

[Translation]

Semi-annual Securities Report

(The First Half of the 157th Business Term)

From April 1, 2025 to September 30, 2025

6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo

Hitachi, Ltd.

[Cover]

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This is an English translation of the Semi-annual Securities Report filed with the Director of the Kanto Local Finance Bureau via Electronic Disclosure for Investors’ NETwork (“EDINET”) pursuant to the Financial Instruments and Exchange Act of Japan.

The translation of the Confirmation Letter for the original Semi-annual Securities Report is included at the end of this document.

Unless the context indicates otherwise, the term “Company” refers to Hitachi, Ltd. and the term “Hitachi” refers to the Company and its consolidated subsidiaries.

Unless otherwise stated, in this document, where we present information in millions or hundreds of millions of yen, we have truncated amounts of less than one million or one hundred million, as the case may be. Accordingly, the total of figures presented in columns or otherwise may not equal the total of the individual items. We have rounded all percentages to the nearest percent, one-tenth of one percent or one-hundredth of one percent, as the case may be.

References in this document to the “Financial Instruments and Exchange Act” are to the Financial Instruments and Exchange Act of Japan and other laws and regulations amending and/or supplementing the Financial Instruments and Exchange Act of Japan.

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Part I Information on the Company

I. Overview of the Company

1. Key Financial Data

Consolidated financial data, etc.

(Millions of yen, unless otherwise stated)

	Six months ended September 30, 2024	Six months ended September 30, 2025	Year ended March 31, 2025
Revenues	4,545,982	4,787,406	9,783,370
Income before income taxes	439,335	680,169	962,733
Net income attributable to Hitachi, Ltd. stockholders	292,273	472,862	615,724
Comprehensive income attributable to Hitachi, Ltd. stockholders	38,741	536,242	523,435
Total Hitachi, Ltd. stockholders' equity	5,501,360	6,119,706	5,847,091
Total equity	5,655,599	6,291,665	6,031,417
Total assets	12,568,628	13,887,143	13,284,813
Earnings per share attributable to Hitachi, Ltd. stockholders, basic (yen)	63.29	103.63	133.85
Earnings per share attributable to Hitachi, Ltd. stockholders, diluted (yen)	63.22	103.55	133.72
Total Hitachi, Ltd. stockholders' equity ratio (%)	43.8	44.1	44.0
Net cash provided by (used in) operating activities	323,335	749,627	1,172,240
Net cash provided by (used in) investing activities	(311,886)	13,397	(573,650)
Net cash provided by (used in) financing activities	99,033	(377,937)	(424,122)
Cash and cash equivalents at end of period	794,264	1,278,935	866,242

(Notes) 1. Hitachi's consolidated financial statements have been prepared in conformity with the International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board.

2. On July 1, 2024, the Company completed the share split into five shares for every one common stock. The figures of "Earnings per share attributable to Hitachi, Ltd. stockholders, basic" and "Earnings per share attributable to Hitachi, Ltd. stockholders, diluted" are calculated on the assumption that the Company concluded this split at the beginning of the previous fiscal year.

2. Description of Business

There were no material changes in principal businesses of Hitachi during the six months ended September 30, 2025. The Hitachi Group is comprised of the Company, 602 consolidated subsidiaries, and 308 equity-method associates and joint-ventures.

Effective from April 1, 2025, the Company reclassified its reportable segments in five segments: Digital Systems & Services, Energy, Mobility, Connective Industries, and Others.

Major business and the positioning of Business Unit (BU) of the Company and principal affiliated companies for each segment and changes in BU and principal affiliated companies during the six months ended September 30, 2025 were as follows.

(As of September 30, 2025)

Segments	Main products and services	BU and principal affiliated companies
Digital Systems & Services	<ul style="list-style-type: none"> • Digital Solutions (System Integration, Cloud Services, Consulting Services) • IT Products (Storage, Servers) • Software • ATMs 	<p>[BU] Social Infrastructure Systems BU Financial Institutions BU AI & Software Services BU Digital Engineering & AI Solutions BU</p> <p>[Consolidated subsidiaries] Hitachi Channel Solutions, Corp. Hitachi Information & Telecommunication Engineering, Ltd. Hitachi Solutions, Ltd. Hitachi Systems, Ltd. Hitachi Vantara, Ltd. GlobalLogic Worldwide Holdings, Inc. Hitachi Digital LLC Hitachi Digital Services LLC Hitachi Payment Services Private Limited Hitachi Vantara LLC Hitachi Vantara Manufacturing, Inc. (Note 2)</p> <p>[Equity-method associates] KOKUSAI DENKI Electric Inc.</p>
Energy	<ul style="list-style-type: none"> • Energy Solutions (Power Grids, Nuclear) 	<p>[BU] Nuclear Energy BU Power Grids BU</p> <p>[Consolidated subsidiaries] Hitachi GE Vernova Nuclear Energy, Ltd. (Note 3) Hitachi Plant Construction, Ltd. Hitachi Energy Ltd</p>
Mobility	<ul style="list-style-type: none"> • Railway Systems 	<p>[BU] Railway Systems BU</p> <p>[Consolidated subsidiaries] Hitachi Rail Ltd.</p>
Connective Industries	<ul style="list-style-type: none"> • Building Systems (Elevators, Escalators) • Smart Life & Ecofriendly Systems (Home Appliances, Air Conditioners) • Industrial Machinery & Solutions • Measurement and Analysis Systems (Semiconductor Manufacturing Equipment, Clinical Analyzers) • Industry & Distribution Solutions • Water & Environment Solutions 	<p>[BU] Urban Systems BU Industrial Products & Services BU Industrial AI BU</p> <p>[Consolidated subsidiaries] Hitachi Building Systems Co., Ltd. Hitachi Global Life Solutions, Inc. Hitachi High-Tech Corporation Hitachi Industrial Equipment Systems Co., Ltd. Hitachi Industrial Products, Ltd. Hitachi Industry & Control Solutions, Ltd. Hitachi Plant Services Co., Ltd. Hitachi Power Solutions Co., Ltd. Hitachi Elevator (China) Co., Ltd. Hitachi Global Air Power US, LLC Hitachi Industrial Holdings Americas, Inc. JR Technology Group, LLC</p> <p>[Equity-method associates] (Note 4) Arcelik Hitachi Home Appliances B.V.</p>

(As of September 30, 2025)

Segments	Main products and services	BU and principal affiliated companies
Others	<ul style="list-style-type: none"> • Property Management • Others 	[Consolidated subsidiaries] Hitachi Real Estate Partners, Ltd. Hitachi America, Ltd. Hitachi Asia Ltd. Hitachi (China), Ltd. Hitachi Europe Ltd. Hitachi India Pvt. Ltd.

- (Notes) 1. As of April 1, 2025, Hitachi reorganized its business groups. Accordingly, Cloud Services Platforms BU and Digital Engineering BU, which belonged to the Digital Systems & Services segment, were reorganized into AI & Software Services BU and Digital Engineering & AI Solutions BU. In addition, Building Systems BU, Industrial Digital BU and Water & Environment BU, which belonged to the Connective Industries segment, were reorganized into Urban Systems BU, Industrial Products & Services BU and Industrial AI BU.
2. Hitachi Computer Products (America), Inc. changed its name to Hitachi Vantara Manufacturing, Inc. on April 1, 2025.
3. Hitachi-GE Nuclear Energy, Ltd. changed its name to Hitachi GE Vernova Nuclear Energy, Ltd. on June 1, 2025.
4. Johnson Controls-Hitachi Air Conditioning Holding (UK) Ltd. ceased to be an equity-method associates of the Company on August 1, 2025 as a result of the transfer of shares.
5. Hitachi America, Ltd., Hitachi Asia Ltd., Hitachi (China), Ltd., Hitachi Europe Ltd. and Hitachi India Pvt. Ltd. are the Hitachi Group's regional supervising company for Americas, Asia, China, Europe and India, and they sell the Hitachi Group's products.
6. In addition to the table above, the major equity-method associates as of September 30, 2025 include Astemo, Ltd. and Hitachi Construction Machinery Co., Ltd. Hitachi Astemo, Ltd. changed its name to Astemo, Ltd. on April 1, 2025. Hitachi Construction Machinery Co., Ltd. ceased to be an equity-method associates of the Company on November 7, 2025, as a result of a partial transfer of shares.

II. Business Overview

1. Risk Factors

There were no new risk factors recognized during the six months ended September 30, 2025.

There were no material changes in the risk factors stated in the Annual Securities Report for the 156th business term pursuant to the Financial Instruments and Exchange Act of Japan.

2. Management's Discussion and Analysis of Consolidated Financial Condition, Results of Operations and Cash Flows

(1) Analysis of Results of Operations

Results of Operations

The results of operations in the six months ended September 30, 2025 were as follows.

Revenues increased 5% to 4,787.4 billion yen, as compared with the six months ended September 30, 2024. This increase was due mainly to increased revenues in Energy segment, supported by the steady growth of Power Grids business and increased revenues in Mobility segment, reflecting the impact of acquisition of ground transportation systems business of Thales S.A. (hereinafter "Thales") in the six months ended September 30, 2024 and the steady growth of signaling systems business. The decrease was partially offset by decreased revenues in Connective Industries segment due mainly to weaker demand for new elevator and escalator installations in Building Systems business.

Cost of sales increased 3% to 3,361.5 billion yen, as compared with the six months ended September 30, 2024, and the ratio of cost of sales to revenues decreased 2 percentage points to 70%. Gross profit increased 10% to 1,425.8 billion yen, as compared with the six months ended September 30, 2024.

