

FOR IMMEDIATE RELEASE

**Hitachi Announces Consolidated Financial Results
for the Second Quarter Ended September 30, 2020**

Tokyo, October 28, 2020 --- Hitachi, Ltd. (TSE:6501) today announced its consolidated financial results for the second quarter of fiscal 2020, ended September 30, 2020

Note: All figures were converted at the rate of 106 yen to the U.S. dollar as of September 30, 2020.

Summary

| | Six months ended September 30 | | | |
|---|-------------------------------|---------|----------------|-----------------------------|
| | Billions of yen | | (B)/(A) (%) | Millions of U.S. dollars |
| | 2019(A) | 2020(B) | | 2020 |
| 1. Revenues | 4,221.3 | 3,760.0 | 89 | 35,472 |
| 2. Adjusted operating income | 297.2 | 180.7 | 61 | 1,706 |
| 3. EBIT (Earnings before interest and taxes) | 290.5 | 386.2 | 133 | 3,643 |
| 4. Income from continuing operations, before income taxes | 288.9 | 384.2 | 133 | 3,625 |
| 5. Net income | 197.5 | 246.7 | 125 | 2,327 |
| 6. Net income attributable to Hitachi, Ltd. stockholders | 189.2 | 250.7 | 132 | 2,366 |
| 7. Earnings per share attributable to Hitachi, Ltd. stockholders | (Yen) | (Yen) | | (U.S.Dollars) |
| Basic | 196.02 | 259.60 | 132 | 2.45 |
| Diluted | 195.77 | 259.29 | 132 | 2.45 |

Notes: 1. The Company's consolidated financial statements are prepared based on IFRS.

2. "Adjusted operating income" is presented as revenues less cost of sales as well as selling, general and administrative expenses.

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

4. The figures are for 846 consolidated subsidiaries and 360 equity-method associates and joint ventures.

5. A part of the thermal power generation systems business is classified as discontinued operations in accordance with the provision of IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations," which was not transferred to Mitsubishi Hitachi Power Systems, Ltd. (currently Mitsubishi Power, Ltd.) for 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.

Condensed Quarterly Consolidated Statement of Profit or Loss

| | Six months ended September 30 | | | |
|---|-------------------------------|-------------|---------|--------------------------|
| | Millions of yen | | (B)/(A) | Millions of U.S. dollars |
| | 2019 (A) | 2020 (B) | (%) | 2020 |
| Revenues | 4,221,327 | 3,760,057 | 89 | 35,472 |
| Cost of sales | (3,074,791) | (2,801,409) | 91 | (26,428) |
| Gross profit | 1,146,536 | 958,648 | 84 | 9,044 |
| Selling, general and administrative expenses | (849,333) | (777,860) | 92 | (7,338) |
| Adjusted operating income | 297,203 | 180,788 | 61 | 1,706 |
| Other income | 38,156 | 283,232 | 742 | 2,672 |
| Other expenses | (75,904) | (69,925) | 92 | (660) |
| Financial income | 4,920 | 2,091 | 43 | 20 |
| Financial expenses | (1,364) | (4,992) | 366 | (47) |
| Share of profits (losses) of investments accounted for using the equity method | 27,506 | (4,988) | — | (47) |
| EBIT (Earnings before interest and taxes) | 290,517 | 386,206 | 133 | 3,643 |
| Interest income | 10,397 | 8,203 | 79 | 77 |
| Interest charges | (11,938) | (10,155) | 85 | (96) |
| Income from continuing operations, before income taxes | 288,976 | 384,254 | 133 | 3,625 |
| Income taxes | (90,646) | (136,855) | 151 | (1,291) |
| Income from continuing operations | 198,330 | 247,399 | 125 | 2,334 |
| Loss from discontinued operations | (796) | (686) | 86 | (6) |
| Net income | 197,534 | 246,713 | 125 | 2,327 |
| Net income attributable to: | | | | |
| Hitachi, Ltd. stockholders | 189,293 | 250,755 | 132 | 2,366 |
| Non-controlling interests | 8,241 | (4,042) | — | (38) |
| Earnings per share from continuing operations, attributable to Hitachi, Ltd. stockholders | | Yen | | U.S. Dollars |
| Basic | 196.84 | 260.31 | 132 | 2.46 |
| Diluted | 196.60 | 260.00 | 132 | 2.45 |
| Earnings per share attributable to Hitachi, Ltd. stockholders | | Yen | | U.S. Dollars |
| Basic | 196.02 | 259.60 | 132 | 2.45 |
| Diluted | 195.77 | 259.29 | 132 | 2.45 |

