

The 154th Annual General Meeting of Shareholders of Hitachi, Ltd.

Matters subject to measures for electronic provision that are not provided in the paper-based documents delivered to shareholders who have requested

Hitachi, Ltd.

Note: The contents are not provided in the paper-based documents delivered to shareholders who have requested pursuant to the provisions of the Articles of Incorporation of the Company and the relevant laws and regulations.

Contents

- (1) Five-year Summary of Asset and Results of Operation of Hitachi Group
- (2) Business Overview and Results of Hitachi Group - Results by Segment
- (3) Research and Development of Hitachi Group
- (4) Employees of Hitachi Group
- (5) Structures and Other Things to Ensure Adequacy of Business Operations (Internal Control System) and Operation of the Internal Control System
- (6) Fundamental Policy on the Conduct of Persons Influencing Decision on the Company's Financial and Business Policies
- (7) Matters Concerning the Company's Stock
- (8) Information on the Stock Acquisition Rights, etc.
- (9) Policy on Determination of Distribution of Surplus, etc.
- (10) Matters Concerning Accounting Auditor
- (11) Consolidated Statements of Comprehensive Income (Supplementary Information)
- (12) Consolidated Statements of Changes in Equity
- (13) Consolidated Statements of Cash Flows (Supplementary Information)
- (14) Notes to Consolidated Financial Statements
- (15) Unconsolidated Statement of Changes in Net Assets
- (16) Notes to Unconsolidated Financial Statements
- (17) Transcript of Accounting Auditors' Audit Report on Consolidated Financial Statements
- (18) Transcript of Accounting Auditors' Audit Report on Unconsolidated Financial Statements
- (19) Transcript of Audit Committee's Audit Report

(1) Five-year Summary of Assets and Results of Operation of Hitachi Group

1) Consolidated Basis

Fiscal Year	(Billions of yen)				
	2018	2019	2020	2021	2022
Revenues	9,480.6	8,767.2	8,729.1	10,264.6	10,881.1
Adjusted Operating Income	754.9	661.8	495.1	738.2	748.1
Adjusted EBITA	-	-	609.1	855.3	884.6
Income Before Income Taxes	516.5	180.2	844.4	839.3	819.9
Net Income Attributable to Hitachi, Ltd. Stockholders	222.5	87.5	501.6	583.4	649.1
Total Assets	9,626.5	9,930.0	11,852.8	13,887.5	12,501.4

Notes: 1. "Adjusting Operating Income" is presented as revenues less cost of sales as well as selling, general and administrative expenses.
2. "Adjusted EBITA" is representing the operating income, adding back the amortization of intangible assets, etc. recognizing upon business combinations, and adding or deducting shares of profits (losses) of investments accounted for using the equity method.

2) Unconsolidated Basis

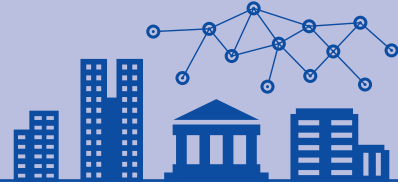
Fiscal Year	(Billions of yen)				
	2018	2019	2020	2021	2022
Revenues	1,927.2	1,793.2	1,678.2	1,623.4	1,631.3
Operating Income	93.0	108.0	39.0	113.9	88.0
Ordinary Income	304.0	355.4	305.4	365.0	354.7
Net Income	174.0	119.4	705.5	516.1	987.9
Total Assets	3,934.1	4,004.4	4,982.6	5,815.6	5,940.4

Notes: 1. From Fiscal 2021, the Company adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020) etc. and the figures for Fiscal 2021 and 2022 have been calculated in accordance with this standard.
2. Net income reached a new record high due mainly to the increase in extraordinary income resulting from the sale of shares in listed group companies.

(2) Business Overview and Results of Hitachi Group - Results by Segment

Digital Systems & Services

To realize a sustainable society, Hitachi is utilizing advanced digital technologies including AI, IoT and analytics with the Lumada business at the core to provide sophisticated digital solutions creating value from data.



Revenues	Adjusted EBITA		ROIC
		Adjusted EBITA Margin	
2,389.0 billion yen Year over year 111%	293.7 billion yen Year over year 104%	12.3% Year over year -0.8 points	8.3% Year over year -2.3 points

Sales and profits increased mainly due to the impact of foreign exchange rates and the expansion of the Lumada business. GlobalLogic, which continues to grow at a high rate, recorded revenues of 184% (154% in U.S. dollars) of the previous fiscal year (from July 2021, when the acquisition was completed, to March 2022) and Adjusted EBITA Margin of 21.8%.