Selling, general and administrative expenses ("SG&A") increased 3% to 917.8 billion yen and the ratio of SG&A to revenues decreased 1 percentage point to 19%, as compared with the six months ended September 30, 2024.

As a result of foregoing, Adjusted EBITA (defined as Adjusted Earnings before Interest, Taxes and Amortization, and representing the revenues less cost of sales as well as SG&A, adding back the amortization of intangible assets, etc. recognized upon business combinations) increased 99.4 billion yen to 561.8 billion yen, as compared with the six months ended September 30, 2024. Effective from April 1, 2025, the Company changed calculation method of Adjusted EBITA. Adjusted EBITA for the six months ended September 30, 2024 has been restated on the basis of this change of definition.

Other income increased 42.3 billion yen to 96.9 billion yen, as compared with the six months ended September 30, 2024, due mainly to the gains on business reorganization and others by selling shares of Johnson Controls-Hitachi Air Conditioning Holding (UK) Ltd. (hereinafter "JCH"). Other expenses decreased 7.3 billion yen to 32.7 billion yen, as compared with the six months ended September 30, 2024.

Financial income (excluding interest income) increased 74.3 billion yen to 102.2 billion yen due mainly to dividend received from JCH, as compared with the six months ended September 30, 2024. Financial expenses (excluding interest charges) decreased 2.1 billion yen to 5.5 billion yen, as compared with the six months ended September 30, 2024.

Share of profits (losses) of investments accounted for using the equity method increased 8.2 billion yen to 12.9 billion yen, as compared with the six months ended September 30, 2024 due mainly to the improvement of Astemo, Ltd.'s share of losses of investments accounted for using the equity method.

Earnings before interest and taxes increased 233.5 billion yen to 681.8 billion yen, as compared with the six months ended September 30, 2024.

Interest income decreased 4.8 billion yen to 16.9 billion yen and interest charges decreased 12.0 billion yen to 18.6 billion yen, as compared with the six months ended September 30, 2024.

Income before income taxes increased 240.8 billion yen to 680.1 billion yen, as compared with the six months ended September 30, 2024.

Income taxes increased 62.6 billion yen to 186.6 billion yen, as compared with the six months ended September 30, 2024.

Net income increased 178.1 billion to 493.5 billion yen, as compared with the six months ended September 30, 2024.

Net income attributable to non-controlling interests decreased 2.4 billion yen to 20.6 billion yen, as compared with the six months ended September 30, 2024.

As a result of the foregoing, net income attributable to Hitachi, Ltd. stockholders increased 180.5 billion yen to 472.8 billion yen, as compared with the six months ended September 30, 2024.

Operations by Segment

The following is an overview of results of operations by segment. Revenues for each segment include intersegment transactions. Effective from April 1, 2025, the Company reclassified its reportable segment in five segments: Digital Systems & Services, Energy, Mobility, Connective Industries and Others. Accordingly, the amounts previously reported for the six months ended September 30, 2024 have been restated in conformity with the new segments.

(Digital Systems & Services)

Revenues increased 1% to 1,326.2 billion yen, as compared with the six months ended September 30, 2024, due mainly to the steady growth of Front Business centered on DX (digital transformation) and modernizations in Japan and the expansion of Lumada business. The increase was partially offset by reduced revenues in Services & Platforms business due mainly to the continued impact of restrained investment from European and U.S. customers.

Adjusted EBITA increased 7.2 billion yen to 176.3 billion yen, as compared with the six months ended September 30, 2024, due mainly to increased revenues, and improved profitability stemming from enhanced project management and cost reduction.

(Energy)

Revenues increased 17% to 1,418.3 billion yen, as compared with the six months ended September 30, 2024, due mainly to solid execution of strong order backlog as well as favorable lifecycle mix of large-scale projects, etc. in Power Grids business. The increase was partially offset by the impact of foreign exchange.

Adjusted EBITA increased 64.5 billion yen to 172.7 billion yen, as compared with the six months ended September 30, 2024, due mainly to increased revenues, improved revenue profile, operational excellence, solid project execution, expansion of Lumada business and lower IT platform renewal costs in Power Grids business.

(Mobility)

Revenues increased 12% to 585.7 billion yen, as compared with the six months ended September 30, 2024, due mainly to the impact of acquisition of Thales's ground transportation systems and the steady growth of Lumada business including signaling systems business.

Adjusted EBITA increased 5.8 billion yen to 40.7 billion yen, as compared with the six months ended September 30, 2024, due mainly to increased revenues and improved profitability in signaling systems business. The increase was partially offset by decreased profits due to related costs, including PMI (Post Merger Acquisition)-related costs associated with the impact of acquisition of railway signaling systems business.

(Connective Industries)

Revenues decreased 2% to 1,516.8 billion yen, as compared with the six months ended September 30, 2024, primarily driven by decreased revenues in Building Systems business resulting from weaker demand for new elevator and escalator installations in China and the impact of foreign exchange. The decrease was partially offset by increased revenues in Measurement & Analysis Systems driven by the steady growth of semiconductor manufacturing equipment business, and by increased revenues in Industrial Products & Service business driven by the steady growth of industrial products.

Adjusted EBITA increased 12.7 billion yen to 168.2 billion yen, as compared with the six months ended September 30, 2024, due mainly to increased revenues in Measurement & Analysis Systems business, despite decreased revenues across the entire segment.

(Others)

Revenues increased 6% to 251.7 billion yen, as compared with the six months ended September 30, 2024. Adjusted EBITA increased 7.0 billion yen to 12.6 billion yen, as compared with the six months ended September 30, 2024.

Revenues by Market

Revenues in Japan increased 2% to 1,714.9 billion yen, as compared with the six months ended September 30, 2024, due mainly to increased revenues in Digital Systems & Services segment driven by the steady growth in Front Business and Lumada business.

Overseas revenues increased 7% to 3,072.4 billion yen, as compared with the six months ended September 30, 2024, due mainly to increased revenues in Energy segment driven by the steady growth in power grids business and increased revenues in Mobility segments supported by the impact of acquisition of Thales's ground transportation systems business and the steady growth in signaling system business.

As a result, the ratio of overseas revenues to total revenues increased 1 percentage point to 64%, as compared with the six months ended September 30, 2024.

(2) Analysis of Financial Condition and Cash Flows

Liquidity and Capital Resources

During the six months ended September 30, 2025, there were no major changes in the Company's policies of maintaining liquidity and ensuring funds, efforts for improvement in fund management efficiency, and ideas regarding funding sources and fundraising.

Regarding debt rating we received, Moody's Japan K.K. changed its rating (long-term/short-term) from A3/P-2 to A2/P-1, and Rating and Investment Information, Inc. changed its long-term rating from AA- to AA during the six months ended September 30, 2025.

Cash Flows

The following is a summary of cash flows for the six months ended September 30, 2025.

(Cash Flows from Operating Activities)

Net cash provided by operating activities was 749.6 billion yen plus in the six months ended September 30, 2025, and cash increased by 426.2 billion yen compared with the six months ended September 30, 2024. This was due mainly to an increase in net income excluding net gain (loss) on business reorganization and others, and an increase in advances received (contract liabilities).

(Cash Flows from Investing Activities)

Net cash provided by investing activities was 13.3 billion yen plus in the six months ended September 30, 2025, and cash increased by 325.2 billion yen compared with the six months ended September 30, 2024. This was due mainly to the acquisition of Thales's ground transportation systems business in the six months ended September 30, 2024, and the sale of shares of JCH in the six months ended September 30, 2025.

(Cash Flows from Financing Activities)

Net cash used in financing activities was 377.9 billion yen minus in the six months ended September 30, 2025, and cash decreased by 476.9 billion yen compared with the six months ended September 30, 2024. This was due mainly to an increase in expenditures for the acquisition of common stock for treasury and an increase in net expenditures (difference between proceeds and expenditures) from short-term debt and long-term debt.

Free cash flow (the sum of cash flows from operating and investing activities) was 763.0 billion yen plus in the six months ended September 30, 2025, and cash increased by 751.5 billion yen compared with the six months ended September 30, 2024.

Core free cash flow (free cash flows excluding cash flows from M&A and assets sales, etc.) was 551.5 billion yen plus in the six months ended September 30, 2025, and cash increased by 382.9 billion yen compared with the six months ended September 30, 2024.

As a result of the foregoing, cash and cash equivalents as of September 30, 2025, were 1,278.9 billion yen, an increase of 412.6 billion yen compared with March 31, 2025.

Assets, Liabilities and Equity

The following is an overview of Hitachi's assets, liabilities, and equity as of September 30, 2025.

Total assets were 13,887.1 billion yen, an increase of 602.3 billion yen from March 31, 2025, due mainly to an increase in cash and cash equivalents resulting from the sale of JCH shares.

Total interest-bearing debt, the sum of short-term debt and long-term debt including current portion of long-term debt, was 1,208.4 billion yen, an increase of 2.3 billion yen from March 31, 2025.

Total Hitachi, Ltd. stockholders' equity increased by 272.6 billion yen from March 31, 2025, to 6,119.7 billion yen. The ratio of total Hitachi, Ltd. stockholders' equity to total assets was 44.1%, as compared with 44.0% as of March 31, 2025.

Non-controlling interests were 171.9 billion yen, a decrease of 12.3 billion yen from March 31, 2025.

Total equity was 6,291.6 billion yen, an increase of 260.2 billion yen from March 31, 2025. The ratio of interest-bearing debt to total equity was 0.19, a decrease of 0.01 from March 31, 2025.

(3) Management Policy

There were no material changes in Hitachi's management policy during the six months ended September 30, 2025.

