

Sustainability Report 2026

Our Pledges, Our Future

HITACHI



Report editorial policy

Basic concept

The Hitachi Sustainability Report 2026 outlines our approach, strategies and key initiatives for sustainability undertaken in fiscal 2025.

This report is intended as an engagement tool for all stakeholders to disclose information in accordance with international guidelines, including the disclosure requirements of the GRI Standards and the industry disclosure standards relevant to Hitachi as defined by the Sustainable Industry Classification System (SICS) of the Sustainability Accounting Standards Board (SASB). Our information disclosures related to climate change are based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

About subject notation

Hitachi, Ltd.: Only refers to Hitachi, Ltd. (non-consolidated)

Hitachi: Refers to the Hitachi Group including Hitachi, Ltd.

Key guidelines

- GRI Standards, Global Reporting Initiative
- SASB Standards, IFRS Foundation
- Environmental Reporting Guidelines, Ministry of the Environment, Japan
- TCFD Recommendations

Report overview

Period	This report mainly covers fiscal 2025 (April 1, 2025, to March 31, 2026) Note: Some information on activities in April 2026 and after is also included
Companies	Hitachi, Ltd. and its consolidated subsidiaries
Reporting boundary	Financial data: 824 companies, namely Hitachi, Ltd. and 823 consolidated subsidiaries, equity-method associates, and joint ventures Environmental data: 607 companies, namely Hitachi, Ltd. and 606 consolidated subsidiaries. Based on the Environmental Management Classification Criteria, all Hitachi Group sites are classified into three categories (A, B and C)*1. The reporting boundary for environmental data is determined in accordance with the environmental risks associated with each category. The reporting boundary for each item is specified in the notes to the relevant section. Social and governance data: Boundary of individual data indicated
Reporting cycle	Published every year as an annual report
Publication date	September 2026 (Previous report: September 2025)

*1 A: High environmental risk, B: Medium environmental risk, C: Low environmental risk

Our reporting universe

Hitachi publishes three corporate reports: the Integrated Report, the Sustainability Report and the Annual Securities Report. Each report discloses information that differs in terms of content (from quantitative information to strategic information) and time horizon (from past results to medium- to long-term perspectives). In particular, the Integrated Report and the Sustainability Report, which are released on the same day, can be read together to confirm sustainability initiative progress and data in addition to management strategies. We also invite you to visit our websites for additional information.

Our reporting universe



 [Hitachi Global](#)

 [Sustainability](#)

 [Investor Relations](#)

Third-party limited assurance

To enhance the credibility of the disclosed sustainability data, the Hitachi ESG Data Book 2026 received third-party limited assurance from Ernst & Young ShinNihon LLC for environmental performance indicators. The assurance was conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), and assurance for greenhouse gas emissions was conducted in accordance with ISAE 3410. The indicators that were assured are marked with a .

 [Third-party limited assurance](#)

Contents

Report guide

- 002 Report editorial policy
- 003 Contents

Our story

- 005 Inspire the next
- 006 Message from our CEO
- 008 Message from our Chief Sustainability Officer
- 010 Business overview
- 012 From our foundation to our future
- 013 Our sustainability journey
- 014 Inspire 2027 management plan
- 015 Our PLEDGES for the future
- 018 Delivering positive impact

Sustainability management

- 025 Hitachi Group sustainability strategy — PLEDGES
- 032 Sustainability strategy management structure
- 034 Sustainability initiatives and external evaluation

Planet

- 040 Environmental vision and long-term environmental targets
- 043 Products, services and solutions that support green transformation (GX)
- 048 Environmental governance
- 051 Decarbonization
- 058 Climate-related financial information disclosure (based on TCFD recommendations)
- 065 Circular economy
- 068 Nature positive

Leadership and Empowerment

- 077 Global human capital management
- 087 Fulfilling and rewarding workplace

Diverse perspectives

- 091 Diversity, opportunity and inclusion

Governance

- 098 Health and safety
- 104 Quality and product safety
- 107 Business ethics and compliance
- 114 Information security
- 118 Risk management
- 122 Corporate governance

Engagement

- 130 Human rights
- 135 Sustainable procurement
- 141 Customer satisfaction

Sustainability for all

- 144 Social contribution activities

ESG data

- 148 Environmental data
- 157 Social data
- 166 Governance data

Our story

In this section

- 005 Inspire the next
- 006 Message from our CEO
- 008 Message from our Chief Sustainability Officer
- 010 Business overview
- 012 From our foundation to our future
- 013 Our sustainability journey
- 014 Inspire 2027 management plan
- 015 Our PLEDGES for the future
- 018 Delivering positive impact

Inspire the next

In a world of constant progress, Hitachi is keeping pace, evolving and improving how we do things to solve some of society's most complex challenges.

This mindset of continuous growth has driven us for more than 116 years

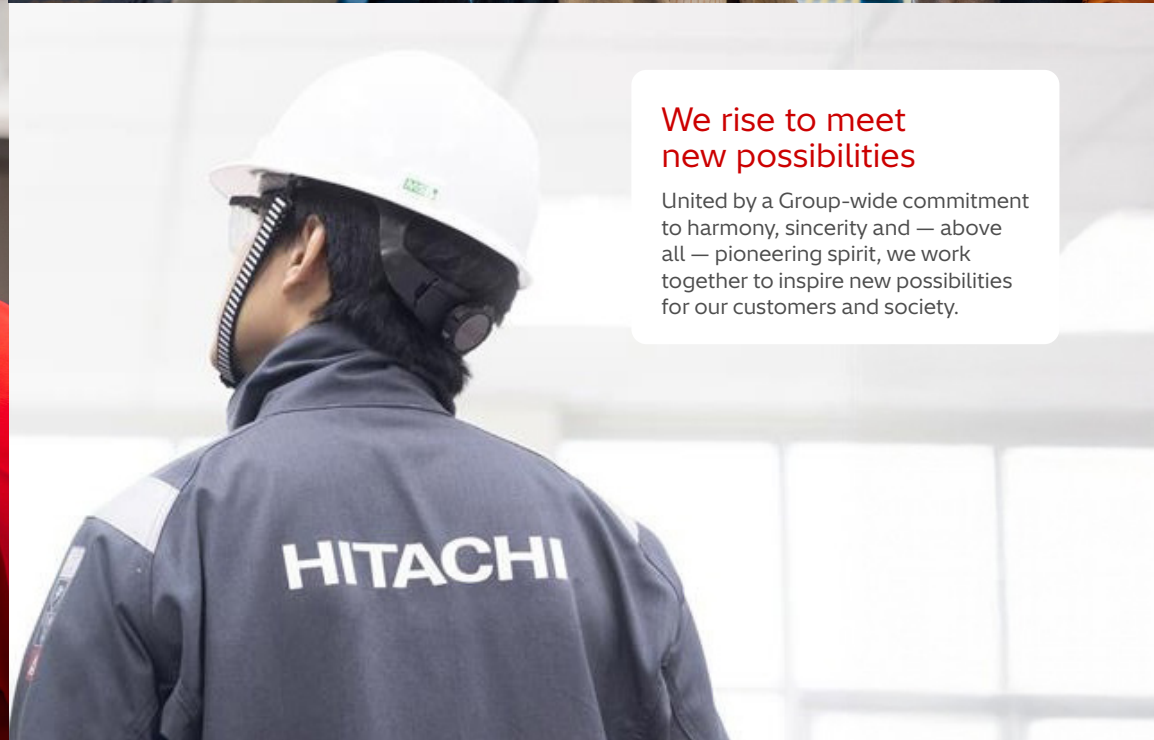
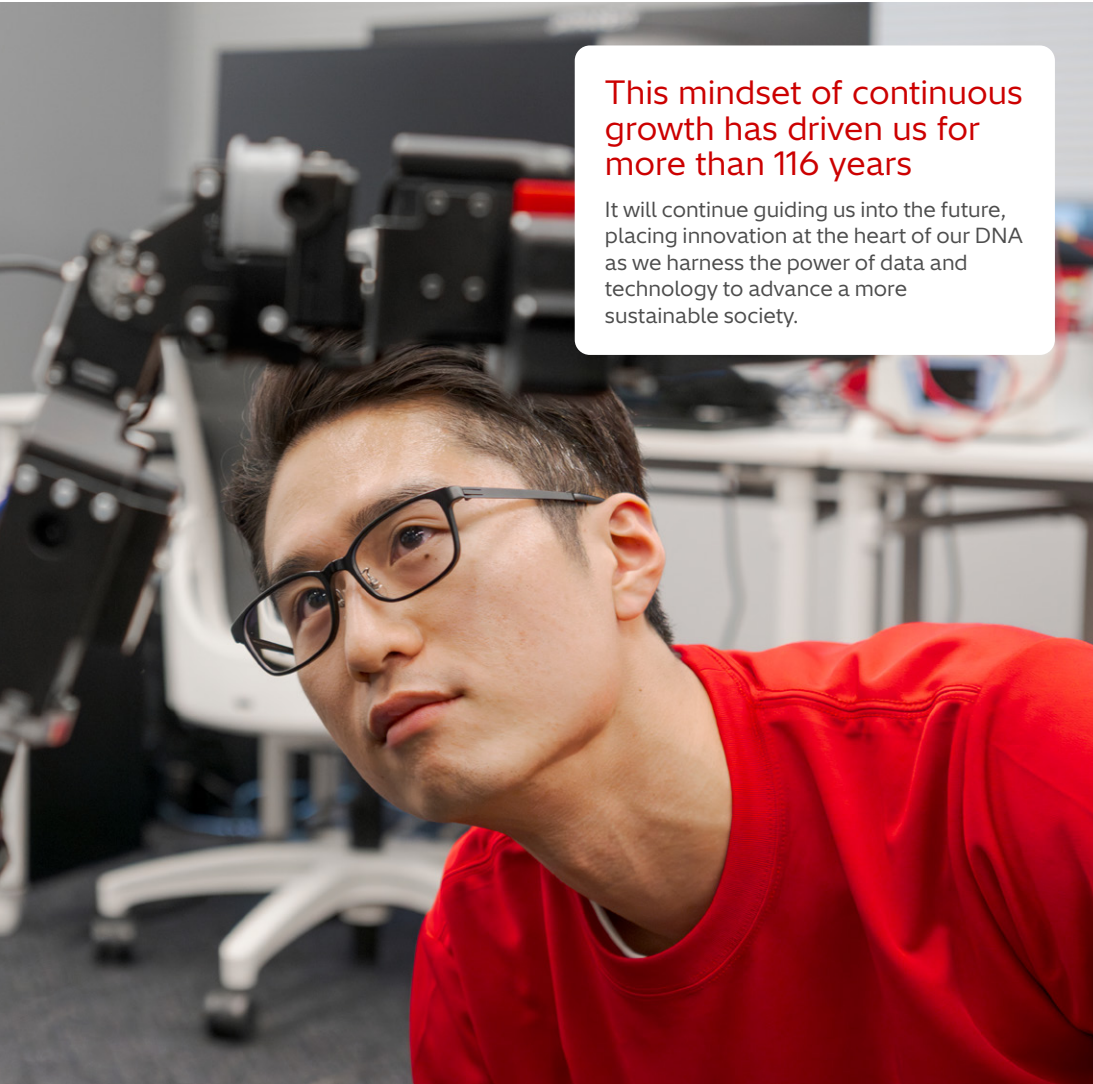
It will continue guiding us into the future, placing innovation at the heart of our DNA as we harness the power of data and technology to advance a more sustainable society.

