

Business Overview and Results of Hitachi Group

Business Results

In Fiscal 2024, although the global economy showed a solid performance, due mainly to easing of rapid inflation and exchange rate fluctuations, the business environment remained uncertain due to changes in government in the United States and other countries and continued geopolitical risks. Under such environment, despite the impact of conversion of Hitachi Astemo, Ltd. (currently Astemo, Ltd.) into an equity-method affiliate in the previous fiscal year, Hitachi recorded revenues of 9,783.3 billion yen and Adjusted EBITA of 1,141.8 billion yen, due mainly to the organic growth of business in each segment including the expansion of the Lumada^{*} business and the solid performance of the power grids business, as well as the completion of acquisition of ground transportation systems business of Thales S.A. and the impact of foreign exchange. Adjusted EBITA Margin was 11.7%, an increase of 2.3 percentage points from the previous fiscal year. Net income attributable to Hitachi, Ltd. stockholders was 615.7 billion yen.

Regarding funds, core free cash flow^{**} was 780.5 billion yen, a new record high, due to improving cash generation capabilities and advances received for large-scale projects.

As Hitachi has improved its profitability and ability to generate cash it increased the amount of its annual dividend 7 yen^{***} to 43 yen (with an interim dividend of 21 yen and a year-end dividend of 22 yen) and repurchased its own shares of approximately 200.0 billion yen.

^{*}Lumada is a general term for the solutions, services and technologies that utilize Hitachi's advanced digital technologies to create value from customers' data and accelerate digital innovation.

^{**}Core free cash flows are cash flows presented as free cash flows excluding cash flows from M&A and asset sales, etc.

^{***}On July 1, 2024, the Company conducted a stock split at a ratio of 5 shares for each 1 share, and the dividend per share for the previous fiscal year is calculated by adjusting the effect of the stock split.

Actions in Fiscal 2024 and Aims

In the current fiscal year as the final year of the "2024 Mid-term Management Plan", Hitachi chiefly pursued the following initiatives.

– Organic Growth of Businesses by Identifying Current Trends

Hitachi achieved organic growth of the Social Innovation Business by capturing demand for DX and GX[†] that is growing in Japan and overseas and new business opportunities arising from the acceleration of technological innovation.

Hitachi achieved growth in Lumada business primarily through DX demand and the evolution of generated AI. Lumada business revenues reached 3,021.0 billion yen in Fiscal 2024, an increase of 29% from the previous fiscal year and has grown approximately 2.2 times in the three-year period of the 2024 Mid-term Management Plan.

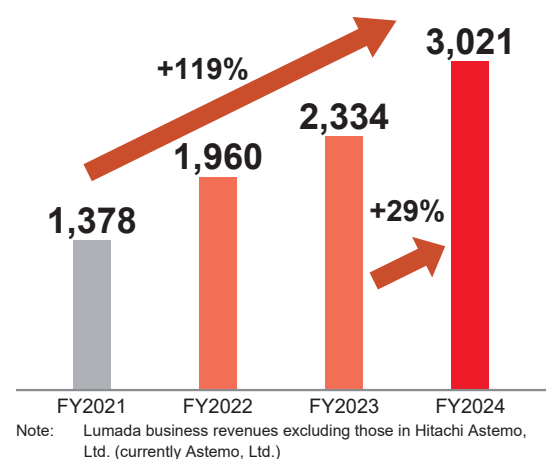
In addition, Hitachi continues to receive orders by tapping into GX demand. In the power grids business, Hitachi received an order from Amprion GmbH, a German transmission system operator, for four HVDC^{**} converter stations for transmitting energy from onshore and offshore wind power plants.

[†]DX: Digital transformation, GX: green transformation

^{**}HVDC: High-voltage direct-current transmission

Lumada business revenues

(Billions of yen)



– Business Portfolio Reorganization for Further Growth

Hitachi also continues to restructure its businesses to achieve further growth in the future.

In May 2024, Hitachi Rail Ltd. completed its acquisition of ground transportation systems business of Thales S.A., thereby strengthening its provision of railway systems and solutions. As a result, the revenues of Hitachi's railway systems business in Fiscal 2024 exceeded 1 trillion yen.

In July 2024, Hitachi also decided to recapitalize its air conditioning joint venture. Hitachi transfers the shares of the joint venture to Robert Bosch GmbH and acquires the development and manufacturing base for commercial air conditioning equipment to develop the air conditioning solutions, which are in high demand areas resulting from data centers, etc.

– Creating New Business Opportunities through the Use of Generative AI

Hitachi is also making ongoing efforts to create new business opportunities through the use of rapidly evolving generative AI. In July 2024, Hitachi begun offering a partner-type service that provides comprehensive support for the AI transformation of its customers. It supports the customers to introduce, utilize and develop human resources for generative AI by leveraging the expertise in DX and the extensive knowledge and technologies related to generative AI that Hitachi has accumulated through Lumada.

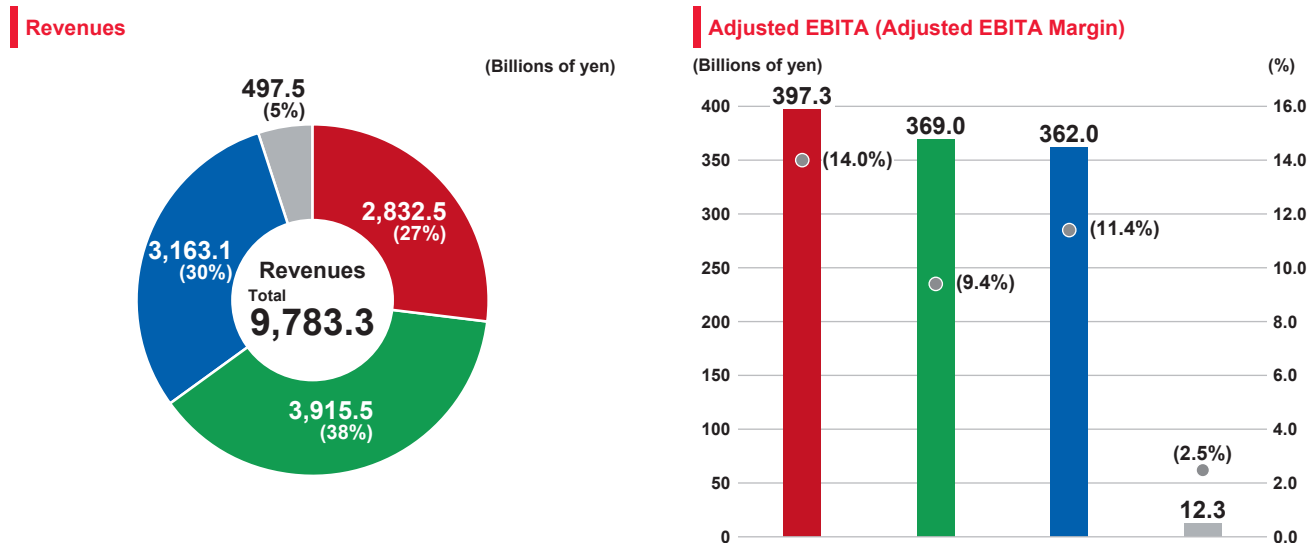
Consolidated Financial Results for Fiscal 2024 (Billions of yen)

Revenues	Adjusted EBITA	Adjusted EBITA Margin	Net income attributable to Hitachi, Ltd. stockholders	ROIC
9,783.3	1,141.8	11.7%	615.7	10.9%
Year over year +1% ↗	Year over year +24% ↗	Year over year +2.3 ↗	Year over year +4% ↗	Year over year +2.2 ↗

Notes: 1. The consolidated financial statements of the Company have been prepared in conformity with the International Financial Reporting Standards (IFRS).
2. Adjusted EBITA = Adjusted operating income + Acquisition-related amortization + Share of profits (losses) of investments accounted for using the equity method.
3. ROIC = ("NOPAT" + Share of profits (losses) of investments accounted for using the equity method) / "Invested Capital" × 100
NOPAT (Net Operating Profit after Tax) = Adjusted Operating Income × (1 - Tax burden rate)
Invested Capital = Interest-bearing debt + Total equity

Financial Results by Segment

■ Digital Systems & Services ■ Green Energy & Mobility ■ Connective Industries ■ Others



Notes: 1. Revenues by segment include intersegment transactions.
2. The number in parentheses in "Revenues" is the percentage of each segment's revenues to total revenues.
3. The number in parentheses in "Adjusted EBITA (Adjusted EBITA Margin)" is Adjusted EBITA Margin.

Business Overview and Results of Hitachi Group - Results by Segment

The Results by “Digital Systems & Services”, “Green Energy & Mobility” and “Connective Industries” are as follows. In addition to these businesses, Hitachi also engages in the business in Others*.

* Management, sale, and rental of real estate and other businesses

Digital Systems & Services

To realize a sustainable society, Hitachi is utilizing advanced digital technologies including generative AI, cloud computing and security with the Lumada business at the core to provide sophisticated digital solutions, etc. that create value from data.



Revenues	Adjusted EBITA	Adjusted EBITA Margin	ROIC
2,832.5 billion yen	397.3 billion yen	14.0%	10.2%
Year over year +9% ↗	Year over year +19% ↗	Year over year +1.2 points ↗	Year over year +1.4 points ↗

Sales and profits increased mainly due to growth of business driven by the demand for DX and modernization mainly in the domestic IT market, and the impact of foreign exchange. GlobalLogic Inc., which continues to grow at a high rate, increased sales revenue of 18% (12% in U.S. dollars) from the previous fiscal year and recorded Adjusted EBITA Margin of 19.0%.

Action in Fiscal 2024

Leveraging advanced technologies including generative AI and a wealth of digital human resources, Hitachi worked to provide a variety of solutions to problems faced by society and customers. In response to strong demand from customers for the digitization of their operations mainly in Japan, Hitachi provided highly reliable system integration, which it has cultivated over many years in the mission-critical area, and strongly supported the promotion of DX. Also, Hitachi deepened the collaboration among GlobalLogic Inc., Hitachi Digital Services, LLC and Hitachi Vantara LLC and drove the provision of globally consistent services, from digital engineering to system integration and managed services. In addition, Hitachi pushed forward with building an ecosystem through alliances with global partners such as NVIDIA Corporation, Amazon Web Services Japan G.K., Google Cloud Corporation and Microsoft Corporation.

As One Hitachi, Hitachi is further accelerating the creation of synergies through IT x OT x Product, which is one of the strengths of the Hitachi Group, by digitally connecting a wide range of businesses.



Creating innovation by leveraging advanced digital technologies such as rapidly evolving generative AI

Green Energy & Mobility

Hitachi contributes to realization of a sustainable decarbonized society by providing solutions, including HVDC systems, that support energy conversion, clean energy systems including nuclear and renewable energy systems, energy management services that utilize digital technology to optimize overall energy use, environmentally friendly railway systems solutions, and digital asset management systems for energy and railway systems.



Revenues	Adjusted EBITA	Adjusted EBITA Margin	ROIC
3,915.5 billion yen	369.0 billion yen	9.4%	8.7%
Year over year +28% ↗	Year over year +85% ↗	Year over year +2.9 points ↗	Year over year +3.6 points ↗

Sales and profits increased due to the organic growth in the power grids business, which resulted from strong growth in renewable energy-related projects and renewal of grid facilities, as well as the impact of acquisition of ground transportation systems business of Thales and the impact of foreign exchange.