(4) Challenges Hitachi Group Faces

1) Business and Financial Challenges Hitachi Group Faces

There were no material changes in Hitachi's business and financial challenges during the six months ended September 30, 2025.

2) Fundamental Policy on the Conduct of Persons Influencing Decision on the Company's Financial and Business Policies

There were no material changes in Hitachi's fundamental policy during the six months ended September 30, 2025.

(5) Research and Development

There were no material changes in the research and development of the Hitachi Group (the Company and consolidated subsidiaries) stated in the Annual Securities Report for the 156th business term pursuant to the Financial Instruments and Exchange Act of Japan. The Hitachi Group's R&D expenditures in the six months ended September 30, 2025 were 125.3 billion yen, 2.6% of revenues. A breakdown of R&D expenditures by segment is shown below.

Segment	Research and development expenditures (Billions of yen)
Digital Systems & Services	22.9
Energy	28.6
Mobility	13.6
Connective Industries	48.6
Others	0.2
Corporate items & Eliminations	11.1
Total	125.3

(6) Property, Plant and Equipment

The major property, plants and equipment materially changed during the six months ended September 30, 2025 are as follows.

Domestic subsidiaries

(As of September 30, 2025)

Facility (Main location)	Segment	Details of major facilities and equipment	Book value (Millions of yen)								Number of employees
			Land [Area in thousands of m ²]	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Right-of-use Assets	Other	Construction in progress	Total	
Hitachi Systems, Ltd., Systemplaza Yokohama (Yokohama, Kanagawa)	Digital Systems & Services	Date center	- [-]	10,348	-	729	5,347	-	-	16,424	124
Hitachi Air Conditioning Shimizu, Inc., (Shizuoka, Shizuoka)	Connective Industries	Manufacturing facilities for air-conditioning equipment	6,917 [264]	1,393	2,549	629	-	-	2	11,491	980

- (Notes) 1. On April 1, 2025, in order to strengthen Hitachi's data center business, Hitachi Systems, Ltd. absorbed Hitachi Information Engineering, Ltd. through a merger and received asset transfers from the Company. As a result, the book value of the facilities at Hitachi Systems, Ltd.'s Systemplaza Yokohama increased significantly.
2. Following the capital restructuring of the air conditioning joint venture, Hitachi Air Conditioning Shimizu, Inc. succeeded the business of the Shimizu Works of Hitachi Johnson Controls Air Conditioning, Inc., the Japanese entity of the joint venture, through a company split. Hitachi Global Life Solutions, Inc. then acquired all shares of Hitachi Air Conditioning Shimizu, Inc., making its facilities part of the Company's consolidated subsidiaries. Subsequently, on October 1, 2025, Hitachi Air Conditioning Shimizu, Inc. was merged into Hitachi Global Life Solutions, Inc.

(7) Plans for Capital Investment, Disposals of Property, Plants and Equipment, etc.

The Hitachi Group (the Company and consolidated subsidiaries) engages in diverse operations in Japan and overseas, and has not decided on specific plans to newly install or expand each of facilities as of the end of the consolidated fiscal year and each quarter of the consolidated fiscal year. For this reason, it discloses amounts of capital investment by segment.

The amount of capital investment for the fiscal year ending March 31, 2025 is updated as follows (new installation and expansions, based on the amount recorded as tangible fixed assets and the investment property). The amount of capital investment which is shown in the Initial Plan is the amount planned as of the filing date of the Annual Securities Report for the 156th business term.

Segment	The amount of capital investment for the fiscal year ending March 31, 2026 (Billions of yen)	
	Initial Plan	Updated Plan
Digital Systems & Services	77.0	77.0
Energy	189.0	190.0
Mobility	25.0	28.0
Connective Industries	80.0	80.0
Others	22.0	22.0
Corporate Items & Eliminations	20.0	20.0
Total	413.0	417.0

- (Notes) 1. The figures in the above table include the amount of the right-of-use assets and the investment property, each of which is recorded as property, plant and equipment and other non-current assets, respectively.
2. These planned investments are expected to be mostly financed with the Hitachi Group's own capital.
3. There are no plans to dispose or sell principal facilities, with the exception of disposing and selling facilities due to routine upgrading.

(8) Forward-Looking Statements

Certain statements found in “1. Risk Factors,” “2. Management’s Discussion and Analysis of Consolidated Financial Conditions, Operating Results and Cash Flows” and other descriptions in this report 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;
- 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.

3. Material Agreements, etc.

The material contract renewed during the six months ended September 30, 2025 is as follows

Cross License Agreement

Party	Party	Country	Item under contract	Contract description	Contract period
Hitachi GE Vernova Nuclear Energy, Ltd. (Consolidated subsidiary)	GE Vernova Hitachi Nuclear Energy Americas LLC	U.S.A.	Nuclear reactor systems	Cross license of patents and technology	From October 30, 1991 to December 31, 2025

III. Information on the Company

1. Information on the Company's Stock, etc.

(1) Total number of shares, etc.

1) Total number of shares

Class	Total number of shares authorized to be issued (shares)
Common stock	10,000,000,000
Total	10,000,000,000

2) Issued shares

Class	Number of shares issued as of the end of fiscal year (shares) (September 30, 2025)	Number of shares issued as of the filing date (shares) (November 11, 2025)	Stock exchange on which the Company is listed	Description
Common stock	4,581,560,985	4,581,560,985	Tokyo, Nagoya	The number of shares per one unit of shares is 100 shares.
Total	4,581,560,985	4,581,560,985	–	–

(Note) The "Number of shares issued as of the filing date" does not include shares issued upon exercise of stock acquisition rights from November 1, 2025 to the filing date.

(2) Information on the stock acquisition rights, etc.

1) Details of stock option plans

Not applicable.

2) Details of other stock acquisition rights, etc.

Not applicable.

(3) Information on moving strike convertible bonds, etc.

Not applicable.

(4) Changes in the total number of issued shares and the amount of common stock and other

Date	Change in the total number of issued shares (shares)	Balance of the total number of issued shares (shares)	Change in common stock (Millions of yen)	Balance of common stock (Millions of yen)	Change in capital reserve (Millions of yen)	Balance of capital reserve (Millions of yen)
June 3, 2025 (Note)	1,219,300	4,581,560,985	2,282	466,666	2,282	184,632

(Note) This increase is due to the issuance of new shares as restricted stock compensation plan (including post-delivery types).

Issue price: 3,744 yen per share

Amount by which stated capital is to be increased: 1,872 yen per share

Allottees: Executive Officers of the Company, Corporate Officers of the Company and Directors of its subsidiaries

(5) Major shareholders

(As of September 30, 2025)

Name	Address	Share Ownership (shares)	Ownership percentage to the total number of issued shares (excluding treasury stock) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	8-1, Akasaka 1-chome, Minato-ku, Tokyo	767,427,900	16.91
Custody Bank of Japan, Ltd. (Trust Account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	259,088,900	5.71
State Street Bank and Trust Company 505001 (Standing proxy: Mizuho Bank, Ltd.)	One Congress Street, Suite 1, Boston, Massachusetts (15-1, Konan 2-chome, Minato-ku, Tokyo)	153,668,410	3.39
JP Morgan Chase Bank 385632 (Standing proxy: Mizuho Bank, Ltd.)	25 Bank Street, Canary Wharf, London, E14 5JP, United Kingdom (15-1, Konan 2-chome, Minato-ku, Tokyo)	134,914,331	2.97
Moxley & Co LLC (Standing Proxy: Mizuho Bank, Ltd.)	270 Park Ave, New York, NY 10017, U.S.A. (15-1, Konan 2-chome, Minato-ku, Tokyo)	99,075,098	2.18
State Street Bank West Client - Treaty 505234 (Standing Proxy: Mizuho Bank, Ltd.)	1776 Heritage Drive, North Quincy, MA 02171, U.S.A. (15-1, Konan 2-chome, Minato-ku, Tokyo)	91,452,335	2.02
Nippon Life Insurance Company	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo	84,499,995	1.86
State Street Bank and Trust Company 505223 (Standing proxy: Mizuho Bank, Ltd.)	P.O. Box 351, Boston, Massachusetts 02101 U.S.A. (15-1, Konan 2-chome, Minato-ku, Tokyo)	83,485,292	1.84
Hitachi Employees' Shareholding Association	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo	76,469,678	1.69
GOVERNMENT OF NORWAY (Standing proxy: Citibank, N.A.)	Bankplassen 2, 0107 Oslo 1 Oslo 0107 NO (27-30, Shinjuku 6-chome, Shinjuku-ku, Tokyo)	73,121,930	1.61
Total	-	1,823,203,869	40.18

(Notes) 1. Moxley & Co LLC is the nominee name of the depository bank, JP Morgan Chase Bank, N.A., for the aggregate of the Company's American Depositary Receipts (ADRs) holders.

2. Some reports on substantial shareholdings regarding the Company under the Financial Instruments and Exchange Act are available for public inspection. However, the information in the reports is not described in the above table since the Company does not confirm the actual status of shareholdings as of September 30, 2025. The major contents of the reports are as follows. On July 1, 2024, the Company completed the share split of every one share into five shares for its common stock. The reports whose date on which the duly to file report is prior to the effective date of the share split show the number of shares before the share split.

