

[Translation]

# Semi-annual Securities Report

(The First Half of the 156th Business Term)

From April 1, 2024 to September 30, 2024

6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo

Hitachi, Ltd.

[Cover]

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This is an English translation of the Semi-annual Securities Report filed with the Director of the Kanto Local Finance Bureau via Electronic Disclosure for Investors’ NETWORK (“EDINET”) pursuant to the Financial Instruments and Exchange Act of Japan.

The translation of the Confirmation Letter for the original Semi-annual Securities Report is included at the end of this document.

Unless the context indicates otherwise, the term “Company” refers to Hitachi, Ltd. and the term “Hitachi” refers to the Company and its consolidated subsidiaries.

Unless otherwise stated, in this document, where we present information in millions or hundreds of millions of yen, we have truncated amounts of less than one million or one hundred million, as the case may be. Accordingly, the total of figures presented in columns or otherwise may not equal the total of the individual items. We have rounded all percentages to the nearest percent, one-tenth of one percent or one-hundredth of one percent, as the case may be.

References in this document to the “Financial Instruments and Exchange Act” are to the Financial Instruments and Exchange Act of Japan and other laws and regulations amending and/or supplementing the Financial Instruments and Exchange Act of Japan.

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## Part I Information on the Company

### I. Overview of the Company

#### 1. Key Financial Data

Consolidated financial data, etc.

(Millions of yen, unless otherwise stated)

	Six months ended September 30, 2023	Six months ended September 30, 2024	Year ended March 31, 2024
Revenues	4,960,069	4,545,982	9,728,716
Income before income taxes	322,056	439,335	825,801
Net income attributable to Hitachi, Ltd. stockholders	209,103	292,273	589,896
Comprehensive income attributable to Hitachi, Ltd. stockholders	641,493	38,741	1,013,811
Total Hitachi, Ltd. stockholders' equity	5,415,811	5,501,360	5,703,705
Total equity	5,825,762	5,655,599	5,859,603
Total assets	13,475,204	12,568,628	12,221,284
Earnings per share attributable to Hitachi, Ltd. stockholders, basic (yen)	44.83	63.29	126.91
Earnings per share attributable to Hitachi, Ltd. stockholders, diluted (yen)	44.78	63.22	126.75
Total Hitachi, Ltd. stockholders' equity ratio (%)	40.2	43.8	46.7
Net cash provided by (used in) operating activities	316,926	323,335	956,612
Net cash provided by (used in) investing activities	(110,290)	(311,886)	(131,543)
Net cash provided by (used in) financing activities	(194,329)	99,033	(1,024,907)
Cash and cash equivalents at end of period	905,838	794,264	705,367

(Notes) 1. Hitachi's consolidated financial statements have been prepared in conformity with the International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board.

2. On July 1, 2024, the Company completed the share split into five shares for every one common stock. The figures of "Earnings per share attributable to Hitachi, Ltd. stockholders, basic" and "Earnings per share attributable to Hitachi, Ltd. stockholders, diluted" are calculated on the assumption that the Company concluded this split at the beginning of the previous fiscal year.

## 2. Description of Business

There were no material changes in principal businesses of Hitachi during the six months ended September 30, 2024. The Hitachi Group is comprised of the Company, 614 consolidated subsidiaries, and 367 equity-method associates and joint-ventures.

Effective from April 1, 2024, the Company abolished Automotive Systems segment and discloses its business in four segments: three sectors as “Digital Systems & Services,” “Green Energy & Mobility” and “Connective Industries,” and Others.

Major business and the positioning of principal affiliated companies for each segment and changes in Business Unit (BU) of the Company and principal affiliated companies during the six months ended September 30, 2024 were as follows.

(As of September 30, 2024)

Segments	Main products and services	BU and principal affiliated companies
Digital Systems & Services	<ul style="list-style-type: none"> <li>• Digital Solutions (System Integration, Consulting, Cloud Services)</li> <li>• IT Products (Storage, Servers)</li> <li>• Software</li> <li>• ATMs</li> </ul>	<p>[BU]            Cloud Services Platforms BU            Digital Engineering BU            Financial Institutions BU            Social Infrastructure Systems BU</p> <p>[Consolidated subsidiaries]            Hitachi Channel Solutions Corp.            Hitachi Information &amp; Telecommunication Engineering, Ltd.            Hitachi Solutions, Ltd.            Hitachi Systems, Ltd.            Hitachi Vantara, Ltd. (Note 1)            GlobalLogic Worldwide Holding, Inc.            Hitachi Computer Products (America), Inc.            Hitachi Digital LLC            Hitachi Digital Services LLC            Hitachi Payment Services Private Limited            Hitachi Vantara LLC</p>
Green Energy & Mobility	<ul style="list-style-type: none"> <li>• Energy Solutions (Power Grids, Renewable Energy, Nuclear)</li> <li>• Railway Systems</li> </ul>	<p>[BU]            Power Grids BU            Nuclear Energy BU            Railway Systems BU</p> <p>[Consolidated subsidiaries] (Note 2)            Hitachi-GE Nuclear Energy, Ltd.            Hitachi Plant Construction, Ltd.            Hitachi Power Solutions Co., Ltd.            Hitachi Energy Ltd            Hitachi Rail Ltd.</p>
Connective Industries	<ul style="list-style-type: none"> <li>• Building Systems (Elevators, Escalators)</li> <li>• Smart Life &amp; Ecofriendly Systems (Home Appliances, Air Conditioners)</li> <li>• Measurement and Analysis Systems (Semiconductor Manufacturing Equipment, Clinical Analyzers)</li> <li>• Industry &amp; Distribution Solutions</li> <li>• Water &amp; Environment Solutions</li> <li>• Industrial Machinery</li> </ul>	<p>[BU]            Building Systems BU            Industrial Digital BU            Water &amp; Environment BU</p> <p>[Consolidated subsidiaries]            Hitachi Building Systems Co., Ltd.            Hitachi Global Life Solutions, Inc.            Hitachi High-Tech Corporation            Hitachi Industrial Equipment Systems Co., Ltd.            Hitachi Industrial Products, Ltd.            Hitachi Industry &amp; Control Solutions, Ltd.            Hitachi Plant Services Co., Ltd.            Hitachi Elevator (China) Co., Ltd.            Hitachi Global Air Power US, LLC            Hitachi Industrial Holdings Americas, Inc.            JR Technology Group, LLC</p> <p>[Equity-method associates]            Hitachi Kokusai Electric Inc.            Arcelik Hitachi Home Appliances B.V.            Johnson Controls-Hitachi Air Conditioning Holding (UK) Ltd</p>
Others	<ul style="list-style-type: none"> <li>• Property Management</li> <li>• Others</li> </ul>	<p>[Consolidated subsidiaries]            Hitachi Real Estate Partners, Ltd.            Hitachi America, Ltd.            Hitachi Asia Ltd.            Hitachi (China), Ltd.            Hitachi Europe Ltd.            Hitachi India Pvt. Ltd.</p>

(Notes) 1. Hitachi Vantara, Ltd. has succeeded the Company’s IT Products business following the absorption-type company split on April 1, 2024.

2. Hitachi Power Semiconductor Device, Ltd. has ceased to be an affiliate of the Company following the share transfer on May 2, 2024.
3. Hitachi America, Ltd., Hitachi Asia Ltd., Hitachi (China), Ltd., Hitachi Europe Ltd. and Hitachi India Pvt. Ltd. are the Hitachi Group's regional supervising company for Americas, Asia, China, Europe and India, and they sell the Hitachi Group's products.
4. In addition to the table above, the major equity-method associates include Hitachi Astemo, Ltd. and Hitachi Construction Machinery Co., Ltd.

## II. Business Overview

### 1. Risk Factors

There were no new risk factors recognized during the six months ended September 30, 2024.

There were no material changes in the risk factors stated in the Annual Securities Report for the 155th business term pursuant to the Financial Instruments and Exchange Act of Japan.

### 2. Management's Discussion and Analysis of Consolidated Financial Condition, Results of Operations and Cash Flows

#### (1) Analysis of Results of Operations

##### Results of Operations

The results of operations in the six months ended September 30, 2024 were as follows.

Revenues decreased 8% to 4,545.9 billion yen, as compared with the six months ended September 30, 2023, due mainly to decreased revenues owing to selling a part of shares of Hitachi Astemo, Ltd. The decrease was partially offset by the impact of foreign exchange, as well as increased revenues in Green Energy & Mobility segment due mainly to steady growth of Hitachi Energy Ltd and the acquisition of ground transportation systems business of Thales S.A. (hereinafter "Thales"), and increased revenues in Digital Systems & Services segment mainly because of steady growth in Lumada business including large projects for modernizations and migrations mainly in public services business and energy business.

Cost of sales decreased 13% to 3,252.7 billion yen, as compared with the six months ended September 30, 2023, and the ratio of cost of sales to revenues decreased 3% to 72%, as compared with the six months ended September 30, 2023. Gross profit increased 5% to 1,293.2 billion yen, as compared with the six months ended September 30, 2023.

Selling, general and administrative expenses ("SG&A") decreased 2% to 888.4 billion yen and the ratio of SG&A to revenues increased 2% to 20%, as compared with the six months ended September 30, 2023, respectively.

Share of profits of investments accounted for using the equity method decreased 28.5 billion yen to 4.6 billion yen, as compared with the six months ended September 30, 2023 due mainly to the deterioration of Hitachi Astemo, Ltd.'s share of profits of investments accounted for using the equity method.

