

[Translation]

THE **157** th

**HITACHI**

# Notice of Annual General Meeting of Shareholders

Date and Time

Wednesday, June 24, 2026  
at 10:00 a.m.

Location

3-61, Koraku 1-chome, Bunkyo-ku, Tokyo  
**Kanadevia Hall**

Matter to Be  
Resolved

Item  
Election of 11 Directors due to  
expiration of the term of office of  
all Directors

- We will live-stream the Annual General Meeting of Shareholders to make it viewable on the Internet. Please refer to page 2 for details.
- In the case that the Business Report, Consolidated Financial Statements, Financial Statements or Reference Documentation for the Annual General Meeting of Shareholders need to be modified, the Company will post such modification on its website as below.

<https://www.hitachi.com/en/ir/smeet/>

**Hitachi, Ltd.** (Securities Identification Code : 6501)

Dear Shareholders:

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

**Hitachi, Ltd.**President & CEO  
and Director

Toshiaki Tokunaga

**Notice of the 157th Annual General Meeting of Shareholders**

The 157th Annual General Meeting of Shareholders of Hitachi, Ltd. is to be held as follows:

Since its establishment, the Hitachi group has operated under the Mission “Contribute to society through the development of superior, original technology and products.” In accordance with this Mission, Hitachi has resolved issues facing society through the development of technologies and solutions that support global social infrastructures.

Under Management Plan “Inspire 2027” announced last year, Hitachi aims to achieve sustainable growth by bringing together the full strength of the Hitachi Group as a “True One Hitachi,” with digital technologies, including AI, at its core. Through these efforts, we seek to contribute to the realization of a “Harmonized Society,” in which environment, well-being, and economic growth are in balance.

Amid an increasingly challenging business environment, including rapidly changing global risks, Hitachi aims to identify risks and takes agile actions while maintaining a steady long-term direction. Hitachi works towards further increasing corporate value as “True One Hitachi”. We appreciate your continued understanding and support.




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**Date and Time** **Wednesday, June 24, 2026 at 10:00 a.m. (Reception Start: 9:00 a.m.)**

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**Location** 3-61, Koraku 1-chome, Bunkyo-ku, Tokyo  
**Kanadevia Hall**

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**Agenda**

<b>Reporting Matter</b>	Report on the Business Report, Financial Statements, and Consolidated Financial Statements for the 157th Business Term (from April 1, 2025 to March 31, 2026), and the results of the audit on the Consolidated Financial Statements by the Accounting Auditors and the Audit Committee
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<b>Matter to Be Resolved</b>	Item Election of 11 Directors due to expiration of the term of office of all Directors
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## Live Streaming of the Annual General Meeting of Shareholders

We will live-stream the 157th Annual General Meeting of Shareholders (the “Meeting”) to make it viewable on the internet as detailed below.

1

### Time and date of streaming

From 10:00 a.m. to the end of the Meeting on Wednesday, June 24, 2026

\*The live stream web page will be accessible starting around 9:50 a.m., 10 minutes before the start of the Meeting.

2

### Viewing Information

1. Viewing site: <https://www.soukai-portal.net>
2. Login ID and Password: Please enter your login ID and password indicated on the voting slip (voting-right exercising form) .
3. How to watch: After logging in, please follow the on-screen instructions (Japanese Only).
4. For inquiries about ID and/or password, please contact  
Sumitomo Mitsui Trust Bank, Limited  
TEL: 0120-652-031 (toll-free) (Japanese Only)  
(Business hours: Between 9:00 a.m. and 9:00 p.m. (except the year-end and new year holidays))

### Precautions regarding the live stream

- Viewing the live stream is not considered attendance at the Meeting prescribed in the Companies Act, and you will not be able to ask questions or exercise your voting rights on the Meeting day. Please send us your voting slip or exercise your voting rights on the internet in advance.
- The live stream may be cancelled due to unavoidable circumstances.
- The viewer will bear any expense for viewing such as internet services.

### Questions regarding the Meeting are accepted on the website.

We accept your questions regarding the Meeting on our website below. We will answer some questions in which shareholders are supposed to be interested at the Meeting. Please note that the questions which are not answered at the Meeting will not be answered after that. Please follow the guidance provided by the Shareholders’ Meeting Portal for your use (Japanese Only).

**Accepted period** To 5:20 p.m. on Wednesday, June 17, 2026 **URL** <https://www.soukai-portal.net>

Please access the website with your login ID and password indicated on the voting slip.







**Item Election of 11 Directors due to the expiration of the term of office of all Directors**

Due to the expiration of the term of office of all of the Directors at the close of the Meeting, it is proposed that 11 Directors be elected. The Company has nominated the following 11 Director candidates (including 8 Independent Directors\*) to share their global and diverse viewpoints with the Company's management as well as to realize the continued growth of the business and reinforce the Company's management supervision functions.

\* The "Independent Directors" in this notice are the Directors who fulfill the qualification requirements for outside directors stated in the Companies Act of Japan and also meet the independence criteria defined by the Company and the criteria provided by the Japanese stock exchanges where the Company is listed, unless otherwise stated.

- NEW** : Newly selected nominee
- RE** : Re-selected nominee
- OD** : Outside Director nominee according to provisions of Companies Act of Japan
- ID** : Independent Director according to the provisions of the Japanese stock exchanges where the Company is listed

The nominees

No	Name	Current Position and Responsibilities at the Company	Attendance in Fiscal 2025
1	 <p><b>Ikuro Sugawara</b>                      RE OD ID                      Date of Birth: Mar. 6, 1957 (69 years of age)                      Term of office as Independent Director: Four years</p>	Independent Director Nominating Committee Audit Committee	Board of Directors meetings: 10 out of 10 days (100%) Nominating committee: 7 out of 7 days (100%) Audit Committee: 12 out of 12 days (100%)
2	 <p><b>Ilham Kadri</b>                      NEW OD ID                      Date of Birth: Feb. 14, 1969 (57 years of age)</p>	-	-
3	 <p><b>Takashi Nishijima</b>                      RE OD ID                      Date of Birth: Aug. 12, 1957 (68 years of age)                      Term of office as Independent Director: One year</p>	Independent Director Audit Committee Compensation Committee	Board of Directors meetings: 8 out of 8 days (100%) Audit Committee: 8 out of 8 days (100%) Compensation Committee: 5 out of 5 days (100%)
4	 <p><b>Masahiko Chino</b>                      NEW OD ID                      Date of Birth: Oct. 26, 1963 (62 years of age)</p>	-	-
5	 <p><b>Helmuth Ludwig</b>                      RE OD ID                      Date of Birth: Sep. 19, 1962 (63 years of age)                      Term of office as Independent Director: Five years 11 months</p>	Independent Director Audit Committee	Board of Directors meetings: 10 out of 10 days (100%) Audit Committee: 12 out of 12 days (100%)
6	 <p><b>Eriko Sakurai</b>                      RE OD ID                      Date of Birth: Nov. 16, 1960 (65 years of age)                      Term of office as Independent Director: One year</p>	Independent Director Nominating Committee	Board of Directors meetings: 8 out of 8 days (100%) Nominating committee: 7 out of 7 days (100%)






Reference

In the event this agenda item is approved, the chair of Board of Directors, the members and the chair of the committees are expected to be as follows:

Chair of the Board of Directors	Ikuro Sugawara
Nominating Committee	Ikuro Sugawara (chair), Ilham Kadri, Takashi Nishijima, Toshiaki Higashihara
Audit Committee	Masahiko Chino (chair), Ikuro Sugawara, Takashi Nishijima, Helmuth Ludwig, Mitsuaki Nishiyama
Compensation Committee	Eriko Sakurai (chair), Ikuro Sugawara, Isabelle Deschamps

Please check the website for details  
<https://www.hitachi.com/en/ir/smeet/>



No	Name	Current Position and Responsibilities at the Company	Attendance in Fiscal 2025
7	 <p><b>Isabelle Deschamps</b>                      RE OD ID                      Date of Birth: Jun. 11, 1970 (55 years of age)                      Term of office as Independent Director: Two years</p>	Independent Director	Board of Directors meetings: 10 out of 10 days (100%)
8	 <p><b>Ravi Venkatesan</b>                      RE OD ID                      Date of Birth: Jan. 12, 1963 (63 years of age)                      Term of office as Independent Director: Five years 11 months</p>	Independent Director	Board of Directors meetings: 10 out of 10 days (100%)
9	 <p><b>Toshiaki Higashihara</b>                      RE                      Date of Birth: Feb. 16, 1955 (71 years of age)</p>	Director, Executive Chairman, Representative Executive Officer Nominating Committee	Board of Directors meetings: 10 out of 10 days (100%) Nominating Committee: 10 out of 10 days (100%)
10	 <p><b>Mitsuaki Nishiyama</b>                      RE                      Date of Birth: Sep. 25, 1956 (69 years of age)</p>	Director Audit Committee (chair)	Board of Directors meetings: 10 out of 10 days (100%) Audit Committee: 12 out of 12 days (100%)
11	 <p><b>Toshiaki Tokunaga</b>                      RE                      Date of Birth: Mar. 15, 1967 (59 years of age)</p>	Representative Executive Officer, President & CEO and Director Compensation Committee	Board of Directors meetings: 8 out of 8 days (100%) Compensation Committee: 5 out of 5 days (100%)

Note: Attendance at Board of Directors meetings and committee meetings is based on the number of days when meetings were held during each member's term of office.

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

№	Name	Major Experiences and Insights	Core Skills			Professional Skills				
			Corporate management	Global business	Risk management	Finance and accounting	Legal affairs	Digital	Government, international and educational organizations	Sustainability
1	Ikuro Sugawara	Mr. Sugawara has rich experience and insight from leadership positions in government agencies such as the Ministry of Economy, Trade and Industry, as well as serving as an independent director for global companies.	○	○	○				○	
2	Ilham Kadri	Dr. Kadri has rich experience and insight in global corporate management and sustainability management, having served as CEO of Diversey, Solvay and Syensqo, as well as chairman of WBCSD <sup>*</sup> , ICC <sup>**</sup> and Cefic <sup>***</sup> , and possesses experience and insight in economic and industry organizations and international institutions.	○	○	○				○	○
3	Takashi Nishijima	Mr. Nishijima grew the business globally through the integration of IT/OT <sup>****</sup> and the promotion of DX <sup>****</sup> as President of Yokogawa Electric, and has rich experience and insight in global corporate management and sustainability management.	○	○	○			○		○
4	Masahiko Chino	Mr. Chino has rich experience and insight in global corporate management as well as accounting, auditing, and consulting as Co-Chairman of KPMG Japan.	○	○	○	○				
5	Helmuth Ludwig	Mr. Ludwig has rich experience and insight in the area of global corporate management and the digital business, as CIO at Siemens, as well as teaching experience at educational institutions.	○	○	○			○	○	
6	Eriko Sakurai	Ms. Sakurai has rich experience and insight in global corporate management and sustainability management, having served as the head of global business divisions at Dow Corning, and regions at Dow, as well as chair of the Sustainability Committee as an outside director of financial institution.	○	○	○					○
7	Isabelle Deschamps	Ms. Deschamps has rich experience and insight in the areas of corporate law, corporate governance, risk management including geopolitics, and sustainability management, having worked at Nestle, Unilever, Rio Tinto and other global companies.	○	○	○		○			○
8	Ravi Venkatesan	Mr. Venkatesan brings considerable experience and insight in corporate management and technology at global firms including Microsoft India, Infosys, Bank of Baroda and international organizations including UNICEF, Rockefeller Foundation and the Global Energy Alliance for People and Planet.	○	○	○			○	○	
9	Toshiaki Higashihara	Mr. Higashihara has rich global corporate management as well as sustainability management experience and insight, having served as Hitachi's CEO, etc. as well as rich experience in key positions in government agencies and economic and industry organizations.	○	○	○			○	○	○
10	Mitsuaki Nishiyama	Mr. Nishiyama has rich experience and insight in the areas of global corporate management and finance & accounting, having worked as CFO at Hitachi and as chairman and president of Hitachi Metals (currently Proterial).	○	○	○	○				
11	Toshiaki Tokunaga	Mr. Tokunaga has rich experience and insight in global corporate management and sustainability as CEO, etc. at Hitachi.	○	○	○			○		○

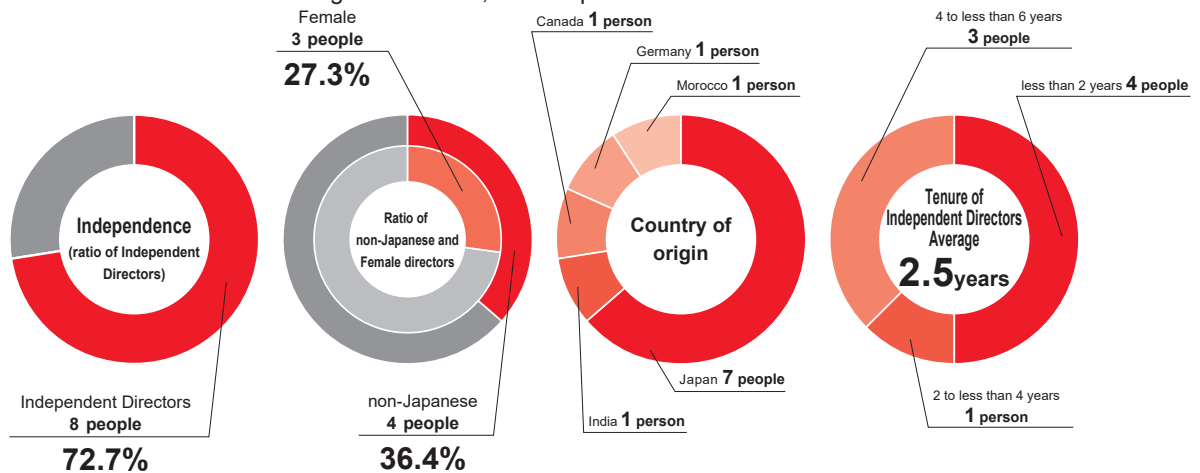
<sup>\*</sup>WBCSD: World Business Council for Sustainable Development <sup>\*\*</sup>ICC: International Chamber of Commerce <sup>\*\*\*</sup>Cefic: The European Chemical Industry Council

<sup>\*\*\*\*</sup>OT: Operational Technology <sup>\*\*\*\*</sup>DX: Digital Transformation

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

## Board of Directors Composition

In the case that the matters of the Meeting are resolved, the composition of the Board of Directors are as follows.



## Matters Considered by the Nominating Committee in Nominating a Director Candidate

### Size of the Board

Given the need for diversity of the Board views and efficiency of the Board, the number of directors shall be **no more than 20**. The Nominating Committee shall consider the optimal size of the Board following the policy described above in deciding the matters relating to a proposal concerning election and removal of directors to be submitted to the General Meeting of Shareholders.

### Composition of the Board

In nominating a director candidate, the Nominating Committee shall consider:

1. **diversity in the experience and expertise, etc. possessed by the director candidates, the composition ratio between independent directors and other directors (directors concurrently serving as executive officers and non-executive directors from within the Hitachi Group), and other such matters** in order to ensure the effectiveness of the management supervision and decision-making functions of the Board;
2. that to maintain the continuity of the Board, new candidates do not constitute all or almost all of the nominees; and
3. the period of time since the candidate's assumption of office as the Company's director and the candidate's age to keep bringing fresh ideas and viewpoints regularly to the Board.

**In principle, a person will not be nominated as a director candidate after his or her 75th birthday.** However, in special circumstances, a person over 75 years old may be nominated as a director candidate if the Nominating Committee approves. Also, **in principle, the Nominating Committee will not nominate a person as an independent director candidate if a person has reached 10 years of total tenure.** However, in special circumstances, a person with the total tenure of 10 years or more may be nominated as an independent director candidate, but even in this case, a person with the total tenure of 12 years or more can no longer be nominated as an independent director candidate.

### Qualification for Directors

In nominating a director candidate, the Nominating Committee shall consider that:

1. such nominee has **the highest personal and professional ethics, integrity and insight;** and
2. such independent director nominee has **distinguished records of leadership or experience at policy making levels in business, law, administration, accounting or education, etc.,** in addition to **satisfying the criteria for independency** as provided for in this Guideline.

### Criteria for Independency of Directors

The Nominating Committee considers an independent director to be independent unless:

1. his or her immediate family member\* is, or has been within the last three years, a director or an executive officer of the Company or any of its subsidiaries;
2. he or she is currently an executive director, an executive officer or an employee of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds 2% of any of the companies' consolidated gross revenues;
3. he or she has received during any of the last three fiscal years more than 10 million yen in direct compensation for his or her service as a specialist in law, accounting or tax, or as a consultant from the Company, other than director compensations; or
4. he or she serves as an executive officer or director of a not-for-profit organization, and the Company's discretionary charitable contributions to the organization in any of the last three fiscal years are more than 10 million yen and 2% of that organization's annual gross revenues.

\* An "immediate family member" includes a person's spouse, parents, children, siblings, grand-parents, grand-children, mothers and fathers-in-law, sons and daughters-in-law, spouses of siblings, grand-parents-in-law, grand-children-in-law, and brothers and sisters-in-law.

No

1

**Ikuro Sugawara** (Date of Birth: Mar. 6, 1957)

RE

OD

ID



Attendance in Fiscal 2025

Board of Directors meetings  
10 out of 10 days (100%)Nominating Committee  
7 out of 7 days (100%)Audit Committee  
12 out of 12 days (100%)

Position and Responsibilities at the Company	Term of office as Independent Director	Share Ownership
Independent Director Member of Nominating Committee Member of the Audit Committee	Four years	5,600

#### ● Brief Biography

- 4/1981 Joined Ministry of International Trade and Industry of Japan (Currently Ministry of Economy, Trade and Industry of Japan ("METI"))
- 7/2010 Director-General of the Industrial Science and Technology Policy and Environment Bureau, METI
- 9/2012 Director-General of the Manufacturing Industries Bureau, METI
- 6/2013 Director-General of the Economic and Industrial Policy Bureau, METI
- 7/2015 Vice-Minister of Economy, Trade and Industry of Japan
- 8/2017 Special Advisor to the Cabinet of Japan (retired in June 2018)
- 6/2022 Director, Hitachi, Ltd. (currently in office)

#### ● Other Principal Positions Held

Outside Director, FUJIFILM Holdings Corporation

#### ● Reason for nomination as Independent Director and expected roles

Mr. Sugawara has rich experience and insight in the area of public administration, etc. gained through leading positions at government agencies. He was nominated to be as an independent director because he is expected to leverage this experience and insight to reinforce the supervisory and decision making functional aspects of the Company's Board of Directors by providing opinions and proposals regarding the general management of the Company and supervising the Executive Officers and others' execution of their duties from an independent perspective.

No

2

**Ilham Kadri** (Date of Birth: Feb. 14, 1969)

NEW

OD

ID



Position and Responsibilities at the Company	Term of office as Independent Director	Share Ownership
-	-	0

#### ● Brief Biography

- 1/2007 Marketing Director of Rohm and Haas Company (USA) (Currently The Dow Chemical Company)
- 9/2009 General Manager of the Dow Advanced Materials Division (Middle East and Africa), and the Europe, Middle East and Africa Commercial Director of the Dow Water & Process Solutions Division, of The Dow Chemical Company (USA)
- 1/2013 President of Diversey Care, Vice President of Sealed Air Corporation (USA)
- 1/2017 Senior Vice President, Sealed Air Corporation (USA)
- 9/2017 President and CEO of Diversey, Inc. (USA)
- 3/2019 CEO of Solvay S.A. (Belgium) (retired in December 2023)
- 12/2023 CEO of Syensqo SA (Belgium) (retired in December 2025)

#### ● Other Principal Positions Held

Director of A.O. Smith Corporation (USA)\*  
Director of L'Oréal S.A. (France)\*

#### ● Reason for nomination as Independent Director and expected roles

Dr. Kadri has rich experience and insight in the area of corporate management, gained through involvement in the management of major companies conducting diverse businesses globally. She was nominated to be an independent director because she is expected to leverage this experience and insight to reinforce the supervisory and decision-making functional aspects of the Company's Board of Directors by providing opinions and proposals regarding the general management of the Company from a global perspective and supervising the Executive Officers and others' execution of their duties from an independent perspective.



Attendance in Fiscal 2025

Board of Directors meetings  
8 out of 8 days (100%)Audit Committee  
8 out of 8 days (100%)Compensation Committee  
5 out of 5 days (100%)

Position and Responsibilities at the Company	Term of office as Independent Director	Share Ownership
Independent Director Member of the Audit Committee Member of the Compensation Committee	One year	400

#### ● Brief Biography

4/1981 Joined Hokushin Electric Works, Ltd. (Currently Yokogawa Electric Corporation)  
 10/2008 Vice President, Head of Control Products Business Center, IA Business Headquarters, Yokogawa Electric Corporation  
 4/2010 President, Yokogawa Meters & Instruments Corporation (retired in March 2012)  
 6/2011 Director, Yokogawa Electric Corporation  
 4/2012 Director and Senior Vice President, Head of IA Platform Business Headquarters, Yokogawa Electric Corporation  
 4/2013 President and Chief Operating Officer, Yokogawa Electric Corporation  
 4/2019 Chairman and Representative Director, Yokogawa Electric Corporation  
 4/2021 Chairman, Yokogawa Electric Corporation (retired in June 2023)  
 6/2025 Director, Hitachi, Ltd. (currently in office)

#### ● Other Principal Positions Held

Outside Director, Murata Manufacturing Co., Ltd.

#### ● Reason for nomination as Director and expected roles

Mr. Nishijima has rich experience and insight in the area of global corporate management and IT/OT gained through the involvement in the management of major companies conducting diverse businesses globally. He was nominated to be as an independent director because he is expected to leverage this experience and insight to reinforce the supervisory and decision making functional aspects of the Company's Board of Directors by providing opinions and proposals regarding the general management of the Company and supervising the Executive Officers and other's execution of their duties from an independent perspective.