Holders	BlackRock Japan Co. Ltd and nine others
Date on which the duty to file report	September 15, 2023
Number of shares	68,635,088 shares
Ownership percentage to the total number of issued shares	7.32%

Holders	Sumitomo Mitsui Trust Asset Management Co., Ltd. and one other
Date on which the duty to file report	September 15, 2025
Number of shares	253,999,735 shares
Ownership percentage to the total number of issued shares	5.54%

(6) Information on voting rights

1) Issued shares

(As of September 30, 2025)

Classification	Number of shares (shares)	Number of voting rights	Description
Shares without voting rights	—	—	—
Shares with restricted voting rights (treasury stock, etc.)	—	—	—
Shares with restricted voting rights (others)	—	—	—
Shares with full voting rights (treasury stock, etc.)	Common stock 44,310,100	—	—
Shares with full voting rights (others)	Common stock 4,533,667,600	45,336,676	—
Shares less than one unit	Common stock 3,583,285	—	—
Number of issued shares	4,581,560,985	—	—
Total number of voting rights	—	45,336,676	—

(Note) The “Shares with full voting rights (others)” column includes 26,800 shares registered in the name of Japan Securities Depository Center, Incorporated (account for managing stocks whose shareholders have not transferred titles) and 268 voting rights for those shares.

2) Treasury stock, etc.

(As of September 30, 2025)

Name of shareholder	Address	Number of shares held under own name (shares)	Number of shares held under the names of others (shares)	Total shares held (shares)	Ownership percentage to the total number of issued shares (%)
Hitachi, Ltd.	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo	44,295,100	—	44,295,100	0.97
Mizuho Co., Inc.	28-8, Honkomagome 2-chome, Bunkyo-ku, Tokyo	15,000	—	15,000	0.00
Total	—	44,310,100	—	44,310,100	0.97

2. Changes in Senior Management

There were no changes in senior management during the six months ended September 30, 2025 after the filing date of the Annual Securities Report for the 156th business term pursuant to the Financial Instruments and Exchange Act of Japan.

IV. Financial Information

Refer to the condensed Semi-annual consolidated financial statements incorporated in this Semi-annual Securities Report.

Part II Information on Guarantors, etc. for the Company

Not applicable.

Condensed Semi-annual Consolidated Financial Statements

Condensed Semi-annual Consolidated Statement of Financial Position

Millions of yen

	Notes	September 30, 2025	March 31, 2025
Assets			
Current assets			
Cash and cash equivalents		1,278,935	866,242
Trade receivables and contract assets	6	3,373,227	3,496,340
Inventories		1,762,698	1,566,282
Investments in securities and other financial assets	7	328,426	318,421
Other current assets		431,392	350,558
Total current assets		7,174,678	6,597,843
Non-current assets			
Investments accounted for using the equity method	5	718,026	836,231
Investments in securities and other financial assets	7	369,725	349,567
Property, plant and equipment		1,449,592	1,341,537
Goodwill	5	2,504,011	2,486,823
Other intangible assets		1,188,462	1,199,996
Other non-current assets		482,649	472,816
Total non-current assets		6,712,465	6,686,970
Total assets		13,887,143	13,284,813
Liabilities			
Current liabilities			
Short-term debt		44,608	73,146
Current portion of long-term debt	7	326,986	368,818
Other financial liabilities	7	268,789	280,227
Trade payables		1,587,573	1,572,764
Accrued expenses		655,566	736,286
Contract liabilities		2,560,779	2,196,193
Other current liabilities		739,587	680,411
Total current liabilities		6,183,888	5,907,845
Non-current liabilities			
Long-term debt	7	836,850	764,152
Retirement and severance benefits		252,692	247,497
Other non-current liabilities		322,048	333,902
Total non-current liabilities		1,411,590	1,345,551
Total liabilities		7,595,478	7,253,396
Equity			
Hitachi, Ltd. stockholders' equity			
Common stock		466,666	464,384
Capital surplus		5,206	-
Retained earnings	8	4,724,327	4,350,503
Accumulated other comprehensive income		1,102,866	1,040,791
Treasury stock, at cost		(179,359)	(8,587)
Total Hitachi, Ltd. stockholders' equity		6,119,706	5,847,091
Non-controlling interests		171,959	184,326
Total equity		6,291,665	6,031,417
Total liabilities and equity		13,887,143	13,284,813

See accompanying notes to condensed semi-annual consolidated financial statements.

Condensed Semi-annual Consolidated Statement of Profit or Loss

Six months ended September 30, 2025 and 2024

Millions of yen

	Notes	2025	2024
Revenues	9	4,787,406	4,545,982
Cost of sales		(3,361,562)	(3,252,750)
Gross profit		1,425,844	1,293,232
Selling, general and administrative expenses		(917,801)	(888,493)
Other income	5,10	96,918	54,539
Other expenses	5,10	(32,760)	(40,121)
Financial income	5,11	102,264	27,877
Financial expenses	11	(5,538)	(3,426)
Share of profits (losses) of investments accounted for using the equity method		12,965	4,697
EBIT (Earnings before interest and taxes)		681,892	448,305
Interest income		16,938	21,748
Interest charges		(18,661)	(30,718)
Income before income taxes		680,169	439,335
Income taxes		(186,611)	(123,948)
Net income		493,558	315,387
Net income attributable to:			
Hitachi, Ltd. stockholders		472,862	292,273
Non-controlling interests		20,696	23,114
Earnings per share attributable to Hitachi, Ltd. stockholders	12		Yen
Basic		103.63	63.29
Diluted		103.55	63.22

Condensed Semi-annual Consolidated Statement of Comprehensive Income

Six months ended September 30, 2025 and 2024

Millions of yen

	Notes	2025	2024
Net income		493,558	315,387
Other comprehensive income (OCI)			
Items not to be reclassified into net income			
Net changes in financial assets measured at fair value through OCI		11,439	(3,596)
Remeasurements of defined benefit plans		41	365
Share of OCI of investments accounted for using the equity method		(1,162)	(2,119)
Total items not to be reclassified into net income		10,318	(5,350)
Items that can be reclassified into net income			
Foreign currency translation adjustments		44,415	(249,203)
Net changes in cash flow hedges		1,668	4,413
Share of OCI of investments accounted for using the equity method		7,580	(3,847)
Total items that can be reclassified into net income		53,663	(248,637)
Other comprehensive income (OCI)		63,981	(253,987)
Comprehensive income		557,539	61,400
Comprehensive income attributable to:			
Hitachi, Ltd. stockholders		536,242	38,741
Non-controlling interests		21,297	22,659

See accompanying notes to condensed semi-annual consolidated financial statements.

Condensed Semi-annual Consolidated Statement of Changes in Equity

Six months ended September 30, 2025

Millions of yen

	2025							
	Common stock	Capital surplus	Retained earnings (note 8)	Accumulated other comprehensive income	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
Balance at beginning of period	464,384	-	4,350,503	1,040,791	(8,587)	5,847,091	184,326	6,031,417
Changes in equity								
Reclassified into retained earnings	-	-	1,675	(1,675)	-	-	-	-
Net income	-	-	472,862	-	-	472,862	20,696	493,558
Other comprehensive income	-	-	-	63,380	-	63,380	601	63,981
Dividends to Hitachi, Ltd. stockholders	-	-	(100,713)	-	-	(100,713)	-	(100,713)
Dividends to non-controlling interests	-	-	-	-	-	-	(31,824)	(31,824)
Acquisition of treasury stock	-	-	-	-	(171,649)	(171,649)	-	(171,649)
Disposition of treasury stock	-	(785)	-	-	877	92	-	92
Issuance of new shares	2,282	2,282	-	-	-	4,564	-	4,564
Transfer to capital surplus from retained earnings	-	-	-	-	-	-	-	-
Changes in non-controlling interests	-	3,709	-	370	-	4,079	(1,840)	2,239
Total changes in equity	2,282	5,206	373,824	62,075	(170,772)	272,615	(12,367)	260,248
Balance at end of period	466,666	5,206	4,724,327	1,102,866	(179,359)	6,119,706	171,959	6,291,665

Six months ended September 30, 2024

Millions of yen

	2024							
	Common stock	Capital surplus	Retained earnings (note 8)	Accumulated other comprehensive income	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
Balance at beginning of period	463,417	-	4,084,729	1,160,550	(4,991)	5,703,705	155,898	5,859,603
Changes in equity								
Reclassified into retained earnings	-	-	125	(125)	-	-	-	-
Net income	-	-	292,273	-	-	292,273	23,114	315,387
Other comprehensive income	-	-	-	(253,532)	-	(253,532)	(455)	(253,987)
Dividends to Hitachi, Ltd. stockholders	-	-	(92,662)	-	-	(92,662)	-	(92,662)
Dividends to non-controlling interests	-	-	-	-	-	-	(27,966)	(27,966)
Acquisition of treasury stock	-	-	-	-	(123,678)	(123,678)	-	(123,678)
Disposition of treasury stock	-	(791)	-	-	1,010	219	-	219
Issuance of new shares	967	966	-	-	-	1,933	-	1,933
Transfer to capital surplus from retained earnings	-	1,530	(1,530)	-	-	-	-	-
Changes in non-controlling interests	-	(1,705)	-	(25,193)	-	(26,898)	3,648	(23,250)
Total changes in equity	967	-	198,206	(278,850)	(122,668)	(202,345)	(1,659)	(204,004)
Balance at end of period	464,384	-	4,282,935	881,700	(127,659)	5,501,360	154,239	5,655,599

See accompanying notes to condensed semi-annual consolidated financial statements.