[Measures Taken]

To respond to global DX demand, Hitachi has strived to provide digital solutions to the issues and needs of society and customers through a range of collaborative creation activities. Based on the robust growth foundations of the Lumada business combining the digital engineering of GlobalLogic with Hitachi's highly reliable system integration and other qualities, Hitachi has worked to enhance and expand sites to develop and provide services globally as well as develop by strengthening its hiring and development programs. Hitachi is also accelerating the creation of synergy spanning the business fields of the entire Group.



Co-creation project with GlobalLogic at Lumada Innovation Hub Tokyo

Green Energy & Mobility

To realize a sustainable and decarbonized society, Hitachi is promoting to provide the GX Solutions, including power grids combining IT and OT, clean energy systems including renewable and nuclear energy, and eco-friendly railway systems. Hitachi is also working to solve the issues faced by society and customers with the provision of cutting-edge solutions, including improved convenience in transportation systems using MaaS,¹ and the optimized operation and management of energy-related facilities through EFaaS.²



¹ MaaS (Mobility as a Service) : A service integrating search, reservation, payment and other functions by optimally combining multiple means of public transportation and mobility services.

² EFaaS (Energy & Facility Management as a Service) : A service providing integrated support for the efficient operation and management of facilities.

Revenues	Adjusted EBITA		ROIC
	Adjusted EBITA	Adjusted EBITA Margin	
2,492.5 billion yen Year over year 122%	132.7 billion yen Year over year 144%	5.3% Year over year +0.8 points	3.2% Year over year +1.2 points

Sales and profits increased mainly due to the impact of foreign exchange and the steady performance of Hitachi Energy and the railway systems business. At Hitachi Energy, sales and profits increased mainly due to the steady growth in orders received, improvement of profitability and impact of foreign exchange, despite the impact of soaring component prices.

[Measures Taken]

Leveraging the One Hitachi structure based on coordination with the digital business, Hitachi has strived to provide services and solutions combining IT, OT and products.

In the energy business, Hitachi developed “Lumada Inspection Insights,” a digital solution to inspect, monitor and optimize key facilities such as power transmission networks. Hitachi also launched carbon neutrality solutions that help reduce CO₂ emissions.

In the railway business, Hitachi has contributed the expansion of clean and highly convenient transportation through smart mobility solutions and the provision of storage battery-integrated hybrid rolling stock.



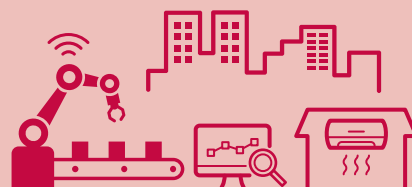
Substation equipment for the offshore energy environment



Smart mobility in Genoa, Italy

Connective Industries

Embracing "Connected" (connecting equipment and facilities) as a keyword, Hitachi is seamlessly connecting highly competitive products digitally and providing this as a solution in the fields of industrial systems including robotics SI, building systems, smart life and ecofriendly systems including home appliances and air conditioners, measurement and analytical systems, and healthcare.



Revenues	Adjusted EBITA		ROIC
		Adjusted EBITA Margin	
2,975.2 billion yen Year over year 108%	312.1 billion yen Year over year 121%	10.5% Year over year +1.1 points	10.8% Year over year +1.4 points

Sales and profits increased mainly in the measurement and analytical systems business, which increased sales in semiconductor manufacturing equipment, clinical chemistry and immunochemistry analyzers, etc., and building systems business, which expanded the building services business and received the impact of foreign exchange.

[Measures Taken]

Hitachi has focused on the expansion of total seamless solutions^{*1} and recurring business^{*2}. Hitachi has also accelerated the roll-out of Lumada Solutions utilizing digital technologies based on collaborative creation with customers. In North America, Hitachi has reinforced business structure aimed at expanding total seamless solutions by acquiring companies to strengthen the marking business in the product and to reinforce the system integration business in OT and IT.

^{*1} Solution connecting across the gaps among businesses and companies to solve issues and offer solutions that achieve overall optimization with leveraging the strengths gained by maintaining a combination of products, OT and IT

^{*2} Ongoing and cyclical services including after-sales service



Operating in three groups: Urban, Advanced Technology and Industry

Automotive Systems

To develop a sustainable mobility-based society that is friendly to the global environment and people, Hitachi provides high-efficiency powertrain systems, advanced chassis, autonomous driving and advanced driver-assistance systems for automobiles, as well as systems for motorcycles with one of the highest market shares in the world.



