

Supplemental Information for Consolidated Financial Results for Fiscal 2019

[Year Ended March 31, 2020]

2019年度 連結決算 補足情報

[2020年3月期]

May 29, 2020

Hitachi, Ltd.

株式会社日立製作所

1. Summary of Consolidated Statement of Profit or Loss 要約連結損益計算書	2
2. Summary of Consolidated Statements of Cash Flows キャッシュ・フロー計算書(要約)	3
3. Summary of Consolidated Financial Position 要約連結財政状態計算書	3
4. Return on Invested Capital (ROIC)	3
5. Financial Results by Five Sectors and Listed Subsidiaries 5セクター・上場子会社別の業績	4
6. Financial Results and Forecast by Business Segments セグメント別業績	5
7. Revenues by Market 地域別売上収益	12
8. Lumada Business Performance Lumada事業の業績	14
9. Capital Expenditure (Completion Basis) 設備投資額(完成ベース)	15
10. Depreciation and Amortization 減価償却費及び無形資産償却費	15
11. R&D Expenditure 研究開発費	17
12. Foreign Exchange Rate 為替レート	17
13. Number of Employees and Consolidated Subsidiaries 従業員数・連結子会社数	18
14. Cautionary Statement 将来予想に関する記述	20

1. Summary of Consolidated Statement of Profit or Loss 要約連結損益計算書

(Billions of yen)	FY2018	FY2019		Year over year		Previous forecast ¹⁹ comparison	FY2020		Year over year	
		Excl. COVID-19 impact		Excl. COVID-19 impact			Excl. COVID-19 impact		Excl. COVID-19 impact	
Revenues	9,480.6	8,913.3	8,767.2	94%	92%	101%	8,100.0	7,080.0	91%	81%
Adjusted operating income ¹	754.9	708.8	661.8	(46.1)	(93.0)	(7.1)	673.0	372.0	(35.8)	(289.8)
Adjusted operating income ratio	8.0%	8.0%	7.5%	±0.0 points	(0.5 points)	(0.2 points)	8.3%	5.3%	+0.3 points	(2.2 points)
Adjusted operating income excluding acquisition-related amortization ²	780.2	733.0	686.0	(47.1)	(94.1)		694.0	393.0	(39.0)	(293.0)
Ratio of adjusted operating income excluding acquisition-related amortization	8.2%	8.2%	7.8%	±0.0 points	(0.4 points)		8.6%	5.6%	+0.4 points	(2.2 points)
EBIT ³	513.9	235.5	183.6	(278.3)	(330.2)	(22.3)	996.0	614.0	+760.4	+430.3
EBIT ratio	5.4%	2.6%	2.1%	(2.8 points)	(3.3 points)	(0.3 points)	12.3%	8.7%	+9.7 points	+6.6 points
EBITDA ⁴	885.3		619.0		(266.3)			1,021.0		+401.9
Income from continuing operations, before income taxes	516.5		180.2		(336.2)	(20.7)		600.0		+419.7
Income taxes	(186.3)		(51.2)		+135.0	+3.7		(247.0)		(195.7)
Income tax allocation rate	36.1%		28.4%		(7.7 points)	+1.0 points		41.2%		+12.8 points
Income from continuing operations	330.1		129.0		(201.1)	(16.9)		353.0		+223.9
Loss from discontinued operations ⁵	(9.1)		(1.7)		+7.3	+0.2		(2.0)		(0.2)
Net income	321.0		127.2		(193.7)	(16.7)		351.0		+223.7
Net income attributable to Hitachi, Ltd. stockholders	222.5		87.5		(134.9)	(12.4)		335.0		+247.4
Earnings per share ^{6,7}	230.47 yen		90.71 yen		(139.76 yen)	(12.84 yen)		346.80 yen		+256.09 yen
Return on Invested Capital (ROIC) ⁸	8.5%		9.4%		+0.9 points	+0.3 points		5.7%		(3.7 points)

2. Summary of Consolidated Statements of Cash Flows キャッシュ・フロー計算書(要約)

(Billions of yen)	FY2018	FY2019	Year over year	FY2020
Cash flows from operating activities	610.0	560.9	(49.1)	500.0
Cash flows Margin from operating activities	6.4%	6.4%	±0.0 points	7.1%
Cash flows from investing activities	(162.8)	(525.8)	(362.9)	
Free cash flows	447.1	35.0	(412.0)	
Core free cash flows ^{*10}	136.0	135.4	(0.6)	100.0

3. Summary of Consolidated Financial Position 要約連結財政状態計算書

(Billions of yen)	As of Mar. 31, 2019	As of Mar.31, 2020	Change from Mar. 31, 2019
Total assets	9,626.5	9,930.0	+303.4
Trade receivables and contract assets	2,399.9	2,260.2	(139.7)
Total liabilities	5,212.1	5,663.3	+451.1
Interest-bearing debt	1,004.7	1,485.0	+480.2
Total Hitachi, Ltd. stockholders' equity	3,262.6	3,159.9	(102.6)
Non-controlling interests	1,151.8	1,106.7	(45.0)
Cash Conversion Cycle	69.3 days	74.2 days	+4.9 days
Total Hitachi, Ltd. stockholders' equity ratio	33.9%	31.8%	(2.1 points)
D/E ratio (Including non-controlling interests)	0.23 times	0.35 times	+0.12 times

4. Return on Invested Capital (ROIC)

(Billions of yen)	FY2018	FY2019	Year over year
ROIC	8.5%	9.4%	+0.9 points
Return	467.4	533.4	+66.0
Invested Capital	5,491.4	5,695.9	+204.4