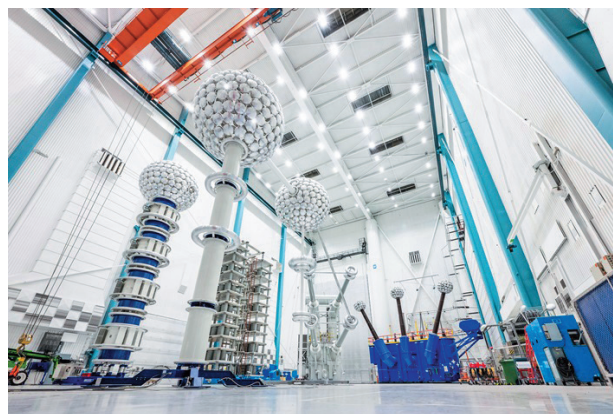
Actions in Fiscal 2024

Hitachi promoted the enhancement of services and solutions by leveraging synergies within the Hitachi Group, through collaboration between the business in this segment and the digital business.

In the energy field, Hitachi Energy Ltd plans an investment of over \$6 billion in strengthening manufacturing, engineering, digital, R&D, and partnerships by 2027 to meet the increasing demand in the power grids business. In the nuclear power business, Hitachi contributed to the restart of boiling water reactors* in Japan. Furthermore, Hitachi is strengthening energy and facility management services business, which supports optimal energy operation and facility management with digital technologies.

In the railway systems field, Hitachi completed the acquisition of ground transportation systems business of Thales in May 2024, thus strengthening its business portfolio in transportation solutions. Additionally, in September 2024, Hitachi announced HMAX, a digital asset management solution enhanced by AI technologies. Hitachi helps optimize trains, signaling systems and infrastructures and improve maintenance and energy efficiency.

*Nuclear reactor that generates electricity by producing steam in the reactor and sending it directly to a turbine



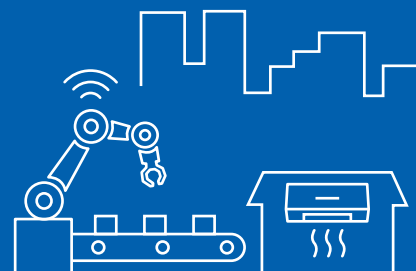
HVDC transformer test facility of Hitachi Energy in Ludvika, Sweden



Digital asset management solution HMAX

Connective Industries

Hitachi aims to realize the well-being of society by providing solutions that contribute to the productivity improvement of frontline workers by combining highly competitive products with digital technologies in the fields of Urban (building systems, home appliances and air conditioners) and Industry (industrial machinery, measurement and analysis systems, healthcare equipment, industry & distribution solutions and water & environment solutions)



Revenues	Adjusted EBITA	Adjusted EBITA Margin	ROIC
3,163.1 billion yen	362.0 billion yen	11.4%	11.5%
Year over year +3% ↗	Year over year +13% ↗	Year over year +0.9 points ↗	Year over year +1.0 points ↗

Sales and profits increased due to the growth of the building systems business, in which the building services business expanded, measurement and analysis systems business, in which the biochemistry and immunology automatic analysis systems and radiotherapy systems performed well, and the digital solutions business in the domestic industrial sector as well as the impact of foreign exchange.

Actions in Fiscal 2024

Hitachi accelerated the provision of solutions that combine competitive products with extensive domain knowledge and advanced digital technologies, in its efforts to expand its Lumada and recurring business*.

In particular, Hitachi expects high growth due to rising demand for DX and GX in the areas of semiconductor and battery manufacturing, healthcare including molecular diagnostics, biopharmaceutical manufacturing, personalized medicine, and minimally invasive therapies, and services. To capture new growth opportunities in these areas, Hitachi promoted the development of digital services by leveraging its extensive installed base (products and systems) and collaboration with GlobalLogic Inc. and the strengthening of the robotics SI business, in addition to bolstering product R&D. In the robotics SI business, which is being promoted mainly by JR Automation Technologies, LLC. in the U.S., Hitachi is accelerating the global expansion of the business through an acquisition of MA micro automation GmbH in Germany in September 2024.



Operating business in Urban and Industry areas

*Ongoing and cyclical services that include after-sales service

Five-year Summary of Assets and Results of Operation of Hitachi Group

Consolidated Basis

Fiscal Year					
	2020	2021	2022	2023	2024
Revenues	8,729.1	10,264.6	10,881.1	9,728.7	9,783.3
Adjusted Operating Income	495.1	738.2	748.1	755.8	971.6
Adjusted EBITA	609.1	855.3	884.6	918.1	1,141.8
Income Before Income Taxes	844.4	839.3	819.9	825.8	962.7
Net Income Attributable to Hitachi, Ltd. Stockholders	501.6	583.4	649.1	589.8	615.7
Total Assets	11,852.8	13,887.5	12,501.4	12,221.2	13,284.8

Unconsolidated Basis

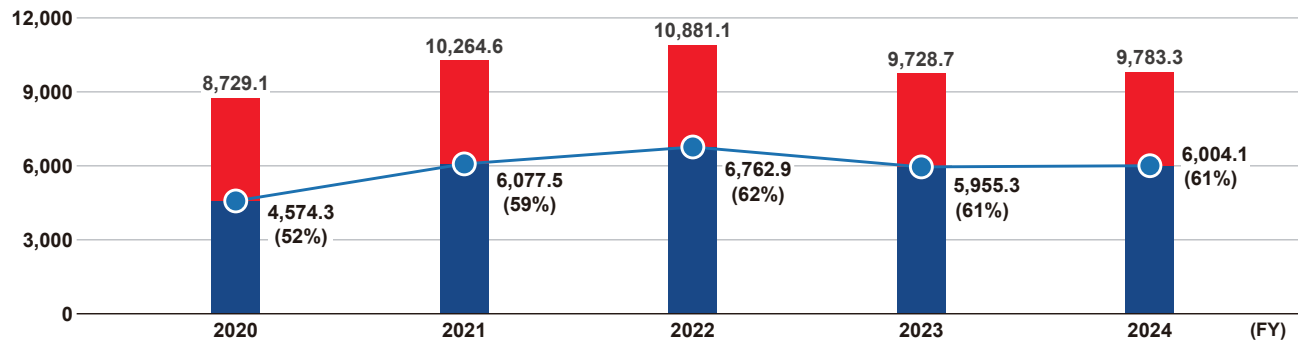
Fiscal Year					
	2020	2021	2022	2023	2024
Revenues	1,678.2	1,623.4	1,631.3	1,756.9	1,774.2
Operating Income	39.0	113.9	88.0	147.7	212.0
Ordinary Income	305.4	365.0	354.7	401.0	428.6
Net Income	705.5	516.1	987.9	581.5	390.1
Total Assets	4,982.6	5,815.6	5,940.4	6,095.4	6,515.4

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, 2022, 2023 and 2024 have been calculated in accordance with this standard.

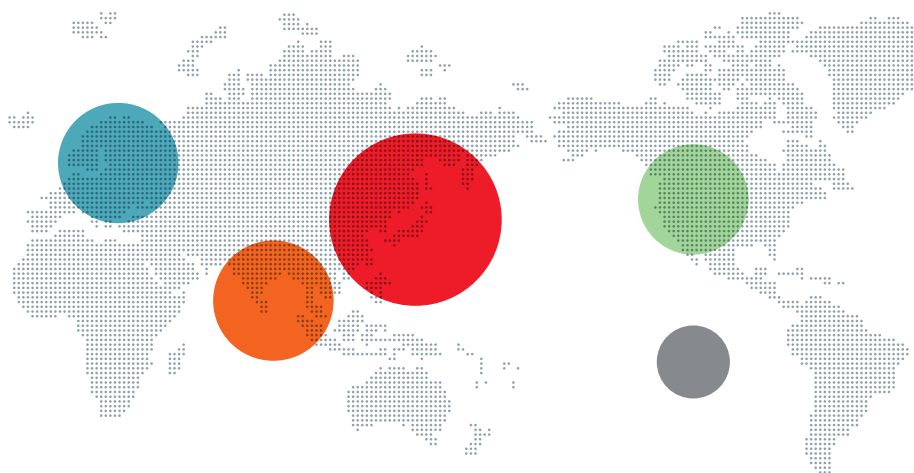
2. In Fiscal 2024, the revenues and operating income increased from the previous fiscal year and ordinary income reached a new record high, due mainly to the solid performance in the Digital Systems & Services business. Net Income decreased from the previous fiscal year due to the decrease in extraordinary income such as the gain on stock sales.

Overseas Revenues Trends

(Billions of yen)



Revenues by Market



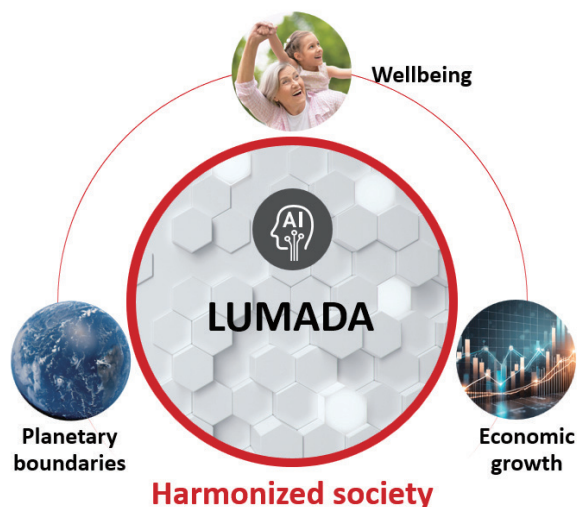
Overseas Revenues				Japan Revenues
6,004.1 Billion yen (61%)				3,779.2 Billion yen
16%	19%	19%	7%	39%
North America	Europe	Asia	Other Areas	
1,528.0 Billion yen	1,902.6 Billion yen	1,843.2 Billion yen	730.2 Billion yen	

Notes: 1. In "Overseas Revenues Trends," the blue parts show overseas revenues and the red parts show domestic revenues.
 2. The number in parenthesis is the percentage of overseas revenues to total revenues.

Since its foundation, Hitachi's mission has been to "Contribute to society through the development of superior, original technology and products." The Company has solved the challenges facing society by developing technologies and products that support social infrastructure.

In April 2025, Hitachi announced its new Management plan "Inspire 2027". Under Inspire 2027, Hitachi aims to contribute to a harmonized society where environment, well-being and economic growth are in balance and to achieve sustainable growth. For the achievement, Hitachi will transform itself into a digital centric company by innovating the social infrastructure with Lumada at the core.

In an unpredictable business environment, Hitachi aims to identify risks and takes agile actions while maintaining a steady long-term direction. Hitachi works towards further increasing corporate value as "True One Hitachi".