Position and Responsibilities at the Company	Term of office as Independent Director	Share Ownership
-	-	0

#### ● Brief Biography

10/1988 Joined Peat Marwick Japan-Minato Audit Corporation (Currently KPMG AZSA LLC)  
 7/1993 Seconded to KPMG US firm (until July 1997)  
 9/2001 Representative Partner, KPMG FAS Co., Ltd. (currently in office, scheduled to retire in June 2026)  
 9/2009 Director, KPMG Healthcare Japan Co., Ltd. (currently in office, scheduled to retire in June 2026)  
 8/2018 Senior Executive Board Member, KPMG AZSA LLC (retired in June 2025)  
 10/2019 Chairman of the Board, KPMG Consulting Co., Ltd (retired in December 2024)  
 9/2021 Representative Director and Chairman, KPMG Ignition Tokyo Inc. (currently in office, scheduled to retire in June 2026)  
 10/2022 Representative Director, KPMG Advisory Lighthouse, Inc (currently in office, scheduled to retire in June 2026)  
 3/2023 Co-Chairman, KPMG Japan (currently in office, scheduled to retire in June 2026)  
 1/2025 Representative Director, KPMG Consulting Co., Ltd. (currently in office, scheduled to retire in June 2026)  
 7/2025 Senior Executive Officer, KPMG AZSA LLC (currently in office, scheduled to retire in June 2026)  
 12/2025 President & CEO, KPMG Advisory Holdings Co., Ltd. (currently in office, scheduled to retire in June 2026)

#### ● Reason for nomination as Independent Director and expected roles

Mr. Chino has rich experience and insight in the area of global corporate management as well as accounting, auditing and consulting. He was nominated to be an independent director because he is expected to leverage this experience and insight to reinforce the supervisory and decision making functional aspects of the Company's Board of Directors by providing opinions and proposals regarding the general management of the Company and supervising the Executive Officers and others' execution from an independent perspective.



Attendance in Fiscal 2025

Board of Directors meetings  
10 out of 10 days (100%)Audit Committee  
12 out of 12 days (100%)

Position and Responsibilities at the Company	Term of office as Independent Director	Share Ownership
Independent Director Member of the Audit Committee	Five years 11 months	28,400

#### • Brief Biography

- 6/2001 President, Software and System House Division, Siemens AG (Germany)
- 8/2002 President, Systems Engineering Division, Automation and Drives Group, Siemens AG (Germany)
- 8/2007 President, Siemens PLM Software, Inc. (USA)
- 10/2010 Global Head of Communications, Industry Automation, Siemens Corp. (USA)
- 10/2011 President and CEO, Industry Sector, North America, Siemens Industry, Inc. (USA)
- 10/2014 Executive Vice President and Chief Digital Officer, Digital Factory Division, Product Lifecycle Management, Siemens Corp. (USA)
- 10/2016 Chief Information Officer, Siemens AG (Germany) (retired in December 2019)
- 1/2020 Professor of Practice in Strategy and Entrepreneurship, Cox School of Business, Southern Methodist University (USA) (currently in office)
- 7/2020 Director, Hitachi, Ltd. (currently in office)

#### • Other Principal Positions Held

- Senior Advisor, Bridgepoint, LLC (USA)
- Member Board of Directors of Myers Industries Inc. (USA)\*
- Professor of Practice in Strategy and Entrepreneurship, Cox School of Business, Southern Methodist University (USA)

#### • Reason for nomination as Independent Director and expected roles

Mr. Ludwig has rich experience and insight in the area of global corporate management and digital business. He was nominated to be an independent director because he is expected to leverage this experience and insight to reinforce the supervisory and decision making functional aspects of the Company's Board of Directors by providing opinions and proposals regarding the general management of the Company from a global viewpoint and supervising the Executive Officers and others' execution from an independent perspective.



Attendance in Fiscal 2025

Board of Directors meetings  
8 out of 8 days (100%)Nominating Committee  
7 out of 7 days (100%)

Position and Responsibilities at the Company	Term of office as Independent Director	Share Ownership
Independent Director Member of the Nominating Committee	One year	200

#### • Brief Biography

- 6/1987 Joined Dow Corning Corporation (USA)
- 5/2008 Director, Dow Corning Toray Co., Ltd. (Currently Dow Toray Co., Ltd.)
- 3/2009 Chairman and CEO, Representative Director, Dow Corning Toray Co., Ltd. (retired in July 2020)
- 5/2011 Regional President Japan/Korea, Dow Corning Corporation (USA)
- 8/2020 President, Representative Director, Dow Chemical Japan Limited (retired in June 2022)
- 6/2025 Director, Hitachi, Ltd. (currently in office)

#### • Other Principal Positions Held

- Outside Director, Kao Corporation

#### • Reason for nomination as Independent Director and expected roles

Ms. Sakurai has rich experience and insight in the area of global corporate management and sustainability, gained through the involvement in management of major companies conducting diverse businesses globally, etc. She was nominated to be as an independent director because she is expected to leverage this experience and insight to reinforce the supervisory and decision making functional aspects of the Company's Board of Directors by providing opinions and proposals regarding the general management of the Company and supervising the Executive Officers and other's execution of their duties from an independent perspective.

**Isabelle Deschamps** (Date of Birth: Jun. 11, 1970)

Attendance in Fiscal 2025

Board of Directors meetings  
10 out of 10 days (100%)

Position and Responsibilities at the Company	Term of office as Independent Director	Share Ownership
Independent Director	Two years	300

#### • Brief Biography

- 5/1993 Admitted an Attorney-at-Law at Quebec Bar (Canada)
- 2/2003 Head of Legal and Company Secretary, Nestle UK Ltd (UK)
- 11/2009 Admitted as a Solicitor (UK)
- 10/2012 Senior Vice President, General Counsel Global Categories and Intellectual Property, Unilever PLC (UK)
- 1/2017 Executive Vice President, General Counsel Europe and Global E-Commerce, Digital and Privacy, Unilever PLC (UK)
- 1/2018 Executive Vice President, General Counsel Europe and Global Foods & Refreshments, Unilever N.V. (Netherlands)
- 9/2018 Member of Executive Committee, Group General Counsel, AkzoNobel N.V. (Netherlands)
- 10/2021 Member of Executive Committee, Chief Legal, Governance & Corporate Affairs Officer, Rio Tinto plc (UK) (currently in office)
- 6/2024 Director, Hitachi, Ltd. (currently in office)

#### • Other Principal Positions Held

Member of Executive Committee, Chief Legal, Governance & Corporate Affairs Officer, Rio Tinto plc (UK)

#### • Reason for nomination as Independent Director and expected roles

Ms. Deschamps has rich experience and insight in the area of corporate legal matters and corporate governance, having served as the chief legal officer of major global companies, etc. She was nominated to be as an independent director because she is expected to leverage this experience and insight to reinforce the supervisory and decision making functional aspects of the Company's Board of Directors by providing opinions and proposals regarding the general management of the Company from a global viewpoint and supervising the Executive Officers and others' execution of their duties from an independent perspective.

**Ravi Venkatesan** (Date of Birth: Jan. 12, 1963)

Attendance in Fiscal 2025

Board of Directors meetings  
10 out of 10 days (100%)

Position and Responsibilities at the Company	Term of office as Independent Director	Share Ownership
Independent Director	Five years 11 months	4,100

#### • Brief Biography

- 7/1999 Chairman of the Board of Directors, Cummins India Ltd. (India) (retired in March 2004)
- 1/2004 Chairman, Microsoft India Pvt. Ltd. (India) (retired in September 2011)
- 4/2011 Independent Director, Infosys Ltd. (India) (retired in May 2018, served as Co-Chairman from April 2017 to August 2017)
- 4/2013 Venture Partner, Unitus Ventures LLP. (India) (Currently Capria Ventures Advisors LLP) (currently in office)
- 8/2015 Chairman (Non-Executive), Bank of Baroda (India) (retired in August 2018)
- 9/2018 Special Representative for Young People & Innovation, UNICEF (retired in September 2023)
- 7/2020 Director, Hitachi, Ltd. (currently in office)
- 10/2022 Board Chair, Global Energy Alliance for People and Planet, LLC (USA) (currently in office)

#### • Other Principal Positions Held

Venture Partner, Capria Ventures Advisors LLP (India)  
Board Chair, Global Energy Alliance for People and Planet, LLC (USA)

#### • Reason for nomination as Independent Director and expected roles

Mr. Venkatesan has rich experience and insight in the area of global corporate management, digital business and emerging markets. He was nominated to be as an independent director because he is expected to leverage this experience and insight to reinforce the supervisory and decision making functional aspects of the Company's Board of Directors by providing opinions and proposals regarding the general management of the Company from a global viewpoint and supervising the Executive Officers and others' execution of their duties from an independent perspective.



Attendance in Fiscal 2025

Board of Directors meetings  
10 out of 10 days (100%)Nominating Committee  
10 out of 10 days (100%)

Position and Responsibilities at the Company	Share Ownership
Executive Chairman, Representative Executive Officer and Director Member of the Nominating Committee	1,113,000

#### ● Brief Biography

4/1977 Joined Hitachi, Ltd.  
 4/2007 Vice President and Executive Officer  
 4/2008 President, Hitachi Power Europe GmbH (Germany)  
 4/2010 Representative Executive Officer, President and Chief Executive Officer, Hitachi Plant Technologies, Ltd.  
 6/2010 President and Representative Director, Hitachi Plant Technologies, Ltd.  
 4/2011 Vice President and Executive Officer, Hitachi, Ltd.  
 4/2013 Senior Vice President and Executive Officer, Hitachi, Ltd.  
 4/2014 Representative Executive Officer and President & COO, Hitachi, Ltd.  
 6/2014 Representative Executive Officer, President & COO and Director, Hitachi, Ltd.  
 4/2016 Representative Executive Officer, President & CEO and Director, Hitachi, Ltd.  
 5/2021 Representative Executive Officer, Executive Chairman, President & CEO and Director, Hitachi, Ltd.  
 6/2021 Representative Executive Officer, Executive Chairman & CEO and Director, Hitachi, Ltd.  
 4/2022 Executive Chairman, Representative Executive Officer and Director, Hitachi, Ltd. (currently in office)

#### ● Reason for nomination as Director and expected roles

Mr. Higashihara has rich experience and a proven performance record, having been engaged in business management in a broad range of fields, including the social infrastructure business and the power systems business, both at the Company and at Group companies, as well as in the promotion of the Group's global business development. He has been engaged in the management of the Company as President since April 2014, as Executive Chairman and President since May 2021 and as Executive Chairman since June 2021. He has been serving as Executive Chairman and Director since April 2022. Mr. Higashihara was nominated to be a director because he is expected to continue to promote information sharing and draw on his rich experience and performance record to reinforce the decision-making function of the Board of Directors as a member of the Board.



Attendance in Fiscal 2025

Board of Directors meetings  
10 out of 10 days (100%)Audit Committee  
12 out of 12 days (100%)

Position and Responsibilities at the Company	Share Ownership
Director Chair of the Audit Committee	134,300

#### ● Brief Biography

4/1979 Joined Hitachi, Ltd.  
 4/2008 General Manager, Finance Department I  
 4/2011 Executive Officer, Hitachi Cable, Ltd.  
 6/2012 Executive Officer, Board Director, Hitachi Cable, Ltd.  
 4/2013 Vice President and Executive Officer, Board Director, Hitachi Cable, Ltd.  
 7/2013 Vice President and Managing Officer, Hitachi Metals, Ltd. (currently Proterial, Ltd.)  
 4/2014 Vice President and Executive Officer, Hitachi Metals, Ltd. (retired in March 2015)  
 4/2015 Vice President and Executive Officer, Hitachi, Ltd.  
 4/2016 Representative Executive Officer, Senior Vice President and Executive Officer, Hitachi, Ltd.  
 4/2020 Representative Executive Officer, Chairperson and CEO, Hitachi Metals, Ltd.  
 6/2020 Representative Executive Officer, Chairperson, President and CEO, Hitachi Metals, Ltd.  
 Representative Executive Officer, Chairperson, President and CEO, and Director, Hitachi Metals, Ltd.  
 1/2023 Representative Director, Executive Chairman, Proterial, Ltd. (retired in March 2023)  
 4/2023 Associate, Hitachi, Ltd.  
 6/2023 Director, Hitachi, Ltd. (currently in office)

#### ● Reason for nomination as Director and expected roles

Mr. Nishiyama has rich experience and a proven performance record, having been engaged in operations in areas such as accounting and financial affairs and in management at both the Company and Group companies, etc. Mr. Nishiyama was nominated to be a director because he is expected to reinforce the supervisory functions of the Company's Board of Directors by supervising the Executive Officers and others' execution of their duties based on his rich experience and proven performance record.



Attendance in Fiscal 2025

**Board of Directors meetings**  
**8 out of 8 days (100%)**
**Compensation Committee**  
**5 out of 5 days (100%)**

Position and Responsibilities at the Company	Share Ownership
Representative Executive Officer President & CEO and Director Member of the Compensation Committee	373,300

#### ● Brief Biography

4/1990	Joined Hitachi, Ltd.
4/2014	General Manager, Smart Information Systems Division, Services Division Group, Information & Telecommunication Systems Company, Information & Telecommunication Systems Group
4/2017	President, Hitachi Appliances, Inc. (retired in March 2019)
4/2018	General Manager, Smart Life & Ecofriendly Systems Division, Hitachi, Ltd.
4/2019	Vice President and Executive Officer, Hitachi, Ltd.
4/2020	Senior Vice President and Executive Officer, Hitachi, Ltd.
4/2021	Representative Executive Officer, Executive Vice President and Executive Officer, Hitachi, Ltd.
4/2025	Representative Executive Officer, President & CEO, Hitachi, Ltd.
6/2025	Representative Executive Officer, President & CEO and Director Hitachi, Ltd. (currently in office)

#### ● Reason for nomination as Director and expected roles

Mr. Tokunaga has rich experience and a proven performance record, having been engaged in business management mainly in the digital business both at the Company and at Group companies. He has been engaged in the management of the Company as President & CEO since April 2025. Mr. Tokunaga was nominated to be a director because he is expected to promote information sharing and draw on his rich experience and performance record to reinforce the decision-making function of the Board of Directors as a member of the Board.

Notes:

1. Attendance at Board of Directors meetings and committee meetings is based on the number of days when meetings were held during each member's term of office.
2. Messrs. Ikuro Sugawara, Takashi Nishijima, Masahiko Chino, Helmuth Ludwig and Ravi Venkatesan and Ms. Ilham Kadri, Eriko Sakurai and Isabelle Deschamps are nominees who fulfill the qualification requirements to be outside director nominees as provided for in Article 2, Paragraph 3, Item 7 of the Enforcement Regulations of the Companies Act. The Company has reported all of them as independent directors to the Japanese stock exchanges where the Company is listed.
3. The Company maintains a limited liability agreement (hereinafter the "Agreement") with Messrs. Ikuro Sugawara, Takashi Nishijima, Helmuth Ludwig, Ravi Venkatesan and Mitsuaki Nishiyama and Ms. Eriko Sakurai and Isabelle Deschamps. The general intent of the Agreement is to limit the liability of Directors provided for in Article 423, Paragraph 1 of the Companies Act to the aggregate amount of each item stipulated under Article 425, Paragraph 1 of the Companies Act. The Agreement will be renewed should the aforementioned individuals be re-elected at the Meeting. In the event Dr. Ilham Kadri and Mr. Masahiko Chino are elected as a director, the Company will newly enter into the same agreement with them.
4. The Company currently has a Directors' and Officers' Liability Insurance Agreement, which is stipulated in Article 430-3, Paragraph 1 of the Companies Act, nominating each of its director candidates other than Dr. Ilham Kadri and Mr. Masahiko Chino as an insured person with an insurance company. The content of the Insurance Agreement is stated in "Directors and Executive Officers - Content of Directors' and Officers' Liability Insurance Agreement" in the Business Report. Upon the election of the directors, each director other than Dr. Ilham Kadri and Mr. Masahiko Chino will continue to be insured under the insurance agreement. Dr. Ilham Kadri and Mr. Masahiko Chino will newly become an insured person under the insurance agreement. The Company plans to renew the agreement with the same terms and conditions during the tenure of each director.
5. At Sumitomo Mitsui Financial Group, Inc. ("SMFG"), where Ms. Eriko Sakurai has served as an Outside Director from June 2015 to June 2025, SMFG and its subsidiary, SMBC Nikko Securities Inc., received an administrative action under the Financial Instruments and Exchange Act from the Financial Services Agency in October 2022 in relation to a violation of Article 159, paragraph (3) (illegal stabilizing transactions) of the Financial Instruments and Exchange Act by former officers and employees of SMBC Nikko Securities Inc. SMBC Nikko Securities was convicted by the Tokyo District Court in February 2023 in connection with the same incident. Furthermore, in October 2022, SMBC Nikko Securities Inc. received an administrative action from the Financial Services Agency under the Financial Instruments and Exchange Act in connection with the transfer of undisclosed information between officers and employees of SMBC Nikko Securities Inc. and Sumitomo Mitsui Banking Corporation, a subsidiary of SMFG. In addition, SMFG and Sumitomo Mitsui Banking Corporation received an order from the Financial Services Agency to submit reports under the Financial Instruments and Exchange Act and the Banking Act with respect to this incident. Ms. Eriko Sakurai was not aware of the matter in question; however, while serving as an Outside Director, she always expressed the importance of compliance with laws and regulations, ensuring the appropriateness of operations, and risk management at meetings of the SMFG board of directors and various committees, and made recommendations for the thorough implementation of these measures. After the incident came to light, she was involved in deliberations at meetings of the SMFG board of directors and various committees to formulate and implement effective measures to prevent recurrence, further strengthen SMFG's legal compliance and internal control systems, and foster sound corporate culture.
6. In the event this agenda item is approved, the members and the chair of the committees are expected to be as follows:  
Nominating Committee : Ikuro Sugawara (chair), Ilham Kadri, Takashi Nishijima, Toshiaki Higashihara  
Audit Committee : Masahiko Chino (chair), Ikuro Sugawara, Takashi Nishijima, Helmuth Ludwig, Mitsuaki Nishiyama  
Compensation Committee : Eriko Sakurai (chair), Ikuro Sugawara, Isabelle Deschamps
7. There are transactional relationships, including the outsourcing of consulting services, between the Company and KPMG Consulting Co., Ltd., where Mr. Masahiko Chino is currently serving as Chairman of the Board and KPMG FAS Co., Ltd., where Mr. Masahiko Chino is currently serving as Representative Partner. However, the Company has no transactions whose volume is more than 1% of the Company's consolidated revenues or each company's respective unconsolidated revenues, nor does the Company have transactions whose volume is more than 1% of the total revenues of KPMG Japan as a whole, to which these companies belong and where Mr. Masahiko Chino is currently serving as Co-Chairman.  
The Company has no transactions with KPMG Advisory Holdings Co., Ltd., where Mr. Masahiko Chino is currently serving as President & CEO, and with KPMG Advisory Lighthouse, Inc, where Mr. Masahiko Chino is currently serving as Representative Director, and with KPMG Ignition Tokyo Inc., where Mr. Masahiko Chino is currently serving as Representative Director and Chairman, with Southern Methodist University, where Mr. Helmuth Ludwig is currently serving as Professor of Practice, and with Bridgepoint, LLC, where Mr. Helmuth Ludwig is currently serving as Senior Advisor, with Rio Tinto plc, where Ms. Isabelle Deschamps is currently serving as Member of Executive Committee, Chief Legal, Governance & Corporate Affairs Officer, with Capria Ventures Advisors LLP., where Mr. Ravi Venkatesan is currently serving as Venture Partner.
8. The Company has no transactions with Solvay S.A., where Dr. Ilham Kadri had served as CEO (retired in December 2023), with Syensqo SA, where Dr. Ilham Kadri had served as CEO (retired in December 2025), with Dow Chemical Japan Limited, where Ms. Eriko Sakurai had served as President, Representative Director (retired in June 2022), with AkzoNobel N.V., where Ms. Isabelle Deschamps had served as Member of Executive Committee, Group General Counsel (retired in September 2021).
9. The Company has no contractual relationship with Ms. Isabelle Deschamps in relation to legal and other professional services, etc. Mr. Masahiko Chino is currently serving as Co-Chairman of KPMG Japan. However, the Accounting Auditors of the Company do not belong to the KPMG Group. In addition, the Company has no contractual relationship with Mr. Masahiko Chino in relation to accounting and other professional services or consulting services, etc.
10. The positions with \* in "Other Principal Positions Held" of each nominee are similar positions in each of the foreign corporations to outside director under the Companies Act.

## Business Overview and Results of Hitachi Group

### Business Results

In Fiscal 2025, the global economy remained subject to an increasingly uncertain business environment due to the expansion of protectionist measures under U.S. trade policies, heightened geopolitical risks such as those in the Middle East, and rising inflation fueled by higher raw material and energy prices. In this environment, Hitachi recorded revenues of 10,586.7 billion yen and Adjusted EBITA of 1,311.4 billion yen, due mainly to the organic growth of business in many segments, including the steady performance of the power grids business and rail systems business. The Adjusted EBITA Margin was 12.4%, an increase of 1.3 percentage points from the previous fiscal year due mainly to the expansion of the Lumada\* business. Net income attributable to Hitachi, Ltd. stockholders was 802.3 billion yen. In addition, ROIC increased by 1.5 percentage points from the previous fiscal year to 12.4%, with both figures—including Adjusted EBITA—reaching record highs. The Lumada business revenue ratio was 40%, and the Adjusted EBITA Margin was 16%.

Regarding funds, core free cash flow\*\* was 1,170.2 billion yen, a new record high, due to improving cash generation capabilities and advances received for large-scale projects.

As Hitachi has improved its profitability and ability to generate cash, it increased the amount of its annual dividend 7 yen to 50 yen (with an interim dividend of 23 yen and a year-end dividend of 27 yen) and repurchased its own shares of 352.0 billion yen.

\* Lumada is the collective term for Hitachi's advanced digital technologies—solutions, services, and technologies—designed to extract value from customer data and accelerate digital innovation

\*\* Core free cash flows are cash flows presented as free cash flows excluding cash flows from M&A and asset sales, etc.

### Actions in Fiscal 2025 and Aims

As the first year of the Hitachi Group Management Plan “Inspire 2027,” Hitachi undertook the following key initiatives, accelerating sustainable growth driven by a true One Hitachi and advancing our transformation into a digital centric company.