Revenues	Adjusted EBITA		ROIC
		Adjusted EBITA Margin	
1,920.0 billion yen Year over year 120%	73.4 billion yen Year over year 118%	3.8% Year over year -0.1 points	4.0% Year over year +0.5 points

Despite continued semiconductor shortages and supply chain disruptions in China, sales and profits increased due to the impact of foreign exchange and a gradual recovery in production by automakers.

[Measures Taken]

Hitachi has contributed to improve corporate value for customers in response to the CASE (Connected, Autonomous, Shared & Service, Electric) trends of the automotive industry, through initiatives to commercialize cybersecurity solutions for connected cars,* the development of all-round sensing systems for autonomous driving, next-generation chassis systems and the expanded supply of electric drive systems.

Hitachi decided a partial transfer of shares in Hitachi Astemo. Hitachi Astemo will aim to achieve further growth with a new joint partner.



Electric axle for electric vehicles

*A system that monitors cyber attacks in real-time and keeps damage to a minimum in automobiles that connect to the Internet and are able to receive a range of services including software updates

Hitachi Construction Machinery

Hitachi Construction Machinery provides Hydraulic Excavators, Wheel Loaders, Mining Machinery, Maintenance and Services and Construction Solutions and Mine Management Systems, etc.

Revenues	475.1 billion yen Year over year 46%	Adjusted EBITA	43.2 billion yen Year over year 43%
		Adjusted EBITA Margin	9.1% Year over year -0.7 points

On August 23, 2022, the partial sale of Hitachi Construction Machinery shares was completed, and the company became an equity-method affiliate of the Company, resulting in a decrease in both sales and profits.

Hitachi Metals

Hitachi Metals provides Specialty Steel Products, Functional Components and Equipment, Magnetic Materials and Power Electronics Materials, Wires, Cables and Related Products, etc.

Revenues	847.7 billion yen Year over year 90%	Adjusted EBITA	43.0 billion yen Year over year 140%
		Adjusted EBITA Margin	5.1% Year over year +1.8 points

Despite price slides caused by a rise in raw material prices and the impact of foreign exchange, sales declined as the sale of Hitachi Metals shares was completed on January 5, 2023 and Hitachi Metals is not an affiliate of the Company. On the other hand, profit increased mainly due to cost reduction measures.

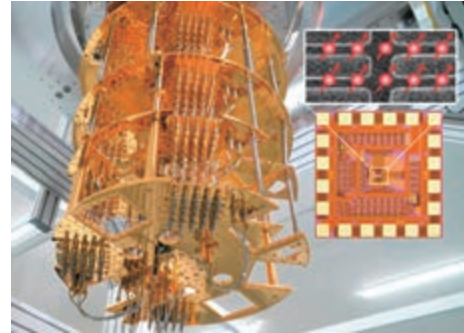
Others

Main products and services in this segment are Optical Disk Drives and Property Management, etc.

Revenues	473.0 billion yen Year over year 104%	Adjusted EBITA	15.5 billion yen Year over year 66%
		Adjusted EBITA Margin	3.3% Year over year -1.9 points

(3) Research and Development (R&D) of Hitachi Group

With an R&D mission, “Strengthen initiatives to create innovation with digital contributing to global business growth,” Hitachi creates innovation to resolve issues of society and customers. Specifically, through co-creation by Lumada, Hitachi achieves DX driven by the customer experience through creation of scenarios for customer growth. Hitachi is also engaged in research aimed at the realization of the expansion of the use of hydrogen fuel, overcoming of intractable diseases and age-related diseases and large-scale quantum computers contributing to the resolution of social issues, as future disruptive technologies by back-casting from 2050.