As a result of foregoing, Adjusted EBITA (defined as Adjusted Earnings before Interest, Taxes and Amortization, and representing the revenues less cost of sales as well as SG&A, adding back the amortization of intangible assets, etc. recognized upon business combinations, and adding or deducting share of profits (losses) of investments accounted for using the equity method) increased 66.1 billion yen to 467.0 billion yen, as compared with the six months ended September 30, 2023.

Other income increased 32.9 billion yen to 54.5 billion yen, as compared with the six months ended September 30, 2023, due mainly to the gains on Net gain (loss) on sales and disposals of fixed assets. Other expenses decreased 2.6 billion yen to 40.1 billion yen, as compared with the six months ended September 30, 2023.

Financial income (excluding interest income) increased 21.2 billion yen to 27.8 billion yen, and financial expenses (excluding interest charges) decreased 0.8 billion yen to 3.4 billion yen, as compared with the six months ended September 30, 2023, respectively.

Earnings before interest and taxes increased 108.4 billion yen to 448.3 billion yen, as compared with the six months ended September 30, 2023.

Interest income increased 2.0 billion yen to 21.7 billion yen and interest charges decreased 6.8 billion yen to 30.7 billion yen, as compared with the six months ended September 30, 2023, respectively.

Income before income taxes increased 117.2 billion yen to 439.3 billion yen, as compared with the six months ended September 30, 2023.

Income taxes increased 34.2 billion yen to 123.9 billion yen, as compared with the six months ended September 30, 2023.

Net income increased 83.0 billion to 315.3 billion yen, as compared with the six months ended September 30, 2023.

Net income attributable to non-controlling interests decreased 0.1 billion yen to 23.1 billion yen, as compared with the six months ended September 30, 2023.

As a result of the foregoing, net income attributable to Hitachi, Ltd. stockholders increased 83.1 billion yen to 292.2 billion yen, as compared with the six months ended September 30, 2023.

##### Operations by Segment

The following is an overview of results of operations by segment. Revenues for each segment include intersegment transactions. Effective from April 1, 2024, the company reclassified its reportable segment in four segments: Digital Systems & Services, Green Energy & Mobility, Connective Industries and Others.

##### (Digital Systems & Services)

Revenues increased 10% to 1,312.4 billion yen, as compared with the six months ended September 30, 2023, due mainly to the impact of foreign exchange, as well as steady growth of Lumada business including large projects for system modernizations and migrations mainly in public services business and energy business.

Adjusted EBITA increased 34.1 billion yen to 169.1 billion yen, as compared with the six months ended September 30, 2023, due mainly to increased revenues and improved profitability due to pricing revision and strengthening project management.

(Green Energy & Mobility)

Revenues increased 33% to 1,785.7 billion yen, as compared with the six months ended September 30, 2023, due mainly to the impact of foreign exchange, as well as steady conversion of order backlog into sales in Hitachi Energy Ltd and the acquisition of Thales's ground transportation systems in the Railway Systems business.

Adjusted EBITA increased 73.2 billion yen to 152.9 billion yen, as compared with the six months ended September 30, 2023, due mainly to increased revenues and improved profitability in Hitachi Energy Ltd. The increase was partially offset by decrease profits resulting from an increase of PMI related costs associated with the acquisition of power grids business and the acquisition of Thales's ground transportation systems and, certain low-profitability projects in Railway business.

(Connective Industries)

Revenues increased 2% to 1,495.0 billion yen, as compared with the six months ended September 30, 2023, due mainly to the impact of foreign exchange and increased revenues in Industrial Products business, Building Systems business and Measurement & Analysis Systems business. The increase was partially offset by decreased revenues in Smart Lif & Ecofriendly Systems business.

Adjusted EBITA increased 21.3 billion yen to 167.0 billion yen, as compared with the six months ended September 30, 2023, due mainly to increased revenues.

(Others)

Revenues decreased 2% to 237.7 billion yen, as compared with the six months ended September 30, 2023. Adjusted EBITA decreased 1.8 billion yen to 6.0 billion yen, as compared with the six months ended September 30, 2023.

Revenues by Market

Revenues in Japan decreased 5% to 1,679.0 billion yen, as compared with the six months ended September 30, 2023, due mainly to decreased revenues owing to selling a part of shares of Hitachi Astemo, Ltd. The decrease was partially offset by increased revenues in Digital Systems & Services segment due to steady growth in Front Business and increased revenues in Green Energy & Mobility segment due to steady growth in Nuclear Energy business.

Overseas revenues decreased 10% to 2,866.9 billion yen, as compared with the six months ended September 30, 2023, due mainly to decreased revenues owing to selling a part of Hitachi Astemo, Ltd. The decrease was partially offset by increased revenues in Green Energy & Mobility segment including steady growth in Hitachi Energy Ltd and the acquisition of Thales's ground transportation systems business in Railway Systems business.

As a result, the ratio of overseas revenues to total revenues decreased 1% to 63%, as compared with the six months ended September 30, 2023.



## (2) Analysis of Financial Condition and Cash Flows

### Liquidity and Capital Resources

During the six months ended September 30, 2024, there were no major changes in the Company's policies of maintaining liquidity and ensuring funds, efforts for improvement in fund management efficiency, and ideas regarding funding sources and fundraising.

### Cash Flows

The following is a summary of cash flows for the six months ended September 30, 2024.

#### (Cash Flows from Operating Activities)

Net cash provided by operating activities was 323.3 billion yen plus in the six months ended September 30, 2024, and cash increased by 6.4 billion yen compared with the six months ended September 30, 2023. This was due mainly to an increase in net income, despite an increase in income taxes paid.

#### (Cash Flows from Investing Activities)

Net cash used in investing activities was 311.8 billion yen minus in the six months ended September 30, 2024, and cash decreased by 201.5 billion yen compared with the six months ended September 30, 2023. Purchase of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method) increased by 258.7 billion yen compared with the six months ended September 30, 2023, due mainly to the acquisition of Thales's ground transportation systems business in fiscal 2024.

#### (Cash Flows from Financing Activities)

Net cash provided by financing activities was 99.0 billion yen plus in the six months ended September 30, 2024, and cash increased by 293.3 billion yen compared with the six months ended September 30, 2023. This was due mainly to an increase in net proceeds (difference between proceeds and expenditures) from short-term debt and long-term debt.

Free cash flow (the sum of cash flows from operating and investing activities) was 11.4 billion yen plus in the six months ended September 30, 2024, and cash decreased by 195.1 billion yen compared with the six months ended September 30, 2023.

Core free cash flow (free cash flows excluding cash flows from M&A and assets sales, etc.) was 168.6 billion yen plus in the six months ended September 30, 2024, and cash increased by 47.4 billion yen compared with the six months ended September 30, 2023.

As a result of the foregoing, cash and cash equivalents as of September 30, 2024, were 794.2 billion yen, an increase of 88.8 billion yen compared with March 31, 2024.

### Assets, Liabilities and Equity

The following is an overview of Hitachi's assets, liabilities, and equity as of September 30, 2024.

Total assets were 12,568.6 billion yen, an increase of 347.3 billion yen from March 31, 2024, due mainly to the acquisition of Thales's ground transportation systems business. The increase was partially offset by the impact of foreign exchange.

Total interest-bearing debt, the sum of short-term debt and long-term debt including current portion of long-term debt, was 1,529.0 billion yen, an increase of 349.0 billion yen from March 31, 2024, due mainly to an increase in short-term debt and contract liabilities, paid in advance.

Total Hitachi, Ltd. stockholders' equity decreased by 202.3 billion yen from March 31, 2024, to 5,501.3 billion yen. The ratio of total Hitachi, Ltd. stockholders' equity to total assets was 43.8%, as compared with 46.7% as of March 31, 2024.

Non-controlling interests were 154.2 billion yen, a decrease of 1.6 billion yen from March 31, 2024.

Total equity was 5,655.5 billion yen, a decrease of 204.0 billion yen from March 31, 2024. The ratio of interest-bearing debt to total equity was 0.27, an increase of 0.07 from March 31, 2024.

### (3) Management Policy

There were no material changes in Hitachi's management policy during the six months ended September 30, 2024.

### (4) Challenges Hitachi Group Faces

#### 1) Business and Financial Challenges Hitachi Group Faces

There were no material changes in Hitachi's business and financial challenges during the six months ended September 30, 2024.

#### 2) Fundamental Policy on the Conduct of Persons Influencing Decision on the Company's Financial and Business Policies

There were no material changes in Hitachi's fundamental policy during the six months ended September 30, 2024.

### (5) Research and Development

There were no material changes in the research and development of the Hitachi Group (the Company and consolidated subsidiaries) stated in the Annual Securities Report for the 155th business term pursuant to the Financial Instruments and Exchange Act of Japan. The Hitachi Group's R&D expenditures in the six months ended September 30, 2024 were 122.5 billion yen, 2.7% of revenues. A breakdown of R&D expenditures by segment is shown below.

(Billions of yen)

Segment	Six months ended September 30, 2024
Digital Systems & Services	26.0
Green Energy & Mobility	38.9
Connective Industries	46.5
Others	0.4
Corporate items & Eliminations	10.6
Total	122.5

### (6) Property, Plant and Equipment

The major property, plants and equipment materially changed during the six months ended September 30, 2024 are as follows.