#### – Executing Agile Management in Response to Changes in the Business Environment

Amid rising geopolitical risks across the globe, Hitachi worked to establish and execute robust risk management processes in order to strike a balanced approach between mitigating threats and creating opportunities under any circumstances.

Specifically, Hitachi mitigated the impact of U.S. reciprocal tariffs through measures including price pass through. In response to the conflict in the Middle East, Hitachi took steps to visualize and minimize business impacts. In addition, through initiatives such as Hitachi Energy’s capital investment of over 1 billion dollars in the United States, it worked to increase local procurement ratios and diversify procurement routes. Through these efforts, Hitachi strengthened business resilience and reinforced supply chain robustness.

In addition, to swiftly respond to the rapid advancement of AI technologies—such as AI agents and Physical AI\*—and the expansion of related markets, we established the AI Agent Promotion Office. We also entered into a strategic partnership with OpenAI to jointly explore the development of next generation AI infrastructure and efficient infrastructure solutions to support the expansion of global data centers.

Furthermore, we intensified efforts to address the increasing sophistication and frequency of cyberattacks. We continued to execute highly agile management that is able to respond to swiftly to change even amid a rapidly evolving business environment.

\* AI technologies that analyze and interpret real world data and translate insights into concrete actions, such as the control of facilities and equipment

#### – Accelerating the Growth of the Lumada Business through the Expansion of HMAX\*\*

Hitachi began the full scale rollout of “HMAX by Hitachi,” a next generation portfolio of solutions that leverages AI to transform social infrastructure. By utilizing vast volumes of data derived from both physical and digital assets and reinforcing advanced AI with Hitachi’s distinctive deep domain knowledge, we address complex challenges facing social infrastructure.

As a core solution within the Lumada business, HMAX delivers value across a wide range of industries, including mobility, energy, and industry. In the current fiscal year, HMAX recorded revenue of approximately 300.0 billion yen, with Adjusted EBITA Margin exceeding 20%.

\*\*HMAX is a suite of next-generation solutions that combines AI, data, and expertise to solve complex social infrastructure challenges, maximizing outcomes and value for clients and society.



#### – Business Portfolio Reorganization for Further Growth

Hitachi acquired synvert, a German company with strengths in AI driven business design, to further strengthen the expansion of HMAX, and also acquired a minority stake in Shermco to strengthen service businesses supporting the reliability and safety of power infrastructure.

In addition, Hitachi implemented ongoing business portfolio reforms toward achieving “Inspire 2027,” including partial divestments of shares in Hitachi Construction Machinery and Astemo, as well as capital restructuring of Hitachi Channel Solutions, which operates businesses such as ATMs. In April of this year, we decided to restructure the capital of Hitachi Global Life Solutions, Inc.’s home appliance business. We have steadily implemented reforms to our business portfolio to achieve the goals of Inspire 2027.

## Consolidated Financial Results for Fiscal 2025 (Billions of yen)

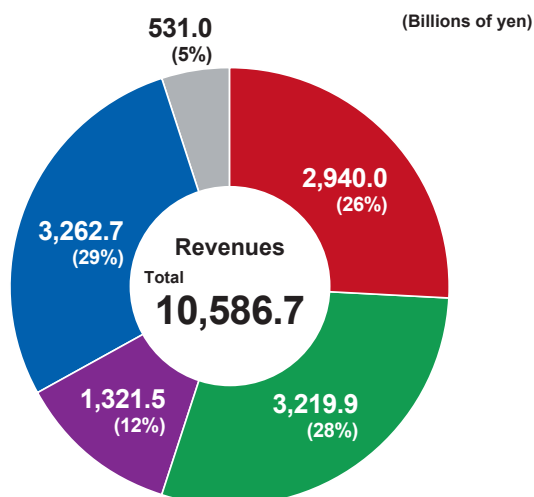
Revenues	Adjusted EBITA	Adjusted EBITA Margin	Net income attributable to Hitachi, Ltd. stockholders	ROIC
10,586.7	1,311.4	12.4%	802.3	12.4%
Year over year <b>+8%</b> ↗	Year over year <b>+21%</b> ↗	Year over year <b>+1.3</b> ↗	Year over year <b>+30%</b> ↗	Year over year <b>+1.5</b> ↗

- Notes: 1. The consolidated financial statements of the Company have been prepared in conformity with the International Financial Reporting Standards (IFRS).  
 2. Adjusted EBITA = Adjusted operating income + Acquisition-related amortization. The calculation method for Adjusted EBITA was revised from the current fiscal year, and prior-year figures have been recalculated accordingly.  
 3. ROIC = ("NOPAT" + Share of profits (losses) of investments accounted for using the equity method) / "Invested Capital" × 100  
 NOPAT (Net Operating Profit after Tax) = Adjusted Operating Income × (1 - Tax burden rate)  
 Invested Capital = Interest-bearing debt + Total equity

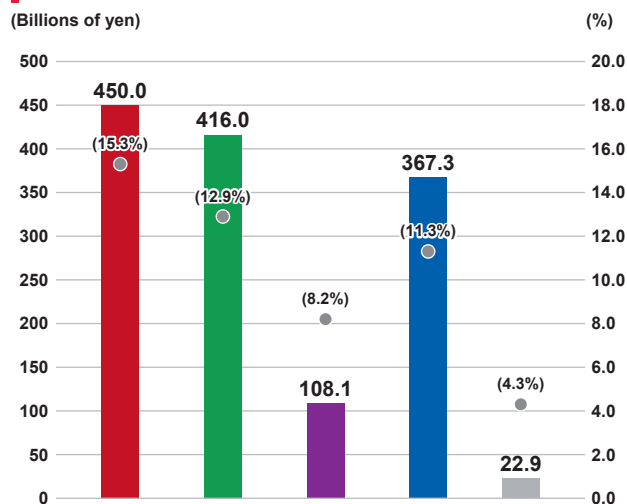
## Financial Results by Segment

■ Digital Systems & Services 
 ■ Energy 
 ■ Mobility 
 ■ Connective Industries 
 ■ Others

### Revenues



### Adjusted EBITA (Adjusted EBITA Margin)



- Notes: 1. Revenues by segment include intersegment transactions.  
 2. The number in parentheses in "Revenues" is the percentage of each segment's revenues to total revenues.

## Business Overview and Results of Hitachi Group - Results by Segment

The status of each business segment during the current fiscal year is as follows. In the current fiscal year, in connection with a review of the business structure, the Company revised its reportable segments to the following five categories: Digital Systems & Services, Energy, Mobility, Connective Industries, and Others\*. Due to this change in segment classification, the operating results of each segment, including those for the previous fiscal year, are presented based on the revised segment classification.

\* Management, sale, and rental of real estate and other businesses

# Digital Systems & Services

With the aim of realizing a sustainable society, the Company, positioning the Lumada business at its core, provides advanced digital solutions that create value from data by combining advanced digital technologies such as AI, highly reliable system integration (SI) capabilities cultivated over many years, and domain knowledge derived from on site operational experience.

Revenues	Adjusted EBITA	Adjusted EBITA Margin	ROIC
2,940.0 billion yen	450.0 billion yen	15.3%	11.6%
Year over year +4% ↗	Year over year +14% ↗	Year over year +1.4 points ↗	Year over year +1.4 points ↗

Revenues and profits increased, reflecting continued growth in DX and modernization businesses, primarily in the domestic IT market, as well as the implementation of business structure reforms and cost-reduction initiatives.

### Actions in Fiscal 2025

With AI positioned as a key growth driver, the Company promoted as priority strategies the strengthening of execution capabilities in its system integration (SI) business, the expansion of its services and recurring business, and the growth of the Lumada business under One Hitachi during the fiscal year.

In response to strong demand, primarily in Japan, for the digitalization of customers' operations, the Company made extensive use of AI across its SI business, which is characterized by highly reliable and high value-added system development and operational capabilities. It also worked to make significant improvements in productivity and the creation of new value. In its services and recurring business, the Company provided AI infrastructure and services enabling highly reliable and rapid use of data, such as Hitachi iQ\* and Hitachi Application Reliability Centers (HARC)\*\*, while strengthening high value-added solutions including AI agents. In addition, the Company conducted early-stage implementation and verification by positioning its own operational sites as the first customer ("customer zero"), and is leveraging the insights obtained to further enhance its services.

In the Lumada business under One Hitachi, the Company expanded the deployment of HMAX, which integrates advanced digital technologies such as AI with Hitachi's global installed base of equipment, machinery, and core systems, across a wide range of industries and sectors. At the same time, collaborative creation with global partners was accelerated, contributing to the growth of the Lumada business.

\*A portfolio of AI infrastructure solutions that comprehensively support enterprises from AI adoption to operation.

\*\*Managed services that provide continuous support, including proposing improvements, while accompanying customers in their cloud operations.



Creating innovation by leveraging advanced digital technologies such as rapidly evolving AI

# Energy

In the power grid business, through the provision of advanced power grid infrastructure and digital solutions, the Company supports the delivery of a secure, resilient, and stable power supply in regions around the world. Solutions including high-voltage direct current (HVDC) transmission, environmentally efficient products, and digital systems for asset management and monitoring are deployed to address steadily expanding electricity demand. In the nuclear energy business, the Company is steadily advancing its operations in Japan and overseas with the aim of contributing to the reduction of CO<sub>2</sub> emissions.

Revenues	Adjusted EBITA	Adjusted EBITA Margin	ROIC
3,219.9 billion yen	416.0 billion yen	12.9%	15.4%
Year over year +23% ↗	Year over year +65% ↗	Year over year +3.3 points ↗	Year over year +6.9 points ↗

Revenues and profits increased due to sustained robust demand for power grid equipment in the Power Grid business, steady conversion of order backlog into revenues, and favorable foreign exchange effects.

## Actions in Fiscal 2025

Within the power grid business, in order to reliably respond to increasing order backlogs and market demand, Hitachi Energy continued to invest in capacity expansion and operational excellence, thereby strengthening execution capabilities. Hitachi Energy is also engaged in highly critical infrastructure projects, including HVDC interconnections, and has expanded its business by, for example, entering into a framework agreement with the German energy company E.ON in July 2025 for the supply of transformers with a total value of up to 700 million U.S. dollars.

In the nuclear energy business, Hitachi contributed to the restart of boiling water reactors\* in Japan. In addition, in the small modular reactor (SMR) business, a joint venture with GE Vernova received an order for Canada's first commercial SMR unit.

Furthermore, Hitachi commenced the provision of HMAX Energy, a next-generation AI-powered service and solution suite for energy infrastructure. HMAX Energy supports the entire energy value chain by enabling long-term utilization of assets, improving operational efficiency, and enhancing grid reliability.

\*Nuclear reactor that generates electricity by producing steam in the reactor and sending it directly to a turbine.



HMAX Energy, a pioneering AI-powered service and solution suite for critical energy infrastructure

# Mobility

In the Mobility Sector, with a focus on railways, we have continuously advanced integrated solutions that combine rolling stock, signalling, and digital technologies both in Japan and overseas. In addition to further enhancing reliability, we are strengthening operational efficiency and maintainability, thereby contributing to the realization of sustainable transport infrastructure and the creation of new social value.

Revenues	Adjusted EBITA	Adjusted EBITA Margin	ROIC
1,321.5 billion yen	108.1 billion yen	8.2%	8.3%
Year over year +13% ↗	Year over year +14% ↗	Year over year +0.1 points ↗	Year over year -0.7 points ↘

Revenues and profits increased, driven by strong performance in the railway signaling and control business, mainly in the European and North American markets, as well as favorable foreign exchange effects.

## Actions in Fiscal 2025

Initiatives centered on digital technologies and AI made significant progress. In August 2025, the Company completed the acquisition of Omnicom, a UK-based company engaged in digital railway monitoring services. Through the integration of Omnicom's infrastructure monitoring technologies—covering assets such as tracks and overhead lines—into HMAX for Rail, the Company strengthened its digital asset management business supporting railway operations and maintenance.

In Japan as well, the Company commenced collaborative creation initiatives aimed at DX in the rolling stock maintenance field utilizing HMAX for Rail, promoting efforts such as the automation of inspections and addressing workforce shortages.

Furthermore, the Company opened a new manufacturing facility in Maryland, the United States, to strengthen local production capabilities and to showcase digital solutions at manufacturing sites. In Germany, the Company entered into a large-scale contract with Deutsche Bahn related to train control systems, thereby enhancing its global presence as a digitally driven railway solutions provider. At the same time, the integration with the railway signaling business acquired from Thales in 2024 has been accelerated.

Through these initiatives, the Company has demonstrated its capabilities across three dimensions—physical assets, digital technologies, and AI—both domestically and internationally.



HMAX for Rail grew, supported by increased orders for railway rolling stock and maintenance services.

# Connective Industries

In the Industry fields—such as measurement and analytical instruments, healthcare equipment, industrial equipment, as well as industrial, distribution, water and environmental solutions—and the Urban fields, including building systems and home appliances and air-conditioning equipment. Through the provision of HMAX Industry, a portfolio of next-generation solutions that combines highly competitive products, domain knowledge accumulated over many years, and AI, the Company aims to contribute to the transformation of global industries and the realization of a prosperous society.

Revenues	Adjusted EBITA	Adjusted EBITA Margin	ROIC
3,262.7 billion yen	367.3 billion yen	11.3%	11.9%
Year over year -1% ↘	Year over year +6% ↗	Year over year +0.8 points ↗	Year over year +0.4 points ↗

Revenues decreased as a result of reduced demand for newly installed elevators in China in the Building Systems business. However, profitability improved, supported by increased sales of semiconductor manufacturing equipment and the expansion of the Building Services business.

## Actions in Fiscal 2025

By focusing on HMAX Industry, a portfolio of next-generation solutions that combines highly competitive products, extensive domain knowledge, and AI, the Company worked to expand the Lumada business and its recurring business\*.

Against the backdrop of a declining workforce and technological innovation driven by AI, high growth is expected particularly in the semiconductor, biopharmaceutical, advanced materials, and building domains. To capture new growth opportunities in these areas, in addition to further strengthening products, the Company accelerated the deployment of digital services centered on HMAX. Specifically, the Company commenced the provision of “BuilMirai” as a service, which leverages data from building facilities to enable efficient and comfortable building operations. Furthermore, the Company has also engaged in collaborative creation with customers regarding AI agents that support diagnostics of factory equipment failures.

In addition, at Hitachi Global Life Solutions, Ltd., all shares of an air-conditioning joint venture company with another partner were transferred to Robert Bosch GmbH, while the Shimizu Works, a development and manufacturing base for commercial air-conditioning equipment, was acquired. Through these transactions, the Company is advancing initiatives to accelerate the deployment of green cooling solutions in growth markets such as green buildings and data centers.

\*Recurring services include continuous and cyclical services such as after-sales services.



Business operations in the industry and urban fields

## Five-year Summary of Assets and Results of Operation of Hitachi Group

### Consolidated Basis

Fiscal Year	(Billions of yen)				
	2021	2022	2023	2024	2025
Revenues	10,264.6	10,881.1	9,728.7	9,783.3	10,586.7
Adjusted Operating Income	738.2	748.1	755.8	971.6	1,199.2
Adjusted EBITA	814.8	831.7	842.9	1,083.5	1,311.4
Income Before Income Taxes	839.3	819.9	825.8	962.7	1,273.1
Net Income Attributable to Hitachi, Ltd. Stockholders	583.4	649.1	589.8	615.7	802.3
Total Assets	13,887.5	12,501.4	12,221.2	13,284.8	15,041.2

Notes: Beginning with the current consolidated fiscal year, the Company revised the calculation method of Adjusted EBITA. Figures for prior years have been restated using the revised calculation method.

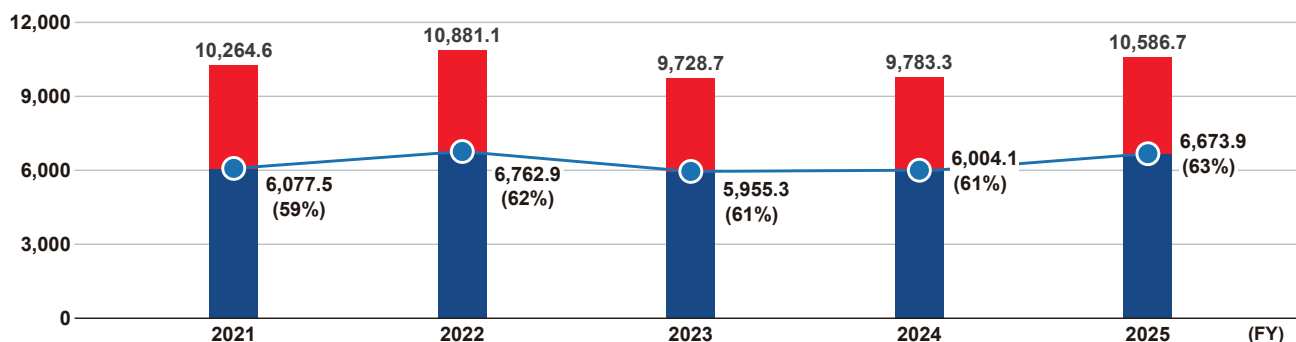
### Unconsolidated Basis

Fiscal Year	(Billions of yen)				
	2021	2022	2023	2024	2025
Revenues	1,623.4	1,631.3	1,756.9	1,774.2	1,843.1
Operating Income	113.9	88.0	147.7	212.0	212.0
Ordinary Income	365.0	354.7	401.0	428.6	799.9
Net Income	516.1	987.9	581.5	390.1	784.0
Total Assets	5,815.6	5,940.4	6,095.4	6,515.4	6,932.6

Notes: In Fiscal 2025, revenues increased from the previous fiscal year, mainly due to the solid performance in the Digital Systems & Services business, while operating income remained at the same level due to increased strategic investments and other factors. Ordinary income and net income increased from the previous fiscal year, mainly due to higher dividend income, and ordinary income reached a new record high.

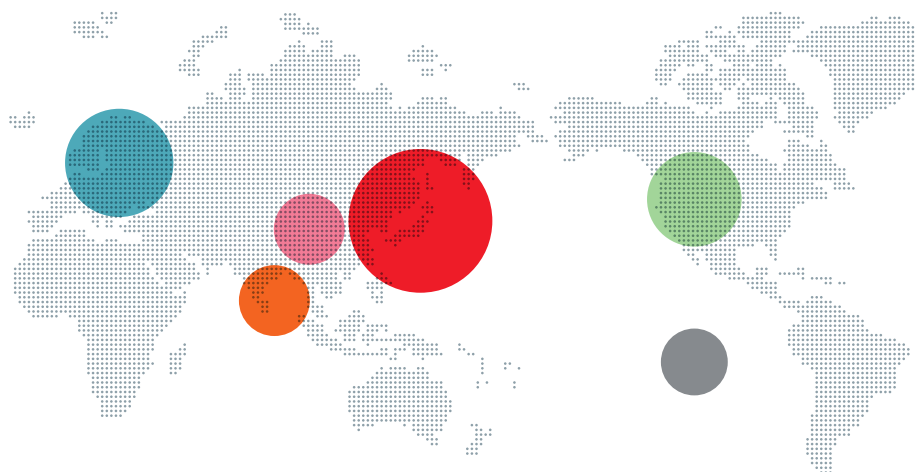
## Overseas Revenues Trends

(Billions of yen)



Notes: 1. The blue parts show overseas revenues and the red parts show domestic revenues.  
2. The number in parenthesis is the percentage of overseas revenues to total revenues.

## Revenues by Market



Overseas Revenues					Japan Revenues
6,673.9 Billion yen (63%)					3,912.8 Billion yen
16%	21%	9%	9%	8%	37%
<b>North America</b> 1,653.8 Billion yen	<b>Europe</b> 2,274.9 Billion yen	<b>China</b> 951.7 Billion yen	<b>Asia</b> (excl. Japan, China, and the Middle East) 964.2 Billion yen	<b>Other Areas</b> 829.2 Billion yen	

Notes: 1. The number in parenthesis is the percentage of overseas revenues to total revenues.  
2. Other Areas include the Middle East, Latin America, Africa, and Oceania.

## Course of Actions for Hitachi Group

The Hitachi Group's strength lies in its unique combination of advanced IT as a cutting edge digital technology, control and operational technologies (OT) derived from on site expertise across 190 countries, and high quality products refined over 116 years of history. Leveraging insights gained from on site operations across a wide range of industries, Hitachi is committed to solving challenges faced by social infrastructure worldwide, aiming to become a global leader that brings continuous innovation to social infrastructure through digital technology.

Under its management plan "Inspire 2027," the Group is advancing its transformation into a digital centric company and striving to achieve sustainable growth, thereby contributing to the realization of a "Harmonized Society," in which the environment, people's well being, and economic growth are in harmony.

Even amid rapidly changing business conditions, Hitachi will respond flexibly and swiftly to change and work as a unified Group—a "true One Hitachi"—to create value unique to Hitachi and further enhance corporate value.

### —Accelerating Growth by Capturing the Expanding AI Market

In recent years, manufacturing and infrastructure sites have faced growing demands to address labor shortages and improve safety and productivity. As a result, increasing attention is being given to the field of Physical AI, which drives innovation in on-site operations within the physical world, and the market is expected to expand further going forward.

Against this backdrop, the Hitachi Group leverages its extensive know how and deployment track record in social infrastructure operations—its "digitalized assets"—to create digital services. By running a cycle that links the creation of such services to further asset expansion and service enhancement, Hitachi will roll out "Lumada 3.0".

A representative example of these digital services is "HMAX" a next generation solution portfolio that leverages AI to transform social infrastructure. Launched in 2024 for railway operators, HMAX has since expanded its application to a wide range of industries, including energy, manufacturing, and building maintenance.

Looking ahead, we will capitalize on the rapid expansion of the AI market—driven by developments such as Physical AI and agentic AI capable of autonomous decision making and execution—and further scale the HMAX business, the growth engine of Lumada. Through this expansion, we aim to accelerate overall Group growth and enhance profitability.



### —Turning Business Opportunities into Growth through Globally Autonomous and Decentralized Management

Even amid an increasingly uncertain business environment, the Group aims to achieve company wide growth by practicing globally autonomous and decentralized management, which enables each region to independently identify and pursue business opportunities.

