



Smart life solutions

We contribute to treatment for **80,000** cancer patients worldwide by providing our particle beam cancer treatment system.



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10-Year Financial Data

U.S. GAAP	Millions of yen					
	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
For the year:						
Revenues	¥8,968,546	¥9,315,807	¥9,665,883	¥9,041,071	¥9,563,791	¥9,761,970
Operating income	202,159	444,508	412,280	422,028	538,288	600,479
EBIT (Earnings before interest and taxes)	77,815	443,812	573,218	358,015	585,662	551,018
Net income (loss) attributable to Hitachi, Ltd. stockholders	(106,961)	238,869	347,179	175,326	264,975	241,301
Cash flows from operating activities	798,299	841,554	447,155	583,508	439,406	447,348
Cash flows from investing activities	(530,595)	(260,346)	(195,584)	(553,457)	(491,363)	(610,255)
Free cash flows	267,704	581,208	251,571	30,051	(51,957)	(162,907)
Cash flows from financing activities	(502,344)	(584,176)	(167,838)	(180,445)	32,968	250,335
Cash dividends declared	—	36,133	36,727	47,690	50,711	57,944
Capital expenditures (Property, plant and equipment)	546,326	556,873	649,234	742,537	849,877	848,716
Depreciation (Property, plant and equipment)	441,697	382,732	360,358	300,664	329,833	349,614
R&D expenditures	372,470	395,180	412,514	341,310	351,426	335,515
At year-end:						
Total assets	8,964,464	9,185,629	9,418,526	9,809,230	11,016,899	12,395,379
Property, plant and equipment	2,219,804	2,111,270	2,025,538	2,279,964	2,342,091	2,564,105
Total Hitachi, Ltd. stockholders' equity	1,284,658	1,439,865	1,771,782	2,082,560	2,651,241	2,930,309
Interest-bearing debt	2,367,143	2,521,551	2,396,454	2,370,079	2,823,049	3,354,616
						Yen
Per share data:						
Net income (loss) attributable to Hitachi, Ltd. stockholders:						
Basic	¥(29.20)	¥52.89	¥76.81	¥37.28	¥54.86	¥49.97
Diluted	(29.20)	49.38	71.86	36.29	54.85	49.93
Cash dividends declared	—	8.0	8.0	10.0	10.5	12.0
Total Hitachi, Ltd. stockholders' equity	287.13	318.73	382.26	431.13	549.02	606.87
						%
Financial ratios:						
Operating income ratio	2.3	4.8	4.3	4.7	5.6	6.2
EBIT ratio	0.9	4.8	5.9	4.0	6.1	5.6
Return on revenues	-1.2	2.6	3.6	1.9	2.8	2.5
Return on equity (ROE)	-9.2	17.5	21.6	9.1	11.2	8.6
Return on assets (ROA)	-0.9	3.3	4.4	2.5	3.5	3.1
D/E ratio (Including non-controlling interests) (times)	1.04	1.03	0.86	0.75	0.73	0.78
Total Hitachi, Ltd. stockholders' equity ratio	14.3	15.7	18.8	21.2	24.1	23.6

Notes: 1 In order to be consistent with financial reporting principles and practices generally accepted in Japan, operating income is presented as total revenues less cost of sales and selling, general and administrative expenses. The Company believes that this is useful to investors in comparing the Company's financial results with those of other Japanese companies. Under accounting principles generally accepted in the United States of America, restructuring charges, net gain or loss on sales and disposal of rental assets and other property and impairment losses for long-lived assets are included as part of operating income.

2 The restructuring charges mainly represent special termination benefits incurred with the reorganization of our business structures and as the result of the Company and its subsidiaries reviewing and reshaping the business portfolio.

3 EBIT is presented as income before income taxes less interest income plus interest charges.

4 Effective from fiscal 2014, a part of the thermal power generation systems business is classified as a discontinued operation in accordance with the provision of ASC 205-20, "Presentation of Financial Statements—Discontinued Operations," which was not transferred to MITSUBISHI HITACHI POWER SYSTEMS, LTD. for the business integration in the thermal power generation systems with Mitsubishi Heavy Industries, Ltd. The results of the discontinued operation are reported separately from continuing operations. In line with this classification, "Revenues" and "Operating income" for fiscal 2013 are reclassified.

5 ROA (Return on Assets) = Net income / Total Assets (Average between the end of current fiscal year and the end of previous fiscal year) x 100

IFRS

Millions of yen

For the year:	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Revenues	¥9,666,446	9,774,930	¥10,034,305	¥9,162,264	¥9,368,614	¥9,480,619
Adjusted operating income	604,798	641,325	634,869	587,309	714,630	754,976
EBIT	691,230	534,059	531,003	475,182	644,257	513,906
Net income attributable to Hitachi, Ltd. stockholders	413,877	217,482	172,155	231,261	362,988	222,546
Net cash provided by operating activities	306,777	451,825	812,226	629,582	727,168	610,025
Net cash used in investing activities	(550,179)	(612,545)	(730,799)	(337,955)	(474,328)	(162,872)
Free cash flows	(243,402)	(160,720)	81,427	291,627	252,840	447,153
Net cash provided by (used in) financing activities	228,840	233,206	(26,467)	(209,536)	(321,454)	(320,426)
Cash dividends declared	50,711	57,944	57,939	62,764	72,417	86,905
Capital expenditures (Property, plant and equipment)	491,170	431,201	528,551	377,545	374,901	414,798
Depreciation (Property, plant and equipment)	331,228	350,783	366,547	302,757	265,413	271,682
R&D expenditures	354,487	334,814	333,730	323,963	332,920	323,145
At year-end:						
Total assets	11,098,191	12,433,727	12,551,005	9,663,917	10,106,603	9,626,592
Property, plant and equipment	2,258,933	2,472,497	2,500,226	1,998,411	2,124,827	1,956,685
Total Hitachi, Ltd. stockholders' equity	2,668,657	2,942,281	2,735,078	2,967,085	3,278,024	3,262,603
Interest-bearing debt	3,033,985	3,557,356	3,604,455	1,176,603	1,050,294	1,004,771
						Yen
Per share data:						
Earnings per share attributable to Hitachi, Ltd. stockholders:						
Basic	¥85.69	¥45.04	¥35.65	¥47.90	¥75.19	¥230.47
					¥375.93	
Diluted	85.66	45.00	35.62	47.88	75.12	230.25
					375.60	
Cash dividends declared	10.5	12.0	12.0	13.0	15.0	90.0
					75.0	
Total Hitachi, Ltd. stockholders' equity	552.62	609.35	566.48	614.56	679.00	3,378.81
					3,395.00	
						%
Financial ratios:						
Adjusted operating income ratio	6.3	6.6	6.3	6.4	7.6	8.0
EBIT ratio	7.2	5.5	5.3	5.2	6.9	5.4
Return on revenues	4.3	2.2	1.7	2.5	3.9	2.3
Return on equity (ROE)	17.5	7.8	6.1	8.1	11.6	6.8
Return on assets (ROA)	5.0	2.9	2.4	3.0	5.0	3.3
D/E ratio (Including non-controlling interests) (times)	0.78	0.83	0.87	0.29	0.23	0.23
Total Hitachi, Ltd. stockholders' equity ratio	24.0	23.7	21.8	30.7	32.4	33.9

Notes: 1 In order to be consistent with financial reporting principles and practices generally accepted in Japan, adjusted operating income is presented as total revenues less cost of sales and selling, general and administrative expenses. The Company believes that this is useful to investors in comparing the Company's financial results with those of other Japanese companies.

2 A part of the thermal power generation systems business is classified as a discontinued operation 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. for the business integration in the thermal power generation systems with Mitsubishi Heavy Industries, Ltd. The results of the discontinued operation are reported separately from continuing operations.

3 From fiscal 2013, capital investment is stated exclusive of investment in lease assets classified as finance leases.

4 On October 1, 2018, the Company completed the share consolidation of every five shares into one share for its common stock. The figures for basic and diluted earnings per share attributable to Hitachi, Ltd. stockholders are calculated on the assumption that the Company conducted this consolidation at the beginning of the previous fiscal year.

