

## Unconsolidated Balance Sheet

	Fiscal 2022 (Reference) (As of March 31, 2023)	Fiscal 2023 (As of March 31, 2024)
	(Millions of yen)	
<b>(Assets)</b>		
<b>Current assets</b>	<b>1,020,191</b>	<b>1,687,949</b>
Cash	32,916	25,403
Trade receivables and contract assets	591,333	667,498
Finished goods	15,493	13,179
Semi-finished goods	14,954	13,518
Raw materials	32,344	30,314
Work in process	62,805	66,762
Advances paid	26,266	32,201
Short-term loan receivables	75,124	572,849
Others	177,759	279,809
Allowance for doubtful receivables	(8,807)	(13,587)
<b>Fixed assets</b>	<b>4,920,307</b>	<b>4,407,538</b>
Tangible fixed assets	192,605	187,066
Buildings	95,950	91,956
Structures	5,358	5,380
Machinery	6,744	7,299
Vehicles	123	141
Tools and equipment	41,546	46,409
Land	23,430	20,894
Lease assets	14,982	12,943
Construction in progress	4,467	2,041
Intangible fixed assets	96,938	97,748
Patents	41	31
Software	91,579	92,730
Right of using facilities	207	140
Lease assets	54	78
Others	5,055	4,767
Investments and others	4,630,763	4,122,722
Affiliated companies' common stock	3,849,069	3,837,689
Other securities of affiliated companies	18,592	26,848
Investments in affiliated companies	33,126	32,253
Investments in securities	244,722	76,666
Long-term loan receivables	362,011	34
Prepaid pension costs	-	6,361
Deferred tax assets	58,624	103,253
Others	64,753	40,322
Allowance for doubtful receivables	(137)	(706)
<b>Total assets</b>	<b>5,940,498</b>	<b>6,095,488</b>

	Fiscal 2022 (Reference) (As of March 31, 2023)	Fiscal 2023 (As of March 31, 2024)
	(Millions of yen)	
<b>(Liabilities)</b>		
<b>Current liabilities</b>	<b>1,474,485</b>	<b>1,450,411</b>
Electronically recorded obligations	10,613	12,462
Trade accounts payable	262,665	276,563
Short-term debt	132,730	69,016
Current portion of debentures	30,000	-
Current portion of long-term debt	11,000	107,501
Lease liabilities	4,261	4,437
Other accounts payable	22,393	71,624
Accrued expenses	181,803	181,294
Contract liabilities	104,486	118,774
Deposits received	674,680	574,026
Provision for product warranties	69	79
Provision for loss on construction contracts	37,272	33,318
Others	2,507	1,313
<b>Non-current liabilities</b>	<b>1,129,374</b>	<b>1,030,880</b>
Debentures	130,000	220,000
Long-term debt	750,378	547,484
Lease liabilities	12,718	9,973
Accrued pension liability	75,212	66,959
Provision for loss on business of affiliated companies	139,422	165,953
Asset retirement obligations	10,889	10,469
Others	10,754	10,041
<b>Total liabilities</b>	<b>2,603,860</b>	<b>2,481,292</b>
<b>(Net assets)</b>		
<b>Stockholders' equity</b>	<b>3,216,044</b>	<b>3,553,986</b>
Common stock	462,817	463,417
Capital surplus	254,133	181,383
Capital reserve	180,783	181,383
Others	73,349	-
Retained Earnings	2,502,632	2,914,176
Others	2,502,632	2,914,176
Reserve for advanced depreciation of fixed assets	927	835
Retained earnings carried forward	2,501,705	2,913,340
Treasury stock	(3,539)	(4,991)
<b>Valuation and translation adjustments</b>	<b>119,359</b>	<b>59,059</b>
Unrealized holding gains on securities	103,379	28,537
Deferred profit or loss on hedges	15,980	30,521
<b>Subscription rights to shares</b>	<b>1,233</b>	<b>1,149</b>
<b>Total net assets</b>	<b>3,336,637</b>	<b>3,614,195</b>
<b>Total liabilities and net assets</b>	<b>5,940,498</b>	<b>6,095,488</b>

