



















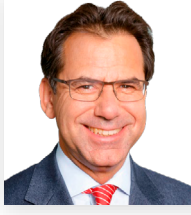



## Board of Directors (as of June 25, 2025)

[Biographical Details](#)

 : Nominating Committee Member  : Audit Committee Member  : Compensation Committee Member **C** : Chairperson  : Newly appointed

### Independent Directors <sup>◎</sup>

 <p><b>Katsumi Ihara (74)</b>   </p> <p><b>Director, Chairman of the Board</b>                      Share ownership: 7,600 shares                      Term of office as Independent Director: 7 years                      Country of origin: Japan                      Attendance rate at Board of Directors meetings: 100%                      Attendance rate at all committee meetings: 100%</p>	 <p><b>Ravi Venkatesan (62)</b></p> <p>Share ownership: 3,800 shares                      Term of office as Independent Director: 4 years and 11 months                      Country of origin: India                      Attendance rate at Board of Directors meetings: 100%</p>	 <p><b>Eriko Sakurai (64)</b>  </p> <p>Share ownership: 0 shares                      Term of office as Independent Director: newly appointed                      Country of origin: Japan</p>
 <p><b>Ikuro Sugawara (68)</b>  </p> <p>Share ownership: 4,900 shares                      Term of office as Independent Director: 3 years                      Country of origin: Japan                      Attendance rate at Board of Directors meetings: 100%                      Attendance rate at Audit Committee meetings: 100%</p>	 <p><b>Isabelle Deschamps (55)</b></p> <p>Share ownership: 0 shares                      Term of office as Independent Director: 1 year                      Country of origin: Canada                      Attendance rate at Board of Directors meetings: 100%</p>	 <p><b>Takashi Nishijima (67)</b>   </p> <p>Share ownership: 0 shares                      Term of office as Independent Director: newly appointed                      Country of origin: Japan</p>
 <p><b>Joe Harlan (66)</b> </p> <p>Share ownership: 9,100 shares                      Term of office as Independent Director: 7 years                      Country of origin: United States                      Attendance rate at Board of Directors meetings: 100%                      Attendance rate at Compensation Committee meetings: 100%</p>	 <p><b>Takatoshi Yamamoto (72)</b> </p> <p>Share ownership: 77,800 shares                      Term of office as Independent Director: 9 years                      Country of origin: Japan                      Attendance rate at Board of Directors meetings: 100%                      Attendance rate at Compensation Committee meetings: 100%</p>	 <p><b>Helmuth Ludwig (62)</b> </p> <p>Share ownership: 28,300 shares                      Term of office as Independent Director: 4 years and 11 months                      Country of origin: Germany                      Attendance rate at Board of Directors meetings: 100%                      Attendance rate at Audit Committee meetings: 100%</p>

### Directors

 <p><b>Toshiaki Tokunaga (58)</b>  </p> <p>Share ownership: 372,000 shares                      Country of origin: Japan</p>	 <p><b>Mitsuaki Nishiyama (68)</b> </p> <p>Share ownership: 134,100 shares                      Country of origin: Japan                      Attendance rate at Board of Directors meetings: 100%                      Attendance rate at Audit Committee meetings: 100%</p>	 <p><b>Toshiaki Higashihara (70)</b> </p> <p>Share ownership: 1,112,200 shares                      Country of origin: Japan                      Attendance rate at Board of Directors meetings: 89%                      Attendance rate at Nominating Committee meetings: 100%</p>
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◎ Independent directors are directors who fulfill the qualification requirements to be outside directors as stipulated in the Companies Act and also meet independence criteria defined by Hitachi and stipulated by Japanese stock exchanges where Hitachi is listed.

\*The attendance rates of Board of Directors meetings and each committee meeting given are for fiscal 2024.

## Directors' Skills Matrix

The experiences and insights, and skills of each director are as follows.