5 ROA (Return on Assets) = Net income / Total Assets (Average between the end of current fiscal year and the end of previous fiscal year) x 100

Segment Highlights

Revenues, Adjusted Operating Income and EBIT by Business Segment

Business Segment	¥ billion					
	Revenues		Adjusted operating income		EBIT	
	FY2017	FY2018	FY2017	FY2018	FY2017	FY2018
Information & Telecommunication Systems	2,008.9	2,065.9	189.2	225.2	139.2	210.9
Social Infrastructure & Industrial Systems	2,375.0	2,539.8	115.5	151.3	101.2	(151.9)
Electronic Systems & Equipment	1,086.5	951.2	86.9	75.6	88.8	70.8
Construction Machinery	959.1	1,033.7	92.5	115.7	97.0	104.5
High Functional Materials & Components	1,657.5	1,704.4	121.8	99.9	98.6	86.4
Automotive Systems	1,001.0	971.0	49.5	38.0	42.4	85.3
Smart Life & Ecofriendly Systems	540.1	485.0	25.1	22.4	33.3	29.5
Others	557.7	534.4	21.4	26.8	21.8	25.6
Subtotal	10,186.1	10,285.6	702.3	755.3	622.8	461.3
Corporate items & Eliminations	(817.5)	(805.0)	12.3	(0.3)	21.4	52.5
Total	9,368.6	9,480.6	714.6	754.9	644.2	513.9

Reclassification of Segment

BU: Business Unit

■ Previous Business Segment

Information & Telecommunication Systems	Financial Institutions BU
	Social Infrastructure Systems BU
	Services & Platforms BU
Social Infrastructure & Industrial Systems	Nuclear Energy BU
	Power BU
	Industry & Distribution BU
	Water BU
	Industrial Products BU
	Building Systems BU
	Railway Systems BU
	Defense Systems BU
Electronic Systems & Equipment	Healthcare BU
	Hitachi High-Technologies
Construction Machinery	Hitachi Construction Machinery
High Functional Materials & Components	Hitachi Metals
	Hitachi Chemical
Automotive Systems	Hitachi Automotive Systems
	Clarion
Smart Life & Ecofriendly Systems	Hitachi Appliances
	Hitachi Consumer Marketing

■ New Business Segment from FY2019

IT	Financial Institutions BU
	Social Infrastructure Systems BU
	Services & Platforms BU
	Defense Systems BU
Energy	Nuclear Energy BU
	Energy BU ¹
Industry	Industry & Distribution BU
	Water & Environment BU ²
	Industrial Products Business ³
Mobility	Building Systems BU
	Railway Systems BU
Smart Life	Healthcare BU
	Smart Life & Ecofriendly Systems Business ⁴
	Automotive Systems Business ⁵
Hitachi High-Technologies	
Hitachi Construction Machinery	
Hitachi Metals	
Hitachi Chemical	

¹ As of April 1, 2019, Power BU changed its name to Energy BU.

² As of April 1, 2019, Water BU changed its name to Water & Environment BU.

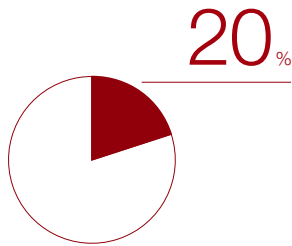
³ Industrial Products Business includes Hitachi Industrial Products, Ltd., which took over Industrial Products BU as of April 1 2019, and Hitachi Industrial Equipment Systems Co., Ltd.

⁴ Smart Life & Ecofriendly Systems Business includes Hitachi Global Life Solutions, Inc., which was formed through a merger of Hitachi Appliances, Inc., and Hitachi Consumer Marketing, Inc.

⁵ Automotive Systems Business includes Hitachi Automotive Systems, Ltd.

Information & Telecommunication Systems

Share of Revenues



Overseas Revenue Ratio

29%

CAPEX by Business Segment (Completion basis)

¥34.2 billion

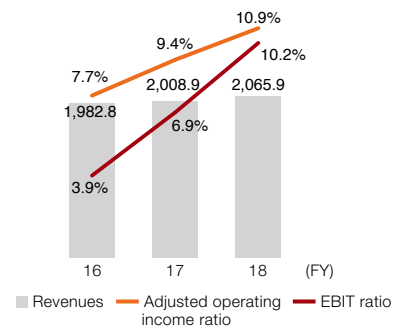
Depreciation by Business Segment

¥45.6 billion

R&D Expenditure by Business Segment

¥46.9 billion

Revenues and Profit (¥ billion)



Main products and services

Systems Integration, Consulting, Cloud Services, Servers, Storage, Software, Telecommunications & Network, ATMs

Segment Performance

Revenues increased 3% to ¥2,065.9 billion, as compared with the year ended March 31, 2018, due mainly to higher revenues from system integration business, despite the effect of transfer of a subsidiary operating communication network equipment business.

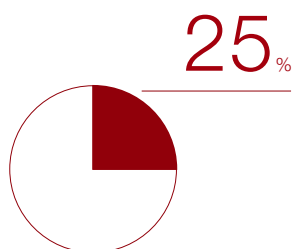
Adjusted operating income increased ¥36.0 billion to ¥225.2 billion, as compared with the year ended March 31, 2018, due mainly to

improved profitability in system integration business and IT platform & products business.

EBIT increased ¥71.6 billion to ¥210.9 billion, as compared with the year ended March 31, 2018, due mainly to the increased adjusted operating income and posting of gains on sales of land formerly used as production site for telecommunication network products.

Social Infrastructure & Industrial Systems

Share of Revenues



Overseas Revenue Ratio

46%

CAPEX by Business Segment (Completion basis)

¥73.4 billion

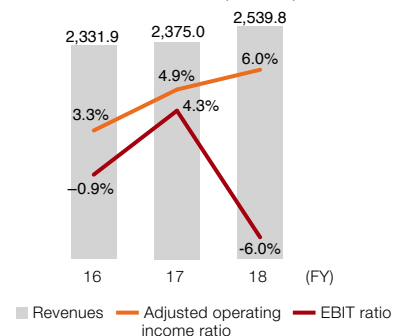
Depreciation by Business Segment

¥30.0 billion

R&D Expenditure by Business Segment

¥55.7 billion

Revenues and Profit (¥ billion)



Main products and services

Industrial Machinery and Plants, Elevators, Escalators, Railway Systems, Thermal, Nuclear and Renewable Energy Power Generation Systems, Transmission & Distribution Systems

Segment Performance

Revenues increased 7% to ¥2,539.8 billion, as compared with the year ended March 31, 2018, due mainly to revenue increase in railway systems business for Europe and revenues recognized for overseas EPC project for industry and distribution field.

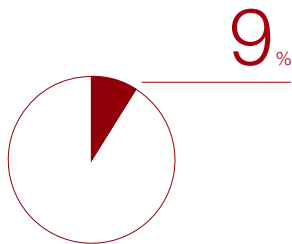
Adjusted operating income increased ¥35.7 billion to ¥151.3 billion, as compared with the year ended March 31, 2018, due mainly to revenue increase in the railway systems business, and a higher revenue

and an improvement in profitability of the industrial products business.

EBIT was worsened by ¥253.2 billion to the loss of ¥151.9 billion, as compared with the profit of ¥101.2 billion for the year ended March 31, 2018, despite posting of gains on partial sales of shares of Agility Trains West (Holdings) Limited stock. The decrease was due mainly to impairment losses recognized as the result of the suspension of the UK nuclear power stations construction project.

Electronic Systems & Equipment

Share of Revenues



Overseas Revenue Ratio

59%

CAPEX by Business Segment (Completion basis)

¥21.5 billion

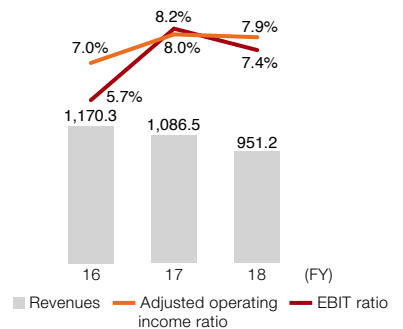
Depreciation by Business Segment

¥12.4 billion

R&D Expenditure by Business Segment

¥46.1 billion

Revenues and Profit (¥ billion)



Main products and services

Semiconductor Processing Equipment, Test and Measurement Equipment, Advanced Industrial Products, Medical Electronics Equipment

Segment Performance

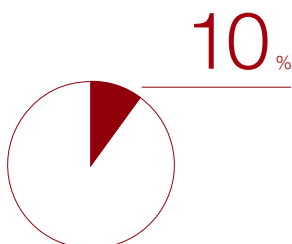
Revenues decreased 12% to ¥951.2 billion, as compared with the year ended March 31, 2018, due mainly to the effect of reorganization of Hitachi Kokusai Electric Inc., despite increased revenues at Hitachi High-Technologies Corporation owing to higher sales of clinical analyzers and semi-conductor processing equipment and increased revenues in healthcare business owing to higher sales of radiation therapy systems.