## Unconsolidated Statement of Operations

	Years ended March 31	
	2023 (Reference)	2024
	(Millions of yen)	
Revenues	1,631,338	1,756,937
Cost of sales	1,173,314	1,218,045
<b>Gross profit on sales</b>	<b>458,023</b>	<b>538,892</b>
Selling, general and administrative expenses	369,999	391,179
<b>Operating income</b>	<b>88,023</b>	<b>147,712</b>
Other income	312,820	324,571
Interest income and dividends	292,812	295,671
Others	20,008	28,899
Other expenses	46,125	71,282
Interest expenses	14,185	21,499
Others	31,939	49,782
<b>Ordinary income</b>	<b>354,719</b>	<b>401,001</b>
Extraordinary gain	701,451	278,191
Gain on sale of investments in securities	12,640	153,330
Gain on sale of affiliated companies' common stock	687,447	110,135
Gain on sale of real property	1,363	14,726
Extraordinary loss	23,690	47,105
Impairment loss on affiliated companies' common stock	9,556	37,229
Loss on impairment of assets	12,091	9,001
Impairment loss on investments in capital of affiliated companies	1,908	873
Impairment loss on investments in securities	134	-
<b>Income before income taxes</b>	<b>1,032,480</b>	<b>632,088</b>
Income taxes		
Current	76,455	81,541
Deferred	(31,922)	(31,023)
<b>Net Income</b>	<b>987,946</b>	<b>581,570</b>

## Unconsolidated Statement of Changes in Net Assets (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Stockholders' equity								
	Common stock	Capital surplus			Retained earnings			Treasury stock	Total stockholders' equity
		Capital reserve	Others	Total capital surplus	Others		Total retained earnings		
					Reserve for advanced depreciation of fixed assets	Retained earnings carried forward			
Balance at beginning of year	462,817	180,783	73,349	254,133	927	2,501,705	2,502,632	(3,539)	3,216,044
Change during year									
Issuance of new shares	600	600		600					1,200
Reversal of reserve for advanced depreciation of fixed assets					(91)	91	-		-
Distribution of surplus						(144,461)	(144,461)		(144,461)
Net income						581,570	581,570		581,570
Acquisition of treasury stock								(100,458)	(100,458)
Disposition of treasury stock			(120)	(120)				213	92
Cancellation of treasury stock			(98,793)	(98,793)				98,793	-
Transfer to capital surplus from retained earnings			25,564	25,564		(25,564)	(25,564)		-
(Net) Change in items other than stockholders' equity during year									
Total change during year	600	600	(73,349)	(72,749)	(91)	411,634	411,543	(1,452)	337,942
Balance at end of year	463,417	181,383	-	181,383	835	2,913,340	2,914,176	(4,991)	3,553,986

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Unrealized holding gains on securities	Deferred profit or loss on hedges	Total valuation and translation adjustments		
Balance at beginning of year	103,379	15,980	119,359	1,233	3,336,637
Change during year					
Issuance of new shares					1,200
Reversal of reserve for advanced depreciation of fixed assets					-
Distribution of surplus					(144,461)
Net income					581,570
Acquisition of treasury stock					(100,458)
Disposition of treasury stock					92
Cancellation of treasury stock					-
Transfer to capital surplus from retained earnings					-
(Net) Change in items other than stockholders' equity during year	(74,841)	14,540	(60,300)	(83)	(60,384)
Total change during year	(74,841)	14,540	(60,300)	(83)	277,557
Balance at end of year	28,537	30,521	59,059	1,149	3,614,195

(Notes on Important Accounting Policy)