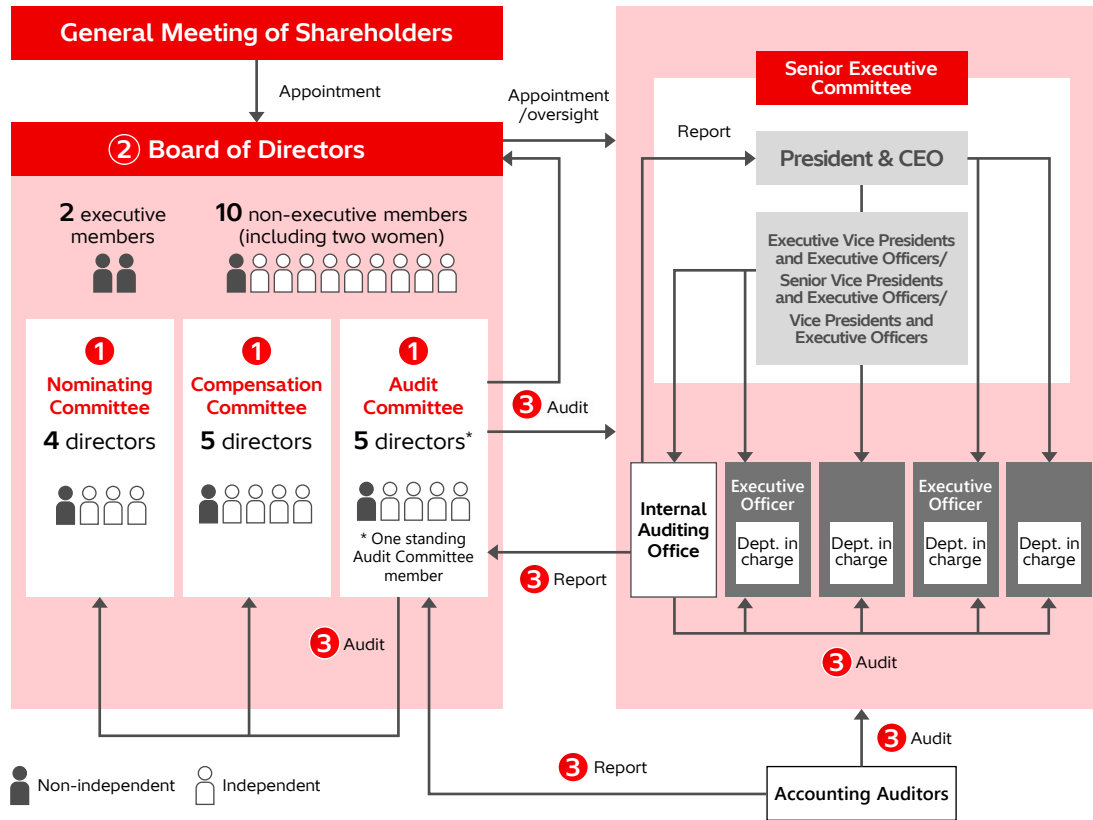
No	Name	Major Experiences and Insights	Core Skills			Professional Skills					
			Corporate management	Global business	Risk management	Finance and accounting	Legal affairs	Digital	Government, international and educational organizations	Sustainability	
1	Katsumi Ihara	Mr. Ihara has held various leadership positions in the electronics and financial businesses as well as CSO and CFO at Sony group, and has rich management experience and insight for management of diverse businesses globally.	○	○	○	○					
2	Ravi Venkatesan	Mr. Venkatesan has rich experience and insight in global corporate management at Infosys, Microsoft India and ServiceNow, digital business and emerging market business, as well as international organizations such as the Global Energy Alliance for People and Planet.	○	○	○			○	○		
3	Eriko Sakurai	Ms. Sakurai has rich experience and insight in the area of global corporate management and sustainability management, having served as head of business divisions and regions at Dow Corning and as chair of the Sustainability Committee as an independent director of financial institution.	○	○	○						○
4	Ikuro Sugawara	Mr. Sugawara has rich experience and insight from leadership positions in government agencies such as the Ministry of Economy, Trade and Industry, as well as serving as an independent director for global companies.	○	○	○				○		
5	Isabelle Deschamps	Ms. Deschamps has rich experience and insight in the areas of corporate law, corporate governance and sustainability management, having worked at Nestle, Unilever, Rio Tinto and other global companies.	○	○	○		○				○
6	Takashi Nishijima	Mr. Nishijima grew the business globally through the integration of IT/OT <sup>*1</sup> and the promotion of DX <sup>*2</sup> as President of Yokogawa Electric, and has rich experience and insight in global corporate management and sustainability management.	○	○	○			○			○
7	Joe Harlan	Mr. Harlan has rich experience and insight, having served as CFO of Lighting Business at General Electric, and various business and marketing roles at 3M and Dow Chemical.	○	○	○	○					
8	Takatoshi Yamamoto	Mr. Yamamoto has rich experience and insight in the area of corporate analysis and global corporate management at Morgan Stanley Securities and Nomura Research Institute.	○	○	○	○					
9	Helmuth Ludwig	Mr. Ludwig has rich experience and insight in the area of global corporate management and the digital business, as CIO at Siemens, as well as teaching experience at educational institutions.	○	○	○			○	○		
10	Toshiaki Tokunaga	Mr. Tokunaga has rich global corporate management and sustainability management experience and insight, primarily focused on the digital business at Hitachi.	○	○	○			○			○
11	Mitsuaki Nishiyama	Mr. Nishiyama has rich experience and insight in the areas of global corporate management and finance & accounting, having worked as CFO at Hitachi and as chairman and president of Hitachi Metals (currently Proterial).	○	○	○	○					
12	Toshiaki Higashihara	Mr. Higashihara has rich global corporate management as well as sustainability management experience and insight, having served as Hitachi's CEO, etc. as well as rich experience in key positions in government agencies and economic and industry organizations.	○	○	○			○	○		○

