

Unconsolidated Balance Sheet

	Fiscal 2024 (Reference) (As of March 31, 2025)	Fiscal 2025 (As of March 31, 2026)
	(Millions of yen)	
(Assets)		
Current assets	1,123,104	1,454,048
Cash	59,073	215,610
Trade receivables and contract assets	649,780	689,460
Securities	-	106,966
Finished goods	8,175	9,555
Semi-finished goods	5,135	8,178
Raw materials	13,897	13,783
Work in process	53,224	56,697
Advances paid	36,837	45,099
Short-term loan receivables	206,308	203,691
Others	104,323	119,063
Allowance for doubtful receivables	(13,652)	(14,058)
Fixed assets	5,392,346	5,478,638
Tangible fixed assets	172,214	156,417
Buildings	85,532	72,043
Structures	5,232	4,725
Machinery	6,689	7,714
Vehicles	163	136
Tools and equipment	36,989	34,657
Land	20,467	19,997
Lease assets	12,217	11,318
Construction in progress	4,921	5,823
Intangible fixed assets	99,410	110,565
Patents	22	16
Software	97,161	108,877
Right of using facilities	128	112
Lease assets	112	115
Others	1,986	1,443
Investments and others	5,120,722	5,211,655
Affiliated companies' common stock	4,641,296	4,764,391
Other securities of affiliated companies	38,134	55,464
Investments in affiliated companies	31,022	31,145
Investments in securities	64,117	279,203
Long-term loan receivables	194,402	21
Prepaid pension costs	7,880	7,176
Deferred tax assets	115,293	54,677
Others	29,314	20,382
Allowance for doubtful receivables	(739)	(807)
Total assets	6,515,451	6,932,686

	Fiscal 2024 (Reference) (As of March 31, 2025)	Fiscal 2025 (As of March 31, 2026)
	(Millions of yen)	
(Liabilities)		
Current liabilities	2,107,382	2,413,307
Electronically recorded obligations	10,150	10,635
Trade accounts payable	253,662	279,069
Short-term debt	361,702	330,007
Current portion of debentures	-	20,000
Current portion of long-term debt	292,572	319,844
Lease liabilities	3,995	3,736
Other accounts payable	72,286	77,722
Accrued expenses	153,959	138,356
Contract liabilities	140,972	165,194
Deposits received	771,797	1,040,463
Provision for loss on construction contracts	29,011	24,828
Others	17,272	3,449
Non-current liabilities	820,569	570,209
Debentures	220,000	200,000
Long-term debt	340,376	84,000
Lease liabilities	9,172	8,077
Accrued pension liability	60,977	59,759
Provision for loss on business of affiliated companies	170,117	198,399
Asset retirement obligations	10,571	8,972
Others	9,354	11,000
Total liabilities	2,927,951	2,983,517
(Net assets)		
Stockholders' equity	3,556,972	3,788,381
Common stock	464,384	466,666
Capital surplus	182,350	184,632
Capital reserve	182,350	184,632
Others	-	-
Retained Earnings	2,918,826	3,297,545
Others	2,918,826	3,297,545
Reserve for advanced depreciation of fixed assets	735	644
Retained earnings carried forward	2,918,090	3,296,900
Treasury stock	(8,587)	(160,462)
Valuation and translation adjustments	29,717	160,123
Unrealized holding gains on securities	23,692	158,266
Deferred profit or loss on hedges	6,024	1,856
Subscription rights to shares	809	664
Total net assets	3,587,499	3,949,169
Total liabilities and net assets	6,515,451	6,932,686