Condensed Quarterly Consolidated Statement of Comprehensive Income

| | Six months ended September 30 | | | |
|--|-------------------------------|----------|---------|--------------------------|
| | Millions of yen | | (B)/(A) | Millions of U.S. dollars |
| | 2019 (A) | 2020 (B) | (%) | 2020 |
| Net income | 197,534 | 246,713 | 125 | 2,327 |
| Other comprehensive income (OCI) | | | | |
| Items not to be reclassified into net income | | | | |
| Net changes in financial assets measured at fair value through OCI | 20,049 | 24,242 | 121 | 229 |
| Remeasurements of defined benefit plans | — | — | — | — |
| Share of OCI of investments accounted for using the equity method | 133 | 528 | 397 | 5 |
| Total items not to be reclassified into net income | 20,182 | 24,770 | 123 | 234 |
| Items that can be reclassified into net income | | | | |
| Foreign currency translation adjustments | (96,172) | 7,343 | — | 69 |
| Net changes in cash flow hedges | 4,645 | 3,131 | 67 | 30 |
| Share of OCI of investments accounted for using the equity method | (16,972) | 7,641 | — | 72 |
| Total items that can be reclassified into net income | (108,499) | 18,115 | — | 171 |
| Other comprehensive income (OCI) | (88,317) | 42,885 | — | 405 |
| Comprehensive income | 109,217 | 289,598 | 265 | 2,732 |
| Comprehensive income attributable to: | | | | |
| Hitachi, Ltd. stockholders | 131,271 | 285,855 | 218 | 2,697 |
| Non-controlling interests | (22,054) | 3,743 | — | 35 |