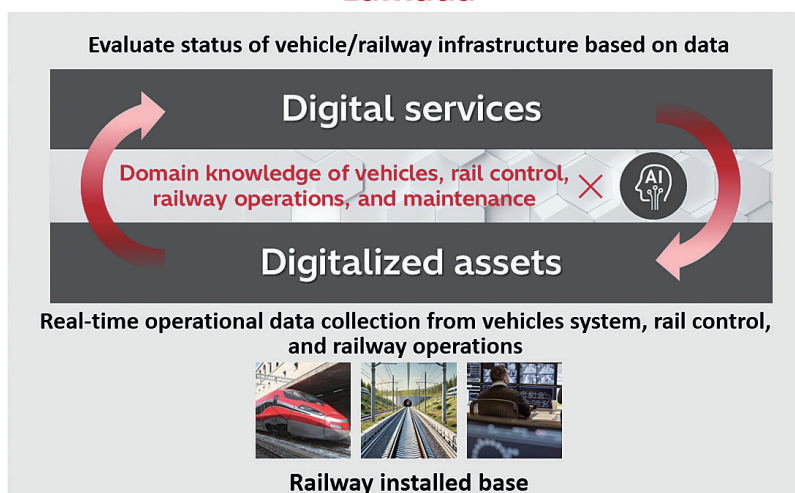


– Evolution of Lumada Innovating Social Infrastructure

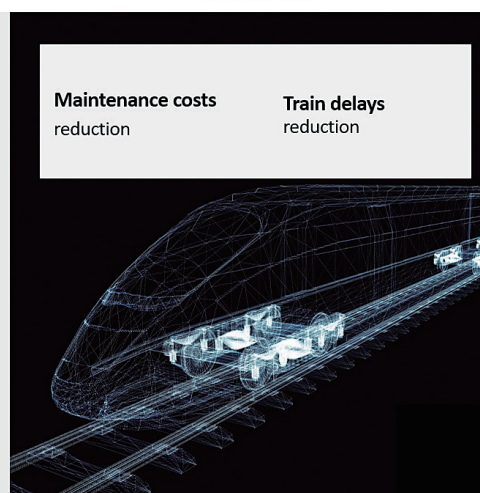
Under Inspire 2027, Hitachi accelerates innovation in social infrastructure by evolving Lumada, which drives the Social Innovation Business. The evolved Lumada provides new digital services that convert data collected from Hitachi's extensive installed base (products and systems), digitalized assets, into value with AI strengthened by Hitachi's domain knowledge. This approach thereby promotes solutions to customer issues. Hitachi also expands the solutions to other industries and fields, thereby helping solve the issues facing society as a whole.

A prime example is HMAX. Utilizing cutting-edge AI technology, HMAX collects and analyzes real-time data from installed bases such as rolling stock and signals and provides one-stop services for maintenance, operation and design of railway systems. This helps railway operators improve maintenance efficiency and reduce costs. In addition, HMAX will innovate the overall social infrastructure by expanding beyond railways to other industries such as energy and industry and to other companies' installed base.

Lumada



HMAX



In Inspire 2027, Hitachi has set long-term management targets "LUMADA 80-20", aiming for Lumada revenues ratio of 80% and Lumada profit margin of 20%. Hitachi will drive further expansion of Lumada and improvement of profitability by further investment on Lumada and reorganization of the business portfolio.

–Business Structure for Realizing True One Hitachi with Digital at Core

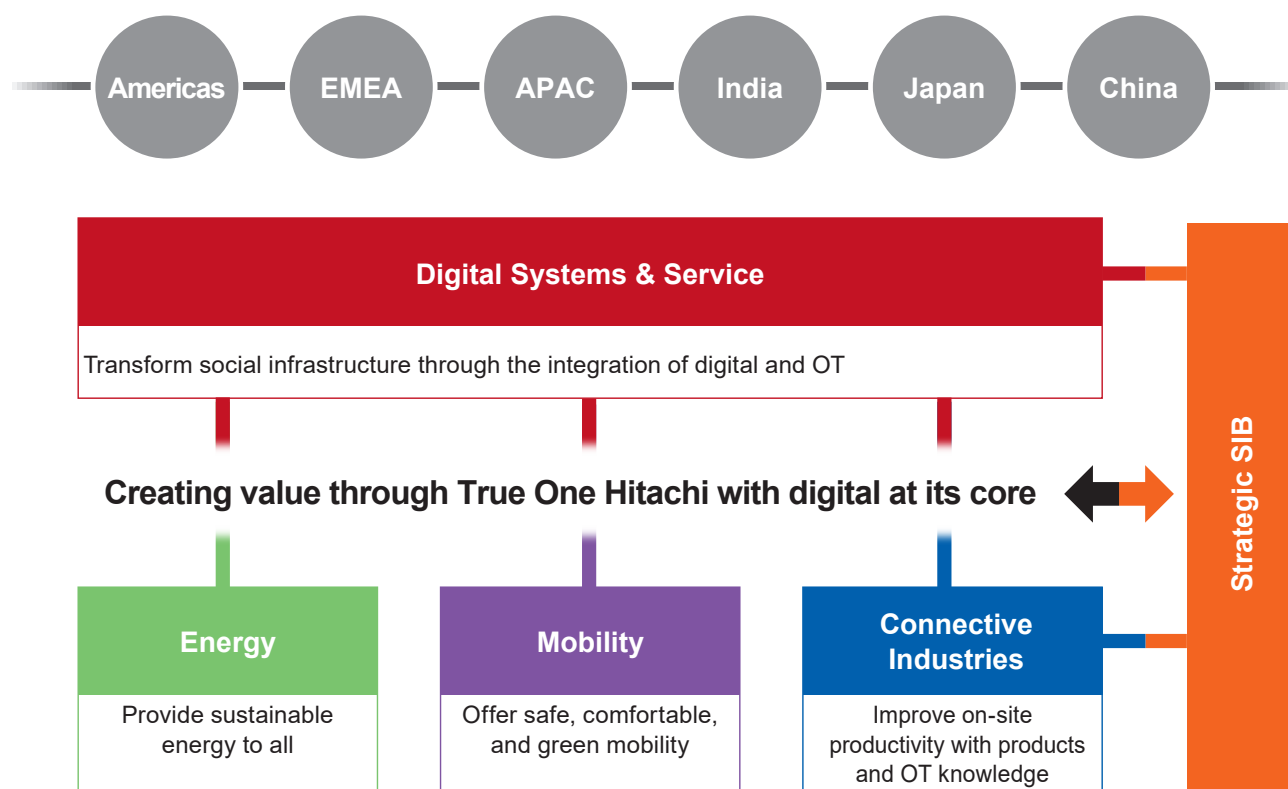
Hitachi has established a new business structure starting in April 2025, so as to accelerate value creation with digital at its core, by working together as True One Hitachi.

Hitachi enhances agility by operating the energy business and railway business, which are expanding in response to the global GX, as two sectors: “Energy” and “Mobility”. Through further collaboration among the four sectors, which are these two sectors and “Connective Industries” and “Digital Systems & Services”, Hitachi enhances value creation in its businesses and further increases its competitiveness in the global market.

In addition, to create new growth businesses of One Hitachi, Hitachi has established a new Strategic SIB^{*} business unit by mobilizing resources from the Hitachi Group. Hitachi aims to create new businesses in anticipation of pivotal changes in society and technology.

Furthermore, in the six global regions encompassing Americas, EMEA, APAC, Japan, China, and newly added India, Hitachi aims to provide value to its customers, understanding social and economic conditions, market characteristics, and needs which are different in each region and identifying the risks and opportunities in each area.

^{*}Social Innovation Business



—Achieving New Growth - Creation of New Businesses by Strategic SIB Business Unit

The newly established Strategic SIB business unit directly belonging to the CEO focuses on creating new businesses in areas where One Hitachi's strengths can be leveraged.

By identifying changes of technologies and society that will create the next turning points, Hitachi sets growth themes that entire Hitachi Group should tackle from the top down. In Fiscal 2025, Hitachi works to create businesses from four areas set as strategic business areas: data center, eMobility, smart city and healthcare.



—Strengthening Foundation Supporting True One Hitachi

Hitachi strengthens risk management on a group and global scale to identify the risks and ensure rapid management decisions, even in an increasing uncertain conditions. In addition, Hitachi continues to take advantage of business opportunities arising from changes in the business environment to seize new business opportunities. Even in an uncertain and rapidly changing social and economic conditions, Hitachi will achieve sustainable growth by both of threat alleviation and opportunity creation. At the same time, Hitachi continuously promotes the enhancement of human capital, which is the source of sustainable growth.

Hitachi continues to strengthen its cash generation capabilities and to make disciplined investments for sustainable business growth, as well as to provide stable returns to shareholders.

Please check the website for more information about Inspire 2027 and the presentation by President and CEO Tokunaga.

<https://www.hitachi.com/IR-e/library/strategy/index.html>

Borrowings and Financing Activities of Hitachi Group

Major Borrowings (As of March 31, 2025)

Name of Company	Creditor	Balance of Borrowings
The Company	Japan Bank for International Cooperation	164.4 billion yen

Note: In addition to the figures shown above, the Company owes long-term borrowings by means of syndicated loan agreements of 426.4 billion yen.

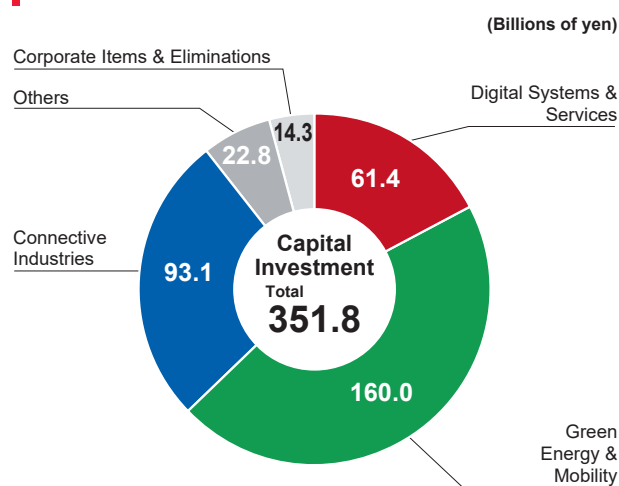
Major Financing Activities

There is no material financing by issuance of stock and corporate bonds, etc. in Fiscal 2024.

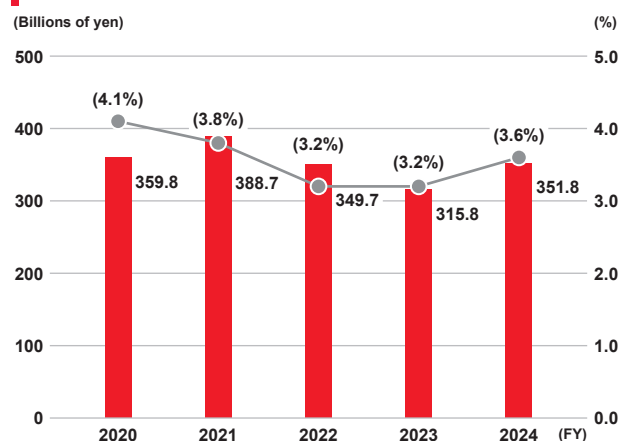
Capital Investment of Hitachi Group

During Fiscal 2024, the Hitachi Group carried out capital investment of 351.8 billion yen. It increased 36.0 billion yen from the previous fiscal year, mainly due to investments for the business expansion in power grids and semiconductor manufacturing equipment businesses, despite a decrease resulting from conversion of Hitachi Astemo, Ltd. (currently Astemo, Ltd.) into an equity-method affiliate in the previous fiscal year.