Condensed Semi-annual Consolidated Statement of Cash Flows

Six months ended September 30, 2025 and 2024

Millions of yen

	Notes	2025	2024
Cash flows from operating activities:			
Net income		493,558	315,387
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization		216,466	214,928
Impairment losses		8,623	4,030
Income taxes		186,611	123,948
Share of (profits) losses of investments accounted for using the equity method		(12,965)	(4,697)
Financial income and expenses		(60,028)	1,187
Net (gain) loss on business reorganization and others		(95,994)	(32,172)
(Gain) loss on sale of property, plant and equipment		1,726	(21,895)
Change in trade receivables and contract assets		494,956	213,753
Change in inventories		(188,273)	(109,683)
Change in trade payables		(29,408)	(17,610)
Change in accrued expenses		(82,418)	(67,300)
Change in retirement and severance benefits		3,772	3,776
Other		(83,308)	(134,185)
Subtotal		853,318	489,467
Interest received		17,712	21,529
Dividends received		76,217	10,876
Interest paid		(18,740)	(34,088)
Income taxes paid		(178,880)	(164,449)
Net cash provided by (used in) operating activities		749,627	323,335
Cash flows from investing activities:			
Purchase of property, plant and equipment		(130,833)	(90,922)
Purchase of intangible assets		(67,250)	(63,810)
Proceeds from sale of property, plant and equipment, and intangible assets		7,164	34,978
Purchase of investments in securities and other financial assets		(30,162)	(270,754)
(including investments in subsidiaries and investments accounted for using the equity method)	5		
Proceeds from sale of investments in securities and other financial assets		216,000	66,072
(including investments in subsidiaries and investments accounted for using the equity method)	5		
Other		18,478	12,550
Net cash provided by (used in) investing activities		13,397	(311,886)
Cash flows from financing activities:			
Change in short-term debt, net		(31,803)	314,247
Proceeds from long-term debt		57,488	80,619
Payments on long-term debt		(97,674)	(51,555)
Proceeds from payments from non-controlling interests		480	-
Dividends paid to Hitachi, Ltd. stockholders		(100,610)	(92,464)
Dividends paid to non-controlling interests		(31,957)	(28,139)
Acquisition of common stock for treasury		(171,649)	(123,678)
Proceeds from sales of treasury stock		-	3
Purchase of shares of consolidated subsidiaries from non-controlling interests		(2,212)	-
Net cash provided by (used in) financing activities		(377,937)	99,033
Effect of exchange rate changes on cash and cash equivalents		27,606	(21,585)
Change in cash and cash equivalents		412,693	88,897
Cash and cash equivalents at beginning of period		866,242	705,367
Cash and cash equivalents at end of period		1,278,935	794,264

See accompanying notes to condensed semi-annual consolidated financial statements.

(1) Nature of Operations

Hitachi, Ltd. (the Company) is a corporation domiciled in Japan, whose shares are listed on the Tokyo Stock Exchange. The condensed semi-annual consolidated financial statements of the Company as of and for the six months ended September 30, 2025 comprise the Company, its subsidiaries and the Company's interests in associates and joint ventures. The Company's and its subsidiaries' businesses are global and diverse, and include manufacturing and services in five segments consisting of Digital Systems & Services, Energy, Mobility, Connective Industries and Others.

(2) Basis of Presentation

As the Company meets the requirements of a "Specified Company applying Designated International Financial Reporting Standards" pursuant to Article 1-2 of the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance of Japan No.28 of 1976), the condensed semi-annual consolidated financial statements of the Company have been prepared in accordance with International Accounting Standards (IAS) 34 "Interim Financial Reporting," as permitted by the provision of Article 312 of the Ordinance. They do not include all the information and disclosures required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS), and should be read in conjunction with the financial statements and notes included in the Company's annual consolidated financial statements for the year ended March 31, 2025.

Management of the Company has made a number of judgments, estimates and assumptions relating to the application of accounting policies, reporting of revenues and expenses and assets and liabilities in the preparation of these condensed semi-annual consolidated financial statements. Actual results could differ from those estimates.

Estimates and assumptions are continually evaluated. The effect of a change in accounting estimates, if any, is recognized in the reporting period in which the change was made and in future periods.

Judgments, estimates and assumptions that could have a material effect on these condensed semi-annual consolidated financial statements are basically the same as those disclosed in the Company's annual consolidated financial statements for the year ended March 31, 2025.

(3) Material Accounting Policies

Material accounting policies adopted in preparation of the condensed semi-annual consolidated financial statements are consistent with those used in the preparation of the Company's annual consolidated financial statements for the year ended March 31, 2025.

Income taxes for the six months ended September 30, 2025 are computed using the estimated annual effective tax rate.

(4) Segment Information

The operating segments of the Company are the components for which separate financial information is available and which is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

The Company discloses its business in five reportable segments, corresponding to categories of activities classified primarily by the similarities for the nature of markets, products and services, and economic characteristics. Several operating segments are aggregated into Energy and Connective Industries for financial reporting purposes so that users of the financial statements better understand the Company's financial position and business performance. The Company aggregates operating segments based on the similarities of economic characteristics mainly using the segment profit (loss) margin ratio of operating segments. The primary products and services included in each reportable segment are as follows:

(a) Digital Systems & Services:

Digital solutions (System integration, Cloud services, Consulting services), IT products (Storage, Servers), Software, and ATMs

(b) Energy:

Energy solutions (Power grids, Nuclear)

(c) Mobility:

Railway systems

(d) Connective Industries:

Building systems (Elevators, Escalators), Smart life & ecofriendly systems (Home appliances, Air conditioners), Industrial Machinery & Solutions, Measurement and analytical systems (Semiconductor manufacturing equipment, Clinical analyzers), Industry & distribution solutions, and Water & environment solutions

(e) Others:

Property management and others

Effective from April 1, 2025, the Company changed its business structure in order to realize the Company's transformation into a "True One Hitachi" with digital at its core, and sustainably accelerate the growth of the Social Innovation Business as a digital-centric company. Accordingly, the Company reclassified its reportable segments in five segments as Digital Systems & Services, Energy, Mobility, Connective Industries, and Others. Figures for the six months ended September 30, 2024 have been restated on the basis of the reclassification.

In addition, from the six months ended September 30, 2025, the calculation method of the segment profit (loss), previously presented based on Adjusted EBITA (Adjusted Earnings before Interest, Taxes and Amortization), is changed and presented, as a measure of profit (loss) used by the chief operating decision maker mainly in deciding how to allocate resources and in assessing performance. Previously Adjusted EBITA represented the profit (loss) calculated by deducting the selling, general and administrative expenses from the gross profit, adding back the amortization of intangible assets, etc. recognized upon business combinations, and adding the share of profits (losses) of investments accounted for using the equity method. But, from the six months ended September 30, 2025, it is calculated by deducting the selling, general and administrative expenses from the gross profit, and adding back the amortization of intangible assets, etc. recognized upon business combinations. Adjusted EBITA for the six months ended September 30, 2024 has been restated on the basis of this change of definition.

Notes to Condensed Semi-annual Consolidated Financial Statements

The following tables show business segment information for the six months ended September 30, 2025 and 2024.

Millions of yen

	2025			
	Reportable Segment			
	Digital Systems & Services	Energy	Mobility	Connective Industries
Revenues				
Revenues from External Customers	1,240,815	1,408,925	585,344	1,403,588
Revenues from Intersegment Transactions	85,475	9,457	358	113,227
Total Revenues	1,326,290	1,418,382	585,702	1,516,815
Segment Profit (Loss)	176,374	172,722	40,747	168,246

Millions of yen

	2025			
	Reportable Segment		Corporate items & Eliminations	Total
	Others	Subtotal		
Revenues				
Revenues from External Customers	129,737	4,768,409	18,997	4,787,406
Revenues from Intersegment Transactions	122,052	330,569	(330,569)	-
Total Revenues	251,789	5,098,978	(311,572)	4,787,406
Segment Profit (Loss)	12,623	570,712	(8,909)	561,803

Millions of yen

	2024			
	Reportable Segment			
	Digital Systems & Services	Energy	Mobility	Connective Industries
Revenues				
Revenues from External Customers	1,229,372	1,184,488	524,049	1,459,351
Revenues from Intersegment Transactions	83,046	27,736	439	84,677
Total Revenues	1,312,418	1,212,224	524,488	1,544,028
Segment Profit (Loss)	169,120	108,149	34,938	155,509

Millions of yen

	2024			
	Reportable Segment		Corporate items & Eliminations	Total
	Others	Subtotal		
Revenues				
Revenues from External Customers	129,029	4,526,289	19,693	4,545,982
Revenues from Intersegment Transactions	108,737	304,635	(304,635)	-
Total Revenues	237,766	4,830,924	(284,942)	4,545,982
Segment Profit (Loss)	5,537	473,253	(10,898)	462,355

Segment profit (loss) is measured by Adjusted EBITA. Adjusted EBITA is defined as Adjusted Earnings before Interest, Taxes and Amortization. Adjusted EBITA represents profit (loss) calculated by deducting selling, general and administrative expenses from gross profit, and adding back amortization of intangible assets, etc. recognized upon business combinations.

Intersegment transactions are generally recorded at the same prices used in arm's length transactions. Corporate items include corporate expenses not allocated to individual segments, such as expenditures for advanced R&D, and others.

Notes to Condensed Semi-annual Consolidated Financial Statements

Adjustments to income before income taxes from segment profit (loss) for the six months ended September 30, 2025 and 2024 are as follows:

	Millions of yen	
	2025	2024
Segment Profit (Loss)	561,803	462,355
Amortization of Intangible assets, etc. recognized upon business combinations	(53,760)	(57,616)
Other income	96,918	54,539
Other expenses	(32,760)	(40,121)
Financial income	102,264	27,877
Financial expenses	(5,538)	(3,426)
Share of profits (losses) of investments accounted for using the equity method	12,965	4,697
EBIT (Earnings before interest and taxes)	681,892	448,305
Interest income	16,938	21,748
Interest charges	(18,661)	(30,718)
Income before income taxes	680,169	439,335

(5) Business Acquisitions and Divestitures

The following are the main Business Acquisition and Divestitures for the six months ended September 30, 2025, including the period up to the approval date of the condensed semi-annual consolidated financial statements.