5. Financial Results by Five Sectors and Listed Subsidiaries 5セクター・上場子会社別の業績

(Billions of yen)		FY2018	FY2019		Year over year		Previous forecast comparison	FY2019 ¹⁴ (Revised)	FY2020		Year over year	
			Excl. COVID-19 impact		Excl. COVID-19 impact				Excl. COVID-19 impact		Excl. COVID-19 impact	
Five sectors total ^{11,12,13} (IT/ Energy/ Industry/ Mobility/ Smart Life)	Revenues	5,984.5	5,729.3	5,628.4	96%	94%	102%	6,323.0	6,320.0	5,560.0	98%	88%
	Adjusted operating income	468.0	510.1	476.3	+42.1	+8.3	+3.8	536.7	552.0	338.0	(19.5)	(198.7)
	Adjusted operating income ratio	7.8%	8.9%	8.5%	+1.1 points	+0.7 points	(0.1 points)	8.5%	8.7%	6.1%	(0.2 points)	(2.4 points)
	EBIT	254.1	123.1	85.0	(130.9)	(169.0)	(5.9)	145.5	886.0	590.0	+701.3	+444.4
	EBIT ratio	4.2%	2.2%	1.5%	(2.0 points)	(2.7 points)	(0.2 points)	2.3%	14.0%	10.6%	+11.1 points	+8.3 points
	Net income attributable to Hitachi, Ltd. stockholders	128.1	95.0	66.0	(33.1)	(62.0)	(9.9)	88.7	595.0	331.5	+476.9	+242.7
Listed subsidiaries total ^{11,13} (Hitachi High-Tech/ Hitachi Construction Machinery/ Hitachi Metals/ Hitachi Chemical)	Revenues	3,496.1	3,184.0	3,138.8	91%	90%	98%	2,444.1	1,780.0	1,520.0	72%	62%
	Adjusted operating income	286.9	198.6	185.4	(88.2)	(101.4)	(11.0)	125.1	121.0	34.0	(16.3)	(91.1)
	Adjusted operating income ratio	8.2%	6.2%	5.9%	(2.0 points)	(2.3 points)	(0.3 points)	5.1%	6.8%	2.2%	+1.3 points	(2.9 points)
	EBIT	259.7	112.3	98.5	(147.3)	(161.1)	(16.4)	38.0	110.0	24.0	+59.1	(14.0)
	EBIT ratio	7.4%	3.5%	3.1%	(3.9 points)	(4.3 points)	(0.5 points)	1.6%	6.2%	1.6%	+4.2 points	±0.0 points
	Net income attributable to Hitachi, Ltd. stockholders	94.3	26.3	21.5	(68.0)	(72.8)	(2.4)	(1.1)	34.0	3.5	+30.6	+4.6
Total	Revenues	9,480.6	8,913.3	8,767.2	94%	92%	101%	8,767.2	8,100.0	7,080.0	91%	81%
	Adjusted operating income	754.9	708.8	661.8	(46.1)	(93.0)	(7.1)	661.8	673.0	372.0	(35.8)	(289.8)
	Adjusted operating income ratio	8.0%	8.0%	7.5%	±0.0 points	(0.5 points)	(0.2 points)	7.5%	8.3%	5.3%	+0.3 points	(2.2 points)
	EBIT	513.9	235.5	183.6	(278.3)	(330.2)	(22.3)	183.6	996.0	614.0	+760.4	+430.3
	EBIT ratio	5.4%	2.6%	2.1%	(2.8 points)	(3.3 points)	(0.3 points)	2.1%	12.3%	8.7%	+9.7 points	+6.6 points
	Net income attributable to Hitachi, Ltd. stockholders	222.5	121.3	87.5	(101.1)	(134.9)	(12.4)	87.5	629.0	335.0	+507.6	+247.4

6. Financial Results and Forecast by Business Segments^{*11} セグメント別業績

6.1. IT Segment^{*15} ITセグメント

(Billions of yen)	FY2018	FY2019		Year over year			Previous forecast comparison	FY2019 ^{*18} (Revised)	FY2020		Year over year	
		Excl. COVID-19 impact		Excl. COVID-19 impact					Excl. COVID-19 impact		Excl. COVID-19 impact	
Revenues (Total)	2,121.6	2,115.6	2,099.4	100%	99%	101%	2,099.4	2,080.0	1,920.0	98%	91%	
Front Business ^{*16}	1,393.0	1,428.9	1,421.6	103%	102%	103%	1,431.1	1,426.0	1,330.0	99%	93%	
Services & Platforms ^{*17}	817.6	789.5	780.6	97%	95%	99%	826.4	845.0	700.0	101%	85%	
Adjusted operating income (Total)	230.1	255.5	249.4	+25.3	+19.2	+18.4	249.4	241.0	192.0	(14.5)	(57.4)	
Adjusted operating income ratio	10.8%	12.1%	11.9%	+1.3 points	+1.1 points	+0.7 points	11.9%	11.6%	10.0%	(0.5 points)	(1.9 points)	
Front Business	155.3	163.2	161.4	+7.9	+6.1	+7.4	165.6	163.0	131.0	(4.4)	(34.6)	
	11.2%	11.4%	11.4%	+0.2 points	+0.2 points	+0.3 points	11.6%	11.4%	9.8%	(0.2 points)	(1.8 points)	
Services & Platforms	76.2	74.0	69.8	(2.2)	(6.4)	+5.8	69.8	73.0	49.0	(1.0)	(20.8)	
	9.3%	9.4%	8.9%	+0.1 points	(0.4 points)	+0.8 points	8.4%	8.6%	7.0%	(0.3 points)	(1.4 points)	
EBIT (Total)	212.6	220.5	214.4	+7.9	+1.8	+4.4	214.4	227.0	178.0	+6.4	(36.4)	
EBIT ratio	10.0%	10.4%	10.2%	+0.4 points	+0.2 points	+0.1 points	10.2%	10.9%	9.3%	+0.5 points	(0.9 points)	
Front Business	131.4	143.0	141.2	+11.6	+9.8	(0.8)	151.1	162.0	130.0	+9.1	(21.1)	
	9.4%	10.0%	9.9%	+0.6 points	+0.5 points	(0.3 points)	10.6%	11.4%	9.8%	+0.8 points	(0.8 points)	
Services & Platforms	87.2	57.4	53.2	(29.8)	(34.0)	(0.8)	47.6	60.0	36.0	+8.2	(11.6)	
	10.7%	7.3%	6.8%	(3.4 points)	(3.9 points)	(0.1 points)	5.8%	7.1%	5.1%	+0.9 points	(0.7 points)	
Adjusted operating income excluding acquisition-related amortization (Total)	235.6		253.2		+17.5		253.2		194.5		(58.7)	
Ratio of Adjusted operating income excluding acquisition-related amortization	11.1%		12.1%		+1.0 points		12.1%		10.1%		(2.0 points)	
EBITDA (Total)	301.6		326.9		+25.2		326.9		294.0		(32.9)	
ROIC	19.6%		18.4%		(1.2 points)		18.4%		12.5%		(5.9 points)	