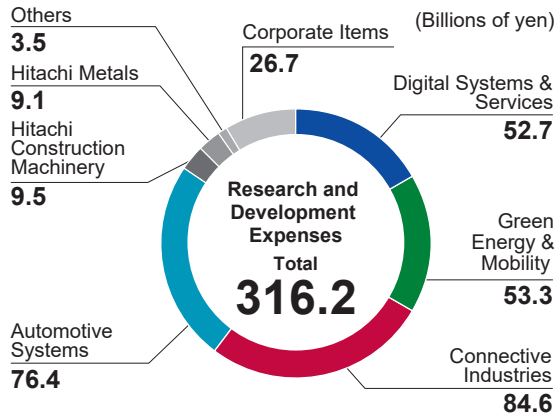


Silicon quantum computer

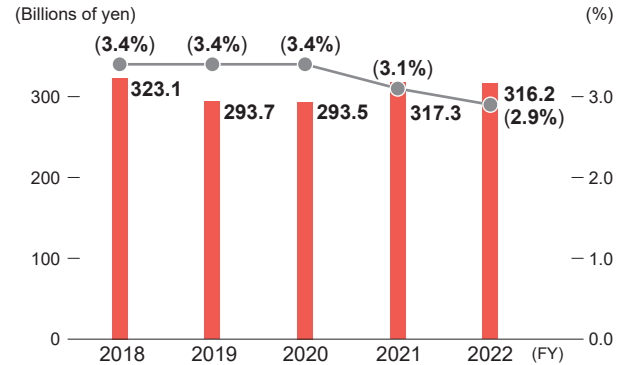
(Note) Part of this research was supported by the Japan Science and Technology Agency (JST) “Moon Shot Type R&D Project” (Grant No.JPMJMS2065).

Expenses on R&D during Fiscal 2022 amounted to 316.2 billion yen. In order to achieve the goals of the 2024 Med-term Management Plan, Hitachi continues to devort to create innovation by expanding investments in advanced research and corporate venturing investments for co-creation with start-up companies.

R&D Expenses by Segment



R&D Expenses Trends



Note: The number in parentheses is the percentage of R&D expenses to total revenues.

(4) Employees of Hitachi Group (As of March 31, 2023)

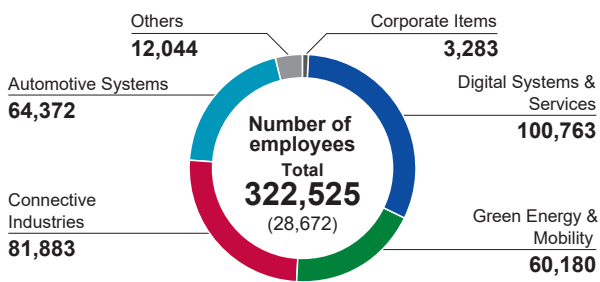
Hitachi formulated "2024 Human Resources Strategy," whose mission is contribution to business through diverse talents, equitable opportunity and inclusive organization. Implementing the human resources strategy aligned with business strategy contributes to further business growth of Hitachi.

Hitachi held a briefing conference on "2024 Human Resources Strategy." Please check the website for details. <https://www.hitachi.com/IR-e/library/presentation/webcast/221012.htm>

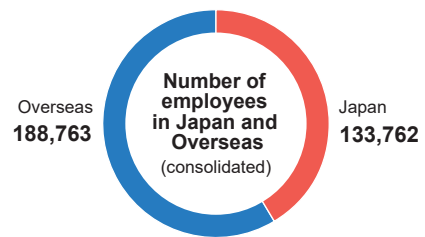


Number of employees in the Hitachi Group is 322,525 (including 28,672 employees on a non-consolidated basis) as of March 31, 2023.

Number of Employees by Segments



Number of Employees in Japan and Overseas



- Notes:
1. The figure in parentheses is the number of employees on a non-consolidated basis.
 2. As a result of the partial sale of Hitachi Construction Machinery Co., Ltd. shares and the sale of Hitachi Metals, Ltd. shares, there are no employees belonging to the Hitachi Construction Machinery segment and Hitachi Metals segment.

(5) Structures and Other Things to Ensure Adequacy of Business Operations (Internal Control System) and Operation of the Internal Control System

1) Summary of resolution of Board of Directors on enhancing the internal control system

