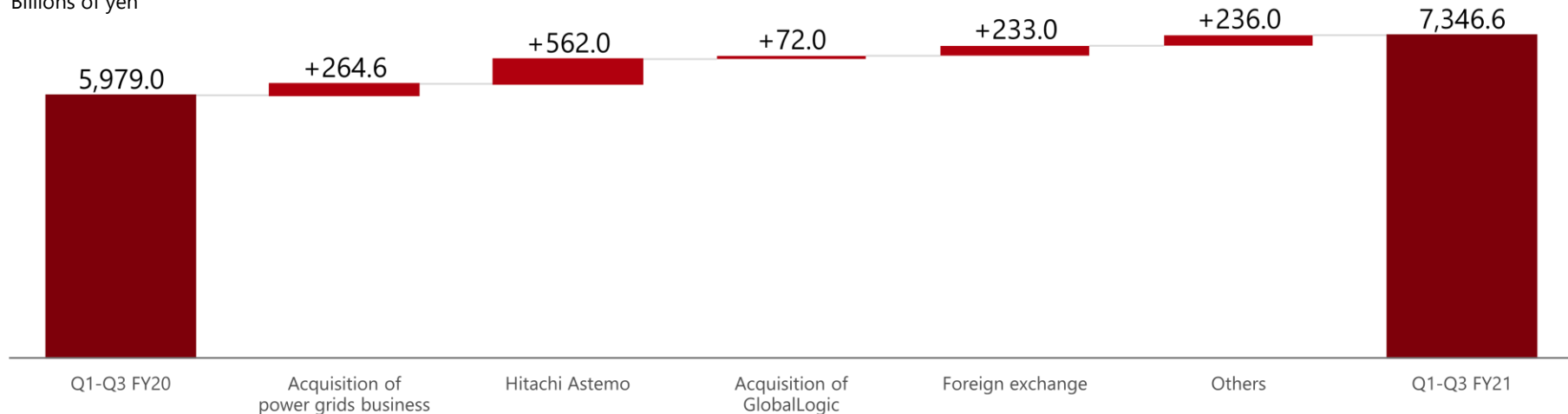
Q1-Q3 FY21 Results by Business Segment (3/3)

Billions of yen	Q1-Q3 FY21			YoY			Dynamics
	Revenues	AOI	EBIT	Revenues	AOI	EBIT	
Hitachi Astemo	1,151.3	34.5 3.0%	31.9 2.8%	204%	+34.6 +3.0 points	+71.7 +9.9 points	• Revenues and profits increased due to integration impact, despite the continued harsh business environment including reduced production by automobile manufacturers due to semiconductor shortage, soaring raw material prices, and reduced component supply due to the lockdown
Hitachi Construction Machinery	720.3	60.4 8.4%	67.6 9.4%	129%	+42.9 +5.3 points	+54.0 +7.0 points	• Revenues and profits increased due to market recovery, price adjustment in the Americas market, and the impact of the depreciation of the yen, despite cost increase mainly in steel prices
Hitachi Metals	690.8	20.6 3.0%	21.5 3.1%	128%	+29.2 +4.6 points	+59.8 +10.2 points	• Revenues and profits increased due to market recovery including increase in demand for automobiles and effect from structural reform
Others	323.3	15.3 4.7%	23.5 7.3%	102%	+2.6 +0.7 points	+7.4 +2.2 points	
Corporate items & Eliminations	(498.2)	5.4	18.8	-	+21.4	(222.5)	
Total	7,346.6	484.4 6.6%	601.4 8.2%	123%	+167.5 +1.3 points	+97.8 (0.2) points	

Factors Affecting Changes in Revenues and Adjusted Operating Income (Q1-Q3 FY21 Total)