Adjusted operating income decreased ¥11.3 billion to ¥75.6 billion, as compared with the year ended March 31, 2018, due mainly to the effect of reorganization of Hitachi Kokusai Electric Inc.

EBIT decreased ¥18.0 billion to ¥70.8 billion, as compared with the year ended March 31, 2018, due mainly to decreased adjusted operating income.

Construction Machinery

Share of Revenues



Overseas Revenue Ratio

80%

CAPEX by Business Segment (Completion basis)

¥30.3 billion

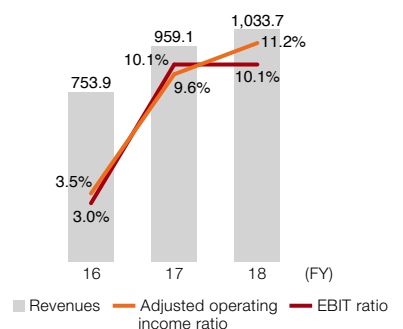
Depreciation by Business Segment

¥32.3 billion

R&D Expenditure by Business Segment

¥24.7 billion

Revenues and Profit (¥ billion)



Main products and services

Hydraulic Excavators, Wheel Loaders, Mining Machinery

Segment Performance

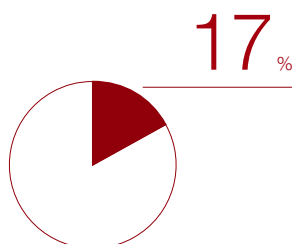
Revenues increased 8% to ¥1,033.7 billion, as compared with the year ended March 31, 2018, due mainly to increased sales in overseas countries mainly in North America and Asia-Pacific.

Adjusted operating income increased ¥23.2 billion to ¥115.7 billion, as compared with the year ended March 31, 2018, due mainly to the increased revenues.

EBIT increased ¥7.4 billion to ¥104.5 billion, as compared with the year ended March 31, 2018, due mainly to the increased adjusted operating income, despite of making a provision for concerns of collectability of VAT receivables which were overpaid by the subsidiary of Hitachi Construction Machinery Co., Ltd. in China in the year ended March 31, 2018 and the increased structural reform expenses.

High Functional Materials & Components

Share of Revenues



Overseas Revenue Ratio

59%

CAPEX by Business Segment (Completion basis)

¥143.3 billion

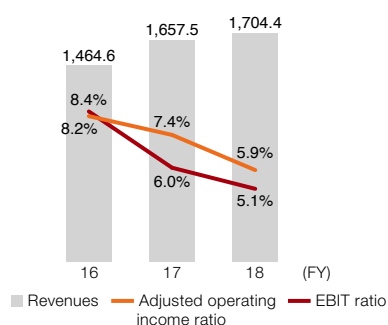
Depreciation by Business Segment

¥79.0 billion

R&D Expenditure by Business Segment

¥51.1 billion

Revenues and Profit (¥ billion)



Main products and services

Semiconductor and Display Related Materials, Circuit Boards and Materials, Automotive Parts, Energy Storage Devices, Specialty Steel Products, Magnetic Materials and Applications, Functional Components and Equipment, Wires, Cables and Related Products

Segment Performance

Revenues increased 3% to ¥1,704.4 billion, as compared with the year ended March 31, 2018, due mainly to the effect of corporate acquisition by Hitachi Chemical Company, Ltd. and Hitachi Metals, Ltd., and sales price rise linked to higher raw material costs at Hitachi Metals, Ltd.

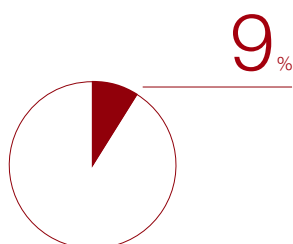
Adjusted operating income decreased ¥21.8 billion to ¥99.9 billion, as compared with the year ended March 31, 2018, due mainly to decrease in demand for factory automation-related materials and

materials for semiconductors and electronics products at Hitachi Metals, Ltd. and effects of changes in product mix at Hitachi Chemical Company, Ltd.

EBIT decreased ¥12.2 billion to ¥86.4 billion, as compared with the year ended March 31, 2018, due mainly to posting gain on business reorganization and others at Hitachi Metals, Ltd. and a decrease in expenses related to competition law and others at Hitachi Chemical Company, Ltd.

Automotive Systems

Share of Revenues



Overseas Revenue Ratio

56%

CAPEX by Business Segment (Completion basis)

¥73.5 billion

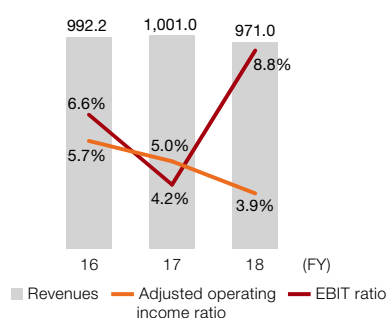
Depreciation by Business Segment

¥44.8 billion

R&D Expenditure by Business Segment

¥64.1 billion

Revenues and Profit (¥ billion)



Main products and services

Engine Powertrain Systems, Electric Powertrain Systems, Integrated Vehicle Control Systems

Segment Performance

Revenues decreased 3% to ¥971.0 billion, as compared with the year ended March 31, 2018, due mainly to sales decrease in China and North America and lower revenues from car information systems business.

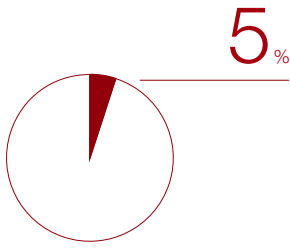
Adjusted operating income decreased ¥11.5 billion to ¥38.0 billion, due mainly to the decrease in revenues, changes in product mix and

deteriorated operational productivity of the production bases in North America.

EBIT increased ¥42.9 billion to ¥85.3 billion, as compared with the year ended March 31, 2018, due mainly to posting gain on sales of the shares of Clarion Co., Ltd. and others.

Smart Life & Ecofriendly Systems

Share of Revenues



5%

Overseas Revenue Ratio

20%

CAPEX by Business Segment (Completion basis)

¥12.1 billion

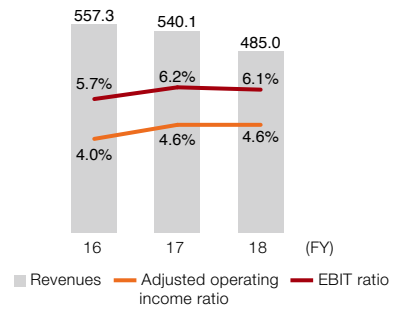
Depreciation by Business Segment

¥9.2 billion

R&D Expenditure by Business Segment

¥7.9 billion

Revenues and Profit (¥ billion)



Main products and services

Air-Conditioning Equipment, Room Air Conditioners, Refrigerators, Washing Machines

Segment Performance

Revenues decreased 10% to ¥485.0 billion, as compared with the year ended March 31, 2018, due mainly to decreased revenues both in Japan and overseas market.

Adjusted operating income decreased ¥2.6 billion to ¥22.4 billion,

due mainly to the decline in revenues.

EBIT decreased ¥3.7 billion to ¥29.5 billion, as compared with the year ended March 31, 2018, due mainly to the decrease in adjusted operating income.