- a. The following measures shall be taken to ensure the effectiveness of audits by the Audit Committee.
- (i) When necessary, the Board of Directors may appoint one or more director(s), who does not serve concurrently as an executive officer, as a director responsible for assisting with the duties of the Audit Committee. In addition, the Board of Directors Office (the "Office") shall be established specifically to assist with the duties of each Committee and the Board of Directors.
 - (ii) In order to ensure the independence of the Office personnel from Executive Officers and the effect of instructions by the Audit Committee, the Office is staffed with personnel who work only for the Office and are not subject to orders and instructions of Executive Officers, and the Audit Committee shall be informed in advance of planned transfers of the Office personnel.
 - (iii) Executive Officers and employees shall report without delay to the members of the Audit Committee significant matters affecting the Company and its subsidiaries, results of internal audits, and the implementation status of reporting under the internal reporting system. It shall be provided for in the company regulation that reporters using the internal reporting system common to the Hitachi Group shall not receive disadvantageous treatment for reason of having made a report, and the secretariat of the system shall thoroughly administer this provision.
 - (iv) The Office shall be in charge of payment for the expenses incurred in connection with the execution of the duties of the Audit Committee members and other administrative duties, and shall promptly process the payment for the expense or debt except in the case where the expense or debt of the claim is clearly found to be unnecessary to the execution of the duties of them.
 - (v) Standing Committee member(s) shall be appointed to the Audit Committee, and activity plans of the Audit Committee shall be prepared in coordination with the audit plans of Internal Auditing Office.
- b. The following measures shall be effective to ensure the adequacy of business operations within the Company and the Hitachi Group.
- (i) Such fundamental policies as the emphasis of the social responsibilities of business enterprises shall be shared with the subsidiaries of the Company.
 - (ii) Each subsidiary of the Company shall develop systems to ensure the appropriateness of operations corresponding to its size and other characteristics, basic framework of which is similar to ones employed in the Company. In order to ensure development of such systems in each subsidiary, directors and auditors shall be sent from the Company to its subsidiary, and regular audits shall be conducted for the subsidiary.
 - (iii) A reporting system to Directors shall be established to ensure that the execution of duties by Executive Officers of the Company is in compliance with laws, regulations, and the Articles of Incorporation.
 - (iv) Information pertaining to the execution of duties by Executive Officers of the Company shall be prepared and maintained in accordance with internal rules.
 - (v) A structure shall be established in which each relevant department shall establish regulations and guidelines, conduct training, prepare and distribute manuals, and carry out other such measures with respect to various risks. Efforts shall be made to identify possible new risks through such things as progress reports on business operations and, should it become necessary to respond to a new risk, an Executive Officer responsible for responding thereto shall be appointed promptly.
 - (vi) Efficient performance of duties of the Executive Officers of the Company, and Directors and Executive Officers of the subsidiaries shall be ensured through the following business management systems.
 - The Senior Executive Committee shall be established in order to deliberate on and facilitate the formulation of decisions based on due consideration of diverse factors regarding important issues that affect the Company and/or the Hitachi Group.
 - Based on the management policy, medium-term business plans and annual budgets, on which performance management is based, shall be prepared in order to operate business in a planned and efficient manner.

- Internal audits of the Company and its subsidiaries shall be conducted to monitor and identify the status of their business operations and to facilitate improvements.
- The Audit Committee shall receive the audit plans of the accounting auditors in advance, and the prior approval of the Audit Committee shall be required with respect to the fees to be paid to the accounting auditors.
- Documented business processes for matters to be reflected in financial reports shall be executed at the Company and its subsidiaries, and internal and external auditors shall examine said processes in order to ensure the reliability of financial reports.
- A structure for the adequate and efficient conduct of business operations common to the Hitachi Group companies shall be established.
- (vii) Continuous maintenance of a legal and regulatory compliance structure shall be ensured through the following business management systems.
 - Internal audits shall be conducted, and various committees shall be established for legal and regulatory compliance activities. Furthermore, the internal reporting system common to the Hitachi Group shall be established and education on legal and regulatory compliance shall be provided.
 - Various policies and rules on compliance with laws shall be established, aiming to ensure that the employees are aware of the internal control systems overall and that the systems are effective.
- (viii) A system shall be established, in which the subsidiaries report on important issues and the progress in measures for operations to the Company through the Company's Senior Executive Committee, medium-term business plans and the budget system.
- (ix) The policy on transactions within the Hitachi Group is to trade fairly based on market prices.

2) Summary of status of operation of the internal control system

Audit Committee

- A standing committee member has been appointed to grasp information in a timely and accurate manner through attendance to important internal meetings, such as the Senior Executive Committee, and promote information-sharing with other Committee members.
- The Audit Committee receives reports on audit plans of the accounting auditor and the Internal Auditing Office in advance and proposes changes in such plans, if necessary, and closely coordinate with the accounting auditor and the Internal Auditing Office through exchanging information and opinions on a regular basis.

Board of Directors Office

- In order to assist with the duties of each Committee and the Board of Directors, the Office is staffed with 16 employees (as of March 31, 2023) who exclusively serve the Office and are not subject to orders and instructions of Executive Officers. Nine of them are allocated as the full-time auditors auditing the governance and risk management, etc. in each sector of Digital Systems & Services, Green Energy & Mobility and Connective Industries, and Automotive Systems business.