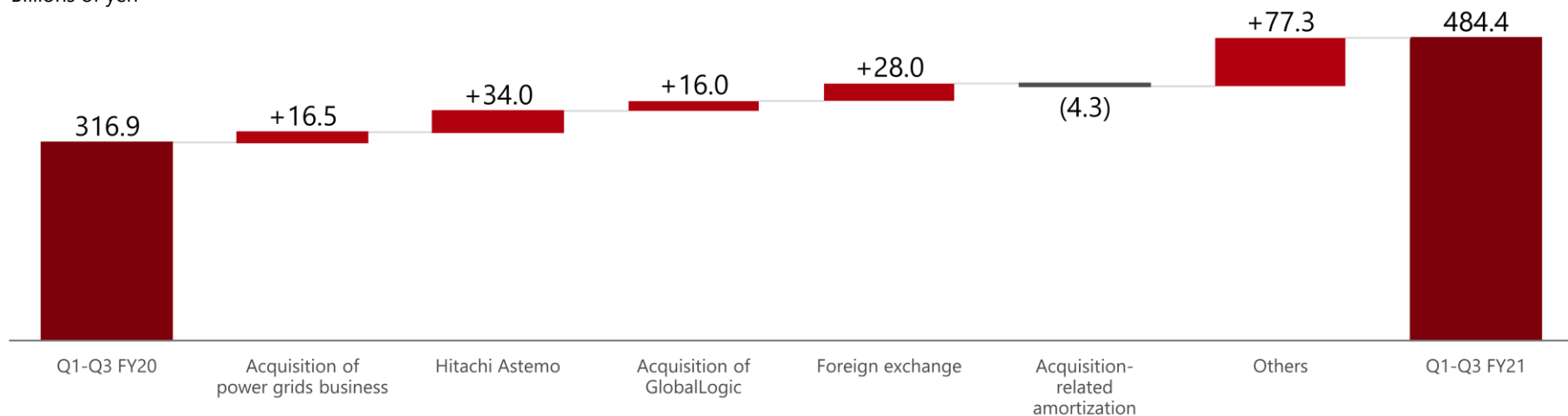
Revenues

Billions of yen

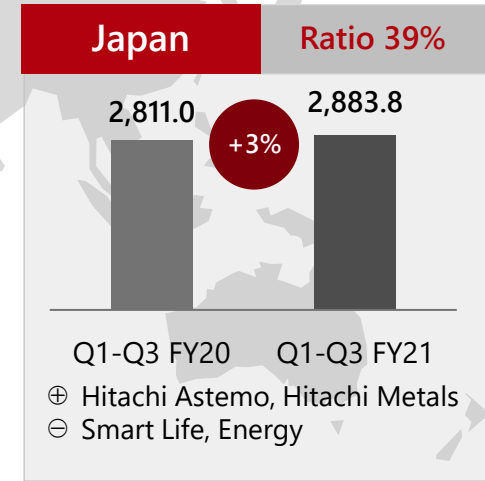
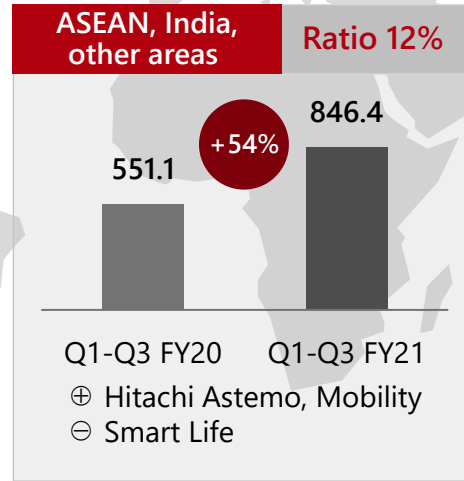
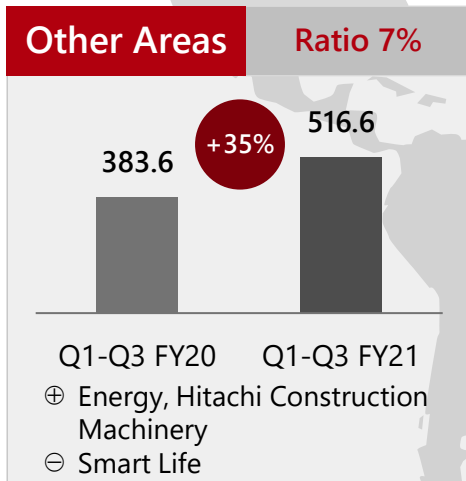
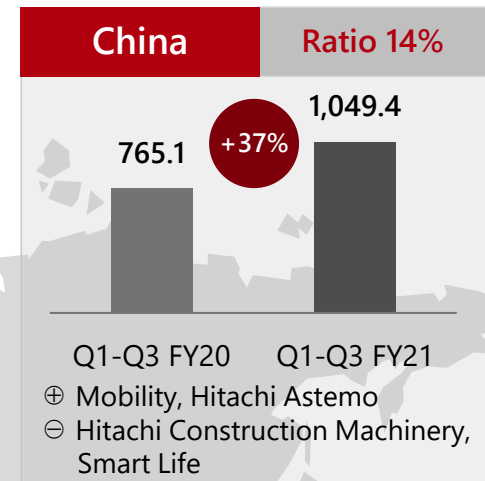
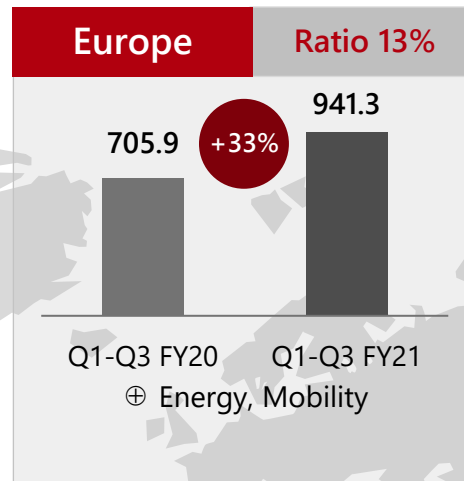
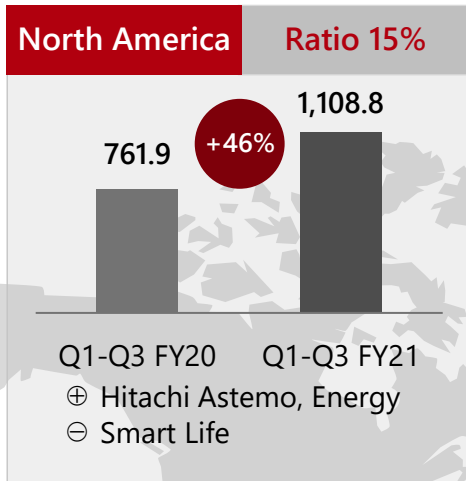


Adjusted operating income

Billions of yen



Revenues by Market



Overseas Revenues **4,462.8** billion yen

Ratio **61** %

Billions of yen

Summary of Consolidated Financial Position

Billions of yen	As of March 31, 2021	As of December 31, 2021	Change from March 31, 2021
Total assets	11,852.8	13,423.8	+1,571.0
Cash and cash equivalents	1,015.8	990.2	(25.6)
Trade receivables and contract assets	2,734.4	2,681.8	(52.6)
Total liabilities	7,394.6	8,522.4	+1,127.8
Interest-bearing debt	2,397.3	3,516.7	+1,119.4
Total Hitachi, Ltd. stockholders' equity	3,525.5	3,950.1	+424.6
Non-controlling interests	932.7	951.2	+18.4
Cash Conversion Cycle	81.0 days	77.0 days	(4.0) days
Total Hitachi, Ltd. stockholders' equity ratio	29.7%	29.4%	(0.3) points
D/E ratio	0.54 times	0.72 times	+0.18 points

Summary of Consolidated Statement of Cash Flows

Billions of yen	Q1-Q3 FY2020	Q1-Q3 FY2021	YoY
Cash flows from operating activities	426.4	257.1	(169.2)
Cash flows from investing activities	(766.0)	(1,027.7)	(261.6)
Free cash flows	(339.6)	(770.5)	(430.8)
Core free cash flows* ¹²	181.7	(48.5)	(230.3)

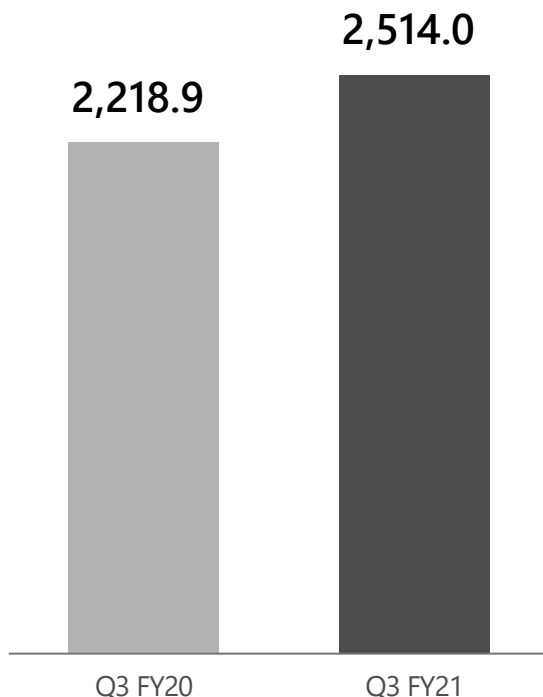


3. Q3 FY2021 Results

Revenues

YoY 13% up

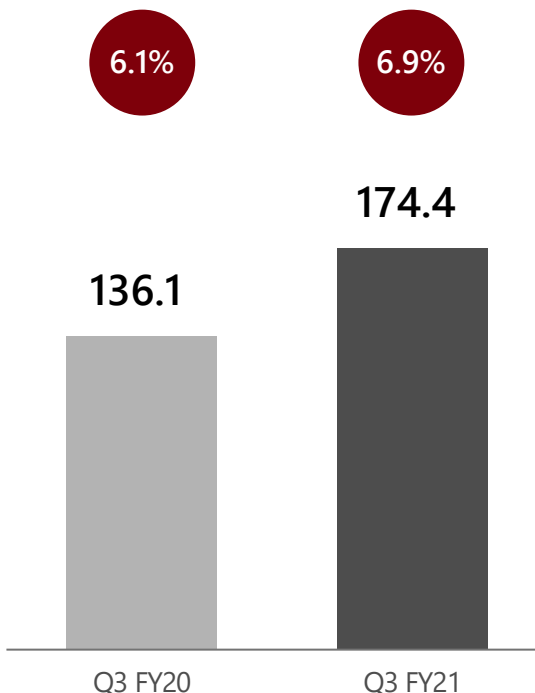
Revenues increased due to market recovery, the acquisition of GlobalLogic, and the integration impact as Hitachi Astemo



Adjusted operating income

YoY 0.8 points increase
(Income ratio)

Adjusted operating income increased led by revenues increase



● Adjusted operating income ratio Billions of yen

Overseas revenues

1,542.6bn yen (YoY +24%)

Lumada business revenues

384.0bn yen (YoY +43%)

EBIT

175.9bn yen (YoY +58.6bn yen)

Net income attributable to Hitachi, Ltd. stockholders

128.3bn yen (YoY +71.2bn yen)

EBITDA

311.1bn yen (YoY +68.2bn yen)

Cash flows from operating activities

95.6bn yen (YoY (116.2)bn yen)


- Five sectors: revenues and profits increased due to market recovery and the acquisition of GlobalLogic, etc., despite the impacts from soaring material prices and semiconductor shortage
- Astemo: profits decreased due to semiconductor shortage, etc. despite revenues increase due to integration impact as Hitachi Astemo
- Listed subsidiaries: revenues and profits increased in Hitachi Construction Machinery and Hitachi Metals due to market recovery