\*1 OT: Operational Technology \*2 DX: Digital Transformation

### Definition

Core Skills	Corporate management	Corporate management experience and knowledge	Professional Skills	Finance and accounting	Leadership experience such as CFO or practical experience in corporate analysis, and specialized knowledge in these fields
	Global business	Business experience outside Japan or management experience at a company expanding business globally		Legal affairs	Expertise and practical experience in the legal affairs that are essential for conducting global business and rolling out new business
	Risk management	Knowledge of the risk assessment and management required to sustain a company		Digital	Practical experience in the digital business that is vital for promoting DX in the Social Innovation Business
		Government, international and educational organizations		Leadership experience in government, governmental agencies, international organizations, or economic associations that facilitate an understanding of and response to regulations and social issues, as well as practical experience at educational institutions	
				Sustainability	Expertise and practical experience of sustainability through corporate management

## Hitachi's Corporate Governance Framework and Features [🔗](#) (as of June 2025)



### POINT 1 Transparency in Management

- Transitioned to a company with committees (currently a company with a nominating committee, etc.) in 2003

Hitachi established the Nominating Committee, the Compensation Committee and the Audit Committee, with independent directors comprising the majority of members. The Nominating and Compensation Committees are also chaired by independent directors. This system ensures transparency in management, separates the oversight and execution of management, facilitates the full exercise of oversight functions, and enables discussions and reports to be conducted appropriately within these three committees.

### POINT 2 Independence of the Board of Directors

- Increased the number of independent directors, including non-Japanese directors, in 2012

The Board of Directors, which is chaired by an independent director, has 12 members, including nine independent directors, two directors who are also serving as executive officers, and one director who is not serving as an executive officer. In addition, we have established a system that facilitates the full exercise of oversight functions by maintaining separation between management oversight and execution. Our basic policy is to have the three committees chaired by independent directors as a rule.

### POINT 3 Enhanced Collaboration through Tripartite Auditing

Hitachi's Audit Committee and internal audit sections collaborate with third-party accounting auditors to strengthen the Tripartite Auditing aimed at increasing the effectiveness of internal controls.

To better understand the Hitachi Group's corporate governance structure and its key features, please also refer to the video 'Hitachi's corporate governance and tripartite auditing' [🔗](#)

## Providing Information to Independent Directors

To enhance the effectiveness of the Board of Directors, Hitachi uses a dedicated information sharing tool to share materials for the Board of Directors and each committees, and also to share important business operation information from the executive departments with directors as needed. Moreover, Hitachi organizes individual meetings when necessary so that we can provide information in a timely and accurate manner. In addition to this, Hitachi provides independent directors with ample opportunities to understand the business and share information through briefings on business details, visits to Group locations and the direct provision of information from Executive Officers. In fiscal 2024, Hitachi endeavored to deepen independent directors' understanding of the businesses by having them participate in events like the Hitachi Social Innovation Forum, Hitachi Digital Summit, internal business conferences and research presentations held at research laboratory. We also provided opportunities for them to engage in dialogue with senior management and frontline employees. Audit Committee members also conducted onsite audits of GlobalLogic (U.S.) and Hitachi High-Tech (Japan, U.S.).