We're creating change that inspires the world

By transforming social infrastructure through digital technology, we are building a future in which environmental sustainability, human wellbeing and economic growth advance together. It is how we will realize our mission of contributing to society through the development of superior, original technology and products.

We rise to meet new possibilities

United by a Group-wide commitment to harmony, sincerity and — above all — pioneering spirit, we work together to inspire new possibilities for our customers and society.



Message from our CEO

Toshiaki Tokunaga

President & CEO

Accelerating our transformation toward sustainable growth under an unchanging mission

Namihei Odaira founded Hitachi under the mission “to contribute to society through the development of superior, original technology and products.” Since our founding, Hitachi has contributed to the advancement of social infrastructure that supports people’s lives. Over the course of our 116 years of history, we have grown alongside society while taking on those social challenges that emerge with changing times.

Under this unchanging mission, we are accelerating transformation based on the current management plan Inspire 2027, aiming to achieve a Harmonized Society where the environment, wellbeing and economic growth are in balance.

Fiscal 2025 was the first year of Inspire 2027, and, despite an extremely uncertain business environment, we capitalized on market needs for sustainable social infrastructure. As a result, we saw growth in the power grids business, rail control business, and Japanese IT business, while expanding the Lumada business, which serves as a source of continuous and stable revenue, across all sectors. As a result of our efforts, revenues rose 8% year on year to 10,586.7 billion yen with an Adj. EBITA margin of 12.4%. Net income amounted to 802.3 billion yen, core free cash flow was 1,170.2 billion yen and ROIC was 12.4%. These three results represent record highs for the group and a strong start under Inspire 2027. However, we will not be complacent. The world is at a major turning point, marked by geopolitical risks, increasingly severe climate change and advances in AI-driven technological innovation. In particular, advances in physical AI, which exerts direct control over the real world, will transform the very nature of social infrastructure. For Hitachi, these changes present opportunities for further growth and value creation. At the same time, these changes signal a new phase of competition with peers around the world.



Creating value as a Digital Infrastructure Company

Incorporating physical AI into social infrastructure is an area where Hitachi, which has supported mission-critical social infrastructure for generations, truly demonstrates our value. High reliability and safety are essential in the field of physical AI, where a single error could have a significant negative impact on social infrastructure. Hitachi has a long history of supporting social infrastructure around the world across a wide range of business fields. We have not only brought numerous products and systems to the market, but we have also built a vast treasury of data and expertise from practical operations. We will analyze this data using domain knowledge and AI to offer digital services that enhance on-site safety and productivity. In this way, we will create new value for our customers and society, fulfilling our commitment to becoming a world-leading Digital Infrastructure Company that continues to digitally transform social infrastructure that supports people's lives.

One concrete example is HMAX, our AI-powered, recurring Digital Service. HMAX leverages on-site data and domain knowledge that we have built up over generations and optimizes resource utilization and reduces environmental impact by extending the service life of equipment, improving energy efficiency and so forth. At the same time, HMAX enhances safety and productivity, supporting the creation of resilient social infrastructure.

Trust from society is the foundation of everything we are and do. Our founding spirit, consisting of Wa (harmony), Makoto (sincerity) and Kaitakusha-seishin (pioneering spirit), as well as a fundamental emphasis on Basics and Ethics to do the right thing, has been a shared value guiding our work at Hitachi for many generations. These elements are systematically organized into our sustainability strategy, PLEDGES, in light of current social challenges and the evolving business environment.

Sustainability is the foundation of our management that drives us to solve social issues through our businesses and to achieve continuous growth. We strive to achieve the pre-financial targets under the strategic pillars of PLEDGES, including themes of decarbonization, circular economy, human capital, health and safety, quality, sustainable procurement and human rights. At the same time, we seek to enhance effectiveness by incorporating them into the evaluation of executive compensation.

Among the tangible accomplishments, we achieved a 64% reduction in GHG emissions, exceeding our fiscal 2025 target of 60%, through the adoption of energy-saving equipment and the



expanded use of renewable energy sources as part of our efforts to achieve carbon neutrality at our business sites by fiscal 2030. In addition, we are accelerating investments in the human capital that will drive future value creation and steadily building our talent base. As an example, we expanded our pool of AI professionals to 39,000, making significant progress toward our fiscal 2027 target of 50,000. On the other hand, while we fell short of our health and safety targets, we are reinforcing our efforts in this area as one of management's highest priorities. To ensure a safe working environment free from serious accidents, including those involving contractors and partner companies, we are strengthening measures across the Group. To advance the implementation of physical AI in mission-critical areas, we must establish robust governance that ensures the reliability, transparency, and accountability of AI while respecting human rights and privacy. In parallel, we must develop diverse talent that supports our growth strategy and strengthen engagement with business partners. These initiatives are woven into PLEDGES. Our steady execution of PLEDGES not only underpins the trust earned from our customers, but also serves as the source of Hitachi's sustained competitiveness. As One Hitachi, we will continue to embed PLEDGES in our decision-making and actions, enhancing business resilience through the achievement of pre-financial targets while steadily capturing new opportunities for growth. By pursuing improvements in both our pre-financial value and financial value

together, we will achieve sustainable growth in corporate value.

Toward realizing the Harmonized Society we envision

The social infrastructure of the future will require even greater levels of society-wide optimization through the tight interconnection of diverse systems and operations.

We are confident that we can contribute to the realization of a Harmonized Society by becoming a Digital Infrastructure Company that leverages IT, OT and product technologies and expertise accumulated over many years, combined with a unified collection of diverse businesses and human capital.

Every one of our 290,000 employees will continue to share the unwavering mission of contributing to society. Together, we will create wellbeing and a sustainable society through greater environmental, social and economic value, working with our stakeholders for a better future.

Message from our Chief Sustainability Officer

Lorena Dellagiovanna

Senior Vice President and Executive Officer,
Chief Human Resources Officer and
Chief Sustainability Officer

For over a century, Hitachi has driven social progress through innovation. Today, with Lumada at our core, we continue doing so, connecting technologies, industries and people to solve pressing global challenges.

To advance true innovation and resilience, we must lead with responsibility, guided by our PLEDGES strategy. With PLEDGES as our action and decision-making foundation, our Inspire 2027 management plan aims to realize a society where the environment, wellbeing and economic growth are in balance. Working as “One Hitachi,” we combine our capabilities, IT, OT and products to create lasting value to deliver positive impact for customers, society and our business.

“

PLEDGES is Hitachi’s commitment for a more sustainable future. By embedding PLEDGES across our people, operation and value chain, we redefine our culture, how we operate, lead and grow.”



Progressing with PLEDGES

PLEDGES is how we do business. It guides the decisions we make every day and focuses our efforts on where we can create the greatest impact.

As a global company, we are advancing our response to environmental challenges as a core responsibility, while accelerating our efforts as a key priority for building a sustainable society and achieving long-term business growth.

Guided by our Environmental Vision, we continue to accelerate decarbonization, circularity and nature-positive initiatives by reducing emissions, improving resource efficiency and deepening collaboration across our value chain. While challenges remain, we are strengthening governance, enhancing execution and leveraging data-driven decision-making to accelerate progress toward our carbon neutrality and net-zero goals.

People are at the heart of our business. Their health, safety and wellbeing remain our highest priority. We continue strengthening our systems, capabilities and culture of shared responsibility to ensure everyone can work safely and confidently.

We also continue investing in leadership development and fostering an environment where diverse perspectives drive innovation and everyone can grow, contribute and succeed. Through our human capital strategy, we are strengthening the capabilities, individual leadership and culture needed to build a resilient organization that can adapt, innovate and create long-term value.

Trust is equally essential to sustainable growth. We are deepening a culture grounded in integrity, ethics and compliance, while advancing respect for human rights and environmental responsibility across our entire value chain. As One Hitachi, we are embedding responsible actions and decision-making throughout all our business activities, strengthening the trust that our stakeholders place in us and everything we do.



Accelerating sustainable transformation

Artificial intelligence is transforming the way we work and accelerating how we create value. At Hitachi, we see AI as a force multiplier — empowering our people to amplify their expertise, make better decisions and focus on the work that creates the greatest impact.

Realizing this potential requires responsible adoption. We continue investing in the skills, governance and culture needed to help our people harness AI confidently, responsibly and effectively. By combining human expertise with AI, we are strengthening innovation, improving productivity and helping our customers and society accelerate sustainable transformation.

Toward a Harmonized Society

With PLEDGES, we are targeting sustainability for all, combining our pioneering spirit with domain knowledge to strengthen Hitachi and enable a Harmonized Society. By ensuring our sustainability framework remains deeply embedded in our daily operations and wider business strategy, together with our customers and partners, we can collectively advance a future that is more resilient, responsible and inclusive.