(a) Sale of shares of Hitachi Construction Machinery Co., Ltd. (hereinafter “Hitachi Construction Machinery”)

On November 5, 2025, the Company entered into an agreement regarding the transfer of a part of common stocks of Hitachi Construction Machinery, an equity-method associate of the Company in Corporate items of segment information, with GOLDMAN SACHS JAPAN CO., LTD. and Daiwa Securities Co. Ltd. In accordance with this agreement, the share transfer was completed on November 7, 2025.

The Company’s consideration was 68,100 million yen. As a result of this transfer of shares, the Company’s ownership ratio of shares of Hitachi Construction Machinery decreased from 25.4% to 18.4%, and Hitachi Construction Machinery ceased to be an equity-method associate. Net income attributable to Hitachi, Ltd. stockholders from the share transfer is not material to the consolidated statement of profit or loss for the year ending March 31, 2026.

(b) Acquisition of synvert Holding GmbH (hereinafter “synvert”)

On September 22, 2025, GlobalLogic Inc. (hereinafter “GL”), a consolidated subsidiary of the Company in the Digital Systems & Services segment, and Bonus Technology, Inc. (hereinafter “Bonus”) which is a subsidiary of GL located in the U.S., signed an agreement with Maxburg Beteiligungen III GmbH & Co. KG, MixMax 2020 Beteiligungs GmbH & Co. KG, which are held by Maxburg Capital Partners, as well as individual shareholders to acquire synvert which is a leading consulting firm in the data and AI space, in order to accelerate the deployment of HMAX, Hitachi’s solution suite advancing operational autonomy and business model innovation through Agentic and Physical AI, solving customer and societal challenges in the AI era. On November 3, 2025, based on the agreement, Bonus acquired 100% of the outstanding shares of synvert, and synvert became a wholly owned subsidiary of the Company.

The consideration for the acquisition of synvert was 306 million euro (53,304 million yen). In addition to this acquisition, Bonus repaid 44 million euro (7,692 million yen) of certain loans owed by synvert from a financial institution.

Due to a time constraint between the acquisition date and the approval date of the condensed semi-annual consolidated financial statements, the initial accounting treatment for the acquisition of synvert has not been completed. Accordingly, no disclosure has been made to the amount of assets acquired and liabilities assumed that were recognized at the date of acquisition, or the balances of goodwill. The consideration may vary due to transaction price adjustment and other factors.

(c) Sale of all shares of Johnson Controls-Hitachi Air Conditioning Holding (UK) Ltd (hereinafter “JCH”)

Hitachi Global Life Solutions, Inc. (hereinafter “Hitachi GLS”), a consolidated subsidiary of the Company in the Connective Industries segment, reached an agreement with Robert Bosch GmbH (hereinafter “Bosch”) regarding the transfer of all shares of JCH, an equity-method associate of the Company, established with Johnson Controls International plc as an air conditioning joint venture. On July 23, 2024, Hitachi GLS and Bosch entered into a share purchase agreement.

On June 12, 2025, all of the 40% shares of JCH held by Hitachi GLS, which were previously included in Investments accounted for using the equity method in the consolidated statement of financial position, were reclassified to held-for-sale assets since they met the criteria in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, during the six months ended September 30, 2025. Additionally, dividends of 63,226 million yen received from JCH after the reclassification to held-for-sale assets were recorded as Financial income in the condensed semi-annual consolidated statement of profit or loss for the six months ended September 30, 2025.

Furthermore, on August 1, 2025, Hitachi GLS transferred all its JCH shares to Bosch. The consideration was 1,462 million U.S. dollars (211,212 million yen), and a gain on the sale of JCH shares in the amount of 91,764 million yen was recognized in Other income in the condensed semi-annual consolidated statement of profit or loss for the six months ended September 30, 2025.

The following is the main Business Acquisition for the six months ended September 30, 2024.

(a) Acquisition of Thales’ ground transportation systems business

On August 3, 2021, Hitachi Rail Ltd. (hereinafter “Hitachi Rail”), a consolidated subsidiary of the Company in the Mobility segment, signed an agreement with Thales S.A. (hereinafter “Thales”) to acquire the ground transportation systems business in order to expand the rail signalling systems business globally. On May 31, 2024, based on the agreement, Hitachi Rail acquired 100% of the outstanding shares of CENTELEC UK LIMITED (hereinafter “CENTELEC”), which was transferred the ground transportation systems business from Thales, and CENTELEC became a wholly owned subsidiary of the Company.

Notes to Condensed Semi-annual Consolidated Financial Statements

The following table summarizes the fair value of the consideration paid for CENTELEC and the amounts of the assets acquired, liabilities assumed and goodwill recognized as of the acquisition date.

	<u>Millions of yen</u>
Cash and cash equivalents	85,414
Trade receivables and contract assets	189,868
Inventories	46,055
Other current assets	38,558
Property, plant and equipment	28,668
Goodwill (not deductible for tax purposes)	188,858
Other intangible assets	103,797
Other non-current assets	21,883
Total	<u><u>703,101</u></u>
Short-term debt	25,024
Trade payables	104,045
Contract liabilities	133,199
Other current liabilities	97,256
Long-term debt	12,757
Retirement and severance benefits	19,541
Other non-current liabilities	30,786
Total	<u><u>422,608</u></u>
Cash paid for the acquisition	<u><u>280,493</u></u>

The gross contractual amount of trade receivables and contract assets is 219,412 million yen and the amount of contractual cash flow not expected to be collected is 29,544 million yen.

The goodwill mainly comprises excess earning power and expected synergies arising from the acquisition.

Other intangible assets include material intangible assets (order backlog of 71,308 million yen and technology of 20,374 million yen). These intangible assets are measured based on assumptions such as revenue growth rates, EBIT ratios, royalty rates and discount rates.

Furthermore, consideration for acquisition is finalized because price adjustments after the acquisition of shares were completed. The amount of receivable as of March 31, 2025 is 24,497 million yen.

Acquisition related costs of 10,965 million yen had been posted up to the year ended March 31, 2025, and acquisition related costs included in Other expenses in the condensed semi-annual consolidated statement of profit or loss for the six months ended September 30, 2024 were 4,260 million yen.

In addition to this acquisition, Hitachi Rail repaid 143 million euro (24,210 million yen) of certain loans owed by CENTELEC from Thales, and the repayment is included in Purchase of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method) under Cash flows from investing activities in the condensed semi-annual consolidated statement of cash flows for the six months ended September 30, 2024.

The operating results of CENTELEC for the period from the acquisition date to September 30, 2024 were not material.

On a pro forma basis, revenues and net income attributable to Hitachi, Ltd. stockholders using an assumed acquisition date for CENTELEC of April 1, 2024 would not differ materially from the amounts reported in the condensed semi-annual consolidated statement of profit or loss for the six months ended September 30, 2024.

On June 12, 2024, CENTELEC changed its name to HITACHI RAIL GTS HOLDING LIMITED.

(6) Trade Receivables and Contract Assets

The components of trade receivables and contract assets as of September 30 and March 31, 2025 are as follows:

	Millions of yen	
	September 30, 2025	March 31, 2025
Accounts receivable	2,039,605	2,277,707
Contract assets	1,271,760	1,145,151
Others	61,862	73,482
Total	3,373,227	3,496,340

Trade receivables and contract assets are stated as net of the allowance for doubtful receivables.

Others include electronically recorded monetary claims and notes receivable.

(7) Fair Value of Financial Instruments

(a) Fair Value Measurements

The following methods and assumptions are used to measure the fair value of financial assets and liabilities.

Cash and cash equivalents, Trade receivables, Short-term loans receivable, Other accounts receivable, Short-term debt, Other accounts payable and Trade payables

The carrying amount approximates the fair value because of the short maturity of these instruments.

Investments in securities and other financial assets

The fair value of lease receivables is based on the present value of lease payments receivable calculated for each group of years to maturity using discount rates that reflect the time to maturity and credit risk.

Investment securities with quoted market prices are estimated using the quoted share prices. In the absence of an active market for investment securities, quoted prices for similar investment securities, quoted prices associated with transactions that are not distressed for identical or similar investment securities or other relevant information including market interest rate curves, referenced credit spreads or default rates, are used to determine fair value. If significant inputs of fair value measurement are unobservable, the Company uses price information provided by financial institutions to evaluate such investments. The information provided is corroborated by the income approach using its own valuation model, or the market approach using comparisons with prices of similar securities.

The fair value of long-term loans receivable is estimated based on the present value of future cash flows using the interest rate applicable to an additional loan of the same type.

Derivative assets are measured at fair value based on quoted prices associated with transactions that are not distressed, prices in inactive markets, or based on models using interest rate curves and forward and spot prices for currencies and commodities. If significant inputs are unobservable, the Company mainly uses the income approach or the market approach to corroborate relevant information provided by financial institutions and other available information.

Long-term debt

The fair value of long-term debt is estimated based on quoted market prices or the present value of future cash flows using the market interest rates applicable to the same contractual terms.

Other financial liabilities

Derivative liabilities are measured at fair value based on quoted prices associated with transactions that are not distressed, prices in inactive markets, or based on models using interest rate curves and forward and spot prices for currencies and commodities. If significant inputs are unobservable, the Company uses mainly the income approach or the market approach to corroborate relevant information provided by financial institutions and other available information.