A visit to Hitachi High-Tech (Naka Factory)

## Director and Executive Officer Compensation

### Executive Compensation System (Key Principles)

Key Principles: New Incentive Plan	Aim for Growth, Profitability and Cash Generation	Accelerate Sustainable Management	Emphasize Alignment with Shareholder Value	Ensure Global Competitiveness in Business and Compensation
<p>Aligned with the medium- to long-term growth of corporate value and business performance</p> <p>Corporate value growth through Pay-for-Performance</p> <p>Linkage with the management plan + Medium- or long-term growth</p>	<p><b>1</b> Alignment with the management plan</p>	<p>For short-term incentive compensation and medium- and long-term incentive compensation, set performance metrics toward the management plan as key performance indicators (KPIs) to encourage executives to achieve them.</p>		
	<p><b>2</b> Establishment of a compensation program and a performance evaluation program that fosters a growth mindset</p>	<ul style="list-style-type: none"> <li>Pursue an optimal balance among short-, medium- and long-term performance about growth, profitability improvement and cash generation, aiming for improvement of short-term performance and medium- to long-term growth in corporate value.</li> <li>Establish a compensation program that significantly rewards performance by setting stretch goals and commensurate compensation levels.</li> </ul>		
	<p><b>3</b> Setting indicators to promote sustainable management</p>	<p>Develop specific indicators and goals under the sustainability strategy, and encourage their implementation.</p>		
	<p><b>4</b> Expansion of stock compensation that rewards growth in corporate value over the medium to long term</p>	<p>Expand stock compensation to better align with medium- to long-term corporate value.</p>		
<p>Attract and retain key talent</p>	<p><b>5</b> Competitive compensation levels with a global perspective</p>	<p>Ensure competitive compensation levels to attract and retain key executives in the global market, regardless of their residence or origin, who lead global management of a global organization.</p>		
	<p><b>6</b> Compensation benchmarking with objectivity and transparency</p>	<p>Reference the benchmarks in the U.S. and European markets in addition to the benchmarks in the Japanese market for analysis and level-setting from multiple perspectives.</p>		
<p>Transparency, objectivity and fairness</p>	<p><b>7</b> Transparency and objectivity through enhanced compensation disclosure and shareholder engagement</p>	<p>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.</p>		

### Compensation Structure

#### (1) Directors

Compensation for directors is made up of basic compensation as fixed pay and stock-based compensation. The ratio for the base amount of basic compensation to stock-based compensation is 3-to-1. The methods for determining each type of compensation are as follows.

##### A. Basic Compensation

The amount of basic compensation is decided by adjusting the base amount to reflect full-time or part-time status, committee membership and position, meetings attended and other factors.

##### B. Stock-based Compensation

Restricted stock-based compensation units (RSU) are granted to serve as an incentive to provide management oversight and advice with the medium- to long-term enhancement of corporate value in mind. After three years have passed, Hitachi provides an amount equivalent to the granted units in the form of common stock or cash.

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 (clawback policy). A director concurrently serving as an executive officer is not paid compensation as a director.