Unconsolidated Statement of Operations

	Years ended March 31	
	2025 (Reference)	2026
	(Millions of yen)	
Revenues	1,774,233	1,843,173
Cost of sales	1,206,065	1,222,215
Gross profit on sales	568,167	620,957
Selling, general and administrative expenses	356,072	408,886
Operating income	212,094	212,071
Other income	264,688	654,552
Interest income and dividends	252,253	636,455
Others	12,434	18,097
Other expenses	48,172	66,651
Interest expenses	10,768	11,791
Others	37,404	54,859
Ordinary income	428,610	799,972
Extraordinary gain	25,759	66,715
Gain on sale of affiliated companies' common stock	20,215	60,729
Gain on sale of investments in securities	3,442	5,859
Gain on sale of real property	2,101	126
Extraordinary loss	7,788	3,046
Impairment loss on assets	2,593	2,621
Impairment loss on investments in affiliated companies	954	396
Impairment loss on investments in securities	19	28
Impairment loss on affiliated companies' common stock	4,221	-
Income before income taxes	446,581	863,640
Income taxes		
Current	56,062	78,324
Deferred	412	1,291
Net Income	390,107	784,025

Unconsolidated Statement of Changes in Net Assets (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Stockholders' equity								
	Common stock	Capital surplus			Retained earnings			Treasury stock	Total stockholders' equity
		Capital reserve	Others	Total capital surplus	Others		Total retained earnings		
					Reserve for advanced depreciation of fixed assets	Retained earnings carried forward			
Balance at beginning of year	464,384	182,350	-	182,350	735	2,918,090	2,918,826	(8,587)	3,556,972
Change during year									
Issuance of new shares	2,282	2,282		2,282					4,564
Reversal of reserve for advanced depreciation of fixed assets					(91)	91	-		-
Distribution of surplus						(205,070)	(205,070)		(205,070)
Net income						784,025	784,025		784,025
Acquisition of treasury stock								(352,260)	(352,260)
Disposition of treasury stock			(731)	(731)				880	149
Cancellation of treasury stock			(199,505)	(199,505)				199,505	-
Transfer to capital surplus from retained earnings			200,236	200,236		(200,236)	(200,236)		-
(Net) Change in items other than stockholders' equity during year									
Total change during year	2,282	2,282	-	2,282	(91)	378,810	378,718	(151,875)	231,408
Balance at end of year	466,666	184,632	-	184,632	644	3,296,900	3,297,545	(160,462)	3,788,381

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Unrealized holding gains on securities	Deferred profit or loss on hedges	Total valuation and translation adjustments		
Balance at beginning of year	23,692	6,024	29,717	809	3,587,499
Change during year					
Issuance of new shares					4,564
Reversal of reserve for advanced depreciation of fixed assets					-
Distribution of surplus					(205,070)
Net income					784,025
Acquisition of treasury stock					(352,260)
Disposition of treasury stock					149
Cancellation of treasury stock					-
Transfer to capital surplus from retained earnings					-
(Net) Change in items other than stockholders' equity during year	134,574	(4,168)	130,406	(144)	130,261
Total change during year	134,574	(4,168)	130,406	(144)	361,669
Balance at end of year	158,266	1,856	160,123	664	3,949,169

Notes to Unconsolidated Financial Statements

(Notes on Important Accounting Policy)