Billions of yen	Five sectors [IT, Energy, Industry, Mobility, Smart Life]	Astemo [Automotive Systems]	Listed subsidiaries [Hitachi Construction Machinery, Hitachi Metals]	Total
Revenues	1,637.4	395.3	481.1	2,514.0
YoY	104%	164%	121%	113%
Adjusted operating income	133.9	12.2	28.2	174.4
YoY	+27.3	(6.4)	+17.4	+38.2
Adjusted operating income ratio	8.2%	3.1%	5.9%	6.9%
YoY	+1.5 points	(4.7) points	+3.2 points	+0.8 points
EBIT	135.3	10.7	29.8	175.9
YoY	+13.7	+23.1	+21.7	+58.6
EBIT ratio	8.3%	2.7%	6.2%	7.0%
YoY	+0.6 points	+7.9 points	+4.2 points	+1.7 points
Net income attributable to Hitachi, Ltd. stockholders	119.7	0.0	8.6	128.3
YoY	+40.3	+23.4	+7.4	+71.2

Highlights of Results by Business (Q3 FY21)

Billions of yen	Q3 FY21		YoY		Dynamics
	Revenues	AOI ⁽¹⁾	Revenues	AOI	
IT	518.7	58.2 11.2%	107%	(7.6) (2.3) points	<ul style="list-style-type: none"> Revenues increased led by Lumada business and GlobalLogic, despite impacts from investment restraint of customers in transportation field, etc. and semiconductor shortage Profits decreased due to the impact of semiconductor shortage, the acquisition-related amortization and one-time cost related to acquisition of GlobalLogic
Hitachi Energy	280.4	20.4 7.3%	103%	(0.4) (0.3) points	<ul style="list-style-type: none"> Profits were flat due to the FX impact, despite lower profits due to soaring material prices, semiconductor shortage and logistics network turmoil Orders increased significantly due to receiving multiple large orders
Building Systems	215.6	17.2 8.0%	113%	(1.0) (1.6) points	<ul style="list-style-type: none"> Revenues increased due to business expansion in China. Profits decreased due to soaring material prices
Railway Systems	157.0	3.4 2.1%	112%	(0.2) (0.5) points	<ul style="list-style-type: none"> Profits decreased due to product mix difference, despite revenues increase due to project ramp-up and FX impact Order intakes remained firm
Hitachi High-Tech	126.6	10.0 7.9%	93%	+0.4 +0.9 points	<ul style="list-style-type: none"> Revenues of Industrial Solutions business decreased due to the impact of business withdrawal Revenues and profits of Analytical & Medical Solutions business increased due to its steady performance Profits of Nano-Technology Solutions business decreased due to product mix difference and increase in strategic investments, while business remained firm
Hitachi Astemo	395.3	12.2 3.1%	164%	(6.4) (4.7) points	<ul style="list-style-type: none"> Revenues increased due to integration impact. Profits decreased due to the continued harsh business environment including reduced production by automobile manufacturers due to semiconductor shortage, soaring raw material prices, and reduced component supply due to lockdown

(1) AOI: adjusted operating income. Percentages indicate adjusted operating income ratio



4. FY2021 Forecast

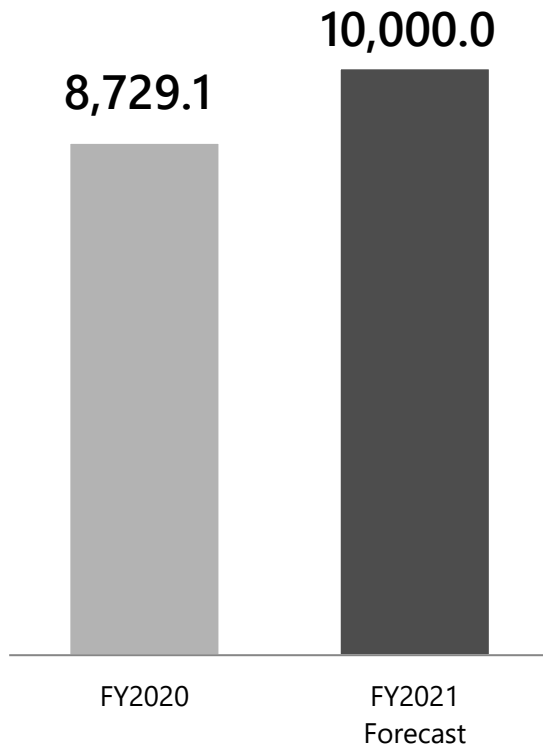
Highlights of Forecast (FY2021)

Revenues

YoY 15% up

Previous forecast comparison⁽¹⁾ 3% up

Revenues increase YoY due to market recovery, the acquisition of power grids business and GlobalLogic, and the integration impact as Hitachi Astemo

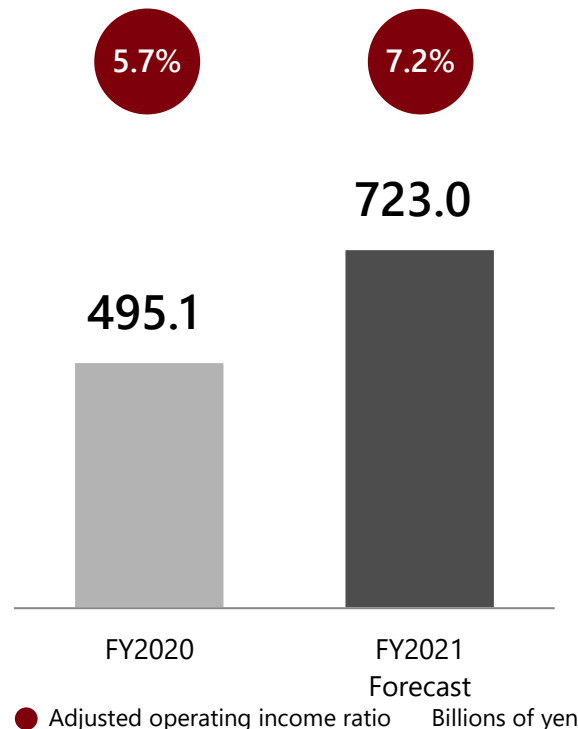


Adjusted operating income

YoY +227.8bn yen

Previous forecast comparison
±0.0bn yen

Adjusted operating income increases YoY led by revenues increase



EBIT

781.0bn yen (YoY (69.2)bn yen)
(Previous forecast comparison (39.0)bn yen)

Net income attributable to Hitachi, Ltd. stockholders

550.0bn yen (YoY +48.3bn yen)
(Previous forecast comparison ±0.0bn yen)

EBITDA

1,313.0bn yen (YoY (30.0)bn yen)
(Previous forecast comparison (39.0)bn yen)

Cash flows from operating activities

750.0bn yen (YoY (43.1)bn yen)
(Previous forecast comparison ±0.0bn yen)

Core free cash flows

300.0bn yen (YoY (119.8)bn yen)
(Previous forecast comparison ±0.0bn yen)

ROIC^{*13}

7.6% (YoY +1.2 points)
(Previous forecast comparison (0.5) points)

Assumed FX rate for Q4 FY21

110 yen / US \$, 130 yen / €

FX sensitivity⁽²⁾ for Q4 FY21

US \$: Revenues +5.5 AOI +1.0

€: Revenues +2.0 AOI +0.5

(1) "Previous forecast" is the forecast as of October 27, 2021

(2) Impact of FX rate fluctuation by one-yen depreciation from Q4 FY21 assumed rate (unit: billion yen)

- Five sectors: revenues and profits increase due to market recovery and the acquisition of power grids business and GlobalLogic
- Astemo: revenues and profits increase due to market recovery and the integration impact as Hitachi Astemo
- Listed subsidiaries: revenues and profits increase in Hitachi Construction Machinery and Hitachi Metals due to market recovery