Capital Investment by Segment



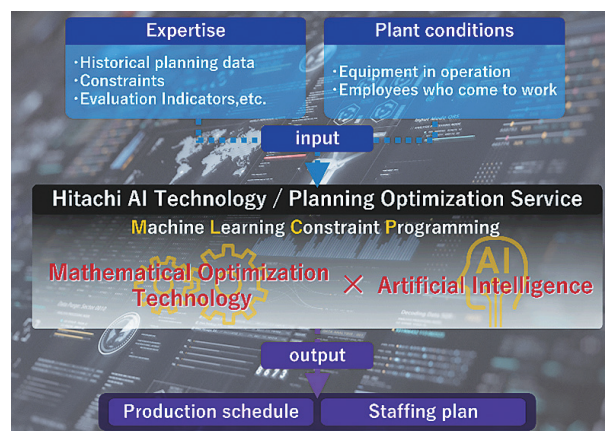
Capital Investment Trend



Note: The number in parentheses is the percentage of capital investment to total revenues.

Research and Development (R&D) of Hitachi Group

With the R&D mission, "Strengthen initiatives to create innovation with digital and green contributing to global business growth", Hitachi creates innovative technologies to resolve issues of society and customers. Specifically, Hitachi is working on the development of DX and GX driven by the customer experience value visualizing procurement risk and developing technologies that utilize generative AI. For example, Hitachi has developed technology which is capable of inferencing with high precision information about the manufacturing site with generated AI, improving risk management efficiency, thereby contributing to greater corporate supply chain resilience. Hitachi also developed the service providing AI agents specialized for customer operations in order to improve their operational efficiency. In addition, Hitachi has developed technology that enables optimal production planning by digitizing and reflecting the experience and intuition of skilled personnel, which is difficult to verbalize, through "Hitachi AI Technology", a Lumada solution that combines constraint programming with machine learning. This technology was awarded the 71st Okochi Memorial Production Award. Hitachi is also engaged in research aimed at the realization of large-scale quantum computers, hydrogen value chain and design cell development platforms, etc., as future technologies contributing to the resolution of social issues.

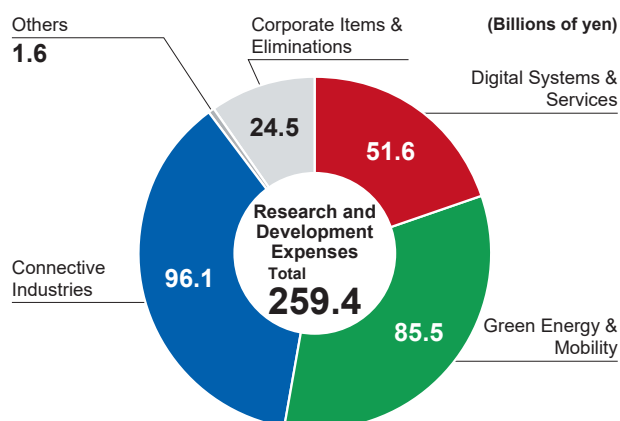


Production planning optimization technology that can reflect expert know-how

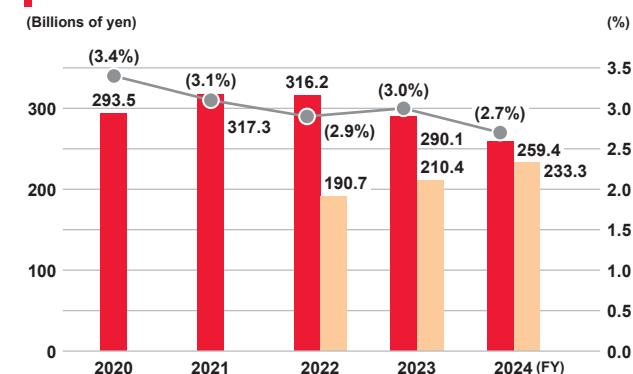
R&D expenses during Fiscal 2024 amounted to 259.4 billion yen, a decrease of 30.7 billion yen from the previous fiscal year, mainly due to conversion of Hitachi Astemo, Ltd. (currently Astemo, Ltd.) into an equity-method affiliate. The total R&D expenses in the three segments of Digital Systems & Services, Green Energy & Mobility and Connective Industries increased 22.8 billion yen from the previous fiscal year.

In addition to the development of advanced technologies through own R&D, Hitachi is also expanding strategic investments in startups with cutting-edge, digital technologies and those in new frontiers through the management of corporate venture capital funds, etc. Hitachi announced the establishment of the fourth fund in February 2025 and it began operating in April 2025. As a result, Hitachi's assets under management of investment in startups, have reached \$1 billion.

R&D Expenses by Segment



R&D Expenses Trends



Notes: 1. The red shows the total R&D expenses in Hitachi group and the orange shows the total in the three segments of Digital Systems & Services, Green Energy & Mobility and Connective Industries.
2. The number in parentheses is the percentage of R&D expenses to total revenues.

Employees of Hitachi Group

As Hitachi develops its social innovation business globally, Hitachi believes that employees are the source of our value. Therefore, Hitachi leverages the combined power of its global network of employees to provide value to its customers and society, contributing to the creation of a sustainable society.

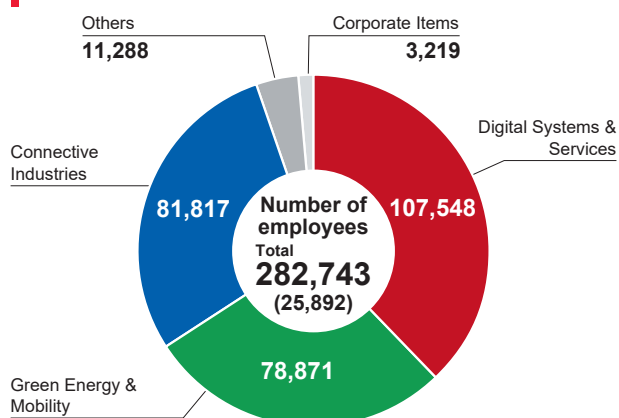
Under the new Management Plan, “Inspire 2027”, Hitachi continues to strengthen its human capital by securing excellent talents through setting competitive compensation and nurturing the talents with expertise which is necessary for business growth, including generative AI and with leadership skills.



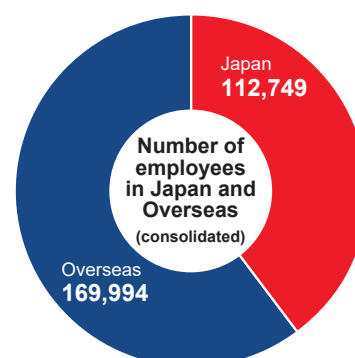
Number of Employees in the Hitachi Group

282,743 (including 25,892 employees on unconsolidated basis)

Number of Employees by Segments



Number of Employees in Japan and Overseas



- Notes: 1. The number of employees is as of March 31, 2025.
 2. The figure in parentheses is the number of employees on unconsolidated basis.

Major Facilities and Major Group Companies of Hitachi Group (As of March 31, 2025)

The Company's facilities are located in Japan and Hitachi group companies are located all over the world, including Japan. The Company's major facilities and group companies are shown below.



Note: The circles show the number and location of the Company and major group companies.

The Company

	Location
Head Office	Tokyo (Chiyoda-ku)
R&D	Tokyo (Kokubunji), Ibaraki (Hitachi), Saitama (Hatoyama), Kanagawa (Totsuka-ku, Yokohama)
Manufacturing, Design and Engineering	Tokyo (Adachi-ku, Shinagawa-ku, Chiyoda-ku, Minato-ku), Ibaraki (Hitachi, Hitachinaka), Kanagawa (Saiwai-ku, Kawasaki; Hadano; Totsuka-ku, Yokohama), Yamaguchi (Kudamatsu)
Sales and Area Operations	Tokyo (Shinagawa-ku, Chiyoda-ku) Hokkaido Area Operation (Chuo-ku, Sapporo), Tohoku Area Operation (Aoba-ku, Sendai), Kanto Area Operation (Taito-ku), Hokuriku Area Operation (Toyama), Chubu Area Operation (Nakamura-ku, Nagoya), Kansai Area Operation (Kita-ku, Osaka), Chugoku Area Operation (Naka-ku, Hiroshima), Shikoku Area Operation (Takamatsu), Kyushu Area Operation (Sawara-ku, Fukuoka)

Group Companies

Segment	Name of Company	Location	Ratio of Voting Rights (%)
Digital Systems & Services	Hitachi Channel Solutions, Corp.	Shinagawa-ku, Tokyo	100.0
	Hitachi Information & Telecommunication Engineering, Ltd.	Nishi-ku, Yokohama, Kanagawa	100.0
	Hitachi Solutions, Ltd.	Shinagawa-ku, Tokyo	100.0
	Hitachi Systems, Ltd.	Shinagawa-ku, Tokyo	100.0
	Hitachi Vantara, Ltd.	Totsuka-ku, Yokohama, Kanagawa	100.0
	GlobalLogic Worldwide Holdings, Inc.	U.S.A.	100.0
	Hitachi Computer Products (America), Inc.	U.S.A.	100.0
	Hitachi Digital LLC	U.S.A.	100.0
	Hitachi Digital Services LLC	U.S.A.	100.0
	Hitachi Payment Services Private Limited	India	100.0
	Hitachi Vantara LLC	U.S.A.	100.0
Green Energy & Mobility	Hitachi-GE Nuclear Energy, Ltd.	Hitachi, Ibaraki	80.0
	Hitachi Plant Construction, Ltd.	Toshima-ku, Tokyo	100.0
	Hitachi Power Solutions Co., Ltd.	Hitachi, Ibaraki	100.0
	Hitachi Energy Ltd	Switzerland	100.0
	Hitachi Rail Ltd.	U.K.	100.0
Connective Industries	Hitachi Building Systems Co., Ltd.	Chiyoda-ku, Tokyo	100.0
	Hitachi Global Life Solutions, Inc.	Minato-ku, Tokyo	100.0
	Hitachi High-Tech Corporation	Minato-ku, Tokyo	100.0
	Hitachi Industrial Equipment Systems Co., Ltd.	Chiyoda-ku, Tokyo	100.0
	Hitachi Industrial Products, Ltd.	Chiyoda-ku, Tokyo	100.0
	Hitachi Industry & Control Solutions, Ltd.	Taito-ku, Tokyo	100.0
	Hitachi Plant Services Co., Ltd.	Toshima-ku, Tokyo	100.0
	Hitachi Elevator (China) Co., Ltd.	China	70.0
	Hitachi Global Air Power US, LLC	U.S.A.	100.0
	Hitachi Industrial Holdings Americas, Inc.	U.S.A.	100.0
	JR Technology Group, LLC	U.S.A.	100.0

Segment	Name of Company	Location	Ratio of Voting Rights (%)
■ Others	Hitachi Real Estate Partners, Ltd.	Chiyoda-ku, Tokyo	100.0
	Hitachi America, Ltd.	U.S.A.	100.0
	Hitachi Asia Ltd.	Singapore	100.0
	Hitachi (China), Ltd.	China	100.0
	Hitachi Europe Ltd.	U.K.	100.0
	Hitachi India Pvt. Ltd.	India	100.0

Notes: 1. The total number of consolidated subsidiaries is 618.

2. The number of equity-method affiliates is 376. The major equity-method affiliates are Kokusai Electric Inc., Arcerik Hitachi Home Appliances B.V., Johnson Controls-Hitachi Air Conditioning Holding (UK) Ltd, Hitachi Astemo, Ltd. and Hitachi Construction Machinery Co., Ltd.