1. Inventories
Finished goods, semi-finished goods and work in process: Stated at cost. Cost is determined by the specific identification method. (The figures shown in the Balance Sheet have been calculated in accordance with the write-down approach based on decline in profitability.)
Raw materials: Stated at cost. Cost is determined by the moving average method. (The figures shown in the Balance Sheet have been calculated in accordance with the write-down approach based on decline in profitability.)
2. Securities
Affiliated companies' common stock and investments in affiliated companies are stated at cost. Cost is determined by the moving average method.
Other securities except stock and investments without market value are stated at fair value. The difference between acquisition cost and carrying cost of other securities except stock and investments without market value is recognized in "Unrealized holding gains on securities."
The cost of other securities except stock and investments without market value is computed based on the moving average method.
Other stock and investments without market value are stated at cost determined by the moving average method.
3. Derivatives
Derivatives are stated at fair value.
4. Depreciation of tangible fixed assets (excluding lease assets)
Straight-line method.
5. Amortization of intangible fixed assets (excluding lease assets)
Selling, leasing, or otherwise marketing software: Amortized based on expected gross revenues ratably.
Other intangible fixed assets: Straight-line method.
6. Depreciation of lease assets
Financial leases other than those that are deemed to transfer the ownership of the leased property to the lessee: Depreciation is calculated by the straight-line method with no residual value, using the lease term as useful life.
7. Allowances and Provisions
Allowance for doubtful receivables:
Estimated uncollectible amounts are accounted for based on loan loss ratios in the case of general receivables and based on case-by-case examination of collectability in the case of specific receivables including doubtful receivables.
Provision for loss on construction contracts:
In order to provide for losses relating to construction contracts and made-to-order software, an estimated loss for subsequent fiscal years is accounted for.
Accrued pension liability:
In order to provide for employees' retirement and severance benefits, the Company accounted for Accrued pension liability or Prepaid pension costs based on projected benefit obligation and expected plan assets as of the end of this fiscal year.
The projected benefit obligation is determined by attributing the expected retirement and severance benefits to each year by the benefit formula basis.
Prior service cost is amortized by the straight-line method over the estimated average remaining service years of employees.
Unrecognized actuarial gain or loss is amortized by the straight-line method mainly over the estimated average remaining service years of employees from the next fiscal year.
Provision for loss on business of affiliated companies:
In order to provide for losses relating to the business of affiliated companies, the amount the Company is expected to bear in excess of the amounts invested in and loaned to for such companies is accounted for.

8. Accounting standard for income and expenses
 The Company recognizes revenue in accordance with the following five-step approach.
 - Step 1: Identify the contract(s) with a customer
 - Step 2: Identify the performance obligations in the contract
 - Step 3: Determine the transaction price
 - Step 4: Allocate the transaction price to the performance obligations in the contract
 - Step 5: Recognize revenue when (or as) the Company satisfies a performance obligation

The Company sells goods and services such as system integration, cloud services, control systems, software, industry & distribution systems, energy solutions, and railway systems. Long-term projects provide goods and services and control over the goods is transferred to customers over a specified period of time. Thus, revenue is recognized over the specified period of time. Further to other goods and services, revenue is recognized when control over the goods is transferred to customers as performance obligations are satisfied at delivery of the goods.

In addition, multiple solutions are offered to meet its customers' needs which may involve the delivery or performance of multiple elements, such as goods or services. When the Company enters into multiple contracts for providing the goods or services, related contracts are combined based on interdependencies between each contract's consideration and the time the Company entered into such contracts, and the transaction price is allocated to each performance obligation on the basis of the relative stand-alone selling prices of each distinct goods or services for the purpose of recognizing revenue.

In estimating the stand-alone selling price, the Company considers various factors such as market conditions, entity-specific factors and information about the customer or situation of customer.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer. Variable consideration such as discounts is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The promised amount of consideration does not include a significant financing component.

For a performance obligation satisfied over time, the Company measures its progress towards complete satisfaction of that performance obligation based on the costs incurred or the period of services being provided in consideration of the nature of the goods and services for the purpose of recognizing revenue. When the Company cannot reasonably measure the progress, revenue is recognized only to the extent of the costs incurred.

Revenue recognition under long-term projects requires significant assumptions about the estimated total cost, estimated total selling price, risk associated with the contract, and other factors. These estimates are subject to variance of uncertain economic conditions in the future and may vary due to a variety of reasons beyond our control. The Company reviews these estimates on an ongoing basis and reflects them in accounting practices.

9. Hedge accounting
 Deferral hedge accounting is employed.
10. Accounting for income taxes and related tax effect accounting
 The Company adopts the group tax sharing system. In addition, in accordance with the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF No.42, August 12, 2021), the Company performs the accounting for income taxes, and accounting and disclosure of related tax effect accounting.

