



Outline of Consolidated Financial Results for Fiscal 2018

April 26, 2019

Hitachi, Ltd.

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for Fiscal 2018**
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1. Outline of Consolidated Financial Results for Fiscal 2018

1-1. Highlights of FY2018 Financial Results

Revenues	9,480.6 billion yen	up 1% / up 112.0 billion yen YoY up 1% compared to previous forecast*4 <ul style="list-style-type: none"> ● Increased in Information & Telecommunication Systems, Social Infrastructure & Industrial Systems, Construction Machinery, and High Functional Materials & Components segments
Adjusted operating income*1	754.9 billion yen	up 6% / up 40.3 billion yen YoY up 1% compared to previous forecast*4 <ul style="list-style-type: none"> ● Posted record-high for FY2018*5 ● Increased in Information & Telecommunication Systems, Social Infrastructure & Industrial Systems, and Construction Machinery segments
EBIT*2	513.9 billion yen	down 20% / down 130.3 billion yen YoY up 3% compared to previous forecast*4 <ul style="list-style-type: none"> ● Decreased mainly due to impairment loss and other expenses attributed to the suspension of the UK nuclear power stations construction project
Net income attributable to Hitachi, Ltd. stockholders	222.5 billion yen	down 39% / down 140.4 billion yen YoY up 24% compared to previous forecast*4
ROA*3	3.3%	down 1.7 points from March 31, 2018
Cash Conversion Cycle	69.3 days	improved 0.4 days from March 31, 2018
Free cash flows	447.1 billion yen	up 194.3 billion yen YoY
The year-end dividend for FY2018	50 yen per share*6	

*1 "Adjusted Operating Income" is presented as revenues less cost of sales as well as selling, general and administrative expenses.

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

*3 ROA(Return on Asset) = [Net income] / [Total Asset (Average between the end of current fiscal year and the end of previous fiscal year)] x 100

*4 Announced on February 1, 2019

*5 Since FY1986 ended March 31, 1987 when Hitachi introduced the financial results on a consolidated basis which is covered the same scope of consolidated subsidiaries as the current.

*6 The year-end dividend for FY2018 will be decided at the Board of Directors in May 2019.

1-2. Consolidated Statement of Profit or Loss

Billions of yen

	FY2017	FY2018	Year over year	Previous forecast* ³ comparison
Revenues	9,368.6	9,480.6	+112.0 [101%]	+80.6 [101%]
<i>Adjusted operating income ratio</i>	7.6%	8.0%	+0.4%	±0.0%
Adjusted operating income	714.6	754.9	+40.3	+4.9
<i>EBIT ratio</i>	6.9%	5.4%	(1.5%)	+0.1%
EBIT	644.2	513.9	(130.3)	+13.9
Income from continuing operations, before income taxes	638.6	516.5	(122.1)	+26.5
Income taxes	(131.7)	(186.3)	(54.6)	+3.6
Income from continuing operations	506.9	330.1	(176.7)	+30.1
Loss from discontinued operations* ¹	(16.0)	(9.1)	+6.8	+0.8
Net income	490.9	321.0	(169.8)	+31.0
Net income attributable to Hitachi, Ltd. stockholders	362.9	222.5	(140.4)	+42.5
Earnings per share* ²	375.93 yen	230.47 yen	(145.46 yen)	+44.06 yen

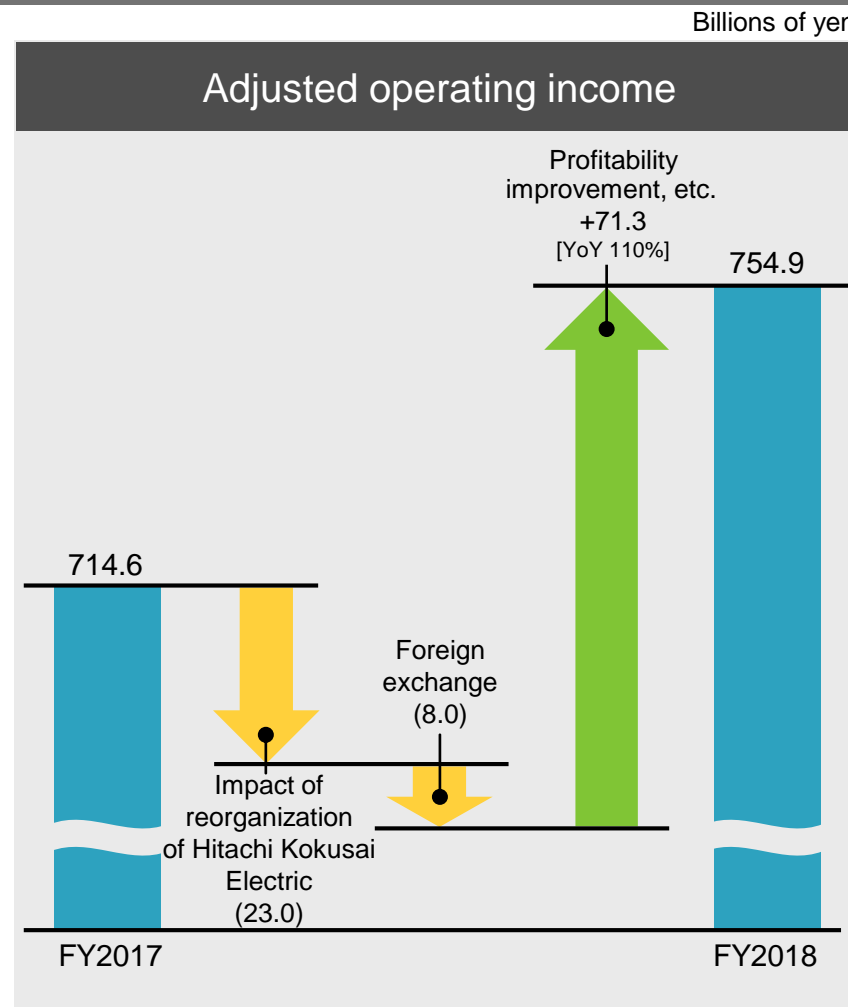
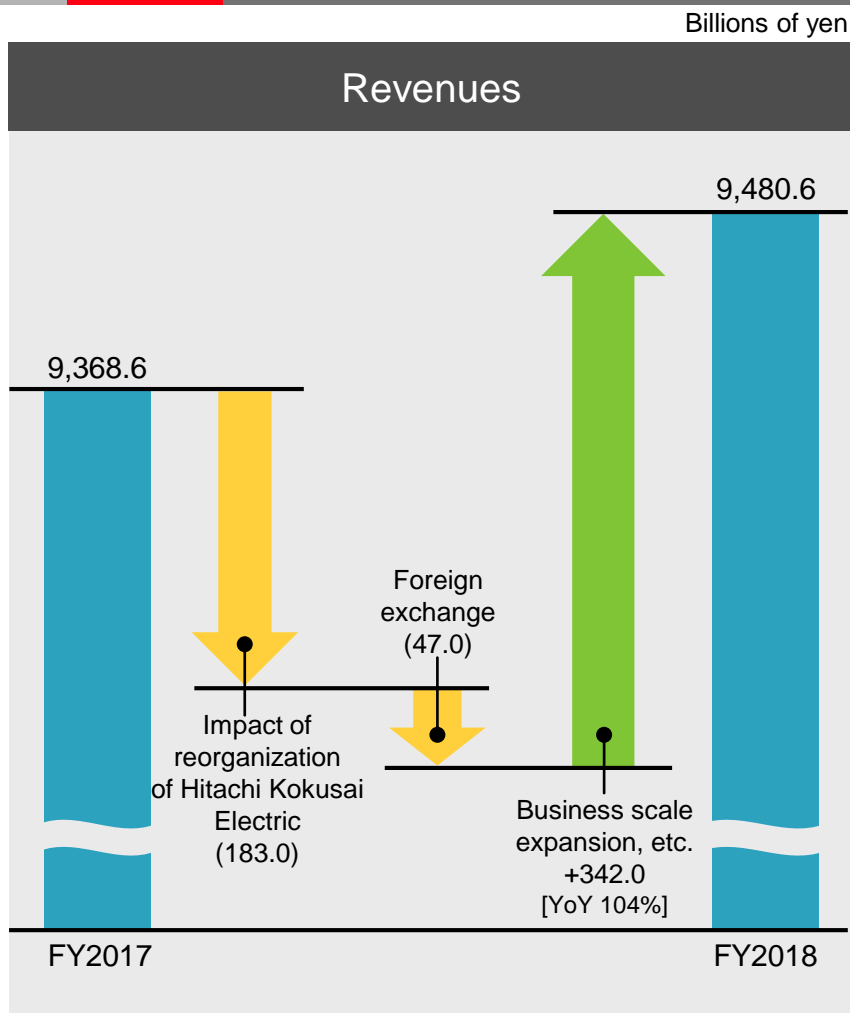
*1 A part of the thermal power generation systems business is classified as discontinued operations in accordance with the provision of IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations," which was not transferred to Mitsubishi Hitachi Power Systems, Ltd. as part of the business integration in the thermal power generation systems with Mitsubishi Heavy Industries, Ltd. The results of the discontinued operations are reported separately from continuing operations.