A handwritten signature in black ink, likely belonging to Kenji Takahashi, positioned below the text 'Toward a Harmonized Society'.

Business overview

We have structured our business across the globe, to make the biggest impact on the challenges facing society today.

Through collaboration with our partners and customers, and by bringing together the physical and digital worlds, we will deliver real impact and advance sustainable living.

Business sectors

Digital systems & services

From finance, public services, manufacturing and distribution to social infrastructure and cross-industry domains, we accelerate digital transformation by integrating AI, digital talent and domain expertise.

Solutions in action:

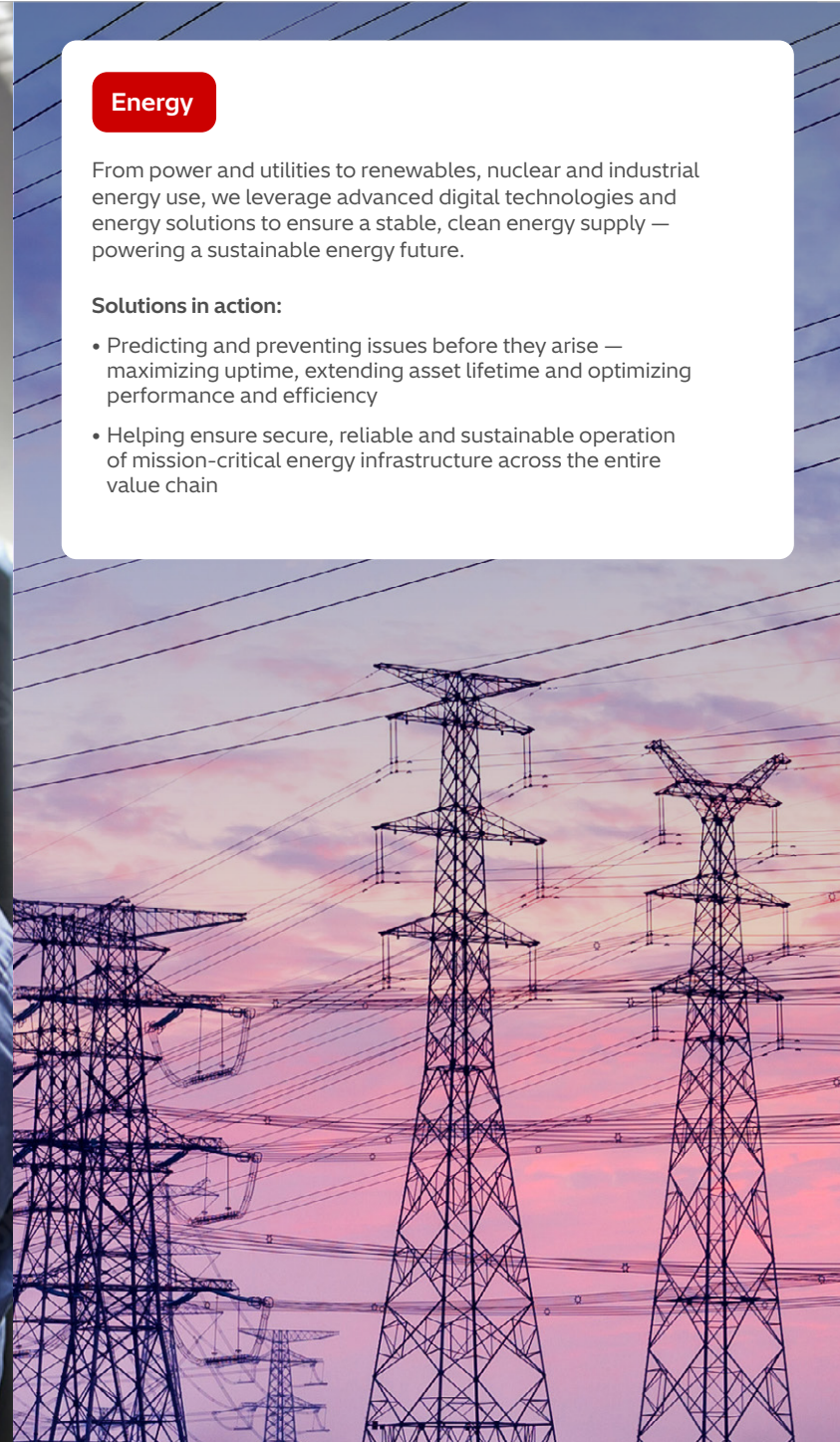
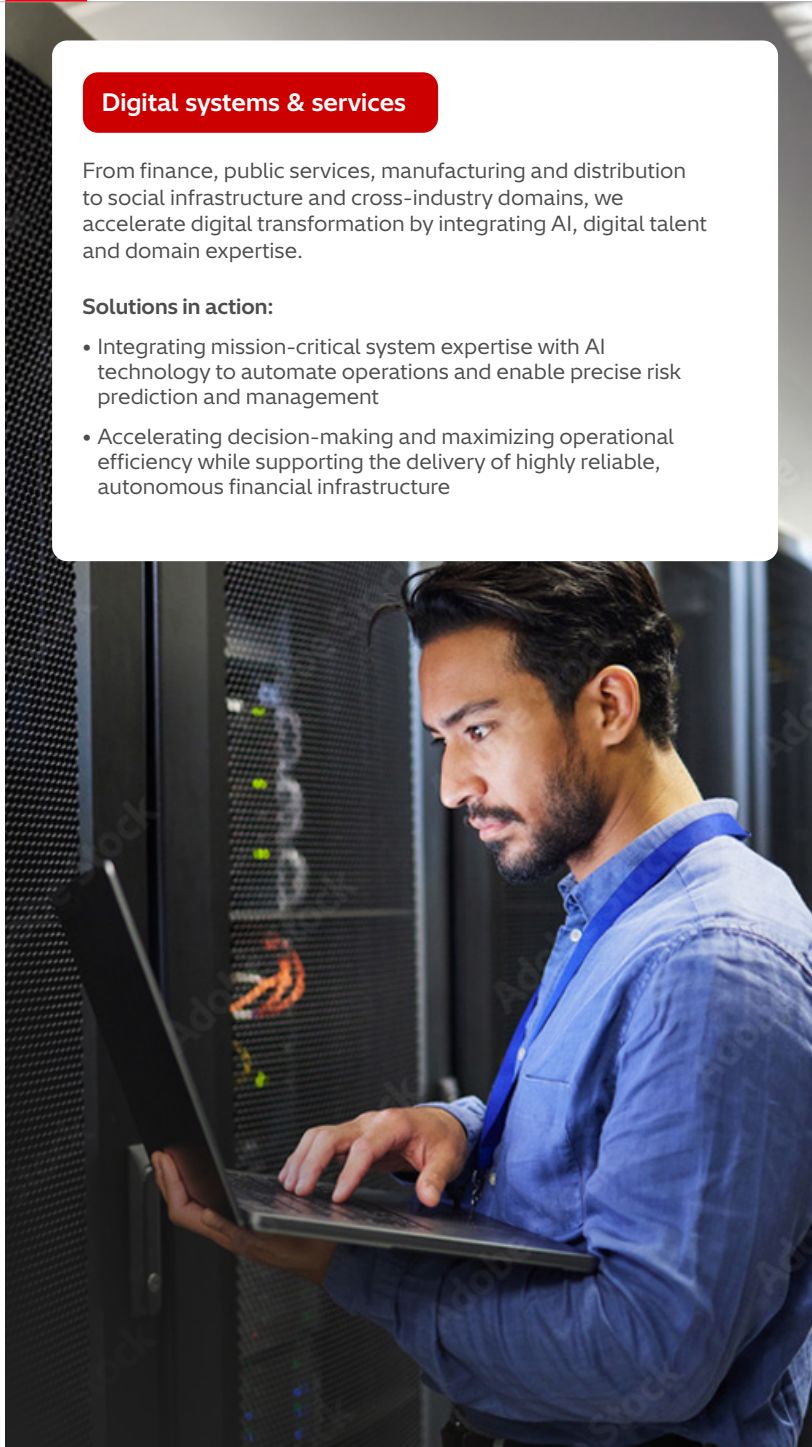
- Integrating mission-critical system expertise with AI technology to automate operations and enable precise risk prediction and management
- Accelerating decision-making and maximizing operational efficiency while supporting the delivery of highly reliable, autonomous financial infrastructure

Energy

From power and utilities to renewables, nuclear and industrial energy use, we leverage advanced digital technologies and energy solutions to ensure a stable, clean energy supply — powering a sustainable energy future.

Solutions in action:

- Predicting and preventing issues before they arise — maximizing uptime, extending asset lifetime and optimizing performance and efficiency
- Helping ensure secure, reliable and sustainable operation of mission-critical energy infrastructure across the entire value chain



Mobility

From high-speed trains and digital signaling to smart technology and AI-powered operations, we partner with customers to deliver seamless and sustainable mobility solutions.

Solutions in action:

- Combining advanced sensor technologies with the latest developments in AI and edge computing to maximize transportation performance, extend asset life and optimize costs
- Enabling smarter, better optimized transportation systems

Connective industries

From industrial sectors (measurement and analytical instruments, healthcare, manufacturing, distribution and water) to facility domains (building systems, HVAC and industrial equipment), we deliver digital services combining high-reliability products, domain expertise and physical AI to maximize customer lifetime value.

Solutions in action:

- Advancing safety, productivity, quality and environmental sustainability in buildings and factories
- Driving innovation for front-line workers and improving people's wellbeing

Hitachi by the numbers

Number of employees

287,901

Consolidated subsidiaries

606

Global revenue

JPY 10,586.7B
(USD \$70.1B^{*1})

^{*1} Based on exchange rate JPY 151 to USD

From our foundation to our future

For more than 116 years, our founding philosophy — “contributing to society through the development of superior, original technology and products” — has driven us to innovate technological solutions that solve the world’s greatest challenges.