(b) Financial Instruments Measured at Amortized Cost

The carrying amounts and estimated fair values of the financial instruments measured at amortized cost as of September 30 and March 31, 2025 are as follows.

The fair value estimated for financial assets and liabilities measured at amortized cost is classified mainly in Level 2 of the fair value hierarchy.

Millions of yen				
	September 30, 2025		March 31, 2025	
	Carrying amounts	Estimated fair values	Carrying amounts	Estimated fair values
<u>Assets</u>				
Investments in securities and other financial assets				
Lease receivables	20,366	22,065	21,512	21,922
Debt securities	45,959	45,071	46,892	46,295
Long-term loans receivable	10,118	10,238	9,515	10,428
<u>Liabilities</u>				
Long-term debt [1]				
Bonds	220,000	210,784	220,000	211,220
Long-term borrowings	659,767	656,079	653,797	650,127

[1] Long-term debt is included in Current portion of long-term debt and Long-term debt in the condensed semi-annual consolidated statement of financial position.

(c) Financial Instruments Measured at Fair Value

Financial instruments measured at fair value on a recurring basis after the initial recognition are classified into three levels of the fair value hierarchy based on the measurement inputs' observability as follows:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets
- Level 2: Valuations measured by direct or indirect observable inputs other than Level 1
- Level 3: Valuations measured by significant unobservable inputs

When several inputs are used for a fair value measurement, the level is determined based on the input that is significant with the lowest level in the fair value measurement as a whole.

Transfers between levels are deemed at the beginning of each quarter period.

Notes to Condensed Semi-annual Consolidated Financial Statements

The following tables present the assets and liabilities that are measured at fair value on a recurring basis as of September 30 and March 31, 2025.

September 30, 2025

Millions of yen

Class of financial instruments	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss:				
Investments in securities and other financial assets				
Equity securities	341	-	50,644	50,985
Debt securities	11,025	6,823	3,341	21,189
Derivatives	-	120,165	-	120,165
Financial assets measured at fair value through other comprehensive income:				
Investments in securities and other financial assets				
Equity securities	60,281	1,699	106,233	168,213
Total financial assets at fair value	71,647	128,687	160,218	360,552
Financial liabilities measured at fair value through profit or loss:				
Other financial liabilities				
Derivatives	-	70,733	-	70,733
Total financial liabilities at fair value	-	70,733	-	70,733

March 31, 2025

Millions of yen

Class of financial instruments	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss:				
Investments in securities and other financial assets				
Equity securities	373	-	47,118	47,491
Debt securities	9,881	5,941	2,979	18,801
Derivatives	-	124,615	1,856	126,471
Financial assets measured at fair value through other comprehensive income:				
Investments in securities and other financial assets				
Equity securities	47,382	-	103,593	150,975
Total financial assets at fair value	57,636	130,556	155,546	343,738
Financial liabilities measured at fair value through profit or loss:				
Other financial liabilities				
Derivatives	-	79,614	-	79,614
Total financial liabilities at fair value	-	79,614	-	79,614

Notes to Condensed Semi-annual Consolidated Financial Statements

The following tables present the changes in Level 3 instruments measured on a recurring basis for the six months ended September 30, 2025 and 2024.

September 30, 2025				Millions of yen
Level 3 financial assets	Equity securities	Debt securities	Derivatives	Total
Balance at beginning of period	150,711	2,979	1,856	155,546
Loss in profit or loss [1]	(1,837)	-	(1,795)	(3,632)
Gain in OCI [2]	2,748	-	-	2,748
Purchases	6,435	22	-	6,457
Sales and redemption	(655)	(110)	-	(765)
Acquisitions and divestitures	-	13	-	13
Other	(525)	437	(61)	(149)
Balance at end of period	156,877	3,341	-	160,218
Unrealized loss relating to financial assets held at end of period [3]	(1,837)	-	-	(1,837)

September 30, 2024				Millions of yen
Level 3 financial assets	Equity securities	Debt securities	Derivatives	Total
Balance at beginning of period	141,314	2,901	2,171	146,386
Gain (loss) in profit or loss [1]	2,088	(21)	(307)	1,760
Loss in OCI [2]	(1,657)	-	-	(1,657)
Purchases	4,487	16	-	4,503
Sales and redemption	(673)	(202)	-	(875)
Acquisitions and divestitures	2,485	17	-	2,502
Other	1,929	(25)	(105)	1,799
Balance at end of period	149,973	2,686	1,759	154,418
Unrealized gain (loss) relating to financial assets held at end of period [3]	2,088	(6)	(307)	1,775

[1] Gain (loss) in profit or loss related to Financial assets measured at fair value through profit or loss is included in Financial income and Financial expenses in the condensed semi-annual consolidated statement of profit or loss.

[2] Gain (loss) in OCI related to Financial assets measured at fair value through other comprehensive income is included in Net changes in financial assets measured at fair value through OCI in the condensed semi-annual consolidated statement of comprehensive income.

[3] Unrealized gain (loss) relating to Financial assets measured at fair value through profit or loss held at the end of period is included in Financial income and Financial expenses in the condensed semi-annual consolidated statement of profit or loss.

Fair values are measured by the finance departments in accordance with the Company's policies and procedures. Valuation models are determined so that they reflect each financial instrument's nature, characteristics and risks most appropriately. The finance departments continually examine changes in important inputs that could affect the fair value. In case the fair value of a financial instrument was significantly impaired, administrators review and approve the impairment loss.

Notes to Condensed Semi-annual Consolidated Financial Statements

(8) Dividends

Dividends paid on the Company's common stock for the six months ended September 30, 2025 are as follows:

Decision	Cash dividends (millions of yen)	Appropriation from	Cash dividends per share (yen)	Record date	Effective date
The Board of Directors on May 13, 2025	100,713	Retained earnings	22.0	March 31, 2025	June 5, 2025

Dividends on the Company's common stock whose record date falls in the six months ended September 30, 2025 and the effective date falls in the next period are as follows:

Decision	Cash dividends (millions of yen)	Appropriation from	Cash dividends per share (yen)	Record date	Effective date
The Board of Directors on October 30, 2025	104,357	Retained earnings	23.0	September 30, 2025	November 27, 2025

Dividends paid on the Company's common stock for the six months ended September 30, 2024 are as follows:

Decision	Cash dividends (millions of yen)	Appropriation from	Cash dividends per share (yen)	Record date	Effective date
The Board of Directors on May 13, 2024	92,662	Retained earnings	100.0	March 31, 2024	June 4, 2024

Dividends on the Company's common stock whose record date falls in the six months ended September 30, 2024 and the effective date falls in the next period are as follows:

Decision	Cash dividends (millions of yen)	Appropriation from	Cash dividends per share (yen)	Record date	Effective date
The Board of Directors on October 30, 2024	96,545	Retained earnings	21.0	September 30, 2024	November 27, 2024

Note : On July 1, 2024, the Company completed the share split into five (5) shares for every one (1) common share. Cash dividends per share on or after the record date of September 30, 2024, reflect this share split. Cash dividends per share on or before the record date of June 30, 2024, do not reflect this share split.

Notes to Condensed Semi-annual Consolidated Financial Statements

(9) Revenues

(a) Disaggregation of revenue

The Company derives revenues primarily from contracts with customers.

The disaggregation of revenue attributable to each reportable segment and geographic area for the six months ended September 30, 2025 and 2024 is as follows.

Effective from April 1, 2025, the Company reclassified its reportable segments. Details of the reclassification are described in note 4.

Millions of yen

2025							
	Japan	North America	Europe	Asia	Other Areas	Overseas Revenues Subtotal	Total Revenues
Digital Systems & Services	919,460	170,370	98,116	111,399	26,945	406,830	1,326,290
Energy	86,249	417,764	448,971	213,535	251,863	1,332,133	1,418,382
Mobility	30,494	54,390	373,592	50,363	76,863	555,208	585,702
Connective Industries	755,647	131,771	101,659	508,767	18,971	761,168	1,516,815
Others	214,593	2,884	6,853	26,470	989	37,196	251,789
Subtotal	2,006,443	777,179	1,029,191	910,534	375,631	3,092,535	5,098,978
Corporate items & Eliminations	(291,480)	(1,391)	(9,186)	(9,149)	(366)	(20,092)	(311,572)
Total	1,714,963	775,788	1,020,005	901,385	375,265	3,072,443	4,787,406

Millions of yen

2024							
	Japan	North America	Europe	Asia	Other Areas	Overseas Revenues Subtotal	Total Revenues
Digital Systems & Services	869,569	185,395	115,975	111,887	29,592	442,849	1,312,418
Energy	95,112	375,734	317,421	205,959	217,998	1,117,112	1,212,224
Mobility	34,653	46,184	335,945	42,773	64,933	489,835	524,488
Connective Industries	750,031	133,225	101,980	540,299	18,493	793,997	1,544,028
Others	194,417	3,955	6,312	32,333	749	43,349	237,766
Subtotal	1,943,782	744,493	877,633	933,251	331,765	2,887,142	4,830,924
Corporate items & Eliminations	(264,774)	(3,239)	(5,078)	(11,665)	(186)	(20,168)	(284,942)
Total	1,679,008	741,254	872,555	921,586	331,579	2,866,974	4,545,982

The Digital Systems & Services segment consists of Front Business, IT Services, and Services & Platforms, for which revenue amounted to 574,910 million yen, 520,695 million yen and 495,932 million yen for the six months ended September 30, 2025 and 555,610 million yen, 491,026 million yen and 539,911 million yen for the six months ended September 30, 2024, respectively (including intersegment transactions). Front Business and IT Services are operated mainly in Japan, and Services & Platforms is operated mainly in Japan, North America and Europe. There were changes to the scope of internal transaction offsets in Services & Platforms due to a reorganization of the business structure. Accordingly, figures for the six months ended September 30, 2024, have been restated to reflect this change.