1. Inventories  
Finished goods, semi-finished goods and work in process: Stated at cost. Cost is determined by the specific identification method or the moving average method. (The figures shown in the Balance Sheet have been calculated in accordance with the write-down approach based on decline in profitability.)  
Raw materials: Stated at cost. Cost is determined by the moving average method. (The figures shown in the Balance Sheet have been calculated in accordance with the write-down approach based on decline in profitability.)
2. Securities  
Affiliated companies' common stock and investments in affiliated companies are stated at cost. Cost is determined by the moving average method.  
Other securities except stock and investments without market value are stated at fair value. The difference between acquisition cost and carrying cost of other securities except stock and investments without market value is recognized in "Unrealized holding gains on securities."  
The cost of other securities except stock and investments without market value is computed based on the moving average method.  
Other stock and investments without market value are stated at cost determined by the moving average method.
3. Derivatives  
Derivatives are stated at fair value.
4. Depreciation of tangible fixed assets (excluding lease assets)  
Straight-line method.
5. Amortization of intangible fixed assets (excluding lease assets)  
Selling, leasing, or otherwise marketing software: Amortized based on expected gross revenues ratably.  
Other intangible fixed assets: Straight-line method.
6. Depreciation of lease assets  
Financial leases other than those that are deemed to transfer the ownership of the leased property to the lessee: Depreciation is calculated by the straight-line method with no residual value, using the lease term as useful life.
7. Allowances and Provisions  
Allowance for doubtful receivables:  
Estimated uncollectible amounts are accounted for based on loan loss ratios in the case of general receivables and based on case-by-case examination of collectability in the case of specific receivables including doubtful receivables.  
Provision for product warranties:  
In order to prepare for expenditures related to after-sales product services, estimated in-warranty service costs are accounted for based on past records.  
Provision for loss on construction contracts:  
In order to provide for losses relating to construction contracts and made-to-order software, an estimated loss for subsequent fiscal years is accounted for.  
Accrued pension liability:  
In order to provide for employees' retirement and severance benefits, the Company accounted for Accrued pension liability or Prepaid pension costs based on projected benefit obligation and expected plan assets as of the end of this fiscal year.  
The projected benefit obligation is determined by attributing the expected retirement and severance benefits to each year by the benefit formula basis.  
Prior service cost is amortized by the straight-line method over the estimated average remaining service years of employees.  
Unrecognized actuarial gain or loss is amortized by the straight-line method mainly over the estimated average remaining service years of employees from the next fiscal year.  
Provision for loss on business of affiliated companies:  
In order to provide for losses relating to the business of affiliated companies, the amount the Company is expected to bear in excess of the amounts invested in and loaned to for such companies is accounted for.

8. Accounting standard for income and expenses  
The Company recognizes revenue in accordance with the following five-step approach.
  - Step 1: Identify the contract(s) with a customer
  - Step 2: Identify the performance obligations in the contract
  - Step 3: Determine the transaction price
  - Step 4: Allocate the transaction price to the performance obligations in the contract
  - Step 5: Recognize revenue when (or as) the Company satisfies a performance obligation

The Company sells goods and services such as system integration, cloud services, control systems, software, IT products, industry & distribution systems, energy solutions, and railway systems. Long-term projects provide goods and services and control over the goods is transferred to customers over a specified period of time. Thus, revenue is recognized over the specified period of time. Further to other goods and services, revenue is recognized when control over the goods is transferred to customers as performance obligations are satisfied at delivery of the goods.

In addition, multiple solutions are offered to meet its customers' needs which may involve the delivery or performance of multiple elements, such as goods or services. When the Company enters into multiple contracts for providing the goods or services, related contracts are combined based on interdependencies between each contract's consideration and the time the Company entered into such contracts, and the transaction price is allocated to each performance obligation on the basis of the relative stand-alone selling prices of each distinct goods or services for the purpose of recognizing revenue.

In estimating the stand-alone selling price, the Company considers various factors such as market conditions, entity-specific factors and information about the customer or situation of customer.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer. Variable consideration such as discounts is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The promised amount of consideration does not include a significant financing component.