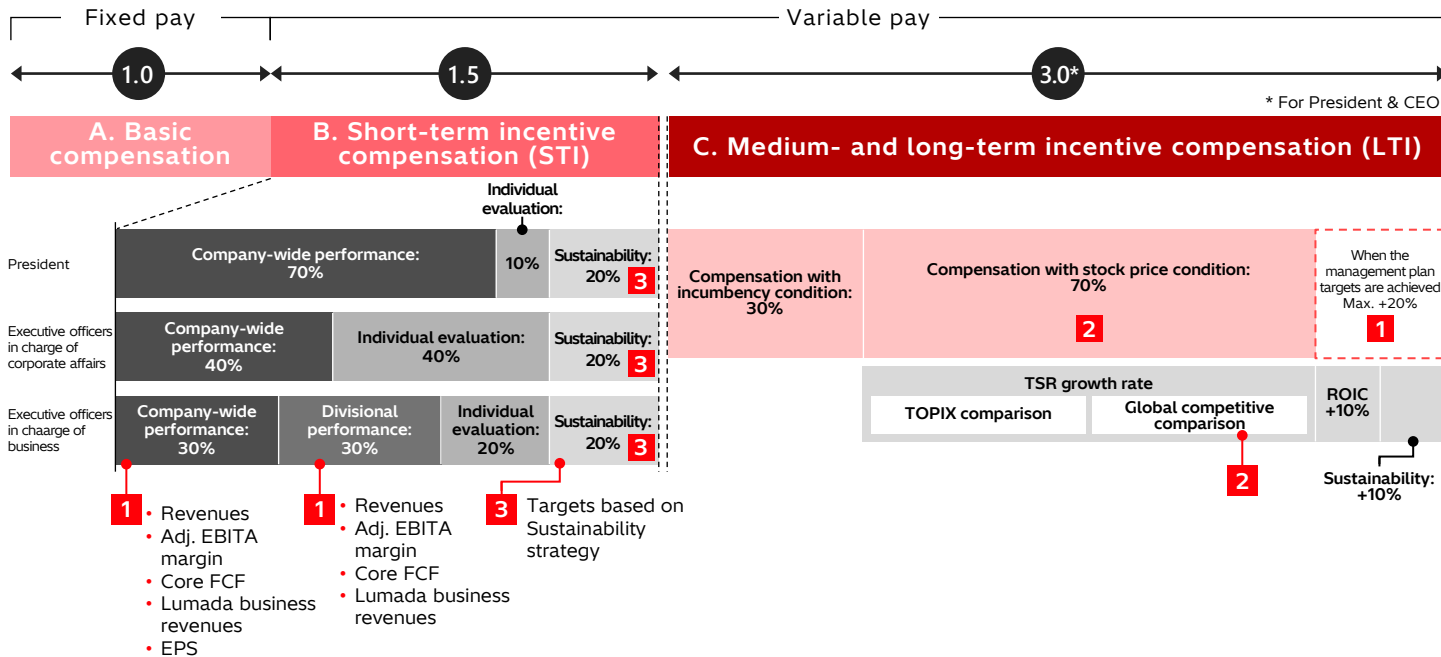
#### Alignment of Increased Corporate Value with Employee Compensation

Hitachi has also introduced mechanisms for employee compensation to link individuals' goals with those of the Company and determine compensation, and the management goals set out in Inspire 2027 are used as one of the evaluation metrics when determining the compensation of individual employees.

## Director and Executive Officer Compensation

### (2) Executive Officers

Compensation for Executive Officers consists of basic compensation as fixed pay and short-term incentive compensation and medium- and long-term incentive compensation as variable pay. The ratio of base amounts for each form of compensation is determined to ensure the enhancement of corporate value through global business growth, referencing ratios for executive compensation at leading global companies, including those in Europe and the United States. In the case of Hitachi's President & CEO, this ratio is 1.0:1.5:3.0. In addition, ratios are set so that the higher the rank of an executive officer position, the greater the variable compensation as a percentage of total compensation. The details of compensation are disclosed in the Compensation to Directors and Executive Officers, etc. section on page 124 of Hitachi's Annual Securities Report.



#### A. Basic Compensation

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.

#### B. Short-term Incentive Compensation (STI)

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.

#### C. Medium- and Long-term Incentive Compensation (LTI)

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 Company grants restricted stock units to non-Japanese Executive Officers as medium- and long-term incentive compensation.

If it is found that an executive officer has engaged in misconduct during his/her term of office, compensation for Executive Officers that has already been paid shall be returned to the Company (clawback policy).