The Company's revenues include revenue recognized based on the pattern of the cost accrual arising from long-term projects. Of the revenue recognized during the six months ended September 30, 2025 and 2024, the amount of revenue recognized based on the pattern of the cost accrual arising from long-term projects was 1,540,587 million yen and 1,378,771 million yen, respectively.

(b) Information about satisfaction of performance obligations

The following is information about satisfaction of performance obligations related to major goods and services of each reportable segment.

(Digital Systems & Services)

Front Business and IT Services primarily provide goods and services such as system integration and cloud service. Services & Platforms primarily provides consulting service, IT products and software.

These long-term projects in system integration, cloud and consulting service businesses provide goods and services according to customers' specifications over a specified period of time, and revenue is recognized mainly based on the pattern of the cost accrual (the progress of the project mostly based on the cost incurred relative to the estimated total cost) or the passage of time as performance obligations are satisfied over time. Many of the contracts require payments based on milestones, and in some cases, payments are made before performance obligations are satisfied.

In IT products and software businesses, revenue is recognized when control over the goods is transferred to customers as performance obligations are satisfied at the point in time upon the completion or upon delivery of the goods. Mostly, payment terms stipulate that the consideration is received within one year after the performance obligation is satisfied, and there are no significant transactions in which payment terms include deferred payments, etc.

(Energy, Mobility and Connective Industries)

The Energy segment includes revenue from businesses such as energy solutions, and the Mobility segment includes revenue from railway systems. The energy solutions business is operated mainly in North America, Europe, and Asia. The railway systems business is operated mainly in Europe. The Connective Industries segment includes revenue from businesses such as building systems, smart life & ecofriendly systems, measurement and analytical systems, and industry & distribution solutions. The building systems business is operated mainly in China, the smart life & ecofriendly systems business is operated mainly in Japan, the measurement and analytical systems business is operated mainly in Japan, North America, Europe, and Asia, and the industry & distribution solutions business is operated mainly in Japan.

Long-term projects related to contracts such as construction in these segments involve manufacturing and providing goods based on customers' specifications over a specified period of time. As performance obligations are satisfied over time, revenue is recognized mainly based on the pattern of the cost accrual (the progress of the project mostly based on the cost incurred relative to the estimated total cost). In addition, these segments provide certain services promised in the contracts such as maintenance throughout the duration of the contract, and recognize revenue over time based on the passage of time. Many of the contracts require payments based on milestones, and, in some cases, payments are made before performance obligations are satisfied.

Further, in the sale of elevators, home appliances, measurement and analytical systems, industrial equipment, etc. included in the Connective Industries segment, revenue is recognized when control over the goods is transferred to customers as performance obligations are satisfied at the point in time upon the completion or upon delivery of the goods. Mostly, payment terms stipulate that the consideration is received within one year after the performance obligation is satisfied, and there are no significant transactions in which payment terms include deferred payments, etc.

(10) Other Income and Expenses

The main components of other income and expenses for the six months ended September 30, 2025 and 2024 are as follows:

	Millions of yen	
	2025	2024
Net gain (loss) on sales and disposals of fixed assets	(1,934)	21,855
Impairment losses	(8,623)	(4,030)
Net gain (loss) on business reorganization and others	95,994	32,172
Special termination benefits	(5,551)	(3,702)

Impairment losses are mainly recognized on property, plant and equipment, goodwill and other intangible assets. Net gain (loss) on business reorganization and others includes gains and losses related to obtaining and losing control of investees and gains and losses related to obtaining and losing significant influence over investees.

Restructuring charges (structural reform expenses) included in Other expenses for the six months ended September 30, 2025 and 2024 were 14,174 million yen and 7,732 million yen, respectively. Restructuring charges (structural reform expenses) include impairment losses and special termination benefits.

(11) Financial Income and Expenses

The main components of financial income and expenses for the six months ended September 30, 2025 and 2024 are as follows:

	Millions of yen	
	2025	2024
Dividends received	65,706	2,074
Exchange gain (loss)	36,536	20,089

Dividends received for the six months ended September 30, 2025 include dividends of 63,226 million yen received from Johnson Controls-Hitachi Air Conditioning Holding (UK) Ltd. Details are described in note 5.

Dividends received other than the above are from financial assets measured at fair value through other comprehensive income.

Notes to Condensed Semi-annual Consolidated Financial Statements

(12) Earnings Per Share (EPS) Information

The calculations of basic and diluted EPS attributable to Hitachi, Ltd. stockholders for the six months ended September 30, 2025 and 2024 are as follows:

	Number of shares	
	2025	2024
Weighted average number of shares on which basic EPS is calculated	4,562,882,120	4,618,252,848
Effect of dilutive securities		
Stock options	1,292,700	1,387,100
Restricted stock	2,270,752	3,535,183
Restricted stock units	73,843	162,356
Number of shares on which diluted EPS is calculated	4,566,519,415	4,623,337,487

	Millions of yen	
	2025	2024
Net income attributable to Hitachi, Ltd. stockholders		
Basic	472,862	292,273
Effect of dilutive securities	-	-
Diluted	472,862	292,273

	Yen	
	2025	2024
EPS attributable to Hitachi, Ltd. stockholders		
Basic	103.63	63.29
Diluted	103.55	63.22

Note : On July 1, 2024, the Company completed the share split into five (5) shares for every one (1) common share. The figures for basic and diluted EPS attributable to Hitachi, Ltd. stockholders are calculated on the assumption that the Company conducted this share split on April 1, 2024.

(13) Contingencies

Litigation

In November 2017, a subsidiary in Japan received a complaint that was filed against three companies, namely a construction company of a condominium complex, the subsidiary and a secondary subcontractor, by a contractee in Japan seeking approximately 45.9 billion yen in compensation for expenses allegedly incurred arising from concerns over partial deficiencies of piling work during the construction phases of the condominium complex, which the subsidiary contracted as the primary subcontractor. The compensation claim against these three companies was amended to approximately 51.0 billion yen in July 2018 and to approximately 50.5 billion yen in September 2022 by the contractee.

In relation to the aforementioned lawsuit, in April 2018, the subsidiary in Japan received a complaint that was filed against the subsidiary and the secondary subcontractor, by the construction company of the condominium complex seeking approximately 49.6 billion yen in compensation for expenses allegedly incurred arising from the aforementioned lawsuit. In July 2018, the compensation claim against these two companies was amended to approximately 54.8 billion yen by the construction company of the condominium complex. Although the subsidiary in Japan will address these claims and explain its position, there can be no assurance that it will not be held liable for any amounts claimed.

In December 2017, a subsidiary in Europe received a complaint filed by a customer in Europe seeking compensation for consequential losses of 263 million euro (45,894 million yen) and interest allegedly incurred by performance defects of a power plant. As of September 30, 2025, the amount of compensation claimed by the customer was changed to 270 million euro (47,113 million yen). Although the subsidiary in Europe will vigorously defend itself against this lawsuit, there can be no assurance that it will not be held liable for any amounts claimed.

The Company and its subsidiaries execute a number of business reorganizations, including mergers, acquisitions and divestitures. Contracts for these reorganizations include clauses for transaction price adjustments subsequent to the reorganizations. There is a possibility products or services provided by the Company and its subsidiaries contain defects. As the result of price adjustments, or in compensation for defects in products or services etc. there is a possibility that the Company pays for any amounts.

Depending upon the outcome of the above legal proceedings, there may be an adverse effect on the consolidated financial position or results of operations. Currently, the Company is unable to estimate the adverse effect, if any, of many of these proceedings. The actual amount of fines, surcharge payments or any other payments resulting from these legal proceedings may be different from the accrued amounts.

In addition to the above, the Company and its subsidiaries are subject to legal proceedings and claims which have arisen in the ordinary course of business and have not been finally adjudicated. These actions when ultimately concluded and determined will not, in the opinion of management, have a material adverse effect on the condensed semi-annual consolidated financial statements of the Company and subsidiaries.

(14) Approval of Condensed Semi-annual Consolidated Financial Statements

The condensed semi-annual consolidated financial statements were approved on November 11, 2025 by Toshiaki Tokunaga, President and CEO of the Company.

[Cover]

[Document Filed]	Confirmation Letter
[Applicable Law]	Article 24-5-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Filed with]	Director, Kanto Local Finance Bureau
[Filing Date]	November 11, 2025
[Company Name]	Kabushiki Kaisha Hitachi Seisakusho
[Company Name in English]	Hitachi, Ltd.
[Title and Name of Representative]	Toshiaki Tokunaga, President & CEO
[Title and Name of CFO]	Tomomi Kato, Senior Vice President and Executive Officer
[Address of Head Office]	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo
[Place Where Available for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo) Nagoya Stock Exchange, Inc. (8-20, Sakae 3-chome, Naka-ku, Nagoya)

1. Matters Related to Adequacy of Statements Contained in the Semi-annual Securities Report

Mr. Toshiaki Tokunaga, President & CEO, and Mr. Tomomi Kato, Senior Vice President and Executive Officer, confirmed that statements contained in the Semi-annual Securities Report for the first half of the 157th fiscal year (from April 1, 2025 to September 30, 2025) were adequate under the Financial Instruments and Exchange Act.

2. Special Notes

None.