Billions of yen	Five sectors [IT, Energy, Industry, Mobility, Smart Life]	Astemo [Automotive Systems]	Listed subsidiaries [Hitachi Construction Machinery, Hitachi Metals]	Total
Revenues	6,550.0	1,570.0	1,880.0	10,000.0
YoY	106%	159%	119%	115%
Adjusted operating income	546.0	68.0	109.0	723.0
YoY	+112.1	+33.2	+82.3	+227.8
Adjusted operating income ratio	8.3%	4.3%	5.8%	7.2%
YoY	+1.3 points	+0.8 points	+4.1 points	+1.5 points
EBIT	610.0	60.0	111.0	781.0
YoY	(257.4)	+55.6	+132.4	(69.2)
EBIT ratio	9.3%	3.8%	5.9%	7.8%
YoY	(4.8) points	+3.4 points	+7.3 points	(1.9) points
Net income attributable to Hitachi, Ltd. stockholders	500.0	15.0	35.0	550.0
YoY	(48.8)	+44.6	+52.5	+48.3

FY2021 Forecast by Business Segment (1/3)

Billions of yen	FY2021 Forecast			YoY			Dynamics
	Revenues	AOI ⁽³⁾⁽⁴⁾	EBIT ⁽⁴⁾	Revenues	AOI	EBIT	
IT⁽¹⁾	2,200.0	263.0	246.0	107%	(6.4)	+1.1	<ul style="list-style-type: none"> No change from the previous segment forecast Forecasts revenues increase due to growth in Lumada business led by capturing DX demand and GlobalLogic. Excluding acquisition-related amortization and one-time cost, profits are expected to increase YoY due to continuous cost control for profitability increase
Front Business	1,440.0	180.0	178.0	102%	+3.3	+10.2	
Services & Platforms	890.0	92.0	78.0	113%	+18.5	+18.7	
		12.0%	11.2%		(1.2) points	(0.8) points	
		12.5%	12.4%		±0.0 point	+0.5 points	
		10.3%	8.8%		+1.0 points	+1.3 points	
Energy	1,320.0	30.0	37.0	119%	+77.7	+92.5	<ul style="list-style-type: none"> No change from the previous segment forecast Nuclear Energy BU and Energy BU forecast revenues YoY decrease due to workload change in Nuclear Energy BU and profits YoY increase due to completion of strengthening measures for some projects in Energy BU, etc. Power grids business forecasts revenues YoY increase due to the impact of acquisition. Profits increase YoY due to profitability improvement and decrease in acquisition-related amortization
Nuclear Energy	156.6	-	-	92%	-	-	
Energy	188.4	-	-	100%	-	-	
Nuclear Energy & Energy	-	31.7	32.0	-	+37.9	+39.7	
Hitachi Energy	1,045.4	64.7	67.1	145%	+32.5	+30.7	
		2.3%	2.8%		+6.6 points	+7.8 points	
		9.7%	9.8%		+11.5 points	+12.0 points	
		6.2%	6.4%		+1.7 points	+1.3 points	
Related cost ⁽²⁾	-	(74.7)	(78.9)	-	(4.8)	+1.2	

(1) Earnings of GlobalLogic (standalone base) are included in Services & Platforms (Revenues: 109.0bn yen, adjusted operating income: 23.2bn yen). Standalone base does not include acquisition-related amortization. The acquisition of GlobalLogic had been closed on July 14, 2021, and nine months earnings to be consolidated. Acquisition-related amortization for GlobalLogic is included in IT segment total

(2) Related cost includes acquisition-related amortization for the acquisition of power grids business and PMI related costs

(3) AOI: adjusted operating income

(4) Percentages are adjusted operating income ratio or EBIT ratio

FY2021 Forecast by Business Segment (2/3)

Billions of yen	FY2021 Forecast			YoY			Dynamics
	Revenues	AOI	EBIT	Revenues	AOI	EBIT	
Industry	890.0	80.0 9.0%	72.0 8.1%	107%	+34.4 +3.5 points	+29.6 +3.0 points	<ul style="list-style-type: none"> Segment forecast was revised by +40.0 bn yen in revenues and +11.0 bn yen in AOI from the previous based on Q1-Q3 performance of Industry & Distribution BU and Industrial Products business Industry & Distribution BU forecasts revenues and profits YoY increase due to market recovery and revenues increase in JR Automation Water & Environment BU forecasts revenues and profits YoY increase due to fixed cost reduction, as well as stable growth in air conditioning system business Industrial Products business forecasts revenues and profits YoY increase due to market recovery
Industry & Distribution	332.5	37.8 11.4%	33.0 9.9%	109%	+22.0 +6.2 points	+21.2 +6.0 points	
Water & Environment	176.0	15.8 9.0%	16.3 9.3%	102%	+5.3 +2.9 points	+7.4 +4.1 points	
Industrial Products	397.0	31.1 7.8%	30.7 7.7%	105%	+6.7 +1.3 points	+3.2 +0.4 points	
Mobility	1,430.0	86.0 6.0%	109.0 7.6%	119%	+11.2 (0.2) points	(20.0) (3.2) points	<ul style="list-style-type: none"> Segment revenues forecast was revised by +110.0 bn yen from the previous based on Q1-Q3 performance. AOI forecast was revised by (16.0) bn yen from the previous due to concerns about the impact of soaring material prices, deterioration of credit in Chinese real estate industry, and deterioration in profitability of some projects Building Systems BU forecasts revenues and profits YoY increase due to the expansion of business in China Railway Systems BU forecasts revenues and profits YoY increase due to market recovery
Building Systems	820.0	67.0 8.2%	66.7 8.1%	121%	+2.0 (1.4) points	(6.9) (2.7) points	
Railway Systems	634.1	25.1 4.0%	47.9 7.6%	116%	+8.5 +1.0 points	(14.3) (3.8) points	
Smart Life⁽¹⁾	1,000.0	91.0 9.1%	150.0 15.0%	80%	+11.6 +2.8 points	(52.1) (1.1) points	<ul style="list-style-type: none"> Segment AOI forecast was revised by (6.0) bn yen from the previous due to the impacts of semiconductor shortage and soaring raw material prices Segment forecast revenues decrease YoY due to the impact of selling diagnostic imaging-related business Smart Life & Ecofriendly Systems business forecasts EBIT YoY increase due to the selling of overseas home appliance business despite revenues and AOI YoY decrease Measurement & Analysis Systems business forecasts revenues YoY decrease due to partial business withdrawal in Industrial Solutions business. Profits increase YoY due to increased demands in Analytical & Medical Solutions business and Nano-Technology Solutions business
Smart Life & Ecofriendly Systems (Hitachi GLS ⁽²⁾)	400.0	28.2 7.1%	87.7 21.9%	88%	(5.3) (0.2) points	+47.8 +13.2 points	
Measurement & Analysis Systems (Hitachi High-Tech)	590.0	67.0 11.4%	67.0 11.4%	97%	+12.3 +2.4 points	+11.9 +2.3 points	

(1) The results and forecast of Smart Life segment include the revenues, adjusted operating income and EBIT of healthcare business and other businesses. FY2020 results include the gain from selling of diagnostic imaging-related business