Where we started

Born in a time of social and industrial change, Namihei Odaira aspired to contribute to society and improve people’s lives through technology. Determined to develop electric machinery through his own efforts, he took on the challenge of machine development at the Hitachi mine.

In 1910, after years of challenges and learning, Odaira and a small team developed Japan’s first locally made five-horsepower motor, marking the beginning of Hitachi.

Rooted in the values of *Wa* (harmony), *Makoto* (sincerity) and *Kaitakusha-seishin* (pioneering spirit), Hitachi has continued to create innovations that help society move forward.

Where we are now

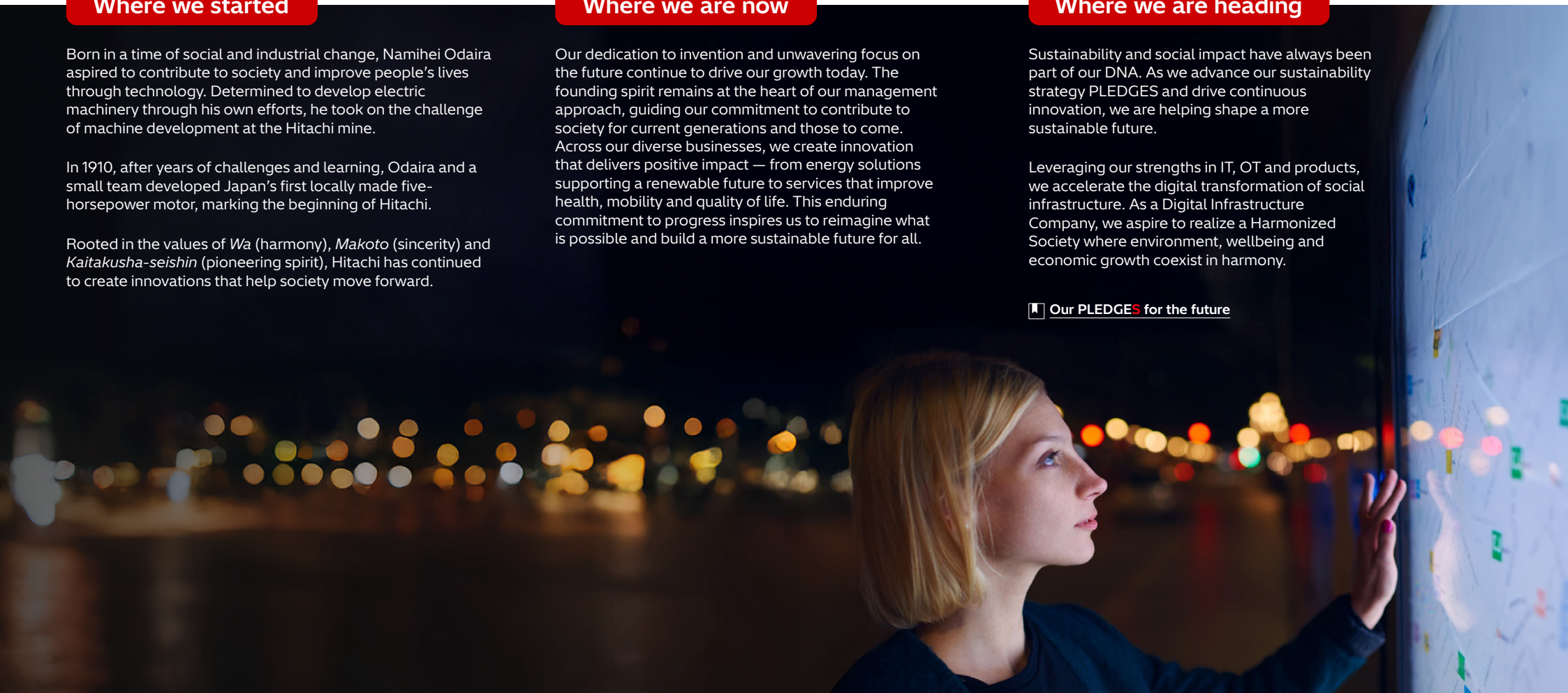
Our dedication to invention and unwavering focus on the future continue to drive our growth today. The founding spirit remains at the heart of our management approach, guiding our commitment to contribute to society for current generations and those to come. Across our diverse businesses, we create innovation that delivers positive impact — from energy solutions supporting a renewable future to services that improve health, mobility and quality of life. This enduring commitment to progress inspires us to reimagine what is possible and build a more sustainable future for all.

Where we are heading

Sustainability and social impact have always been part of our DNA. As we advance our sustainability strategy PLEDGES and drive continuous innovation, we are helping shape a more sustainable future.

Leveraging our strengths in IT, OT and products, we accelerate the digital transformation of social infrastructure. As a Digital Infrastructure Company, we aspire to realize a Harmonized Society where environment, wellbeing and economic growth coexist in harmony.

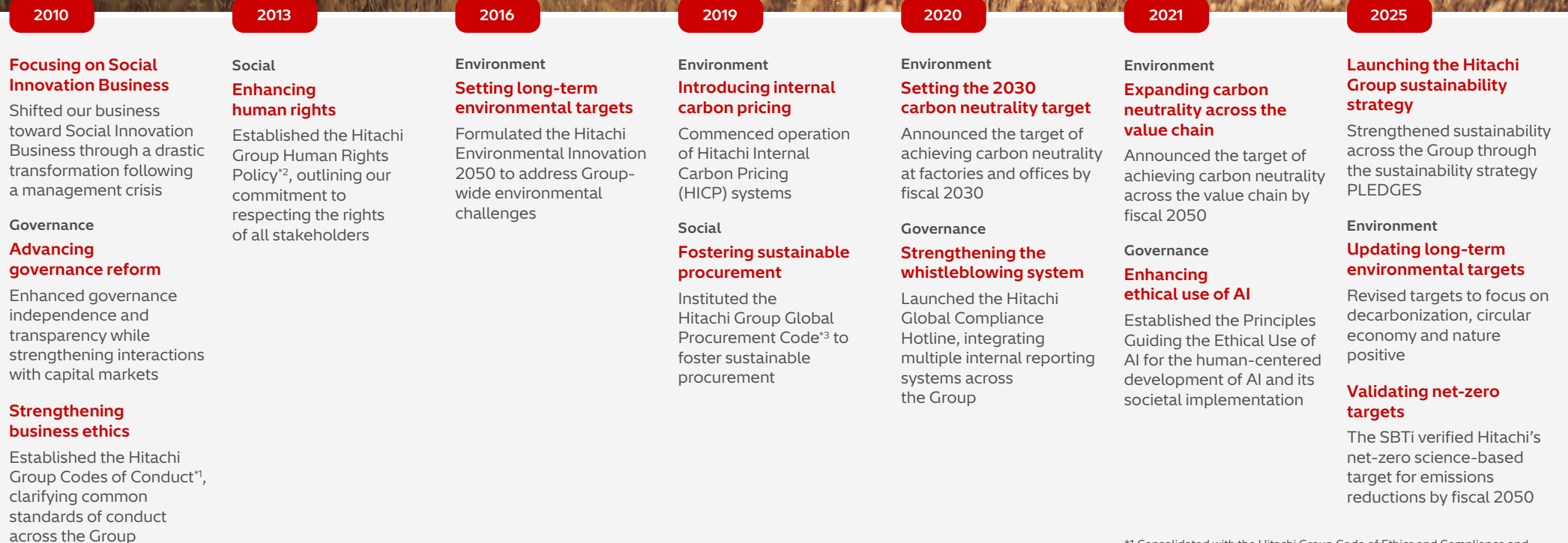
■ **Our PLEDGES for the future**



Our sustainability journey

To a more sustainable tomorrow

Like innovation, sustainability is a never-ending journey, and, at Hitachi, we are continuously evolving how we operate to deliver better for people, the planet and the future.



^{*1} Consolidated with the Hitachi Group Code of Ethics and Compliance and revised as the Hitachi Group Code of Ethics and Business Conduct in 2023

^{*2} Updated in 2024

^{*3} Issued the Hitachi Group Sustainable Procurement Guidelines for procurement partners in 2021 and updated them thereafter

Inspire 2027 management plan

The next stage of Hitachi's growth

We bring together IT, OT and products to drive the digital transformation of social infrastructure, and, through the Hitachi Group management plan, Inspire 2027, are targeting a clear forward-looking vision:

Grow sustainably while contributing to a Harmonized Society where the environment, wellbeing and economic growth are in balance

Under Inspire 2027, we will endeavor to strengthen our business with Lumada as core, enhanced by domain knowledge and AI. In an unpredictable business environment, we aim to identify risks and remain agile to achieve enduring, sustainable growth.

 **Management plan Inspire 2027**

Enhancing sustainable growth

Our business is built on a commitment to social innovation and we are evolving our position as a Digital Infrastructure Company, leveraging our capabilities to drive sustainable, financially resilient performance. To support this, we have established a series of targets for increasing corporate value through sustainable growth.

Delivering value to society

We seek to harness the full value of our solutions to enhance wellbeing, address global environmental challenges and foster economic growth. Through Inspire 2027 and our Group-wide sustainability strategy, PLEDGES, we're incorporating responsible business considerations, aiming to accelerate our positive impact on people and planet.



Financial KPIs

	Revenue	Adj. EBITA margin	CF conversion ^{*2}	ROIC	Lumada ^{*3} revenue ratio	Lumada ^{*3} Adj. EBITA margin
FY2025 results	YoY 8.2%	12.4%	103%	12.4%	40%	16%
Inspire 2027 targets	CAGR ^{*1} 7–9%	13–15%	Over 90%	12–13%	50%	18%

^{*1} FY2024–FY2027

^{*2} Core FCF/net income (excluding special factors)

^{*3} Calculated based on revenue excluding certain business structural reform operations. Reflection of revenue consolidation offsets started from this period

Our **PLEDGES** for the future

With PLEDGES — our Group-wide sustainability strategy — we are working to create a better, more sustainable future for people and the planet, while advancing real-world change.