Condensed Quarterly Consolidated Statement of Financial Position

| | Millions of yen | | (B)-(A) | Millions of U.S. dollars |
|--|--------------------------|------------------------------|------------------|--------------------------|
| | As of March 31, 2020 (A) | As of September 30, 2020 (B) | | As of September 30, 2020 |
| Assets | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 812,331 | 759,882 | (52,449) | 7,169 |
| Trade receivables and contract assets | 2,260,205 | 2,297,557 | 37,352 | 21,675 |
| Inventories | 1,408,937 | 1,567,723 | 158,786 | 14,790 |
| Investments in securities and other financial assets | 279,951 | 287,670 | 7,719 | 2,714 |
| Other current assets | 456,165 | 235,279 | (220,886) | 2,220 |
| Total Current assets | 5,217,589 | 5,148,111 | (69,478) | 48,567 |
| Non-current assets | | | | |
| Investments accounted for using the equity method | 480,375 | 459,963 | (20,412) | 4,339 |
| Investments in securities and other financial assets | 440,514 | 446,717 | 6,203 | 4,214 |
| Property, plant and equipment | 2,165,311 | 2,143,043 | (22,268) | 20,217 |
| Goodwill | 635,927 | 1,008,260 | 372,333 | 9,512 |
| Other intangible assets | 479,794 | 935,429 | 455,635 | 8,825 |
| Other non-current assets | 510,571 | 474,492 | (36,079) | 4,476 |
| Total Non-current assets | 4,712,492 | 5,467,904 | 755,412 | 51,584 |
| Total Assets | 9,930,081 | 10,616,015 | 685,934 | 100,151 |
| Liabilities | | | | |
| Current liabilities | | | | |
| Short-term debt | 183,303 | 1,293,466 | 1,110,163 | 12,203 |
| Current portion of long-term debt | 231,237 | 283,451 | 52,214 | 2,674 |
| Other financial liabilities | 252,403 | 224,855 | (27,548) | 2,121 |
| Trade payables | 1,270,668 | 1,257,657 | (13,011) | 11,865 |
| Accrued expenses | 604,415 | 613,329 | 8,914 | 5,786 |
| Contract liabilities | 615,096 | 790,035 | 174,939 | 7,453 |
| Other current liabilities | 576,056 | 441,193 | (134,863) | 4,162 |
| Total Current liabilities | 3,733,178 | 4,903,986 | 1,170,808 | 46,264 |
| Non-current liabilities | | | | |
| Long-term debt | 1,070,502 | 933,934 | (136,568) | 8,811 |
| Retirement and severance benefits | 514,375 | 509,049 | (5,326) | 4,802 |
| Other non-current liabilities | 345,287 | 696,272 | 350,985 | 6,569 |
| Total Non-current liabilities | 1,930,164 | 2,139,255 | 209,091 | 20,182 |
| Total Liabilities | 5,663,342 | 7,043,241 | 1,379,899 | 66,446 |
| Equity | | | | |
| Hitachi, Ltd. stockholders' equity | | | | |
| Common stock | 459,862 | 460,790 | 928 | 4,347 |
| Capital surplus | 464,795 | — | (464,795) | — |
| Retained earnings | 2,296,208 | 2,493,601 | 197,393 | 23,525 |
| Accumulated other comprehensive income | (57,070) | (35,047) | 22,023 | (331) |
| (Foreign currency translation adjustments) | (30,686) | (21,203) | 9,483 | (200) |
| (Remeasurements of defined benefit plans) | 1,958 | (753) | (2,711) | (7) |
| (Net changes in financial assets measured at fair value through OCI) | 66,373 | 91,436 | 25,063 | 863 |
| (Net changes in cash flow hedges) | (94,715) | (104,527) | (9,812) | (986) |
| Treasury stock, at cost | (3,809) | (3,389) | 420 | (32) |
| Total Hitachi, Ltd. stockholders' equity | 3,159,986 | 2,915,955 | (244,031) | 27,509 |
| Non-controlling interests | 1,106,753 | 656,819 | (449,934) | 6,196 |
| Total Equity | 4,266,739 | 3,572,774 | (693,965) | 33,705 |
| Total Liabilities and Equity | 9,930,081 | 10,616,015 | 685,934 | 100,151 |

Condensed Quarterly Consolidated Statement of Changes in Equity

Millions of yen

| Six months ended September 30, 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 |
| Balance at beginning of period | 458,790 | 463,786 | 2,287,587 | 56,360 | (3,920) | 3,262,603 | 1,151,800 | 4,414,403 |
| Cumulative effects of changes in accounting policies | - | - | (2,596) | - | - | (2,596) | (1,075) | (3,671) |
| Restated balance | 458,790 | 463,786 | 2,284,991 | 56,360 | (3,920) | 3,260,007 | 1,150,725 | 4,410,732 |
| Changes in equity | | | | | | | | |
| Reclassified into retained earnings | - | - | 14,051 | (14,051) | - | - | - | - |
| Net income | - | - | 189,293 | - | - | 189,293 | 8,241 | 197,534 |
| Other comprehensive income | - | - | - | (58,022) | - | (58,022) | (30,295) | (88,317) |
| Dividends to Hitachi, Ltd. stockholders | - | - | (48,280) | - | - | (48,280) | - | (48,280) |
| Dividends to non-controlling interests | - | - | - | - | - | - | (26,207) | (26,207) |
| Acquisition of treasury stock | - | - | - | - | (75) | (75) | - | (75) |
| Sales of treasury stock | - | (138) | - | - | 273 | 135 | - | 135 |
| Issuance of new shares | 1,072 | 1,072 | - | - | - | 2,144 | - | 2,144 |
| Changes in non-controlling interests | - | (4,163) | - | 172 | - | (3,991) | 2,169 | (1,822) |
| Total changes in equity | 1,072 | (3,229) | 155,064 | (71,901) | 198 | 81,204 | (46,092) | 35,112 |
| Balance at end of period | 459,862 | 460,557 | 2,440,055 | (15,541) | (3,722) | 3,341,211 | 1,104,633 | 4,445,844 |