Operating and Financial Review

1 Operating Results

Summary

Years ended March 31:	¥billion		Percent change
	2018	2019	
Revenues	¥9,368.6	¥9,480.6	1%
Adjusted operating income	714.6	754.9	6%
EBIT	644.2	513.9	-20%
Income from continuing operations, before income taxes	638.6	516.5	-19%
Net income attributable to Hitachi, Ltd. stockholders	362.9	222.5	-39%

Analysis of Statement of Operations

Revenues increased 1% to ¥9,480.6 billion, as compared with the year ended March 31, 2018, despite the effect of conversion of Hitachi Kokusai Electric Inc. into an equity-method associate. This increase was due mainly to an increase in revenues in the Social Infrastructure & Industrial Systems segment owing to an increased revenues from the railway systems business for Europe, in the Construction Machinery segment where sales rose mainly in North America and Asia-Pacific, in the Information & Telecommunications Systems segment where the system integration business remained firm and in the High Functional Materials & Components segment owing to corporate acquisitions by Hitachi Chemical Company, Ltd. and Hitachi Metals, Ltd.

Cost of sales increased 1% to ¥6,964.6 billion, as compared with the year ended March 31, 2018, and the ratio of cost of sales to revenues was 73%, which was the same level as for the year ended March 31, 2018. Gross profit increased 1% to ¥2,515.9 billion, as compared with the year ended March 31, 2018.

Selling, general and administrative expenses decreased 1% to ¥1,761.0 billion, as compared with the year ended March 31, 2018, and the ratio of selling, general and administrative expenses to revenues was 19%, which was the same level as for the year ended March 31, 2018.

Adjusted operating income increased by ¥40.3 billion to ¥754.9 billion, as compared with the year ended March 31, 2018. The increase was due mainly to higher profits owing to increased revenues and profitability improvement in the Information & Telecommunication Systems segment, the Social Infrastructure & Industrial Systems segment and the Construction Machinery segment. The increase was partially offset by decreased profits in the High Functional Materials & Components segment and the Automotive Systems segment.

Other income increased ¥194.3 billion to ¥206.3 billion and other expenses increased ¥301.9 billion to ¥442.6 billion, as compared with the year ended March 31, 2018, respectively. The details are as follows. Net gain on sales and disposal of fixed assets was improved by ¥20.9 billion and turned to gain of ¥18.4 billion, as compared with

the year ended March 31, 2018. Impairment losses increased ¥296.3 billion to ¥344.9 billion, as compared with the year ended March 31, 2018. This mainly reflected impairment losses recognized as the result of the suspension of the UK nuclear power stations construction project in power and energy business. Net gain on business reorganization and others increased ¥174.8 billion to ¥184.6 billion, as compared with the year ended March 31, 2018, due mainly to net gain by selling shares of Hitachi Kokusai Electric Inc. stock, shares of Clarion Co., Ltd. stock in the Automotive Systems segment and a part of shares of Agility Trains West (Holdings) Limited stock in the Social Infrastructure & Industrial Systems segment. Special termination benefits increased ¥6.6 billion to ¥22.3 billion, as compared with the year ended March 31, 2018. Expenses related to competition law and others decreased ¥12.5 billion to ¥1.7 billion, as compared with the year ended March 31, 2018.

Financial income (excluding interest income) increased by 6.6 billion to ¥13.6 billion and financial expenses (excluding interest charges) decreased ¥7.7 billion to ¥3.4 billion, as compared with the year ended March 31, 2018, respectively.

Share of loss of investments accounted for using the equity method was ¥15.0 billion, a deterioration of ¥77.4 billion from the year ended March 31, 2018, due to an exchange loss at a foreign equity-method associate and impairment losses for investment on equity-method associates.

As a result of the foregoing, EBIT decreased ¥130.3 billion to ¥513.9 billion, as compared with the year ended March 31, 2018.

Interest income increased ¥8.1 billion to ¥23.1 billion, as compared with the year ended March 31, 2018 and interest charges was ¥20.5 billion, which was the same level as for the year ended March 31, 2018.

Income from continuing operations, before income taxes decreased ¥122.1 billion to ¥516.5 billion, as compared with the year ended March 31, 2018.

Income taxes increased ¥54.6 billion to ¥186.3 billion, as compared with the year ended March 31, 2018, despite of decreased income from continuing operations, before income taxes owing mainly to impairment losses recognized as the result of the suspension of the UK nuclear power stations construction project. This increase was due mainly to increased taxable income due to such impairment losses being non-deductible.

Loss from discontinued operations decreased ¥6.8 billion to ¥9.1 billion, as compared with the year ended March 31, 2018.

Net income decreased ¥169.8 billion to ¥321.0 billion, as compared with the year ended March 31, 2018.

Net income attributable to non-controlling interests decreased ¥29.4 billion to ¥98.4 billion, as compared with the year ended March 31, 2018.

As a result of the foregoing, net income attributable to Hitachi, Ltd. stockholders decreased ¥140.4 billion to ¥222.5 billion, as compared with the year ended March 31, 2018.

Revenues by Geographic Area

The following is an overview of revenues attributed to geographic areas based on customer location.

Years ended March 31:	¥billion		Percent change
	2018	2019	
Japan	¥4,643.0	¥4,664.5	0%
Overseas Revenues Subtotal	4,725.5	4,816.0	2%
Asia	2,081.1	2,019.5	-3%
North America	1,177.5	1,205.6	2%
Europe	964.4	1,018.5	6%
Other Areas	502.3	572.3	14%
Total Revenues	¥9,368.6	¥9,480.6	1%

Japan

Revenues in Japan was ¥4,664.5 billion, which was the same level as the year ended March 31, 2018. This was due mainly to increased revenues in the Information & Systems segment, the High Functional Materials & Components segment and the Construction Machinery segment, which offset decreased revenues in the Electronic Systems & Equipment owing to the effect of business reorganization of Hitachi Kokusai Electric Inc.

Overseas

(Asia)

Revenues in Asia decreased 3% to ¥2,019.5 billion, as compared with the year ended March 31, 2018. This was due mainly to reduced revenues in the Electronic Systems & Equipment segment owing to the effect of business reorganization of Hitachi Kokusai Electric Inc. and in the Automotive Systems segment, despite higher revenues in the Social Infrastructure & Industrial Systems segment owing to sales growth in the building systems business in China and in the Construction Machinery segment.

(North America)

Revenues in North America increased 2% to ¥1,205.6 billion, as compared with the year ended March 31, 2018. This was due mainly to the higher revenues in the Construction Machinery segment, the Social Infrastructure & Industrial Systems segment and the High Functional Materials & Components segment, despite reduced revenues in the Information & Systems segment and the Automotive Systems segment, etc.

(Europe)

Revenues in Europe increased 6% to ¥1,018.5 billion, as compared with the year ended March 31, 2018. This was due mainly to higher revenues in the Social Infrastructure & Industrial Systems segment, reflecting sales growth in the railway systems business, the Construction Machinery segment and the Information & Systems segment.

(Other Areas)

Revenues in other areas increased 14% to ¥572.3 billion, as compared with the year ended March 31, 2018. This was due mainly to higher revenues in the Social Infrastructure & Industrial Systems segment owing to revenues recognized for overseas EPC project for industry and distribution field.

As a result of the foregoing, overseas revenues increased 2% to ¥4,816.0 billion, as compared with the year ended March 31, 2018, and the ratio to total revenues was 51%, which was 1% increase as compared with the year ended March 31, 2018.

2 Summary of Financial Condition, etc.

Liquidity and Capital Resources

Our management considers maintaining an appropriate level of liquidity and securing adequate funds for current and future business operations to be important financial objectives. Through efficient management of working capital and selective investment in new plants and equipment, we are working to optimize the efficiency of capital utilization throughout our business operations. We endeavor to improve our group cash management by centralizing such management among us and our overseas financial subsidiaries. Our internal sources of funds include cash flows generated by operating activities and cash on hand. Our management also considers short-term investments to be an immediately available source of funds. In addition, we raise funds both in the capital markets and from Japanese and international commercial banks in response to our capital requirements. Our management's policy is to finance capital expenditures primarily by internally generated funds and to a lesser extent by funds raised through the issuance of debt and equity securities in domestic and foreign capital markets. In order to flexibly access funding, we maintain our shelf registration with the maximum outstanding balance of ¥300.0 billion.

We maintain commitment line agreements with a number of domestic banks under which we may borrow in order to ensure efficient access to necessary funds. These commitment line agreements generally provide for a one-year term, renewable upon mutual agreement between us and each of the lending banks, as well as another commitment line agreement with a contract term of three years ending on July 29, 2019. As of March 31, 2019, our unused commitment lines totaled ¥465.0 billion, most of which is the balance of unused loans.