Hitachi Group Sustainability Strategy

P

Planet

Lead Green Transformation globally to achieve decarbonization

L

Leadership

Lead transformation with people who can boldly take on societal issues and pave the way for a brighter future

E

Empowerment

Build a culture that praises learning and encourages challenges and growth

D

Diverse perspectives

Drive innovation by maximizing capabilities and performance of diverse talents

G

Governance

Build a resilient foundation with safety and ethics as a priority

E

Engagement

Build a sustainable value chain along with stakeholders

S

Sustainability for all

Accelerate value delivery to society and Hitachi's sustainable growth through PLEDGE

Sustainability themes included

Decarbonization, Circular economy, Nature positive

Human capital acquisition and development, Individual leadership

Employee engagement, Organizational culture

Inclusive workplace and opportunities for all

Business ethics and compliance, Health and safety, Quality and product safety, Information security, AI governance, Risk management

Sustainable procurement, Human rights

Delivering value to society

A closer look into our PLEDGES

Through PLEDGES, we are targeting actions across seven strategic pillars that will help us advance a sustainable society and Hitachi's business growth.



Planet

Hitachi believes that it is essential to address environmental issues that are becoming increasingly serious around the world from a long-term perspective, and has established its Environmental Vision, which sets out the direction of the Hitachi Group. Under this vision, Hitachi has set the three strategic pillars of Decarbonization, Circular economy and Nature positive, and will foster Group-wide initiatives with the aim of becoming a global leader in GX to help protect our planet and achieve wellbeing for people.

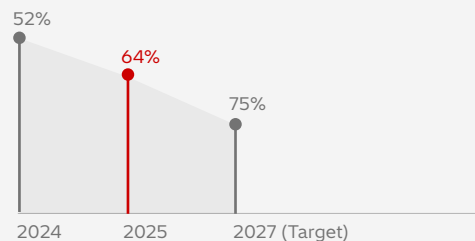
FY2027 targets and KPIs

75%

GHG emissions reduction rate at operational sites (factories and offices) (compared to FY2019)

FY2025 progress

64%



Planet



Leadership/Empowerment/ Diverse perspectives

To create innovation, Hitachi believes it is essential to strengthen human capital and cultivate an organizational culture that encourages challenges and growth. Based on this approach, Hitachi will strive to strengthen the development of next-generation leaders who will lead transformation and also enhance cultivating an organizational culture that encourages individual challenges and growth. In addition, Hitachi respects and values diverse perspectives, and by fostering an inclusive culture where employees can grow together, it aims to deliver value to society.

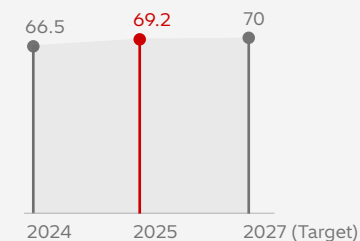
FY2027 targets and KPIs

70 points

Employee growth mindset score

FY2025 progress

69.2 points



Leadership and Empowerment

Diverse perspectives

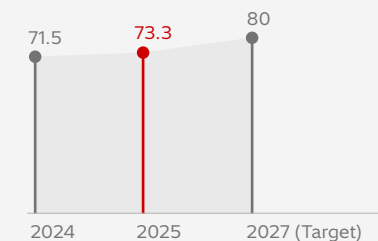
FY2027 targets and KPIs

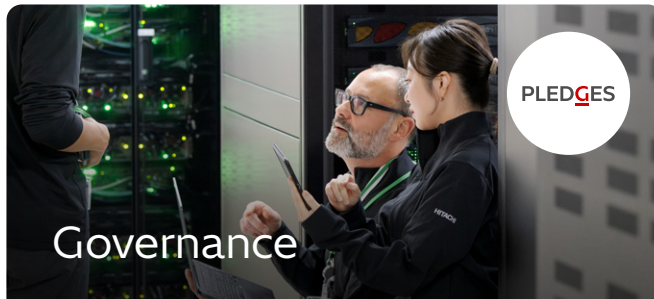
80 points

Employee engagement score

FY2025 progress

73.3 points





Governance

The Hitachi Group's business environment is changing day by day; thus strengthening the resilience of the organization is critical to achieving sustainable growth. Hitachi will enhance safe and secure workplaces throughout the Group and foster a corporate culture in which each and every employee acts with honesty and fairness. In addition, Hitachi will continue to strengthen global risk management as well as governance, with the aim of remaining a company that is trusted by society.

FY2027 targets and KPIs

0.1 or less

Total recordable injury frequency rate

FY2025 progress

0.15



Governance



Engagement

As a company that operates its business around the globe, engaging with diverse stakeholders, Hitachi believes it is its responsibility to enhance sustainability initiatives throughout the entire value chain. To achieve this, Hitachi will foster business activities that address environmental and human rights issues at all stages of the value chain, and focus on sustainable procurement activities in cooperation with its procurement partners, particularly in the upstream. Through collaborative creation along with stakeholders, Hitachi aims to realize a sustainable society and business growth.

FY2027 targets and KPIs

1.5x

(6,000+)

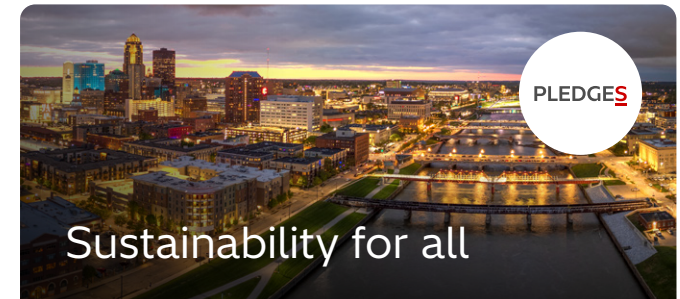
Number of procurement partners taking action on environment and human rights (compared to FY2024)

FY2025 progress

5,232



Engagement



Sustainability for all

The seventh pillar represents Hitachi's commitment to deliver value to society through business activities based on the first six pillars. With the sustainability strategy at the core of its business, Hitachi aims to deliver value to every corner of the world by further accelerating its Social Innovation Business centered on Lumada.

Social impact areas where we are delivering sustainability for all

Sustainability for all



WATCH

Watch a short video on Hitachi Group's Sustainability Strategy:
www.hitachi.com/en/sustainability

Delivering positive impact

Aiming for a Harmonized Society

We will deliver positive impact to people and planet, aiming for a Harmonized Society.

Providing better transport

- Powering efficient, high-speed public transport
- Developing smart traffic management for more seamless, sustainable transport
- Advancing electric vehicle and battery technology
- Supporting the development of sustainable mobility



 [Social impact story](#)

Keeping people healthy

- Advancing healthcare innovation
- Enhancing clinical testing accuracy
- Advancing cancer care and patient support
- Supporting medicine development



 [Social impact story](#)

Supporting the development of industries

- Reducing environmental impact and worker burden while improving productivity
- Improving manufacturing processes with high-quality equipment
- Driving smarter and safer ways of working for front-line workers with AI and IoT
- Supporting sustainable business management through digital solutions



 [Social impact story](#)

Making living more comfortable and convenient

- Supporting urban development with sustainable infrastructure
- Increasing comfort and convenience of buildings
- Enhancing convenience of local communities
- Enhancing digital infrastructure in educational institutions



 Social impact story

Keeping society safe and resilient

- Supporting disaster preparedness and response
- Ensuring resilient data center and cybersecurity
- Advancing and ensuring the stable operation of financial services
- Increasing safety and security of buildings



 Social impact story

Building a more sustainable future

- Fostering decarbonization across the value chain
- Driving circular economy initiatives
- Protecting food safety
- Providing clean air, water and waste management solutions
- Designing future-proof and safe agricultural solutions



 Social impact story

Delivering sustainable energy

- Providing leading renewable energy solutions
- Making grids secure, affordable and sustainable
- Developing high-performance energy storage for a reliable, low-carbon future
- Ensuring a stable power supply



 Social impact story



Innovation in action

We're helping drive societal progress, combining technological innovation and our pioneering spirit to proactively develop solutions that solve some of the world's greatest challenges. From advancing wellbeing to powering a sustainable future, here are just a few examples of how we turn our purpose into action.

The future of UK rail travel

Hitachi Rail is on a mission to provide better transport, innovating solutions that enhance train performance and impact. In the UK, in a bid to cut fuel costs and emissions, Hitachi Rail partnered with Angel Trains and TransPennine Express to conduct the nation's first intercity battery trial.

The trial demonstrated that switching from diesel to battery power when entering and leaving nonelectrified stations delivers superior performance and improved cost-effectiveness.

The tri-mode fleet will reduce fuel costs and emissions by ~30% while increasing passenger seat capacity by 400,000 per year

What's more, with Hitachi Rail's state-of-the-art tri-mode technology — through which trains can be powered by electricity, battery or diesel — emissions and fuel costs can be cut by around 30%.

Following the trial's success, Hitachi Rail continued partnering with Angel Trains to deliver 45 rail cars to operator Arriva Group. This milestone agreement will deliver multiple benefits to North East England — from more cost-effective operations and new employment opportunities to better air quality and a more sustainable public transport industry.





Realizing a society without fear of cancer

Hitachi High-Tech is committed to creating value in healthcare by realizing a society without fear of cancer. As populations age and the need to balance work and treatment continues to grow, healthcare providers are increasingly required to deliver highly accurate and sensitive diagnostics, alongside patient-friendly treatment options.

To address these challenges, we support the advancement of healthcare through in vitro diagnostic systems for blood testing, testing systems that use genomic information, digital services that support treatment selection based on cancer genetic diagnostics and innovative X-ray-based treatment systems.

Through these efforts, we aim to reduce the burden on healthcare professionals and contribute to a healthcare environment in which patients can face treatment with greater confidence.