*2 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 this consolidation at the beginning of FY2017.

*3 Announced on February 1, 2019

1-3. FY2018: Factors Affecting Changes in Revenues and Adjusted Operating Income (Year over Year)



- Business scale expansion, etc.
 - Hitachi Construction Machinery, Information & Telecommunication Systems business, Railway systems business, Hitachi High-Technologies, and etc.

- Profitability improvement, etc.
 - Business scale expansion and cost reduction, etc.

1-4. FY2018 Revenues by Market

Billions of yen

	FY2017		FY2018		Year over year
		Ratio		Ratio	
Japan	4,643.0	50%	4,664.5	49%	100%
Outside Japan	4,725.5	50%	4,816.0	51%	102%
Asia	2,081.1	22%	2,019.5	21%	97%
China	1,041.0	11%	1,009.8	11%	97%
ASEAN, India, other areas	1,040.1	11%	1,009.7	10%	97%
North America	1,177.5	13%	1,205.6	13%	102%
Europe	964.4	10%	1,018.5	11%	106%
Other Areas	502.3	5%	572.3	6%	114%
Total	9,368.6	100%	9,480.6	100%	101%

1-5. Summary of Consolidated Financial Position and Summary of Consolidated Statements of Cash Flows

■ Summary of Consolidated Financial Position

Billions of yen

	As of March 31, 2018	As of March 31, 2019	Change from March 31, 2018
Total assets	10,106.6	9,626.5	(480.0)
Trade receivables and contract assets	2,501.4	2,399.9	(101.4)
Total liabilities	5,594.9	5,212.1	(382.7)
Interest-bearing debt	1,050.2	1,004.7	(45.5)
Total Hitachi, Ltd. stockholders' equity	3,278.0	3,262.6	(15.4)
Non-controlling interests	1,233.6	1,151.8	(81.8)
Cash Conversion Cycle	69.7 days	69.3 days	0.4 days decrease
Total Hitachi, Ltd. stockholders' equity ratio	32.4%	33.9%	1.5 points increase
D/E ratio (Including non-controlling interests)	0.23 times	0.23 times	±0.00 points
ROA	5.0%	3.3%	1.7 points decrease

■ Summary of Consolidated Statements of Cash Flows

Billions of yen

	FY2017	FY2018	Year over year
Cash flows from operating activities	727.1	610.0	(117.1)
Cash flows from investing activities	(474.3)	(162.8)	+311.4
Free cash flows	252.8	447.1	+194.3

1-6. Revenues, Adjusted Operating Income and EBIT by Business Segment (1)

Billions of yen

		FY2017*1		FY2018*1		Year over year		Previous forecast*2 comparison		Dynamics (Year over year)
Information & Telecommunication Systems	Revenues		2,008.9		2,065.9		103%		103%	(+) Expansion of system integration business (-) Stock transfer of ALAXALA Networks
	Adjusted operating income	9.4%	189.2	10.9%	225.2	+1.5%	+36.0	+0.5%	+18.2	(+) Profitability improvement in systems integration business (+) Profitability improvement in IT Platform & Products
	EBIT	6.9%	139.2	10.2%	210.9	+3.3%	+71.6	+0.4%	+14.9	(+) Increase in adjusted operating income (+) Gains by selling the land of Totsuka Works (former telecommunication network products base)
Social Infrastructure & Industrial Systems	Revenues		2,375.0		2,539.8		107%		104%	(+) Posting of revenues of overseas EPC*3 project in industry & distribution field (+) Increase in revenues of railway systems business for Europe (+) Increase in revenues of industrial products business due to the acquisition of Sullair
	Adjusted operating income	4.9%	115.5	6.0%	151.3	+1.1%	+35.7	(1.1%)	(23.6)	(+) Increase in revenues of railway systems business (+) Increase in revenues and profitability improvement in industrial products business (-) Cost of risk for overseas EPC project in industry & distribution field
	EBIT	4.3%	101.2	(6.0%)	(151.9)	(10.3%)	(253.2)	(0.9%)	(26.9)	(+) Gains by selling a part of Agility Trains West stocks (-) Impairment loss and other expenses due to the suspension of UK nuclear power stations construction project

*1 Italic figures indicate adjusted operating income ratio or EBIT ratio.