We receive debt ratings from Moody's Japan K.K. (Moody's), S&P Global Rating Japan Inc. (S&P), as well as Rating and Investment Information, Inc. (R&I). Our debt ratings as of March 31, 2019 were as follows.

Rating Company	Long-term	Short-term
S&P	A	A-1
Moody's	A3	P-2
R&I	A+*	a-1*

*R&I changed its rating from A+ to AA- and a-1 to a-1+ in August 2019.

With our current ratings, we believe that our access to the global capital markets will remain sufficient for our financing needs. We seek to improve our credit ratings in order to ensure financial flexibility for liquidity and capital management, and to continue to maintain access to sufficient funding resources through the capital markets.

Cash Flows

(Cash Flows from Operating Activities)

Net cash outflow from a change in trade payables increased by ¥114.0 billion, as compared with the year ended March 31, 2018. Net cash inflow from a change in trade receivables and contract assets* decreased by ¥45.4 billion, as compared with the year ended March 31, 2018. Net cash outflow from a change in inventories decreased by ¥31.7 billion, as compared with the year ended March 31, 2018.

As a result of the foregoing, net cash provided by operating activities was ¥610.0 billion in the year ended March 31, 2019, a decrease of ¥117.1 billion compared with the year ended March 31, 2018.

* Due to the implementation of IFRS 15, "change in trade receivables" is presented as "change in trade receivables and contract assets" from the year ended March 31, 2019.

(Cash Flows from Investing Activities)

Net amount of investments related to property, plant and equipment* was ¥410.6 billion in the year ended March 31, 2019. This net sum increased by ¥4.1 billion compared with the year ended March 31, 2018. Proceeds from sale of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method) in the year ended March 31, 2019 increased by ¥128.7 billion, as compared with the year ended March 31, 2018, due mainly to the sale of shares of Clarion Co., Ltd. Purchase of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method) in the year ended March 31, 2019 decreased by ¥170.7 billion, as compared with the year ended March 31, 2018, in which expenses related to acquiring Sullair business were paid.

As a result of the foregoing, net cash used in investing activities was ¥162.8 billion in the year ended March 31, 2019, a decrease of ¥311.4 billion compared with the year ended March 31, 2018.

* The sum of the purchase of property, plant and equipment and the purchase of intangible assets, less the proceeds from sale of property, plant and equipment, and intangible assets.

(Cash Flows from Financing Activities)

Net cash outflow related to purchase of shares of consolidated subsidiaries from non-controlling interests increased by ¥155.7 billion, due mainly to the additional acquisition of shares of Ansaldo STS S.p.A. Proceeds related to short-term debt in the

year ended March 31, 2019 were ¥3.7 billion, as compared with ¥104.8 billion of payments related to short-term debt in the year ended March 31, 2018. Net cash outflow related to long-term debt* in the year ended March 31, 2019 decreased by ¥67.6 billion, as compared with the year ended March 31, 2018.

As a result of the foregoing, net cash used in financing activities was ¥320.4 billion in the year ended March 31, 2019, a decrease of ¥1.0 billion compared with the year ended March 31, 2019.

* The proceeds from long-term debt, less the payments on long-term debt.

As a result of the foregoing, as of March 31, 2019, cash and cash equivalents were ¥807.5 billion, an increase of ¥109.6 billion from March 31, 2018. Free cash flows, the sum of cash flows from operating and investing activities, were an inflow of ¥447.1 billion in the year ended March 31, 2019, an increase of ¥194.3 billion from the year ended March 31, 2018.

Assets, Liabilities and Equity

As of March 31, 2019, total assets amounted to ¥9,626.5 billion, a decrease of ¥480.0 billion from March 31, 2018. This was due mainly to impairment losses recognized for the suspension of the UK nuclear power stations construction project, the conversion of Hitachi Kokusai Electric Inc. to an equity-method associate, and sales of shares of Clarion Co., Ltd. stock. Cash and cash equivalents as of March 31, 2019 amounted to ¥807.5 billion, an increase of ¥109.6 billion from the amount as of March 31, 2018.

As of March 31, 2019, total interest-bearing debt, the sum of short-term debt and long-term debt, amounted to ¥1,004.7 billion, a decrease of ¥45.5 billion from March 31, 2018 as a result of repayment of borrowings. As of March 31, 2019, short-term debt, consisting mainly of borrowings from banks and commercial paper, amounted to ¥111.0 billion, a decrease of ¥10.4 billion from March 31, 2018. As of March 31, 2019, current portion of long-term debt amounted to ¥185.2 billion, an increase of ¥68.0 billion from March 31, 2018. As of March 31, 2019, long-term debt (excluding current portion), consisting mainly of debentures, and loans principally from banks and insurance companies, amounted to ¥708.4 billion, a decrease of ¥103.1 billion from March 31, 2018.

As of March 31, 2019, total Hitachi, Ltd. stockholders' equity amounted to ¥3,262.6 billion, a decrease of ¥15.4 billion from March 31, 2018. As a result, the ratio of total Hitachi, Ltd. stockholders' equity to total assets as of March 31, 2019 was 33.9%, compared with 32.4% as of March 31, 2018.

Non-controlling interests as of March 31, 2019 was ¥1,151.8 billion, a decrease of ¥81.8 billion from March 31, 2018.

Total equity as of March 31, 2019 was ¥4,414.4 billion, a decrease of ¥97.2 billion from March 31, 2018. The ratio of interest-bearing debt to total equity was 0.23 times, which was the same level as that as of March 31, 2018.

Consolidated Statement of Financial Position

March 31, 2019 and 2018

	Millions of yen	
	2018	2019
Assets		
Current assets		
Cash and cash equivalents	¥ 697,964	¥ 807,593
Trade receivables	2,501,414	—
Trade receivables and contract assets	—	2,399,933
Inventories	1,375,232	1,356,762
Investments in securities and other financial assets	373,324	284,267
Other current assets	203,866	187,238
Total current assets	5,151,800	5,035,793
Non-current assets		
Investments accounted for using the equity method	743,407	724,461
Investments in securities and other financial assets	716,431	568,349
Property, plant and equipment	2,124,827	1,956,685
Intangible assets	1,054,370	960,016
Other non-current assets	315,768	381,288
Total non-current assets	4,954,803	4,590,799
Total Assets	¥10,106,603	¥9,626,592
Liabilities		
Current liabilities		
Short-term debt	¥ 121,439	¥ 111,031
Current portion of long-term debt	117,191	185,250
Other financial liabilities	254,735	257,792
Trade payables	1,536,983	1,406,012
Accrued expenses	697,185	653,676
Advances received	551,182	—
Contract liabilities	—	553,510
Other current liabilities	516,679	438,289
Total current liabilities	3,795,394	3,605,560
Non-current liabilities		
Long-term debt	811,664	708,490
Retirement and severance benefits	575,156	526,688
Other non-current liabilities	412,718	371,451
Total non-current liabilities	1,799,538	1,606,629
Total Liabilities	5,594,932	5,212,189
Equity		
Hitachi, Ltd. stockholders' equity		
Common stock	458,790	458,790
Capital surplus	575,809	463,786
Retained earnings	2,105,395	2,287,587
Accumulated other comprehensive income	142,167	56,360
Treasury stock, at cost	(4,137)	(3,920)
Total Hitachi, Ltd. stockholders' equity	3,278,024	3,262,603
Non-controlling interests	1,233,647	1,151,800
Total Equity	4,511,671	4,414,403
Total Liabilities and Equity	¥10,106,603	¥9,626,592

Notes: 1 From the fiscal year ended March 31, 2019, the consolidated statement accounts were presented in detail.

2 In adoption of IFRS 15, "Trade receivables" which were included in "Current assets" have been changed to "Trade receivables and contract assets" and "Advances received" which were included in "Current liabilities" have been changed to "Contract liabilities".