Specifically, across the world's six regions—Americas, EMEA, APAC, India, Japan, and China—we identify growth areas unique to each region and promote business expansion tailored to regional characteristics.

In the United Kingdom, for example, Hitachi Energy was selected as the supplier of converter stations for the country's longest HVDC interconnection, among other initiatives, demonstrating our ability to accurately capture region specific business opportunities and translate them into growth.



Eastern Green Link3 project

### —Deepening Sustainable Management

#### — Responding to a Rapidly Changing Business Environment

Globally autonomous and decentralized management is also effective at mitigating risks, and through the enhancement of enterprise risk management (ERM)\*, Hitachi is promoting agile management.

Hitachi is strengthening business resilience and continuously reinforcing the robustness of its supply chain by increasing local procurement ratios through the establishment and expansion of manufacturing facilities, as well as by diversifying procurement routes. At the same time, Hitachi has already been promoting appropriate price pass through measures to mitigate the impact of U.S.A. reciprocal tariffs.

\* Enterprise Risk Management: A framework to comprehensively identify risks and opportunities arising from changes in the business environment and reflect them in management strategy and decision-making.



Hitachi Rail Hagerstown Manufacturing Facility (Maryland, U.S.A.)

#### —Strengthening Human Capital to Support Long Term Corporate Value Enhancement

To the realization of Inspire 2027, Hitachi is focusing on developing next generation leaders and expanding our pool of generative AI professionals, which serve as key drivers of sustainable growth. In addition, to enhance To encourage employees to enhance their awareness of increasing corporate value, Hitachi has decided to introduce share based compensation for employees.

Together with the share based compensation program for executives, the Hitachi Group aims to enhance long term corporate value by sharing value with our shareholders across the entire Group.

### —Initiatives for Future Growth

#### —AI-driven internal transformation and leveraging the Company through the use of AI as "Customer Zero"

Hitachi is promoting the development of an environment in which employees can effectively utilize AI, and is working to improve operational efficiency across a wide range of areas, including design and development, quality assurance and maintenance, and indirect functions. In particular, in system development, the use of AI has enhanced productivity in system integration processes, steadily advancing internal operational reforms.

For the Hitachi Group, which operates across a broad range of business domains, systematizing knowledge and know how through AI driven internal operational transformation represents a significant strength as "Customer Zero." Hitachi will leverage these internal achievements to expand externally as services, including offerings that maximize the effectiveness of customers' AI agent implementations and solutions that support frontline workers

\*\* "Customer Zero" refers to the approach of treating the company itself as the first customer and proactively implementing transformation initiatives using digital technologies and AI ahead of external deployment.

#### —Developing New Businesses and Technologies to Drive Future Growth

Within the Strategic SIB Business Unit, Hitachi has defined growth themes that fully leverage the strengths of a true "One Hitachi" and has accelerate business creation through co-creation with partners and capital alliances. Hitachi also continues to invest in research and development of innovative new technologies that contribute to solving societal challenges. For details on our research and development activities, please also refer to R&D of Hitachi Group below.

<p><b>New business development</b></p> <p><b>Energy Solutions</b> Hitachi has developed next-generation AI infrastructure that adopts clean and efficient power-sharing policies, aiming for efficient energy management for AI data centers.</p>	<p><b>New technology development</b></p> <p><b>Utilization of Space Big Data</b> By leveraging environmental data collected from space, Hitachi has focused on developing technologies that enhance infrastructure operation and maintenance and contribute to a sustainable society.</p>	<p><b>New technology development</b></p> <p><b>Silicon Quantum Computing</b> Hitachi has aimed to establish a foundation that dramatically accelerates technological innovation by applying the breakthrough computational capabilities of silicon quantum computing.</p>
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Even amid a rapidly changing business environment, Hitachi will continue to accelerate growth through these initiatives, while promoting disciplined management— including investments aligned with our capital allocation policy— thereby striving to further enhance corporate value and provide stable returns to our shareholders.

Please check the website for more information about Inspire 2027 and the presentation by President & CEO Tokunaga.

<https://www.hitachi.com/en/ir/corporate/strategy/>

## Borrowings and Financing Activities of Hitachi Group

### Major Borrowings (As of March 31, 2026)

Name of Company	Creditor	Balance of Borrowings
The Company	Mizuho Bank, Ltd.	30.0 billion yen
	MUFG Bank, Ltd.	20.0 billion yen

Note: In addition to the figures shown above, the Company owes long-term borrowings by means of syndicated loan agreements of 311.8 billion yen.

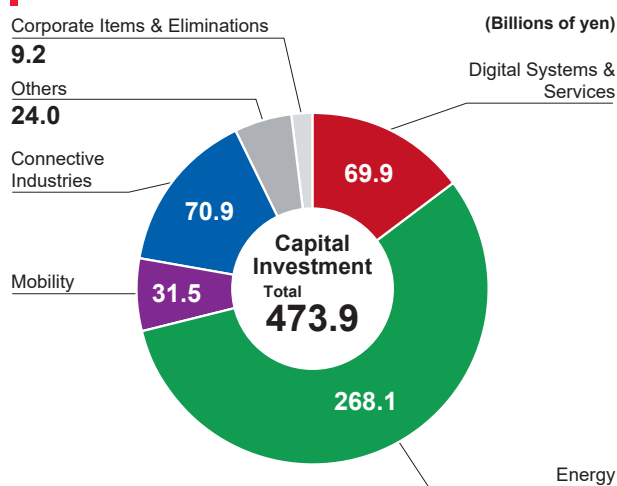
### Major Financing Activities

There is no material financing by issuance of stock and corporate bonds, etc. in Fiscal 2025.

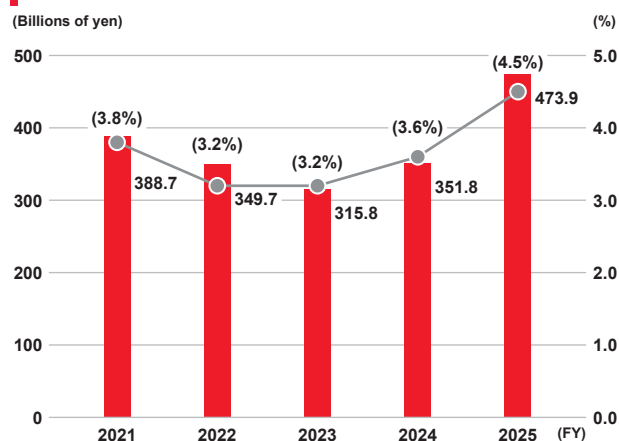
## Capital Investment of Hitachi Group

During Fiscal 2025, the Hitachi Group carried out capital investment of 473.9 billion yen. It increased 122.0 billion yen from the previous fiscal year. This increase was mainly attributable to proactive investments aimed at business expansion, particularly in the power grids and the railway businesses.

### Capital Investment by Segment



### Capital Investment Trend



Note: The number in parentheses is the percentage of capital investment to total revenues.

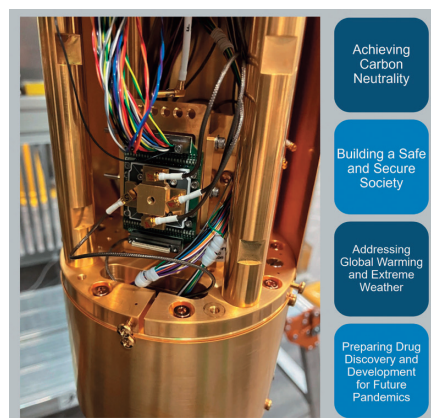
## Research and Development (R&D) of Hitachi Group

To realize a Harmonized Society in which environmental sustainability, well-being, and economic growth are in balance, Hitachi is creating technologies that drive innovation across society and industry. In recent years in particular, Hitachi has been promoting innovation through advanced AI technologies in the physical domain\*, one example of which is the Integrated World Infrastructure Model (IWIM). IWIM is Hitachi's integrated Physical AI model, which accurately understands and reasons about phenomena in the physical world and responds appropriately by integrating AI technologies with the knowledge and methodologies that Hitachi has accumulated in the field of social infrastructure. By leveraging IWIM, Hitachi has developed technologies that autonomously learn on site and optimize operations to automate complex tasks, as well as next-generation AI agents that support skills transfer to less-experienced personnel while improving operational efficiency.

Furthermore, as part of the Next domain, which aims to address increasingly complex societal challenges and create new value through disruptive innovation, Hitachi is pursuing the development of world-first and world-leading technologies, such as large-scale silicon-based quantum computers and infrastructure monitoring technologies that leverage space big data

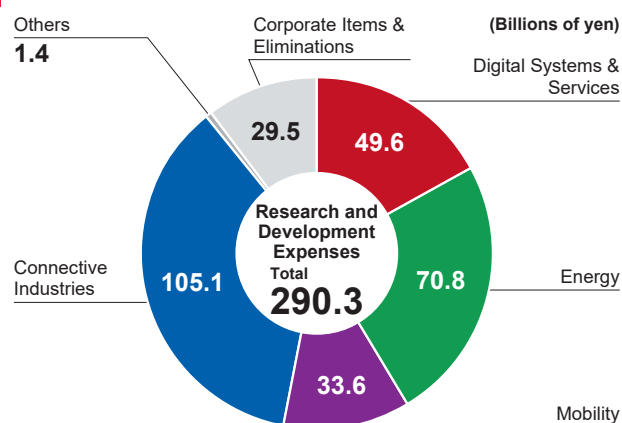
\* The domain of the real world that humans can physically interact with, as opposed to the digital domain

R&D expenses during Fiscal 2025 amounted to 290.3 billion yen, an increase of 30.9 billion yen from the previous fiscal year. This increase was mainly attributable to proactive investments aimed at business expansion, particularly in the power grid and the railway businesses. In addition to the development of advanced technologies through its own R&D activities, Hitachi is also promoting strategic investments in startups with cutting-edge digital technologies and those operating in new frontiers, including through the management of corporate venture capital funds.

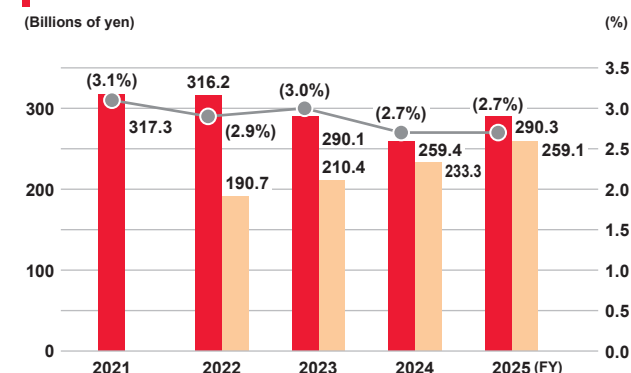


Silicon-based quantum computer and application image  
(Note) Part of this research was conducted with support from the Japan Science and Technology Agency (JST), Moonshot Research and Development Program (Grant Numbers: JPMJMS2065 and JPMJMS256H).

### R&D Expenses by Segment



### R&D Expenses Trends



Notes: 1. The red shows the total R&D expenses in Hitachi group and the orange shows the total in the four segments of Digital Systems & Services, Energy, Mobility and Connective Industries.

2. The number in parentheses is the percentage of R&D expenses to total revenues.

## Employees of Hitachi Group

As Hitachi develops its social innovation business globally, Hitachi believes that employees are the source of our value. Therefore, Hitachi leverages the combined power of its global network of employees to provide value to its customers and society, contributing to the creation of a sustainable society.

Under Inspire 2027, the Company is promoting initiatives to strengthen its human capital, including the acquisition of highly talented individuals through competitive compensation and the development of talent with expertise in fields essential for business growth, such as generative AI, as well as future management leaders.

As part of these initiatives, the Company has decided to introduce a share-based compensation plan for employees (RSU\* plan) and to roll out an ESPP\*\* on a global basis. Through these measures, the Company seeks to enhance employees' sense of ownership and commitment, while more closely aligning management and employees with the Company's sustainable growth objectives, thereby aiming to enhance long-term corporate value.

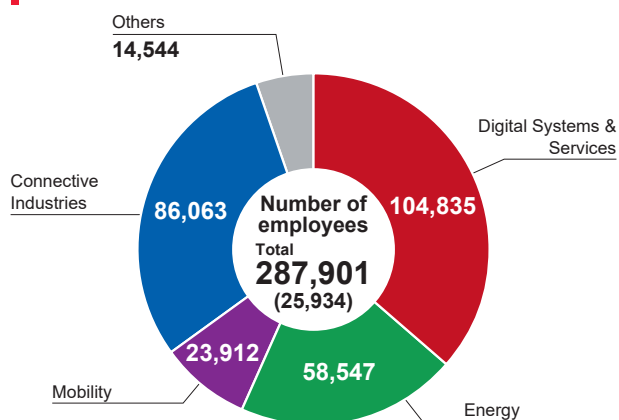
\* Restricted Stock Unit \*\* Employee Stock Purchase Plan



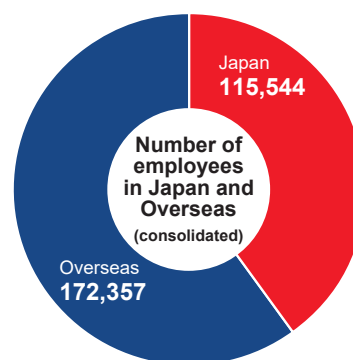
### Number of Employees in the Hitachi Group

287,901 (including 25,934 employees on unconsolidated basis)

#### Number of Employees by Segments



#### Number of Employees in Japan and Overseas



Notes: 1. The number of employees is as of March 31, 2026.  
2. The figure in parentheses is the number of employees on unconsolidated basis.

## Major Facilities and Major Group Companies of Hitachi Group (As of March 31, 2026)

The Company's facilities are located in Japan and Hitachi group companies are located all over the world, including Japan. The Company's major facilities and group companies are shown below.



Note: The circles show the number and location of the Company and major group companies.

### The Company

	Location
<b>Head Office</b>	Tokyo (Chiyoda-ku)
<b>R&amp;D</b>	Tokyo (Kokubunji), Ibaraki (Hitachi), Saitama (Hatoyama), Kanagawa (Totsuka-ku, Yokohama)
<b>Manufacturing, Design and Engineering</b>	Tokyo (Adachi-ku, Shinagawa-ku, Chiyoda-ku, Minato-ku), Ibaraki (Hitachi, Hitachinaka), Kanagawa (Saiwai-ku, Kawasaki; Hadano; Totsuka-ku, Yokohama), Yamaguchi (Kudamatsu)
<b>Sales and Area Operations</b>	Tokyo (Shinagawa-ku, Chiyoda-ku) Hokkaido Area Operation (Chuo-ku, Sapporo), Tohoku Area Operation (Aoba-ku, Sendai), Kanto Area Operation (Taito-ku, Tokyo), Hokuriku Area Operation (Toyama), Chubu Area Operation (Nakamura-ku, Nagoya), Kansai Area Operation (Kita-ku, Osaka), Chugoku Area Operation (Naka-ku, Hiroshima), Shikoku Area Operation (Takamatsu), Kyushu Area Operation (Chuo-ku, Fukuoka)

## Group Companies

Segment	Name of Company	Location	Ratio of Voting Rights (%)
Digital Systems & Services	Hitachi Channel Solutions, Corp.	Shinagawa-ku, Tokyo	100.0
	Hitachi Information & Telecommunication Engineering, Ltd.	Nishi-ku, Yokohama	100.0
	Hitachi Solutions, Ltd.	Shinagawa-ku, Tokyo	100.0
	Hitachi Systems, Ltd.	Shinagawa-ku, Tokyo	100.0
	Hitachi Vantara, Ltd.	Totsuka-ku, Yokohama	100.0
	GlobalLogic Worldwide Holdings, Inc.	U.S.A.	100.0
	Hitachi Digital LLC	U.S.A.	100.0
	Hitachi Digital Services LLC	U.S.A.	100.0
	Hitachi Payment Services Private Limited	India	100.0
	Hitachi Vantara LLC	U.S.A.	100.0
	Hitachi Vantara Manufacturing, Inc.	U.S.A.	100.0
Energy	Hitachi GE Vernova Nuclear Energy, Ltd.	Hitachi, Ibaraki	80.0
	Hitachi Plant Construction, Ltd.	Toshima-ku, Tokyo	100.0
	Hitachi Energy Ltd	Switzerland	100.0
Mobility	Hitachi Rail Ltd.	U.K.	100.0
Connective Industries	Hitachi Building Systems Co., Ltd.	Chiyoda-ku, Tokyo	100.0
	Hitachi Global Life Solutions, Inc.	Minato-ku, Tokyo	100.0
	Hitachi High-Tech Corporation	Minato-ku, Tokyo	100.0
	Hitachi Industrial Equipment Systems Co., Ltd.	Chiyoda-ku, Tokyo	100.0
	Hitachi Industrial Products, Ltd.	Chiyoda-ku, Tokyo	100.0
	Hitachi Industry & Control Solutions, Ltd.	Taito-ku, Tokyo	100.0
	Hitachi Plant Services Co., Ltd.	Taito-ku, Tokyo	100.0
	Hitachi Power Solutions Co., Ltd.	Hitachi, Ibaraki	100.0
	Hitachi Elevator (China) Co., Ltd.	China	70.0
	Hitachi Global Air Power US, LLC	U.S.A.	100.0
	Hitachi Industrial Holdings Americas, Inc.	U.S.A.	100.0
JR Technology Group, LLC	U.S.A.	100.0	

Segment	Name of Company	Location	Ratio of Voting Rights (%)
■ Others	Hitachi Real Estate Partners, Ltd.	Chiyoda-ku, Tokyo	100.0
	Hitachi America, Ltd.	U.S.A.	100.0
	Hitachi Asia Ltd.	Singapore	100.0
	Hitachi (China), Ltd.	China	100.0
	Hitachi Europe Ltd.	U.K.	100.0
	Hitachi India Pvt. Ltd.	India	100.0

- Notes: 1. The total number of consolidated subsidiaries is 606.  
2. The number of equity-method affiliates is 217. The major equity-method affiliates are Kokusai Electric Inc., Arcerik Hitachi Home Appliances B.V. and Astemo, Ltd.  
3. Hitachi Computer Products (America), Inc. changed its name to Hitachi Vantara Manufacturing, Inc. on April 1, 2025.  
4. Hitachi-GE Nuclear Energy, Ltd. changed its name to Hitachi GE Vernova Nuclear Energy, Ltd. on June 1, 2025.  
5. Hitachi Astemo, Ltd. changed its name to Astemo, Ltd. on April 1, 2025.  
6. Ratio of voting rights includes indirect ownership.

## Directors and Executive Officers

### Directors

#### Name, Position and Responsibilities, etc. (As of March 31, 2026)

Name	Position	Committee Membership	Other Principal Positions Held
Katsumi Ihara	Independent Director	Chair of the Board of Directors Nominating Committee (chair) Audit Committee Compensation Committee	-
Eriko Sakurai	Independent Director	Nominating Committee	Outside Director, Astellas Pharma Inc. Outside Director, Kao Corporation
Ikuro Sugawara	Independent Director	Nominating Committee Audit Committee	Outside Director, FUJIFILM Holdings Corporation
Takashi Nishijima	Independent Director	Audit Committee Compensation Committee	Outside Director, Murata Manufacturing Co., Ltd.
Helmuth Ludwig	Independent Director	Audit Committee	Senior Advisor, Bridgepoint, LLC (USA) Member Board of Directors, Myers Industries Inc. (USA)* Professor of Practice in Strategy and Entrepreneurship, Cox School of Business, Southern Methodist University (USA)
Takatoshi Yamamoto	Independent Director	Compensation Committee (chair)	Outside Director, Murata Manufacturing Co., Ltd.
Joe Harlan	Independent Director	Compensation Committee	-
Ravi Venkatesan	Independent Director	-	Venture Partner, Capria Ventures Advisors LLP. (India) Board Chair, Global Energy Alliance for People and Planet, LLC (USA)
Isabelle Deschamps	Independent Director	-	Member of Executive Committee, Chief Legal, Governance & Corporate Affairs Officer, Rio Tinto plc (UK)
Toshiaki Higashihara	Executive Chairman	Nominating Committee	-
Mitsuaki Nishiyama	Director	Audit Committee (chair)	-
Toshiaki Tokunaga	Director	Compensation Committee	-

- Notes: 1. Mr. Mitsuaki Nishiyama, Director (Audit Committee (chair)), has considerable knowledge of finance and accounting based on his long experience as a chief of accounting and finance department of the Company as well as an Executive Officer in charge of accounting and finance department.
2. The Company has appointed Director Mitsuaki Nishiyama as a standing committee member of the Audit Committee. The Company strives to improve the audit and supervisory functions of the Audit Committee by appointing a standing committee member and creating a system where the Audit Committee can discuss and make its decisions based on its coordination with the internal auditing division and others, along with its timely understanding of accurate information through attendance of important internal meetings, etc. and information-sharing with other committee members.
3. All of the Independent Directors of the Company have been reported as independent directors to the Japanese stock exchanges where the Company is listed.
4. The position with \* in "Other Principal Positions Held" is a position in the foreign corporation that is similar to outside director under the Companies Act.
5. The Company engages in transactions, including the sale and purchase of products and services, with Astellas Pharma Inc., Kao Corporation, FUJIFILM Holdings Corporation and Murata Manufacturing Co., Ltd. The volume of transactions with each of the companies and corporations is negligible in comparison to the total business volume of the Company and to the total business volume of the corresponding entity (less than 1% of either party's consolidated revenues).

#### Resigned Directors

Name	Position	Committee Membership	Other Principal Positions Held	Resignation date
Joe Harlan	Independent Director	Compensation Committee	-	April 21, 2026

#### General Intent of Limited Liability Agreement with Directors

The Company has entered into a limited liability agreement as stipulated in Article 427, Paragraph 1 of the Companies Act with each of the Directors (excluding Directors concurrently serving as Executive Officers). The general intent of the agreement is to limit the liability of Directors to the aggregate amount of each item stipulated under Article 425, Paragraph 1 of the Companies Act.