Senior Executive Committee

- The Senior Executive Committee meets twice a month, in principle, to deliberate on specific important matters concerning the Company or its subsidiaries and the annual business plan.
- The Senior Executive Committee makes efforts to identify potential signal of new risks through such means as progress reports on business operations of the Company and its subsidiaries, on a regular basis.

Business Performance Management

- The Company has formulated business strategies, measures to be taken and financial targets as the medium-term business plan and annual budget, and manages business performance based on these plans.

Establishment of Internal Regulations and Training, etc.

- With respect to risks related to compliance, information security, environment, disasters, quality, and investment activities, etc., the Company establishes and amends regulations and guidelines, conducts training, and prepares and distributes manuals to ensure risk management.

Whistleblowing System

- The Company has established and operates the whistleblowing system common to the Hitachi Group.
- The Company has also established and operates a reporting system to directors for suspicion of illegal acts, etc. of Executive Officers of the Company.

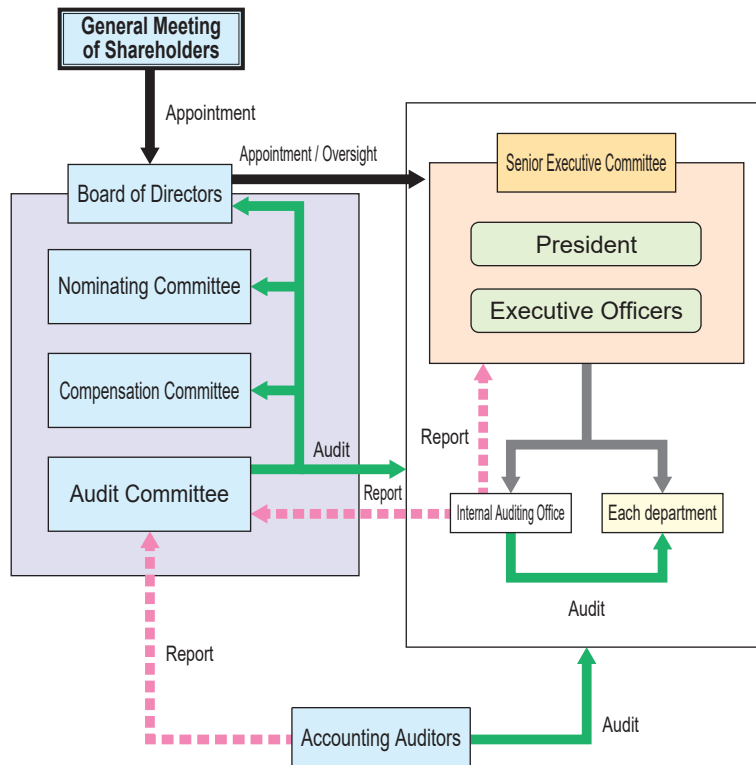
Internal Audit

- The Internal Auditing Office has conducted internal audits of the Company and its subsidiaries to monitor and improve their business operations, as well as to confirm the status of their compliance and prevent illegal acts.
- The Internal Auditing Office has reported the results of its internal auditing for the Company and its subsidiaries to the Audit Committee members without delay.

[Reference] Corporate Governance System and Internal Control System

The Company is a company with Nominating Committee, etc. under the Companies Act, aiming to establish a framework for quick business operation and to realize highly transparent management by separating responsibilities for management oversight and those for execution of business operations.

The Board of Directors, which is responsible for the oversight of management, determines basic policies for management, etc. and also monitor business executions by executive officers while significantly delegating authorities to executive officers.



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

The Group invests a great deal of business resources in fundamental research and in the development of market-leading products and businesses that will bear fruit in the future, and realizing the benefits from these management policies requires that they be continued for a set period of time. For this purpose, the Company keeps its shareholders and investors well informed of not just the business results for each period but also of the Company's business policies for creating value in the future.

While the Company recognizes the importance of its revitalization of business activities and performance that can be brought about through a change in management control, it also recognizes the necessity of determining the impact on company value and the interests of all shareholders of the buying activities and buyout proposals of parties attempting to acquire a large share of stock of the Company or a Group company by duly examining the business description, future business plans, past investment activities, and other necessary aspects of such a party.