(Notes on Accounting Estimates)

1. Valuation of Affiliated companies' common stock and Investments in affiliated companies
 - (1) Amounts recorded in the financial statements of this fiscal year
 The ending balance of Affiliated companies' common stock and Investments in affiliated companies, without market value: 4,795,537 million yen
 - (2) Information that contributes to understanding of accounting estimates
 Affiliated companies' common stock without market value is evaluated by considering possibility of recovery based on the performance according to the business plan of those companies if the real value of the stock has declined significantly as compared to the purchase price. A part of affiliated companies' common stock is evaluated based on the real value which includes the excess earning power calculated by enterprise value measurement at the time of the acquisition of the Company concerned. Necessity of impairing the excess earning power is determined by the possibility of achieving the future business plan.
 Business plans are estimated based on revenue growth rate and gross margin ratio, and other factors. In addition, although a certain amount of negative impact due to the business environment is included in current business plans, these plans may be affected by risks related to market or economic environment, and actual result may differ from the estimates.
 Significant changes in primary assumptions of the business plan could result in the real value being less than the purchase price.
2. Impairment loss on Fixed Assets
 - (1) Amounts recorded in the financial statements of this fiscal year
 The ending balance of Tangible fixed assets: 156,417 million yen
 The ending balance of Intangible fixed assets (excluding selling, leasing, or otherwise marketing software): 97,648 million yen
 - (2) Information that contributes to understanding of accounting estimates
 This note is omitted as the same content is stated in '6. Property, plant and equipment, Goodwill and Other intangible assets' under 'Notes on Important Matters for Basis of Presentation of Consolidated Financial Statements' in the Notes to Consolidated Financial Statements.

3. Provision for loss on business of affiliated companies
 - (1) Amounts recorded in the financial statements of this fiscal year
The ending balance of Provision for loss on business of affiliated companies: 198,399 million yen
 - (2) Information that contributes to understanding of accounting estimates
This note is omitted as the same content is stated in '7. Allowances and Provisions' under 'Notes on Important Accounting Policy' in the Notes to Unconsolidated Financial Statements.
4. Accrued pension liability
 - (1) Amounts recorded in the financial statements of this fiscal year
The ending balance of Prepaid pension costs: 7,176 million yen
The ending balance of Accrued pension liability: 59,759 million yen
 - (2) Information that contributes to understanding of accounting estimates
This note is omitted as the same content is stated in '7. Allowances and Provisions' under 'Notes on Important Accounting Policy' in the Notes to Unconsolidated Financial Statements and '3. Employee Retirement Benefits' under 'Notes on Accounting Estimates' in the Notes to Consolidated Financial Statements.
5. Provision for loss on construction contracts
 - (1) Amounts recorded in the financial statements of this fiscal year
The ending balance of Provision for loss on construction contracts: 24,828 million yen
 - (2) Information that contributes to understanding of accounting estimates
This note is omitted as the same content is stated in '7. Allowances and Provisions' under 'Notes on Important Accounting Policy' in the Notes to Unconsolidated Financial Statements and '4. Long-term projects' under 'Notes on Accounting Estimates' in the Notes to Consolidated Financial Statements.
6. Deferred tax assets
 - (1) Amounts recorded in the financial statements of this fiscal year
The ending balance of Deferred tax assets: 54,677 million yen
 - (2) Information that contributes to understanding of accounting estimates
This note is omitted as the same content is stated in '5. Deferred tax assets' under 'Notes on Accounting Estimates' in the Notes to Consolidated Financial Statements.

(Notes to Unconsolidated Balance Sheet)

1. Collateralized assets

(Millions of yen)

Type of asset	Year-end book value	Description
Affiliated companies' common stock	43	Collaterals for borrowings by affiliated companies
Long-term loan receivables	21	Collaterals for borrowings by affiliated companies
Total	64	

2. Accumulated depreciation of tangible fixed assets

Buildings	119,390 million yen
Structures	23,286 million yen
Machinery	71,139 million yen
Vehicles	915 million yen
Tools and equipment	101,933 million yen
Lease assets	9,848 million yen

3. Guarantees

The Company guarantees financial guarantees from financial institutions concerning subsidiaries' order received, etc. as follows.