For a performance obligation satisfied over time, the Company measures its progress towards complete satisfaction of that performance obligation based on the costs incurred or the period of services being provided in consideration of the nature of the goods and services for the purpose of recognizing revenue. When the Company cannot reasonably measure the progress, revenue is recognized only to the extent of the costs incurred.

Revenue recognition under long-term projects requires significant assumptions about the estimated total cost, estimated total selling price, risk associated with the contract, and other factors. These estimates are subject to variance of uncertain economic conditions in the future and may vary due to a variety of reasons beyond our control. The Company reviews these estimates on an ongoing basis and reflects them in accounting practices.

9. Hedge accounting  
Deferral hedge accounting is employed.
10. Accounting for income taxes and related tax effect accounting  
The Company adopts the group tax sharing system. In addition, in accordance with the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF No.42, August 12, 2021), the Company performs the accounting for income taxes, and accounting and disclosure of related tax effect accounting.

(Change in Presentation)

Unconsolidated Balance Sheet

"Current portion of long-term debt" is separately disclosed from "Short-term debt" of "Current liabilities" due to the increase of the materiality in this fiscal year.

(Notes on Accounting Estimates)

1. Valuation of Affiliated companies' common stock and Investments in affiliated companies
  - (1) Amounts recorded in the financial statements of this fiscal year  
The ending balance of Affiliated companies' common stock and Investments in affiliated companies, without market value: 3,839,056 million yen
  - (2) Information that contributes to understanding of accounting estimates  
Affiliated companies' common stock without market value is evaluated by considering possibility of recovery based on the performance according to the business plan of those companies if the real value of the stock has declined significantly as compared to the purchase price. A part of affiliated companies' common stock is evaluated based on the real value which includes the excess earning power calculated by enterprise value measurement at the time of the acquisition of the Company concerned. Necessity of impairing the excess earning power is determined by the possibility of achieving the future business plan.  
Business plans are estimated based on revenue growth rate and gross margin ratio, and other factors. In addition, although a certain amount of negative impact due to the business environment is included in current business plans, these plans may be affected by risks related to market or economic environment, and actual result may differ from the estimates.  
Significant changes in primary assumptions of the business plan could result in the real value being less than the purchase price.
2. Loss on impairment of Fixed Assets
  - (1) Amounts recorded in the financial statements of this fiscal year  
The ending balance of Tangible fixed assets: 187,066 million yen  
The ending balance of Intangible fixed assets (excluding selling, leasing, or otherwise marketing software): 80,682 million yen
  - (2) Information that contributes to understanding of accounting estimates  
This note is omitted as the same content is stated in '6. Property, plant and equipment, Goodwill and Other intangible assets' under 'Notes on Important Matters for Basis of Presentation of Consolidated Financial Statements' in the Notes to Consolidated Financial Statements.
3. Provision for loss on business of affiliated companies
  - (1) Amounts recorded in the financial statements of this fiscal year  
The ending balance of Provision for loss on business of affiliated companies: 165,953 million yen
  - (2) Information that contributes to understanding of accounting estimates  
This note is omitted as the same content is stated in '7. Allowances and Provisions' under 'Notes on Important Accounting Policy' in the Notes to Unconsolidated Financial Statements.
4. Accrued pension liability
  - (1) Amounts recorded in the financial statements of this fiscal year  
The ending balance of Prepaid pension costs: 6,361 million yen  
The ending balance of Accrued pension liability: 66,959 million yen
  - (2) Information that contributes to understanding of accounting estimates  
This note is omitted as the same content is stated in '7. Allowances and Provisions' under 'Notes on Important Accounting Policy' in the Notes to Unconsolidated Financial Statements and '3. Employee Retirement Benefits' under 'Notes on Accounting Estimates' in the Notes to Consolidated Financial Statements.
5. Provision for loss on construction contracts
  - (1) Amounts recorded in the financial statements of this fiscal year  
The ending balance of Provision for loss on construction contracts: 33,318 million yen
  - (2) Information that contributes to understanding of accounting estimates  
This note is omitted as the same content is stated in '7. Allowances and Provisions' under 'Notes on Important Accounting Policy' in the Notes to Unconsolidated Financial Statements and '4. Long-term projects' under 'Notes on Accounting Estimates' in the Notes to Consolidated Financial Statements.
6. Deferred tax assets
  - (1) Amounts recorded in the financial statements of this fiscal year  
The ending balance of Deferred tax assets: 103,253 million yen
  - (2) Information that contributes to understanding of accounting estimates  
This note is omitted as the same content is stated in '5. Deferred tax assets' under 'Notes on Accounting Estimates' in the Notes to Consolidated Financial Statements.