3. Hitachi Vantara, Ltd. is the company which succeeded the IT Products business of the Company through an absorption-type company spilt on April 1, 2024.

4. Hitachi Computer Products (America), Inc. changed its name to Hitachi Vantara Manufacturing, Inc. on April 1, 2025.

5. Hitachi Kokusai Electric Inc. changed its name to Kokusai Electric Inc. on December 27, 2024.

6. Hitachi Astemo, Ltd. changed its name to Astemo, Ltd. on April 1, 2025.

7. Ratio of voting rights includes indirect ownership.

Directors and Executive Officers

Directors

Name, Position and Responsibilities, etc. (As of March 31, 2025)

Name	Position	Committee Membership	Other Principal Positions Held
Katsumi Ihara	Independent Director	Chair of the Board of Directors Nominating Committee (Chair) Audit Committee Compensation Committee	-
Ravi Venkatesan	Independent Director	-	Board Chair, Global Energy Alliance for People and Planet, LLC (USA) Trustee, The Rockefeller Foundation (USA) Venture Partner, Unitus Ventures LLC. (India)
Ikuro Sugawara	Independent Director	Audit Committee	Outside Director, Toyota Motor Corporation Outside Director, FUJIFILM Holdings Corporation
Isabelle Deschamps	Independent Director	-	Member of Executive Committee, Chief Legal, Governance & Corporate Affairs Officer, Rio Tinto plc (UK)
Joe Harlan	Independent Director	Compensation Committee	-
Louise Pentland	Independent Director	-	Director, Experian plc (Ireland/UK)* Senior Vice President and General Counsel, Roku, Inc (USA)
Takatoshi Yamamoto	Independent Director	Compensation Committee (Chair)	Outside Director, Murata Manufacturing Co., Ltd.
Hiroaki Yoshihara	Independent Director	Nominating Committee Audit Committee (Chair)	Outside Director, HOYA CORPORATION
Helmuth Ludwig	Independent Director	Audit Committee	Professor of Practice in Strategy and Entrepreneurship, Cox School of Business, Southern Methodist University (USA) Senior Advisor, Bridgepoint, LLC (USA)
Keiji Kojima	Director	Compensation Committee	-
Mitsuaki Nishiyama	Director	Audit Committee	-
Toshiaki Higashihara	Executive Chairman	Nominating Committee	-

- Notes: 1. Mr. Hiroaki Yoshihara, Director (Audit Committee (Chair)), has considerable knowledge of finance and accounting based on his long experience at the KPMG Group with businesses related to accounting, etc. Mr. Mitsuaki Nishiyama, Director (Audit Committee), has considerable knowledge of finance and accounting based on his long experience as a chief of accounting and finance department of the Company as well as an Executive Officer in charge of accounting and finance department.
2. The Company has appointed Director Mitsuaki Nishiyama as a standing committee member of the Audit Committee. The Company strives to improve the audit and supervisory functions of the Audit Committee by appointing a standing committee member and creating a system where the Audit Committee can discuss and make its decisions based on its coordination with the internal auditing division and others, along with its timely understanding of accurate information through attendance of important internal meetings, etc. and information-sharing with other committee members.
3. All of the Independent Directors of the Company have been reported as independent directors to the Japanese stock exchanges where the Company is listed.
4. The position with * in "Other Principal Positions Held" is a position in the foreign corporation that is similar to outside director under the Companies Act.
5. The Company engages in transactions, including the sale and purchase of products and services, with Toyota Motor Corporation, FUJIFILM Holdings Corporation, Murata Manufacturing Co., Ltd. and HOYA CORPORATION. The volume of transactions with each of the companies and corporations is negligible in comparison to the total business volume of the Company and to the total business volume of the corresponding entity (less than 1% of either party's consolidated revenues).

General Intent of Limited Liability Agreement with Directors

The Company has entered into a limited liability agreement as stipulated in Article 427, Paragraph 1 of the Companies Act with each of the Directors (excluding Directors concurrently serving as Executive Officers). The general intent of the agreement is to limit the liability of Directors to the aggregate amount of each item stipulated under Article 425, Paragraph 1 of the Companies Act.

Major Activities of Independent Directors

Each Independent Director attended the Board meetings and relevant committee meetings, stated opinions and made proposals proactively, conducted analyses from various perspectives, and discussed matters openly and effectively.

Name	Attendance	Activities and duties of the Independent Directors related to their expected role
Katsumi Ihara	Board of Directors meetings: 9 out of 9 days Nominating Committee: 9 out of 9 days Audit Committee: 13 out of 13 days Compensation Committee: 8 out of 8 days	Mr. Ihara stated his opinions and made proposals regarding the general management of the Group such as management policies and business strategies from a business management viewpoint based on his rich corporate management experience and insight gained through his involvement in the management of major companies conducting diverse businesses globally. He also led discussions at meetings of the Board of Directors and the Nominating Committee as the chairperson of both bodies.
Ravi Venkatesan	Board of Directors meetings: 9 out of 9 days	Mr. Venkatesan stated his opinions and made proposals regarding the general management of the Group such as management policies and business strategies from a global viewpoint based on his rich experience and insight in the area of digital business and emerging markets.
Ikuro Sugawara	Board of Directors meetings: 9 out of 9 days Audit Committee: 13 out of 13 days	Mr. Sugawara stated his opinions and made proposals regarding the general management of the Group such as management policies and business strategies from a corporate growth and governance viewpoint based on his rich experience and insight in such areas as public administration.
Isabelle Deschamps	Board of Directors meetings: 7 out of 7 days	Ms. Deschamps stated her opinions and made proposals regarding the general management of the Group such as management policies and business strategies from a global viewpoint as well as a compliance and risk management perspective based on her rich experience and insight as a chief legal officer at major global companies, etc.
Joe Harlan	Board of Directors meetings: 9 out of 9 days Compensation Committee: 8 out of 8 days	Mr. Harlan stated his opinions and made proposals regarding the general management of the Group such as management policies and business strategies from a global business management viewpoint based on his rich corporate management experience and insight gained through his involvement in the management of major companies conducting diverse businesses globally.
Louise Pentland	Board of Directors meetings: 8 out of 9 days	Ms. Pentland stated her opinions and made proposals regarding the general management of the Group such as management policies and business strategies from a global viewpoint as well as a compliance and risk management perspective based on her rich experience and insight as a chief legal officer at major global companies.
Takatoshi Yamamoto	Board of Directors meetings: 9 out of 9 days Compensation Committee: 8 out of 8 days	Mr. Yamamoto stated his opinions and made proposals regarding the general management of the Group such as management policies and business strategies from investors' viewpoints focusing on issues related to IR, information disclosure and corporate value based on his rich experience and insight in the area of corporate analysis and global corporate management. He also led discussions as the chairperson of the Compensation Committee.
Hiroaki Yoshihara	Board of Directors meetings: 9 out of 9 days Nominating Committee: 9 out of 9 days Audit Committee: 13 out of 13 days	Mr. Yoshihara stated his opinions and made proposals regarding the general management of the Group such as management policies and business strategies mainly from the viewpoints of improving business results and risk management based on his rich experience and insight in the area of global corporate management and accounting. He also led discussions as the chairperson of the Audit Committee.
Helmuth Ludwig	Board of Directors meetings: 9 out of 9 days Audit Committee: 13 out of 13 days	Mr. Ludwig stated his opinions and made proposals regarding the general management of the Group such as management policies and business strategies from a global viewpoint based on his rich experience and insight in the area of global corporate management and digital business.

Note: Attendance at Board of Directors meetings and committee meetings is based on the days when meetings were held during each member's term of office.

Executive Officers

Name, Position and Responsibilities, etc. (As of March 31, 2025)

Name	Position	Responsibilities	Other Principal Positions Held
*Toshiaki Higashihara	Executive Officer	General	-
*Keiji Kojima	President	Overall management	-
*Jun Abe	Executive Vice President and Executive Officer	Assistant to the President (business for industrial digital, water & environment business, industrial products business, industrial equipment systems business, building systems business, smart life & ecofriendly systems business, measurement and analysis systems business and healthcare business)	-
*Brice Koch	Executive Vice President and Executive Officer	Assistant to the President (management strategies, regional strategies, investment strategies, risk management, corporate export regulation, cost structure reform and information security management)	Chairman, Hitachi Europe Ltd.
*Alistair Dormer	Executive Vice President and Executive Officer	Assistant to the President (railway systems business, nuclear energy business, energy business, power grids business)	-
*Toshiaki Tokunaga	Executive Vice President and Executive Officer	Assistant to the President (growth strategies, cloud services platforms business, digital engineering business, business for financial institutions, business for government, public corporation and social infrastructure systems, defense systems business, social innovation business promotion and digital strategies)	-
*Tomomi Kato	Senior Vice President and Executive Officer	Finance strategies, corporate pension system, investment strategies, investor relations strategies and risk management	-
Shashank Samant	Senior Vice President and Executive Officer	Regional strategies (Americas)	Chairman, Hitachi America, Ltd.
Andreas Schierenbeck	Senior Vice President and Executive Officer	Power grids business	-
Lorena Dellagiovanna	Senior Vice President and Executive Officer	Sustainability strategies, environmental strategies, human capital strategies, safety and health management and diversity, equity & inclusion strategies	-
Katsuya Nagano	Senior Vice President and Executive Officer	Business for government, public corporation and social infrastructure systems and defense systems business Assistant to Executive Vice President (Digital Systems & Services (Japan))	-
Hideobu Nakahata	Senior Vice President and Executive Officer	Legal matters, risk management, corporate auditing, government & external relations and corporate communications strategies	-
*Masahiko Hasegawa	Senior Vice President and Executive Officer	Marketing & sales strategies	-
Giuseppe Marino	Senior Vice President and Executive Officer	Railway systems business	Director, Hitachi Rail Ltd.

Name	Position	Responsibilities	Other Principal Positions Held
Atsuhiko Aketa	Vice President and Executive Officer	Regional strategies (China)	Chairman, Hitachi (China), Ltd.
Noriharu Amiya	Vice President and Executive Officer	Urban business strategies and building systems business	President and Director, Hitachi Building Systems Co., Ltd.
Takashi Iizumi	Vice President and Executive Officer	Healthcare business and measurement and analysis systems business	President and Director, Hitachi High-Tech Corporation
Yasunori Inada	Vice President and Executive Officer	Nuclear energy business	-
Yasuki Imai	Vice President and Executive Officer	Business for financial institutions Assistant to Executive Vice President (Digital Systems & Services (APAC))	-
Yoshiaki Kagata	Vice President and Executive Officer	Cost structure reform and information security management	-
Tadashi Kume	Vice President and Executive Officer	Supply chain management (manufacturing strategy and quality assurance) and safety and health management	-
Takashi Saito	Vice President and Executive Officer	Marketing & sales strategies (business for connective industries)	-
Jun Taniguchi	Vice President and Executive Officer	Digital strategies and digital engineering business	CEO, Hitachi Digital LLC
Kojin Nakakita	Vice President and Executive Officer	Regional strategies (APAC)	Chairman, Hitachi Asia Ltd. Chairman, Hitachi India Pvt. Ltd.
Hideshi Nakatsu	Vice President and Executive Officer	Water & environment business	-
Itaru Nishizawa	Vice President and Executive Officer	Research & development	-
Seiichiro Nukui	Vice President and Executive Officer	Information technology strategies	-
Andrew Barr	Vice President and Executive Officer	Regional strategies (EMEA)	President, Hitachi Europe Ltd.
Hirohide Hirai	Vice President and Executive Officer	Government & external relations	-
Yoshinori Hosoya	Vice President and Executive Officer	Cloud services platforms business	-
Chie Mashima	Vice President and Executive Officer	Marketing & sales strategies (business for digital systems & services) and social innovation business promotion	-
Yuto Matsumura	Vice President and Executive Officer	Legal matters	-
Kazunobu Morita	Vice President and Executive Officer	Business for industrial digital	-
Takashi Yoda	Vice President and Executive Officer	Marketing & sales strategies (business for energy) and energy business	-

Notes: 1. Executive Officers marked with * are Representative Executive Officers.