Through our in vitro diagnostic systems, we support blood testing for approximately 1 billion people each year and have contributed to the treatment of more than 120,000 cancer patients through our particle therapy systems

Driving efficiency and leveraging tacit knowledge

In facility management worksites facing a shortage of highly skilled workers, Hitachi and Hitachi Plant Services have jointly developed “Frontline Coordinator — Naivy”^{*1} (hereinafter, “Naivy”), a next-generation AI agent designed to reduce the psychological burden on inexperienced front-line workers and improve operational efficiency. Naivy intuitively visualizes context-specific procedures, even when inexperienced workers must handle unfamiliar tasks, helping to reduce difficulties in identifying the appropriate equipment and determining the correct actions.

Leveraging Naivy, Hitachi Solutions has developed a Knowledge Utilization Application for Facility Management aimed at accelerating skill transfer in facility management operations. The system integrates equipment data, various documents and the tacit knowledge of front-line workers into structured knowledge, enabling facility managers to quickly and accurately access the information they need. By shortening the time required to identify and resolve issues, the system contributes to the standardization of work quality and enhances overall productivity at worksites.

In a verification trial of Naivy at a Renesas Electronics Corporation plant, the operational performance of inexperienced workers in facility management tasks improved by approximately 30%



^{*1}“Naivy” is a product/service name used in Japan

Enabling smarter buildings

Amid rising energy costs, climate change and labor shortages, the need for more efficient, digitalized, environmentally responsible buildings is increasing. However, today, small- and medium-sized buildings still face challenges such as high implementation costs and limited solutions.

To address these challenges, we have developed HMAX for Buildings, a suite of next-generation solutions that brings together Hitachi's decades of building operations expertise and advanced digital technologies.

One of these solutions, BuilMirai, uses data from building equipment and people's activities to support more efficient operations, maintenance and energy management. It helps create buildings that are more comfortable and convenient and safer for users. By enabling centralized

monitoring and management of multiple buildings, it also helps reduce the workload of facility managers.

Another solution, the AI solution for engineers, supports front-line engineers who perform on-site building equipment maintenance. By leveraging wearable cameras and other digital support devices to connect real-time site conditions with data, it helps make maintenance work safer and more efficient. The AI can detect potentially hazardous situations and issue alerts, as well as provide real-time guidance on required procedures, helping workers make informed decisions and perform tasks more effectively.

HMAX for Buildings will continue to contribute to the future advancement and transformation of buildings through ongoing functional updates and expansion



With Hitachi VSP arrays, 1LINK has achieved 100% data availability and four times their original IOPS, ensuring a fast, reliable service for customers



Modernizing Pakistan's payment systems

Operating the payment networks that connect every bank in Pakistan, 1LINK plays a vital role in strengthening the country's economy. But, when transaction numbers grew exponentially following a government-backed scheme to digitize the financial sector, they knew they needed a more reliable, scalable and responsive storage solution to support payment and billing systems.

In response, 1LINK deployed an all-flash solution based on Hitachi Virtual Storage Platform (VSP) arrays. Designed by Hitachi Vantara, the system helps ensure seamless service by eliminating transaction delays.

To drive operational resilience, 1LINK installed the system across several production and disaster recovery data centers to ensure that if one site experiences issues, the others remain unimpacted.

Since deploying the system, 1LINK has achieved 100% data availability, with zero downtime as they made the switch. What's more, they achieved a 400% increase in input/output per second (IOPS), improving and accelerating the performance of mission-critical national payment systems.

Collaborating to realize a circular economy

With resource scarcity becoming an increasingly important challenge, we are leveraging our technologies and expertise in collection, disassembly and resource recovery to help create a more circular economy.

In 2025, together with Hitachi Building Systems and Nichiwa Service, Hitachi established and began operating a recycling network for permanent magnet motor traction machines replaced during the modernization of Hitachi elevators.

Furthermore, in 2026, together with Daikin Industries, Shin-Etsu Chemical and Tokyo Eco Recycle, Hitachi launched a collaborative scheme for recovering and

recycling rare earth magnets used in commercial air conditioner compressors. This scheme — which will be fully launched in 2027 — adopts a demagnetization process that does not directly emit CO₂ and leverages AI-based image recognition technologies and robotics to enhance the efficiency of model-specific disassembly processes.

By doing so, it will help drive a more circular approach to rare earth magnet use, optimizing resource recovery and enhancing traceability



Unlocking the grids of the future, today

Electricity demand is growing exponentially — it serves as our main source of cleaner, renewable power, reducing emissions and accelerating the energy transition for a more sustainable future while meeting increasing demand.

Hitachi launched HMAX Energy, a suite of AI-powered services and solutions designed to safeguard critical energy infrastructure while enabling operational efficiency. Designed to be flexible to customers' technology choices, HMAX Energy optimizes planning, prediction and prevention to strengthen energy security and resilience.

By enabling early issue detection, HMAX Energy extends asset life. Customer cases have shown a reduction of transformer failures by 50% and repair costs by up to 75%. At the same time, through unlocking faster emergency responses and prevention of failures and repair, the technology can reduce revenue losses from equipment breakdowns by as much as 60%.

HMAX Energy is helping strengthen energy security and resilience, combining data, AI and deep domain expertise and trusted life cycle partnerships



Sustainability management

In this section

- 025 Hitachi Group sustainability strategy — PLEDGES
- 032 Sustainability strategy management structure
- 034 Sustainability initiatives and external evaluation

Hitachi Group sustainability strategy—PLEDGES

Further integrating sustainable management

Guided by our mission to contribute to society through the development of superior, original technology and products, Hitachi has spent more than 116 years working to solve the challenges facing society. Our management plan, Inspire 2027, builds on this philosophy and sets out our vision of leveraging our strengths in IT, OT and products more than ever before to grow sustainably while contributing to a Harmonized Society where the environment, wellbeing and economic growth are in balance. The Hitachi Group formulated PLEDGES, our Group-wide sustainability strategy, to further integrate sustainability into our management strategy, and we are advancing initiatives across the Group as we move to the next stage of sustainable growth.

Process of formulating PLEDGES

STEP 1 Create a list of sustainability topics

Taking into account the business environment surrounding Hitachi and the broader social context related to sustainability, a list of sustainability topics was created with reference to international sustainability standards such as the European Sustainability Reporting Standards (ESRS) and the Sustainability Accounting Standards Board (SASB).

STEP 2 Analyze and assess social impacts, business risks and opportunities (IROs)

Using the list of sustainability topics, each business unit (BU) analyzed and assessed the risks and opportunities specific to their business characteristics and value chains, as well as the potential social impacts of Hitachi's business activities, based on Group-wide standards. Based on the analysis and evaluation results from BUs, business risks and opportunities and social impact scores were calculated for each topic, visualizing the IRO areas that the Hitachi Group should prioritize.

STEP 3 Confirm stakeholder expectations and requests

To validate the appropriateness of the IRO areas*1 identified through analysis and evaluation by the business units, dialogues were conducted with 10 domestic and international groups, including institutional investors, international organizations and NGOs. These discussions helped confirm stakeholder expectations and requests, as well as identify any perspectives that may have been overlooked during the evaluation process.

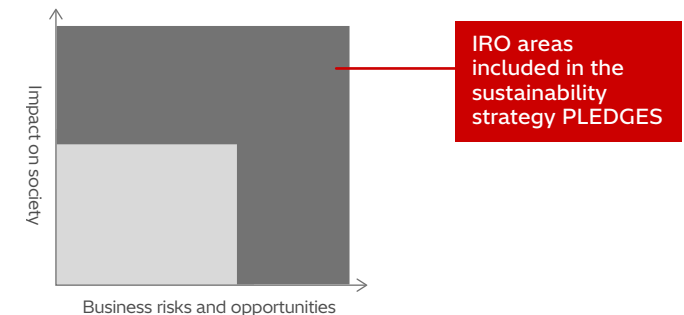
STEP 4 Hold discussions with senior management

From a medium- to long-term perspective grounded in the Hitachi Group's management policies and strategies, discussions were held by senior management, including the President & CEO, Chief Sustainability Officer (CSuO) and Chief Risk Management Officer (CRMO).

STEP 5 Formulate and receive approval for PLEDGES

The IRO areas were organized into seven strategic pillars—Planet, Leadership, Empowerment, Diverse perspectives, Governance, Engagement, and Sustainability for all. For each pillar, our aspirations and targets and KPIs were defined. The resulting framework was reported to and approved by the Senior Executive Committee and the Board of Directors as the Hitachi Group's sustainability strategy, PLEDGES, under the Inspire 2027 plan.

Approach for identifying IRO areas*1 the Hitachi Group needs to address



Evaluation criteria and approach for IRO analysis

	Evaluation criteria	Definition
Risks and opportunities	Magnitude	The degree of impact on the company when a risk or opportunity event occurs in our businesses
	Likelihood	The likelihood of a risk or opportunity event occurring in our businesses
Social impacts	Scale	The degree of positive or negative social impacts when such an impact occurs
	Scope	The scope of the positive or negative social impacts when such an impact occurs
	Irremediable character	The likelihood that a negative social impact, if it occurred, would be irreversible
	Likelihood	The likelihood of a positive or negative social impact occurring

STEP 1

Creating a list of sustainability topics

STEP 2

Analyze and evaluate IROs

STEP 3

Confirming stakeholder expectations and requests

STEP 4

Discussions by senior management

STEP 5

Formulate and receive approval for PLEDGES

*1 Areas identified as requiring priority action based on an analysis and assessment of the relationship between Hitachi business activities and sustainability issues from the perspectives of both social impacts and business risks and opportunities.

