

Issuance of New Shares based on Restricted Stock Compensation Plan and Restricted Stock Unit Plan

Tokyo, April 26, 2024 – Hitachi, Ltd. (TSE: 6501, “Hitachi” or the “Company”) announced that, pursuant to the decision made by the President in accordance with the authority delegated by the resolution of the Board of Directors, Hitachi decided to issue new shares based on restricted stock compensation plan (the “Plan”) and restricted stock unit (the “RSU”) plan to Executive Officers, Corporate Officers and Executives of group companies, as described below (the “Issuance of New Shares”).

1. Outline of issuance

(1) The issuance of shares of restricted stock plan (Incumbency condition)

(i) Payment date	June 3, 2024
(ii) Class and number of shares to be issued	49,500 shares of Hitachi’s common stock
(iii) Issue price	13,235 yen per share
(iv) Total amount of issuance	655,132,500 yen
(v) Allottees, number of Allottees and number of shares to be allotted	27 Executive Officers: 38,600 shares 30 Corporate Officers: 9,000 shares 5 Executives of Group Companies: 1,900 shares
(vi) Others	Issuance of New Shares is conditioned on the securities registration statement taking effect in accordance with the Financial Instruments and Exchange Act.

(2) The issuance of shares of restricted stock plan (Performance condition)

(i) Payment date	June 3, 2024
(ii) Class and number of shares to be issued	29,600 shares of Hitachi’s common stock
(iii) Issue price	13,235 yen per share
(iv) Total amount of issuance	391,756,000 yen
(v) Allottees, number of Allottees and number of shares to be allotted	9 Retired Executive Officers: 25,900 shares 6 Retired Corporate Officers: 3,700 shares
(vi) Others	Issuance of New Shares is conditioned on the securities registration statement taking effect in accordance with the Financial Instruments and Exchange Act.

(3) The issuance of shares of RSU plan

(i) Payment date	June 3, 2024
(ii) Class and number of shares to be issued	66,900 shares of Hitachi’s common stock
(iii) Issue price	13,235 yen per share
(iv) Total amount of issuance	885,421,500 yen
(v) Allottees, number of Allottees and number of shares to be allotted	6 Executive Officers: 36,800 shares 9 Corporate Officers* : 30,100 shares * Include 1 retiree
(vi) Others	Issuance of New Shares is conditioned on the securities registration statement taking effect in accordance with the Financial Instruments and Exchange Act.

2. Purpose and reasons for issuance

The Company will issue new shares under the Plan and RSU Plan. Please refer to the press release dated March 29, 2024 regarding the purpose and Outline of the Plans.

“Notice Regarding the Grant of Restricted Stock Compensation and Restricted Stock Units, and the Introduction of Restricted Stock Units Plan for Directors”

https://www.hitachi.com/New/cnews/month/2024/03/f_240329.pdf

3. Basis of calculation of the issue price and details thereof

To eliminate arbitrariness of price, the issue price is 13,235 yen, the closing price per share for the Company’s common stock on April 25, 2024 (preceding business day of the date upon the decision by the President regarding the Issuance of New Shares) in the Prime Market of the Tokyo Stock Exchange, Inc.

The deviation rate of this value from the simple average closing price of common stock of the Company in Tokyo Stock Exchange’s Prime Market for one month (from March 26, 2024 to April 25, 2024) 13,832 yen (Rounded down to the nearest one yen, by simply averaging the closing prices, and the same applies to the followings) was $\Delta 4.51\%$ (round to the second decimal place in calculating deviation rate, and the same applies to the followings), the simple average closing price for 3 months (from January 26, 2024 to April 25, 2024) 12,967 yen was 2.02%, and the simple average closing price for 6 months (from October 26, 2023 to April 25, 2024) 11,619 yen was 12.21%.

The above price is the same as the market price immediately before the date of determination by the President, which is pursuant to the “guidance on handling of stock increase by third-party allotment” by Japan Securities Dealers Association, and the Company considers it rational and not particularly favorable to the recipients.

4. Basis of calculation of the issue price and details thereof

This issuance of new shares does not require an opinion from an independent third party or require procedures for confirming the intent of shareholders, which are provided for under Rule 432 of the Securities Listing Regulations of the Tokyo Stock Exchange and Rule 440 of the Securities Listing Regulations of the Nagoya Stock Exchange, because (i) the dilution ratio is less than 25% and (ii) this issuance of new shares does not involve a change in controlling shareholder.

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Cautionary Statement

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

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

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

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

* This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Information contained in this news release is current as
of the date of the press announcement, but may be subject
to change without prior notice.