*2 Announced on February 1, 2019 *3 EPC: Engineering, Procurement and Construction

1-7. Revenues, Adjusted Operating Income and EBIT by Business Segment (2)

Billions of yen

		FY2017*1		FY2018*1		Year over year		Previous forecast*2 comparison		Dynamics (Year over year)
Electronic Systems & Equipment	Revenues		1,086.5		951.2		88%		97%	(+) Sales increase of clinical analyzers and semiconductor processing equipment at Hitachi High-Technologies (+) Sales increase of radiation therapy systems in healthcare business (-) Deconsolidation of Hitachi Kokusai Electric
	Adjusted operating income	8.0%	86.9	7.9%	75.6	(0.1%)	(11.3)	+0.6%	+3.6	(+) Increase in revenues at Hitachi High-Technologies and in healthcare business (-) Deconsolidation of Hitachi Kokusai Electric
	EBIT	8.2%	88.8	7.4%	70.8	(0.8%)	(18.0)	+0.4%	+1.8	(+) Increase in adjusted operating income (-) Deconsolidation of Hitachi Kokusai Electric
Construction Machinery	Revenues		959.1		1,033.7		108%		102%	(+) Sales increase mainly in North America and Asia-Pacific
	Adjusted operating income	9.6%	92.5	11.2%	115.7	+1.6%	+23.2	+0.8%	+10.7	(+) Increase in revenues
	EBIT	10.1%	97.0	10.1%	104.5	±0.0%	+7.4	+0.1%	+3.5	(+) Increase in adjusted operating income (-) Posting of structural reform expenses, etc.

*1 Italic figures indicate adjusted operating income ratio or EBIT ratio.

*2 Announced on February 1, 2019

1-8. Revenues, Adjusted Operating Income and EBIT by Business Segment (3)

Billions of yen

		FY2017*1		FY2018*1		Year over year		Previous forecast*2 comparison		Dynamics (Year over year)
High Functional Materials & Components	Revenues		1,657.5		1,704.4		103%		100%	(+) Impact of M&As; - Thai Storage Battery by Hitachi Chemical - Santoku, rare earths metal manufacturer, by Hitachi Metals (+) Increase of sales price linked to higher raw material prices at Hitachi Metals (-) Sales decrease of products for smart phone at Hitachi Chemical
	Adjusted operating income	7.4%	121.8	5.9%	99.9	(1.5%)	(21.8)	(0.4%)	(8.0)	(-) Decrease in demand of materials for FA*3, semiconductors and electronics products at Hitachi Metals (-) Change of product mix and increase in raw material prices at Hitachi Chemical
	EBIT	6.0%	98.6	5.1%	86.4	(0.9%)	(12.2)	(0.5%)	(8.5)	(-) Decrease in adjusted operating income (+) Gains on business reorganization at Hitachi Metals
Automotive Systems	Revenues		1,001.0		971.0		97%		101%	(-) Sales decrease in China and North America (-) Sales decrease of car information systems
	Adjusted operating income	5.0%	49.5	3.9%	38.0	(1.1%)	(11.5)	(0.1%)	0.0	(-) Decrease in revenues (-) Profitability deterioration in North America
	EBIT	4.2%	42.4	8.8%	85.3	+4.6%	+42.9	(0.6%)	(4.6)	(+) Gains by selling of car information systems business, etc. (-) Decrease in adjusted operating income (-) Posting of structural reform expenses

*1 Italic figures indicate adjusted operating income ratio or EBIT ratio.

*2 Announced on February 1, 2019

*3 Factory Automation

1-9. Revenues, Adjusted Operating Income and EBIT by Business Segment (4)

Billions of yen

		FY2017*1		FY2018*1		Year over year		Previous forecast*2 comparison		Dynamics (Year over year)
Smart Life & Ecofriendly Systems	Revenues		540.1		485.0		90%		97%	(-) Change of accounting to net basis revenue for a part of procured products in Japan (-) Decrease in sales overseas, mainly in the Middle East market (-) Price down of home appliances in Japan
	Adjusted operating income	4.6%	25.1	4.6%	22.4	±0.0%	(2.6)	+0.2%	+0.4	(-) Increase in raw material prices (-) Impact of foreign exchange (-) Price down of home appliances in Japan
	EBIT	6.2%	33.3	6.1%	29.5	(0.1%)	(3.7)	(0.3%)	(2.4)	(-) Decrease in adjusted operating income
Others	Revenues		557.7		534.4		96%		101%	
	Adjusted operating income	3.8%	21.4	5.0%	26.8	+1.2%	+5.4	+0.7%	+3.8	
	EBIT	3.9%	21.8	4.8%	25.6	+0.9%	+3.8	+0.6%	+3.6	
Corporate items & Eliminations	Revenues		(817.5)		(805.0)		-		-	
	Adjusted operating income		12.3		(0.3)		(12.7)		(0.3)	
	EBIT		21.4		52.5		+31.1		+32.5	(+) Gains by selling Hitachi Kokusai Electric stock
Total	Revenues		9,368.6		9,480.6		101%		101%	
	Adjusted operating income	7.6%	714.6	8.0%	754.9	+0.4%	+40.3	±0.0%	+4.9	
	EBIT	6.9%	644.2	5.4%	513.9	(1.5%)	(130.3)	+0.1%	+13.9	

*1 Italic figures indicate adjusted operating income ratio or EBIT ratio.

*2 Announced on February 1, 2019

■ Progress of Lumada Business

Billions of yen

	FY2017	FY2018			FY2019	
			Year over year	Previous forecast* comparison		Year over year
Revenues of Lumada business	1,006.0	1,127.0	112%	104%	1,170.0	104%
1) Lumada core business	230.0	335.0	146%	105%	370.0	110%
2) Lumada SI business	776.0	792.0	102%	104%	800.0	101%

1) Lumada core business: Service business that converts customers data into valuable insight through AI and analytics, and improves management indicators or offers problem solutions

2) Lumada SI business : SI business which is deployed within the IoT area (industry / manufacturing and social infrastructure area) that is led by the Lumada core business

Expansion of Lumada solutions and services

- Launch of "Lumada Solution Hub" to advance and facilitate introduction of Lumada Solutions
- Launch of "Hitachi Digital Solution for Logistics / Optimization Service for Logistics" to create highly effective delivery plans utilizing AI and IoT

Expansion of global co-creation business utilizing Lumada

- Co-creation with Sekisui House, Ltd. and KDDI CORPORATION for new service creation through Information-Sharing Platform
Started the pilot project to streamline contractual procedures of real estate rental and lifeline for improving user convenience
- Developed and delivered a common system that computerizes and automates multiple operations of Mitsubishi UFJ Morgan Stanley Securities' retail division