IRO areas of the Hitachi Group

Themes	IRO area*1		Time horizon	Value chain
Decarbonization	Risks	Risk of deteriorating earnings due to strengthened climate change regulations (policies and legal regulations) Business costs may increase if regulations are strengthened in various countries, such as the introduction of carbon pricing, including carbon taxes.	Short- to long-term	Own operations
	Risks	Risk of reputational damage if perceived as lacking commitment to climate change (market/reputation) Hitachi sets and regularly updates targets related to climate change, but there is a risk that these targets may not be achieved. There is also a risk that if the company's disclosure activities—such as reporting in sustainability reports—deteriorate or cease, our corporate reputation in the market will decline.	Short- to long-term	Own operations
	Risks	Risk of deteriorating earnings due to physical risks from climate change Weather-related disasters believed to be caused by climate change—such as intensifying typhoons and floods (acute risks) or long-term temperature rises and heat waves (chronic risks)—could result in business interruptions or delays in procurement due to disruptions in the supply chain.	Short- to long-term	Upstream, own operations, downstream
	Opportunities	Business opportunities through products and solutions that contribute to climate change mitigation and adaptation There is potential to expand business opportunities by increasing the provision of innovative products and services expected to contribute to climate change mitigation and adaptation.	Short-term	Upstream, own operations, downstream
	Social impacts (positive)	Contributing to society-wide climate change mitigation and adaptation Through various initiatives toward green transformation (GX)—including providing environmentally conscious products and services, fostering energy transitions toward decarbonization, offering safe, comfortable, and clean means of transportation, and improving system efficiency and utilization rates through digital technologies—Hitachi can advance decarbonization across the entire value chain, potentially contributing to society's climate change mitigation and adaptation.	Short-term	Upstream, own operations, downstream
	Social impacts (negative)	Acceleration of society-wide climate change Many of Hitachi's products provide value to customers through energy use, which, in aggregate, results in high GHG emissions during product use. These emissions may be a contributing factor to global climate change. If GHG emissions across the value chain, including those generated during product use, are not reduced, climate change could accelerate further.	Short-term	Downstream
Circular economy	Opportunities	Potential to expand business opportunities through environmentally and life-cycle-conscious products and solutions There is potential to expand business opportunities by offering products and solutions designed with environmental and life-cycle considerations, such as extending product lifespans and expanding recurring business models.	Medium-term	Own operations, downstream
	Social impacts (negative)	Depletion of society's resources If the transition to a circular economy is not advanced through transformations in product design, procurement and overall business models, it could lead to resource depletion.	Medium-term	Upstream, own operations, downstream
Nature positive	Social impacts (negative)	Ecosystem degradation due to climate change and water use Acceleration of climate change, discharges into aquatic environments and other negative impacts on natural capital could lead to ecosystem degradation.	Long-term	Upstream, own operations, downstream
Human capital acquisition and development, individual leadership	Opportunities	Expanding business opportunities through appropriate talent development and recruitment Hitachi can strengthen its workforce, including professionals with AI expertise, leadership capabilities and other critical skills through developing and acquiring the right talent aligned with our business strategy. This enables Hitachi to drive innovation, create new business opportunities, support the development of products and services and contribute to business growth.	Short- to medium-term	Own operations
Employee engagement, organizational culture	Opportunities	Expanding business opportunities through enhanced employee engagement Higher employee engagement can lead to increased productivity and enhanced corporate brand value, which can attract more talent and drive business growth.	Short-term	Own operations
Inclusive workplace and opportunities for all	Opportunities	Expanding business opportunities through leveraging diverse perspectives By fully utilizing the diverse backgrounds, perspectives, and expertise of a diverse workforce, Hitachi can foster innovation driven by new ideas, acquire opportunities for new businesses and potentially drive business growth.	Short- to long-term	Own operations

*1 Areas identified as requiring priority action based on an analysis and assessment of the relationship between Hitachi business activities and sustainability issues from the perspectives of both social impacts and business risks and opportunities.

Themes	IRO area*		Time horizon	Value chain
Health and safety	Risks	Financial burden and loss of social credibility due to insufficient safety management If occupational incidents occur because safety management for employees and contractors is not thoroughly implemented, it could not only cause a decline in productivity and loss of business opportunities, resulting in a financial burden for the company, but also lead to a loss of social credibility.	Short-term	Own operations
	Social impacts (negative)	Impact on the health and safety of people working in the value chain If high-risk tasks involving hazards, such as electric shocks, working at heights, heavy loads, oxygen deficiency, toxic gases, or fires are not properly managed, or if training is inadequate, it could pose safety risks to employees, contractors and others working in the value chain, as well as potentially cause mental and physical health issues.	Short-term	Upstream, own operations, downstream
Human rights	Risks	Loss of reputation and business opportunities due to insufficient respect for human rights If human rights issues, such as labor problems or harassment, occur within the company, among procurement partners, or among business partners in the value chain, there are risks of supply chain disruptions and other procurement risks, lawsuits/fines, reputational damage and loss of business opportunities.	Medium-term	Upstream, own operations, downstream
	Social impacts (negative)	Human rights violations affecting people involved in the value chain If appropriate human rights due diligence (HRDD) processes are not implemented, or if responses to identified human rights issues are inadequate, it could lead to the occurrence or continuation of human rights violations against stakeholders such as suppliers, employees, business partners and local communities.	Short-term	Upstream, own operations, downstream
Sustainable procurement	Risks	Reputation and supply risks due to inadequate supply chain management If procurement is conducted from partners who do not consider human rights, the environment, or compliance, and appropriate investigation or action is not taken, it could lead to reputational damage and hinder stable procurement.	Short-term	Upstream, own operations, downstream
	Risks	Risk of deteriorating earnings due to insufficient supply chain resilience Progress in protectionist policies and economic bloc formation in various countries and regions, the expansion of import/export restrictions, the occurrence of large-scale disasters and increasing economic uncertainty pose risks of supply chain disruptions and rising procurement costs.	Short-term	Upstream, own operations, downstream
	Social impacts (negative)	Expansion of human rights violations and exacerbation of environmental impacts If responsible procurement is neglected, it could lead to the expansion of human rights violations affecting workers at suppliers and other entities in the value chain, as well as an increase in environmental impacts.	Short-term	Upstream, own operations, downstream
Information security	Risks	Business interruption and reputational damage due to increasingly sophisticated and advanced cyberattacks If increasingly sophisticated and advanced cyberattacks result in system shutdowns or the theft/destruction of information, there is a risk of business interruption and reputational damage.	Short- to medium-term	Upstream, own operations, downstream
	Social impacts (negative)	Abuse of personal information and suspension of critical infrastructure services In Hitachi's businesses that support various aspects of social infrastructure, cyberattacks on our own systems or on the products and services we provide could result in information leaks or system shutdowns, potentially leading to the abuse of personal information or the suspension of critical infrastructure services, thereby undermining public safety and security.	Medium-term	Own operations, downstream
AI governance	Risks	Deterioration of earnings and loss of business opportunities due to inadequate governance in AI utilization If governance structure and risk management of AI utilization to address regulatory compliance are not implemented, there is a possibility of reputational damage and fines due to AI incidents. Furthermore, it may become a factor that impedes productivity, which may lead to loss of business opportunities.	Short- to medium-term	Own operations
Corporate ethics and compliance	Risks	Reputational damage and deterioration of earnings due to insufficient enforcement of business ethics Acts that deviate from international norms and ethics—including bribery, violations of anti-corruption measures and breaches of competition law—pose risks such as loss of stakeholder trust and other reputational risks, litigation risks, deterioration of earnings due to fines and loss of business opportunities through exclusion from investment or trading partner consideration.	Short- to medium-term	Own operations
Quality and product safety	Risks	Risk of deteriorating earnings due to the quality and safety of our products and solutions If issues arise with quality or product safety, there are risks of incurring costs associated with remedial actions, reputational damage and loss of business opportunities.	Medium-term	Own operations, downstream

*1 Areas identified as requiring priority action based on an analysis and assessment of the relationship between Hitachi business activities and sustainability issues from the perspectives of both social impacts and business risks and opportunities.

Hitachi Group sustainability strategy—PLEDGES

We analyzed and assessed the relationship between Hitachi business activities and sustainability issues from the perspectives of both social impacts and business risks and opportunities. Based on our findings, we formulated the sustainability strategy PLEDGES under the management plan Inspire 2027. For each strategic pillar, we have defined our aspirations, targets and KPIs, and are working to advance sustainable management.

PLEDGES

Strategic pillars and aspirations	Included themes	KPIs	FY2027 targets	FY2025 results
Planet Lead green transformation (GX) globally to achieve decarbonization	 <u>Decarbonization</u>	GHG emissions reduction rate at business sites (factories and offices) *1 (compared to FY2019) 	75%	64%
		Number of procurement partners that set GHG reduction plans and targets	700 procurement partners	428 procurement partners
		Reduction in GHG emissions intensity rate through products and services*2 (compared to FY2022)	40%	41%
	 <u>Circular economy</u>	Application rate of environmental conscious design for new product development	100%	100%
		Waste landfill rate*3	2%	1.8%
		Effective utilization rate of plastic waste*3	92.5%	99.1%
	 <u>Nature positive</u>	Reduction rate in water use per unit*3 (compared to FY2019)	8%	22%
		Reduction rate of water usage at manufacturing sites located in water-stressed areas	1%	-0.4%
Leadership Lead transformation with people who can boldly take on societal issues and pave the way for a brighter future	 <u>Human capital acquisition and development, Individual leadership</u>	Number of global leaders who realize growth strategy	1,000 people	550 people
		Number of AI professional talents	50,000 people	39,000 people
		Employee growth mindset score 	70 points	69.2 points
		Employee engagement score 	80 points*4	73.3 points
Empowerment Build a culture that praises learning and encourages challenges and growth	 <u>Employee engagement, Organizational culture</u>	Number of people who receive allotment of Restricted Stock Unit	1,500 people	1,800 people
		Number of people eligible for Employee Stock Purchase Plan globally	150,000 people	130,000 people
Diverse Perspectives Drive innovation by maximizing capabilities and performance of diverse talents	 <u>Inclusive workplace and opportunities for all</u>	Realize innovative ideas through the new “Make a Difference!” program*5		
Governance Build a resilient foundation with safety and ethics as a priority	 <u>Business ethics and compliance</u>	Ethical culture and compliance perceptions assessment score	85 points*6	82.4 points
		Total recordable injury frequency rate*7 	0.1 or lower	0.15
	 <u>Health and safety</u>	Number of fatal incidents 	0	4
	 <u>Quality and product safety</u>	Executive participation rate (including Hitachi executives and business site senior management) in review sessions for product-related incidents (OCHIBO-HIROI)	100%	100%
	 <u>Information security</u>	Ensure and enhance information security by implementing measures based on the annual cybersecurity score monitoring*8		
 <u>AI governance</u>	Implement risk management for applying AI to products, services, and systems			
	 <u>Risk management</u>	Strengthen process and talent of our global operation to foster effective risk management for growth		
Engagement Build a sustainable value chain along with stakeholders	 <u>Sustainable procurement</u>	Number of procurement partners taking action on environment and human rights (compared to FY2024) 	1.5 times (6,000+ procurement partners)	5,232 procurement partners
Sustainability for all Accelerate value delivery to society and Hitachi’s sustainable growth through PLEDGE	 <u>Human rights</u>	Work to remediate the specific human rights risks identified		
Sustainability for all Accelerate value delivery to society and Hitachi’s sustainable growth through PLEDGE	 <u>Delivering value to society</u>	Avoided emissions from the use of products and services per year (FY2025–FY2027 average)	100 million tons/year	280 million tons/year*9
		Revenue of products, services, and solutions contributing to GX per year (FY2025–FY2027 average)	4.6 trillion JPY/year	4.7 trillion JPY/year*9