## (Notes to Unconsolidated Balance Sheet)

## 1. Collateralized assets

(Millions of yen)

Type of asset	Year-end book value	Description
Affiliated companies' common stock	46	Collaterals for borrowings by affiliated companies
Investments in securities	6	Collaterals for borrowings by investees
Long-term loan receivables	32	Collaterals for borrowings by affiliated companies
Total	84	

## 2. Accumulated depreciation of tangible fixed assets

Buildings	137,588 million yen
Structures	23,876 million yen
Machinery	81,765 million yen
Vehicles	918 million yen
Tools and equipment	144,355 million yen
Lease assets	10,159 million yen

## 3. Guarantees

The Company guarantees financial guarantees from financial institutions concerning subsidiaries' order received, etc. as follows.

(Millions of yen)

Guarantee	Year-end balance
Hitachi Energy Ltd	840,694
Hitachi Rail STS S.p.A.	322,443
Hitachi Rail Ltd.	60,422
Hitachi Energy Canada Inc.	4,720
Kawasaki Railcar Manufacturing Co., Ltd.	1,600
Others	3,788
Total	1,233,669

In addition to the foregoing, the Company has entered into an agreement with each of the following overseas affiliated companies on maintaining their finances in a sound condition, etc., mainly to enhance their credit in order to support their financing activities:

Hitachi America Capital, Ltd., Hitachi International (Holland) B.V., Hitachi International Treasury Ltd., Hitachi (China) Finance Co., Ltd. and Hitachi Power Europe GmbH

4. Short-term receivables from affiliated companies	944,065 million yen
Long-term receivables from affiliated companies	9,484 million yen
Short-term payables to affiliated companies	826,405 million yen
Long-term payables to affiliated companies	4,935 million yen



(Notes to Unconsolidated Statement of Operations)

1. Loss on impairment of assets

(1) Summary of the major assets or asset groups for which impairment loss was recognized

Classification	Description	Category	Location
Assets to be held and used	Software relating to storage infrastructure management services	Software	-
Assets to be held and used	Software relating to service business for financial institutions	Software	-
Assets to be held and used	Software relating to service business for medical institutions	Software, etc.	-

(2) Reason to recognize impairment loss

The Company recognized the impairment loss for assets to be held and used since amounts invested in the above assets are expected to be irrecoverable due to decline in their profitability.

(3) Amounts of impairment loss

Buildings	59 million yen
Structures	5 million yen
Machinery	1,068 million yen
Vehicles	1 million yen
Tools and equipment	384 million yen
Software	6,971 million yen
Others	510 million yen
Total	9,001 million yen

(4) Method of grouping assets

Although the grouping of assets is principally based on business divisions or places of business, some assets and asset groups are grouped as a separate unit that generates cash flows independently of other asset groups.

(5) Calculation of recoverable amounts

For assets to be held and used, calculation is based on the higher of net sales price and value in use, and net sales price is calculated by deducting the estimated cost of disposal from real estate appraisal value.