Millions of yen

| Six months ended September 30, 2020 | | | | | | | | |
|---|--------------|-----------------|-------------------|--|-------------------------|--|---------------------------|--------------|
| | Common stock | Capital surplus | Retained earnings | Accumulated other comprehensive income | Treasury stock, at cost | Total Hitachi, Ltd. stockholders' equity | Non-controlling interests | Total equity |
| Balance at beginning of period | 459,862 | 464,795 | 2,296,208 | (57,070) | (3,809) | 3,159,986 | 1,106,753 | 4,266,739 |
| Changes in equity | | | | | | | | |
| Reclassified into retained earnings | - | - | 7,653 | (7,653) | - | - | - | - |
| Net income (loss) | - | - | 250,755 | - | - | 250,755 | (4,042) | 246,713 |
| Other comprehensive income | - | - | - | 35,100 | - | 35,100 | 7,785 | 42,885 |
| Dividends to Hitachi, Ltd. stockholders | - | - | (48,311) | - | - | (48,311) | - | (48,311) |
| Dividends to non-controlling interests | - | - | - | - | - | - | (19,300) | (19,300) |
| Acquisition of treasury stock | - | - | - | - | (51) | (51) | - | (51) |
| Sales of treasury stock | - | 107 | - | - | 471 | 578 | - | 578 |
| Issuance of new shares | 928 | 928 | - | - | - | 1,856 | - | 1,856 |
| Changes in non-controlling interests | - | (465,830) | (12,704) | (5,424) | - | (483,958) | (434,377) | (918,335) |
| Total changes in equity | 928 | (464,795) | 197,393 | 22,023 | 420 | (244,031) | (449,934) | (693,965) |
| Balance at end of period | 460,790 | - | 2,493,601 | (35,047) | (3,389) | 2,915,955 | 656,819 | 3,572,774 |

Millions of U.S. Dollars

| Six months ended September 30, 2020 | | | | | | | | |
|---|--------------|-----------------|-------------------|--|-------------------------|--|---------------------------|--------------|
| | Common stock | Capital surplus | Retained earnings | Accumulated other comprehensive income | Treasury stock, at cost | Total Hitachi, Ltd. stockholders' equity | Non-controlling interests | Total equity |
| Balance at beginning of period | 4,338 | 4,385 | 21,662 | (538) | (36) | 29,811 | 10,441 | 40,252 |
| Changes in equity | | | | | | | | |
| Reclassified into retained earnings | - | - | 72 | (72) | - | - | - | - |
| Net income (loss) | - | - | 2,366 | - | - | 2,366 | (38) | 2,327 |
| Other comprehensive income | - | - | - | 331 | - | 331 | 73 | 405 |
| Dividends to Hitachi, Ltd. stockholders | - | - | (456) | - | - | (456) | - | (456) |
| Dividends to non-controlling interests | - | - | - | - | - | - | (182) | (182) |
| Acquisition of treasury stock | - | - | - | - | (0) | (0) | - | (0) |
| Sales of treasury stock | - | 1 | - | - | 4 | 5 | - | 5 |
| Issuance of new shares | 9 | 9 | - | - | - | 18 | - | 18 |
| Changes in non-controlling interests | - | (4,395) | (120) | (51) | - | (4,566) | (4,098) | (8,664) |
| Total changes in equity | 9 | (4,385) | 1,862 | 208 | 4 | (2,302) | (4,245) | (6,547) |
| Balance at end of period | 4,347 | - | 23,525 | (331) | (32) | 27,509 | 6,196 | 33,705 |