(2) Hitachi GLS: Hitachi Global Life Solutions

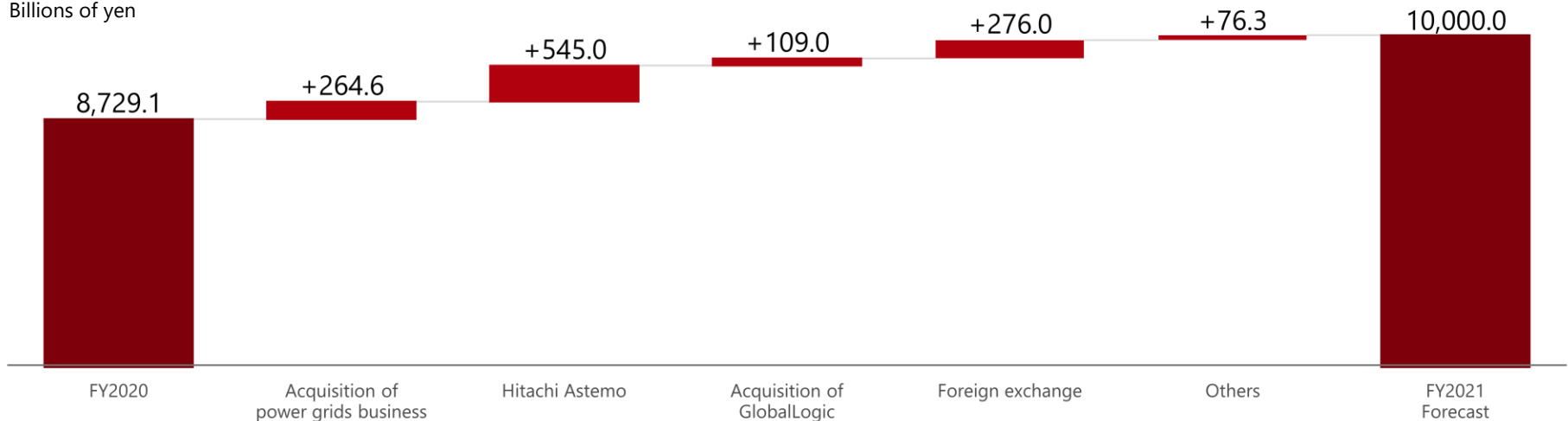
FY2021 Forecast by Business Segment (3/3)

Billions of yen	FY2021 Forecast			YoY			Dynamics
	Revenues	AOI	EBIT	Revenues	AOI	EBIT	
Hitachi Astemo	1,570.0	68.0 4.3%	60.0 3.8%	159%	+33.2 +0.8 points	+55.6 +3.4 points	<ul style="list-style-type: none"> Segment revenues forecast was revised by +30.0 bn yen from the previous Forecasts revenues and profits YoY increase due to the integration impact, despite the continued harsh business environment
Hitachi Construction Machinery	950.0	83.0 8.7%	89.5 9.4%	117%	+51.3 +4.8 points	+61.8 +6.0 points	<ul style="list-style-type: none"> Segment forecast was revised by +30.0 bn yen in revenues and +10.0 bn yen in AOI Forecasts revenues and profits YoY increase due to recovery in major markets excluding China, price adjustment in the Americas market, and impact of the depreciation of the yen, despite cost increase mainly in steel prices
Hitachi Metals	930.0	26.0 2.8%	21.5 2.3%	122%	+30.9 +3.5 points	+70.6 +8.8 points	<ul style="list-style-type: none"> Segment forecast was revised by +10.0 bn yen in revenues and (8.0) bn yen in AOI Forecasts revenues and AOI YoY increase due to market recovery and effect from structural reform Forecasts EBIT YoY increase due to decrease in structural reform expenses
Others	460.0	22.0 4.8%	26.0 5.7%	102%	+0.7 +0.1 points	+0.6 +0.1 points	
Corporate items & Eliminations	(750.0)	(26.0)	(30.0)	-	(17.0)	(309.2)	
Total	10,000.0	723.0 7.2%	781.0 7.8%	115%	+227.8 +1.5 points	(69.2) (1.9) points	