#### *Domestic subsidiaries*

(As of September 30, 2024)

Facility (Main location)	Segment	Details of major facilities and equipment	Book value (Millions of yen)								Number of employees
			Land [Area in thousands of m <sup>2</sup> ]	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Right-of-use Assets	Other	Construction in progress	Total	
Hitachi High-Tech Corporation, Kasado Area (Kudamatsu, Yamaguchi)	Connective Industries	Manufacturing facilities for semiconductor manufacturing equipment, etc.	321 [15]	2,908	4,945	1,466	1,900	-	10,164	21,706	648

(Note) The book value of "Construction in progress" materially increased due mainly to the fact that Hitachi High-Tech Corporation constructs new production facility for semiconductor manufacturing equipment in order to increase production capacity.

(7) Plans for Capital Investment, Disposals of Property, Plants and Equipment, etc.

The Hitachi Group (the Company and consolidated subsidiaries) engages in diverse operations in Japan and overseas, and has not decided on specific plans to newly install or expand each of facilities as of the end of the consolidated fiscal year and each quarter of the consolidated fiscal year. For this reason, it discloses amounts of capital investment by segment.

The amount of capital investment for the fiscal year ending March 31, 2024 is updated as follows (new installation and expansions, based on the amount recorded as tangible fixed assets and the investment property). The amount of capital investment which is shown in the Initial Plan is the amount planned as of the filing date of the Annual Securities Report for the 155th business term.

Segment	The amount of capital investment for the fiscal year ending March 31, 2025 (Billions of yen)	
	Initial Plan	Updated Plan
Digital Systems & Services	70.0	70.0
Green Energy & Mobility	157.0	161.0
Connective Industries	100.0	100.0
Others	17.0	20.0
Corporate Items & Eliminations	16.0	16.0
Total	360.0	367.0

- (Notes) 1. The figures in the above table include the amount of the right-of-use assets and the investment property, each of which is recorded as property, plant and equipment and other non-current assets, respectively.
2. These planned investments are expected to be mostly financed with the Hitachi Group's own capital.
3. There are no plans to dispose or sell principal facilities, with the exception of disposing and selling facilities due to routine upgrading.

#### (8) Forward-Looking Statements

Certain statements found in “1. Risk Factors,” “2. Management’s Discussion and Analysis of Consolidated Financial Conditions, Operating Results and Cash Flows” and other descriptions in this report 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:

- 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;
- credit conditions of Hitachi’s customers and suppliers;
- 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 Hitachi’s ability to respond to tightening of regulations to prevent climate change;
- 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 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;
- 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;
- 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;
- 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;
- uncertainty as to the success of cost structure overhaul;
- 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;
- 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 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.

3. Material Agreements, etc.

The material contract renewed during the three months ended September 30, 2024 is as follows

Cross License Agreement

Party	Party	Country	Item under contract	Contract description	Contract period
Hitachi-GE Nuclear Energy, Ltd. (Consolidated subsidiary)	GE-Hitachi Nuclear Energy Americas LLC	U.S.A.	Nuclear reactor systems	Cross license of patents and technology	From October 30, 1991 to December 31, 2024

### III. Information on the Company

#### 1. Information on the Company's Stock, etc.

##### (1) Total number of shares, etc.

###### 1) Total number of shares

Class	Total number of shares authorized to be issued (shares)
Common stock	10,000,000,000
Total	10,000,000,000

(Note) On July 1, 2024, the Company made an amendment to articles of incorporation following the share split and the total number of shares authorized to be issued by the Company became 10,000,000,000 shares.

###### 2) Issued shares

Class	Number of shares issued as of the end of fiscal year (shares) (Note 1) (September 30, 2024)	Number of shares issued as of the filing date (shares) (Note 2) (November 11, 2024)	Stock exchange on which the Company is listed	Description
Common stock	4,636,569,385	4,636,569,385	Tokyo, Nagoya	The number of shares per one unit of shares is 100 shares.
Total	4,636,569,385	4,636,569,385	—	—

(Notes) 1. On July 1, 2024, the Company completed the share split of every one share into five shares in its common stock.

2. The "Number of shares issued as of the filing date" does not include shares issued upon exercise of stock acquisition rights from November 1, 2024 to the filing date.

##### (2) Information on the stock acquisition rights, etc.

###### 1) Details of stock option plans

Not applicable.

###### 2) Details of other stock acquisition rights, etc.

Not applicable.

##### (3) Information on moving strike convertible bonds, etc.

Not applicable.

##### (4) Changes in the total number of issued shares and the amount of common stock and other

Date	Change in the total number of issued shares (shares)	Balance of the total number of issued shares (shares)	Change in common stock (Millions of yen)	Balance of common stock (Millions of yen)	Change in capital reserve (Millions of yen)	Balance of capital reserve (Millions of yen)
June 3, 2024 (Note 1)	146,000	927,313,877	966	464,384	966	182,350
July 1, 2024 (Note 2)	3,709,255,508	4,636,569,385	—	464,384	—	182,350

(Notes) 1. This increase is due to the issuance of new shares as restricted stock compensation plan and restricted stock units compensation plan.

Issue price: 13,235 yen per share

Amount by which stated capital is to be increased: 6,617.5 yen per share

Allottees: 42 Executive Officers of the Company (including 9 people who have already retired), 45 Corporate Officers of the Company (including 7 people who have already retired) and 5 Directors on its subsidiaries

2. On July 1, 2024, the Company completed the share split of every one share into five shares in its common stock.

## (5) Major shareholders

(As of September 30, 2024)

Name	Address	Share Ownership (shares)	Ownership percentage to the total number of issued shares (excluding treasury stock) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	8-1, Akasaka 1-chome, Minato-ku, Tokyo	767,369,900	16.69
Custody Bank of Japan, Ltd. (Trust Account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	279,235,400	6.07
State Street Bank and Trust Company 505001 (Standing proxy: Mizuho Bank, Ltd.)	One Congress Street, Suite 1, Boston, Massachusetts (15-1, Konan 2-chome, Minato-ku, Tokyo)	147,476,934	3.21
NATS CUMCO (Standing proxy: Mizuho Bank, Ltd.)	C/O Citibank, New York 111 Wall Street, New York, NY, U.S.A. (15-1, Konan 2-chome, Minato-ku, Tokyo)	100,699,172	2.19
State Street Bank West Client - Treaty 505234 (Standing Proxy: Mizuho Bank, Ltd.)	1776 Heritage Drive, North Quincy, MA 02171, U.S.A. (15-1, Konan 2-chome, Minato-ku, Tokyo)	97,588,935	2.12
State Street Bank and Trust Company 505223 (Standing proxy: Mizuho Bank, Ltd.)	P.O. Box 351, Boston, Massachusetts 02101 U.S.A. (15-1, Konan 2-chome, Minato-ku, Tokyo)	94,770,364	2.06
Nippon Life Insurance Company	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo	88,374,995	1.92
GOVERNMENT OF NORWAY (Standing proxy: Citibank, N.A.)	Bankplassen 2, 0107 Oslo 1 Oslo 0107 NO (27-30, Shinjuku 6-chome, Shinjuku-ku, Tokyo)	87,503,930	1.90
Hitachi Employees' Shareholding Association	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo	82,552,062	1.80
JP Morgan Chase Bank 385632 (Standing proxy: Mizuho Bank, Ltd.)	25 Bank Street, Canary Wharf, London, E14 5JP, United Kingdom (15-1, Konan 2-chome, Minato-ku, Tokyo)	69,253,732	1.51
Total	-	1,814,825,424	39.48

(Notes) 1. NATS CUMCO is the nominee name of the depository bank, Citibank, N.A., for the aggregate of the Company's American Depositary Receipts (ADRs) holders.

2. Some reports on substantial shareholdings regarding the Company under the Financial Instruments and Exchange Act are available for public inspection. However, the information in the reports is not described in the above table since the Company does not confirm the actual status of shareholdings as of September 30, 2024. The major contents of the reports are as follows. On July 1, 2024, the Company completed the share split of every one share into five shares for its common stock. The reports whose date on which the duty to file report is prior to the effective date of the share split show the number of shares before the share split.

Holders	BlackRock Japan Co. Ltd and nine others
Date on which the duty to file report	September 15, 2023
Number of shares	68,635,088 shares
Ownership percentage to the total number of issued shares	7.32%

Holders	Sumitomo Mitsui Trust Asset Management Co., Ltd. and one other
Date on which the duty to file report	March 15, 2022
Number of shares	58,850,673 shares
Ownership percentage to the total number of issued shares	6.08%

(6) Information on voting rights

1) Issued shares

(As of September 30, 2024)

Classification	Number of shares (shares)	Number of voting rights	Description
Shares without voting rights	—	—	—
Shares with restricted voting rights (treasury stock, etc.)	—	—	—
Shares with restricted voting rights (others)	—	—	—
Shares with full voting rights (treasury stock, etc.)	Common stock 39,273,200	—	—
Shares with full voting rights (others)	Common stock 4,593,753,700	45,937,537	—
Shares less than one unit	Common stock 3,542,485	—	—
Number of issued shares	4,636,569,385	—	—
Total number of voting rights	—	45,937,537	—

(Note) The “Shares with full voting right (others)” column includes 26,800 shares registered in the name of Japan Securities Depository Center, Incorporated (account for managing stocks whose shareholders have not transferred titles) and 268 voting rights for those shares.