2. Executive Officer Toshiaki Higashihara and President Keiji Kojima concurrently hold Director positions.

Executive Officers who resigned in Fiscal 2024

Name	Position	Responsibilities	Other Principal Positions Held	Date of resignation
Claudio Facchin	Senior Vice President and Executive Officer	Power grids business	-	June 30, 2024
Tatsuro Ueda	Senior Vice President and Executive Officer	Business for financial institutions Assistant to Executive Vice President (Digital Systems & Services (APAC))	-	September 30, 2024
Nitesh Banga	Vice President and Executive Officer	Digital engineering business	-	February 2, 2025

New Executive Officers

The Company changed its Executive Officers as of April 1, 2025 as follows.

Name	Position	Responsibilities
*Toshiaki Higashihara	Executive Officer	General
*Toshiaki Tokunaga	President	Overall management
*Jun Abe	Executive Vice President and Executive Officer	Assistant to President (digital systems & services business and digital strategies) Digital systems & services business
*Brice Koch	Executive Vice President and Executive Officer	Assistant to President (connective industries business) Connective industries business
Noriharu Amiya	Senior Vice President and Executive Officer	Urban systems business, industrial products & services business and industrial AI business
*Tomomi Kato	Senior Vice President and Executive Officer	Finance strategies, corporate pension system, investment strategies, investor relations strategies and risk management
Shashank Samant	Senior Vice President and Executive Officer	Regional strategies (Americas/EMEA)
Andreas Schierenbeck	Senior Vice President and Executive Officer	Energy business
Jun Taniguchi	Senior Vice President and Executive Officer	Strategic social innovation business
Lorena Dellagiovanna	Senior Vice President and Executive Officer	Sustainability strategies, environmental strategies, human capital strategies, safety and health management, diversity, equity & inclusion strategies and crisis management strategies
Katsuya Nagano	Senior Vice President and Executive Officer	Business for government, public corporation and social infrastructure systems and defense systems business Assistant to Executive Vice President (Digital Systems & Services (Japan))
*Masahiko Hasegawa	Senior Vice President and Executive Officer	Marketing & sales strategies, regional strategies (Japan/China), government & external relations and corporate communications strategies
Giuseppe Marino	Senior Vice President and Executive Officer	Mobility business
Atsuhiko Aketa	Vice President and Executive Officer	Regional strategies (China)
**Hidenori Azushima	Vice President and Executive Officer	Management strategies
Yasunori Inada	Vice President and Executive Officer	Nuclear energy business
Yasuki Imai	Vice President and Executive Officer	Business for financial institutions
**Michael Goodman	Vice President and Executive Officer	Information security management and information technology strategies

Name	Position	Responsibilities
Tadashi Kume	Vice President and Executive Officer	Supply chain management (manufacturing strategy and quality assurance) and safety and health management
Takashi Saito	Vice President and Executive Officer	Marketing & sales strategies (business for connective industries)
**Shigetoshi Sameshima	Vice President and Executive Officer	Research & development
**Susumu Takimoto	Vice President and Executive Officer	Human capital strategies, safety and health management and crisis management strategies
**Yasuhiro Takeuchi	Vice President and Executive Officer	Business synergy promotion in Americas
Kojin Nakakita	Vice President and Executive Officer	Regional strategies (APAC/India)
Hideshi Nakatsu	Vice President and Executive Officer	Industrial products & services business
Seiichiro Nukui	Vice President and Executive Officer	Information technology strategies
Andrew Barr	Vice President and Executive Officer	Regional strategies (EMEA)
Hirohide Hirai	Vice President and Executive Officer	Government & external relations
**Michele Fracchiolla	Vice President and Executive Officer	Strategic social innovation business
Yoshinori Hosoya	Vice President and Executive Officer	AI & software services business
Chie Mashima	Vice President and Executive Officer	Marketing & sales strategies
*Yuto Matsumura	Vice President and Executive Officer	Legal matters, corporate export regulation, compliance strategies, corporate auditing and intellectual property strategies
Takashi Yoda	Vice President and Executive Officer	Marketing & sales strategies (business for energy) and energy business

Notes: 1. Executive Officers marked with * are Representative Executive Officers.
2. Executive Officers marked with** are newly appointed.

Content of Directors' and Officers' Liability Insurance Agreement

(i) Insured People Covered

- The Company's Directors, Executive Officers, Corporate Officers (the executive positions just below Executive Officers) and employees who work as officers at the company to which they are assigned.
- Some of the Company's domestic subsidiaries' directors, corporate auditors, executive officers and employees (including employees who work as officers at the company to which they are assigned).

(ii) Outline of the Insurance Agreement

The agreement compensates insured people for damages and litigation costs, etc. incurred as a result of any damage claims due to an act or omission carried out by the insured person as an executive of a company. However, the Company has taken measures to ensure that the appropriateness of the officers' execution of their duties is not impaired by excluding compensation for intentional negligence in the fulfillment of their duties, the illegal acquisition of private benefits or other benefits and damages resulting from criminal acts. The entire cost of the insurance agreement is borne by the Company or its subsidiaries that hold the insurance agreement.

Compensation for Directors and Executive Officers

Regarding the compensation for Directors and Executive Officers, the Company's Compensation Committee determines the Policy for Determining Individual Compensation of Directors and Executive Officers (the "Compensation Policy") as well as the amount of compensation, etc. of each Director and Executive Officer as follows.

Compensation Policy

[Method of Determination of Policy]

The Company's Compensation Committee sets forth the Policy for Determining Individual Compensation of Directors and Executive Officer pursuant to the applicable provisions of the Companies Act.

[Basic Policy]

Compensation for Directors and Executive Officers shall be determined in accordance with the following key policy.

- Compensation shall be commensurate with the roles and responsibilities of each Director and Executive Officer.

- Compensation for Directors shall be such that it enables them to exercise the functions of supervision of management effectively.

- Compensation for Executive Officers shall be reflected by considering the following factors;

(Alignment with the Management Plan)

In the Short-term incentive compensation and Long-term incentive compensation, set performance metrics toward the Management Plan as Key Performance Indicators ("KPIs") to encourage executives to achieve them.

(Establishment of compensation program and corporate performance program that foster a growth mindset)

Pursue an optimal balance between short and medium- to long-term performance with respect to "growth", "improving profitability" and "cash generation", aiming for improved short-term performance and medium- to long-term growth in corporate value.

Establish a compensation program that significantly rewards performance by setting stretch goals and commensurate compensation levels.

(Setting indicators to promote sustainable management)

Develop specific indicators and goals related to "Environment, " "Business with Integrity" and "Quality of life" under its sustainability strategy, and encourage their implementation.

(Expansion of stock compensation that rewards growth in corporate value over the medium- to long-term)

Expand stock compensation to better align with medium- to long-term corporate value.

- Competitive compensation levels with a global perspective

Ensure competitive compensation levels to attract and retain key executives in the global market, regardless of their residence or origin, who can lead the management of a global organization.

- Compensation benchmarking with objectivity and transparency

Reference to the benchmarks in the US and European markets in addition to the benchmarks in the Japanese market for analysis and level-setting from multiple perspectives.

- Transparency and objectivity through enhanced compensation disclosure and shareholder engagement

Endeavor to gain investors' understanding and support through sufficient disclosure of the compensation program with a global perspective and ongoing shareholder engagement, and continuously improve the program based on the insights gained through the engagement.

[Compensation Structure]

(i) Matters relating to Directors

Compensation for Directors consists of basic remuneration as fixed pay and stock compensation. The basic amount of basic remuneration and stock compensation is set based on the ratio of 3:1 as the standard.

The method of determination of each type of compensation is as follows.

Basic remuneration

- The amount of basic remuneration is decided by adjusting a basic amount to reflect full-time or part-time status, committee membership and position, and attendance of meetings, etc.

Stock compensation

- A restricted stock compensation unit is granted as an incentive to offer management supervision and advice with an awareness of medium- and long-term improvements in corporate value. The units becomes vested at the end of three fiscal years after granting, common stocks or cash for the vested units are delivered.
- The stock compensation described above has been granted from the Directors elected at the 155th Annual General Meeting of Shareholders.

If it is found that a director has engaged in misconduct during his/her term of office, compensation for Directors that has already been paid shall be returned to the Company. A Director concurrently serving as an Executive Officer is not paid compensation as a Director.

(ii) Matters relating to Executive Officers

Basic remuneration: Short-term incentive: Medium- and Long-term incentive = 1:1.5:3* ratio

Fixed pay	Variable pay	
Basic remuneration	Short-term incentive compensation	Medium- and Long-term incentive compensation

* For President & CEO

Compensation for Executive Officers consists of basic remuneration as fixed pay and short-term incentive compensation and medium- and long-term incentive compensation as variable pay. In case of President & CEO, the basic amount of basic remuneration, short-term incentive compensation, and medium- and long-term incentive compensation is set based on the ratio of 1:1.5:3 as the standard, taking into account the composition of executive compensation for major global companies including the U.S. and European companies, in order to emphasize improvement of corporate value through the growth of global businesses and emphasize alignment with shareholder value. The higher the position an Executive Officer holds, the higher the proportion of variable pay is set to total annual compensation.

The method of determination of each type of compensation is as follows.

Basic remuneration

- The amount of basic remuneration is decided by adjusting a basic amount set in accordance with the relevant position to reflect the results of an assessment.

Short-term incentive compensation

- The amount of short-term incentive compensation is decided within the range of 0 to 200% of a basic amount set according to the relevant position by adjusting that amount to reflect financial results and individual performance. Evaluation items and proportion of evaluation item are as follows;

	Short-term incentives compensation		
President & CEO	Corporate performance:70%	Individual goals:10%	Sustainability:20%
Executive officers in charge of corporate affairs	Corporate performance:40%	Individual goals:40%	Sustainability:20%
Executive officers in charge of business	Corporate performance:30%	Division performance:30%	Individual goals:20% Sustainability:20%

- The amount of the financial performance linked component varies according to the evaluation of corporate performance and division performance.
 - Corporate performance is evaluated using consolidated revenues, profit index and cash flow in order to measure the level of achievement of consolidated financial forecasts disclosed to stakeholders, including shareholders and investors.
 - Division performance is evaluated using consolidated revenues, profit index and cash flow in each division in order to measure the level of achievement of targets under the Management Plan and the annual budgets for each division.
- The amount of the individual goals linked component varies according to the evaluation of the level of achievement of individual targets for each Executive Officer determined based on his/her responsibility.
- The amount of the sustainability measurement linked component varies according to the degree of achievement of the numerical goals for materiality which are established under the sustainability strategy in Management Plan.