### Key Aspects of Compensation to Executive Officers

#### 1 Strengthening the link with the management plan

- Adopt the key indicators set forth in Inspire 2027 as KPIs (STI, LTI)

#### 2 Strengthening the link with corporate value enhancement

- Set a high ratio of stock price condition compensation (LTI)
- Establish a global competitive comparison (LTI)

#### 3 Further evolving sustainable management

- Separate sustainability evaluations and set at 20% (STI)
- Some KPIs and targets of the sustainability strategy PLEDGES are incorporated into executive compensation evaluation to encourage their execution (STI, LTI)

Strategic Pillars	FY2027 KPIs/Targets		Linked to Executive Compensation
<b>Planet</b>	GHG emissions reduction rate at business sites (factories and offices) (compared to FY2019)	75%*1	STI
<b>Leadership</b>	Employee growth mindset score	70 points	LTI
<b>Empowerment</b>	Employee engagement score	80 point*2	STI/LTI
<b>Governance</b>	Total recordable injury frequency rate*1	0.1 or lower	STI
	Number of fatal accidents	0	
<b>Engagement</b>	Number of procurement partners taking action on environment and human rights (Compared to FY 2024)	1.5 times (6,000+ procurement partners)	STI

\*1 per gross profit \*2 Ambitious target of 80 points is set, which exceed global competitors (base target is 75 points)

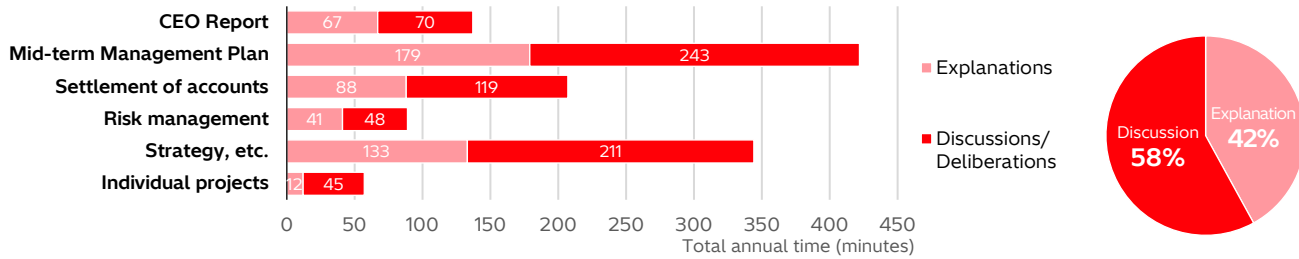
## Administrative Performance of the Board of Directors

The Board of Directors approves the basic management policy for the Hitachi Group and supervises the execution of the duties of executive officers and directors in order to sustainably enhance corporate value and shareholders' common interests. The basic management policy includes the management plan and annual budget compilation. The Board of Directors focuses on strategic issues related to the basic management policy, as well as other items to be resolved that are provided in laws, regulations, the Articles of Incorporation and the Board of Directors Regulations.

In fiscal 2024, in addition to reporting on the progress of the Mid-term Management Plan 2024, in the course of making multiple reports to the Board of Directors on the status of discussions concerning the formulation of Inspire 2027, we held many discussions on the ideal state the Hitachi Group should aim for in the future and the business strategies that would make that possible. We also widely discussed and deliberated on risk management pertaining to generative AI, and responses to geopolitical risks in light of recent world affairs.

Aside from these strategic discussions on basic management policies and risk-related discussions, recognition is shared between the supervisory and executive sides of management by reporting to the Board of Directors on important topics discussed in the Senior Executive Committee, an advisory body to the President & CEO, in order to promote discussion. To facilitate more lively discussion on these topics, more time is allotted to exchanging opinions than explaining each topic.

FY2024 Time Spent and Ratios of Explanations and Discussions of Important Topics (results up to January 31, 2025)



### Board of Directors Meetings and Major Agendas in FY2024

Meetings		
Meetings held	Average number of agenda items	Average meeting length
<b>9 times</b>	<b>8.2 per meeting</b>	<b>2.9 hours</b> (longest meeting 5.8 hours)
Topics	Main Topics Discussed	
CEO report	Progress of capital policy-related matters, response to investors, etc.	
Mid-term management plan	Next mid-term management plan (new management plan, Inspire 2027)	
Settlement of accounts	Results, business environment, shareholder returns, etc.	
Risk management	Compliance structure and its operating status, group governance structure, M&A process, AI risk management, enterprise risk management (ERM), monitoring of high-risk cases, etc.	
Strategy, etc.	Progress of acquisition deals, research and development, innovation, sustainability, human resources, etc.	