Consolidated Statement of Profit or Loss

Years ended March 31, 2019 and 2018

	Millions of yen	
	2018	2019
Revenues	¥ 9,368,614	¥ 9,480,619
Cost of sales	(6,866,522)	(6,964,635)
Gross profit	2,502,092	2,515,984
Selling, general and administrative expenses	(1,787,462)	(1,761,008)
Adjusted operating income	714,630	754,976
Other income	12,068	206,371
Other expenses	(140,686)	(442,659)
Financial income	7,005	13,693
Financial expenses	(11,243)	(3,459)
Share of profits (losses) of investments accounted for using the equity method	62,483	(15,016)
EBIT (Earnings before interest and taxes)	644,257	513,906
Interest income	14,928	23,122
Interest charges	(20,539)	(20,526)
Income from continuing operations, before income taxes	638,646	516,502
Income taxes	(131,708)	(186,344)
Income from continuing operations	506,938	330,158
Loss from discontinued operations	(16,020)	(9,136)
Net income	¥ 490,918	¥ 321,022
Net income attributable to:		
Hitachi, Ltd. stockholders	362,988	222,546
Non-controlling interests	127,930	98,476
		Yen
Earnings per share from continuing operations, attributable to Hitachi, Ltd. stockholders		
Basic	¥392.52	¥239.93
Diluted	392.17	239.70
Earnings per share attributable to Hitachi, Ltd. stockholders		
Basic	375.93	230.47
Diluted	375.60	230.25

Notes: On October 1, 2018, the Company completed the share consolidation of every five shares into one share for its common stock. The figures for basic and diluted earnings per share attributable to Hitachi, Ltd. stockholders are calculated on the assumption that the Company conducted this consolidation at the beginning of the previous fiscal year.

Consolidated Statement of Comprehensive Income

Years ended March 31, 2019 and 2018

	Millions of yen	
	2018	2019
Net income	¥490,918	¥321,022
Other comprehensive income (OCI)		
Items not to be reclassified into net income		
Net changes in financial assets measured at fair value through OCI	1,530	(45,356)
Remeasurements of defined benefit plans	22,753	(11,881)
Share of OCI of investments accounted for using the equity method	3,302	(1,964)
Total items not to be reclassified into net income	27,585	(59,201)
Items that can be reclassified into net income		
Foreign currency translation adjustments	(8,042)	(4,175)
Net changes in cash flow hedges	5,703	(6,274)
Share of OCI of investments accounted for using the equity method	(45)	12,009
Total items that can be reclassified into net income	(2,384)	1,560
Other comprehensive income (OCI)	25,201	(57,641)
Comprehensive income	¥516,119	¥263,381
Comprehensive income attributable to:		
Hitachi, Ltd. stockholders	382,341	171,140
Non-controlling interests	133,778	92,241

Consolidated Statement of Changes in Equity

Years ended March 31, 2019 and 2018

	Millions of yen							
	2018							
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
As of March 31, 2017	¥458,790	¥577,573	¥1,793,570	¥141,068	¥(3,916)	¥2,967,085	¥1,129,910	¥4,096,995
Changes in equity								
Reclassified into retained earnings	—	—	16,428	(16,428)	—	—	—	—
Net income	—	—	362,988	—	—	362,988	127,930	490,918
Other comprehensive income	—	—	—	19,353	—	19,353	5,848	25,201
Dividends to Hitachi, Ltd. stockholders	—	—	(67,591)	—	—	(67,591)	—	(67,591)
Dividends to non-controlling interests	—	—	—	—	—	—	(34,395)	(34,395)
Acquisition of treasury stock	—	—	—	—	(292)	(292)	—	(292)
Sales of treasury stock	—	(27)	—	—	71	44	—	44
Changes in non-controlling interests	—	(1,737)	—	(1,826)	—	(3,563)	4,354	791
Total changes in equity	—	(1,764)	311,825	1,099	(221)	310,939	103,737	414,676
As of March 31, 2018	¥458,790	¥575,809	¥2,105,395	¥142,167	¥(4,137)	¥3,278,024	¥1,233,647	¥4,511,671

	Millions of yen							
	2019							
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
As of March 31, 2018	¥458,790	¥575,809	¥2,105,395	¥142,167	¥(4,137)	¥3,278,024	¥1,233,647	¥4,511,671
Cumulative effects of changes in accounting policies	—	—	3,209	—	—	3,209	(1,406)	1,803
Restated balance	458,790	575,809	2,108,604	142,167	(4,137)	3,281,233	1,232,241	4,513,474
Changes in equity								
Reclassified into retained earnings	—	—	33,683	(33,683)	—	—	—	—
Net income	—	—	222,546	—	—	222,546	98,476	321,022
Other comprehensive loss	—	—	—	(51,406)	—	(51,406)	(6,235)	(57,641)
Dividends to Hitachi, Ltd. stockholders	—	—	(77,246)	—	—	(77,246)	—	(77,246)
Dividends to non-controlling interests	—	—	—	—	—	—	(42,968)	(42,968)
Acquisition of treasury stock	—	—	—	—	(231)	(231)	—	(231)
Sales of treasury stock	—	(237)	—	—	448	211	—	211
Changes in non-controlling interests	—	(111,786)	—	(718)	—	(112,504)	(129,714)	(242,218)
Total changes in equity	—	(112,023)	178,983	(85,807)	217	(18,630)	(80,441)	(99,071)
As of March 31, 2019	¥458,790	¥463,786	¥2,287,587	¥56,360	¥(3,920)	¥3,262,603	¥1,151,800	¥4,414,403

Notes: From the fiscal year ended March 31, 2019, the consolidated statement items were presented in detail.

Consolidated Statement of Cash Flows

Years ended March 31, 2019 and 2018

	Millions of yen	
	2018	2019
Cash flows from operating activities		
Net income	¥ 490,918	¥ 321,022
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	364,432	368,044
Impairment losses	48,656	344,997
Income taxes	131,659	183,699
Share of (profits) losses of investments accounted for using the equity method	(62,483)	15,016
Financial income and expenses	(862)	(6,387)
Net (gain) loss on business reorganization and others	(9,774)	(184,630)
(Gain) loss on sale of property, plant and equipment	2,395	(18,966)
Change in trade receivables	47,216	—
Change in trade receivables and contract assets	—	1,793
Change in inventories	(181,207)	(149,500)
Change in other assets	(17,321)	(13,419)
Change in trade payables	97,923	(16,107)
Change in retirement and severance benefits	(40,137)	(38,461)
Change in other liabilities	44,320	(35,257)
Other	(7,743)	3,925
Subtotal	907,992	775,769
Interest received	9,767	22,343
Dividends received	17,902	22,710
Interest paid	(21,582)	(22,530)
Income taxes paid	(186,911)	(188,267)
Net cash provided by (used in) operating activities	727,168	610,025
Cash flows from investing activities		
Purchase of property, plant and equipment	(352,047)	(382,351)
Purchase of intangible assets	(91,528)	(89,898)
Proceeds from sale of property, plant and equipment, and intangible assets	37,076	61,623
Purchase of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	(243,124)	(72,422)
Proceeds from sale of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	178,188	306,971
Other	(2,893)	13,205
Net cash provided by (used in) investing activities	(474,328)	(162,872)
Free cash flows	252,840	447,153
Cash flows from financing activities		
Change in short-term debt, net	(104,819)	3,706
Proceeds from long-term debt	143,354	87,636
Payments on long-term debt	(256,944)	(133,581)
Proceeds from payments from non-controlling interests	3,953	5,149
Dividends paid to Hitachi, Ltd. stockholders	(67,568)	(77,194)
Dividends paid to non-controlling interests	(32,066)	(43,375)
Acquisition of common stock for treasury	(292)	(231)
Proceeds from sales of treasury stock	49	211
Purchase of shares of consolidated subsidiaries from non-controlling interests	(6,982)	(162,692)
Proceeds from partial sales of shares of consolidated subsidiaries to non-controlling interests	205	—
Other	(344)	(55)
Net cash provided by (used in) financing activities	(321,454)	(320,426)
Effect of exchange rate changes on cash and cash equivalents	1,336	(17,098)
Change in cash and cash equivalents	(67,278)	109,629
Cash and cash equivalents at beginning of year	765,242	697,964
Cash and cash equivalents at end of year	¥ 697,964	¥ 807,593

Notes: 1 From the fiscal year ended March 31, 2019, the consolidated statement items were presented in detail.

2 Changes in presentation have been made due to materiality of some cash-flow items as a result of business reorganization and others. "Purchase of leased assets", which was separately presented, has been included in "Purchase of property, plant and equipment" or "Purchase of intangible assets". "Proceeds from sale of leased assets", which were separately presented, have been included in "Proceeds from sale of property, plant and equipment, and intangible assets".