- **Acquire JR Automation Technologies, LLC, a Robotic System Integrator in the US** (Scheduled to be completed by the end of 2019)
 - Enter the high-growth robotic system integration business in North America
 - Accelerate the global development of digital solution business, which connects the workplace and management, by acquiring a customer base, technology, and know-how in the Operational Technology(OT) domain
- **Construct a Digital Platform that Realize the Efficient Maintenance of Social Infrastructure**
 - Developed a water leakage detection system that identifies leakage from water pipes with high precision early, to be launched by FY2020
- **Provision of Transmission and Distribution Systems Using the High Voltage Direct Current (HVDC) Technology of ABB**
 - Received order for frequency converters of Chubu Electric Power Co., Inc. contributing to the stable supply of energy in Japan
- **Establishment of a New Corporate Venture Capital Unit** (Scheduled on June 1, 2019)
 - Accelerate and support Innovation by investing startups through the Corporate Venture Capital fund
- **Completion of Public Tender Offer for shares of Yungtay Engineering Co., Ltd., an elevator and escalator Company Based in Taiwan**
 - Increase Ownership from 11.7% to 39.7% (Scheduled to acquire shares on May 2, 2019)
- **Progress of Structural Reforms in Automotive Systems Business**
 - Completed transfer of shares in Clarion to Faurecia S.A. on March 7, 2019
 - Transferred the shares of Hitachi Automotive Systems Measurement, Hitachi Vehicle Energy and commercial vehicle steering business by March 2019

2. Outlook for Fiscal 2019

■ Target and Direction of Management

- Realize sustainable society through Social Innovation Business
Improve customer's Social Value, Environmental Value and Economic Value*
- To improve three values simultaneously,
focus on 5 sectors (Mobility, Smart Life, Industry, Energy and IT)
- Accelerate Social Innovation Business in each 5 sectors by intensive investment in Lumada
- Transfer to management structure, which executive vice presidents set strategic goals
and Business Unit CEOs execute the strategy in order to accelerate management speed
- Toward strengthening management base, promote digital transformation utilizing Lumada

■ Policy of outlook for FY2019

- Aim for record-high performance beyond FY2018,
utilizing foundation of profit structure built up by continuous structural reforms
along with aggressive investments for growth
 - Review of disclosure segments (Focusing on 5 sectors)
 - Disclosure of management indicator (ROIC) by stronger awareness of capital cost

* Social Value: Solving various social issues indicated by SDGs, etc., Environmental Value: Reducing greenhouse gas and promoting resource circulation,
Economic Value: Sources of sustainable growth for companies and society

2-2. Outlook for FY2019

- Projections for FY2019 assume an exchange rate of 110 yen to the U.S. dollar and 125 yen to the euro. Billions of yen

	FY2018	FY2019	
		Forecast	Year over year
Revenues	9,480.6	9,000.0	(480.6) [95%]
<i>Adjusted operating income ratio</i>	8.0%	8.5%	+0.5%
Adjusted operating income	754.9	765.0	+10.0
<i>EBIT ratio</i>	5.4%	8.3%	+2.9%
EBIT	513.9	750.0	+236.0
Income from continuing operations, before income taxes	516.5	740.0	+223.4
Income taxes	(186.3)	(195.0)	(8.6)
Income from continuing operations	330.1	545.0	+214.8
Loss from discontinued operations	(9.1)	(2.0)	+7.1
Net income	321.0	543.0	+221.9
Net income attributable to Hitachi, Ltd. stockholders	222.5	435.0	+212.4
Earnings per share* ¹	230.47 yen	450.49 yen	+220.02 yen
ROIC* ²	8.5%	10.3%	+1.8%

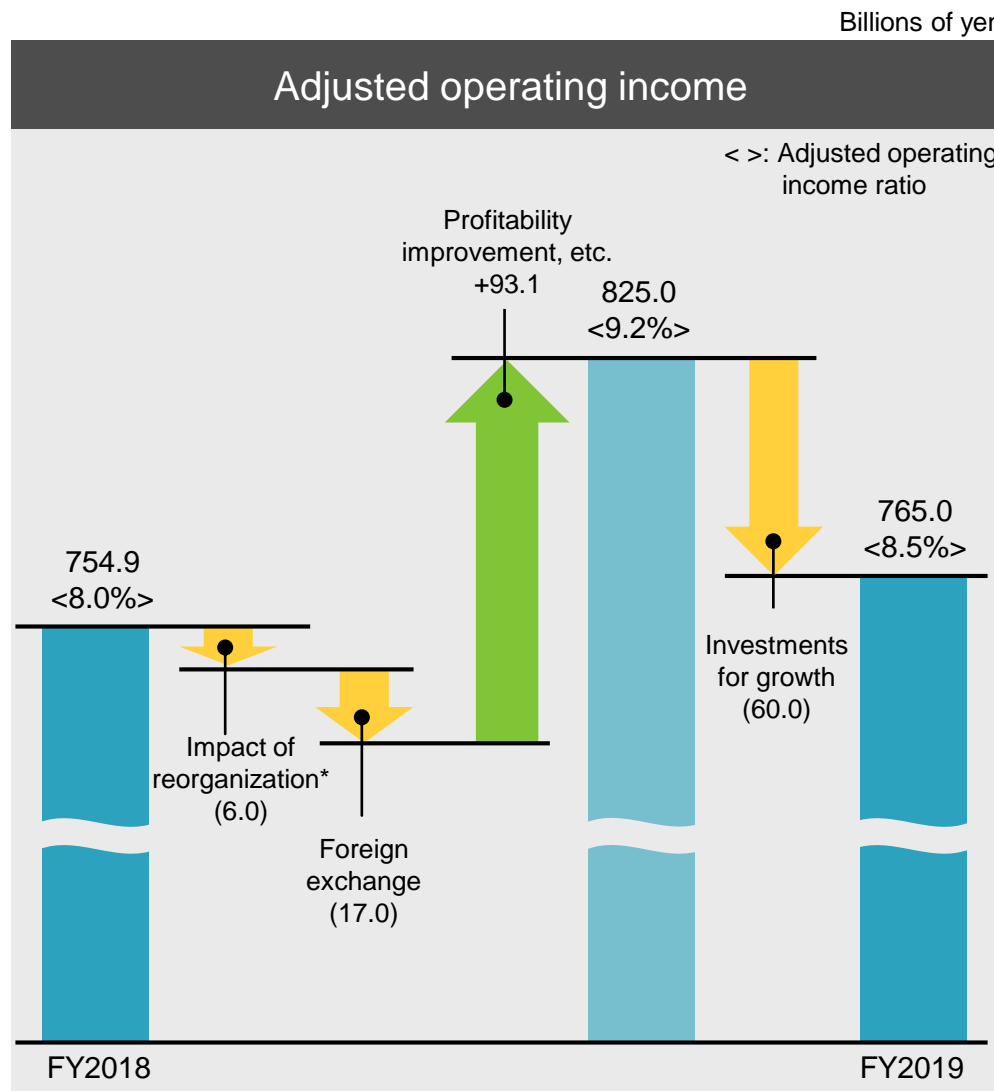
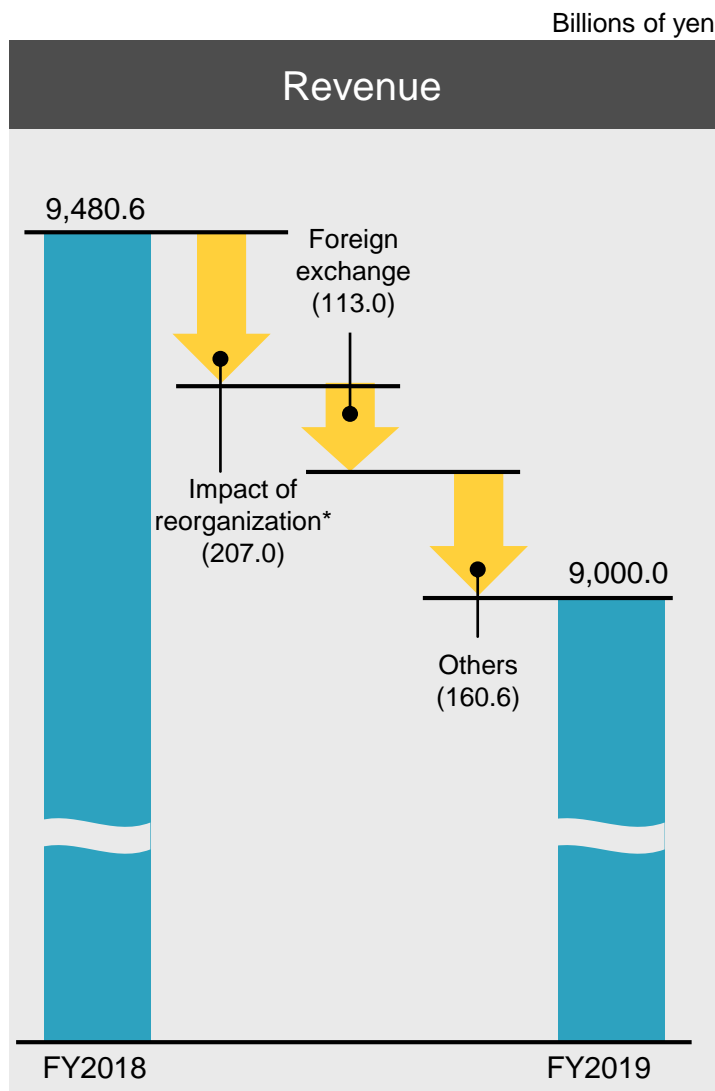
*¹ On October 1, 2018, Hitachi completed the share consolidation of every five shares into one share for its common stock.