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

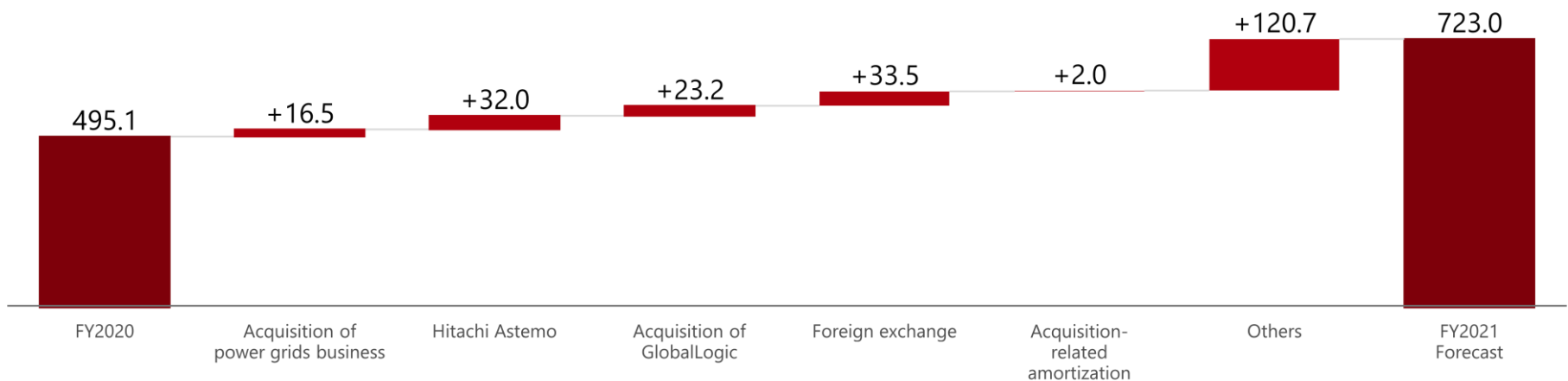
Revenues

Billions of yen



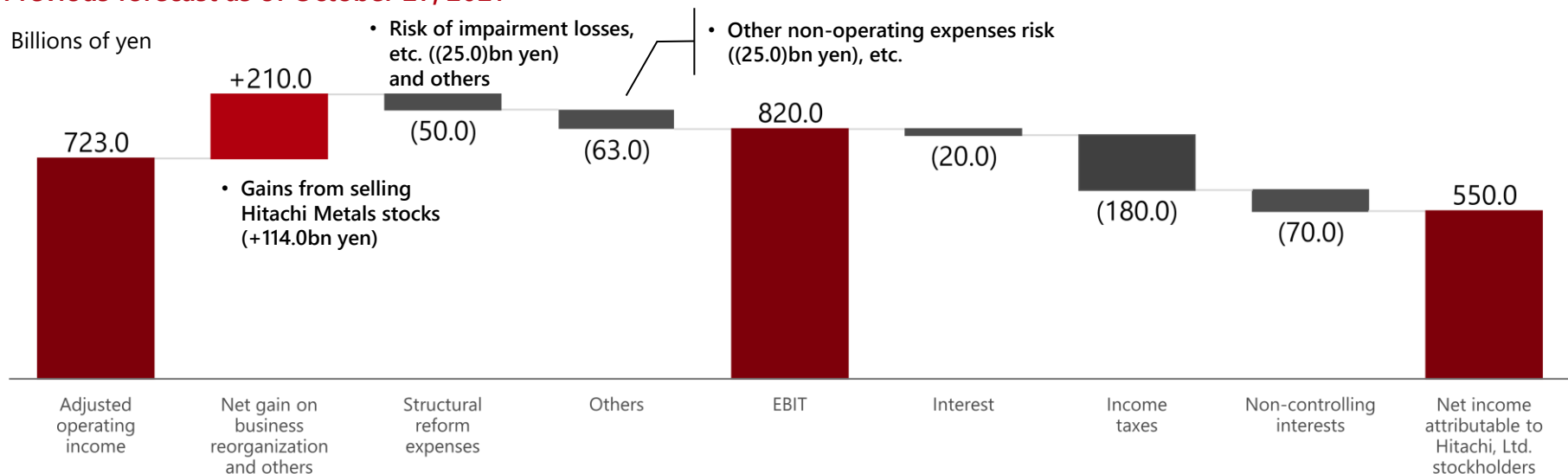
Adjusted operating income

Billions of yen

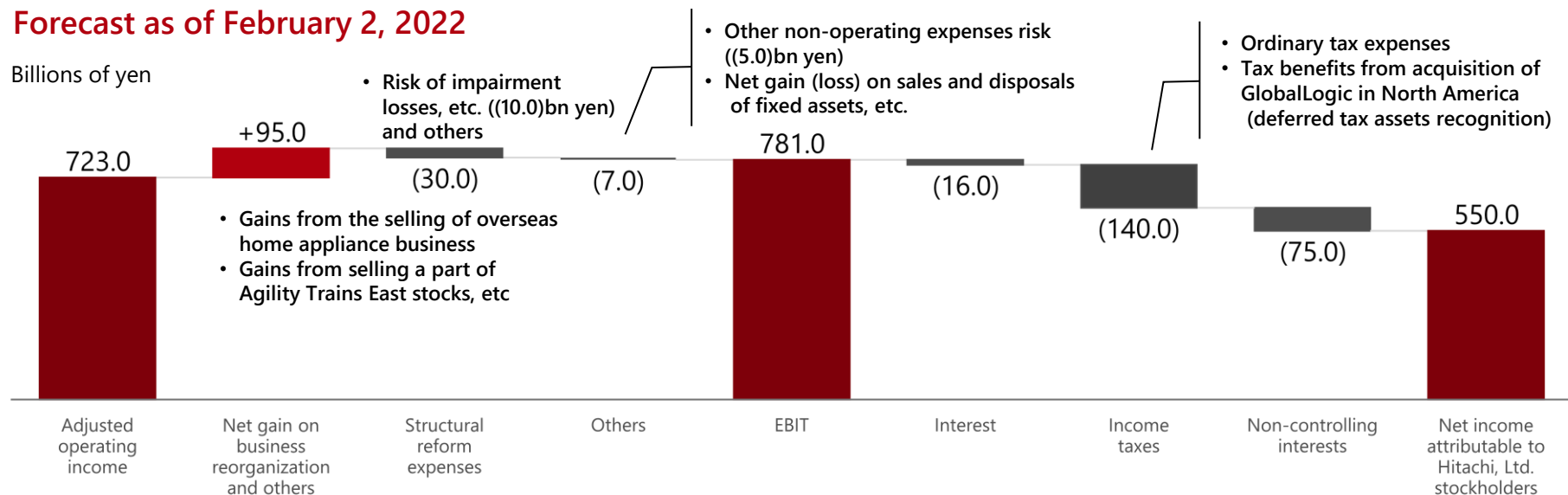


Factors Affecting Changes in Net Income Attributable to Hitachi, Ltd. Stockholders (FY2021 Total)

Previous forecast as of October 27, 2021



Forecast as of February 2, 2022



5. Appendix

	FY2020			FY2021				FY2021 Forecast	YoY	Previous forecast comparison
	Q3	Q1-Q3	Total	Q3	YoY	Q1-Q3	YoY			
Billions of yen										
Revenues	486.3	1,433.8	2,048.7	518.7	107%	1,495.4	104%	2,200.0	107%	100%
Front Business	330.6	984.6	1,414.2	329.0	100%	983.9	100%	1,440.0	102%	100%
Services & Platforms	189.9	562.0	790.3	219.2	115%	612.9	109%	890.0	113%	100%
Adjusted operating income⁽¹⁾	65.8	173.9	269.4	58.2	(7.6)	170.6	(3.2)	263.0	(6.4)	±0.0
	13.5%	12.1%	13.2%	11.2%	(2.3) points	11.4%	(0.7) points	12.0%	(1.2) points	±0.0 point
Front Business	40.2	112.3	176.7	40.1	±0.0	119.0	+6.7	180.0	+3.3	±0.0
	12.1%	11.4%	12.5%	12.2%	+0.1 points	12.1%	+0.7 points	12.5%	±0.0 point	±0.0 point
Services & Platforms	18.8	46.5	73.5	16.6	(2.2)	47.8	+1.3	92.0	+18.5	±0.0
	9.9%	8.3%	9.3%	7.6%	(2.3) points	7.8%	(0.5) points	10.3%	+1.0 points	±0.0 point
EBIT⁽¹⁾	63.9	161.7	244.8	55.8	(8.0)	162.6	+0.8	246.0	+1.1	±0.0
	13.1%	11.3%	12.0%	10.8%	(2.3) points	10.9%	(0.4) points	11.2%	(0.8) points	±0.0 point
Front Business	40.7	107.2	167.8	39.0	(1.7)	117.5	+10.3	178.0	+10.2	±0.0
	12.3%	10.9%	11.9%	11.9%	(0.4) points	11.9%	+1.0 points	12.4%	+0.5 points	±0.0 point
Services & Platforms	16.6	41.6	59.3	15.7	(0.9)	41.2	(0.4)	78.0	+18.7	±0.0
	8.8%	7.4%	7.5%	7.2%	(1.6) points	6.7%	(0.7) points	8.8%	+1.3 points	±0.0 point
EBITDA	91.3	240.0	352.5	86.0	(5.2)	246.9	+6.9	361.0	+8.4	±0.0

(1) Percentages are adjusted operating income ratio or EBIT ratio

	FY2020			FY2021					Previous forecast comparison	
	Q3	Q1-Q3	Total	Q3	YoY	Q1-Q3	YoY	FY2021 Forecast		YoY
Billions of yen										
Revenues	357.1	755.9	1,107.9	361.2	101%	1,036.3	137%	1,320.0	119%	100%
Nuclear Energy	33.4	97.1	169.3	27.9	84%	77.6	80%	156.6	92%	100%
Energy	40.0	130.0	187.6	43.8	110%	127.0	98%	188.4	100%	100%
Hitachi Energy	273.4	507.0	722.4	280.4	103%	798.7	158%	1,045.4	145%	104%
Adjusted operating income	(1.6) <i>(0.5)%</i>	(8.7) <i>(1.2)%</i>	(47.7) <i>(4.3)%</i>	7.7 <i>2.2%</i>	+9.3 <i>+2.7 points</i>	6.9 <i>0.7%</i>	+15.6 <i>+1.9 points</i>	30.0 <i>2.3%</i>	+77.7 <i>+6.6 points</i>	±0.0 <i>±0.0 point</i>
Nuclear Energy & Energy	(3.3) <i>(4.5)%</i>	2.4 <i>1.1%</i>	(6.2) <i>(1.8)%</i>	4.5 <i>6.2%</i>	+7.8 <i>+10.7 points</i>	11.7 <i>5.6%</i>	+9.3 <i>+4.5 points</i>	31.7 <i>9.7%</i>	+37.9 <i>+11.5 points</i>	±0.0 <i>±0.0 point</i>
Hitachi Energy	20.9 <i>7.6%</i>	35.6 <i>7.0%</i>	32.2 <i>4.5%</i>	20.4 <i>7.3%</i>	(0.4) <i>(0.3) points</i>	47.6 <i>6.0%</i>	+12.0 <i>(1.0) points</i>	64.7 <i>6.2%</i>	+32.5 <i>+1.7 points</i>	(2.0) <i>(0.4) points</i>
Related cost ⁽¹⁾	(18.4)	(44.5)	(69.9)	(16.9)	+1.5	(52.7)	(8.1)	(74.7)	(4.8)	(3.1)
EBIT	0.0 <i>0.0%</i>	(10.5) <i>(1.4)%</i>	(55.5) <i>(5.0)%</i>	6.5 <i>1.8%</i>	+6.5 <i>+1.8 points</i>	20.4 <i>2.0%</i>	+30.9 <i>+3.4 points</i>	37.0 <i>2.8%</i>	+92.5 <i>+7.8 points</i>	±0.0 <i>±0.0 point</i>
Nuclear Energy & Energy	(2.8) <i>(3.8)%</i>	3.5 <i>1.6%</i>	(7.7) <i>(2.2)%</i>	4.6 <i>6.4%</i>	+7.4 <i>+10.2 points</i>	14.9 <i>7.1%</i>	+11.4 <i>+5.5 points</i>	32.0 <i>9.8%</i>	+39.7 <i>+12.0 points</i>	+1.5 <i>+0.5 points</i>
Hitachi Energy	24.0 <i>8.8%</i>	38.2 <i>7.5%</i>	36.5 <i>5.1%</i>	19.9 <i>7.1%</i>	(4.2) <i>(1.7) points</i>	49.9 <i>6.2%</i>	+11.7 <i>(1.3) points</i>	67.1 <i>6.4%</i>	+30.7 <i>+1.3 points</i>	(3.1) <i>(0.6) points</i>
Related cost ⁽¹⁾	(20.4)	(50.3)	(80.2)	(17.6)	+2.7	(54.9)	(4.6)	(78.9)	+1.2	(4.5)
EBITDA	26.4	49.4	31.1	28.1	+1.7	89.5	+40.1	124.0	+92.8	±0.0