#### Notes

- The time spent on Board of Directors meetings is approximately the same as for the previous fiscal year.
- Out of the major topics, the number of times management plan-related issues appeared on the agenda and the amount of time spent on them increased compared to the previous fiscal year.
- The percentage of questions about mid-term management plan-related issues and strategy increased, and the percentage of questions increased overall.

Activities of the Three Committees [↗](#)

## Activities of the Three Committees

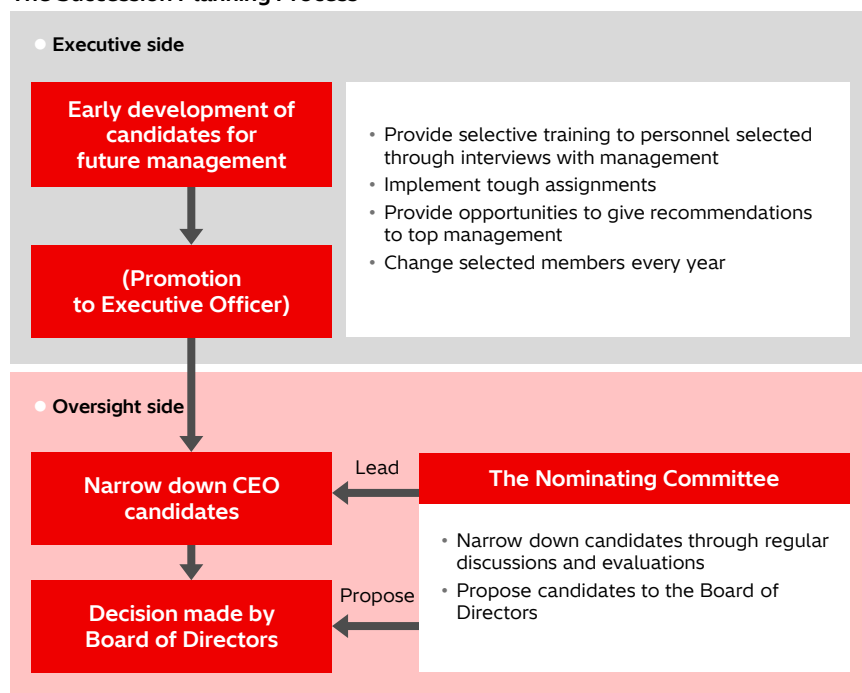
	Meetings Held in FY2024	Major Activities	
<b>Nominating Committee</b>	<b>9 times</b>	<ul style="list-style-type: none"> <li>• Decided the details of proposals for the election of the CEO and directors</li> <li>• Discussed future CEO successor candidates</li> </ul>	<ul style="list-style-type: none"> <li>• Confirmed the structure of executive officers for fiscal 2025</li> <li>• Discussed the development of management leadership candidates, conducted one-on-one interviews with leadership candidates</li> </ul>
<b>Audit Committee</b>	<b>13 times</b>	<ul style="list-style-type: none"> <li>• Considered matters such as strengthening Hitachi's Tripartite Audit structure, and auditing the development and operational status of an internal control system</li> <li>• Verified the results of financial statement audits and internal control audits based on the accounting auditor's report</li> <li>• Checked and approved the quality control structure and compensation of the accounting auditor</li> </ul>	<ul style="list-style-type: none"> <li>• Received regular reports on the risks, challenges and opportunities of executive departments</li> <li>• Conducted onsite audit of Group locations</li> </ul>
<b>Compensation Committee</b>	<b>8 times</b>	<ul style="list-style-type: none"> <li>• Confirmed and deliberated over the processes and details of performance evaluations and individual target evaluations regarding the assessment of fixed compensation and short-term incentive compensation for executive officers</li> <li>• Reviewed level of CEO compensation (introduced from fiscal 2025 onwards)</li> </ul>	<ul style="list-style-type: none"> <li>• Decided on the introduction of executive compensation system linked to the targets of Inspire 2027</li> <li>• Reflected changes in the business environment, feedback from shareholders and investors and benchmark information and advice from third-party organizations in conducting deliberations</li> </ul>

## CEO Appointment and Dismissal, and Succession Plan

After a preliminary report to the Nominating Committee, Hitachi's Board of Directors decides upon the appointment and dismissal of executive officers with the goal of constructing an optimal business execution system for management. As stipulated in our Corporate Governance Guidelines, our basic policy concerning the CEO requires that individuals serving in the position of CEO have extensive experience and achievements in the field of company management. They must also be considered optimally suited for conducting management aimed at achieving Hitachi's goals of continuously raising its corporate value and further serving the common interests of its shareholders. Decisions regarding the appointment or dismissal of the CEO shall be made based on prior deliberations and proposals by the Nominating Committee.