Earnings per share are calculated on the assumption that the company conducted consolidation at the beginning of FY2018.

*² ROIC(Return on Invested Capital)=(NOPAT + Share of profits(losses) of investments accounted for using the equity method) / "Invested Capital" x 100

Invested Capital = Debt + Total equity, NOPAT(Net Operating Profit after Tax) = Adjusted Operating Income x (1 – Tax burden rate)

2-3. FY2019: Factors Affecting Changes in Revenues and Adjusted Operating Income (Year over Year)



■ New Business Segment from FY2019

IT	Financial Institutions Business Unit(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	

■ 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

*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 thorough a merger of Hitachi Appliances, Inc.

and Hitachi Consumer Marketing, Inc. *5 Automotive Systems Business includes Hitachi Automotive Systems, Ltd.

2-5. Outlook for FY2019: Revenues, Adjusted Operating Income and EBIT by Business Segment (1)*1

Billions of yen

		FY2018*2		FY2019				Dynamics
				Forecast*2		Year over year		
Total	Revenues		9,480.6		9,000.0		95%	<ul style="list-style-type: none"> Increase in adjusted operating income due to further profitability improvement while the additional investment of 60.0 billion yen(YoY) mainly for Lumada business
	Adjusted operating income	8.0%	754.9	8.5%	765.0	+0.5%	+10.0	
	EBIT	5.4%	513.9	8.3%	750.0	+2.9%	+236.0	
IT	Revenues		2,121.6		2,060.0		97%	<ul style="list-style-type: none"> Maintain high profitability despite decrease in adjusted operating income temporarily due to strategic investment for expansion of digital solution business
	Adjusted operating income	10.8%	230.1	10.7%	220.0	(0.1%)	(10.1)	
	EBIT	10.0%	212.6	10.2%	210.0	+0.2%	(2.6)	
Energy	Revenues		453.9		370.0		81%	<ul style="list-style-type: none"> Decrease in revenues and adjusted operating income due to business transfer and decrease large-scale projects
	Adjusted operating income	7.5%	34.0	6.2%	23.0	(1.3%)	(11.0)	
	EBIT	(65.6%)	(298.0)	7.3%	27.0	+72.9%	+325.0	
Industry	Revenues		895.4		800.0		89%	<ul style="list-style-type: none"> Profitability improvement due to the effect of withdrawal from low-profit business in Industry & Distribution BU Continuous focus on profit improvement and investments for growth
	Adjusted operating income	2.3%	20.6	7.0%	56.0	+4.7%	+35.3	
	EBIT	2.1%	19.1	5.9%	47.0	+3.8%	+27.8	
Mobility	Revenues		1,214.1		1,130.0		93%	<ul style="list-style-type: none"> Decrease in revenues due to the impact of foreign exchange fluctuation and the completion of large-scale projects in the UK of Railway Systems BU Profitability improvement due to cost reduction, etc. Decrease in EBIT due to the decline of gains by selling a part of Agility Trains West stocks
	Adjusted operating income	7.6%	92.6	8.2%	93.0	+0.6%	+0.3	
	EBIT	10.5%	127.4	9.7%	110.0	(0.8%)	(17.4)	
Smart Life	Revenues		1,649.3		1,550.0		94%	<ul style="list-style-type: none"> Increase in adjusted operating income mainly due to profitability improvement Decrease in revenues and EBIT due to the effect of structural reform in Automotive systems business
	Adjusted operating income	3.9%	64.9	5.7%	88.0	+1.8%	+23.0	
	EBIT	7.1%	116.9	5.8%	90.0	(1.3%)	(26.9)	

*1 Figures are shown by the new segment classifications, and figures for FY2018 using the new segment classifications are also shown for reference.

With regards to new business segments, please refer to page 19.

*2 Italic figures indicate adjusted operating income ratio or EBIT ratio.