2) Treasury stock, etc.

(As of September 30, 2024)

Name of shareholder	Address	Number of shares held under own name (shares)	Number of shares held under the names of others (shares)	Total shares held (shares)	Ownership percentage to the total number of issued shares (%)
Hitachi, Ltd.	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo	39,170,200	—	39,170,200	0.84
SAITA KOUGYOU CO., LTD.	5-7, Showamachi 3-chome, Kita-ku, Tokyo	88,000	—	88,000	0.00
Mizuho Co., Inc.	28-8, Honkomagome 2-chome, Bunkyo-ku, Tokyo	15,000	—	15,000	0.00
Total	—	39,273,200	—	39,273,200	0.85



## 2. Changes in Senior Management

Changes in senior managements from the filing date of the Annual Securities Report for the 155th business term to September 30, 2024 were as follows.

### 1) New Executive Officer [Effective July 1, 2024]

Position	Responsibility	Name	Date of birth	Business experience, including experience in Hitachi, and functions		Term of office	Share ownership (shares)
Senior Vice President and Executive Officer	Power grids business	Andreas Schierenbeck	Jan. 14, 1966	2003/1	Senior Vice President, Power Transmission & Distribution, Energy Management System, Siemens AG	(Note 2)	0
				2006/9	President & CEO, Building Automation, Siemens AG		
				2010/8	President, Building Technology, Americas, Siemens AG		
				2012/6	CEO, thyssenkrupp Elevator AG		
				2019/6	CEO, Uniper SE		
				2022/2	Co-founder & Board Member, HH2E AG		
				2024/7	Senior Vice President and Executive Officer, Hitachi, Ltd.		

(Notes) 1. Matters delegated to the Executive Officer by the Board of Directors are described in “Responsibility” column.

2. The term of office of the Executive Officers expires on March 31, 2025.

### 2) Resignation

Position	Responsibility	Name	Date of resignation
Senior Vice President and Executive Officer	Power grids business	Claudio Facchin	June 30, 2024
Senior Vice President and Executive Officer	Business for financial institutions; Assistant to Executive Vice President (Digital Systems & Services (APAC))	Tatsuro Ueda	September 30, 2024

(Note) Matters delegated to the Executive Officer by the Board of Directors are described in “Responsibility” column.

### 3) The Number of Men and Women and Women's Percentage after Changes in Senior Management

Men: 40 persons, Women: 4 persons

(Women's percentage to total number of Directors and Executive Officers: 9%)

Changes in senior managements from October 1, 2024 to the filing date of the Semi-annual Securities Report for the 156th business term were as follows. [Effective October 1, 2024]

Position	Responsibility	Name	Date of birth	Business experience, including experience in Hitachi, and functions		Term of office	Share ownership (shares)
Vice President and Executive Officer	Business for financial institutions; Assistant to Executive Vice President (Digital Systems & Services (APAC))	Yasuki Imai	Jan. 24, 1976	2001/4	Joined Hitachi, Ltd.	(Note 2)	2,600
				2018/4	Senior Manager of Business Planning Unit, Financial Information System Sales Management Division, Financial Institutions Business Unit		
				2019/4	Senior Director, Hitachi America, Ltd.		
				2020/4	Senior Vice President, Hitachi Vantara LLC		
				2021/4	Chief Lumada Business Officer, Hitachi Global Digital Holdings LLC		
				2022/4	President, Hitachi Industry & Control Solutions, Ltd.		
				2024/4	COO of Cloud Services Platform Business Unit, Hitachi, Ltd.		
				2024/10	Vice President and Executive Officer, Hitachi, Ltd.		

(Notes) 1. Matters delegated to the Executive Officer by the Board of Directors are described in “Responsibility” column.

2. The term of office of the Executive Officers expires on March 31, 2025.

#### IV. Financial Information

Refer to the condensed Semi-annual consolidated financial statements incorporated in this Semi-annual Securities Report.

#### Part II Information on Guarantors, etc. for the Company

Not applicable.

## Condensed Semi-annual Consolidated Financial Statements

### Condensed Semi-annual Consolidated Statement of Financial Position

Millions of yen

	Note	September 30, 2024	March 31, 2024
<b>Assets</b>			
Current assets			
Cash and cash equivalents		794,264	705,367
Trade receivables and contract assets	6	3,080,101	2,991,316
Inventories		1,606,906	1,510,647
Investments in securities and other financial assets	7	305,447	331,280
Other current assets		361,470	315,987
Total current assets		6,148,188	5,854,597
Non-current assets			
Investments accounted for using the equity method	5	797,376	816,434
Investments in securities and other financial assets	7	332,906	320,101
Property, plant and equipment		1,219,756	1,221,842
Goodwill	5	2,394,333	2,371,678
Other intangible assets		1,219,378	1,178,750
Other non-current assets		456,691	457,882
Total non-current assets		6,420,440	6,366,687
Total assets		12,568,628	12,221,284
<b>Liabilities</b>			
Current liabilities			
Short-term debt		337,382	37,827
Current portion of long-term debt	7	226,476	187,486
Other financial liabilities	7	210,627	266,245
Trade payables		1,462,387	1,399,699
Accrued expenses		612,158	697,471
Contract liabilities		1,902,662	1,658,435
Other current liabilities		573,345	555,437
Total current liabilities		5,325,037	4,802,600
Non-current liabilities			
Long-term debt	7	965,226	954,709
Retirement and severance benefits		268,768	246,231
Other non-current liabilities		353,998	358,141
Total non-current liabilities		1,587,992	1,559,081
Total liabilities		6,913,029	6,361,681
<b>Equity</b>			
Hitachi, Ltd. stockholders' equity			
Common stock		464,384	463,417
Capital surplus		-	-
Retained earnings	8	4,282,935	4,084,729
Accumulated other comprehensive income		881,700	1,160,550
Treasury stock, at cost		(127,659)	(4,991)
Total Hitachi, Ltd. stockholders' equity		5,501,360	5,703,705
Non-controlling interests		154,239	155,898
Total equity		5,655,599	5,859,603
Total liabilities and equity		12,568,628	12,221,284

See accompanying notes to condensed semi-annual consolidated financial statements.

### Condensed Semi-annual Consolidated Statement of Profit or Loss

Six months ended September 30, 2024 and 2023

Millions of yen

	Note	2024	2023
Revenues	9	4,545,982	4,960,069
Cost of sales		(3,252,750)	(3,730,503)
Gross profit		1,293,232	1,229,566
Selling, general and administrative expenses		(888,493)	(904,084)
Other income	10	54,539	21,566
Other expenses	5,10	(40,121)	(42,775)
Financial income	11	27,877	6,624
Financial expenses	11	(3,426)	(4,243)
Share of profits (losses) of investments accounted for using the equity method		4,697	33,232
EBIT (Earnings before interest and taxes)		448,305	339,886
Interest income		21,748	19,731
Interest charges		(30,718)	(37,561)
Income before income taxes		439,335	322,056
Income taxes		(123,948)	(89,718)
Net income		315,387	232,338
Net income attributable to:			
Hitachi, Ltd. stockholders		292,273	209,103
Non-controlling interests		23,114	23,235
Earnings per share attributable to Hitachi, Ltd. stockholders	12		Yen
Basic		63.29	44.83
Diluted		63.22	44.78

### Condensed Semi-annual Consolidated Statement of Comprehensive Income

Six months ended September 30, 2024 and 2023

Millions of yen

	Note	2024	2023
Net income		315,387	232,338
Other comprehensive income (OCI)			
Items not to be reclassified into net income			
Net changes in financial assets measured at fair value through OCI		(3,596)	32,280
Remeasurements of defined benefit plans		365	(165)
Share of OCI of investments accounted for using the equity method		(2,119)	397
Total items not to be reclassified into net income		(5,350)	32,512
Items that can be reclassified into net income			
Foreign currency translation adjustments		(249,203)	390,417
Net changes in cash flow hedges		4,413	10,704
Share of OCI of investments accounted for using the equity method		(3,847)	23,376
Total items that can be reclassified into net income		(248,637)	424,497
Other comprehensive income (OCI)		(253,987)	457,009
Comprehensive income		61,400	689,347
Comprehensive income attributable to:			
Hitachi, Ltd. stockholders		38,741	641,493
Non-controlling interests		22,659	47,854

See accompanying notes to condensed semi-annual consolidated financial statements.