(Millions of yen)

Guarantee	Year-end balance
Hitachi Energy Ltd	1,302,938
HITACHI RAIL STS S.P.A.	393,602
HITACHI RAIL GTS HOLDING LIMITED	272,776
Hitachi Rail Ltd.	63,709
Hitachi Energy Canada Inc.	6,306
Hitachi Aqua-Tech Engineering Pte. Ltd.	4,229
JR Technology Group, LLC	2,330
Kawasaki Railcar Manufacturing Co., Ltd.	1,600
Hitachi Elevator Engineering Company (Hong Kong) Limited	1,016
Others	636
Total	2,049,145

In addition to the foregoing, the Company has entered into an agreement with each of the following overseas affiliated companies on maintaining their finances in a sound condition, etc., mainly to enhance their credit in order to support their financing activities:

Hitachi America Capital, Ltd., HITACHI INTERNATIONAL (HOLLAND) B.V., Hitachi International Treasury Ltd., Hitachi (China) Finance Co., Ltd. and Hitachi Power Europe GmbH

4. Short-term receivables from affiliated companies	399,378 million yen
Long-term receivables from affiliated companies	9,386 million yen
Short-term payables to affiliated companies	1,560,534 million yen
Long-term payables to affiliated companies	1,779 million yen

(Notes to Unconsolidated Statement of Operations)

1. Loss on impairment of assets

(1) Summary of the major assets or asset groups for which impairment loss was recognized

Classification	Description	Category	Location
Assets to be held and used	Software relating to managed services business	Software	-

(2) Reason to recognize impairment loss

The Company recognized the impairment loss for assets to be held and used since amounts invested in the above assets are expected to be irrecoverable due to decline in their profitability.

(3) Amounts of impairment loss

Buildings	436 million yen
Machinery	144 million yen
Tools and equipment	57 million yen
Software	1,943 million yen
Others	40 million yen
Total	2,621 million yen

(4) Method of grouping assets

Although the grouping of assets is principally based on business divisions or places of business, some assets and asset groups are grouped as a separate unit that generates cash flows independently of other asset groups.

(5) Calculation of recoverable amounts

For assets to be held and used, calculation is based on the higher of net sales price and value in use, and net sales price is calculated by deducting the estimated cost of disposal from real estate appraisal value.

2. Revenues from affiliated companies	313,822 million yen
Purchases from affiliated companies	844,097 million yen
Non-operating transactions with affiliated companies	32,530 million yen

(Notes to Unconsolidated Statement of Changes in Net Assets)

Class and Number of Treasury Stock

Common stock 35,798,823 shares

(Notes on Revenue Recognition)

Information about the basis to understand revenue is omitted as the same content is stated in '8. Accounting standard for income and expenses' under 'Notes on Important Accounting Policy' in the Notes on Unconsolidated Financial Statements and '3. Accounting standard for income and expenses' under 'Notes on Important Matters for Basis of Presentation of Consolidated Financial Statements' in the Notes to Consolidated Financial Statements.

Information about disaggregation of revenue and to understand the amount of revenue in the current and the following fiscal years are omitted as the same content is stated in 'Note on Revenue Recognition' in the Notes to Consolidated Financial Statements. Of the revenue recognized during the fiscal year ended on March 31, 2026, the amount of revenue recognized based on the pattern of the cost accrual arising from long-term project was 544,919 million yen.

(Notes on Accounting for Deferred Taxes)

The major causes of deferred tax assets are impairment loss and others on common stock and investments in capital, and accrued pension liability.

(Notes on Transactions with Related Parties)

(Millions of yen)