Condensed Quarterly Consolidated Statement of Cash Flows

| | Six months ended September 30 | | |
|--|-------------------------------|-------------|--------------------------|
| | Millions of yen | | Millions of U.S. Dollars |
| | 2019 | 2020 | 2020 |
| Cash flows from operating activities | | | |
| Net Income | 197,534 | 246,713 | 2,327 |
| Adjustments to reconcile net income to net cash provided by operating activities | | | |
| Depreciation and amortization | 207,830 | 225,857 | 2,131 |
| Impairment losses | 69,669 | 41,605 | 393 |
| Income taxes | 90,645 | 136,855 | 1,291 |
| Share of (profits) losses of investments accounted for using the equity method | (27,506) | 4,988 | 47 |
| Financial income and expenses | (1,415) | 445 | 4 |
| Net (gain) loss on business reorganization and others | (28,086) | (282,424) | (2,664) |
| (Gain) loss on sale of property, plant and equipment | 1,030 | (27) | (0) |
| Change in trade receivables and contract assets | 251,569 | 261,231 | 2,464 |
| Change in inventories | (185,832) | (90,468) | (853) |
| Change in trade payables | (140,314) | (152,436) | (1,438) |
| Change in accrued expenses | (57,465) | (18,022) | (170) |
| Change in retirement and severance benefits | (20,167) | (7,940) | (75) |
| Other | (54,009) | (73,885) | (697) |
| Subtotal | 303,483 | 292,492 | 2,759 |
| Interest received | 13,120 | 6,762 | 64 |
| Dividends received | 7,148 | 12,308 | 116 |
| Interest paid | (12,267) | (10,308) | (97) |
| Income taxes paid | (105,796) | (86,763) | (819) |
| Net cash provided by (used in) operating activities | 205,688 | 214,491 | 2,024 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | (167,342) | (113,636) | (1,072) |
| Purchase of intangible assets | (41,796) | (50,078) | (472) |
| Proceeds from sale of property, plant and equipment, and intangible assets | 10,180 | 17,214 | 162 |
| Purchase of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method) | (48,038) | (1,006,259) | (9,493) |
| Proceeds from sale of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method) | 46,001 | 435,737 | 4,111 |
| Other | (6,084) | 13,138 | 124 |
| Net cash provided by (used in) investing activities | (207,079) | (703,884) | (6,640) |
| Free cash flows | (1,391) | (489,393) | (4,617) |
| Cash flows from financing activities | | | |
| Change in short-term debt, net | 242,723 | 1,125,074 | 10,614 |
| Proceeds from long-term debt | 44,889 | 16,026 | 151 |
| Payments on long-term debt | (145,990) | (110,664) | (1,044) |
| Proceeds from payments from non-controlling interests | 2,603 | 2,593 | 24 |
| Dividends paid to Hitachi, Ltd. stockholders | (48,163) | (48,223) | (455) |
| Dividends paid to non-controlling interests | (24,772) | (18,540) | (175) |
| Acquisition of common stock for treasury | (75) | (51) | (0) |
| Proceeds from sales of treasury stock | 135 | 578 | 5 |
| Purchase of shares of consolidated subsidiaries from non-controlling interests | (1,205) | (532,955) | (5,028) |
| Other | (8) | (19) | (0) |
| Net cash provided by (used in) financing activities | 70,137 | 433,819 | 4,093 |
| Effect of exchange rate changes on cash and cash equivalents | (34,637) | 3,125 | 29 |
| Change in cash and cash equivalents | 34,109 | (52,449) | (495) |
| Cash and cash equivalents at beginning of period | 807,593 | 812,331 | 7,664 |
| Cash and cash equivalents at end of period | 841,702 | 759,882 | 7,169 |

Note: Changes in presentation have been made effective from April 1, 2020 for improved clarity. "Change in accrued expenses," which was previously included in "Change in other liabilities," has been reclassified and separately presented. "Change in other assets" and "Change in other liabilities," which were separately presented, have been included in "Other" under cash flows from operating activities. The condensed quarterly consolidated statement of cash flows for the six months ended September 30, 2019 has been reclassified in order to reflect these changes in presentation.