(1) Related cost includes acquisition-related amortization for the acquisition of power grids business and PMI related costs

	FY2020			FY2021					Previous forecast comparison	
	Q3	Q1-Q3	Total	Q3	YoY	Q1-Q3	YoY	FY2021 Forecast		YoY
Billions of yen										
Revenues	187.5	555.0	830.1	213.1	114%	606.1	110%	890.0	107%	105%
Industry & Distribution	72.9	211.8	305.3	85.0	117%	238.2	112%	332.5	109%	106%
Water & Environment	33.8	95.3	173.3	34.3	101%	104.9	110%	176.0	102%	100%
Industrial Products	84.9	254.5	376.4	97.4	115%	278.3	109%	397.0	105%	102%
Adjusted operating income	9.9	23.9	45.5	28.0	+18.1	53.6	+29.6	80.0	+34.4	+11.0
	5.3%	4.4%	5.5%	13.2%	+7.9 points	8.8%	+4.4 points	9.0%	+3.5 points	+0.9 points
Industry & Distribution	4.4	9.7	15.8	18.8	+14.4	29.9	+20.2	37.8	+22.0	+10.3
	6.0%	4.6%	5.2%	22.1%	+16.1 points	12.6%	+8.0 points	11.4%	+6.2 points	+2.7 points
Water & Environment	1.3	2.3	10.5	1.6	+0.3	5.2	+2.9	15.8	+5.3	±0.0
	3.7%	2.4%	6.1%	4.6%	+0.9 points	5.0%	+2.6 points	9.0%	+2.9 points	±0.0 point
Industrial Products	3.9	10.8	24.4	7.7	+3.8	18.8	+8.0	31.1	+6.7	+1.1
	4.7%	4.2%	6.5%	7.9%	+3.2 points	6.7%	+2.5 points	7.8%	+1.3 points	+0.1 points
EBIT	10.2	25.9	42.3	28.8	+18.6	54.6	+28.6	72.0	+29.6	+13.0
	5.5%	4.7%	5.1%	13.5%	+8.0 points	9.0%	+4.3 points	8.1%	+3.0 points	+1.2 points
Industry & Distribution	4.2	10.0	11.8	18.6	+14.3	28.6	+18.6	33.0	+21.2	+9.5
	5.8%	4.7%	3.9%	21.9%	+16.1 points	12.0%	+7.3 points	9.9%	+6.0 points	+2.4 points
Water & Environment	1.2	0.8	8.9	2.1	+0.9	6.3	+5.5	16.3	+7.4	±0.0
	3.7%	0.8%	5.2%	6.2%	+2.5 points	6.0%	+5.2 points	9.3%	+4.1 points	±0.0 point
Industrial Products	4.4	14.5	27.5	8.1	+3.7	20.0	+5.5	30.7	+3.2	+1.7
	5.2%	5.7%	7.3%	8.3%	+3.1 points	7.2%	+1.5 points	7.7%	+0.4 points	+0.3 points
EBITDA	15.8	43.7	66.9	34.3	+18.4	70.8	+27.1	92.0	+25.0	+13.0

	FY2020			FY2021					Previous forecast comparison	
	Q3	Q1-Q3	Total	Q3	YoY	Q1-Q3	YoY	FY2021 Forecast		YoY
Billions of yen										
Revenues	323.9	862.6	1,199.6	368.2	114%	1,077.7	125%	1,430.0	119%	108%
Building Systems	190.6	516.5	679.1	215.6	113%	649.0	126%	820.0	121%	106%
Railway Systems	140.7	363.6	547.7	157.0	112%	444.9	122%	634.1	116%	110%
Adjusted operating income	19.5	59.3	74.7	19.7	+0.2	64.7	+5.3	86.0	+11.2	(16.0)
	6.0%	6.9%	6.2%	5.4%	(0.6) points	6.0%	(0.9) points	6.0%	(0.2) points	(1.7) points
Building Systems	18.2	56.3	65.0	17.2	(1.0)	58.4	+2.1	67.0	+2.0	(6.5)
	9.6%	10.9%	9.6%	8.0%	(1.6) points	9.0%	(1.9) points	8.2%	(1.4) points	(1.3) points
Railway Systems	3.6	7.4	16.5	3.4	(0.2)	10.1	+2.7	25.1	+8.5	(9.2)
	2.6%	2.0%	3.0%	2.1%	(0.5) points	2.3%	+0.3 points	4.0%	+1.0 points	(2.0) points
EBIT	28.7	70.1	129.0	22.4	(6.3)	90.1	+19.9	109.0	(20.0)	(15.0)
	8.9%	8.1%	10.8%	6.1%	(2.8) points	8.4%	+0.3 points	7.6%	(3.2) points	(1.8) points
Building Systems	27.6	66.8	73.6	17.1	(10.5)	58.5	(8.3)	66.7	(6.9)	(6.8)
	14.5%	12.9%	10.8%	7.9%	(6.6) points	9.0%	(3.9) points	8.1%	(2.7) points	(1.4) points
Railway Systems	3.5	7.6	62.2	6.1	+2.7	35.3	+27.7	47.9	(14.3)	(7.3)
	2.5%	2.1%	11.4%	3.9%	+1.4 points	7.9%	+5.8 points	7.6%	(3.8) points	(2.0) points
EBITDA	36.8	93.8	161.0	31.5	(5.3)	116.4	+22.6	142.5	(18.5)	(16.0)

	FY2020			FY2021				FY2021 Forecast	YoY	Previous forecast comparison
	Q3	Q1-Q3	Total	Q3	YoY	Q1-Q3	YoY			
Billions of yen										
Revenues	290.4	897.8	1,252.7	232.3	80%	743.3	83%	1,000.0	80%	100%
Smart Life & Ecofriendly Systems (Hitachi GLS)	111.6	337.7	456.3	94.7	85%	299.2	89%	400.0	88%	100%
Measurement & Analysis Systems (Hitachi High-Tech)	135.7	441.3	606.3	126.6	93%	410.0	93%	590.0	97%	98%
Adjusted operating income	16.7	62.8	79.4	15.6	(1.0)	51.9	(10.8)	91.0	+11.6	(6.0)
	5.8%	7.0%	6.3%	6.8%	+1.0 points	7.0%	±0.0 point	9.1%	+2.8 points	(0.6) points
Smart Life & Ecofriendly Systems (Hitachi GLS)	9.8	27.5	33.5	7.0	(2.8)	19.8	(7.8)	28.2	(5.3)	(2.0)
	8.8%	8.2%	7.3%	7.4%	(1.4) points	6.6%	(1.6) points	7.1%	(0.2) points	(0.5) points
Measurement & Analysis Systems (Hitachi High-Tech)	9.6	42.3	54.7	10.0	+0.4	36.6	(5.7)	67.0	+12.3	(1.4)
	7.0%	9.6%	9.0%	7.9%	+0.9 points	8.9%	(0.7) points	11.4%	+2.4 points	±0.0 point
EBIT	17.5	63.2	202.1	18.3	+0.7	110.0	+46.7	150.0	(52.1)	±0.0
	6.1%	7.0%	16.1%	7.9%	+1.8 points	14.8%	+7.8 points	15.0%	(1.1) points	±0.0 point
Smart Life & Ecofriendly Systems (Hitachi GLS)	10.7	29.7	39.9	10.0	(0.7)	78.3	+48.7	87.7	+47.8	±0.0
	9.6%	8.8%	8.7%	10.6%	+1.0 points	26.2%	+17.4 points	21.9%	+13.2 points	±0.0 point
Measurement & Analysis Systems (Hitachi High-Tech)	9.9	43.1	55.1	9.3	(0.6)	36.4	(6.7)	67.0	+11.9	(1.4)
	7.3%	9.8%	9.1%	7.4%	+0.1 points	8.9%	(0.9) points	11.4%	+2.3 points	±0.0 point
EBITDA	26.4	89.4	238.7	26.3	(0.1)	134.1	+44.7	184.0	(54.7)	(3.0)