The consolidated statement of cash flows for the year ended March 31, 2018 has been reclassified in order to reflect these changes in presentation.

5-Year Non-Financial Data

Human Capital Development		FY2014	FY2015	FY2016	FY2017	FY2018
Number of employees	Consolidated	336,670	335,244	303,887	307,275	295,941
	Non-consolidated	31,375	37,353	35,631	34,925	33,490
Average service (years) ^{*1}		18.4	18.4	18.6	18.8	19.0
Turnover ratio (%) ^{*1,2}		1.4	1.3	1.5	1.5	1.6
Diversity and Inclusion						
Ratio of female employees (%) ^{*1}		16.3	16.5	16.8	17.2	17.8
Global ratio (number) of female managers ^{*3}		6.0	6.4	6.3	6.4	6.8
Ratio (number) of female managers ^{*1,4}		(3,670)	(3,727)	(3,365)	(3,459)	(3,638)
		3.7	4.0	4.1	4.2	4.8
		(434)	(474)	(509)	(577)	(635)
Hitachi Group's Global Safety Figures (Occurrence rate ^{*5})						
Americas		—	—	27.65	24.33	27.96
Latin America		—	—	2.33	1.62	0.44
Europe		—	—	10.70	10.82	6.08
India		—	—	2.07	1.44	1.44
China		—	—	1.59	1.53	1.46
Asia (excluding India and China)		—	—	5.43	4.41	3.34
Oceania		—	—	39.07	24.41	21.94
Africa		—	—	17.26	9.93	11.76
Subtotal		—	—	7.76	7.42	7.43
Japan		—	—	1.57	1.85	1.64
Global total		—	—	3.95	4.22	4.20
Occupational Health and Safety						
Number of fatal accidents ^{*6}		3	4	3	5	0

Scope of Data

*1 Hitachi, Ltd. *2 Includes only voluntary resignations. *3 All full-time, regular female managers excluding those dispatched to non-Group companies.

*4 Since fiscal 2017, "Female managers" has included managerial employees dispatched from Hitachi, Ltd. to other companies and those accepted from other companies by Hitachi, Ltd. Earlier figures include regular managerial employees dispatched to other companies but exclude those accepted from other companies.

*5 Occurrence rate is the rate of workplace accidents per 1,000 directly contracted employees resulting in fatality or work-time loss of one day or more. *6 January to December each year.

Ratios for Female and Non-Japanese Executive and Corporate Officers (Hitachi, Ltd.)	June 2017	June 2018	June 2019
Number of female executive and corporate officers	2	2	4
Ratio of female executive and corporate officers	2.4%	2.6%	5.0%
Number of non-Japanese executive and corporate officers	3	5	7
Ratio of non-Japanese executive and corporate officers	3.7%	6.4%	8.8%

Research and Development	FY2014	FY2015	FY2016	FY2017	FY2018
Ratio of R&D expenditure to revenue (%)	3.4	3.3	3.5	3.6	3.4
Patent application ratio outside Japan (%)	59	59	57	56	58

Scope of Data

Hitachi, Ltd. and consolidated subsidiaries (including variable interest entities).

Number of companies: FY2014: 996; FY2015: 1,057; FY2016: 865; FY2017: 880; FY2018: 804.

Responsible Procurement, Status of CSR Procurement Policies	FY2018	Cumulative total
CSR monitoring (self-check)	345 companies	1,510 ^{*1}
CSR audits	24 companies	130 ^{*2}
Supplier briefings	126 companies	235 ^{*3}

*1 Total number of companies during FY2012-2018 *2 Total number of companies during FY2012-2018 *3 Total number of companies during FY2015-2018

Environment	FY2014	FY2015	FY2016	FY2017	FY2018
Rate of reduction in CO ₂ emissions from use of products and services (base: FY2010) ^{*1} (%)	—	—	35	33	34
CO ₂ emissions from factories and offices (kt-CO ₂)	4,128	3,895	4,577 ^{*2}	4,663 ^{*2}	4,470 ^{*2}
Water use (million m ³)	4,686	4,391	4,134 ^{*2}	3,854 ^{*2}	3,702 ^{*2}
Waste and valuables generation (kt)	692	618	1,336 ^{*2}	1,356 ^{*2}	1,384 ^{*2}
Atmospheric emissions of chemical substances (t)	4,415	3,615	4,380 ^{*2,3}	4,223 ^{*2,3}	4,392 ^{*2,3}

Scope of Data

Hitachi, Ltd. and consolidated subsidiaries.

Number of companies: FY2014: 996; FY2015: 1,057; FY2016: 865; FY2017: 880; FY2018: 804.

Environmental performance data associated with Hitachi's business operations: Hitachi Group companies for which the environmental load accounts for 90% of the total (based on Hitachi calculations); data for each fiscal year indicates performance within the given scope for the fiscal year.

*1 New indicator established in fiscal 2016.

*2 Figures include a materials company that has become a consolidated member of the Hitachi Group since fiscal 2016.

*3 The management scope of chemical substances has been expanded from 41 to 50 substances since fiscal 2016.

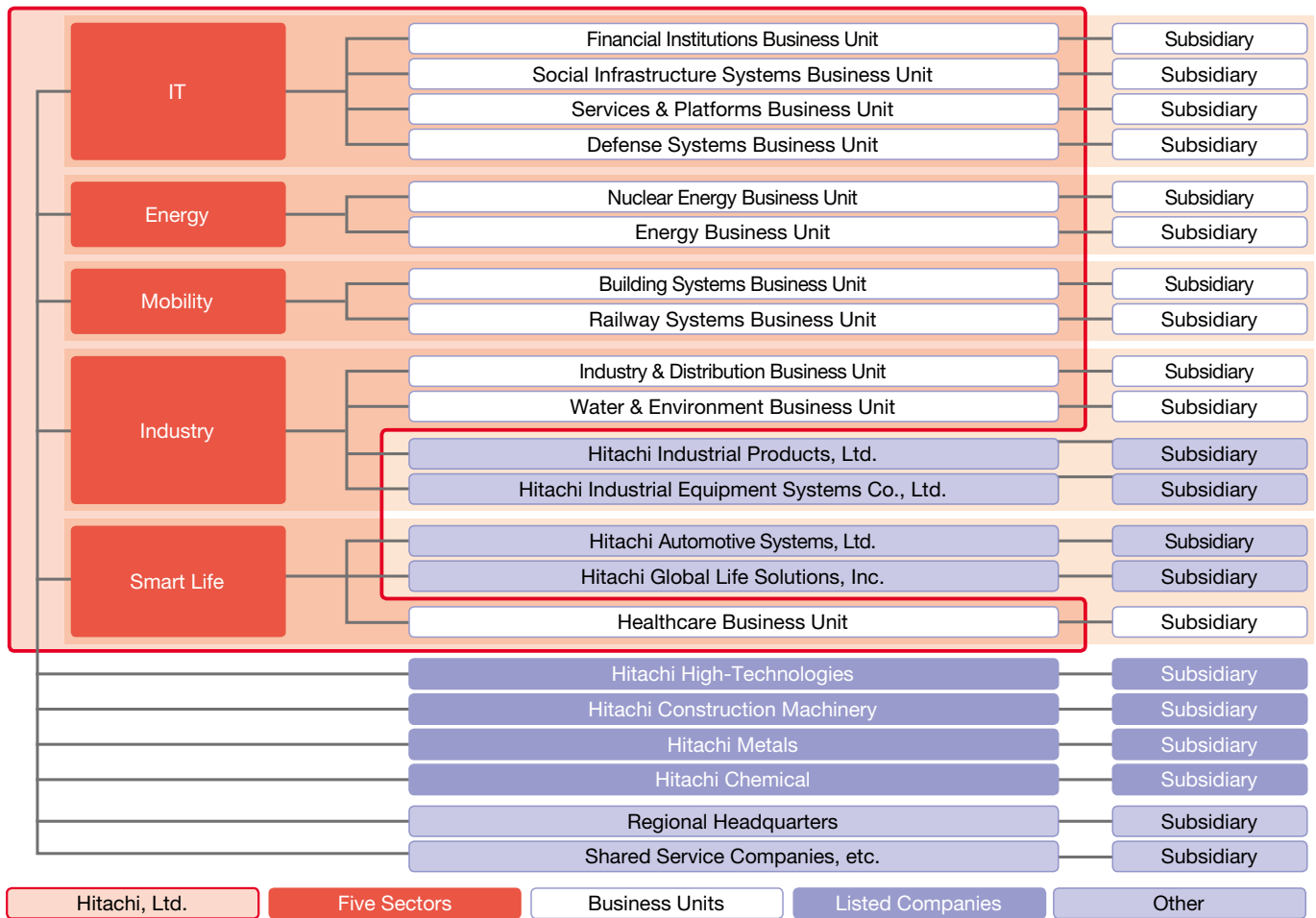
Independent Assurance of Environmental and Social Data

To enhance the reliability of the data disclosed in the Hitachi Sustainability Report 2018, we have received independent assurance of key environmental and social performance indicators by KPMG AZSA Sustainability Co., Ltd.