2-6. Outlook for FY2019:
Revenues, Adjusted Operating Income and EBIT by Business Segment (2)*1

Billions of yen

		FY2018*2		FY2019			Dynamics	
				Forecast*2	Year over year			
Hitachi High-Technologies	Revenues		731.1		710.0		97%	<ul style="list-style-type: none"> • Decrease in revenues due to the decline of automotive products and materials • Decrease in adjusted operating income due to R&D expenditure for growth areas, such as biotechnology and medical, and next generation device
	Adjusted operating income	<i>9.1%</i>	66.7	<i>7.9%</i>	56.0	<i>(1.2%)</i>	(10.7)	
	EBIT	<i>8.8%</i>	64.2	<i>7.9%</i>	56.0	<i>(0.9%)</i>	(8.2)	
Hitachi Construction Machinery	Revenues		1,033.7		1,000.0		97%	<ul style="list-style-type: none"> • Decrease in revenues due to the impact of foreign exchange fluctuation while the increase in mining business by steady demand • Increase in adjusted operating income due to the effect of business transformation
	Adjusted operating income	<i>11.2%</i>	115.7	<i>12.2%</i>	122.0	<i>+1.0%</i>	+6.2	
	EBIT	<i>10.1%</i>	104.5	<i>11.9%</i>	119.0	<i>+1.8%</i>	+14.4	
Hitachi Metals	Revenues		1,023.4		1,000.0		98%	<ul style="list-style-type: none"> • Decrease in revenues due to the business transfer of aluminum wheels business • Increase in adjusted operating income due to profitability improvement
	Adjusted operating income	<i>5.0%</i>	51.4	<i>5.4%</i>	54.0	<i>+0.4%</i>	+2.5	
	EBIT	<i>4.4%</i>	45.3	<i>4.0%</i>	40.0	<i>(0.4%)</i>	(5.3)	
Hitachi Chemical	Revenues		681.0		690.0		101%	<ul style="list-style-type: none"> • Increase in revenues and adjusted operating income due to business expansion and profitability improvement despite the impact of foreign exchange fluctuation
	Adjusted operating income	<i>7.1%</i>	48.5	<i>7.2%</i>	50.0	<i>+0.1%</i>	+1.4	
	EBIT	<i>6.0%</i>	41.1	<i>6.7%</i>	46.0	<i>+0.7%</i>	+4.8	
Others	Revenues		561.3		500.0		89%	
	Adjusted operating income	<i>5.6%</i>	31.3	<i>3.2%</i>	16.0	<i>(2.4%)</i>	(15.3)	
	EBIT	<i>5.4%</i>	30.2	<i>3.2%</i>	16.0	<i>(2.2%)</i>	(14.2)	
Corporate items & Eliminations	Revenues		(884.5)		(810.0)		-	
	Adjusted operating income		(1.2)		(13.0)		(11.7)	
	EBIT		50.3		(11.0)		(61.3)	

*1 Figures are shown by the new segment classifications, and figures for FY2018 using the new segment classifications are also shown for reference.

With regards to new business segments, please refer to page 19.

*2 Italic figures indicate adjusted operating income ratio or EBIT ratio.

3. Supplemental Information

FY2018: Consolidated Revenues by Market and Business Segment (1)

Billions of yen

	Information & Telecommunication Systems			Social Infrastructure & Industrial Systems		
	FY2017	FY2018		FY2017	FY2018	
			Year over year			Year over year
Japan	1,398.5	1,472.1	105%	1,358.7	1,364.7	100%
Outside Japan	610.4	593.7	97%	1,016.2	1,175.0	116%
China	70.7	56.6	80%	380.2	395.9	104%
ASEAN, India, other areas	107.3	119.9	112%	118.7	118.7	100%
North America	233.5	204.8	88%	87.2	114.5	131%
Europe	157.5	167.5	106%	354.1	394.1	111%
Other Areas	41.1	44.7	109%	75.8	151.7	200%
Total	2,008.9	2,065.9	103%	2,375.0	2,539.8	107%

FY2018: Consolidated Revenues by Market and Business Segment (2)

Billions of yen

	Electronic Systems & Equipment			Construction Machinery		
	FY2017	FY2018		FY2017	FY2018	
			Year over year			Year over year
Japan	446.0	391.3	88%	193.2	206.0	107%
Outside Japan	640.4	559.8	87%	765.9	827.6	108%
China	126.1	114.4	91%	121.6	119.9	99%
ASEAN, India, other areas	253.7	190.9	75%	140.4	156.4	111%
North America	93.9	91.2	97%	136.3	168.6	124%
Europe	130.0	127.7	98%	131.5	146.0	111%
Other Areas	36.4	35.4	97%	235.9	236.5	100%
Total	1,086.5	951.2	88%	959.1	1,033.7	108%

FY2018: Consolidated Revenues by Market and Business Segment (3)

Billions of yen

	High Functional Materials & Components			Automotive Systems		
	FY2017	FY2018		FY2017	FY2018	
			Year over year			Year over year
Japan	679.7	700.6	103%	422.5	428.2	101%
Outside Japan	977.8	1,003.8	103%	578.4	542.7	94%
China	185.2	184.4	100%	130.8	110.8	85%
ASEAN, India, other areas	301.5	309.8	103%	51.3	59.2	115%
North America	339.1	359.7	106%	275.1	257.4	94%
Europe	122.3	120.8	99%	59.4	60.1	101%
Other Areas	29.4	28.9	98%	61.5	55.1	90%
Total	1,657.5	1,704.4	103%	1,001.0	971.0	97%

FY2018: Consolidated Revenues by Market and Business Segment (4)

Billions of yen

	Smart Life & Ecofriendly Systems			Consolidated Revenues				
	FY2017	FY2018		FY2017	FY2018		FY2019	
		Year over year			Year over year	Forecast	Year over year	
Japan	438.3	389.9	89%	4,643.0	4,664.5	100%	4,360.0	93%
Outside Japan	101.7	95.1	94%	4,725.5	4,816.0	102%	4,640.0	96%
China	17.0	16.7	98%	1,041.0	1,009.8	97%	/	/
ASEAN, India, other areas	59.7	56.9	95%	1,040.1	1,009.7	97%		
North America	1.5	1.4	92%	1,177.5	1,205.6	102%		
Europe	3.2	3.3	102%	964.4	1,018.5	106%		
Other Areas	20.0	16.7	83%	502.3	572.3	114%		
Total	540.1	485.0	90%	9,368.6	9,480.6	101%	9,000.0	95%

FY2018: Consolidated Capital Expenditure by Business Segment (Completion basis)