## Condensed Semi-annual Consolidated Statement of Changes in Equity

Six months ended September 30, 2024

Millions of yen

	2024							
	Common stock	Capital surplus	Retained earnings (note 8)	Accumulated other comprehensive income	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
Balance at beginning of period	463,417	-	4,084,729	1,160,550	(4,991)	5,703,705	155,898	5,859,603
Changes in equity								
Reclassified into retained earnings	-	-	125	(125)	-	-	-	-
Net income	-	-	292,273	-	-	292,273	23,114	315,387
Other comprehensive income	-	-	-	(253,532)	-	(253,532)	(455)	(253,987)
Dividends to Hitachi, Ltd. stockholders	-	-	(92,662)	-	-	(92,662)	-	(92,662)
Dividends to non-controlling interests	-	-	-	-	-	-	(27,966)	(27,966)
Acquisition of treasury stock	-	-	-	-	(123,678)	(123,678)	-	(123,678)
Sales of treasury stock	-	(791)	-	-	1,010	219	-	219
Issuance of new shares	967	966	-	-	-	1,933	-	1,933
Transfer to capital surplus from retained earnings	-	1,530	(1,530)	-	-	-	-	-
Changes in non-controlling interests	-	(1,705)	-	(25,193)	-	(26,898)	3,648	(23,250)
Total changes in equity	967	-	198,206	(278,850)	(122,668)	(202,345)	(1,659)	(204,004)
Balance at end of period	464,384	-	4,282,935	881,700	(127,659)	5,501,360	154,239	5,655,599

Six months ended September 30, 2023

Millions of yen

	2023							
	Common stock	Capital surplus	Retained earnings (note 8)	Accumulated other comprehensive income	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
Balance at beginning of period	462,817	-	3,637,184	846,392	(3,539)	4,942,854	392,713	5,335,567
Changes in equity								
Reclassified into retained earnings	-	-	6,282	(6,282)	-	-	-	-
Net income	-	-	209,103	-	-	209,103	23,235	232,338
Other comprehensive income	-	-	-	432,390	-	432,390	24,619	457,009
Dividends to Hitachi, Ltd. stockholders	-	-	(70,317)	-	-	(70,317)	-	(70,317)
Dividends to non-controlling interests	-	-	-	-	-	-	(30,291)	(30,291)
Acquisition of treasury stock	-	-	-	-	(98,685)	(98,685)	-	(98,685)
Sales of treasury stock	-	(152)	-	-	206	54	-	54
Issuance of new shares	600	600	-	-	-	1,200	-	1,200
Transfer to capital surplus from retained earnings	-	-	-	-	-	-	-	-
Changes in non-controlling interests	-	(448)	477	(817)	-	(788)	(325)	(1,113)
Total changes in equity	600	-	145,545	425,291	(98,479)	472,957	17,238	490,195
Balance at end of period	463,417	-	3,782,729	1,271,683	(102,018)	5,415,811	409,951	5,825,762

See accompanying notes to condensed semi-annual consolidated financial statements.

## Condensed Semi-annual Consolidated Statement of Cash Flows

Six months ended September 30, 2024 and 2023

Millions of yen

	Note	2024	2023
<b>Cash flows from operating activities:</b>			
Net income		315,387	232,338
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization		214,928	247,004
Impairment losses		4,030	6,156
Income taxes		123,948	89,718
Share of (profits) losses of investments accounted for using the equity method		(4,697)	(33,232)
Financial income and expenses		1,187	13,540
Net (gain) loss on business reorganization and others		(32,172)	(11,105)
(Gain) loss on sale of property, plant and equipment		(21,895)	(9,737)
Change in trade receivables and contract assets		213,753	165,915
Change in inventories		(109,683)	(137,760)
Change in trade payables		(17,610)	(76,507)
Change in accrued expenses		(67,300)	(29,928)
Change in retirement and severance benefits		3,776	889
Other		(134,185)	(70,472)
Subtotal		489,467	386,819
Interest received		21,529	19,810
Dividends received		10,876	7,032
Interest paid		(34,088)	(36,842)
Income taxes paid		(164,449)	(59,893)
Net cash provided by (used in) operating activities		323,335	316,926
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment		(90,922)	(116,587)
Purchase of intangible assets		(63,810)	(79,165)
Proceeds from sale of property, plant and equipment, and intangible assets		34,978	20,689
Purchase of investments in securities and other financial assets	5	(270,754)	(12,049)
(including investments in subsidiaries and investments accounted for using the equity method)			
Proceeds from sale of investments in securities and other financial assets		66,072	81,792
(including investments in subsidiaries and investments accounted for using the equity method)			
Other		12,550	(4,970)
Net cash provided by (used in) investing activities		(311,886)	(110,290)
<b>Cash flows from financing activities:</b>			
Change in short-term debt, net		314,247	57,653
Proceeds from long-term debt		80,619	3,199
Payments on long-term debt		(51,555)	(65,854)
Dividends paid to Hitachi, Ltd. stockholders		(92,464)	(70,235)
Dividends paid to non-controlling interests		(28,139)	(20,099)
Acquisition of common stock for treasury		(123,678)	(98,685)
Proceeds from sales of treasury stock		3	54
Purchase of shares of consolidated subsidiaries from non-controlling interests		-	(362)
Net cash provided by (used in) financing activities		99,033	(194,329)
Effect of exchange rate changes on cash and cash equivalents		(21,585)	60,248
Change in cash and cash equivalents		88,897	72,555
Cash and cash equivalents at beginning of period		705,367	833,283
Cash and cash equivalents at end of period		794,264	905,838

See accompanying notes to condensed semi-annual consolidated financial statements.

## Notes to Condensed Semi-annual Consolidated Financial Statements

### **(1) Nature of Operations**

Hitachi, Ltd. (the Company) is a corporation domiciled in Japan, whose shares are listed on the Tokyo Stock Exchange. The condensed semi-annual consolidated financial statements of the Company as of and for the six months ended September 30, 2024 comprise the Company, its subsidiaries and the Company's interests in associates and joint ventures. The Company's and its subsidiaries' businesses are global and diverse, and include manufacturing and services in four segments consisting of Digital Systems & Services, Green Energy & Mobility, Connective Industries and Others.

### **(2) Basis of Presentation**

As the Company meets the requirements of a "Specified Company applying Designated International Financial Reporting Standards" pursuant to Article 1-2 of the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance of Japan No.28 of 1976), the condensed semi-annual consolidated financial statements of the Company have been prepared in accordance with International Accounting Standards (IAS) 34 "Interim Financial Reporting," as permitted by the provision of Article 312 of the Ordinance. They do not include all the information and disclosures required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS), and should be read in conjunction with the financial statements and notes included in the Company's annual consolidated financial statements for the year ended March 31, 2024.

Management of the Company has made a number of judgments, estimates and assumptions relating to the application of accounting policies, reporting of revenues and expenses and assets and liabilities in the preparation of these condensed semi-annual consolidated financial statements. Actual results could differ from those estimates.

Estimates and assumptions are continually evaluated. The effect of a change in accounting estimates, if any, is recognized in the reporting period in which the change was made and in future periods.

Judgments, estimates and assumptions that could have a material effect on these condensed semi-annual consolidated financial statements are basically the same as those disclosed in the Company's annual consolidated financial statements for the year ended March 31, 2024.

### **(3) Material Accounting Policies**

Material accounting policies adopted in preparation of the condensed semi-annual consolidated financial statements are consistent with those used in the preparation of the Company's annual consolidated financial statements for the year ended March 31, 2024.

Income taxes for the six months ended September 30, 2024 are computed using the estimated annual effective tax rate.

**(4) Segment Information**

The operating segments of the Company are the components for which separate financial information is available and which is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

The Company discloses its business in four reportable segments, corresponding to categories of activities classified primarily by the similarities for the nature of markets, products and services, and economic characteristics. Several operating segments are aggregated into Green Energy & Mobility and Connective Industries for financial reporting purposes so that users of the financial statements better understand the Company's financial position and business performance. The Company aggregates operating segments based on the similarities of economic characteristics mainly using the segment profit (loss) margin ratio of operating segments. The primary products and services included in each reportable segment are as follows:

**Digital Systems & Services:**

Digital solutions (System integration, Consulting, Cloud services), IT products (Storage, Servers), Software, and ATMs

**Green Energy & Mobility:**

Energy solutions (Power grids, Renewable energy, Nuclear), and Railway systems

**Connective Industries:**

Building systems (Elevators, Escalators), Smart life & ecofriendly systems (Home appliances, Air conditioners), Measurement and analytical systems (Semiconductor manufacturing equipment, Clinical analyzers), Industry & distribution solutions, Water & environment solutions, and Industrial machinery

**Others:**

Property management and others

In October 2023, the Company sold a certain number of shares of Hitachi Astemo, Ltd. (Hitachi Astemo). As a result, Hitachi Astemo and its subsidiaries, which were included in the Automotive Systems segment, became equity-method associates of the Company. Accordingly, the Automotive Systems segment ceased to be operating segments, but the segment figures for the six months ended September 30, 2024 and 2023 are disclosed individually to enhance fair disclosure. The Company includes its share of profits (losses) of investments accounted for using the equity method of Hitachi Astemo and its subsidiaries after the transfer of shares from the third quarter of the fiscal year ended March 31, 2024 (from October 1, 2023 to December 31, 2023) in Corporate items & Eliminations.



## Notes to Condensed Semi-annual Consolidated Financial Statements

The following tables show business segment information for the six months ended September 30, 2024 and 2023.