## Major Activities of Independent Directors

Each Independent Director attended the Board meetings and relevant committee meetings, stated opinions and made proposals proactively, conducted analyses from various perspectives, and discussed matters openly and effectively.

Name	Attendance	Activities and duties of the Independent Directors related to their expected role
Katsumi Ihara	Board of Directors meetings: 10 out of 10 days Nominating Committee: 10 out of 10 days Audit Committee: 12 out of 12 days Compensation Committee: 7 out of 7 days	Mr. Ihara stated his opinions and made proposals regarding the general management of the Group such as management policies and business strategies from a business management viewpoint based on his rich corporate management experience and insight gained through his involvement in the management of major companies conducting diverse businesses globally. He also led discussions at meetings of the Board of Directors and the Nominating Committee as the chairperson of both bodies.
Eriko Sakurai	Board of Directors meetings: 8 out of 8 days Nominating Committee: 7 out of 7 days	Ms. Sakurai stated her opinions and made proposals regarding the general management of the Company such as management policies and business strategies from a global business management viewpoint based on her rich experience and insight in corporate management and sustainability cultivated through her work at large-scale enterprises that develop diversified businesses on a global basis.
Ikuro Sugawara	Board of Directors meetings: 10 out of 10 days Nominating Committee: 7 out of 7 days Audit Committee: 12 out of 12 days	Mr. Sugawara stated his opinions and made proposals regarding the general management of the Group such as management policies and business strategies from a corporate growth and governance viewpoint based on his rich experience and insight in such areas as public administration.
Takashi Nishijima	Board of Directors meetings: 8 out of 8 days Audit Committee: 8 out of 8 days Compensation Committee: 5 out of 5 days	Mr. Nishijima stated his opinions and made proposals regarding the general management of the Company such as management policies and business strategies from a global business management viewpoint based on his rich experience and insight in corporate management cultivated through his work at international large-scale enterprises.
Helmuth Ludwig	Board of Directors meetings: 10 out of 10 days Audit Committee: 12 out of 12 days	Mr. Ludwig stated his opinions and made proposals regarding the general management of the Group such as management policies and business strategies from a global viewpoint based on his rich experience and insight in the area of global corporate management and digital business.
Takatoshi Yamamoto	Board of Directors meetings: 10 out of 10 days Compensation Committee: 7 out of 7 days	Mr. Yamamoto stated his opinions and made proposals regarding the general management of the Group such as management policies and business strategies from investors' viewpoints focusing on issues related to IR, information disclosure and corporate value based on his rich experience and insight in the area of corporate analysis and global corporate management. He also led discussions as the chairperson of the Compensation Committee.
Joe Harlan	Board of Directors meetings: 9 out of 10 days Compensation Committee: 6 out of 7 days	Mr. Harlan stated his opinions and made proposals regarding the general management of the Group such as management policies and business strategies from a global business management viewpoint based on his rich corporate management experience and insight gained through his involvement in the management of major companies conducting diverse businesses globally.
Ravi Venkatesan	Board of Directors meetings: 10 out of 10 days	Mr. Venkatesan stated his opinions and made proposals regarding the general management of the Group such as management policies and business strategies from a global viewpoint based on his rich experience and insight in the area of digital business and emerging markets.
Isabelle Deschamps	Board of Directors meetings: 10 out of 10 days	Ms. Deschamps stated her opinions and made proposals regarding the general management of the Group such as management policies and business strategies from a global viewpoint as well as a legal, governance, compliance and risk management perspective based on her rich experience and insight as a chief legal officer at major global companies, etc.

Note: Attendance at Board of Directors meetings and committee meetings is based on the days when meetings were held during each member's term of office.

## Executive Officers

### Name, Position and Responsibilities, etc. (As of March 31, 2026)

Name	Position	Responsibilities	Other Principal Positions Held
*Toshiaki Higashihara	Executive Officer	General	-
*Toshiaki Tokunaga	President	Overall management	-
*Jun Abe	Executive Vice President and Executive Officer	Assistant to the President (digital systems & services business and digital strategies) Digital systems & services business	-
*Brice Koch	Executive Vice President and Executive Officer	Assistant to the President (connective industries business) Connective industries business	-
Noriharu Amiya	Senior Vice President and Executive Officer	Urban systems business, industrial products & services business and industrial AI business	Chairman and Director, Hitachi Building Systems Co., Ltd.
*Tomomi Kato	Senior Vice President and Executive Officer	Finance strategies, corporate pension system, investment strategies, investor relations strategies and risk management	-
Shashank Samant	Senior Vice President and Executive Officer	Regional strategies (Americas/EMEA)	Chairman, Hitachi America, Ltd. Chairman, Hitachi Europe Ltd.
Andreas Schierenbeck	Senior Vice President and Executive Officer	Energy business	-
Jun Taniguchi	Senior Vice President and Executive Officer	Strategic social innovation business	-
Lorena Dellagiovanna	Senior Vice President and Executive Officer	Sustainability strategies, environmental strategies, human capital strategies, safety and health management, diversity, equity & inclusion strategies and crisis management strategies	-
Katsuya Nagano	Senior Vice President and Executive Officer	Business for government, public corporation and social infrastructure systems, and defense systems business; Assistant to the Executive Vice President (Digital Systems & Services (Japan))	-
*Masahiko Hasegawa	Senior Vice President and Executive Officer	Marketing & sales strategies, regional strategies (Japan/China), government & external relations and corporate communications strategies	-
Giuseppe Marino	Senior Vice President and Executive Officer	Mobility business	CEO, Hitachi Rail Ltd.

Name	Position	Responsibilities	Other Principal Positions Held
Atsuhiko Aketa	Vice President and Executive Officer	Regional strategies (China)	Chairman, Hitachi (China), Ltd.
Hidenori Azushima	Vice President and Executive Officer	Management strategies	-
Yasunori Inada	Vice President and Executive Officer	Nuclear energy business	-
Yasuki Imai	Vice President and Executive Officer	Business for financial institutions	-
Michael Goodman	Vice President and Executive Officer	Information security management and information technology strategies	-
Tadashi Kume	Vice President and Executive Officer	Supply chain management (manufacturing strategy and quality assurance) and safety and health management	-
Takashi Saito	Vice President and Executive Officer	Marketing & sales strategies (business for connective industries)	-
Shigetoshi Sameshima	Vice President and Executive Officer	Research & development	-
Susumu Takimoto	Vice President and Executive Officer	Human capital strategies, safety and health management and crisis management strategies	-
Yasuhiro Takeuchi	Vice President and Executive Officer	Business synergy promotion in Americas	CEO, Hitachi America, Ltd.
Kojin Nakakita	Vice President and Executive Officer	Regional strategies (APAC/India)	Chairman, Hitachi Asia Ltd. Director, Hitachi India Pvt. Ltd.
Hideshi Nakatsu	Vice President and Executive Officer	Industrial products & services business	-
Seiichiro Nukui	Vice President and Executive Officer	Information technology strategies	-
Hirohide Hirai	Vice President and Executive Officer	Government & external relations	-
Michele Fracchiolla	Vice President and Executive Officer	Strategic social innovation business	-
Yoshinori Hosoya	Vice President and Executive Officer	AI & software services business	-
Chie Mashima	Vice President and Executive Officer	Marketing & sales strategies	-
*Yuto Matsumura	Vice President and Executive Officer	Legal matters, corporate export regulation, compliance strategies, corporate auditing and intellectual property strategies	-
Takashi Yoda	Vice President and Executive Officer	Marketing & sales strategies (business for energy) and energy business	-

Notes: 1. Executive Officers marked with \* are Representative Executive Officers.

2. Executive Officer Toshiaki Higashihara and President Toshiaki Tokunaga concurrently hold Director positions.

#### Executive Officers who resigned in Fiscal 2025

Name	Position	Responsibilities	Other Principal Positions Held	Date of resignation
Andrew Barr	Vice President and Executive Officer	Regional strategies (EMEA)	-	February 20,2026

## New Executive Officers

The Company changed its Executive Officers as of April 1, 2026 as follows.

Name	Position	Responsibilities
*Toshiaki Higashihara	Executive Officer	General
*Toshiaki Tokunaga	President	Overall management
*Jun Abe	Executive Vice President and Executive Officer	Assistant to the President (digital systems & services business; digital strategies) Digital systems & services business
Noriharu Amiya	Senior Vice President and Executive Officer	Connective industries business
*Tomomi Kato	Senior Vice President and Executive Officer	Finance strategies, corporate pension system, risk management, investment strategies, investor relations strategies
Andreas Schierenbeck	Senior Vice President and Executive Officer	Energy business
Jun Taniguchi	Senior Vice President and Executive Officer	Strategic social innovation business
Lorena Dellagiovanna	Senior Vice President and Executive Officer	Human capital strategies, crisis management strategies, safety and health management, diversity, opportunity and inclusion strategies, environmental strategies, sustainability strategies, value integration strategies
Katsuya Nagano	Senior Vice President and Executive Officer	Assistant to the Executive Vice President (Digital Systems & Services (Japan)) Digital services business
*Masahiko Hasegawa	Senior Vice President and Executive Officer	Marketing & sales strategies, regional strategies overall management, corporate strategies overall management, government & external relations and corporate communications strategies, Business Management Promotion
Giuseppe Marino	Senior Vice President and Executive Officer	Mobility business
Atsuhiko Aketa	Vice President and Executive Officer	Marketing & sales strategies (business for energy)
Hidenori Azushima	Vice President and Executive Officer	Digital Systems & Services business (corporate strategies)
Yasunori Inada	Vice President and Executive Officer	Nuclear energy business
Yasuki Imai	Vice President and Executive Officer	Digital services business
Tadashi Kume	Vice President and Executive Officer	Supply chain management (manufacturing strategy and quality assurance) and safety and health management
Takashi Saito	Vice President and Executive Officer	Marketing & sales strategies (business for connective industries)
Shigetoshi Sameshima	Vice President and Executive Officer	Research & development
**Yoshimitsu Takagi	Vice President and Executive Officer	Industrial solutions business
Susumu Takimoto	Vice President and Executive Officer	Human capital strategies, crisis management strategies, safety and health management
Yasuhiro Takeuchi	Vice President and Executive Officer	Regional strategies (Americas)
**Takahiro Tsukishima	Vice President and Executive Officer	Corporate strategies
**Megumu Tsuda	Vice President and Executive Officer	Environmental strategies, sustainability strategies

Name	Position	Responsibilities
Kojin Nakakita	Vice President and Executive Officer	Regional strategies (APAC)
Hideshi Nakatsu	Vice President and Executive Officer	Industrial products business
**Masashi Hatakeyama	Vice President and Executive Officer	Finance strategies, corporate pension system
Hirohide Hirai	Vice President and Executive Officer	Government & external relations
**Satoko Fujimori	Vice President and Executive Officer	Information security management and information technology strategies
Michele Fracchiolla	Vice President and Executive Officer	Regional strategies (EMEA)
**Alice Po	Vice President and Executive Officer	Value integration
Yoshinori Hosoya	Vice President and Executive Officer	AI & software services business
**Kosuke Horiuchi	Vice President and Executive Officer	Regional strategies (India)
Chie Mashima	Vice President and Executive Officer	Marketing & sales strategies; Regional strategies (Japan)
*Yuto Matsumura	Vice President and Executive Officer	Legal matters, corporate export regulation, compliance strategies, intellectual property strategies and corporate auditing
**Yoshimaro Yusuki	Vice President and Executive Officer	Regional strategies (China)
Takashi Yoda	Vice President and Executive Officer	Business Management Promotion

Notes: 1. Executive Officers marked with \* are Representative Executive Officers.  
2. Executive Officers marked with\*\* are newly appointed.  
3. Alice Po's registered legal name is Po Woei Chiann.

## Content of Directors' and Officers' Liability Insurance Agreement

### (i) Insured People Covered

- The Company's Directors, Executive Officers, Corporate Officers (the executive positions just below Executive Officers) and employees who work as officers at the company to which they are assigned.
- Some of the Company's domestic subsidiaries' directors, corporate auditors, executive officers and employees (including employees who work as officers at the company to which they are assigned).

### (ii) Outline of the Insurance Agreement

The agreement compensates insured people for damages and litigation costs, etc. incurred as a result of any damage claims due to an act or omission carried out by the insured person as an executive of a company. However, the Company has taken measures to ensure that the appropriateness of the officers' execution of their duties is not impaired by excluding compensation for intentional negligence in the fulfillment of their duties, the illegal acquisition of private benefits or other benefits and damages resulting from criminal acts. The entire cost of the insurance agreement is borne by the Company or its subsidiaries that hold the insurance agreement.

## Compensation for Directors and Executive Officers

Regarding the compensation for Directors and Executive Officers, the Company's Compensation Committee determines the Policy for Determining Compensation of Directors and Executive Officers (the "Compensation Policy") as well as the amount of compensation, etc. of each Director and Executive Officer as follows.

### Compensation Policy

#### [Method of Determination of Policy]

The Company's Compensation Committee sets forth the Policy for Determining Compensation of Directors and Executive Officer pursuant to the applicable provisions of the Companies Act.

#### [Basic Policy]

Compensation for Directors and Executive Officers shall be determined in accordance with the following key policy.

- Compensation shall be commensurate with the roles and responsibilities of each Director and Executive Officer.

- Compensation for Directors shall be such that it enables them to exercise the functions of supervision of management effectively.

- Compensation for Executive Officers shall be reflected by considering the following factors;  
(Alignment with the Management Plan)

In the Short-term incentive compensation and Long-term incentive compensation, set performance metrics toward the Management Plan as Key Performance Indicators ("KPIs") to encourage executives to achieve them.

(Establishment of compensation program and corporate performance program that foster a growth mindset)

Pursue an optimal balance between short and medium- to long-term performance with respect to "growth", "improving profitability" and "cash generation", aiming for improved short-term performance and medium- to long-term growth in corporate value.

Establish a compensation program that significantly rewards performance by setting stretch goals and commensurate compensation levels.

(Setting indicators to promote sustainable management)

Develop specific indicators and goals related to "Environment, " "Business with Integrity" and "Quality of life" under its sustainability strategy, and encourage their implementation.

(Expansion of stock compensation that rewards growth in corporate value over the medium- to long-term)

Expand stock compensation to better align with medium- to long-term corporate value.

The Company will promote long-term share ownership through measures such as the establishment of shareholding guidelines.

- Competitive compensation levels with a global perspective

Ensure competitive compensation levels to attract and retain key executives in the global market, regardless of their residence or origin, who can lead the management of a global organization.

- Compensation benchmarking with objectivity and transparency

Reference to the benchmarks in the US and European markets in addition to the benchmarks in the Japanese market for analysis and level-setting from multiple perspectives.

- Transparency and objectivity through enhanced compensation disclosure and shareholder engagement

Endeavor to gain investors' understanding and support through sufficient disclosure of the compensation program with a global perspective and ongoing shareholder engagement, and continuously improve the program based on the insights gained through the engagement.

**[Compensation Structure]**

**(i) Matters relating to Directors**

Compensation for Directors consists of basic remuneration as fixed pay and stock compensation. The basic amount of basic remuneration and stock compensation is set based on the ratio of 3:1 as the standard.

The method of determination of each type of compensation is as follows.

**Basic remuneration**

- The amount of basic remuneration is decided by adjusting a basic amount to reflect full-time or part-time status, committee membership and position, and attendance of meetings, etc.

**Stock compensation**

- A restricted stock compensation unit is granted as an incentive to offer management supervision and advice with an awareness of medium- and long-term improvements in corporate value. The units becomes vested at the end of three fiscal years after granting, common stocks or cash for the vested units are delivered.

If it is found that a director has engaged in misconduct during his/her term of office, compensation for Directors that has already been paid shall be returned to the Company. A Director concurrently serving as an Executive Officer is not paid compensation as a Director.

**(ii) Matters relating to Executive Officers**

Basic remuneration: Short-term incentive: Medium- and Long-term incentive = 1.0 : 1.5 : 3.0* ratio		
Fixed pay	Variable pay	
Basic remuneration	Short-term incentive compensation	Medium- and Long-term incentive compensation

\* For President & CEO

Compensation for Executive Officers consists of basic remuneration as fixed pay and short-term incentive compensation and medium- and long-term incentive compensation as variable pay. In the case of the President & CEO, the basic amount of basic remuneration, short-term incentive compensation, and medium- and long-term incentive compensation is set based on the ratio of 1.0:1.5:3.0 as the standard, taking into account the composition of executive compensation for major global companies including the U.S. and European companies, in order to emphasize both the improvement of corporate value through the growth of global businesses and emphasize alignment with shareholder value. The compensation mix for the other Executive Officers is determined based on the level established for the President and CEO, such that the more higher the position an Executive Officer holds, the greater the proportion of variable pay is set to total annual compensation.

The method of determination of each type of compensation is as follows.

**Basic remuneration**

- The amount of basic remuneration is decided by adjusting a basic amount set in accordance with the relevant position to reflect the results of an assessment.

**Short-term incentive compensation**

- The amount of short-term incentive compensation is decided within the range of 0 to 200% of a basic amount set according to the relevant position by adjusting that amount to reflect financial results and individual performance. Evaluation items and proportion of evaluation item are as follows;

	Short-term incentives compensation		
President & CEO	Corporate performance:70%	Individual goals:10%	Sustainability:20%
Executive officers in charge of corporate affairs	Corporate performance:40%	Individual goals:40%	Sustainability:20%
Executive officers in charge of business	Corporate performance:30%	Division performance:30%	Individual goals:20% Sustainability:20%

- The amount of the financial performance linked component varies according to the evaluation of corporate performance and division performance.
  - Corporate performance is evaluated using consolidated revenues, profit index and cash flow in order to measure the level of achievement of consolidated financial forecasts disclosed to stakeholders, including shareholders and investors.
  - Division performance is evaluated using consolidated revenues, profit index and cash flow in each division in order to measure the level of achievement of targets under the Management Plan and the annual budgets for each division.
- The amount of the individual goals linked component varies according to the evaluation of the level of achievement of individual targets for each Executive Officer determined based on his/her responsibility.
- The amount of the sustainability measurement linked component varies according to the degree of achievement of the numerical goals for materiality which are established under the sustainability strategy in Management Plan.

### Medium- and Long-term incentive compensation

- The target amount (medium- and long-term incentive compensation target (“LTI target”)) is decided based on the positions of Executive Officers, and the shares of Restricted Stock (“RS”) compensation with an incumbency condition and Performance-linked Restricted Stock (“Performance-linked RS”) compensation are granted in order to propel management from a medium to long-term perspective and to provide incentives to grant about a sustainable increase in corporate value by further promoting senior management’s shared values with shareholders through the holding of shares during their term of office. The conditions, the grant ratio to LTI target and grant date of RS and Performance-Linked RS compensation are as follows;

Medium- and long-term incentive compensation				
Restricted Stock Units 30%	Performance Share Units			
	Compensation with stock price condition 70%			When the Management Plan targets are achieved Max. +20%
	TSR growth rate		ROIC	Sustainability
	TSR/TOPIX Growth Rate Ratio 35%	Global Competitive Comparison 35%	+10%	+10%

- In RS compensation units, RS compensation units equivalent to 30% of the LTI target are granted and commencing from the beginning of the fiscal year in which the units are granted, one-third of the number of the granted units shall be delivered as shares of the Company’s common stock upon the completion of each one fiscal year, over a period of three years. (Restricted stock equivalent to 30% of the LTI base amount is granted, and the transfer restrictions are lifted upon retirement, depending on each executive’s period of service and reason for retirement over the three fiscal years from the beginning of the fiscal year in which the shares are granted.)
- In performance-linked RS compensation units, the shares of Performance-linked RS Compensation unit will be granted depending on the degree of achievement of the evaluation KPI during a certain evaluation period, and the restriction on transfer will be lifted upon retirement. Performance-linked RS compensation comprises compensation with a stock price condition and compensation with conditions related to the achievement of Management Plan targets.
  - Stock compensation with a stock price condition is designed using Total Shareholder Return (TSR) as a performance metric, with the objective of enhancing medium- to long-term alignment with shareholder value. Specifically, Performance Share Units (“PSUs”) equivalent to 70% of the LTI target are granted. The Company’s common stock equivalent to 50 ~ 200% of the PSUs are granted in accordance with the results of comparing the Total Shareholder Return growth rate of the Company stock with the TOPIX growth rate (“TSR/TOPIX Growth Rate Ratio”) and with the %ile rank of the Total Shareholder Return growth rate of the Company among the global comparable companies determined by the Compensation Committee (“Global Competitive Comparison”). The evaluation period is the three fiscal years beginning in the fiscal year in which the PSUs are granted. For Executive Officers who retire before the end of the evaluation period, ex-post evaluation is conducted by subtracting the number of shares obtained by multiplying the ratio of their tenure to the evaluation period.
  - In stock compensation with conditions related to the achievement of Management Plan targets, this adopts, as vesting conditions, ROIC, a key performance indicator of the management plan, and sustainability metrics for which quantitative targets are established under the management plan, with the objective of enhancing management’s medium- to long-term commitment to the management plan. Specifically, PSUs equivalent to 20% of the LTI target are granted. The Company’s common stock equivalent to the PSUs are granted when the target of ROIC and sustainability indicators during the period of Management Plan covering the fiscal year when the PSUs are granted are achieved.
- If it is deemed inappropriate to grant shares of restricted stock and PSUs due to laws and regulations in the country of residence, etc., a cash award based on the value of the Company’s share price shall be substituted for RSU and PSU.
- From Fiscal 2019, shares of restricted stock have been granted in place of the stock options as stock-based compensation the Company has granted until then. From Fiscal 2023, the medium- and long-term compensation described above is granted. In addition, from the fiscal year starting April 1, 2026, the stock-based compensation system has been revised. The above restricted stock compensation has been abolished and replaced with a mid- to long-term incentive compensation consisting of restricted stock units and performance stock units. Stock compensation granted before the revision will be handled in accordance with the previous system and conditions.

If it is found that an Executive Officer has engaged in misconduct during his/her term of office, compensation for the Executive Officer that has already been paid shall be returned to the Company.

With regard to persons who are hired externally such as foreign persons, a compensation package could be individually determined based on the level of compensation in a job market which is considered for compensation benchmarking while referring the above policy.