2. Revenues from affiliated companies	400,758 million yen
Purchases from affiliated companies	787,547 million yen
Non-operating transactions with affiliated companies	157,024 million yen

(Note to Unconsolidated Statement of Changes in Net Assets)  
Matters related to Class and Number of Treasury Stock

(Shares)

Class	Number of shares			
	At beginning of year	Increase during year	Decrease during year	At end of year
Common stock	510,830	11,139,272	11,103,929	546,173

Summary of Reason for Change

The increase during this fiscal year by 11,139,272 shares is due to the repurchase of 11,073,400 shares of its own common stock pursuant to Article 459, Paragraph 1 of the Companies Act of Japan and Article 32 of Hitachi's Articles of Incorporation, which was approved at the Board of Directors meeting held on April 27, 2023, and the purchase of 46,472 shares from less-than-one unit shareholders at their request, and the acquisition of 19,400 shares without consideration in accordance with the restricted stock compensation plan. The decrease during this fiscal year by 11,103,929 shares is due to the cancellation of 11,073,400 shares of its treasury shares pursuant to Article 178 of the Companies Act of Japan, and the disposition of 29,720 shares as a result of the exercise of stock acquisition rights, and the sale of 809 shares to less-than-one unit shareholders at their request.

(Note on Revenue Recognition)

Information about the basis to understand revenue is omitted as the same content is stated in '8. Accounting standard for income and expenses' under 'Notes on Important Accounting Policy' in the Notes on Unconsolidated Financial Statements and '3. Accounting standard for income and expenses' under 'Notes on Important Matters for Basis of Presentation of Consolidated Financial Statements' in the Notes to Consolidated Financial Statements.

Information about disaggregation of revenue and to understand the amount of revenue in the current and the following fiscal years are omitted as the same content is stated in 'Note on Revenue Recognition' in the Notes to Consolidated Financial Statements. Of the revenue recognized during the fiscal year ended on March 31, 2024, the amount of revenue recognized based on the pattern of the cost accrual arising from long-term project was 444,089 million yen.

(Note on Accounting for Deferred Taxes)

The major causes of deferred tax assets are accrued pension liability and accrued bonuses to employees.

## (Note on Transactions with Related Parties)

(Millions of yen)

Attribute	Name of company etc.	% of voting rights held	Relationship with the related parties	Description of transaction	Transaction amount	Classification	Year-end balance
Subsidiary	Hitachi America, Ltd.	Direct: 100.0%	Sale of the Group's products *	Underwriting of capital increase	75,685	-	-
Subsidiary	Hitachi Energy Finance Ltd	Indirect: 100.0%	Loan	Loan (Note 1)	42,912	Short-term loan receivables	363,384
Subsidiary	Hitachi America Capital, Ltd.	Indirect: 100.0%	*	Loan (Note 1) (Note 2)	192,290	Short-term loan receivables	192,290
Subsidiary	Hitachi International (Holland) B.V.	Direct: 100.0%	*	Deposits paid (Note 1) (Note 2)	95,610	Other current assets	95,610
Subsidiary	Hitachi (China), Ltd.	Direct: 100.0%	Sale of the Group's products *	Borrowing (Note 1) (Note 2)	67,697	Short-term debt	67,697
Subsidiary	Hitachi High-Tech Corporation	Direct: 100.0%	Sale of the Company's products *	Deposits received (Note 1) (Note 2) (Note 3)	3,196	Deposits received	115,492
Subsidiary	Hitachi Global Life Solutions, Inc.	Direct: 100.0%	Manufacturing, sale and maintenance of the Group's products *	Deposits received (Note 1) (Note 2) (Note 3)	(627)	Deposits received	70,573
Subsidiary	Hitachi Systems, Ltd.	Direct: 100.0%	Outsourcing of the Company's software development, outsourcing of maintenance of the Company's telecommunications equipment *	Deposits received (Note 1) (Note 2) (Note 3)	(12,560)	Deposits received	62,116
Subsidiary	Hitachi Energy Ltd	Direct: 100.0%	*	Guarantees	840,694	-	-
Subsidiary	Hitachi Rail STS S.p.A.	Indirect: 100.0%	Manufacturing, sale, engineering and maintenance of the Group's products *	Guarantees	322,443	-	-
Affiliate	Hitachi Astemo, Ltd.	Direct: 40.0%	Purchase of Hitachi Astemo, Ltd.'s products *	Transfer of shares of Hitachi Astemo, Ltd. (Note 4) Transfer price Profits	112,090 77,080	-	-

\* The Company's Directors, Executive Officers or employees concurrently hold position of directors or officers at the subsidiary and the affiliate.