Medium- and Long-term incentive compensation

- The target amount (Medium- and Long-term incentive compensation target ("LTI target")) is decided based on the positions of Executive Officers, and the shares of Restricted Stock ("RS") compensation with an incumbency condition and Performance-linked Restricted Stock ("Performance-linked RS") compensation are granted in order to propel management from a long-term perspective and to provide incentives to bring about a sustainable increase in corporate value by further promoting senior management's shared values with shareholders through the holding of shares during their term of office. The conditions, the grant ratio to LTI target and grant date of RS and Performance-Linked RS compensation are as follows;

Medium- and long-term incentive compensation				
Compensation with incumbency condition: 30%	Compensation with stock price condition: 70%		When the Management Plan targets are achieved Max. +20%	
	TSR growth rate		ROIC	Sustainability:
	TSR/TOPIX Growth Rate Ratio	Global Competitive Comparison	+10%	+10%

- In RS compensation, the shares of RS equivalent to 30% of the LTI target are granted and the restriction on the shares is lifted depending on the tenure of each executive officer over the three fiscal years from the beginning of the fiscal year when the RS is granted.
- In Performance-linked RS compensation, the shares of Performance-linked RS Compensation will be granted depending on the degree of achievement of the evaluation KPI during a certain evaluation period, and the restriction on transfer will be lifted upon retirement. Performance-linked RS compensation comprises compensation with a stock price condition and compensation with conditions related to the achievement of Management Plan targets.
 - In stock compensation with a stock price condition, Performance Share Units ("PSUs") equivalent to 70% of the LTI target are granted. The shares of restricted stock equivalent to 0 ~ 200% of the PSUs are granted in accordance with the results of comparing the Total Shareholder Return growth rate of the Company stock with the TOPIX growth rate ("TSR/TOPIX Growth Rate Ratio") and with the %ile rank of the Total Shareholder Return growth rate of the Company among the global comparable companies determined by the Compensation Committee ("Global Competitive Comparison"). The evaluation period is the three fiscal years beginning at the fiscal year to which the PSUs are granted. For Executive Officers who retire before the end of the evaluation period, ex-post evaluation is conducted by subtracting the number of shares obtained by multiplying the ratio of their tenure to the evaluation period.
 - In stock compensation with conditions related to the achievement of Management Plan targets, PSUs equivalent to 20% of the LTI target are granted. The shares of restricted stock equivalent to the PSUs are granted when the target of ROIC and sustainability indicators during the period of Management Plan covering the fiscal year when the PSUs are granted are achieved.
- If it is deemed inappropriate to grant shares of restricted stock due to laws and regulations in the country of residence, etc., a cash award based on the value of the Company's share price shall be substituted for restricted stock.
- From Fiscal 2019, shares of restricted stock have been granted in place of the stock options as stock-based compensation the Company has granted until then. From Fiscal 2023, the medium- and long-term compensation described above is granted.

If it is found that an Executive Officer has engaged in misconduct during his/her term of office, compensation for the Executive Officer that has already been paid shall be returned to the Company.

With regard to persons who are hired externally such as foreign persons, a compensation package could be individually determined based on the level of compensation in a job market which is considered for compensation benchmarking while referring the above policy. The Company grants restricted stock units to non-Japanese Executive Officers as medium- and long-term incentive compensation. One third of vested restricted stock units are delivered in the form of common stocks of the Company and cash in each fiscal year over three years from the beginning of the fiscal year containing the day on which restricted stock units are granted.

Total Amount of Compensation to and the Number of Directors and Executive Officers in Fiscal 2024

Category	Total amount of compensation, etc. (Millions of yen)	Total amount of each type (Millions of yen)			Number of persons	
		Fixed pay	Variable pay			Others
			Short-term incentive compensation	Medium- and long-term incentive compensation		
Directors (excluding Independent Directors)	76	67	—	8	—	1
Independent Directors	477	399	—	77	—	10
Executive Officers	6,124	1,773	2,043	2,306	—	30
Total	6,677	2,241	2,043	2,393	—	41

Notes: 1. The number of Directors indicated excludes 2 Directors who serve or served concurrently as Executive Officers.

2. Fixed pay and short-term incentive compensation consist of monetary compensation, and medium- and long-term incentive compensation consists of non-monetary compensation and monetary compensation.

Performance Indicators Used to Calculate Performance-linked Compensation

Regarding the short-term incentive compensation, "Company performance" was evaluated referring to Consolidated revenues, Revenues of Lumada business, Adjusted EBITA margin, Earnings per Share and Core free cash flows in order to measure the level of achievement of consolidated financial forecasts disclosed to stakeholders, including shareholders and investors. "Division performance" was evaluated referring to Revenues, Revenues of Lumada business, Adjusted EBITA margin and Core free cash flows in each division, among other indicators, to measure the level of achievement of targets under the Mid-term Management Plan and the annual budgets for each division.

Please refer to "Business Overview and Results of Hitachi Group" in this report regarding the business results in Fiscal 2024.

The results of Performance Indicators for each medium- and long-term incentive compensation are as follows.

Name	Performance Indicators	Term	The result of Performance Indicators
The First Stock Acquisition Rights of Hitachi, Ltd.	TSR/TOPIX Growth Rate Ratio	From April 1, 2016 to March 29, 2019	125.8%
The Second Stock Acquisition Rights of Hitachi, Ltd.		From March 31, 2017 to March 31, 2020	121.6%
The Third Stock Acquisition Rights of Hitachi, Ltd.		From March 30, 2018 to March 31, 2021	120.5%
Restricted Stocks issued in May 2019	TSR/TOPIX Growth Rate Ratio	From April 1, 2019 to March 31, 2022	146.7%
Restricted Stocks issued in May 2020		From April 1, 2020 to March 31, 2023	167.2%
Restricted Stocks issued in June 2021		From April 1, 2021 to March 31, 2024	205.8%
Restricted Stocks issued in June 2022		From April 1, 2022 to March 31, 2025	213.8%
Performance-linked Restricted Stock Compensation granted in April 2023	TSR/TOPIX Growth Rate Ratio	From April 1, 2023 to September 30, 2024 (Note 1)	193.6%
		From April 1, 2023 to March 31, 2025 (Note 2)	175.2%
	Global Competitive Comparison	From April 1, 2023 to September 30, 2024 (Note 1)	100%ile
		From April 1, 2023 to March 31, 2025 (Note 2)	90%ile
Performance-linked Restricted Stock Compensation granted in April 2024	TSR/TOPIX Growth Rate Ratio	From April 1, 2024 to September 30, 2024 (Note 1)	144.3%
		From April 1, 2024 to March 31, 2025 (Note 2)	130.5%
	Global Competitive Comparison	From April 1, 2024 to September 30, 2024 (Note 1)	90%ile
		From April 1, 2024 to March 31, 2025 (Note 2)	80%ile

Note: 1. These are calculated to determine the number of shares to be lifted from transfer restriction under RS compensation or the number of shares to be issued under Performance-linked RS compensation to be held by individuals who retired from Executive Officers, Directors or Corporate officers of the Company on September 30, 2024.

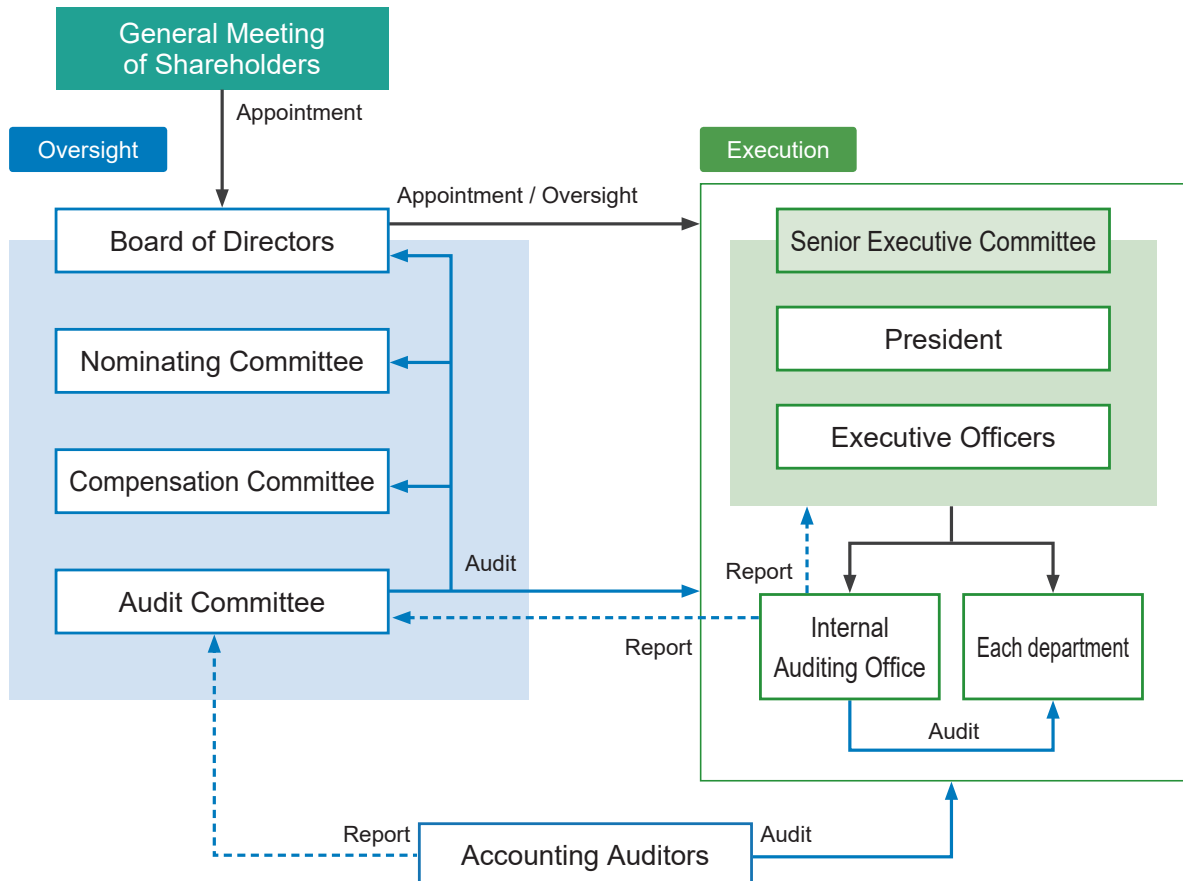
2. These are calculated to determine the number of shares to be lifted from transfer restriction under RS compensation or the number of shares to be issued under Performance-linked RS compensation to be held by individuals who retired from Executive Officers, Directors or Corporate officers of the Company on March 31, 2025.

Reasons Why the Compensation Committee Judged that the Respective Amount of Compensation, etc. of Each Director and Executive Officer in Fiscal 2024 was in Line with the Compensation Policy

The Compensation Committee judged that the respective amount of compensation, etc. of each Director and Executive Officer was in line with the Compensation Policy, because it determined the "Compensation Structure" which is a specific criteria, based on the "Basic Policy," and determined the specific amount of compensation in accordance with the "Compensation Structure."