With the aim of further enhancing the effectiveness of value sharing with shareholders through share ownership by Executive Officers, the Company has established shareholding guidelines applicable to Executive Officers and promotes continuous share ownership. Specifically, the guidelines set a target whereby Executive Officers are expected to acquire, within four years of appointment, and continuously hold during their term of office, shares equivalent in value to an amount calculated by multiplying their base compensation by coefficients determined according to their respective positions.

## Total Amount of Compensation to and the Number of Directors and Executive Officers in Fiscal 2025

Category	Total amount of compensation, etc. (Millions of yen)	Total amount of each type (Millions of yen)				Number of persons
		Fixed pay	Variable pay		Others	
			Short-term incentive compensation	Medium- and long-term incentive compensation		
Directors (excluding Independent Directors)	179	100	—	79	—	2
Independent Directors	426	348	—	78	—	11
Executive Officers	5,915	1,417	2,104	2,129	263	27
Total	6,521	1,866	2,104	2,286	263	40

- Notes: 1. The number of Directors indicated excludes 2 Directors who serve or served concurrently as Executive Officers.  
2. Fixed remuneration and short-term incentive remuneration consist of monetary compensation, while mid- to long-term incentive remuneration consists of non-monetary compensation and monetary compensation. The amount of mid- to long-term incentive remuneration represents the amount expensed for the fiscal year.  
3. "Others" includes the total amount of monetary compensation related to tax adjustments and housing allowances and other fringe benefits.  
4. In addition to the above, payments include mid- to long-term incentive remuneration of ¥312 million paid to one Director who retired at the conclusion of the 156th AGM held on June 25, 2025, and severance payments (remuneration paid upon retirement in accordance with contractual arrangements) totaling ¥738 million paid to two Executive Officers who retired as of March 31, 2026.  
5. Remuneration, etc. paid to officers are presented after conversion into Japanese yen.

### Performance Indicators Used to Calculate Performance-linked Compensation

Regarding the short-term incentive compensation, "Company performance" was evaluated referring to Consolidated revenues, Revenues of Lumada business, Adjusted EBITA margin, Earnings per Share and Core free cash flows in order to measure the level of achievement of consolidated financial forecasts disclosed to stakeholders, including shareholders and investors. "Division performance" was evaluated referring to Revenues, Revenues of Lumada business, Adjusted EBITA margin and Core free cash flows in each division, among other indicators, to measure the level of achievement of targets under the Mid-term Management Plan and the annual budgets for each division.

Please refer to "Business Overview and Results of Hitachi Group" in this report regarding the business results in Fiscal 2025.

The results of Performance Indicators for each medium- and long-term incentive compensation are as follows.

Name	Performance Indicators	Term	The result of Performance Indicators
Performance-linked Restricted Stock Compensation granted in April 2023	TSR/TOPIX Growth Rate Ratio	From April 1, 2023 to March 31, 2026	168.9%
	Global Competitive Comparison	From April 1, 2023 to March 31, 2026	90%ile
Performance-linked Restricted Stock Compensation granted in April 2024	TSR/TOPIX Growth Rate Ratio	From April 1, 2024 to March 31, 2026 (Note)	126.1%
	Global Competitive Comparison	From April 1, 2024 to March 31, 2026 (Note)	80%ile
Performance-linked Restricted Stock Compensation granted in April 2025	TSR/TOPIX Growth Rate Ratio	From April 1, 2025 to March 31, 2026 (Note)	97.5%
	Global Competitive Comparison	From April 1, 2025 to March 31, 2026 (Note)	70%ile

Note: These are calculated to determine the number of shares to be issued under Performance-linked RS compensation to be held by individuals who retired from Executive Officers, Directors or Corporate officers of the Company on March 31, 2026.

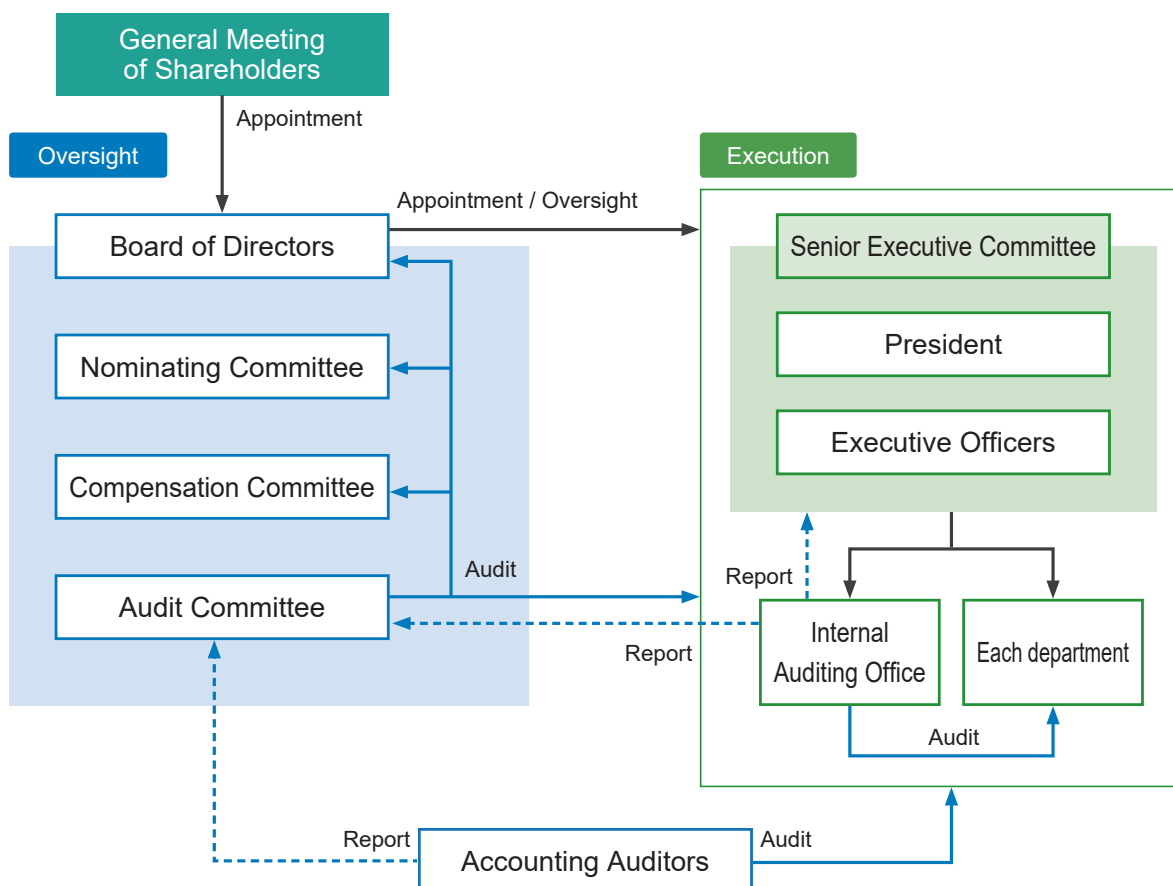
### Reasons why the Remuneration Committee concluded that the details of individual remuneration, etc. for the fiscal year are consistent with the policy for determining remuneration

With respect to the details of individual remuneration, etc. for Directors and Executive Officers, the Remuneration Committee determined a remuneration framework that serves as the specific basis for remuneration decisions in accordance with the policy for determining remuneration. As the details of such individual remuneration, etc. were determined based on this framework, the Remuneration Committee has concluded that they are consistent with the policy for determining remuneration.

## Corporate Governance System and Internal Control System

The Company is a company with a Nominating Committee, etc. under the Companies Act, aiming to establish a framework for the speedy implementation of its business operations and to realize highly transparent management by separating the responsibilities for management oversight and for the execution of business operations.

The Board of Directors, which is responsible for overseeing management, determines basic policies for management, etc. and also monitor the Executive Officers execution of business while significantly delegating authority to the Executive Officers.



**Summary of the resolution of the Board of Directors on the enhancement of the internal control system**

- a. The following measures shall be taken to ensure the effectiveness of the audits by the Audit Committee.
- (i) When necessary, the Board of Directors may appoint one or more directors, who are not concurrently serving as executive officers, to be director(s) responsible for assisting with the duties of the Audit Committee. In addition, the Board of Directors Office (the "Office") shall be established specifically to assist the Board of Directors and each committee with their duties.
  - (ii) To ensure the Office personnel are independent from the Executive Officers and the effect of instructions by the Audit Committee, the Office is staffed with personnel who work only for the Office and are not subject to the orders or instructions of Executive Officers, and the Audit Committee shall be informed in advance of planned transfers of Office personnel.
  - (iii) Executive Officers and employees shall report significant matters affecting the Company and its subsidiaries, the results of internal audits and the implementation status of reporting under the internal reporting system without delay to the members of the Audit Committee. It shall be provided for in the company regulation that reporters using the common internal reporting system of the Hitachi Group shall not be treated disadvantageously due to their submission of a report, and the system's administrative organization shall ensure this provision is thoroughly implemented.
  - (iv) The Office shall be responsible for paying for the expenses incurred in connection with the Audit Committee members' execution of their duties and other administrative duties, and shall promptly process payments for these expenses or debts except in cases where the expense or debt claimed is clearly found to be unnecessary for the execution of the Audit Committee members' duties.
  - (v) Standing Committee member(s) shall be appointed to the Audit Committee, and the activity plans of the Audit Committee shall be prepared in coordination with the audit plans of the Internal Auditing Office.
- b. The following measures shall be taken to ensure the adequacy of the operations within the Company and the Hitachi Group.
- (i) Fundamental policies that emphasize the social responsibilities of business enterprises shall be shared with the subsidiaries of the Company.
  - (ii) Each subsidiary of the Company shall develop systems to ensure the appropriateness of its operations appropriate for its size and other characteristics, the basic framework of which will be similar to the ones employed by the Company. To ensure each subsidiary's development of such systems, directors and auditors shall be sent by the Company to the subsidiaries, and regular audits of the subsidiaries shall be conducted.
  - (iii) A system for reporting matters to Directors shall be established to ensure that the Executive Officers of the Company execute their duties in compliance with laws, regulations and the Articles of Incorporation.
  - (iv) Information pertaining to the Company's Executive Officers' execution of their duties shall be prepared and maintained in accordance with internal rules.
  - (v) A structure shall be established in which each relevant department shall establish regulations and guidelines, conduct training, prepare and distribute manuals and carry out other such measures regarding various risks. Efforts shall be made to identify possible new risks through measures such as progress reports on business operations and, should it become necessary, an Executive Officer will be appointed promptly to be responsible for responding to a new risk.
  - (vi) The efficiency of the Company's Executive Officers, and the subsidiaries' Directors and Executive Officers' performance of their duties shall be ensured through the following business management systems.
    - The Senior Executive Committee shall be established to deliberate on and facilitate the formulation of decisions based on due consideration of diverse factors regarding important issues that affect the Company and/or the Hitachi Group.
    - Based on the management policy, medium-term business plans and annual budgets, on which performance management is based, shall be prepared to operate business in a planned and efficient manner.

- Internal audits of the Company and its subsidiaries shall be conducted to identify and monitor the status of their business operations and to facilitate improvements.
  - The Audit Committee shall receive the accounting auditors' audit plans in advance, and the prior approval of the Audit Committee shall be required regarding the fees to be paid to the accounting auditors.
  - Documented business processes for matters to be reflected in financial reports shall be executed by the Company and its subsidiaries, and internal and external auditors shall examine these processes to ensure the reliability of financial reports.
  - A structure for the adequate and efficient conduct of the common business operations of the Hitachi Group companies shall be established.
- (vii) Continuous maintenance of a legal and regulatory compliance structure shall be ensured through the following business management systems.
- Internal audits shall be conducted and various committees shall be established for legal and regulatory compliance activities. Furthermore, a Hitachi Group common internal reporting system shall be established and education regarding legal and regulatory compliance shall be provided.
  - Various policies and rules on compliance with laws shall be established, aiming to ensure that the employees are aware of the internal control systems overall and that the systems are effective.
- (viii) A system shall be established in which the subsidiaries submit reports on important issues and the progress of measures regarding operations to the Company through the Company's Senior Executive Committee, medium-term business plans and the budget system.
- (ix) The policy on transactions within the Hitachi Group is to trade fairly based on market prices.

## Summary of status of operation of the internal control system

### Audit Committee

- A standing committee member has been appointed to understand information in a timely and accurate manner by attending important internal meetings, such as meetings of the Senior Executive Committee, and promote information-sharing with other Committee members.
- The Audit Committee receives reports on audit plans of the accounting auditor and the Internal Auditing Office in advance and proposes changes to these plans, if necessary, and closely coordinates with the accounting auditor and the Internal Auditing Office by exchanging information and opinions on a regular basis.

### Board of Directors Office

- To assist with the duties of each Committee and the Board of Directors, the Office is staffed with 14 employees (as of March 31, 2026) who exclusively serve the Office and are not subject to the orders or instructions of Executive Officers. Eight of the Office's employees are dedicated to legality and validity audits in the Digital Systems & Services, Energy, Mobility and Connective Industries to serve as an auditor within the sector.

### Senior Executive Committee

- The Senior Executive Committee meets twice a month, in principle, to deliberate specific important matters concerning the Company or its subsidiaries and the annual business plan.
- The Senior Executive Committee makes efforts to identify potential signs of new risks through means such as progress reports on the business operations of the Company and its subsidiaries on a regular basis.

### Business Performance Management

- The Company has formulated business strategies, measures to be taken and financial targets as its medium-term business plan and annual budget, and manages business performance based on these plans.

### Establishment of Internal Regulations and Training, etc.

- Regarding risks related to compliance, information security, the environment, disasters, quality, investment activities, etc., the Company establishes and amends regulations and guidelines, conducts training and prepares and distributes manuals to ensure risk management.

**Whistleblowing System**

- The Company has established and operates the Hitachi Group common whistleblowing system.
- The Company has also established and operates a system for reporting suspicions of illegal acts, etc. by the Executive Officers to the Directors.

**Internal Audit**

- The Internal Auditing Office has conducted internal audits of the Company and its subsidiaries to monitor and improve their business operations, as well as to confirm the status of their compliance and prevent illegal acts.
- The Internal Auditing Office has reported the results of its internal auditing of the Company and its subsidiaries to the Audit Committee members without delay.

The Group invests a great deal of business resources in fundamental research and in the development of market-leading products and businesses that will bear fruit in the future, and realizing the benefits from these management policies requires that they be continued for a set period of time. For this purpose, the Company keeps its shareholders and investors well informed of not just the business results for each period but also of the Company's business policies for creating value in the future.

While the Company recognizes the importance of its revitalization of business activities and performance that can be brought about through a change in management control, it also recognizes the necessity of determining the impact on company value and the interests of all shareholders of the buying activities and buyout proposals of parties attempting to acquire a large share of stock of the Company or a Group company by duly examining the business description, future business plans, past investment activities, and other necessary aspects of such a party.

There is no party that is currently attempting to acquire a large share of the Company's stocks nor is there a specific threat, neither does the Company intend to implement specified so-called anti-takeover measures in advance of the appearance of such a party, but the Company does understand that it is one of the natural duties bestowed upon it by the shareholders and investors to continuously monitor the state of trading of the Company's stock and then to immediately take what the Company deems to be the best action in the event of the appearance of a party attempting to purchase a large share of the Company's stock. In particular, together with outside experts, the Company will evaluate the buyout proposal of the party and hold negotiations with the buyer, and if the Company deems that said buyout will not maintain the Company's value and is not in the best interest of the shareholders, then the Company will quickly determine the necessity, content, etc., of specific countermeasures and prepare to implement them. The same response will also be taken in the event a party attempts to acquire a large percentage of the shares of a Group company.

## Matters Concerning Accounting Auditor

### Name of accounting auditor

Ernst & Young ShinNihon LLC

### Fees to accounting auditor in Fiscal 2025

(Millions of yen)

Category	Amount		
	Fees for audit services (Note 1)	Fees for non-audit services	Total
Fees, etc. by the Company and its subsidiaries	1,250	41	1,291
Fees, etc. by the Company	666	34	700

Notes: 1. The fees for audits under the Financial Instruments and Exchange Act are included.  
2. The Audit Committee of the Company has given the consent with regard to the fees, etc. to accounting auditor, in accordance with Article 399, Paragraph 1 of the Companies Act, after having obtained necessary information and examined the status of the execution of duties by the accounting auditor, content of the audit plan, and grounds for calculating the estimated amount of fees, etc.

### Description of non-audit services

The Company commissioned various consulting services and assurance services to Ernst & Young ShinNihon LLC and paid fees.

### Subsidiaries whose financial statements are audited by certified public accountants, etc. other than the Company's accounting auditors

Some of the Company's overseas subsidiaries have been audited by an audit firm other than the Company's Accounting Auditor.

### Removal and non-retention policy on accounting auditors

In the event the Audit Committee determines that the causes provided for in each item of Paragraph 1 of Article 340 of the Companies Act apply to an accounting auditor and the accounting auditor needs to be removed immediately, the Audit Committee shall remove the accounting auditor by unanimity. Should this occur, the Audit Committee member selected by the Audit Committee shall give a report on the removal of the accounting auditor and the reason therefor at the first general meeting of shareholders to be convened after the said removal.

Besides the case above, it is determined that an accounting auditor should be replaced for such reason as the difficulty of ensuring an adequate performance of duties by the accounting auditor, the Audit Committee shall determine the contents of the agenda item on the non-retention of the accounting auditor to be submitted to the general meeting of shareholders.

## Matters Concerning the Company's Stock (As of March 31, 2026)

**Authorized** 10,000,000,000 shares

**Issued** 4,535,560,985 shares

Note: On March 31, 2026, the Company canceled 46,000,000 treasury shares.

**Number of Shares per Unit** 100 shares

### 10 Largest Shareholders

Name	Share Ownership (Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	742,663,700	16.50
Custody Bank of Japan, Ltd. (Trust Account)	248,921,800	5.53
STATE STREET BANK AND TRUST COMPANY 505001	147,704,302	3.28
THE CHASE MANHATTAN BANK, N.A. LONDONSECS LENDING OMNIBUS ACCOUNT	145,160,508	3.23
MOXLEY & CO LLC	108,165,930	2.40
Nippon Life Insurance Company	84,499,995	1.88
Hitachi Employees' Shareholding Association	73,662,230	1.64
GOVERNMENT OF NORWAY	70,531,030	1.57
JP MORGAN CHASE BANK 385642	67,468,788	1.50
STATE STREET BANK AND TRUST COMPANY 505223	64,500,403	1.43

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

2. Treasury stock (35,798,823 shares) is not included in the calculation of the shareholding ratio.

### Shareholders Composition

Class of shareholders	Status of shares								Number of shares less than one unit (shares)
	Government and municipality	Financial institution	Financial instruments business operator	Other institution	Foreign corporations, etc.		Individuals and others	Total	
					Non-individuals	Individuals			
Number of shareholders	2	221	98	3,628	1,582	1,308	356,693	363,532	-
Share ownership (units)	30	12,599,693	569,845	545,456	24,681,092	12,335	6,909,209	45,317,660	3,794,985
Ownership percentage of shares (%)	0.00	27.80	1.26	1.20	54.46	0.03	15.25	100.00	-

Note: Of the 35,798,823 shares of treasury stock, 357,988 units are included in the "Individuals and others" column, while 23 shares are included in the "Number of shares less than one unit" column.

### Shares Delivered to the Executive Officers, etc. of the Company as Compensation

Through restricted stock compensation plans, Performance-linked RS compensation and restricted stock unit compensation plans as the medium- and long-term incentive compensation, the Company issued as follow.

Category	Number of people	Shares
Executive Officers (including those retired)	38	888,500
Corporate Officers (including those retired)	43	266,300
Executives of Group companies (including those retired)	10	64,500

## Other Significant Matters concerning the Company's Stock

### Acquisition of treasury stock (Market purchase on the Tokyo Stock Exchange)

Treasury stock acquired pursuant to the resolution at the Board of Directors Meeting held on April 28, 2025

- Type and number of shares acquired: 68,675,100 shares of common stock
- Total purchase price for the acquisition of shares: 299,999,409,241 yen
- Period of acquisition: April 30, 2025 to December 17, 2025

In addition, Hitachi resolved to acquire treasury shares at the Board of Directors Meeting held on January 29, 2026, and based on such resolution, the acquisition of treasury shares had been completed by March 31, 2026.

- Type and maximum number of shares acquired: up to 30,000,000 shares of common stock  
Number of shares acquired 10,803,800 shares (Period of acquisition: March 1, 2026 to March 31, 2026)
- Maximum purchase price for the acquisition of shares: 100,000,000,000 yen  
Total purchase price for the acquisition of shares: 52,055,401,296 yen
- Period of acquisition: January 30, 2026 to April 30, 2026

## Information on the Stock Acquisition Rights, etc. (As of March 31, 2026)

### Stock Acquisition Rights Held by Senior Managements

Name of stock acquisition rights (Date of resolution)	The First Stock Acquisition Rights of Hitachi, Ltd. (June 29, 2016)	The Second Stock Acquisition Rights of Hitachi, Ltd. (April 6, 2017)	The Third Stock Acquisition Rights of Hitachi, Ltd. (April 11, 2018)
Class and number of shares to be issued upon exercise of stock acquisition rights	466,000 shares of common stock	461,800 shares of common stock	459,300 shares of common stock
Amount to be paid in upon exercise of stock acquisition rights	1 yen per share	1 yen per share	1 yen per share
Exercise period of stock acquisition rights	From July 15, 2016 to July 14, 2046	From April 27, 2017 to April 26, 2047	From April 27, 2018 to April 26, 2048
Conditions for the exercise of stock acquisition rights	(Note 1, 2)	(Note 1, 2)	(Note 1, 2)
Stock acquisition rights held by senior managements	5 Executive Officers of the Company etc., 3,994 of stock acquisition rights (Note 3)	5 Executive Officers of the Company etc., 3,988 of stock acquisition rights (Note 3)	8 Executive Officers of the Company 3,539 of stock acquisition rights (Note 3)

- Notes: 1. A holder of stock acquisition rights may exercise all the stock acquisition rights together only within 10 days (in case the last day is not a business day, the following business day) from the day immediately following the date on which he/she ceases to be an Executive Officer, Director or Corporate Officer of the Company.
2. The number of stock acquisition rights which a holder of stock acquisition rights may exercise shall be determined based on the ratio of (i) the total shareholder return for shares of Hitachi for three years from the beginning of the fiscal year in which the date of allotment of the stock acquisition rights falls to (ii) the growth rate of TOPIX (Tokyo Stock Price Index) for the same period (the "TSR/TOPIX Growth Rate Ratio"), in accordance with the stock price conditions:
- a. If the TSR/TOPIX Growth Rate Ratio is 120% or more  
All the stock acquisition rights allotted (the "Allotted Rights") may be exercised.
  - b. If the TSR/TOPIX Growth Rate Ratio is 80% or more but less than 120%  
Only a part of the Allotted Rights may be exercised according to the degree of achievement of the TSR/TOPIX Growth Rate Ratio.\*
- $$\text{*Number of stock acquisition rights exercisable} = \text{Number of Allotted Rights} \times \{(\frac{\text{TSR/TOPIX Growth Rate Ratio}}{\text{Rate Ratio}} \times 1.25) - 0.5\}$$
- Any fraction less than one stock acquisition right will be rounded down.
- c. If the TSR/TOPIX Growth Rate Ratio is less than 80%  
No Allotted Rights may be exercised.
3. The number of Executive Officers includes one Executive Officer who concurrently serve as Directors.