Attribute	Name of company etc.	% of voting rights held	Relationship with the related parties	Description of transaction	Transaction amount	Classification	Year-end balance
Subsidiary	Hitachi America, Ltd.	Direct: 100.0%	Sale of the Group's products *	Underwriting of capital increase	156,731	-	-
Subsidiary	Hitachi International Treasury Ltd.	Direct: 100.0%	Funds transactions	Loan (Note 1) (Note 2)	10,360	Short-term loan receivables	159,880
Subsidiary	Hitachi America Capital, Ltd.	Indirect: 100.0%	Funds transactions	Loan (Note 1) (Note 2)	△166,944	Short-term loan receivables	7,994
Subsidiary	HITACHI INTERNATIONAL (HOLLAND) B.V.	Direct: 100.0%	Funds transactions	Borrowing (Note 1) (Note 2) (Note 3)	△39,726	Short-term debt	243,913
				Deposits received (Note 1) (Note 2) (Note 3)	192,676	Deposits received	192,676
Subsidiary	Hitachi (China), Ltd.	Direct: 100.0%	Sale of the Group's products *	Borrowing (Note 1) (Note 2)	1,367	Short-term debt	71,641
Subsidiary	Hitachi Global Life Solutions, Inc.	Direct: 100.0%	Manufacturing, sale and maintenance of the Group's products *	Deposits received (Note 1) (Note 2) (Note 3)	63,085	Deposits received	144,846
Subsidiary	Hitachi High-Tech Corporation	Direct: 100.0%	Sale of the Company's products *	Deposits received (Note 1) (Note 2) (Note 3)	△18,796	Deposits received	141,114
Subsidiary	Hitachi Systems, Ltd.	Direct: 100.0%	Outsourcing of the Company's software development, outsourcing of maintenance of the Company's telecommunications equipment *	Deposits received (Note 1) (Note 2) (Note 3)	△299	Deposits received	72,738
Subsidiary	Hitachi Energy Ltd	Direct: 100.0%	*	Guarantees	1,302,938	-	-
Subsidiary	HITACHI RAIL STS S.P.A.	Indirect: 100.0%	Manufacturing, sale, engineering and maintenance of the Group's products *	Guarantees	393,602	-	-
Subsidiary	HITACHI RAIL GTS HOLDING LIMITED	Indirect: 100.0%	Manufacturing, sale, engineering and maintenance of the Group's products	Guarantees	272,776	-	-

* The Company's Directors, Executive Officers or employees concurrently hold position of directors or officers at the subsidiary.

Notes: 1. The interest rate was determined with due consideration to market interest rates. The transaction amount indicates the change from the balance at the beginning of the fiscal year.

2. These are transactions made based on the group finance system wherein the funds of the Company and affiliated companies to be loaned to affiliated companies who have financing needs through the Company or overseas financial subsidiaries.

3. The transaction amount includes interest received and paid.

(Notes on Per Share Information)

Net assets per share	877.49 yen
Net income per share	172.72 yen

(Notes on Major Subsequent Events)

Repurchase of Shares of Common Stock

The Board of Directors held on April 27, 2026 resolved to authorize the repurchase of its own common stock pursuant to Article 459, Paragraph 1 of the Companies Act of Japan and Article 32 of the Articles of Incorporation, as follows.

(a) Reason for repurchase

The Company views the return of profits to shareholders through enhancing corporate value from a mid- and long-term perspective, paying stable dividends and repurchasing its own shares flexibly as an important managerial issue. In light of its current financial standing and the progress of asset sales, Hitachi has decided to execute a share repurchase to further expand shareholder returns.

(b) Outline of the repurchase

- (i) Class of shares to be repurchased
Common stock of the Company
- (ii) Aggregate number of shares to be repurchased
Up to 160 million shares
(3.56% of the number of outstanding shares (excluding treasury stock))
- (iii) Aggregate amount of repurchase
Up to 500.0 billion yen
- (iv) Period of repurchase
From April 28, 2026 to March 31, 2027
- (v) Method of repurchase
Expected open market purchase through the Tokyo Stock Exchange

(Additional Information)

Transfer of associate's shares

On December 16, 2025, the Company entered into an agreement regarding the transfer of a part of the shares of Astemo, Ltd., an associate of the Company, with Honda Motor Co., Ltd. In accordance with this agreement, the share transfer is expected to be completed in the first quarter of fiscal year ending March 31, 2027 (from April 1, 2026 to June 30, 2026).

The consideration is expected to be approximately 152.3 billion yen. As a result, the Company plans to post an extraordinary gain of approximately 106.0 billion yen in gain on sale of affiliated companies' common stock in the unconsolidated statement of operations for the fiscal year ending March 31, 2026 (from April 1, 2026 to March 31, 2027).