There is no party that is currently attempting to acquire a large share of the Company's stocks nor is there a specific threat, neither does the Company intend to implement specified so-called anti-takeover measures in advance of the appearance of such a party, but the Company does understand that it is one of the natural duties bestowed upon it by the shareholders and investors to continuously monitor the state of trading of the Company's stock and then to immediately take what the Company deems to be the best action in the event of the appearance of a party attempting to purchase a large share of the Company's stock. In particular, together with outside experts, the Company will evaluate the buyout proposal of the party and hold negotiations with the buyer, and if the Company deems that said buyout will not maintain the Company's value and is not in the best interest of the shareholders, then the Company will quickly determine the necessity, content, etc., of specific countermeasures and prepare to implement them. The same response will also be taken in the event a party attempts to acquire a large percentage of the shares of a Group company.

(7) Matters Concerning the Company's Stock (As of March 31, 2023)1) **Authorized** 2,000,000,000 shares2) **Issued** 938,083,077 shares

Note: On December 14, 2022, the Company canceled 30,488,800 treasury shares.

3) **Number of Shares per Unit** 100 shares4) **10 Largest Shareholders**

Name	Share Ownership (Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	170,613,800	18.20
Custody Bank of Japan, Ltd. (Trust Account)	62,533,350	6.67
STATE STREET BANK AND TRUST COMPANY 505223	24,766,482	2.64
GOVERNMENT OF NORWAY	24,582,891	2.62
Nippon Life Insurance Company	20,000,099	2.13
Hitachi Employees' Shareholding Association	19,674,086	2.10
SSBTC CLIENT OMNIBUS ACCOUNT	19,566,283	2.09
NATS CUMCO	17,331,942	1.85
STATE STREET BANK WEST CLIENT – TREATY 505234	17,147,487	1.83
JP MORGAN CHASE BANK 385632	14,748,517	1.57

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

2. Treasury stock (510,830 shares) is not included in the calculation of "Shareholding Ratio."

5) **Shareholders Composition**

Class of shareholders	Status of shares							Number of shares less than one unit (shares)	
	Government and municipality	Financial institution	Financial instruments business operator	Other institution	Foreign corporations, etc.		Individuals and others		Total
					Non-individuals	Individuals			
Number of shareholders	3	179	66	2,234	1,139	151	213,906	217,678	-
Share ownership (units)	110	3,186,976	250,814	117,951	4,324,784	1,570	1,476,105	9,358,310	2,252,077
Ownership percentage of shares (%)	0.00	34.06	2.68	1.26	46.21	0.02	15.77	100.00	-

Note: Of 510,830 shares of treasury stock, 5,108 units are included in the "Individuals and others" column, while 30 shares are included in the "Number of shares less than one unit" column.

6) **Shares Issued to the Executive Officers, etc. of the Company as Compensation**

The Company issued 251,900 of new shares to 35 Executive Officers of the Company, 72,100 of new shares to 34 Corporate Officers (the executive positions next to Executive Officers) of the Company and 13,000 of new shares to 5 Executives of the Group companies, respectively, as restricted stock compensation plan and restricted stock unit compensation plan, the medium- and long-term incentive compensation on June 15, 2022.

7) **Other Significant Matters concerning the Company's Stock****Acquisition of treasury stock** (Market purchase at Tokyo Stock Exchange)

Treasury stock acquired pursuant to the resolution at the Board of Directors Meeting held on April 28, 2022

- Type and number of shares acquired: Common stock of 29,983,800 shares

- Total purchase price for acquisition of shares: 199,999,720,349 yen

- Period of acquisition: From May 11, 2022 to November 30, 2022

(8) Information on the Stock Acquisition Rights, etc.

Stock Acquisition Rights Held by Senior Managements (As of March 31, 2023)

Name of stock acquisition rights (Date of resolution)	The First Stock Acquisition Rights of Hitachi, Ltd. (June 29, 2016)	The Second Stock Acquisition Rights of Hitachi, Ltd. (April 6, 2017)	The Third Stock Acquisition Rights of Hitachi, Ltd. (April 11, 2018)
Class and number of shares to be issued upon exercise of stock acquisition rights	Common stock 124,720 shares	Common stock 137,400 shares	Common stock 136,900 shares
Amount to be paid in upon exercise of stock acquisition rights	¥1 per share	¥1 per share	¥1 per share
Exercise period of stock acquisition rights	From July 15, 2016 to July 14, 2046	From April 27, 2017 to April 26, 2047	From April 27, 2018 to April 26, 2048
Conditions for the exercise of stock acquisition rights	(Note 1, 2)	(Note 1, 2)	(Note 1, 2)
Stock acquisition rights held by senior managements	13 Executive Officers of the Company 6,236 of stock acquisition rights (Note 3)	14 Executive Officers of the Company 6,870 of stock acquisition rights (Note 3)	19 Executive Officers of the Company 6,845 of stock acquisition rights (Note 3)