6.2. Energy Segment^{*15,19} エネルギーセグメント

(Billions of yen)	FY2018	FY2019		Year over year		Previous forecast comparison	FY2020		Year over year	
		Excl. COVID-19 impact		Excl. COVID-19 impact			Excl. COVID-19 impact		Excl. COVID-19 impact	
Revenues (Total)	453.9	408.1	399.2	90%	88%	108%	360.0	340.0	88%	85%
Nuclear Energy BU ^{*20}	171.6	155.7	155.7	91%	91%	102%	160.0	153.8	103%	99%
Energy BU	304.2	263.6	254.7	87%	84%	103%	224.5	213.3	85%	84%
Adjusted operating income (Total)	34.0	21.3	13.5	(12.7)	(20.5)	(9.4)	27.0	25.0	+5.6	+11.4
Adjusted operating income ratio	7.5%	5.2%	3.4%	(2.3 points)	(4.1 points)	(2.8 points)	7.5%	7.4%	+2.3 points	+4.0 points
EBIT (Total)	(298.0)	(367.9)	(375.7)	(69.9)	(77.7)	(12.7)	15.0	13.0	+382.9	+388.7
EBIT ratio	(65.6%)	(90.2%)	(94.1%)	(24.6 points)	(28.5 points)	+4.0 points	4.2%	3.8%	+94.4 points	+97.9 points
Adjusted operating income excluding acquisition-related amortization (Total)	34.0		13.5		(20.5)			25.0		+11.4
Ratio of Adjusted operating income excluding acquisition-related amortization	7.5%		3.4%		(4.1 points)			7.4%		+4.0 points
EBITDA (Total)	(292.6)		(370.9)		(78.2)			20.0		+390.9
ROIC	7.4%		6.4%		(1.0 points)			14.5%		+8.1 points

6.3. Industry Segment^{*15,19} インダストリーセグメント

(Billions of yen)	FY2018	FY2019		Year over year		Previous forecast comparison	FY2020		Year over year	
		Excl. COVID-19 impact		Excl. COVID-19 impact			Excl. COVID-19 impact		Excl. COVID-19 impact	
Revenues (Total)	895.4	849.7	840.7	95%	94%	101%	870.0	730.0	102%	87%
Industry & Distribution BU	331.6	263.5	259.8	79%	78%	98%	310.0	245.0	118%	94%
Water & Environment BU	169.1	179.6	179.6	106%	106%	105%	175.0	149.0	97%	83%
Industrial Products Business	419.8	429.3	424.0	102%	101%	101%	422.0	365.0	98%	86%
Adjusted operating income (Total)	20.6	57.2	54.7	+36.6	+34.1	(1.2)	65.0	22.0	+7.7	(32.7)
Adjusted operating income ratio	2.3%	6.7%	6.5%	+4.4 points	+4.2 points	(0.2 points)	7.5%	3.0%	+0.8 points	(3.5 points)
Industry & Distribution BU	(21.5)	18.0	17.1	+39.5	+38.6	(0.3)	21.5	2.5	+3.5	(14.6)
	(6.5%)	6.8%	6.6%	+13.3 points	+13.1 points	±0.0 points	6.9%	1.0%	+0.1 points	(5.6 points)
Water & Environment BU	12.7	12.5	12.4	(0.2)	(0.3)	+0.3	13.0	7.5	+0.5	(4.9)
	7.5%	7.0%	6.9%	(0.5 points)	(0.6 points)	(0.2 points)	7.4%	5.0%	+0.4 points	(1.9 points)
Industrial Products Business	32.9	30.6	29.1	(2.3)	(3.8)	(0.4)	33.8	15.4	+3.2	(13.7)
	7.8%	7.1%	6.9%	(0.7 points)	(0.9 points)	(0.1 points)	8.0%	4.2%	+0.9 points	(2.7 points)
EBIT (Total)	19.1	60.4	57.8	+41.3	+38.7	+7.8	59.0	16.0	(1.4)	(41.8)
EBIT ratio	2.1%	7.1%	6.9%	+5.0 points	+4.8 points	+0.9 points	6.8%	2.2%	(0.3 points)	(4.7 points)
Industry & Distribution BU	(24.8)	12.3	11.3	+37.0	+36.0	(1.9)	18.5	0.3	+6.2	(11.0)
	(7.5%)	4.6%	4.3%	+12.1 points	+11.8 points	(0.7 points)	6.0%	0.1%	+1.4 points	(4.2 points)
Water & Environment BU	14.5	9.0	9.0	(5.5)	(5.5)	(3.5)	13.5	8.0	+4.5	(1.0)
	8.6%	5.0%	5.0%	(3.6 points)	(3.6 points)	(2.3 points)	7.7%	5.4%	+2.7 points	+0.4 points
Industrial Products Business	32.9	28.7	27.1	(4.2)	(5.8)	+3.0	34.7	16.3	+6.0	(10.8)
	7.8%	6.7%	6.4%	(1.1 points)	(1.4 points)	+0.6 points	8.2%	4.5%	+1.5 points	(1.9 points)
Adjusted operating income excluding acquisition-related amortization (Total)	24.1		59.7		+35.6			29.5		(30.2)
Ratio of Adjusted operating income excluding acquisition-related amortization	2.7%		7.1%		+4.4 points			4.0%		(3.1 points)
EBITDA (Total)	36.5		80.1		+43.5			39.0		(41.1)
ROIC	9.3%		8.6%		(0.7 points)			3.1%		(5.5 points)