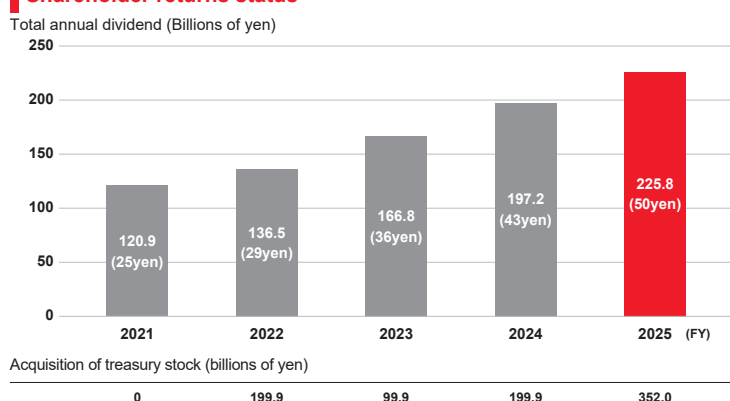
## Policy on the Determination of Distribution of Surplus, etc.

The Company views the return of profits to shareholders through enhancing corporate value from a medium- to long-term perspective and paying dividends and repurchasing its shares as an important managerial issue.

The Company determines dividends and repurchase of its shares by comprehensively considering the allocation of cash generated to mid- to long-term growth investments and shareholder returns, the overall level of shareholder returns combining dividends and share repurchases, and the impact on its financial condition and capital structure, in light of the business environment and other relevant factors. Based on this approach, the Company aims for stable dividend payments and flexible and timely repurchase of its shares.

In accordance with its medium- to long-term management strategy, the Company utilizes undistributed profits in areas such as M&A, research and development, and capital expenditure, in order to secure competitiveness and grow the business as global enterprise.

### Shareholder returns status



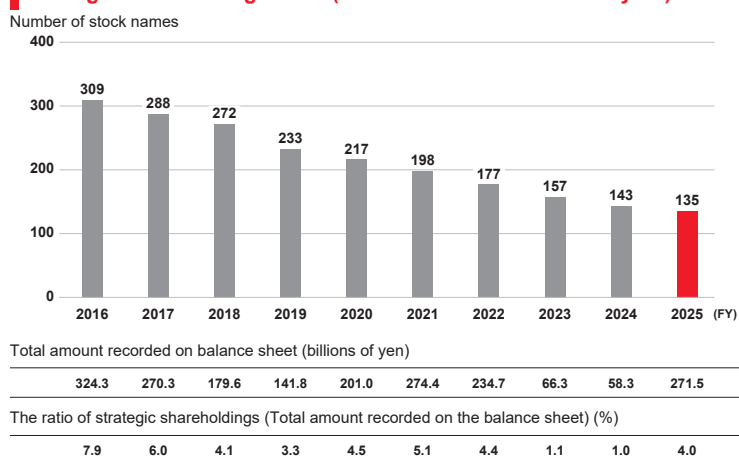
Note: The number in parenthesis is the annual dividends per share. On July 1, 2024, the Company conducted a stock split at a ratio of 5 shares for each 1 share, and the annual dividends per share is adjusted to reflect the stock split.

## Policy on the Strategic Shareholdings

Hitachi's basic policy is not to acquire or hold the shares of other companies except in cases where acquiring or holding such shares is necessary in terms of commercial transactions or business relationships. Hitachi will promote divesting such shares already held unless the significance or economic rationalities of holding are confirmed. The Board of Directors verifies the appropriateness of all such shareholdings every year. In the verification, each individual share is examined as to the purpose of holding the share and whether benefits from holding the share are in line with its capital efficiency targets. As a result of verification, Hitachi promotes the divestiture of the share for which the significance or economic rationality of holding is not confirmed.

As of the end of Fiscal 2025, the ratio of strategic shareholdings (total amount recorded on the balance sheet) made up 4.0% of total equity in the consolidated statement of financial position. The increase in the total balance sheet amount was mainly attributable to the reclassification of shares in Hitachi Construction Machinery Co., Ltd. - formerly an equity method affiliate - as strategic shareholding shares, following a review of the capital relationship. The Company remains committed to business portfolio reform and the reduction of strategic shareholding shares.

### Strategic shareholding status (As of the end of each fiscal year)



# Consolidated Financial Statements

## Consolidated Statement of Financial Position

	Fiscal 2024 (Reference) (As of March 31, 2025)	Fiscal 2025 (As of March 31, 2026)
	(Millions of yen)	
<b>(Assets)</b>		
<b>Current assets</b>	<b>6,597,843</b>	<b>7,867,239</b>
Cash and cash equivalents	866,242	1,323,480
Trade receivables and contract assets	3,496,340	4,004,890
Inventories	1,566,282	1,770,479
Investments in securities and other financial assets	318,421	355,304
Other current assets	350,558	413,086
<b>Non-current assets</b>	<b>6,686,970</b>	<b>7,174,007</b>
Investments accounted for using the equity method	836,231	612,142
Investments in securities and other financial assets	349,567	593,559
Property, plant and equipment	1,341,537	1,652,913
Goodwill	2,486,823	2,647,501
Other intangible assets	1,199,996	1,215,731
Other non-current assets	472,816	452,161
<b>Total assets</b>	<b>13,284,813</b>	<b>15,041,246</b>
<b>(Liabilities)</b>		
<b>Current liabilities</b>	<b>5,907,845</b>	<b>7,167,139</b>
Short-term debt	73,146	43,407
Current portion of long-term debt	368,818	425,877
Other financial liabilities	280,227	317,342
Trade payables	1,572,764	1,658,755
Accrued expenses	736,286	799,334
Contract liabilities	2,196,193	3,054,661
Other current liabilities	680,411	867,763
<b>Non-current liabilities</b>	<b>1,345,551</b>	<b>1,101,500</b>
Long-term debt	764,152	539,753
Retirement and severance benefits	247,497	235,675
Other non-current liabilities	333,902	326,072
<b>Total liabilities</b>	<b>7,253,396</b>	<b>8,268,639</b>
<b>(Equity)</b>		
<b>Hitachi, Ltd. stockholders' equity</b>	<b>5,847,091</b>	<b>6,568,369</b>
Common stock	464,384	466,666
Capital surplus	-	-
Retained earnings	4,350,503	4,759,761
Accumulated other comprehensive income	1,040,791	1,502,404
Treasury stock, at cost	(8,587)	(160,462)
<b>Non-controlling interests</b>	<b>184,326</b>	<b>204,238</b>
<b>Total equity</b>	<b>6,031,417</b>	<b>6,772,607</b>
<b>Total liabilities and equity</b>	<b>13,284,813</b>	<b>15,041,246</b>

## Consolidated Statement of Profit or Loss

	Years ended March 31	
	2025 (Reference)	2026
	(Millions of yen)	
Revenues	9,783,370	10,586,781
Cost of sales	(6,962,527)	(7,407,252)
<b>Gross profit</b>	<b>2,820,843</b>	<b>3,179,529</b>
Selling, general and administrative expenses	(1,849,237)	(1,980,254)
Other income	49,665	133,520
Other expenses	(143,023)	(200,802)
Financial income	53,944	106,811
Financial expenses	(12,905)	(8,871)
Share of profits (losses) of investments accounted for using the equity method	58,320	44,116
<b>Earnings before interest and taxes (EBIT)</b>	<b>977,607</b>	<b>1,274,049</b>
Interest income	32,038	32,702
Interest charges	(46,912)	(33,642)
<b>Income before income taxes</b>	<b>962,733</b>	<b>1,273,109</b>
Income taxes	(305,868)	(421,678)
<b>Net income</b>	<b>656,865</b>	<b>851,431</b>
Net income attributable to:		
Hitachi, Ltd. stockholders	615,724	802,368
Non-controlling interests	41,141	49,063

## Consolidated Statement of Comprehensive Income (Supplementary Information)

	Years ended March 31	
	2025	2026
	(Millions of yen)	
Net income	656,865	851,431
Other comprehensive income (OCI)		
Items not to be reclassified into net income		
Net changes in financial assets measured at fair value through OCI	(6,577)	37,046
Remeasurements of defined benefit plans	9,001	15,830
Share of OCI of investments accounted for using the equity method	(830)	5,042
Total items not to be reclassified into net income	1,594	57,918
Items that can be reclassified into net income		
Foreign currency translation adjustments	(86,628)	385,277
Net changes in cash flow hedges	(4,771)	5,903
Share of OCI of investments accounted for using the equity method	(3,906)	27,645
Total items that can be reclassified into net income	(95,305)	418,825
Other comprehensive income (OCI)	(93,711)	476,743
Comprehensive income	563,154	1,328,174
Comprehensive income attributable to:		
Hitachi, Ltd. stockholders	523,435	1,269,567
Non-controlling interests	39,719	58,607

## Consolidated Statement of Changes in Equity (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
Balance at beginning of year	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			5,646	(5,646)		-		-
Net income			802,368			802,368	49,063	851,431
Other comprehensive income				467,199		467,199	9,544	476,743
Dividends to Hitachi, Ltd. stockholders			(205,070)			(205,070)		(205,070)
Dividends to non-controlling interests							(38,036)	(38,036)
Acquisition of treasury stock					(352,260)	(352,260)		(352,260)
Disposition of treasury stock		(785)			880	95		95
Cancellation of treasury stock		(199,505)			199,505	-		-
Issuance of new shares	2,282	2,282				4,564		4,564
Transfer to capital surplus from retained earnings		193,686	(193,686)			-		-
Changes in non-controlling interests		4,322		60		4,382	(659)	3,723
Total changes in equity	2,282	-	409,258	461,613	(151,875)	721,278	19,912	741,190
Balance at end of year	466,666	-	4,759,761	1,502,404	(160,462)	6,568,369	204,238	6,772,607

## Consolidated Statement of Cash Flows (Supplementary Information)

	Years ended March 31	
	2025	2026
	(Millions of yen)	
<b>Cash flows from operating activities</b>		
Net income	656,865	851,431
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	431,534	457,973
Impairment losses	92,135	151,502
Income taxes	305,868	421,678
Share of (profits) losses of investments accounted for using the equity method	(58,320)	(44,116)
Financial income and expenses	8,485	(61,985)
Net (gain) loss on business reorganization and others	(29,638)	(131,877)
(Gain) loss on sale of property, plant and equipment	(18,891)	7,251
Change in trade receivables and contract assets	(343,973)	(370,388)
Change in inventories	(42,775)	(125,247)
Change in trade payables	66,257	(14,047)
Change in accrued expenses	46,675	34,227
Change in contract liabilities	424,016	716,947
Change in retirement and severance benefits	(39,858)	925
Other	(35,769)	49,151
Subtotal	1,462,611	1,943,425
Interest received	28,467	33,333
Dividends received	35,854	91,234
Interest paid	(50,093)	(35,422)
Income taxes paid	(304,599)	(364,509)
Net cash provided by (used in) operating activities	1,172,240	1,668,061
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(246,847)	(351,790)
Purchase of intangible assets	(144,801)	(146,039)
Proceeds from sale of property, plant and equipment, and intangible assets	46,379	14,089
Purchase of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	(292,420)	(175,347)
Proceeds from sale of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	73,395	297,145
Other	(9,356)	20,389
Net cash provided by (used in) investing activities	(573,650)	(341,553)
<b>Free cash flows</b>	598,590	1,326,508
<b>Cash flows from financing activities</b>		
Change in short-term debt, net	31,992	(38,622)
Proceeds from long-term debt	92,768	76,443
Payments on long-term debt	(174,532)	(412,409)
Proceeds from payments from non-controlling interests	43,591	1,433
Dividends paid to Hitachi, Ltd. stockholders	(189,057)	(204,915)
Dividends paid to non-controlling interests	(28,569)	(38,498)
Acquisition of common stock for treasury	(200,285)	(352,260)
Proceeds from sales of treasury stock	8	3
Purchase of shares of consolidated subsidiaries from non-controlling interests	(38)	(2,212)
Net cash provided by (used in) financing activities	(424,122)	(971,037)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(13,593)	101,767
<b>Change in cash and cash equivalents</b>	160,875	457,238
<b>Cash and cash equivalents at beginning of year</b>	705,367	866,242
<b>Cash and cash equivalents at end of year</b>	866,242	1,323,480

## Notes to Consolidated Financial Statements

(Notes on Important Matters for Basis of Presentation of Consolidated Financial Statements)

1. Basis of presentation  
The consolidated financial statements presented herein, under Article 120, Paragraph 1 of the Regulations of Companies' Financial Statements, have been prepared in conformity with International Financial Reporting Standards (hereinafter "IFRS"). However, under the second sentence of the above provision, some descriptions and notes required under IFRS are omitted.
2. Scope of consolidation and application of equity method  
The number of consolidated subsidiaries is 606 and the number of equity-method affiliates is 217.
3. 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 offers multiple solutions 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 and rebates, 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.

The Company recognizes the incremental costs of obtaining a contract with a customer and the costs directly related to fulfilling a contract as an asset if those costs are expected to be recovered, and those assets are amortized based on the methods used to recognize revenue of the goods or services to which the assets relate. The Company recognizes the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset is less than one year.

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.

#### 4. Financial assets

##### Financial assets measured at amortized cost

Financial assets are subsequently measured at amortized cost when they meet the following requirements:

- The financial asset is held within a business model the objective of which is to hold the asset to collect contractual cash flows.
- The contractual terms of the financial asset provide cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortized cost are initially measured at fair value (including direct transaction costs). The carrying amount of financial assets measured at amortized cost is subsequently measured using the effective interest method.

##### Financial assets measured at fair value through other comprehensive income

The Company holds certain equity instruments with the purpose of expanding its revenue base by maintaining and strengthening business relations with the investees. These equity instruments are classified as Financial assets measured at fair value through other comprehensive income by designation. They are initially and subsequently measured at fair value, and the changes in fair value are recognized in OCI. The cumulative amount of OCI is recognized in equity as AOCI. Dividends on equity instruments designated as fair value through other comprehensive income are recognized in profit or loss, except where they are considered to be a return of the investment.

##### Financial assets measured at fair value through profit or loss

Equity instruments not designated as Financial assets measured at fair value through other comprehensive income and debt instruments not classified as financial assets measured at amortized cost are classified as Financial assets measured at fair value through profit or loss. These instruments are subsequently measured at fair value and the changes in fair value are recognized in profit or loss.

##### Impairment of financial assets

The Company evaluates allowance for doubtful receivables depending on whether the credit risk has increased significantly since initial recognition, if the credit risk has increased significantly since initial recognition, the allowance for doubtful receivables is measured at the amount equal to the lifetime expected credit losses on the financial assets, if the credit risk has not increased significantly since initial recognition, the allowance for doubtful receivables is measured at the amount equal to 12-month expected credit losses. However, for trade receivables, contract assets, and lease receivables, allowance for doubtful receivables is always measured at the amount equal to the lifetime expected credit losses. Whether credit risk has increased significantly is determined based on changes in the risk of default and changes in expected credit losses are recognized in profit or loss as impairment losses.

#### 5. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the specific identification method or by the moving average method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to sell.

#### 6. Property, plant and equipment, Goodwill and Other intangible assets

##### Property, plant and equipment

Property, plant and equipment are measured using the cost model and stated at the cost less accumulated depreciation and accumulated impairment losses. Each asset is depreciated mainly using the straight-line method over its estimated useful lives. Right-of-use asset is depreciated from the commencement date of the lease to the earlier of the end of the useful life of the underlying asset or the end of the lease term on a straight-line basis.

##### Goodwill and Other intangible assets

Other intangible assets with finite useful lives are measured using the cost model and stated at the cost less accumulated amortization and accumulated impairment losses. Each asset is amortized mainly using the straight-line method over its estimated useful lives.

Goodwill and Other intangible assets with indefinite useful lives are stated at the cost less accumulated impairment losses.

##### Impairment losses

For each non-financial asset, the Company reviews the carrying amount and tests for impairment when there are events or circumstances indicating an asset's carrying amount may not be recoverable. For an asset that does not generate cash flows that are largely independent of the cash flows from other assets, the Company considers indicators of impairment based on a cash generating unit (CGU) or a group of CGUs. Irrespective of any indicators of impairment, the Company tests Goodwill and Other intangible assets with indefinite-lives for impairment annually by estimating the recoverable amount of each CGU (or group of CGUs) to which such assets are allocated.

7. Accounting methods for retirement and severance benefits

The Company and certain subsidiaries have defined benefit pension plans, severance lump-sum payment plans and defined contribution pension plans to provide retirement and severance benefits to employees.

(1) Defined Benefit Plans

Defined benefit plans include defined benefit pension plans and severance lump-sum payment plans. The present value of defined benefit obligations and retirement benefit costs are measured based on the projected unit credit method. The present value of defined benefit obligations and the fair value of plan assets are remeasured as of the end of reporting period. Actuarial differences arising during the year and changes in fair value of plan assets (excluding interest income) are recognized in OCI and are not subsequently reclassified into profit or loss. Any prior service cost, which arises at the time of a plan amendment, is recognized immediately in profit or loss when such an amendment occurs.

The present value of defined benefit obligations less the fair value of plan assets is presented as the net amount of defined benefit liability or asset in non-current liabilities or assets. When a defined benefit plan has a surplus, the net defined benefit asset is limited to the asset ceiling, which is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

(2) Defined Contribution Plans

Defined contribution pension plans are post-employment benefit plans in which the employer pays a certain amount of premiums to a third-party asset manager but has no legal or constructive obligation to pay in excess of such contributions. Contributions to the defined contribution plans are recognized in profit or loss in the period when the service is provided by the employees.

On April 1, 2023, all the subsidiaries participating in the Hitachi Pension Fund have completed changing their pension plans from defined benefit pension plan to risk-sharing corporate pension plan for current employees. Under this plan, a risk reserve contribution is determined in advance in accordance with the rules governing the plan, and the pension benefits are adjusted annually based on the financial position of the plan to maintain balanced finance.

In terms of the corresponding accounting treatments for retirement benefits, risk-sharing corporate pension plans, for which an entity accepts contribution obligations to the extent stipulated in the rules but has no further obligations to make any additional contributions, are classified as defined contribution plans. Since this risk-sharing corporate pension plan, which the Company and the consolidated subsidiaries have introduced, imposes no additional contribution obligations, it is classified as defined contribution plan.

(Notes on Accounting Estimates)

1. Allowance for doubtful receivables (The ending balance of Allowance for doubtful receivables of 139,385 million yen from trade receivables and contract assets, and 1,960 million yen from other receivables)

Calculation methods for Allowance for doubtful receivables are described in the note 4 in the "Notes on Important Matters for Basis of Presentation of Consolidated Financial Statements".

Expected credit losses are measured by taking the probability weighted average of the discounted present values of differences between the total amount of the contractual cash flows and the total amount of cash flows expected to be received in the future from the financial assets. If one or more events occur, such as overdue payments, extended payment terms, negative evaluation by third party credit rating agencies, and/or a deterioration in financial position and operating results, including capital deficit, the financial assets are individually assessed as credit-impaired financial assets and expected credit losses are measured based mainly on historical credit loss experience, future collectible amounts and other factors. The expected credit losses on the financial assets that are not credit-impaired are measured through collective assessment based mainly on provision rates depending on historical credit loss experience adjusted by the current and future economic situation and other factors, if necessary.

Expected credit losses are determined based on the best estimates and judgements but may be affected by deterioration of customers' financial conditions in the future or by variance of uncertain economic conditions in the future.

2. Impairment of Property, Plant and Equipment, Goodwill and Other Intangible Assets (Impairment losses of (122,613) million yen)

The calculation method used in determining impairment of property, plant and equipment, goodwill and other intangible assets are described in note 6 in the "Notes on Important Matters for Basis of Presentation of Consolidated Financial Statements". The Company measures the recoverable amount of an asset or a CGU (or a group of CGUs) as the higher of fair value less costs of disposal and value in use. In measuring fair values, the Company and its subsidiaries primarily use the income approach (present value technique) based on the estimated future cash flows expected to result from the use of the asset and its eventual disposal or the market approach to derive reasonable estimates of values in orderly market transactions, such as comparisons of similar public companies and the current gross value of the asset. Value in use is calculated by the estimated future cash flows based on business plans approved by management, discounted at the discount rate which is derived from the weighted average cost of capital. The business plan used is based on external information, reflects historical experiences, and generally has a maximum of five years. Estimated cash flows beyond the period covered by the business plan are calculated using the estimated growth rate not exceeding the long-term average growth rate of the market to which the asset belongs. 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. In addition, the discount rate used to calculate the value in use is affected by stock market trends and fluctuations in interest rates.