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

The Board of Directors, which is responsible for overseeing management, determines basic policies for management, etc. and also monitor the Executive Officers execution of business while significantly delegating authority to the Executive Officers.



Summary of the resolution of the Board of Directors on the enhancement of the internal control system

- a. The following measures shall be taken to ensure the effectiveness of the audits by the Audit Committee.
 - (i) When necessary, the Board of Directors may appoint one or more directors, who are not concurrently serving as executive officers, to be director(s) 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 the Board of Directors and each committee with their duties.
 - (ii) To ensure the Office personnel are independent from the 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 the orders or instructions of Executive Officers, and the Audit Committee shall be informed in advance of planned transfers of Office personnel.
 - (iii) Executive Officers and employees shall report significant matters affecting the Company and its subsidiaries, the results of internal audits and the implementation status of reporting under the internal reporting system without delay to the members of the Audit Committee. It shall be provided for in the company regulation that reporters using the common internal reporting system of the Hitachi Group shall not be treated disadvantageously due to their submission of a report, and the system's administrative organization shall ensure this provision is thoroughly implemented.
 - (iv) The Office shall be responsible for paying for the expenses incurred in connection with the Audit Committee members' execution of their duties and other administrative duties, and shall promptly process payments for these expenses or debts except in cases where the expense or debt claimed is clearly found to be unnecessary for the execution of the Audit Committee members' duties.
 - (v) Standing Committee member(s) shall be appointed to the Audit Committee, and the activity plans of the Audit Committee shall be prepared in coordination with the audit plans of the Internal Auditing Office.
- b. The following measures shall be taken to ensure the adequacy of the operations within the Company and the Hitachi Group.
 - (i) Fundamental policies that emphasize 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 its operations appropriate for its size and other characteristics, the basic framework of which will be similar to the ones employed by the Company. To ensure each subsidiary's development of such systems, directors and auditors shall be sent by the Company to the subsidiaries, and regular audits of the subsidiaries shall be conducted.
 - (iii) A system for reporting matters to Directors shall be established to ensure that the Executive Officers of the Company execute their duties in compliance with laws, regulations and the Articles of Incorporation.
 - (iv) Information pertaining to the Company's Executive Officers' execution of their duties 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 regarding various risks. Efforts shall be made to identify possible new risks through measures such as progress reports on business operations and, should it become necessary, an Executive Officer will be appointed promptly to be responsible for responding to a new risk.
 - (vi) The efficiency of the Company's Executive Officers, and the subsidiaries' Directors and Executive Officers' performance of their duties shall be ensured through the following business management systems.
 - The Senior Executive Committee shall be established 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 to operate business in a planned and efficient manner.

- Internal audits of the Company and its subsidiaries shall be conducted to identify and monitor the status of their business operations and to facilitate improvements.
- The Audit Committee shall receive the accounting auditors' audit plans in advance, and the prior approval of the Audit Committee shall be required regarding the fees to be paid to the accounting auditors.
- Documented business processes for matters to be reflected in financial reports shall be executed by the Company and its subsidiaries, and internal and external auditors shall examine these processes to ensure the reliability of financial reports.
- A structure for the adequate and efficient conduct of the common business operations of 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, a Hitachi Group common internal reporting system shall be established and education regarding 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 submit reports on important issues and the progress of measures regarding 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.

Summary of status of operation of the internal control system

Audit Committee

- A standing committee member has been appointed to understand information in a timely and accurate manner by attending important internal meetings, such as meetings of 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 to these plans, if necessary, and closely coordinates with the accounting auditor and the Internal Auditing Office by exchanging information and opinions on a regular basis.

Board of Directors Office

- To assist with the duties of each Committee and the Board of Directors, the Office is staffed with 12 employees (as of March 31, 2025) who exclusively serve the Office and are not subject to the orders or instructions of Executive Officers. Seven of the Office's employees are dedicated to legality and validity audits in the Digital Systems & Services, Green Energy & Mobility and Connective Industries to serve as an auditor within the sector.

Senior Executive Committee

- The Senior Executive Committee meets twice a month, in principle, to deliberate specific important matters concerning the Company or its subsidiaries and the annual business plan.
- The Senior Executive Committee makes efforts to identify potential signs of new risks through means such as progress reports on the 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 its medium-term business plan and annual budget, and manages business performance based on these plans.

Establishment of Internal Regulations and Training, etc.

- Regarding risks related to compliance, information security, the environment, disasters, quality, 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 Hitachi Group common whistleblowing system.
- The Company has also established and operates a system for reporting suspicions of illegal acts, etc. by the Executive Officers to the Directors.

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 of the Company and its subsidiaries to the Audit Committee members without delay.

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.

Matters Concerning Accounting Auditor

Name of accounting auditor

Ernst & Young ShinNihon LLC

Fees to accounting auditor in Fiscal 2024

(Millions of yen)

Category	Amount		
	Fees for audit services (Note 1)	Fees for non-audit services	Total
Fees, etc. by the Company and its subsidiaries	1,035	43	1,078
Fees, etc. by the Company	559	36	595

Notes: 1. The fees for audits under the Financial Instruments and Exchange Act are included.

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.

Description of non-audit services

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

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.

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.

Matters Concerning the Company's Stock (As of March 31, 2025)

Authorized 10,000,000,000 shares

Issued 4,580,341,685 shares

Note: On January 27, 2025, the Company canceled 56,227,700 treasury shares.

Number of Shares per Unit 100 shares

10 Largest Shareholders

Name	Share Ownership (Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	788,876,600	17.23
Custody Bank of Japan, Ltd. (Trust Account)	270,599,100	5.91
STATE STREET BANK AND TRUST COMPANY 505001	143,436,447	3.13
STATE STREET BANK WEST CLIENT – TREATY 505234	98,697,835	2.16
MOXLEY & CO LLC	95,208,929	2.08
JP MORGAN CHASE BANK 385632	89,489,070	1.95
STATE STREET BANK AND TRUST COMPANY 505223	85,424,943	1.87
Nippon Life Insurance Company	84,499,995	1.85
Hitachi Employees' Shareholding Association	79,042,957	1.73
GOVERNMENT OF NORWAY	77,771,030	1.70

Notes: 1. MOXLEY & CO LLC is the nominee name of the depository bank, JP Morgan Chase Bank, N.A, for the aggregation of the Company's American Depositary Receipts (ADRs) holders.
2. Treasury stock (2,467,109 shares) is not included in the calculation of the shareholding ratio.

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	2	194	98	3,058	1,434	507	314,611	319,904	-
Share ownership (units)	464	14,075,695	747,698	571,693	23,548,427	7,888	6,816,100	45,767,965	3,545,185
Ownership percentage of shares (%)	0.00	30.75	1.63	1.25	51.45	0.02	14.89	100.00	-

Note: Of the 2,467,109 shares of treasury stock, 24,671 units are included in the "Individuals and others" column, while 9 shares are included in the "Number of shares less than one unit" column.

Shares Delivered to the Executive Officers, etc. of the Company as Compensation

Through restricted stock compensation plans and restricted stock unit compensation plans as the medium- and long-term incentive compensation, the Company issued 101,300 new shares to 42 Executive Officers of the Company, 42,800 new shares to 45 Corporate Officers (the executive positions just below Executive Officers) of the Company and 1,900 new shares to 5 Executives of Group companies, respectively, on June 3, 2024 and delivered 22,100 shares to 1 Executive Officer of the Company on December 3, 2024.

Other Significant Matters concerning the Company's Stock

Stock Split

On July 1, 2024, the Company conducted a stock split at a ratio of 5 shares for each 1 share. Consequently, the Company changed its Articles of Incorporation to change the total shares authorized to be issued by the Company to 10 billion shares as stipulated in Article 184, Paragraph 2 of the Companies Act.

Acquisition of treasury stock (Market purchase on the Tokyo Stock Exchange)

Treasury stock acquired pursuant to the resolution at the Board of Directors Meeting held on April 26, 2024

- Type and number of shares acquired: 56,227,700 shares of common stock
- Total purchase price for the acquisition of shares: 199,999,920,700 yen
- Period of acquisition: May 21, 2024 to December 23, 2024

Information on the Stock Acquisition Rights, etc. (As of March 31, 2025)

Stock Acquisition Rights Held by Senior Managements

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	466,000 shares of common stock	461,800 shares of common stock	459,300 shares of common stock
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	7 Executive Officers of the Company 4,660 of stock acquisition rights (Note 3)	7 Executive Officers of the Company 4,618 of stock acquisition rights (Note 3)	11 Executive Officers of the Company 4,593 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, Director or 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:

a. If the TSR/TOPIX Growth Rate Ratio is 120% or more

All the stock acquisition rights allotted (the "Allotted Rights") may be exercised.

b. If 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 achievement of the TSR/TOPIX Growth Rate Ratio.*

$$\text{*Number of stock acquisition rights exercisable} = \text{Number of Allotted Rights} \times \left\{ \left(\frac{\text{TSR/TOPIX Growth Rate Ratio}}{1.25} - 0.5 \right) \right\}$$

Any fraction less than one stock acquisition right will be rounded down.

c. If 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.

Policy on the Determination of Distribution of Surplus, etc.

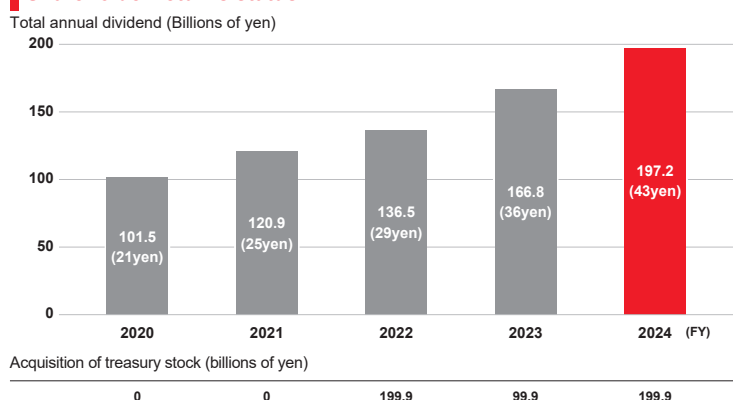
The Company views the return of profits to shareholders through enhancing corporate value from the mid- to long-term perspective, and paying dividends and repurchase of its shares as an important managerial issue.

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 shares of its shares depending on factors such as capital needs and the business environment.

In accordance its 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.

Shareholder returns status



Note: The number in parenthesis is the annual dividends per share. On July 1, 2024, the Company conducted a stock split at a ratio of 5 shares for each 1 share, and the annual dividends per share is adjusted to reflect the stock split.

Policy on the Strategic Shareholdings

Hitachi's basic policy is not to acquire or hold the shares of other companies except in cases where acquiring or holding such shares is necessary in terms of commercial transactions or business relationships. Hitachi will promote divesting such shares already held unless the significance or economic rationalities of holding are confirmed. The Board of Directors verifies the appropriateness of all such shareholdings every year. In the verification, each individual share is examined as to the purpose of holding the share and whether benefits from holding the share are in line with its capital efficiency targets. As a result of verification, Hitachi promotes the divestiture of the share for which the significance or economic rationality of holding is not confirmed.

As of the end of Fiscal 2024, the ratio of strategic shareholdings (total amount recorded on the balance sheet) made up 1.0% of total equity in the consolidated statement of financial position.

Strategic shareholding status (As of the end of each fiscal year)