Billions of yen

	FY2017	FY2018		FY2019	
			Year over year	Forecast	Year over year
Information & Telecommunication Systems	35.5	34.2	96%		
Social Infrastructure & Industrial Systems	79.9	73.4	92%		
Electronic Systems & Equipment	19.4	21.5	110%		
Construction Machinery	18.5	30.3	164%		
High Functional Materials & Components	131.3	143.3	109%		
Automotive Systems	66.1	73.5	111%		
Smart Life & Ecofriendly Systems	8.5	12.1	143%		
Others	13.1	24.7	189%		
Corporate items	2.3	1.3	60%		
Total	374.9	414.7	111%	400.0	96%

FY2018: Consolidated Depreciation by Business Segment

Billions of yen

	FY2017	FY2018		FY2019	
			Year over year	Forecast	Year over year
Information & Telecommunication Systems	44.7	45.6	102%		
Social Infrastructure & Industrial Systems	30.0	30.0	100%		
Electronic Systems & Equipment	14.7	12.4	84%		
Construction Machinery	32.2	32.3	100%		
High Functional Materials & Components	72.7	79.0	109%		
Automotive Systems	43.6	44.8	103%		
Smart Life & Ecofriendly Systems	8.7	9.2	105%		
Others	14.5	14.5	99%		
Corporate items	3.8	3.6	95%		
Total	265.4	271.6	102%	310.0	114%

FY2018: Consolidated R&D Expenditure by Business Segment

Billions of yen

	FY2017	FY2018		FY2019	
			Year over year	Forecast	Year over year
Information & Telecommunication Systems	48.0	46.9	98%		
Social Infrastructure & Industrial Systems	56.1	55.7	99%		
Electronic Systems & Equipment	52.1	46.1	89%		
Construction Machinery	24.0	24.7	103%		
High Functional Materials & Components	48.5	51.1	105%		
Automotive Systems	69.2	64.1	93%		
Smart Life & Ecofriendly Systems	7.2	7.9	110%		
Others	4.4	3.7	83%		
Corporate items	22.9	22.5	98%		
Total	332.9	323.1	97%	335.0	104%
Percentage of revenues (%)	3.6	3.4	-	3.7	-

■ Revenues, Adjusted operating income and EBIT*1

Billions of yen

	FY2017*4	FY2018*4		
			Year over year	Previous forecast*5 comparison
Revenues	2,008.9	2,065.9	103%	103%
Front Business*2	1,417.2	1,475.7	104%	101%
IT Platform & Products*3	744.2	742.2	100%	104%
Adjusted Operating Income	<i>9.4%</i> 189.2	<i>10.9%</i> 225.2	<i>+1.5%</i> +36.0	<i>+0.5%</i> +18.2
Front Business	<i>10.1%</i> 142.9	<i>11.1%</i> 163.7	<i>+1.0%</i> +20.8	<i>+0.1%</i> +3.7
IT Platform & Products	<i>6.5%</i> 48.4	<i>8.9%</i> 66.0	<i>+2.4%</i> +17.6	<i>+0.2%</i> +4.0
EBIT	<i>6.9%</i> 139.2	<i>10.2%</i> 210.9	<i>+3.3%</i> +71.6	<i>+0.4%</i> +14.9
Front Business	<i>8.3%</i> 116.9	<i>9.7%</i> 143.7	<i>+1.4%</i> +26.7	<i>(0.6%)</i> (6.2)
IT Platform & Products	<i>3.3%</i> 24.8	<i>10.3%</i> 76.1	<i>+7.0%</i> +51.2	<i>+0.9%</i> +9.1

*1 Figures for each subsegment include intersegment transactions.

*2 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.

*3 Sales, maintenance and services of server, storage, telecommunication & network equipment and related software, etc.

*4 Italic figures indicate adjusted operating income ratio or EBIT ratio.

*5 Announced on February 1, 2019

■ Revenues by BUs included in Social Infrastructure & Industrial Systems*1

Billions of yen

	FY2017	FY2018		
			Year over year	Previous forecast*6 comparison
Social Infrastructure & Industrial Systems	2,375.0	2,539.8	107%	104%
Nuclear Energy BU	187.5	171.6	92%	106%
Power BU*2 (New classification)	<273.1>	271.5	99%	99%
Power BU*2 (Old classification)	249.1	-	-	-
Energy Solutions BU*2, 3	71.8	-	-	-
Industry & Distribution BU*4	358.1	449.7	126%	126%
Water BU	78.7	74.0	94%	97%
Industrial Products BU*5	369.3	402.2	109%	102%
Building Systems BU	603.0	621.6	103%	104%
Railway Systems BU	562.7	616.5	110%	99%

*1 Figures for each BU include intersegment transactions.

*2 As Energy Solutions BU was abolished, and included in Power BU and Information & Telecommunication Systems segment from FY2018, figures for Power BU reflected the change. Figures for old classification of Power BU are also shown for reference.

*3 Figures for Energy Solutions BU include IT systems business for the power systems and energy fields, which is posted in the Information & Telecommunication Systems segment.

*4 Figures for Industry & Distribution BU include IT systems business for the industry & distribution fields, which is posted in the Information & Telecommunication Systems segment.

*5 Figures are the simple sum of Industrial Products BU and Hitachi Industrial Equipment System Co., Ltd.

*6 Announced on February 1, 2019

■ Revenues, Adjusted Operating Income and EBIT*1,2

Billions of yen

	FY2018*5	FY2019	
		Forecast*5	Year over year
Revenues	2,121.6	2,060.0	97%
Front Business*3	1,393.0	1,356.0	97%
Services & Platforms*4	817.6	818.0	100%
Adjusted operating income	<i>10.8%</i> 230.1	<i>10.7%</i> 220.0	<i>(0.1%)</i> (10.1)
Front Business	<i>11.2%</i> 155.3	<i>10.5%</i> 143.0	<i>(0.7%)</i> (12.3)
Services & Platforms	<i>9.3%</i> 76.2	<i>7.8%</i> 64.0	<i>(1.5%)</i> (12.2)
EBIT	<i>10.0%</i> 212.6	<i>10.2%</i> 210.0	<i>+0.2%</i> (2.6)
Front Business	<i>9.4%</i> 131.4	<i>10.4%</i> 141.0	<i>+1.0%</i> +9.5
Services & Platforms	<i>10.7%</i> 87.2	<i>6.6%</i> 54.0	<i>(4.1%)</i> (33.2)

- *1 Figures are shown by the new segment classifications, and figures for FY2018 using the new segment classifications are also shown for reference. Control systems business and Defense Systems BU, which were previously included in Social Infrastructure & Industrial Systems segment, are posted in IT segment. System integration business for industry and distribution filed, which was previously included in Information & Telecommunication Systems segment, is posted in Industry segment. With regards to new business segments, please refer to page 19.
- *2 Figures for each subsegment include intersegment transactions.
- *3 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.
- *4 Sales, maintenance and services of control systems, server, storage, related software, etc.
- *5 Italic figures indicate adjusted operating income ratio or EBIT ratio.