Segment Information

(1) Business Segments

| | Six months ended September 30 | | | |
|---------------------------------|-------------------------------|-------------------|----------------|-------------------------------------|
| | Millions of yen | | (B)/(A) (%) | Millions of U.S. dollars 2020 |
| | 2019 (A) | 2020 (B) | | |
| IT | 995,246 22% | 947,494 23% | 95 | 8,939 |
| Energy | 161,623 3% | 398,829 10% | 247 | 3,763 |
| Industry | 366,711 8% | 362,500 9% | 99 | 3,420 |
| Mobility | 529,954 12% | 538,724 13% | 102 | 5,082 |
| Smart Life | 1,055,337 23% | 930,857 23% | 88 | 8,782 |
| Hitachi Construction Machinery | 480,559 10% | 360,902 9% | 75 | 3,405 |
| Hitachi Metals | 456,888 10% | 340,831 8% | 75 | 3,215 |
| Hitachi Chemical | 316,628 7% | — — | — | — |
| Others | 236,301 5% | 208,674 5% | 88 | 1,969 |
| Subtotal | 4,599,247 100% | 4,088,811 100% | 89 | 38,574 |
| Corporate items & Eliminations | (377,920) | (328,754) | — | (3,101) |
| Revenues Total | 4,221,327 | 3,760,057 | 89 | 35,472 |
| IT | 109,117 36% | 108,051 58% | 99 | 1,019 |
| Energy | 235 0% | (7,096) (4%) | — | (67) |
| Industry | 13,849 5% | 13,983 7% | 101 | 132 |
| Mobility | 38,622 13% | 39,827 21% | 103 | 376 |
| Smart Life | 59,717 19% | 27,381 15% | 46 | 258 |
| Hitachi Construction Machinery | 44,429 15% | 10,403 6% | 23 | 98 |
| Hitachi Metals | 5,932 2% | (12,364) (7%) | — | (117) |
| Hitachi Chemical | 16,890 6% | — — | — | — |
| Others | 11,869 4% | 7,533 4% | 63 | 71 |
| Subtotal | 300,660 100% | 187,718 100% | 62 | 1,771 |
| Corporate items & Eliminations | (3,457) | (6,930) | — | (65) |
| Adjusted operating income Total | 297,203 | 180,788 | 61 | 1,706 |
| IT | 105,841 40% | 97,820 70% | 92 | 923 |
| Energy | 1,071 0% | (10,563) (7%) | — | (100) |
| Industry | 20,648 8% | 15,705 11% | 76 | 148 |
| Mobility | 63,928 24% | 41,385 29% | 65 | 390 |
| Smart Life | 58,725 22% | 18,258 13% | 31 | 172 |
| Hitachi Construction Machinery | 42,855 16% | 5,990 4% | 14 | 57 |
| Hitachi Metals | (56,329) (21%) | (38,799) (27%) | — | (366) |
| Hitachi Chemical | 15,512 6% | — — | — | — |
| Others | 14,253 5% | 10,494 7% | 74 | 99 |
| Subtotal | 266,504 100% | 140,290 100% | 53 | 1,323 |
| Corporate items & Eliminations | 24,013 | 245,916 | — | 2,320 |
| EBIT Total | 290,517 | 386,206 | 133 | 3,643 |

Notes: 1. Revenues by business segment include intersegment transactions.

2. Effective from April 1, 2020, the company reclassify its reportable segments. Accordingly, figures for the six months ended September 30, 2019 have been restated on the basis of the reclassification.

3. In April 2020, the Company sold all shares of Hitachi Chemical Company, Ltd. (currently Showa Denko Materials Co., Ltd.). As a result, Hitachi Chemical Company, Ltd. was deconsolidated. Accordingly, Hitachi Chemical segment ceased to be a business segment, but the segment figures for the six months ended September 30, 2020 and 2019 are disclosed individually to enhance fair disclosure.

