

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

**Tokyo, April 27, 2023** – 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

(1) Payment date	May 31, 2023
(2) Class and number of shares to be issued	103,800 shares of Hitachi’s common stock
(3) Issue price	7,586 yen per share
(4) Total amount of issuance	787,426,800 yen
(5) Allottees, number of Allottees and number of shares to be allotted	33 Executive Officers: 85,400 shares 30 Corporate Officers: 15,100 shares 5 Executives of Group Companies: 3,300 shares
(6) 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 RSU plan

(1) Payment date	May 31, 2023
(2) Class and number of shares to be issued	54,400 shares of Hitachi’s common stock
(3) Issue price	7,586 yen per share
(4) Total amount of issuance	412,678,400 yen
(5) Allottees, number of Allottees and number of shares to be allotted	4 Executive Officers: 30,400 shares 8 Corporate Officers: 24,000 shares
(6) 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

In order to promote management based on a medium- to long-term perspective by further enhancing the sharing of value with shareholders by the senior management through shareholdings from the time they hold of shares during their term of office, and to provide an incentive for the sustainable enhancement of corporate value, Hitachi has introduced the Plan as compensation for Japanese Executive Officers and Corporate Officers from fiscal year 2019 and the RSU plan for non-Japanese Executive Officers and Corporate Officers from fiscal year 2020. In fiscal year 2021, Hitachi expanded the scope of the RSU plan to a part of non-Japanese executives of group companies, and in fiscal year 2022, it also expanded the scope of the restricted stock compensation to a part of Japanese executives of group companies. Moreover, in March 2023, the Company revised the Plan to further promote management based on a medium- to long-term management and to further strengthen “Pay-for-

Performance”, the linkage between compensation and corporate value enhancement, in the backdrop of increasingly intense global competition. Based on these plans, the Company will conduct the Issuance of New Shares.

### 3. Outline of the Plan

The Plan introduced by Hitachi consists of two types of restricted stock: shares of restricted stock with an incumbency condition and shares of restricted stock with a stock price condition in addition to incumbency condition. The percentage of shares to be granted is set at an amount equivalent to 30% of the base amount for medium- to long-term incentive compensation basic amount (the “Basic Amount”) for restricted stock with an incumbency condition, and an amount equivalent to 70% of the Basic Amount for restricted stock with a stock price condition in addition to the incumbency condition respectively. Furthermore, upon achieving the targets of the company’s Mid-term Management Plan 2024 (“MMP 2024”), an additional grant of shares equivalent to 10% of the Basic Amount respectively will be made as the ROIC (Return on invested capital) and sustainability targets are met at the end of the year MMP 2024 ends.

Under the Plan, the eligible persons will receive shares of common stock to be newly issued or disposed by the Company by making contributions in kind of the monetary compensation claims which are granted in order to allot the Shares of Restricted Stock to the eligible persons. The Company will issue shares of restricted stock with an incumbency condition this time.

	Types of restricted stock		Ratio	Timing of grant
Incumbency condition	Shares of restricted stock with an incumbency condition		30%	Each fiscal year
Stock price condition	Shares of restricted stock with a Total Shareholder Return growth condition (compared to TOPIX / compared to global competitors)		70%	After three fiscal years from the base fiscal year
Mid-term Management Plan target achievement condition	Shares of restricted stock with achievement of Mid-term Management Plan targets as a condition	ROIC	10%	After the end of the final fiscal year of the MMP 2024 period
		Sustainability targets	10%	

\* For more information about the Plan, please refer to the news release dated March 30, 2023.  
<https://www.hitachi.com/New/cnews/month/2023/03/230330c.html>

### 4. Outline of the RSU Plan

Under the RSU Plan, the eligible persons will be granted restricted stock units (“RSUs”) corresponding to the number of shares of Hitachi’s common stock (the “Shares to be Delivered”) set in advance for each eligible person and, over three fiscal years after granting, one-third of the RSUs will become vested after the end of each fiscal year and the Shares to be Delivered or cash for the vested RSUs will be delivered.

The eligible persons will receive shares of common stock to be newly issued or disposed by the Company by making contributions in kind of the monetary compensation claims which are granted after the end of each fiscal year in order to allot the Shares to be Delivered to the eligible persons.

If the eligible persons retire due to expiration of their term of office, death or other legitimate reasons recognized by the Company’s Compensation Committee, they will receive the Shares to be Delivered or cash corresponding to the portion of RSUs granted reflecting the period from the granting date until such retirement.

### 5. Basis of calculation of the issue price and details thereof

The issue price is 7,586 yen, the closing price per share for the Company’s common stock on April 26, 2023 (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 Company believes that the issue price is reasonable and is not deemed to be significantly advantageous because the issue price is the same as the market stock price on the preceding business day of the date upon the decision by the President.

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**About Hitachi, Ltd.**

Hitachi drives Social Innovation Business, creating a sustainable society with data and technology. We will solve customers' and society's challenges with Lumada solutions leveraging IT, OT (Operational Technology) and products, under the business structure of Digital Systems & Services, Green Energy & Mobility, Connective Industries and Automotive Systems. Driven by green, digital, and innovation, we aim for growth through collaboration with our customers. The company's consolidated revenues for fiscal year 2021 (ended March 31, 2022) totaled 10,264.6 billion yen (\$84,136 million USD), with 853 consolidated subsidiaries and approximately 370,000 employees worldwide. For more information on Hitachi, please visit the company's website at <https://www.hitachi.com>.

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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.

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