Regarding our CEO succession plan, as the speed of change in the management environment accelerates, we are striving to build a system that enables us to appropriately and promptly secure and develop (both internally and globally) necessary management personnel who will provide leadership that will allow us to realize our growth strategies. Accordingly, we are also concentrating on providing training for selected employees while targeting the early development of candidates for future management positions. Through this, participants discuss what is necessary for Hitachi's future growth, and by providing a forum for making recommendations to management, we foster next-generation leaders capable of acting authoritatively and resolutely.

### The Succession Planning Process



## Analysis and Evaluation of the Effectiveness of the Board of Directors

The Company evaluates the effectiveness of its Board of Directors each year in a continuous effort to maintain and improve its functions.

### FY2024 Evaluation Process

<b>1. Self-assessment by each director (February 2025)</b>	<ul style="list-style-type: none"> <li>Board Role</li> <li>Board Composition (diversity of the Board, the number and proportion of Independent Directors, etc.)</li> <li>Board Operation (relation between the Board and Executive Officers, appropriateness of agenda setting, time allocation, meeting frequency, etc.)</li> <li>Committee Activities (composition, roles, report to the Board, etc.)</li> <li>Information to the Board (provision of information such as the Board materials and business information, etc.)</li> <li>Contribution of the Board Members Themselves (understanding of the business and group identity, utilization of Director's knowledge and experience, teamwork, etc.)</li> <li>Contribution by the Board (role of Chairperson, contribution to the succession plan of CEO, external PR activities and dialogue with investors, etc.)</li> </ul>
<b>2. Discussions among independent and non-executive directors (March 2025)</b>	<ul style="list-style-type: none"> <li>Independent and non-executive directors had a meeting and discussed the Board effectiveness there referring to the Board's activities in each evaluation item set out in 1. above.</li> </ul>
<b>3. Discussions at the Board meeting (April 2025)</b>	<ul style="list-style-type: none"> <li>The Board analyzed and evaluated its effectiveness as a whole and confirmed the policy on approaches to further enhance the Board's effectiveness based on the results of the preceding process, considering comparison to the evaluation results for the previous year and measures taken for improving its effectiveness.</li> </ul>

### Evaluation Results (Overall evaluation in FY2024)

The Board assessed that Board members are diverse and make use of their knowledge and expertise to speak out, having vigorous discussions especially on matters related to business strategies such as the mid-term management plan targeting the medium-/long-term growth of corporate value. The Board, therefore, concluded that the effectiveness of the Board as a whole is maintained.

### Future Initiatives

<b>Enhance corporate governance and further improve the effectiveness of the Board</b>	<b>Enhance the Board support system and improve practical issues in operations</b>
<ul style="list-style-type: none"> <li>The Board will continue to engage in even more active discussions on management policies and other matters from a medium- to long-term perspective</li> <li>In addition to discussions at meetings of the Board, a forum will be established for the free exchange of opinions focusing on issues articulated by the CEO, thereby further promoting the sharing of information between the Board and the executive team</li> <li>Independent and non-executive directors will share information on the selection of CEO and executive candidates as appropriate and provide further support for the development of said candidates</li> </ul>	<ul style="list-style-type: none"> <li>Increase opportunities for Directors to further understand the businesses of the Company through briefing sessions to explain businesses, visiting operation sites of the Hitachi Group and other means</li> <li>Further improve meeting documents and the content of briefings</li> </ul>
<b>Dialogue with investors</b>	<ul style="list-style-type: none"> <li>The Board will provide opportunities for engagement with investors to deepen mutual understanding with shareholders through dialogue</li> </ul>