Millions of yen

	2024			
	Reportable Segment			
	Digital Systems & Services	Green Energy & Mobility	Connective Industries	Automotive Systems
Revenues				
Revenues from External Customers	1,229,372	1,757,559	1,410,329	-
Revenues from Intersegment Transactions	83,046	28,175	84,677	-
Total Revenues	1,312,418	1,785,734	1,495,006	-
Segment Profit (Loss)	169,187	152,944	167,051	-

Millions of yen

	2024			
	Reportable Segment		Corporate items & Eliminations	Total
	Others	Subtotal		
Revenues				
Revenues from External Customers	129,029	4,526,289	19,693	4,545,982
Revenues from Intersegment Transactions	108,737	304,635	(304,635)	-
Total Revenues	237,766	4,830,924	(284,942)	4,545,982
Segment Profit (Loss)	6,014	495,196	(28,144)	467,052

Millions of yen

	2023			
	Reportable Segment			
	Digital Systems & Services	Green Energy & Mobility	Connective Industries	Automotive Systems
Revenues				
Revenues from External Customers	1,112,099	1,317,555	1,369,447	1,030,966
Revenues from Intersegment Transactions	80,403	28,158	94,403	4,251
Total Revenues	1,192,502	1,345,713	1,463,850	1,035,217
Segment Profit (Loss)	135,061	79,671	145,719	41,291

Millions of yen

	2023			
	Reportable Segment		Corporate items & Eliminations	Total
	Others	Subtotal		
Revenues				
Revenues from External Customers	120,152	4,950,219	9,850	4,960,069
Revenues from Intersegment Transactions	121,666	328,881	(328,881)	-
Total Revenues	241,818	5,279,100	(319,031)	4,960,069
Segment Profit (Loss)	7,849	409,591	(8,653)	400,938

Segment profit (loss) is measured by Adjusted EBITA. Adjusted EBITA is defined as Adjusted Earnings before Interest, Taxes and Amortization. Adjusted EBITA represents profit (loss) calculated by deducting selling, general and administrative expenses from gross profit, adding back amortization of intangible assets, etc. recognized upon business combinations, and adding or deducting share of profits (losses) of investments accounted for using the equity method.

Intersegment transactions are generally recorded at the same prices used in arm's length transactions. Corporate items include corporate expenses not allocated to individual segments, such as expenditures for advanced R&D, a part of net gain (loss) on share of profits (losses) of investments accounted for using the equity method, and others.

**Notes to Condensed Semi-annual Consolidated Financial Statements**

Adjustments to income before income taxes from segment profit (loss) for the six months ended September 30, 2024 and 2023 are as follows.

	Millions of yen	
	2024	2023
Segment Profit (Loss)	467,052	400,938
Amortization of Intangible assets, etc. recognized upon business combinations	(57,616)	(42,224)
Other income	54,539	21,566
Other expenses	(40,121)	(42,775)
Financial income	27,877	6,624
Financial expenses	(3,426)	(4,243)
EBIT (Earnings before interest and taxes)	448,305	339,886
Interest income	21,748	19,731
Interest charges	(30,718)	(37,561)
Income before income taxes	439,335	322,056

**(5) Business Acquisitions and Divestitures**

The following are the main Business Acquisitions and Divestitures for the six months ended September 30, 2024, including the period up to the approval date of the condensed semi-annual consolidated financial statements.

**(a) Acquisition of Thales' ground transportation systems business**

On August 3, 2021, Hitachi Rail Ltd. (hereinafter "Hitachi Rail"), a consolidated subsidiary of the Company in the Green Energy & Mobility segment, signed an agreement with Thales S.A. (hereinafter "Thales") to acquire the ground transportation systems business in order to expand the rail signalling systems business globally. Based on the agreement, Hitachi Rail invested 100% in CENTELEC UK LIMITED (hereinafter "CENTELEC"), which was carved out from Thales, and the acquisition was completed on May 31, 2024. As a result, CENTELEC became a subsidiary of the Company.

The following table summarizes the fair value of the consideration paid for CENTELEC and the provisional amounts of the assets acquired, liabilities assumed and goodwill recognized as of the acquisition date.

	(Millions of yen)
Cash and cash equivalents	85,017
Trade receivables and contract assets	212,453
Inventories	46,064
Other current assets	50,776
Property, plant and equipment	28,556
Goodwill (not deductible for tax purposes)	139,952
Other intangible assets	120,280
Other non-current assets	16,693
Total	<u>699,791</u>
Short-term debt	25,024
Trade payables	102,805
Contract liabilities	130,115
Other current liabilities	72,204
Long-term debt	12,756
Retirement and severance benefits	19,992
Other non-current liabilities	31,905
Total	<u>394,801</u>
Cash paid for the acquisition	<u>304,990</u>

The goodwill mainly comprises excess earning power and expected synergies arising from the acquisition.

The Company is currently evaluating the fair values to be assigned to assets and liabilities of CENTELEC at the acquisition date and therefore the above amounts are subject to change. In addition, the Cash paid for the acquisition may vary due to transaction price adjustment.

Acquisition related costs of 5,420 million yen have been posted up to the year ended March 31, 2024, and approximately 4,500 million yen is expected to be recorded for the year ending March 31, 2025. Acquisition related costs included in Other expenses in the condensed semi-annual consolidated statement of profit or loss for the six months ended September 30, 2024 and 2023 were 4,260 million yen and 923 million yen, respectively.

In addition to this acquisition, Hitachi Rail repaid 143 million euro (24,210 million yen) of certain loans owed by CENTELEC from Thales, and the repayment is included in Purchase of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method) under Cash flows from investing activities in the condensed semi-annual consolidated statement of cash flows for the six months ended September 30, 2024.

The operating results of CENTELEC for the period from the acquisition date to September 30, 2024 were not material.

On a pro forma basis, revenues and net income attributable to Hitachi, Ltd. stockholders using an assumed acquisition date for CENTELEC of April 1, 2024 would not differ materially from the amounts reported in the condensed semi-annual consolidated statement of profit or loss for the six months ended September 30, 2024.

## Notes to Condensed Semi-annual Consolidated Financial Statements

The following is a material Business Acquisition other than the above.

***(a) Sale of all shares of Johnson Controls-Hitachi Air Conditioning Holding (UK) Ltd (hereinafter “JCH”)***

Hitachi Global Life Solutions, Inc. (hereinafter “Hitachi GLS”), a consolidated subsidiary of the Company in the Connective Industries segment, has reached an agreement with Robert Bosch GmbH (hereinafter “Bosch”) regarding the transfer of all shares of JCH, an equity-method associate of the Company, established with Johnson Controls, Inc. as an air conditioning joint venture. On July 23, 2024, Hitachi GLS and Bosch entered into a share purchase agreement.

Based on the agreement, Hitachi GLS will transfer all of its own 40% shares of JCH to Bosch, and JCH will cease to be an equity-method associate when the transaction is settled. The transaction is planned to be settled by the first quarter of the fiscal year ending March 31, 2026 (from April 1, 2025 to June 30, 2025).

The consideration is 1.4 billion U.S. dollars (approximately 195.0 billion yen), and an expected gain on the sale of JCH shares in the amount of approximately 125.0 billion yen will be recognized in Other income in the consolidated statement of profit or loss for the fiscal year when the transfer is completed. The final consideration will be determined after certain adjustments.

## Notes to Condensed Semi-annual Consolidated Financial Statements

### (6) Trade Receivables and Contract Assets

The components of trade receivables and contract assets as of September 30 and March 31, 2024 are as follows:

	Millions of yen	
	September 30, 2024	March 31, 2024
Accounts receivable	1,737,763	1,975,770
Contract assets	1,276,407	930,743
Others	65,931	84,803
Total	3,080,101	2,991,316

Trade receivables and contract assets are stated as net of the allowance for doubtful receivables.

Others include electronically recorded monetary claims and notes receivable.

### (7) Fair Value of Financial Instruments

#### (a) Fair Value Measurements

The following methods and assumptions are used to measure the fair value of financial assets and liabilities.

#### **Cash and cash equivalents, Trade receivables, Short-term loans receivable, Other accounts receivable, Short-term debt, Other accounts payable and Trade payables**

The carrying amount approximates the fair value because of the short maturity of these instruments.

#### **Investments in securities and other financial assets**

The fair value of lease receivables is based on the present value of lease payments receivable calculated for each group of years to maturity using discount rates that reflect the time to maturity and credit risk.

Investment securities with quoted market prices are estimated using the quoted share prices. In the absence of an active market for investment securities, quoted prices for similar investment securities, quoted prices associated with transactions that are not distressed for identical or similar investment securities or other relevant information including market interest rate curves, referenced credit spreads or default rates, are used to determine fair value. If significant inputs of fair value measurement are unobservable, the Company uses price information provided by financial institutions to evaluate such investments. The information provided is corroborated by the income approach using its own valuation model, or the market approach using comparisons with prices of similar securities.

The fair value of long-term loans receivable is estimated based on the present value of future cash flows using the interest rate applicable to an additional loan of the same type.

Derivative assets are measured at fair value based on quoted prices associated with transactions that are not distressed, prices in inactive markets, or based on models using interest rate curves and forward and spot prices for currencies and commodities. If significant inputs are unobservable, the Company mainly uses the income approach or the market approach to corroborate relevant information provided by financial institutions and other available information.

#### **Long-term debt**

The fair value of long-term debt is estimated based on quoted market prices or the present value of future cash flows using the market interest rates applicable to the same contractual terms.

#### **Other financial liabilities**

Derivative liabilities are measured at fair value based on quoted prices associated with transactions that are not distressed, prices in inactive markets, or based on models using interest rate curves and forward and spot prices for currencies and commodities. If significant inputs are unobservable, the Company uses mainly the income approach or the market approach to corroborate relevant information provided by financial institutions and other available information.

## Notes to Condensed Semi-annual Consolidated Financial Statements

### **(b) Financial Instruments Measured at Amortized Cost**

The carrying amounts and estimated fair values of the financial instruments measured at amortized cost as of September 30 and March 31, 2024 are as follows.

The fair value estimated for financial assets and liabilities measured at amortized cost is classified mainly in Level 2 of the fair value hierarchy.