6.4. Mobility Segment^{*15,19} モビリティセグメント

(Billions of yen)	FY2018	FY2019		Year over year		Previous forecast comparison	FY2020		Year over year	
		Excl. COVID-19 impact		Excl. COVID-19 impact			Excl. COVID-19 impact		Excl. COVID-19 impact	
Revenues (Total)	1,214.1	1,158.5	1,144.4	95%	94%	100%	1,170.0	970.0	101%	85%
Building Systems BU	621.6	598.5	591.5	96%	95%	99%	610.0	550.0	102%	93%
Railway Systems BU	616.5	587.4	580.3	95%	94%	102%	580.0	436.6	99%	75%
Adjusted operating income (Total)	92.6	94.1	92.3	+1.5	(0.3)	+0.3	95.0	42.0	+0.8	(50.3)
Adjusted operating income ratio	7.6%	8.1%	8.1%	+0.5 points	+0.5 points	+0.1 points	8.1%	4.3%	±0.0 points	(3.8 points)
Building Systems BU	54.0	58.7	57.8	+4.7	+3.8	+1.8	58.5	37.5	(0.2)	(20.3)
Railway Systems BU	46.3	42.8	41.8	(3.6)	(4.5)	+0.6	41.4	8.5	(1.4)	(33.3)
Adjusted operating income ratio	7.5%	7.3%	7.2%	(0.2 points)	(0.3 points)	±0.0 points	7.1%	1.9%	(0.2 points)	(5.3 points)
EBIT (Total)	127.4	115.5	112.3	(11.8)	(15.1)	+6.3	95.0	42.0	(20.5)	(70.3)
EBIT ratio	10.5%	10.0%	9.8%	(0.5 points)	(0.7 points)	+0.6 points	8.1%	4.3%	(1.9 points)	(5.5 points)
Building Systems BU	54.3	52.5	51.2	(1.8)	(3.1)	(0.8)	58.5	37.5	+6.0	(13.7)
Railway Systems BU	80.8	70.3	68.4	(10.5)	(12.4)	+9.5	41.4	8.5	(28.9)	(59.9)
Adjusted operating income ratio	13.1%	12.0%	11.8%	(1.1 points)	(1.3 points)	+1.5 points	7.1%	1.9%	(4.9 points)	(9.9 points)
Adjusted operating income excluding acquisition-related amortization (Total)	100.5		98.6		(1.8)			45.5		(53.1)
Ratio of Adjusted operating income excluding acquisition-related amortization	8.3%		8.6%		+0.3 points			4.7%		(3.9 points)
EBITDA (Total)	155.0		143.0		(11.9)			74.0		(69.0)
ROIC	12.1%		11.3%		(0.8 points)			5.2%		(6.1 points)

