Human Capital Strategy

Investor Day (Human Capital Strategy)

At Hitachi, people are the key driver of sustainable growth, and therefore Human Capital is positioned as a core pillar of our management strategy. Hitachi Group's Human Capital strategy is built on six key initiatives. Through these initiatives, we are driving the transformation towards becoming a global employer of choice, while empowering businesses to achieve sustainable, long-term growth. By expanding the Restricted Stock Unit (RSU) program for senior leaders, offering Employee Stock Purchase Plan (ESPP) to all employees, fostering the culture of "Agility", "Responsibility", "Transparency", and developing global leaders who create value, we are driving business growth. We are also strengthening our expertise in AI and promoting its implementation, enhancing talent mobility, and advancing global HR platforms, building a strong foundation for delivering value to our customers and society as One Hitachi.

Our Key Human Capital Strategy Initiatives and Target by fiscal 2027

Incentivize employees to

increase corporate value

2

culture

Foster a high-performance

3 Develop leaders for

sustainable growth

Strengthen AI expertise and adopt

4

5 Enable talent mobility to accelerate synergy

6 Enhance Global HR

platform to strengthen One Hitachi collaboration



Initiative

Incentivize employees to increase corporate value

The expansion of stock-based compensation is designed to foster ownership and commitment, and support employees' wellbeing. In addition, it will help in attracting and retaining top talent in a competitive global market.

RSU for senior leaders

1,500 people

Global ESPP offerings for all employees

150.000 people

Shareholders Company /Investors Driven by shared values and goals **Employees**

Initiative 2

Foster a high-performance culture

Initiative Develop leaders for sustainable growth 3

We are focusing not only on actions and outcomes, but also on cultivating the right mindset and encouraging behavioral changes that promote excellence. By linking compensation with ambitious goals and achievements, driving cultural transformation and investing in leadership development, we are committed to driving sustainable growth.

Develop global leaders

00 employees

Engagement Score



Initiative

Strengthen AI expertise and adopt

Hitachi is committed to equip our talent and scale AI expertise for boosting productivity and enhancing effectiveness.

AI Professional talent pool

50,000 people

Initiative

Enable talent mobility to accelerate synergy

We are actively promoting talent mobility to accelerate synergy across our businesses and to provide employees with attractive career and growth opportunities across Hitachi Group, thereby strengthening retention and development.

Initiative 6

Enhance Global HR platform to strengthen One Hitachi collaboration

We continue to establish common global HR policies, frameworks and platforms to promote synergy, enable seamless execution and foster collaboration across Hitachi Group.

Human Capital Strategy—Specific Initiatives of HR Drivers for Growth



Incentivize Employees to Increase Corporate Value

We have strategically introduced and expanded Restricted Stock Unit (RSU) program and Global Employee Stock Purchase Plan (ESPP) to foster employee ownership and commitment.

Expand the Restricted Stock Unit (RSU)

We are globally expanding the Restricted Stock Unit (RSU) program to include leaders up to two to three levels below BU CEOs or functional leaders, thereby extending to approximately 1,500 senior leaders.

RSU program is designed to align employee interests with those of shareholders and serve as drivers for medium- and long-term corporate value creation. In addition to increasing employee engagement, we aim to attract and retain top talent through the expansion of this program.

Offer Global Employee Stock Purchase Plan (ESPP)

We are promoting the global implementation of the Employee Stock Purchase Plan (ESPP), which enables global employees to purchase company stock by contributing a portion of their earnings. By offering matching contributions from company, we aim to strengthen support for employees in building their financial assets. We are aiming to expand this program to 150,000 employees across Hitachi Group by fiscal 2027, with plans to further expand it to over 50 countries in the future.

We are currently assessing the feasibility of its implementation in each country, in line with local laws and regulations.

P.39 Director and Executive Officer Compensation

Initiative 2

Foster a High-Performance Culture

P.42 CEO Appointment, Dismissal, and Succession Plan

We are committed to fostering a high-performance culture by implementing initiatives by focus on each employees' growth mindset and challenge-driven actions that drive tangible outcomes. Specifically, we aim to promote employee challenges and growth through building a psychologically safe workplace environment and fostering a culture that encourages employees' autonomous action.

This includes transformation through continuous dialogue and active engagement by executive leadership team, as well as the enhancement and expansion of group-wide training programs and the promotion of talent mobility to enable employees to support their capability development and cultivate a mindset conductive to autonomous career formation. To further encourage employees to take on challenges proactively, we will strengthen the linkage between rewards and the achievement of ambitious goals, aiming to offer best-in-class compensation.

As a means of measuring the effectiveness of initiatives, we conduct annual employee survey across Hitachi Group. Addition to conventional engagement score, we have introduced a new "growth mindset score*" with the target of 70 points.

Through the implementation and monitoring of these initiatives, we aim to further strengthen employee engagement and growth mindset, thereby advancing the development of a high-performance organizational culture.

Engagement Score Trends and Target (Global Average)



*Ambitious target of 80 points is set, which exceed global competitors (base target is 75 points)



CEO town hall meeting (May 2025, Singapore)

Initiative 3

Develop Leaders for Sustainable Growth

In today's increasingly unpredictable business environment, developing global leaders who can demonstrate strong and resilient leadership is one of Hitachi's top management priorities to ensure sustainable growth.

To strengthen the talent pool of potential global leaders, we are redefining the profile of future leaders and enhancing our Global Leadership Development Program (GLD). This new program aims to support individuals who can learn quickly, think strategically across the organization, lead transformation with accountability, leverage diverse talent, and inspire with a clear vision. Through this program, Hitachi aims to develop 1,000 next-generation global leaders and build a robust leadership pipeline that supports succession planning across the entire group.

^{*}Growth Mindset score evaluated based on items related to "Individual's action for growth" and "Organizational culture supporting individual's growth mindset (Psychological safety, Coaching & Feedback, Calculated risk-taking, Agility, Learning from mistakes, Inclusion)"