The group of CGUs to which a significant proportion of goodwill was allocated were the power grids business in the Energy segment as of March 31, 2026. The recoverable amount used in the annual impairment test of goodwill of the power grids business was calculated based on the value in use and in calculation of the value in use, estimated future cash flows was discounted at the discount rate derived from the weighted average cost of capital. Estimated future cash flows was based on business plan for five years and beyond the period covered by the business plan were calculated taking into account growth rate. The significant assumptions were revenue growth rates and gross profit ratios which reflected past experience and external information. The growth rate was set taking into account indices such as long-term inflation rate announced by an external research organization. Impairment losses related to the goodwill were not recognized in the fiscal year ended March 31, 2026.

The carrying amount of goodwill allocated to the power grids business was 659,712 million yen as of March 31, 2026.

The Company considers it unlikely for the carrying amount of each CGU (or group of CGUs), together with allocated goodwill, would exceed the respective recoverable amounts of the CGU (or group of CGUs) even if the primary assumptions used for the impairment test changed within a reasonable range.

3. Employee Retirement Benefits (The ending balance of Retirement and severance benefits of 235,675 million yen)

Calculation methods for employee retirement benefits are described in the note 7 in the "Notes on Important Matters for Basis of Presentation of Consolidated Financial Statements".

The measurement of a significant amount of employee retirement benefit costs is derived from actuarial valuations containing a number of actuarial assumptions including mortality, withdrawal and retirement rates, changes in wages and the discount rate. The Company and its subsidiaries make judgements regarding the actuarial assumptions used by taking into account various factors including personnel demographics, market conditions and expected trends in interest rates. Actuarial assumptions are determined based on the best estimates and judgements but may be affected by variance of uncertain economic conditions in the future or by amendments or issuance of related laws.

4. Long-term projects (The ending balance of Provisions for expected losses on construction contracts of 103,336 million yen)

The Company is engaged in long-term projects to 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) and provisions for expected losses on construction contracts are recognized based on future estimated losses when there is a possibility of incurring losses in the future. For long-term projects, the total estimated revenue is calculated to the extent that is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when uncertainty associated with the total estimated revenue is subsequently resolved. In addition, the total estimated costs are estimated considering contract risks and other factors. The Company regularly reviews these estimates and reflects them in its accounting treatment.

5. Deferred tax assets (The ending balance of Deferred tax assets of 201,738 million yen)

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which unused tax loss carryforwards, unused tax credits and future deductible temporary differences can be utilized. A certain amount of negative impact due to the business environment is included in future taxable income. In assessing the realizability of deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income in specific tax jurisdictions during the periods in which these deductible differences become deductible. The Company carries out an assessment of the scheduled reversals of deferred tax liabilities and projected future taxable income, including the execution of certain available tax strategies if needed. Based on these factors, the Company considers it is more likely than not it will realize the benefits of these deductible differences as of March 31, 2026. However, the times and amounts of taxable income occurrence may be affected by variance of uncertain economic conditions in the future, and the actual times and amounts may differ from the estimates.

The Company has applied the temporary exception to recognizing and disclosing information about deferred tax assets and liabilities related to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Co-operation and Development (hereinafter "the Pillar Two income taxes") in accordance with IAS 12 "Income taxes". As a result of applying the temporary exception, the Company does not recognize deferred tax assets and liabilities related to the Pillar Two income taxes.

(Notes to Consolidated Statement of Financial Position)

1. The components of Trade receivables and contract assets: Accounts receivable of 2,621,130 million yen, Contract assets of 1,314,805 million yen, and Others of 68,955 million yen.  
Trade receivables and contract assets are stated as net of the allowance for doubtful receivables. Others include electronically recorded monetary claims and notes receivable.
2. Accumulated other comprehensive income: Foreign currency translation adjustments of 1,290,980 million yen, remeasurements of defined benefit plans of 130,835 million yen, net changes in financial assets measured at fair value through other comprehensive income of 75,375 million yen, and net changes in cash flow hedges of 5,214 million yen.
3. Collateralized assets: Cash and cash equivalents of 80 million yen, trade receivables and contract assets of 184 million yen, other current assets of 330 million yen, investments in securities and other financial assets of 277 million yen, and property, plant and equipment of 6,127 million yen.  
Secured debts: 2,868 million yen.
4. Allowance deducted directly from assets: 139,385 million yen from trade receivables and contract assets, and 1,960 million yen from other receivables.
5. Accumulated depreciation and impairment losses of property, plant and equipment are (2,473,184) million yen.
6. Guarantees: 3,346 million yen

(Notes to Consolidated Statement of Profit or Loss)

1. Other income  
Other income of 133,520 million yen mainly consists of net gain or loss on business reorganization and others of 131,877 million yen.
2. Other expenses  
Other expenses of (200,802) million yen mainly consists of impairment losses on investments accounted for using the equity method, property, plant and equipment, goodwill and other intangible assets of (151,502) million yen.
3. Income taxes  
Income taxes of (421,678) million yen includes current tax expense of (431,376) million yen and deferred tax expense of 9,698 million yen.

(Notes to Consolidated Statement of Changes in Equity)

1. Class and number of issued shares and treasury stocks at end of year
  - (1) Issued shares    Common stock    4,535,560,985 shares
  - (2) Treasury stocks    Common stock    35,798,823 shares
2. Cash dividends  
Total amount of cash dividends                      205,070 million yen
3. Class and number of shares to be issued upon exercise of stock acquisition rights at end of year  
Common stock    1,152,100 shares

(Notes on Revenue Recognition)

1. 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 fiscal year ended March 31, 2026 are as follows.

(Millions of yen)

	Japan						Overseas Revenues Subtotal	Total Revenues
		North America	Europe	Asia	Other Areas			
Digital Systems & Services	2,066,578	357,395	223,945	235,110	57,029	873,479	2,940,057	
Energy	254,669	898,999	1,031,840	474,767	559,678	2,965,284	3,219,953	
Mobility	85,863	111,332	822,570	128,784	173,022	1,235,708	1,321,571	
Connective Industries	1,691,091	284,224	206,326	1,042,367	38,783	1,571,700	3,262,791	
Others	456,225	5,508	12,963	55,095	1,298	74,864	531,089	
Subtotal	4,554,426	1,657,458	2,297,644	1,936,123	829,810	6,721,035	11,275,461	
Corporate items & Eliminations	(641,572)	(3,646)	(22,688)	(20,183)	(591)	(47,108)	(688,680)	
Total	3,912,854	1,653,812	2,274,956	1,915,940	829,219	6,673,927	10,586,781	

The Digital Systems & Services segment consists of Front Business, IT Services and Services & Platforms, for which revenue amounted to 1,309,932 million yen, 1,107,993 million yen and 1,082,670 million yen for the year ended March 31, 2026 (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.

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 fiscal year ended March 31, 2026, the amount of revenue recognized based on the pattern of the cost accrual arising from long-term projects was 3,504,796 million yen.

2. 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 analysis 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 analysis 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 analysis 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.

3. Information about contract balances

The following table shows the beginning and ending balances of Trade receivables, Contract assets and Contract liabilities from contracts with customers for the fiscal year ended March 31, 2026.

(Millions of yen)

	April 1, 2025	March 31, 2026
Trade receivables	2,352,963	2,692,793
Contract assets	1,196,580	1,394,506
Contract liabilities	2,272,034	3,136,649

Of the revenue recognized during the fiscal year ended March 31, 2026, the amount included in Contract liabilities at the beginning of the fiscal year was 1,032,764 million yen. And the amount related to performance obligations satisfied in the past periods was not material.

4. Transaction price allocated to remaining performance obligations

The following table shows the balance of unsatisfied performance obligations by reportable segment for the fiscal year ended March 31, 2026.

(Millions of yen)

	(Millions of yen)	
	Intersegment transactions	Balance of unsatisfied performance obligations
Digital Systems & Services	94,152	1,720,141
Energy	23,808	9,966,376
Mobility	2,082	7,103,586
Connective Industries	164,226	2,159,124

Segments of the Company and its subsidiaries that have contracts under which revenue is recognized over a long period of time are primarily the Digital Systems & Services segment, Energy segment, Mobility segment and Connective Industries segment.

The estimated timing of unsatisfied performance obligations at the fiscal year ended March 31, 2026 is as follows.

Approximately 90% of the balance of unsatisfied performance obligations of the Digital Systems & Services segment was expected to be satisfied within three years and approximately 10% after three years but no more than five years.

Approximately 80% of the balance of unsatisfied performance obligations of the Energy segment was expected to be satisfied within three years and approximately 20% after three years but no more than five years.

Approximately 50% of the balance of unsatisfied performance obligations of the Mobility segment was expected to be satisfied within three years and approximately 20% after three years but no more than five years.

Approximately 90% of the balance of unsatisfied performance obligations of the Connective Industries segment was expected to be satisfied within three years.

Others have contracts whose initial expected terms are generally one year or less.

Accordingly, related information is excluded from this disclosure in accordance with the practical expedient.

5. Assets recognized from the costs incurred for obtaining or fulfilling contracts with customers

The Company and its subsidiaries recognize the costs incurred for obtaining or fulfilling contracts with customers as an asset to the extent those costs are expected to be recovered. Such costs recognized as an asset as of March 31, 2026 were not material.

(Notes on Financial Instruments)

1. Status of Financial Instruments

The Company and its subsidiaries, in an endeavor to optimize the capital efficiency of their business activities through efficient management of operating funds, include highly liquid short-term investments, which mature within three months of the date of acquisition and pose very little risk of fluctuation in value, in “cash equivalents” as immediately available financial resources.

Customer credit risk regarding receivables is managed based mainly on the current economic conditions, inherent risks, the financial position of the relevant customer and the past record.

Investments in securities and other financial assets mainly comprise equity financial instruments, which are managed by constantly monitoring the fair value.

Short-term debt and long-term debt are mainly used to fund business operations and capital expenditures.

2. Fair Value, etc. of Financial Instruments

(1) 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 and Other financial liabilities

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 and 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 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.

(2) Financial Instruments Measured at Amortized Cost

The carrying amounts and estimated fair values of the financial instruments measured at amortized cost as of March 31, 2026 is 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)	
	Carrying amounts	Fair values
<u>Assets</u>		
Investments in securities and other financial assets		
Lease receivables	22,595	24,937
Debt securities	46,308	45,203
Long-term loans receivable	10,914	11,675
<u>Liabilities</u>		
Long-term debt [1]		
Bonds	220,000	206,938
Long-term debt	443,696	437,837

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

(3) 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.

The following table presents the assets and liabilities that are measured at fair value on a recurring basis as of March 31, 2026.

(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	559	-	67,527	68,086
Debt securities	11,285	7,183	3,484	21,952
Derivatives	-	125,317	225	125,542
Financial assets measured at fair value through other comprehensive income:				
Investments in securities and other financial assets				
Equity securities	264,331	1,208	110,035	375,574
Total financial assets at fair value	276,175	133,708	181,271	591,154
Financial liabilities measured at fair value through profit or loss:				
Other financial liabilities				
Derivatives	-	83,272	-	83,272
Total financial liabilities at fair value	-	83,272	-	83,272

The following table presents the changes in Level 3 instruments measured on a recurring basis for the year ended March 31, 2026.

(Millions of yen)

Level 3 financial assets	Equity securities	Debt securities	Derivatives	Total
Balance at beginning of year	150,711	2,979	1,856	155,546
Gain (loss) in profit or loss [1]	94	(6)	(1,795)	(1,707)
Gain (loss) in OCI [2]	4,967	-	-	4,967
Purchases	19,470	23	221	19,714
Sales and redemption	(1,973)	(125)	-	(2,098)
Acquisitions and divestitures	-	13	-	13
Other	4,293	600	(57)	4,836
Balance at end of year	177,562	3,484	225	181,271
Unrealized gain (loss) relating to financial assets held at end of year [3]	108	(13)	-	95

- [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 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 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 year is included in Financial income and Financial expenses in the 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 on Per Share Information)

Hitachi, Ltd. stockholders' equity per share	1,459.71 yen
Earnings per share attributable to Hitachi, Ltd. stockholders	176.76 yen

(Notes on Major Subsequent Events)

1. 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

2. Sale of the Home Appliance Business

Hitachi Global Life Solutions, Inc. (hereinafter "Hitachi GLS"), a consolidated subsidiary of the Company in the Connective Industries segment, decided the establishment of a new company for its home appliance business and the transfer of 80.1% of the shares of the new company to a special purpose company (hereinafter "SPC") managed by Nojima Corporation, and entered into a share purchase agreement on April 21, 2026.

Based on the agreement, Hitachi GLS will transfer 80.1% of the shares of the new company to SPC. As a result of this transfer of shares, Hitachi GLS's ownership ratio of shares of the new company will decrease from 100% to 19.9%, and the new company will be deconsolidated and not be accounted for as an equity-method associate. The share transfer is expected to be completed by the end of the year ending March 31, 2027.

The consideration is approximately 110.0 billion yen, and the final consideration will be determined after certain adjustments. 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, 2027.

(Other Note)

Sale of shares of Astemo, Ltd. (hereinafter "Astemo")

On December 16, 2025, the Company entered into an agreement regarding the transfer of a part of common stocks of Astemo, an equity-method associate of the Company in Corporate items of segment information, 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 of this transfer of shares, the Company's ownership ratio of shares of Astemo will decrease from 40.0% to 19.0%, and Astemo will cease 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, 2027.

## Unconsolidated Balance Sheet

	Fiscal 2024 (Reference) (As of March 31, 2025)	Fiscal 2025 (As of March 31, 2026)
	(Millions of yen)	
<b>(Assets)</b>		
<b>Current assets</b>	<b>1,123,104</b>	<b>1,454,048</b>
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)
<b>Fixed assets</b>	<b>5,392,346</b>	<b>5,478,638</b>
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)
<b>Total assets</b>	<b>6,515,451</b>	<b>6,932,686</b>

	Fiscal 2024 (Reference) (As of March 31, 2025)	Fiscal 2025 (As of March 31, 2026)
	(Millions of yen)	
<b>(Liabilities)</b>		
<b>Current liabilities</b>	<b>2,107,382</b>	<b>2,413,307</b>
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
<b>Non-current liabilities</b>	<b>820,569</b>	<b>570,209</b>
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
<b>Total liabilities</b>	<b>2,927,951</b>	<b>2,983,517</b>
<b>(Net assets)</b>		
<b>Stockholders' equity</b>	<b>3,556,972</b>	<b>3,788,381</b>
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)
<b>Valuation and translation adjustments</b>	<b>29,717</b>	<b>160,123</b>
Unrealized holding gains on securities	23,692	158,266
Deferred profit or loss on hedges	6,024	1,856
<b>Subscription rights to shares</b>	<b>809</b>	<b>664</b>
<b>Total net assets</b>	<b>3,587,499</b>	<b>3,949,169</b>
<b>Total liabilities and net assets</b>	<b>6,515,451</b>	<b>6,932,686</b>

## 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
<b>Gross profit on sales</b>	<b>568,167</b>	<b>620,957</b>
Selling, general and administrative expenses	356,072	408,886
<b>Operating income</b>	<b>212,094</b>	<b>212,071</b>
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
<b>Ordinary income</b>	<b>428,610</b>	<b>799,972</b>
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	-
<b>Income before income taxes</b>	<b>446,581</b>	<b>863,640</b>
Income taxes		
Current	56,062	78,324
Deferred	412	1,291
<b>Net Income</b>	<b>390,107</b>	<b>784,025</b>

## 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).

**Independent Auditor's Report**

May 12, 2026

Mr. Toshiaki Tokunaga, President & CEO  
Hitachi, Ltd.

Ernst & Young ShinNihon LLC  
Tokyo, Japan

Koji Fujima  
Designated Engagement Partner  
Certified Public Accountant

Nobuyuki Shimizu  
Designated Engagement Partner  
Certified Public Accountant

Teruyasu Omote  
Designated Engagement Partner  
Certified Public Accountant

Shinya Yoshida  
Designated Engagement Partner  
Certified Public Accountant

**Opinion**

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity, and notes to the consolidated financial statements of Hitachi, Ltd. and its consolidated subsidiaries (the Group) applicable to the fiscal year from April 1, 2025 to March 31, 2026.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group applicable to the fiscal year ended March 31, 2026, in accordance with International Financial Reporting Standards (IFRSs) (however, certain disclosures are omitted pursuant to the second sentence of Article 120, paragraph 1 of the Regulations on Corporate Accounting).

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The other information comprises the information included in the Group's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs (however, certain disclosures are omitted pursuant to the second sentence of Article 120, paragraph 1 of the Regulations on Corporate Accounting) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by IFRSs (however, certain disclosures are omitted pursuant to the second sentence of Article 120, paragraph 1 of the Regulations on Corporate Accounting), matters related to going concern.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with IFRSs (however, certain disclosures are omitted pursuant to the second sentence of Article 120, paragraph 1 of the Regulations on Corporate Accounting).
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

(Notes)

This is an English translation of the Japanese language Independent Auditor's Report issued by Ernst & Young ShinNihon LLC in connection with the audit of the consolidated financial statements of the Company, prepared in Japanese, for the fiscal year ended March 31, 2026. Ernst & Young ShinNihon LLC has not audited the English language version of the consolidated financial statements for the above-mentioned year.

Independent Auditor's Report

May 12, 2026

Mr. Toshiaki Tokunaga, President & CEO  
Hitachi, Ltd.

Ernst & Young ShinNihon LLC  
Tokyo, Japan

Koji Fujima  
Designated Engagement Partner  
Certified Public Accountant

Nobuyuki Shimizu  
Designated Engagement Partner  
Certified Public Accountant

Teruyasu Omote  
Designated Engagement Partner  
Certified Public Accountant

Shinya Yoshida  
Designated Engagement Partner  
Certified Public Accountant

Opinion

Pursuant to Article 436, paragraph 2, item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of operations, the statement of changes in net assets, and notes to the financial statements, and its supplementary schedules of Hitachi, Ltd. (the Company) applicable to the 157th fiscal year from April 1, 2025 to March 31, 2026.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position and results of operations of the Company applicable to the fiscal year ended March 31, 2026, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Company's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Responsibilities of Management and the Audit Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit Committee is responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

#### Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### (Notes)

This is an English translation of the Japanese language Independent Auditor's Report issued by Ernst & Young ShinNihon LLC in connection with the audit of the unconsolidated financial statements of the Company, prepared in Japanese, for the fiscal year ended March 31, 2026. Ernst & Young ShinNihon LLC has not audited the English language version of the unconsolidated financial statements for the above-mentioned year.

### AUDIT REPORT

We, the Audit Committee of the Company, audited the performance by Directors and Executive Officers of their duties during the 157th business term (from April 1, 2025 to March 31, 2026). We hereby report as follows on the method and results thereof:

#### 1. Method of Audit

- 1) We received periodical reports, obtained required explanations, and clarified opinions regarding the state of implementation and operation of the contents of the resolutions of the Board of Directors concerning the matters as listed in Article 416, Paragraph 1, Item 1 (ro) and (ho) of the Companies Act, and the status of the systems (internal control systems) established thereunder.
- 2) In accordance with the audit policy, assignment of audit duties, etc., as determined by the Audit Committee, and, in collaboration with the relevant departments, we attended important meetings, received reports or heard from the Directors, Executive Officers, etc. on matters concerning the execution of their duties, requested explanations as necessary, inspected important decision documents, etc., and made investigation into the state of activities and property at the head office and principal business offices of the Company.
- 3) As regards subsidiaries, we sought to communicate and exchange information with the Directors, Auditors, and others of the subsidiaries, received reports on their business operations, requested explanations as necessary, and conducted interviews and other tasks for their Head Offices and principal business offices by means such as visiting the offices or using the Internet.
- 4) We examined the contents of the fundamental policy on the conduct of persons influencing decision on the Company's financial and business policies set forth in the business report, giving due consideration to such things as the circumstances of deliberations by the Board of Directors and others.
- 5) Further, we monitored and examined whether the Accounting Auditors maintained their independence and performed their auditing duties adequately, as well as received reports from the Accounting Auditors on the performance status of their duties and requested explanations as necessary.
- 6) We also received a notice from the Accounting Auditors to the effect that "structures for ensuring that duties are appropriately performed" (matters stipulated in each item under Article 131 of the Regulations of Companies' Financial Statements) were being developed pursuant to the "Quality Management Standards for Auditing" (Business Accounting Council) and requested explanations as necessary.

We examined the business report and its supplementary schedules, the unconsolidated financial statements (the unconsolidated balance sheet, the unconsolidated statement of operations, the unconsolidated statement of changes in net assets, and the notes to unconsolidated financial statements) and their supplementary schedules, as well as consolidated financial statements (the consolidated statements of financial position, the consolidated statements of profit or loss, the consolidated statement of changes in equity, and the notes to consolidated financial statements) for this business term in accordance with the foregoing method.

#### 2. Results of Audit

##### (1) Results of Audit on Business Report, etc.

We are of the opinion:

- 1) that the business report and its supplementary schedules fairly present the state of the Company in accordance with the laws, regulations and the Articles of Incorporation;
- 2) that, in connection with the performance by Directors and Executive Officers of their duties, no dishonest act or material fact of violation of laws, regulations or the Articles of Incorporation exists;
- 3) that the contents of the resolution by the Board of Directors concerning internal control systems are appropriate. Further, there is nothing to note with respect to the performance by Directors and Executive Officers of their duties and description of the business report related to said internal control systems; and
- 4) that the fundamental policy on the conduct of persons influencing decision on the Company's financial and business policies set forth in the business report are appropriate.

##### (2) Results of Audit on Unconsolidated Financial Statements and their Supplementary Schedules

We are of the opinion that the method and results of the audit made by the Company's Accounting Auditors, Ernst & Young ShinNihon LLC, are appropriate.

##### (3) Results of Audit on Consolidated Financial Statements

We are of the opinion that the method and results of the audit made by the Company's Accounting Auditors, Ernst & Young ShinNihon LLC, are appropriate.

May 12, 2026

Audit Committee, Hitachi, Ltd.

Katsumi Ihara  
Ikuro Sugawara  
Takashi Nishijima  
Helmuth Ludwig  
Mitsuaki Nishiyama (Standing)

Note: Messrs. Katsumi Ihara, Ikuro Sugawara, Takashi Nishijima and Helmuth Ludwig are outside Directors pursuant to Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.