6.5. Smart Life Segment*¹⁹ ライフセグメント

(Billions of yen)	FY2018	FY2019		Year over year		Previous forecast comparison	FY2019 ¹⁴ (Revised)	FY2020		Year over year	
		Excl. COVID-19 impact		Excl. COVID-19 impact				Excl. COVID-19 impact		Excl. COVID-19 impact	
Revenues (Total)	1,649.3	1,523.6	1,472.9	92%	89%	97%	2,167.6	2,230.0	1,900.0	100%	88%
Healthcare BU	176.1	182.1	177.1	103%	101%	97%					
Smart Life & Ecofriendly Systems Business	485.0	480.9	465.3	99%	96%	96%	465.3	475.0	447.0	99%	96%
Automotive Systems Business	971.0	841.5	811.6	87%	84%	98%	811.6	910.0	700.0	108%	86%
Hitachi High-Tech							694.6	650.0	596.5	93%	86%
Analytical & Medical Solutions							166.4	166.0	160.2	99%	96%
Nano-Technology Solutions							209.5	231.2	215.3	110%	103%
Industrial Solutions							325.9	262.4	230.6	79%	71%
Adjusted operating income (Total)	64.9	75.9	58.6	+11.0	(6.3)	(23.3)	118.9	160.0	100.0	+22.6	(18.9)
Adjusted operating income ratio	3.9%	5.0%	4.0%	+1.1 points	+0.1 points	(1.4 points)	5.5%	7.2%	5.3%	+1.0 points	(0.2 points)
Healthcare BU	4.3	10.2	8.2	+5.9	+3.9	(3.5)					
Smart Life & Ecofriendly Systems Business	2.4	5.6%	4.7%	+3.2 points	+2.3 points	(1.7 points)	23.0	30.9	18.9	+2.4	(4.1)
Automotive Systems Business	38.0	40.0	30.1	+2.0	(7.9)	(15.2)	30.1	55.5	22.0	+15.5	(8.1)
Hitachi High-Tech							60.3	56.0	48.0	(5.3)	(12.3)
Analytical & Medical Solutions							8.7%	8.6%	8.0%	(0.1 points)	(0.7 points)
Nano-Technology Solutions							26.9	26.0	24.8	(1.2)	(2.1)
Industrial Solutions							16.2%	15.7%	15.5%	(0.6 points)	(0.7 points)
EBIT (Total)	116.9	49.7	29.5	(67.2)	(87.4)	(40.4)	90.0	263.0	200.0	+151.7	+109.9
EBIT ratio	7.1%	3.3%	2.0%	(3.8 points)	(5.1 points)	(2.6 points)	4.2%	11.8%	10.5%	+6.8 points	+6.3 points
Healthcare BU	1.6	9.1	7.1	+7.5	+5.5	(1.1)					
Smart Life & Ecofriendly Systems Business	29.5	41.5	34.7	+11.9	+5.1	(4.8)	34.7	35.6	22.1	(5.9)	(12.6)
Automotive Systems Business	85.3	4.9	(6.6)	(80.5)	(91.9)	(34.6)	(6.6)	50.1	9.0	+45.2	+15.6
Hitachi High-Tech							60.4	56.0	48.0	(5.5)	(12.5)
Analytical & Medical Solutions							8.7%	8.6%	8.0%	(0.2 points)	(0.7 points)
Nano-Technology Solutions							21.8	26.0	24.8	+3.9	+3.0
Industrial Solutions							13.1%	15.7%	15.5%	+2.5 points	+2.4 points
Adjusted operating income excluding acquisition-related amortization (Total)	65.0		59.5		(5.5)		120.5		102.5		(18.0)
Ratio of Adjusted operating income excluding acquisition-related amortization	3.9%		4.0%		+0.1 points		5.6%		5.4%		(0.2 points)
EBITDA (Total)	185.3		94.0		(91.3)		170.8		285.0		+114.1
ROIC	8.0%		6.9%		(1.1 points)		8.0%		6.1%		(1.9 points)

6.6. Hitachi High-Tech 日立ハイテク

(Billions of yen)	FY2018	FY2019		Year over year		Previous forecast comparison	FY2020		Year over year	
		Excl. COVID-19 impact		Excl. COVID-19 impact			Excl. COVID-19 impact		Excl. COVID-19 impact	
Revenues	731.1	701.2	694.6	96%	95%	99%				
Adjusted operating income	66.7	61.3	60.3	(5.3)	(6.3)	+4.3				
Adjusted operating income ratio	9.1%	8.7%	8.7%	(0.4 points)	(0.4 points)	+0.7 points				
EBIT	64.2	61.4	60.4	(2.7)	(3.7)	+0.4				
EBIT ratio	8.8%	8.8%	8.7%	±0.0 points	(0.1 points)	+0.1 points				
Adjusted operating income excluding acquisition-related amortization	67.3		61.0		(6.3)					
Ratio of Adjusted operating income excluding acquisition-related amortization	9.2%		8.8%		(0.4 points)					
EBITDA	77.3		76.8		(0.5)					

6.7. Hitachi Construction Machinery 日立建機

(Billions of yen)	FY2018	FY2019		Year over year		Previous forecast comparison	FY2020		Year over year	
		Excl. COVID-19 impact		Excl. COVID-19 impact			Excl. COVID-19 impact		Excl. COVID-19 impact	
Revenues	1,033.7	957.6	931.3	93%	90%	98%	930.0	770.0	97%	83%
Adjusted operating income	115.7	82.8	75.5	(32.9)	(40.2)	(12.4)	86.0	39.0	+3.1	(36.5)
Adjusted operating income ratio	11.2%	8.7%	8.1%	(2.5 points)	(3.1 points)	(1.1 points)	9.2%	5.1%	+0.5 points	(3.0 points)
EBIT	104.5	77.9	70.5	(26.5)	(33.9)	(14.4)	84.0	37.0	+6.0	(33.5)
EBIT ratio	10.1%	8.1%	7.6%	(2.0 points)	(2.5 points)	(1.3 points)	9.0%	4.8%	+0.9 points	(2.8 points)
Adjusted operating income excluding acquisition-related amortization	118.0		77.6		(40.4)			41.5		(36.1)
Ratio of Adjusted operating income excluding acquisition-related amortization	11.4%		8.3%		(3.1 points)			5.4%		(2.9 points)
EBITDA	142.5		117.6		(24.8)			88.0		(29.6)

6.8. Hitachi Metals 日立金属

(Billions of yen)	FY2018	FY2019		Year over year		Previous forecast comparison	FY2020		Year over year	
		Excl. COVID-19 impact		Excl. COVID-19 impact			Excl. COVID-19 impact		Excl. COVID-19 impact	
Revenues	1,023.4	887.1	881.4	87%	86%	98%	850.0	750.0	96%	85%
Adjusted operating income	51.4	16.6	14.3	(34.7)	(37.0)	+0.3	35.0	(5.0)	+18.3	(19.3)
Adjusted operating income ratio	5.0%	1.9%	1.6%	(3.1 points)	(3.4 points)	±0.0 points	4.1%	-0.7%	+2.2 points	(2.3 points)
EBIT	45.3	(54.4)	(57.2)	(99.8)	(102.6)	+2.7	26.0	(13.0)	+80.4	+44.2
EBIT ratio	4.4%	(6.1%)	(6.5%)	(10.5 points)	(10.9 points)	+0.2 points	3.1%	(1.7%)	+9.2 points	+4.8 points
Adjusted operating income excluding acquisition-related amortization	54.1		17.0		(37.0)			(2.5)		(19.5)
Ratio of Adjusted operating income excluding acquisition-related amortization	5.3%		1.9%		(3.4 points)			(0.3%)		(2.2 points)
EBITDA	96.2		(2.0)		(98.3)			40.0		+42.0