(2) Revenues by Market

| | Six months ended September 30 | | | |
|----------------------------|-------------------------------|-------------------|----------------|-----------------------------|
| | Millions of yen | | (B)/(A) (%) | Millions of U.S. dollars |
| | 2019 (A) | 2020 (B) | | 2020 |
| Japan | 2,125,942 50% | 1,833,652 49% | 86 | 17,299 |
| Asia | 876,489 21% | 817,435 22% | 93 | 7,712 |
| North America | 563,072 13% | 472,778 12% | 84 | 4,460 |
| Europe | 440,877 11% | 404,333 11% | 92 | 3,814 |
| Other Areas | 214,947 5% | 231,859 6% | 108 | 2,187 |
| Overseas Revenues Subtotal | 2,095,385 50% | 1,926,405 51% | 92 | 18,174 |
| Total Revenues | 4,221,327 100% | 3,760,057 100% | 89 | 35,472 |

Notes

Notes Regarding Going Concern

Not applicable.

Cautionary Statement

Certain statements found in this document may constitute “forward-looking statements” as defined in the U.S. Private Securities Litigation Reform Act of 1995. Such “forward-looking statements” reflect management’s current views with respect to certain future events and financial performance and include any statement that does not directly relate to any historical or current fact. Words such as “anticipate,” “believe,” “expect,” “estimate,” “forecast,” “intend,” “plan,” “project” and similar expressions which indicate future events and trends may identify “forward-looking statements.” Such statements are based on currently available information and are subject to various risks and uncertainties that could cause actual results to differ materially from those projected or implied in the “forward-looking statements” and from historical trends. Certain “forward-looking statements” are based upon current assumptions of future events which may not prove to be accurate. Undue reliance should not be placed on “forward-looking statements,” as such statements speak only as of the date of this report.

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

- exacerbation of social and economic impacts of the spread of COVID-19;
- economic conditions, including consumer spending and plant and equipment investment in Hitachi’s major markets, as well as levels of demand in the major industrial sectors Hitachi serves;
- exchange rate fluctuations of the yen against other currencies in which Hitachi makes significant sales or in which Hitachi’s assets and liabilities are denominated;
- uncertainty as to Hitachi’s ability to access, or access on favorable terms, liquidity or long-term financing;
- uncertainty as to general market price levels for equity securities, declines in which may require Hitachi to write down equity securities that it holds;
- fluctuations in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum, synthetic resins, rare metals and rare-earth minerals, or shortages of materials, parts and components;
- estimates, fluctuations in cost and cancellation of long-term projects for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- increased commoditization of and intensifying price competition for products;
- uncertainty as to Hitachi’s ability to attract and retain skilled personnel;
- uncertainty as to Hitachi’s ability to continue to develop and market products that incorporate new technologies on a timely and cost-effective basis and to achieve market acceptance for such products;
- fluctuations in demand of products, etc. and industry capacity;
- uncertainty as to Hitachi’s ability to implement measures to reduce the potential negative impact of fluctuations in demand of products, etc., exchange rates and/or price of raw materials or shortages of materials, parts and components;
- credit conditions of Hitachi’s customers and suppliers;
- uncertainty as to Hitachi’s ability to achieve the anticipated benefits of its strategy to strengthen its Social Innovation Business;
- uncertainty as to the success of acquisitions of other companies, joint ventures and strategic alliances and the possibility of incurring related expenses;
- uncertainty as to the success of restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness;
- general socioeconomic and political conditions and the regulatory and trade environment of countries where Hitachi conducts business, particularly Japan, Asia, the United States and Europe, including, without limitation, direct or indirect restrictions by other nations on imports and differences in commercial and business customs including, without limitation, contract terms and conditions and labor relations;
- the potential for significant losses on Hitachi’s investments in equity-method associates and joint ventures;
- uncertainty as to the success of cost structure overhaul;
- the possibility of disruption of Hitachi’s operations by natural disasters such as earthquakes and tsunamis, the spread of infectious diseases, and geopolitical and social instability such as terrorism and conflict;
- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity-method associates and joint ventures have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- uncertainty as to Hitachi’s ability to maintain the integrity of its information systems, as well as Hitachi’s ability to protect its confidential information or that of its customers;
- uncertainty as to Hitachi’s access to, or ability to protect, certain intellectual property; and
- uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its employee benefit-related costs.

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

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