Please refer to the Third-Party Assurance Report of the Hitachi Sustainability Report 2019.

<https://www.hitachi.com/sustainability/download/index.html>

Hitachi Group Business Operation Framework



Keywords to Understand Hitachi Value Creation

Society 5.0

Society 5.0 expresses a new idea of society and related efforts to achieve this, as advocated by the Japanese government. The aim is to develop the economy while addressing societal issues by deploying AI, IoT, robots and other forms of advanced science and technology to make use of various data creating an affluent, human-centered society. The name refers to the evolution of a fifth form of society, continuing from the hunter-gatherer, agrarian, industrial, and information societies.

Social Innovation Business

Our Social Innovation Business accelerates collaborative creation with customers using the latest digital technologies in a wide range of fields, including social infrastructure. It also solves various issues faced by society and customers by taking advantage of the Hitachi Group's business bases; its total solutions, which combine the operational technology (OT), IT, products and systems it has cultivated over many years; digital solutions such as Lumada; and open innovation achieved through partnerships with operators worldwide.

Hitachi strengths: OT x IT x Products

Hitachi works to provide solutions that utilize digital technology to resolve issues facing customers and society by applying its operational technology (OT), which boasts a track record of more than 100 years; its information technology (IT), which has continued to develop for more

than 50 years; and its products, which it has developed and manufactured using its own technology since its founding.

Lumada Business

Lumada is Hitachi's advanced digital solutions, services, and technologies for turning customers' data into insights to drive digital innovation. It is derived from the words "illuminate" and "data." Customer cases refer to collaborative creation processes of the Lumada business, as well as those of which are models for the digital solutions that we have cultivated thus far. Lumada Solution Hub is a system that packages Lumada solutions and application development environments in forms that are easy to implement and provides them on cloud platforms.

NEXPERIENCE

This is a methodology for collaborative creation with customers advocated by Hitachi. It develops new businesses while visualizing various insight from multiple perspectives through workshops with customers. The approach comprises of "methods" for creating new businesses, "IT tools" that support the methods and "collaborative creation spaces for customers" that support discussions at workshops.

Corporate Data / Stock Information

As of March 31, 2019

Corporate Name

Hitachi, Ltd. (Kabushiki Kaisha
Hitachi Seisakusho)

URL

<https://www.hitachi.com/>

Principal Office

6-6, Marunouchi 1-chome,
Chiyoda-ku, Tokyo 100-8280, Japan

Founded

1910 (Incorporated in 1920)

Capital Stock

458,790 million yen

Number of Employees

295,941

Number of Shares Issued Common Stock (including treasury stock)

966,692,677 shares

Number of Shareholders

327,497

Administrator of Shareholders' Register

Tokyo Securities Transfer Agent Co., Ltd.
6th Floor, NMF Takebashi Building,
3-11, Kanda Nishiki-cho,
Chiyoda-ku, Tokyo 101-0054, Japan

Stock Exchange Listings

Tokyo, Nagoya

Accounting Auditor

Ernst & Young ShinNihon LLC

Investor Relations Contacts

JAPAN

Hitachi, Ltd.
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U.S.A.

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50 Prospect Avenue,
Tarrytown, NY 10591
TEL: +1-914-333-2994

U.K.

Hitachi Europe Ltd.
Whitebrook Park,
Lower Cookham Road,
Maidenhead, Berkshire SL6 8YA
TEL: +44-1628-585384

10 Largest Shareholders

Name	Number of Shares (shares)	Percentage of Total (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	71,017,400	7.35
Japan Trustee Services Bank, Ltd. (Trust Account)	61,402,500	6.36
Hitachi Employees' Shareholding Association	20,694,676	2.14
Japan Trustee Services Bank, Ltd. (Trust Account 9)	20,016,500	2.07
Nippon Life Insurance Company	18,652,999	1.93
Japan Trustee Services Bank, Ltd. (Trust Account 5)	17,676,200	1.83
STATE STREET BANK WEST CLIENT-TREATY 505234	16,620,287	1.72
STATE STREET BANK AND TRUST COMPANY 505001	15,466,269	1.60
JP MORGAN CHASE BANK 385151	15,016,920	1.56
STATE STREET BANK AND TRUST COMPANY 505223	14,728,535	1.53

Note: Treasury stock (1,086,667 shares) is not included in the calculation of "Shareholding Ratio."

Ratings

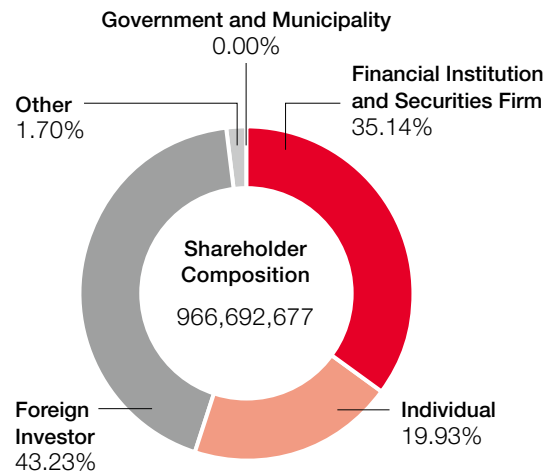
Rating Company	Long-term	Short-term
Standard & Poor's Ratings Japan (S&P)	A	A-1
Moody's Japan K.K. (Moody's)	A3	P-2
Rating and Investment Information, Inc. (R&I)	A+*	a-1*

* R&I changed its outlooks from A+ to AA- and a-1 to a-1+ in August 2019.

Shareholder Composition

Class of Shareholders	Number of Shareholders	Share Ownership (shares)
● Financial Institution and Securities Firm	338	339,660,799
● Individual	322,738	192,695,071
● Foreign Investor	1,423	417,931,258
● Other	2,993	16,390,237
● Government and Municipality	5	15,312
Total	327,497	966,692,677

* Treasury stock is included in "Other."



Publication of the Hitachi Integrated Report 2019

Please allow me the opportunity to share a few words as the supervisor overseeing the publication of Hitachi Integrated Report 2019.

Since fiscal 2016, Hitachi has been publishing an integrated report with the goal of creating deeper understanding concerning how the Hitachi Group will create value over the medium to long term.

In the 2019 edition, our fourth edition, we introduce the visions and goals outlined in our new 2021 Mid-term Management Plan, which was announced in May 2019, as well as initiatives that aim to raise corporate value by achieving the plan's goals. Our CEO has also included a signed message at the top of the report on behalf of our management team.

I hope that this integrated report will help stakeholders, including customers, shareholders and investors, to better understand the Hitachi Group and provide an opportunity for constructive discussion. Furthermore, we plan to enhance our disclosure and raise transparency moving forward, so please feel free to share any opinions you may have without reserve.

September 2019

Hidenobu Nakahata

Representative Executive Officer,
Senior Vice President and Executive Officer,
Head of Legal, Risk Management and Corporate Communications,
CHRO, General Manager of Human Capital Group, and Deputy
Manager of Safety Management Division

Website Information

Detailed information is available on the Company's website.

About Hitachi Group

<https://www.hitachi.co.jp/about/corporate/>
(Japanese)

<https://www.hitachi.com/corporate/about/>
(English)

Investor Relations

<https://www.hitachi.co.jp/IR/>
(Japanese)

<https://www.hitachi.com/IR-e/>
(English)

Sustainability

<https://www.hitachi.co.jp/sustainability/>
(Japanese)

<https://www.hitachi.com/sustainability/>
(English)