6.9. Hitachi Chemical 日立化成

(Billions of yen)	FY2018	FY2019		Year over year		Previous forecast comparison	FY2020		Year over year	
		Excl. COVID-19 impact		Excl. COVID-19 impact			Excl. COVID-19 impact		Excl. COVID-19 impact	
Revenues	681.0	638.0	631.4	94%	93%	99%				
Adjusted operating income	48.5	37.8	35.2	(10.7)	(13.3)	(3.2)				
Adjusted operating income ratio	7.1%	5.9%	5.6%	(1.2 points)	(1.5 points)	(0.4 points)				
EBIT	41.1	27.4	24.8	(13.7)	(16.3)	(5.1)				
EBIT ratio	6.0%	4.3%	3.9%	(1.7 points)	(2.1 points)	(0.8 points)				
Adjusted operating income excluding acquisition-related amortization	51.0		37.7			(13.2)				
Ratio of Adjusted operating income excluding acquisition-related amortization	7.5%		6.0%			(1.5 points)				
EBITDA	78.5		68.7			(9.7)				

6.10. Others その他

(Billions of yen)	FY2018	FY2019		Year over year		Previous forecast comparison	FY2020		Year over year	
		Excl. COVID-19 impact		Excl. COVID-19 impact			Excl. COVID-19 impact		Excl. COVID-19 impact	
Revenues	561.3	486.8	484.8	87%	86%	101%	440.0	430.0	90%	89%
Adjusted operating income	31.3	22.7	22.3	(8.5)	(8.9)	+6.3	13.0	11.0	(9.7)	(11.3)
Adjusted operating income ratio	5.6%	4.7%	4.6%	(0.9 points)	(1.0 points)	+1.3 points	3.0%	2.6%	(1.7 points)	(2.0 points)
EBIT	30.2	31.6	31.2	+1.4	+1.0	+7.2	17.0	15.0	(14.6)	(16.2)
EBIT ratio	5.4%	6.5%	6.5%	+1.1 points	+1.1 points	+1.5 points	3.9%	3.5%	(2.6 points)	(3.0 points)

6.11. Corporate items & Eliminations 全社及び消去

(Billions of yen)	FY2018	FY2019		Year over year		Previous forecast comparison	FY2020		Year over year	
		Excl. COVID-19 impact		Excl. COVID-19 impact			Excl. COVID-19 impact		Excl. COVID-19 impact	
Revenues	(884.5)	(813.2)	(813.2)				(830.0)	(730.0)		
Adjusted operating income	(1.2)	(16.8)	(14.6)	(15.5)	(13.3)	+12.8	(49.0)	(54.0)	(32.1)	(39.3)
Adjusted operating income ratio										
EBIT	50.3	13.1	15.3	(37.2)	(35.0)	+21.3	210.0	126.0	+196.8	+110.6
EBIT ratio										

7. Revenues by Market 地域別売上収益

7.1. FY2018 Results and FY2019 Results 2018年度実績及び2019年度実績

(Billions of yen)	FY2018							FY2019						
	Japan	Outside Japan						Japan	Outside Japan					
		China	ASEAN, India, other Asian areas	North America	Europe	Other Areas	Total		China	ASEAN, India, other Asian areas	North America	Europe	Other Areas	Total
IT	1,514.6	58.6	123.1	205.5	173.9	45.6	606.9	1,546.4	53.0	123.2	182.9	154.7	38.9	552.9
Year over year								102%	91%	100%	89%	89%	85%	91%
Energy	406.2	9.6	19.8	8.8	6.1	3.2	47.7	350.3	11.6	21.9	8.2	4.3	2.6	48.8
Year over year								86%	120%	110%	94%	71%	82%	102%
Industry	633.1	44.7	45.1	53.3	14.7	104.2	262.2	662.0	39.7	44.9	59.6	13.2	21.0	178.6
Year over year								105%	89%	100%	112%	90%	20%	68%
Mobility	357.0	339.9	53.2	51.6	368.7	43.5	857.0	384.6	305.3	63.5	44.5	299.5	46.7	759.8
Year over year								108%	90%	119%	86%	81%	107%	89%
Smart Life	921.2	144.0	129.8	285.1	92.1	76.8	728.1	826.1	118.6	120.4	224.7	112.5	70.4	646.8
Year over year								90%	82%	93%	79%	122%	92%	89%
Hitachi High-Tech	283.0	93.8	163.0	62.0	98.8	30.4	448.0	253.6	93.0	122.9	110.6	94.4	19.8	440.9
Year over year								90%	99%	75%	178%	96%	65%	98%
Hitachi Construction Machinery	206.0	119.9	156.4	168.6	146.0	236.5	827.6	205.6	75.0	136.6	173.4	136.1	204.4	725.7
Year over year								100%	63%	87%	103%	93%	86%	88%
Hitachi Metals	448.9	76.2	124.4	310.8	50.4	12.4	574.4	405.4	63.3	102.7	245.3	44.5	19.9	475.9
Year over year								90%	83%	83%	79%	88%	160%	83%
Hitachi Chemical	251.6	108.2	185.3	48.8	70.4	16.4	429.3	229.8	101.5	170.6	48.0	63.1	18.2	401.6
Year over year								91%	94%	92%	98%	90%	111%	94%
Consolidated Revenues	4,664.5	1,009.8	1,009.7	1,205.6	1,018.5	572.3	4,816.0	4,529.0	871.1	896.4	1,102.9	924.4	443.1	4,238.1
Year over year								97%	86%	89%	91%	91%	77%	88%
Ratio	49%	11%	10%	13%	11%	6%	51%	52%	10%	10%	13%	10%	5%	48%