Millions of yen				
	September 30, 2024		March 31, 2024	
	Carrying amounts	Estimated fair values	Carrying amounts	Estimated fair values
<u>Assets</u>				
Investments in securities and other financial assets				
Lease receivables	23,330	24,826	27,414	28,810
Debt securities	44,953	44,719	46,486	46,162
Long-term loans receivable	9,493	10,608	8,840	8,840
<u>Liabilities</u>				
Long-term debt [1]				
Bonds	220,000	217,163	220,000	218,586
Long-term borrowings	727,756	725,636	679,355	677,633

[1] Long-term debt is included in Current portion of long-term debt and Long-term debt in the condensed semi-annual consolidated statement of financial position.

### **(c) Financial Instruments Measured at Fair Value**

Financial instruments measured at fair value on a recurring basis after the initial recognition are classified into three levels of the fair value hierarchy based on the measurement inputs' observability as follows:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets
- Level 2: Valuations measured by direct or indirect observable inputs other than Level 1
- Level 3: Valuations measured by significant unobservable inputs

When several inputs are used for a fair value measurement, the level is determined based on the input that is significant with the lowest level in the fair value measurement as a whole.

Transfers between levels are deemed at the beginning of each quarter period.

## Notes to Condensed Semi-annual Consolidated Financial Statements

The following tables present the assets and liabilities that are measured at fair value on a recurring basis as of September 30 and March 31, 2024.

September 30, 2024				Millions of yen
Class of financial instruments	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss:				
Investments in securities and other financial assets				
Equity securities	561	-	43,098	43,659
Debt securities	10,088	5,901	2,686	18,675
Derivatives	-	97,790	1,759	99,549
Financial assets measured at fair value through other comprehensive income:				
Investments in securities and other financial assets				
Equity securities	55,993	-	106,875	162,868
<b>Total financial assets at fair value</b>	<b>66,642</b>	<b>103,691</b>	<b>154,418</b>	<b>324,751</b>
Financial liabilities measured at fair value through profit or loss:				
Other financial liabilities				
Derivatives	-	60,341	-	60,341
<b>Total financial liabilities at fair value</b>	<b>-</b>	<b>60,341</b>	<b>-</b>	<b>60,341</b>

March 31, 2024				Millions of yen
Class of financial instruments	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss:				
Investments in securities and other financial assets				
Equity securities	510	-	35,404	35,914
Debt securities	10,523	5,648	2,901	19,072
Derivatives	-	132,410	2,171	134,581
Financial assets measured at fair value through other comprehensive income:				
Investments in securities and other financial assets				
Equity securities	58,929	-	105,910	164,839
<b>Total financial assets at fair value</b>	<b>69,962</b>	<b>138,058</b>	<b>146,386</b>	<b>354,406</b>
Financial liabilities measured at fair value through profit or loss:				
Other financial liabilities				
Derivatives	-	64,659	-	64,659
<b>Total financial liabilities at fair value</b>	<b>-</b>	<b>64,659</b>	<b>-</b>	<b>64,659</b>

## Notes to Condensed Semi-annual Consolidated Financial Statements

The following tables present the changes in Level 3 instruments measured on a recurring basis for the six months ended September 30, 2024 and 2023.

September 30, 2024				Millions of yen
Level 3 financial assets	Equity securities	Debt securities	Derivatives	Total
Balance at beginning of period	141,314	2,901	2,171	146,386
Gain (loss) in profit or loss [1]	2,088	(21)	(307)	1,760
Loss in OCI [2]	(1,657)	-	-	(1,657)
Purchases	4,487	16	-	4,503
Sales and redemption	(673)	(202)	-	(875)
Acquisitions and divestitures	2,485	17	-	2,502
Other	1,929	(25)	(105)	1,799
Balance at end of period	149,973	2,686	1,759	154,418
Unrealized gain (loss) relating to financial assets held at end of period [3]	2,088	(6)	(307)	1,775

September 30, 2023				Millions of yen
Level 3 financial assets	Equity securities	Debt securities	Derivatives	Total
Balance at beginning of period	132,797	4,959	-	137,756
Gain (loss) in profit or loss [1]	1,353	(40)	-	1,313
Gain in OCI [2]	3,887	-	-	3,887
Purchases	4,183	26	-	4,209
Sales and redemption	(3,569)	(733)	-	(4,302)
Other	3,517	(1,275)	-	2,242
Balance at end of period	142,168	2,937	-	145,105
Unrealized gain relating to financial assets held at end of period [3]	1,321	-	-	1,321

[1] Gain (loss) in profit or loss related to Financial assets measured at fair value through profit or loss is included in Financial income and Financial expenses in the condensed semi-annual consolidated statement of profit or loss.

[2] Gain (loss) in OCI related to Financial assets measured at fair value through other comprehensive income is included in Net changes in financial assets measured at fair value through OCI in the condensed semi-annual consolidated statement of comprehensive income.

[3] Unrealized gain (loss) relating to Financial assets measured at fair value through profit or loss held at the end of period is included in Financial income and Financial expenses in the condensed semi-annual consolidated statement of profit or loss.

Fair values are measured by the finance departments in accordance with the Company's policies and procedures. Valuation models are determined so that they reflect each financial instrument's nature, characteristics and risks most appropriately. The finance departments continually examine changes in important inputs that could affect the fair value. In case the fair value of a financial instrument was significantly impaired, administrators review and approve the impairment loss.



## Notes to Condensed Semi-annual Consolidated Financial Statements

### (8) Dividends

Dividends paid on the Company's common stock for the six months ended September 30, 2024 are as follows:

Decision	Cash dividends (millions of yen)	Appropriation from	Cash dividends per share (yen)	Record date	Effective date
The Board of Directors on May 13, 2024	92,662	Retained earnings	100.0	March 31, 2024	June 4, 2024

Dividends on the Company's common stock whose record date falls in the six months ended September 30, 2024 and the effective date falls in the next period are as follows:

Decision	Cash dividends (millions of yen)	Appropriation from	Cash dividends per share (yen)	Record date	Effective date
The Board of Directors on October 30, 2024	96,545	Retained earnings	21.0	September 30, 2024	November 27, 2024

Dividends paid on the Company's common stock for the six months ended September 30, 2023 are as follows:

Decision	Cash dividends (millions of yen)	Appropriation from	Cash dividends per share (yen)	Record date	Effective date
The Board of Directors on May 12, 2023	70,317	Retained earnings	75.0	March 31, 2023	June 2, 2023

Dividends on the Company's common stock whose record date falls in the six months ended September 30, 2023 and the effective date falls in the next period are as follows:

Decision	Cash dividends (millions of yen)	Appropriation from	Cash dividends per share (yen)	Record date	Effective date
The Board of Directors on October 27, 2023	74,144	Retained earnings	80.0	September 30, 2023	November 27, 2023

Note : On July 1, 2024, the Company completed the share split into five (5) shares for every one (1) common share. Cash dividends per share as of the record date of September 30, 2024, reflect this share split. Cash dividends per share on or before the record date of June 30, 2024, do not reflect this share split.

## Notes to Condensed Semi-annual Consolidated Financial Statements

### (9) Revenues

#### (a) Disaggregation of revenue

The Company derives revenues primarily from contracts with customers.

The disaggregation of revenue attributable to each reportable segment and geographic area for the six months ended September 30, 2024 and 2023 is as follows.

Effective from April 1, 2024, the Company reclassified its reportable segments. Details of the reclassification are described in note 4.

Millions of yen

2024							
	Japan	North America	Europe	Asia	Other Areas	Overseas Revenues Subtotal	Total Revenues
Digital Systems & Services	869,569	185,395	115,975	111,887	29,592	442,849	1,312,418
Green Energy & Mobility	176,944	421,959	653,567	250,271	282,993	1,608,790	1,785,734
Connective Industries	702,852	133,184	101,779	538,760	18,431	792,154	1,495,006
Automotive Systems	-	-	-	-	-	-	-
Others	194,417	3,955	6,312	32,333	749	43,349	237,766
Subtotal	1,943,782	744,493	877,633	933,251	331,765	2,887,142	4,830,924
Corporate items & Eliminations	(264,774)	(3,239)	(5,078)	(11,665)	(186)	(20,168)	(284,942)
Total	1,679,008	741,254	872,555	921,586	331,579	2,866,974	4,545,982

Millions of yen

2023							
	Japan	North America	Europe	Asia	Other Areas	Overseas Revenues Subtotal	Total Revenues
Digital Systems & Services	774,537	165,476	111,582	113,079	27,828	417,965	1,192,502
Green Energy & Mobility	157,882	294,842	464,877	226,836	201,276	1,187,831	1,345,713
Connective Industries	683,892	130,481	101,068	530,332	18,077	779,958	1,463,850
Automotive Systems	241,697	275,396	89,361	349,286	79,477	793,520	1,035,217
Others	205,810	3,039	4,751	26,141	2,077	36,008	241,818
Subtotal	2,063,818	869,234	771,639	1,245,674	328,735	3,215,282	5,279,100
Corporate items & Eliminations	(293,989)	(1,848)	(4,406)	(16,206)	(2,582)	(25,042)	(319,031)
Total	1,769,829	867,386	767,233	1,229,468	326,153	3,190,240	4,960,069

The Digital Systems & Services segment consists of Front Business, IT Services, and Services & Platforms, for which revenue amounted to 555,610 million yen, 491,026 million yen and 518,985 million yen for the six months ended September 30, 2024 and 482,022 million yen, 454,775 million yen and 476,001 million yen for the six months ended September 30, 2023, respectively (including intersegment transactions). Front Business and IT Services are operated mainly in Japan, and Services & Platforms is operated mainly in Japan, North America and Europe.