Billions of yen	FY2020			FY2021						
	Q3	Q1-Q3	Total	Q3	YoY	Q1-Q3	YoY	FY2021 Forecast	YoY	Previous forecast comparison
Hitachi Astemo										
Revenues	240.5	563.9	987.5	395.3	164%	1,151.3	204%	1,570.0	159%	102%
Adjusted operating income	18.6 <i>7.8%</i>	0.0 <i>0.0%</i>	34.7 <i>3.5%</i>	12.2 <i>3.1%</i>	(6.4) <i>(4.7) points</i>	34.5 <i>3.0%</i>	+34.6 <i>+3.0 points</i>	68.0 <i>4.3%</i>	+33.2 <i>+0.8 points</i>	±0.0 <i>(0.1) points</i>
EBIT	(12.4) <i>(5.2)%</i>	(39.7) <i>(7.1)%</i>	4.3 <i>0.4%</i>	10.7 <i>2.7%</i>	+23.1 <i>+7.9 points</i>	31.9 <i>2.8%</i>	+71.7 <i>+9.9 points</i>	60.0 <i>3.8%</i>	+55.6 <i>+3.4 points</i>	±0.0 <i>(0.1) points</i>
EBITDA	0.9	(1.0)	65.0	34.7	+33.7	101.8	+102.8	155.0	+89.9	±0.0
Hitachi Construction Machinery										
Revenues	197.8	558.7	813.3	246.6	125%	720.3	129%	950.0	117%	103%
Adjusted operating income	7.0 <i>3.6%</i>	17.4 <i>3.1%</i>	31.6 <i>3.9%</i>	22.9 <i>9.3%</i>	+15.8 <i>+5.7 points</i>	60.4 <i>8.4%</i>	+42.9 <i>+5.3 points</i>	83.0 <i>8.7%</i>	+51.3 <i>+4.8 points</i>	+10.0 <i>+0.8 points</i>
EBIT	7.6 <i>3.9%</i>	13.6 <i>2.4%</i>	27.6 <i>3.4%</i>	24.2 <i>9.8%</i>	+16.6 <i>+5.9 points</i>	67.6 <i>9.4%</i>	+54.0 <i>+7.0 points</i>	89.5 <i>9.4%</i>	+61.8 <i>+6.0 points</i>	+8.0 <i>+0.5 points</i>
EBITDA	21.0	52.1	78.9	38.6	+17.6	109.8	+57.6	147.5	+68.5	+8.0
Hitachi Metals										
Revenues	200.5	541.4	761.6	234.4	117%	690.8	128%	930.0	122%	101%
Adjusted operating income	3.7 <i>1.9%</i>	(8.5) <i>(1.6)%</i>	(4.9) <i>(0.7)%</i>	5.3 <i>2.3%</i>	+1.5 <i>+0.4 points</i>	20.6 <i>3.0%</i>	+29.2 <i>+4.6 points</i>	26.0 <i>2.8%</i>	+30.9 <i>+3.5 points</i>	(8.0) <i>(0.9) points</i>
EBIT	0.4 <i>0.2%</i>	(38.3) <i>(7.1)%</i>	(49.1) <i>(6.5)%</i>	5.5 <i>2.4%</i>	+5.0 <i>+2.2 points</i>	21.5 <i>3.1%</i>	+59.8 <i>+10.2 points</i>	21.5 <i>2.3%</i>	+70.6 <i>+8.8 points</i>	+3.0 <i>+0.3 points</i>
EBITDA	12.3	0.0	1.2	17.2	+4.8	56.4	+56.3	67.5	+66.2	+3.0

Others, Corporate items & Eliminations and Total

	FY2020			FY2021					Previous forecast comparison	
	Q3	Q1-Q3	Total	Q3	YoY	Q1-Q3	YoY	FY2021 Forecast		
Billions of yen										
Others										
Revenues	107.5	316.1	449.0	105.8	98%	323.3	102%	460.0	102%	102%
Adjusted operating income	5.1 4.8%	12.6 4.0%	21.2 4.7%	3.4 3.2%	(1.7) (1.6) points	15.3 4.7%	+2.6 +0.7 points	22.0 4.8%	+0.7 +0.1 points	+6.0 +1.2 points
EBIT	5.5 5.2%	16.0 5.1%	25.3 5.6%	3.7 3.6%	(1.7) (1.6) points	23.5 7.3%	+7.4 +2.2 points	26.0 5.7%	+0.6 +0.1 points	+13.0 +2.8 points
EBITDA	13.8	39.9	59.2	11.9	(1.8)	48.4	+8.4	60.0	+0.7	+15.0
Corporate items & Eliminations										
Revenues	(172.9)	(501.6)	(721.6)	(162.1)	-	(498.2)	-	(750.0)	-	-
Adjusted operating income	(9.0)	(15.9)	(8.9)	0.9	+9.9	5.4	+21.4	(26.0)	(17.0)	+3.0
EBIT	(4.5)	241.4	279.2	(0.4)	+4.0	18.8	(222.5)	(30.0)	(309.2)	(61.0)
Total										
Revenues	2,218.9	5,979.0	8,729.1	2,514.0	113%	7,346.6	123%	10,000.0	115%	103%
Adjusted operating income	136.1 6.1%	316.9 5.3%	495.1 5.7%	174.4 6.9%	+38.2 +0.8 points	484.4 6.6%	+167.5 +1.3 points	723.0 7.2%	+227.8 +1.5 points	±0.0 (0.3) points
EBIT	117.3 5.3%	503.5 8.4%	850.2 9.7%	175.9 7.0%	+58.6 +1.7 points	601.4 8.2%	+97.8 (0.2) points	781.0 7.8%	(69.2) (1.9) points	(39.0) (0.7) points
EBITDA	242.8	855.4	1,343.0	311.1	+68.2	1,000.4	+144.9	1,313.0	(30.0)	(39.0)

- *1 "EBITDA" is presented as income from continuing operations, before income taxes less interest income plus interest charges, depreciation and amortization
- *2 "Adjusted operating income" is presented as revenues less selling, general and administrative expenses as well as cost of sales
- *3 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
- *4 "EBIT" is presented as income from continuing operations, before income taxes less interest income plus interest charges
- *5 The total of "five sectors" is presented as the consolidated total less the total of Hitachi Astemo and listed subsidiaries. It includes others and corporate items & eliminations
- *6 Automotive Systems (Hitachi Astemo) is included in Automotive Systems (Hitachi Astemo) segment from FY2021. The year-over-year comparison for Smart Life segment and Automotive Systems (Hitachi Astemo) segment reflects this change
- *7 Figures of Q1-Q3 FY20 do not include the financial results of Keihin Corporation, Showa Corporation, and Nissin Kogyo Co., Ltd.
- *8 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.
- *9 Sales, maintenance and services of control systems, server, storage, related software, etc.
- *10 Figures for each BU include control systems business, which is posted in IT segment
- *11 The year-over-year comparison for Energy BU reflects the reorganization related to power grids business
- *12 "Core free cash flows" are cash flows presented as free cash flows excluding cash flows from M&A and asset sales, etc.
- *13 $ROIC(\text{Return on Invested Capital}) = (\text{NOPAT} + \text{share of profits(losses) of investments accounted for using the equity method}) / \text{"Invested Capital"} \times 100$
NOPAT(Net Operating Profit after Tax) = adjusted operating income x (1 – tax burden rate)
Invested Capital = interest-bearing debt + total equity

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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