7.2. FY2019 Results (New Segment Base) and FY2020 Forecast 2019年度実績 (新セグメントベース) 及び2020年度見通し

(Billions of yen)	FY2019							FY2020	
	Japan	Outside Japan						Japan	Outside Japan
		China	ASEAN, India, other Asian areas	North America	Europe	Other Areas	Total		
IT	1,546.4	53.0	123.2	182.9	154.7	38.9	552.9		
Energy	350.3	11.6	21.9	8.2	4.3	2.6	48.8		
Industry	662.0	39.7	44.9	59.6	13.2	21.0	178.6		
Mobility	384.6	305.3	63.5	44.5	299.5	46.7	759.8		
Smart Life	1,079.7	211.7	243.3	335.4	206.9	90.3	1,087.8		
Hitachi Construction Machinery	205.6	75.0	136.6	173.4	136.1	204.4	725.7		
Hitachi Metals	405.4	63.3	102.7	245.3	44.5	19.9	475.9		
Hitachi Chemical	229.8	101.5	170.6	48.0	63.1	18.2	401.6		
Consolidated Revenues	4,529.0	871.1	896.4	1,102.9	924.4	443.1	4,238.1	3,540.0	3,540.0
Year over year								78%	84%
Ratio	52%	10%	10%	13%	10%	5%	48%	50%	50%

7.3. FY2019 Production Outside Japan^{*21} 2019年度海外生産高

(Billions of yen)	FY2018	FY2019	Year over year
Production outside Japan	3,037.8	2,553.8	84%
Percentage of Consolidated Revenues	32%	29%	(3 points)
Percentage of Outside Japan Revenues	63%	60%	(3 points)

8. Lumada Business Performance Lumada事業の業績

8.1. FY2019 Results (Lumada Business Revenues :Old definition Base) 2019年度実績 (旧定義ベース)

(Billions of yen)	FY2018	FY2019	Year over year
Lumada Core Business	335.0	380.0	113%
Lumada SI Business	792.0	841.0	106%
Total of Lumada Business	1,127.0	1,221.0	108%

8.2. FY2019 Results and CAGR Forecast (Lumada Business Revenues: New definition Base) 2019年度実績および年平均成長率見通し(新定義ベース)

(Billions of yen)	FY2019			CAGR forecast (FY2019-FY2021)
	Lumada Core Business	Lumada Related Business	Total of Lumada Business	
IT	388.0		388.0	Over +20%
Energy	8.0	33.0	41.0	Over +10%
Industry	35.0	118.0	153.0	Over +15%
Mobility	130.0	94.0	224.0	Over +10%
Smart Life	28.0	6.0	34.0	Over +15%
Listed subsidiaries	4.0	193.0	197.0	Over +10%
Total	593.0	444.0	1,037.0	Over +15%

9. Capital Expenditure (Completion Basis) 設備投資額(完成ベース)

(Billions of yen)	FY2018	FY2019	Year over year	FY2019 (Revised) ^{*14}	FY2020	Year over year
IT	35.4	63.8	180%	63.8		
Energy	45.9	6.7	15%	6.7		
Industry	8.8	12.8	145%	12.8		
Mobility	17.4	16.7	96%	16.7		
Smart Life	89.3	79.8	89%	107.8		
Hitachi High-Tech	17.9	28.0	156%			
Hitachi Construction Machinery	30.3	47.1	155%	47.1		
Hitachi Metals	93.9	51.6	55%	51.6		
Hitachi Chemical	49.4	45.3	92%	45.3		
Others	24.7	39.1	158%	39.1		
Corporate items & Eliminations	1.3	8.2	597%	8.2		
Total	414.7	399.6	96%	399.6		

10. Depreciation and Amortization 減価償却費及び無形資産償却費

10.1. Depreciation 減価償却費

(Billions of yen)	FY2018	FY2019	Year over year	FY2019 (Revised) ^{*14}	FY2020	Year over year
IT	46.9	72.8	155%	72.8	74.0	102%
Energy	3.3	3.4	102%	3.4	5.0	144%
Industry	9.6	13.4	139%	13.4	12.0	89%
Mobility	15.7	19.8	126%	19.8	20.0	101%
Smart Life	56.3	56.9	101%	69.9	72.0	103%
Hitachi High-Tech	10.1	13.0	129%			
Hitachi Construction Machinery	32.3	41.3	128%	41.3	45.0	109%
Hitachi Metals	46.3	50.7	110%	50.7	49.0	97%
Hitachi Chemical	32.6	38.9	119%	38.9		
Others	14.5	24.0	166%	24.0	26.0	108%
Corporate items & Eliminations	3.6	7.7	215%	7.7	9.0	116%
Total	271.6	342.4	126%	342.4	312.0	91%

10.2. Amortization 無形資産償却費

(Billions of yen)	FY2018	FY2019	Year over year	FY2019 (Revised) ¹⁴	FY2020	Year over year
IT	42.0	39.6	94%	39.6	42.0	106%
Energy	2.0	1.4	69%	1.4	2.0	142%
Industry	7.8	8.8	112%	8.8	11.0	125%
Mobility	8.4	8.6	102%	8.6	11.0	127%
Smart Life	11.9	7.5	63%	10.8	13.0	120%
Hitachi High-Tech	2.9	3.2	110%			
Hitachi Construction Machinery	5.6	5.7	102%	5.7	6.0	104%
Hitachi Metals	4.5	4.4	97%	4.4	4.0	90%
Hitachi Chemical	4.7	5.0	107%	5.0		
Others	5.5	5.3	97%	5.3	4.0	74%
Corporate items & Eliminations	0.4	0.7	159%	0.7	1.0	139%
Total	96.3	90.7	94%	90.7	94.0	104%