Revenues, Adjusted Operating Income and EBIT^{*1,2}

Billions of yen

	FY2018 ^{*4}	FY2019	
		Forecast ^{*4}	Year over year
Revenues	453.9	370.0	81%
Nuclear Energy BU ^{*3}	171.6	153.0	89%
Energy BU ^{*3}	304.2	246.9	81%
Adjusted operating income	<i>7.5%</i> 34.0	<i>6.2%</i> 23.0	<i>(1.3%)</i> (11.0)
EBIT	<i>(65.6%)</i> (298.0)	<i>7.3%</i> 27.0	<i>+72.9%</i> +325.0

*1 Figures are shown by the new segment classifications, and figures for FY2018 using the new segment classifications are also shown for reference.
With regards to new business segments, please refer to page 19.

*2 Figures for each subsegment include intersegment transactions.

*3 Figures for each BU include control systems business, which is posted in IT segment.

*4 Italic figures indicate adjusted operating income ratio or EBIT ratio.

■ Revenues, Adjusted Operating Income and EBIT*1,2

Billions of yen

	FY2018*4	FY2019	
		Forecast*4	Year over year
Revenues	895.4	800.0	89%
Industry & Distribution BU*3	331.6	234.5	71%
Water & Environment BU*3	169.1	171.2	101%
Industrial Products Business	419.8	432.9	103%
Adjusted operating income	2.3% 20.6	7.0% 56.0	+4.7% +35.3
Industry & Distribution BU*3	(6.5%) (21.5)	6.0% 14.0	+12.5% +35.5
Water & Environment BU*3	7.5% 12.7	7.1% 12.1	(0.4%) (0.6)
Industrial Products Business	7.8% 32.9	7.7% 33.2	(0.1%) +0.3
EBIT	2.1% 19.1	5.9% 47.0	+3.8% +27.8
Industry & Distribution BU*3	(7.5%) (24.8)	4.5% 10.5	+12.0% +35.3
Water & Environment BU*3	8.6% 14.5	7.3% 12.5	(1.3%) (2.0)
Industrial Products Business	7.8% 32.9	6.5% 28.2	(1.3%) (4.8)

*1 Figures are shown by the new segment classifications, and figures for FY2018 using the new segment classifications are also shown for reference.
With regards to new business segments, please refer to page 19.

*2 Figures for each subsegment include intersegment transactions.

*3 Figures for each BU include control systems business, which is posted in IT segment.

*4 Italic figures indicate adjusted operating income ratio or EBIT ratio.

Revenues, Adjusted Operating Income and EBIT*1,2

Billions of yen

	FY2018*4	FY2019	
		Forecast*4	Year over year
Revenues	1,214.1	1,130.0	93%
Building Systems BU	621.6	585.0	94%
Railway Systems BU*3	616.5	570.0	92%
Adjusted operating income	<i>7.6%</i> 92.6	<i>8.2%</i> 93.0	+0.6% +0.3
Building Systems BU	<i>8.7%</i> 54.0	<i>9.4%</i> 55.0	+0.7% +1.0
Railway Systems BU*3	<i>7.5%</i> 46.3	<i>7.2%</i> 41.2	(0.3%) (5.1)
EBIT	<i>10.5%</i> 127.4	<i>9.7%</i> 110.0	(0.8%) (17.4)
Building Systems BU	<i>8.7%</i> 54.3	<i>9.4%</i> 55.0	+0.7% +0.7
Railway Systems BU*3	<i>13.1%</i> 80.8	<i>10.2%</i> 57.9	(2.9%) (22.9)

*1 Figures are shown by the new segment classifications, and figures for FY2018 using the new segment classifications are also shown for reference. With regards to new business segments, please refer to page 19.

*2 Figures for each subsegment include intersegment transactions.

*3 Figures for Railway Systems BU include control systems business, which is posted in IT segment.

*4 Italic figures indicate adjusted operating income ratio or EBIT ratio.

■ Revenues, Adjusted Operating Income and EBIT*1,2

Billions of yen

	FY2018*3	FY2019	
		Forecast*3	Year over year
Revenues	1,649.3	1,550.0	94%
Healthcare BU	176.1	187.3	106%
Smart Life & Ecofriendly Systems Business	485.0	501.2	103%
Automotive Systems Business	971.0	845.0	87%
Adjusted operating income	<i>3.9%</i> 64.9	<i>5.7%</i> 88.0	<i>+1.8%</i> +23.0
Healthcare BU	<i>2.4%</i> 4.3	<i>6.2%</i> 11.7	<i>+3.8%</i> +7.4
Smart Life & Ecofriendly Systems Business	<i>4.6%</i> 22.4	<i>5.5%</i> 27.7	<i>+0.9%</i> +5.2
Automotive Systems Business	<i>3.9%</i> 38.0	<i>6.1%</i> 51.3	<i>+2.2%</i> +13.3
EBIT	<i>7.1%</i> 116.9	<i>5.8%</i> 90.0	<i>(1.3%)</i> (26.9)
Healthcare BU	<i>0.9%</i> 1.6	<i>4.4%</i> 8.2	<i>+3.5%</i> +6.6
Smart Life & Ecofriendly Systems Business	<i>6.1%</i> 29.5	<i>7.5%</i> 37.5	<i>+1.4%</i> +7.9
Automotive Systems Business	<i>8.8%</i> 85.3	<i>5.7%</i> 47.8	<i>(3.1%)</i> (37.6)

*1 Figures are shown by the new segment classifications, and figures for FY2018 using the new segment classifications are also shown for reference.
With regards to new business segments, please refer to page 19.

*2 Figures for each subsegment include intersegment transactions

*3 Italic figures indicate adjusted operating income ratio or EBIT ratio.

■ Average Foreign Exchange Rate*1

Yen

	FY2017	FY2018	FY2019 (Forecast)
U.S. dollar	111	111	110
Euro	130	128	125

■ Foreign Exchange Sensitivity*2,3

Billions of yen

	Revenues	Adjusted operating income
U.S. dollar	18.0	3.5
Euro	5.0	1.5

■ Number of employees and consolidated subsidiaries

	As of March 31, 2018	As of March 31, 2019
Number of employees	307,275	295,941
Japan	168,086	162,083
Overseas	139,189	133,858
Number of consolidated subsidiaries	879	803
Japan	202	181
Overseas	677	622

■ Overseas Production*3

	FY2017	FY2018	Year over year
Overseas Production (billions of yen)	2,940.6	3,037.8	103%
Percentage of revenues	31%	32%	-
Percentage of overseas revenues	62%	63%	-

*1 Exchange rate applied for calculating profits and losses of overseas companies (average rate for the period)

*2 Impact of exchange rate fluctuation (FY2019 impact by one yen depreciation from FY2019 forecasted rate)

*3 Figures here represent information voluntarily prepared by the company.

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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