Notes: 1. The interest rate was determined with due consideration to market interest rates. The transaction amount indicates the change from the balance at the beginning of the fiscal year.

2. These are transactions made based on the pooling system wherein the funds of the Company and affiliated companies to be loaned to affiliated companies who have financing needs through the Company or overseas financial subsidiaries.

3. The transaction amount includes interest received and paid.

4. The Company transferred a part of shares of Hitachi Astemo, Ltd. to Hitachi Astemo, Ltd. in association with the acquisition of treasury stocks by itself. The transfer price was determined with due consideration to the valuation amount presented by an independent third party.

## (Note on Per Share Information)

Net assets per share 3,899.16 yen

Net income per share 625.36 yen

(Notes on Major Subsequent Events)

1. Repurchase of Shares of Common Stock

The Board of Directors decided to repurchase shares of its own common stock pursuant to Article 459, Paragraph 1 of the Companies Act of Japan and Article 32 of the Company's Articles of Incorporation, as follows.

(a) Reason for repurchase

The Company views the return of profits to shareholders through enhancing corporate value from mid- and long-term perspective and paying dividends continuously as an important managerial issue. The Company decided to repurchase its own shares this time, taking into consideration its financial condition and the progress of the asset sales.

(b) Outline of the Repurchase

(i) Class of shares to be repurchased

Common stock of the Company

(ii) Aggregate number of shares to be repurchased

Up to 21 million shares(\*)

(2.27% of the number of outstanding shares (excluding treasury stocks))

(\*)Aggregate number of shares to be repurchased will be 105 million shares after the effective date (July 1, 2024) of the Share Split that described below 2.

(iii) Aggregate amount of repurchase

Up to 200.0 billion yen

(iv) Period of the repurchase

From April 30, 2024 to March 31, 2025

(v) Method of repurchase

Expected open market purchase through the Tokyo Stock Exchange

2. Share Split and Partial Amendment of Articles of Incorporation

The Company decided on April 26, 2024 to implement a share split and partially amend its Articles of Incorporation.

(a) Purpose of share split

The Company will conduct a share split in order to create a more investor-friendly environment and expand its investor base by reducing the amount per investment unit of the Company's shares.

(b) Overview of share split

(i) Method of share split

The Company will conduct a share split into 5 shares for every one common share held by shareholders recorded in the latest register of shareholders as of June 30, 2024.

(ii) Number of shares to be increased by share split(\*)

Total number of issued shares before the share split 927,167,877 shares

Number of shares to be increased by this share split 3,708,671,508 shares

Total number of issued shares after the share split 4,635,839,385 shares

Total number of shares authorized to be issued after the share split 10,000,000,000 shares

(\*) The number of shares shown above is calculated based on the total number of shares outstanding as of March 31, 2024, and may change by the record date of the share split.

(c) Schedule

Date of public notice of the record date June 14, 2024 (scheduled)

Record date June 30, 2024 (scheduled)

Effective date July 1, 2024 (scheduled)

(d) Amendment of the total shares authorized to be issued by the Company

The total number of shares authorized to be issued by the Company will be amended to 10,000,000,000 shares as of July 1, 2024.

(e) Impact on per share information

Per share information assuming that the share split was performed at the beginning of this fiscal year is as follows.

Net assets per share 779.83 yen

Net income per share 125.07 yen

(f) Others

There will be no change in the amount of stated capital as a result of the share split.

As the share split will take effect on July 1, 2024, the year-end dividend for the fiscal year ending March 31, 2024, which has a dividend record date of March 31, 2024, will be paid based on the shares before the share split.