- Notes: 1. A holder of stock acquisition rights may exercise all the stock acquisition rights together only within 10 days (in case the last day is not a business day, the following business day) from the day immediately following the date on which he/she ceases to be an Executive Officer, a Director or a Corporate Officer of the Company.
2. The number of stock acquisition rights which a holder of stock acquisition rights may exercise shall be determined based on the ratio of (i) the total shareholder return for shares of Hitachi for three years from the beginning of the fiscal year in which the date of allotment of the stock acquisition rights falls to (ii) the growth rate of TOPIX (Tokyo Stock Price Index) for the same period (the "TSR/TOPIX Growth Rate Ratio"), in accordance with the stock price conditions:
- In case the TSR/TOPIX Growth Rate Ratio is 120% or more
All the stock acquisition rights allotted (the "Allotted Rights") may be exercised.
 - In case the TSR/TOPIX Growth Rate Ratio is 80% or more but less than 120%
Only a part of the Allotted Rights may be exercised according to the degree of the TSR/TOPIX Growth Rate Ratio (*).
- *Number of stock acquisition rights exercisable = $\text{Number of Allotted Rights} \times \left\{ \left(\frac{\text{TSR/TOPIX Growth Rate Ratio}}{\text{Growth Rate Ratio}} \times 1.25 \right) - 0.5 \right\}$
- Any fraction less than one stock acquisition right will be rounded down.
- In case the TSR/TOPIX Growth Rate Ratio is less than 80%
No Allotted Rights may be exercised.
3. The number of Executive Officers includes two Executive Officers who concurrently serve as Directors.

(9) Policy on Determination of Distribution of Surplus etc.

The Company views the return of profits to shareholders through enhancing corporate value from mid- to long-term perspective, and paying dividends and repurchase of its shares as an important managerial issue.

The policy of the Company regarding dividends is to aim for stable payment of dividends while also securing funds necessary for investment, and the dividends are determined by comprehensively taking into account factors such as financial performance trends, the financial situation, and the dividend payout ratio.

The Company flexibly conducts repurchase of its shares depending on factors such as capital needs and the business environment.

In accordance with mid- to long-term management strategy, the Company utilizes undistributed profits in areas such as M&A, research and development, and capital expenditure, in order to secure competitiveness and aim for growth of the business as global enterprise.

(10) Matters Concerning Accounting Auditor

1) Name of accounting auditor

Ernst & Young ShinNihon LLC

2) Fees to accounting auditor in Fiscal 2022

(Millions of yen)

Category	Amount		
	Fees for audit services*	Fees for non-audit services	Total
Fees etc. by the Company and its subsidiaries	1,371	62	1,433
Fees etc. by the Company	579	46	625

Notes: 1. The column marked with * includes fees for audits under the Financial Instruments and Exchange Act.

2. The Audit Committee of the Company has given the consent with regard to the fees etc. to accounting auditor, in accordance with Article 399, Paragraph 1 of the Companies Act, after having obtained necessary information and examined the status of the execution of duties by the accounting auditor, content of the audit plan, and grounds for calculating the estimated amount of fees, etc.

3) Description of non-audit services

The Company commissioned various consulting services and assurance services (except auditing) to Ernst & Young ShinNihon LLC and paid fees.

4) Subsidiaries whose financial statements are audited by certified public accountants, etc. other than the Company's accounting auditors

Of the major subsidiaries of the Company (listed in "Major Facilities and Major Group Companies of Hitachi Group"), overseas subsidiaries have certified public accountants ("CPA") or auditing firms, etc. of the network firms that Ernst & Young ShinNihon LLC belongs audit their financial statements.

5) Removal and non-retention policy on accounting auditors

In the event the Audit Committee determines that the causes provided for in each item of Paragraph 1 of Article 340 of the Companies Act apply to an accounting auditor and the accounting auditor needs to be removed immediately, the Audit Committee shall remove the accounting auditor by unanimity. Should this occur, the Audit Committee member selected by the Audit Committee shall give a report on the removal of the accounting auditor and the reason therefor at the first general meeting of shareholders to be convened after the said removal.

Besides the case above, it is determined that an accounting auditor should be replaced for such reason as the difficulty of ensuring an adequate performance of duties by the accounting auditor, the Audit Committee shall determine the contents of the agenda item on the non-retention of the accounting auditor to be submitted to the general meeting of shareholders.