10.3. Amortization of Intangible Assets and Other Assets from Purchase Price Allocation 買収に伴う無形資産等の償却費

(Billions of yen)	FY2018	FY2019	Year over year	FY2019 (Revised) ¹⁴	FY2020	Year over year
IT	5.4	3.8	70%	3.8	2.5	65%
Energy	-	-	-	-	-	-
Industry	3.4	5.0	144%	5.0	7.5	149%
Mobility	7.9	6.3	80%	6.3	3.5	55%
Smart Life	0.1	0.9	590%	1.6	2.5	155%
Hitachi High-Tech	0.6	0.6	104%			
Hitachi Construction Machinery	2.2	2.0	92%	2.0	2.5	119%
Hitachi Metals	2.7	2.6	98%	2.6	2.5	94%
Hitachi Chemical	2.4	2.5	103%	2.5		
Others	-	-	-	-	-	-
Corporate items	-	-	-	-	-	-
Total	25.2	24.1	96%	24.1	21.0	87%

11. R&D Expenditure 研究開発費

(Billions of yen)	FY2018	FY2019	Year over year	FY2019 (Revised) ^{*14}	FY2020	Year over year
IT	50.9	53.2	104%	53.2	61.0	115%
Energy	9.6	7.7	80%	7.7	9.0	116%
Industry	10.3	11.6	112%	11.6	10.0	86%
Mobility	31.6	29.4	93%	29.4	27.0	92%
Smart Life	86.6	61.8	71%	94.7	95.0	100%
Hitachi High-Tech	31.1	32.9	106%			
Hitachi Construction Machinery	24.7	23.7	96%	23.7	22.0	93%
Hitachi Metals	18.6	15.9	86%	15.9	17.0	107%
Hitachi Chemical	32.5	32.2	99%	32.2		
Others	4.2	3.8	91%	3.8	2.0	52%
Corporate items	22.5	21.3	95%	21.3	21.0	98%
Total	323.1	293.7	91%	293.7	264.0	90%
Percentage of revenues (%)	3.4%	3.4%		3.4%	3.7%	

12. Foreign Exchange Rate 為替レート

12.1. Average / Assumed Foreign Exchange Rate^{*22} 期中平均／前提為替レート

(Yen)	FY2018	FY2019	FY2020 (Forecast)
U.S. dollar	111	109	105
Euro	128	121	120

12.2. Foreign Exchange Sensitivity^{*21} 為替感応度

FY2020 impact of exchange rate fluctuation by one-yen depreciation from FY2020 forecasted rate

(Billions of yen)	Revenues	Adjusted Operating Income
U.S. dollar	13.0	2.0
Euro	5.0	1.0

13. Number of Employees and Consolidated Subsidiaries 従業員数・連結子会社数

13.1. Number of Employees 従業員数

	As of Mar 31, 2019	As of Mar 31, 2020
Japan	162,083	162,100
Outside Japan	133,858	138,956
Total	295,941	301,056

13.2. Number of Consolidated Subsidiaries 連結子会社数

	As of Mar 31, 2019	As of Mar 31, 2020
Japan	181	173
Outside Japan	622	641
Total	803	814

Notes

- *1 "Adjusted operating income" is presented as revenues less selling, general and administrative expenses as well as cost of sales.
- *2 "Adjusted operating income excluding acquisition-related amortization" is presented as adjusted operating income less amortization and depreciation of intangible assets and other assets from purchase price allocation.
- *3 "EBIT" is presented as income from continuing operations, before income taxes less interest income plus interest charges.
- *4 "EBITDA" is presented as EBIT less depreciation and amortization.
- *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. as part of 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.
- *6 On October 1, 2018, Hitachi completed the share consolidation of every five shares into one share for its common stock. Earnings per share are calculated on the assumption that the company conducted consolidation at the beginning of FY2018.
- *7 Forecast of FY2020 is affected by restricted stocks issued on May 27, 2020, etc.
- *8 $ROIC(\text{Return on Invested Capital}) = (\text{NOPAT} + \text{Share of profits(losses) of investments accounted for using the equity method}) / \text{"Invested Capital"} \times 100$
NOPAT(Net Operating Profit after Tax) = Adjusted Operating Income \times (1 – Tax burden rate)
Invested Capital = Interest-bearing debt + Total equity
- *9 As of February 28, 2020
- *10 "Core free cash flows" is presented as cash flows from operating activities less cash flows from purchase of property, plant, equipment and intangible assets included in cash flows from investing activities.
- *11 Business segment changed on the beginning of FY2019, and figures for FY2018 using the new segment classification are shown.
- *12 "Five sectors total" is presented as the financial results subtracted listed subsidiaries total from consolidated total. It includes others and corporate items & eliminations.
- *13 Figures for FY2018 of listed subsidiaries total include financial results of Hitachi Kokusai Electric.
- *14 "Revised" is presented as figures reflected change of segment of Hitachi Hi-Tech.
- *15 Figures for each subsegment include intersegment transactions.
- *16 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.
- *17 Sales, maintenance and services of control systems, server, storage, related software, etc.
- *18 Revised" reflects the following changes: Hitachi Consulting Corporation, which was included in Front Business, has been included to Service & Platforms and DS BU, which was not included in Front Business or Service & Platforms, has been included to Front Business.
- *19 Figures for each BU include control systems business, which is posted in IT segment.
- *20 Business Unit
- *21 Figures here represent information voluntarily prepared by the company.
- *22 Exchange rate applied for calculating profits and losses of overseas companies (average rate for the period)

14. Cautionary Statement 将来予想に関する記述

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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