The Company's revenues include revenue recognized based on the pattern of the cost accrual arising from long-term projects. Of the revenue recognized during the six months ended September 30, 2024 and 2023, the amount of revenue recognized based on the pattern of the cost accrual arising from long-term projects was 1,378,771 million yen and 991,656 million yen, respectively.

## Notes to Condensed Semi-annual Consolidated Financial Statements

### (b) Information about satisfaction of performance obligations

The following is information about satisfaction of performance obligations related to major goods and services of each reportable segment.

#### (Digital Systems & Services)

Front Business and IT Services primarily provide goods and services such as system integration, consulting and cloud service. Services & Platforms primarily provides IT products and software.

These long-term projects in system integration, consulting and cloud service businesses provide goods and services according to customers' specifications over a specified period of time, and revenue is recognized mainly based on the pattern of the cost accrual (the progress of the project mostly based on the cost incurred relative to the estimated total cost) or the passage of time as performance obligations are satisfied over time. Many of the contracts require payments based on milestones, and in some cases, payments are made before performance obligations are satisfied.

In IT products and software businesses, revenue is recognized when control over the goods is transferred to customers as performance obligations are satisfied at the point in time upon the completion or upon delivery of the goods. Mostly, payment terms stipulate that the consideration is received within one year after the performance obligation is satisfied, and there are no significant transactions in which payment terms include deferred payments, etc.

#### (Green Energy & Mobility and Connective Industries)

The Green Energy & Mobility segment includes revenue from businesses such as energy solutions and railway systems. The energy solutions business is operated mainly in Asia, North America, and Europe. The railway systems business is operated mainly in Europe. The Connective Industries segment includes revenue from businesses such as building systems, smart life & ecofriendly systems, measurement and analytical systems, and industry & distribution solutions. The building systems business is operated mainly in China, the smart life & ecofriendly systems business is operated mainly in Japan, the measurement and analytical systems business is operated mainly in Japan, Asia, North America, and Europe, and the industry & distribution solutions business is operated mainly in Japan.

Long-term projects related to contracts such as construction in these segments involve manufacturing and providing goods based on customers' specifications over a specified period of time. As performance obligations are satisfied over time, revenue is recognized mainly based on the pattern of the cost accrual (the progress of the project mostly based on the cost incurred relative to the estimated total cost). In addition, these segments provide certain services promised in the contracts such as maintenance throughout the duration of the contract, and recognize revenue over time based on the passage of time. Many of the contracts require payments based on milestones, and, in some cases, payments are made before performance obligations are satisfied.

Further, in the sale of elevators, home appliances, measurement and analytical systems, industrial equipment, etc. included in the Connective Industries segment, revenue is recognized when control over the goods is transferred to customers as performance obligations are satisfied at the point in time upon the completion or upon delivery of the goods. Mostly, payment terms stipulate that the consideration is received within one year after the performance obligation is satisfied, and there are no significant transactions in which payment terms include deferred payments, etc.

## Notes to Condensed Semi-annual Consolidated Financial Statements

### (10) Other Income and Expenses

The main components of other income and expenses for the six months ended September 30, 2024 and 2023 are as follows:

	Millions of yen	
	2024	2023
Net gain (loss) on sales and disposals of fixed assets	21,855	9,045
Impairment losses	(4,030)	(6,156)
Net gain (loss) on business reorganization and others	32,172	11,105
Special termination benefits	(3,702)	(2,145)

Impairment losses are mainly recognized on property, plant and equipment and other intangible assets. Net gain (loss) on business reorganization and others includes gains and losses related to obtaining and losing control of investees and gains and losses related to obtaining and losing significant influence over investees.

Restructuring charges (structural reform expenses) included in Other expenses for the six months ended September 30, 2024 and 2023 were 7,732 million yen and 8,301 million yen, respectively. Restructuring charges (structural reform expenses) include impairment losses and special termination benefits.

### (11) Financial Income and Expenses

The main components of financial income and expenses for the six months ended September 30, 2024 and 2023 are as follows:

	Millions of yen	
	2024	2023
Dividends received	2,074	3,221
Exchange gain (loss)	20,089	2,331

Dividends received for the six months ended September 30, 2024 and 2023 are from financial assets measured at fair value through other comprehensive income.

**Notes to Condensed Semi-annual Consolidated Financial Statements**

**(12) Earnings Per Share (EPS) Information**

The calculations of basic and diluted EPS attributable to Hitachi, Ltd. stockholders for the six months ended September 30, 2024 and 2023 are as follows:

	Number of shares	
	2024	2023
Weighted average number of shares on which basic EPS is calculated	4,618,252,848	4,664,592,000
Effect of dilutive securities		
Stock options	1,387,100	1,938,100
Restricted stock	3,535,183	3,216,745
Restricted stock units	162,356	163,405
Number of shares on which diluted EPS is calculated	4,623,337,487	4,669,910,250

	Millions of yen	
	2024	2023
Net income attributable to Hitachi, Ltd. stockholders		
Basic	292,273	209,103
Effect of dilutive securities	-	-
Diluted	292,273	209,103

	Yen	
	2024	2023
EPS attributable to Hitachi, Ltd. stockholders		
Basic	63.29	44.83
Diluted	63.22	44.78

Note : On July 1, 2024, the Company completed the share split into five (5) shares for every one (1) common share. The figures for basic and diluted EPS attributable to Hitachi, Ltd. stockholders are calculated on the assumption that the Company conducted this share split at the beginning of the previous fiscal year.

**(13) Contingencies**

*Litigation*

In November 2017, a subsidiary in Japan received a complaint that was filed against three companies, namely a construction company of a condominium complex, the subsidiary and a secondary subcontractor, by a contractee in Japan seeking approximately 45.9 billion yen in compensation for expenses allegedly incurred arising from concerns over partial deficiencies of piling work during the construction phases of the condominium complex, which the subsidiary contracted as the primary subcontractor. The compensation claim against these three companies was amended to approximately 51.0 billion yen in July 2018 and to approximately 50.5 billion yen in September 2022 by the contractee.

In relation to the aforementioned lawsuit, in April 2018, the subsidiary in Japan received a complaint that was filed against the subsidiary and the secondary subcontractor, by the construction company of the condominium complex seeking approximately 49.6 billion yen in compensation for expenses allegedly incurred arising from the aforementioned lawsuit. In July 2018, the compensation claim against these two companies was amended to approximately 54.8 billion yen by the construction company of the condominium complex. Although the subsidiary in Japan will address these claims and explain its position, there can be no assurance that it will not be held liable for any amounts claimed.

In December 2017, a subsidiary in Europe received a complaint filed by a customer in Europe seeking compensation for consequential losses of 263 million euro (41,937 million yen) and interest allegedly incurred by performance defects of a power plant. As of September 30, 2024, the amount of compensation claimed by the customer was changed to 270 million euro (43,052 million yen). Although the subsidiary in Europe will vigorously defend itself against this lawsuit, there can be no assurance that it will not be held liable for any amounts claimed.

The Company and its subsidiaries execute a number of business reorganizations, including mergers, acquisitions and divestitures. Contracts for these reorganizations include clauses for transaction price adjustments subsequent to the reorganizations. There is a possibility products or services provided by the Company and its subsidiaries contain defects. As the result of price adjustments, or in compensation for defects in products or services etc. there is a possibility that the Company pays for any amounts.

Depending upon the outcome of the above legal proceedings, there may be an adverse effect on the consolidated financial position or results of operations. Currently, the Company is unable to estimate the adverse effect, if any, of many of these proceedings. The actual amount of fines, surcharge payments or any other payments resulting from these legal proceedings may be different from the accrued amounts.

In addition to the above, the Company and its subsidiaries are subject to legal proceedings and claims which have arisen in the ordinary course of business and have not been finally adjudicated. These actions when ultimately concluded and determined will not, in the opinion of management, have a material adverse effect on the condensed semi-annual consolidated financial statements of the Company and subsidiaries.

**(14) Approval of Condensed Semi-annual Consolidated Financial Statements**

The condensed semi-annual consolidated financial statements were approved on November 11, 2024 by Keiji Kojima, President and CEO of the Company.

[Cover]

[Document Filed]	Confirmation Letter
[Applicable Law]	Article 24-5-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Filed with]	Director, Kanto Local Finance Bureau
[Filing Date]	November 11, 2024
[Company Name]	Kabushiki Kaisha Hitachi Seisakusho
[Company Name in English]	Hitachi, Ltd.
[Title and Name of Representative]	Keiji Kojima, President & CEO
[Title and Name of CFO]	Tomomi Kato, Senior Vice President and Executive Officer
[Address of Head Office]	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo
[Place Where Available for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo) Nagoya Stock Exchange, Inc. (8-20, Sakae 3-chome, Naka-ku, Nagoya)

1. Matters Related to Adequacy of Statements Contained in the Semi-annual Securities Report

Mr. Keiji Kojima, President & CEO, and Mr. Tomomi Kato, Senior Vice President and Executive Officer, confirmed that statements contained in the Semi-annual Securities Report for the first half of the 156th fiscal year (from April 1, 2024 to September 30, 2024) were adequate under the Financial Instruments and Exchange Act.

2. Special Notes

None.