*1 All manufacturing sites and non-manufacturing sites in categories A and B are covered *2 Per gross profit *3 All manufacturing sites *4 Ambitious target of 80 points is set, which exceeds global competitors (base target is 75 points) *5 A program to support bottom-up idea proposals and implementation aimed at Hitachi Group employees *6 At or above the benchmark score established for similarly situated companies utilizing external institute's (Ethisphere) ethical culture and compliance perceptions assessment *7 Number of recordable injuries per 200,000 work hours *8 Based on METI Cyber Security Management Guidelines created with reference to globally recognized standards (ISO/IEC 27000 series) and frameworks (NIST Cybersecurity Framework, etc.) *9 Forecast of FY2025–FY2027 average

◆ Sustainability evaluation indicators linked to executive compensation

Linking executive compensation to the sustainability strategy

At Hitachi, the Compensation Committee, composed of a majority of independent external directors, determines the policy for the compensation of directors and executive officers, as well as the individual compensation details and amounts based on that policy.

In fiscal 2023, we set the weighting of sustainability targets in

short-term incentive compensation (STI) at 20% to strengthen sustainable management and enhance corporate value. For long-term incentive compensation (LTI), we grant additional shares equivalent to 10% of the standard amount if sustainability targets are achieved.

In fiscal 2025, we incorporated selected targets and KPIs from the newly formulated sustainability strategy PLEDGES into the evaluation of executive compensation to further enhance implementation.

Sustainability evaluation indicators linked to executive compensation ♦

PLEDGES strategic pillars	KPIs	Link to executive compensation	FY2027 targets
Planet	GHG emissions reduction rate at business sites (factories and offices) (compared to FY2019)	STI	75%
Leadership	Employee growth mindset score	LTI	70 points
Empowerment	Employee engagement score	STI and LTI	80 points* ¹
Governance	Total recordable injury frequency rate (TRIFR) Number of fatal incidents	STI	0.1 or lower 0 incidents
Engagement	Number of procurement partners taking action on environment and human rights (compared to FY2024)	STI	1.5 times

*¹ Ambitious target of 80 points is set, which exceeds global competitors (base target is 75 points)

Director and executive officer compensation

Contributing to the SDGs

By advancing management based on our sustainability strategy, PLEDGES, we aim to realize a Harmonized Society where the environment, wellbeing and economic growth are in balance, while helping address the diverse global challenges identified in the Sustainable Development Goals (SDGs). We have identified specific SDG targets to which we can contribute most significantly through business activities with PLEDGES as the foundation, under the management plan, Inspire 2027. Through our active involvement across a broad range of business fields, we believe we can contribute extensively to the achievement of SDGs beyond the goals identified, and we will strive to contribute to the achievement of all 17 SDGs.

SDG targets to which Hitachi contributes through our business activities



Sustainability and financial performance

To advance sustainable management, it is essential to identify how sustainability initiatives impact financial performance and to explore possible future directions.

To support these efforts, Hitachi uses a financial influence analysis to quantify and visualize the impact of sustainability initiatives and changes in indicators on financial performance. Building on these findings, we use AI to conduct future scenario simulations to identify multiple future scenarios and the key decision points that differentiate each scenario.

The insights help identify initiatives that can enhance corporate value over the medium to long term and support the exploration of initiatives under the sustainability strategy PLEDGES. Looking ahead, we also aim to apply these insights to future management decisions and strategic planning.

Financial influence analysis

The financial influence analysis model was jointly developed by Hitachi, the Isagawa Laboratory and Kazuo Yamada Laboratory at Kyoto University. This method is designed to clarify how sustainability initiatives affect financial indicators. This model quantifies the causal relationships between ESG and financial indicators and visualizes how changes in ESG performance contribute to corporate value. Hitachi analyzed approximately 3 to 10 years of ESG and financial data together with KPI trends under PLEDGES. The analysis confirmed that sustainability initiatives have a positive impact on financial performance by driving revenue growth and reducing the cost of capital.

 **ESG-Financial indicators analysis based on causal hypothesis graphs**

 **Development of ESG measure simulator for predicting impact on financial indicators**

 **Hitachi Group sustainability strategy—PLEDGES**

Impact of sustainability initiatives on financial performance

Following the financial influence analysis conducted during the development of PLEDGES, Hitachi also analyzed the relationship between ESG indicators and financial performance in fiscal 2025.

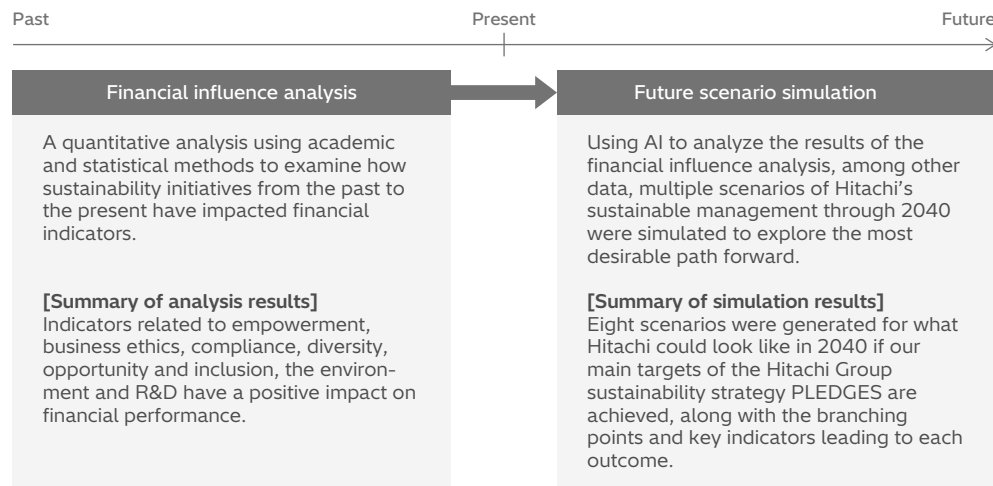
Through this process, we examine the relationship between sustainability and corporate value enhancement and identify the key elements that contribute to sustainable growth.

The results reaffirmed our fiscal 2024 findings, confirming that indicators related to empowerment and diversity, opportunity and inclusion have the potential to contribute to financial indicators such as revenue and profit. Our findings also confirmed that indicators related to business ethics, compliance and health and safety including incidents influence costs, including selling, general and administrative expenses.

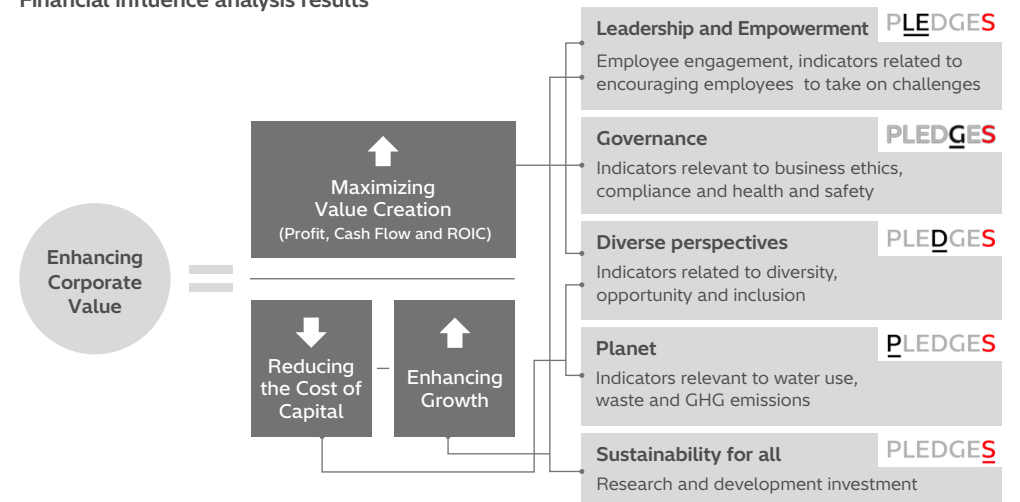
The analysis also continued to confirm the effectiveness of environmental initiatives, including efforts to reduce water use, waste and GHG emissions, as well as diversity-related indicators, in lowering the cost of capital (WACC).

Furthermore, the analysis provided new insights, indicating that research and development investment tends to influence financial performance over the medium to long term, reducing workplace accidents contributes to lower selling, general and administrative expenses, and creating a workplace that encourages employees to take on challenges has the potential to drive revenue growth.

Analyzing the relation between sustainability and financial performance



Financial influence analysis results



Overview of future scenario simulation

Hitachi uses AI to conduct our future scenario simulation in support of our goal of balancing sustainability and corporate value enhancement.

The simulation identified eight possible future scenarios through 2040 based on 154 indicators. Among these, the balanced digital-green model, which emphasizes balanced investment in both digital technologies and green initiatives to build a foundation for medium- to long-term growth, emerged as the preferred path toward business growth and social value creation.

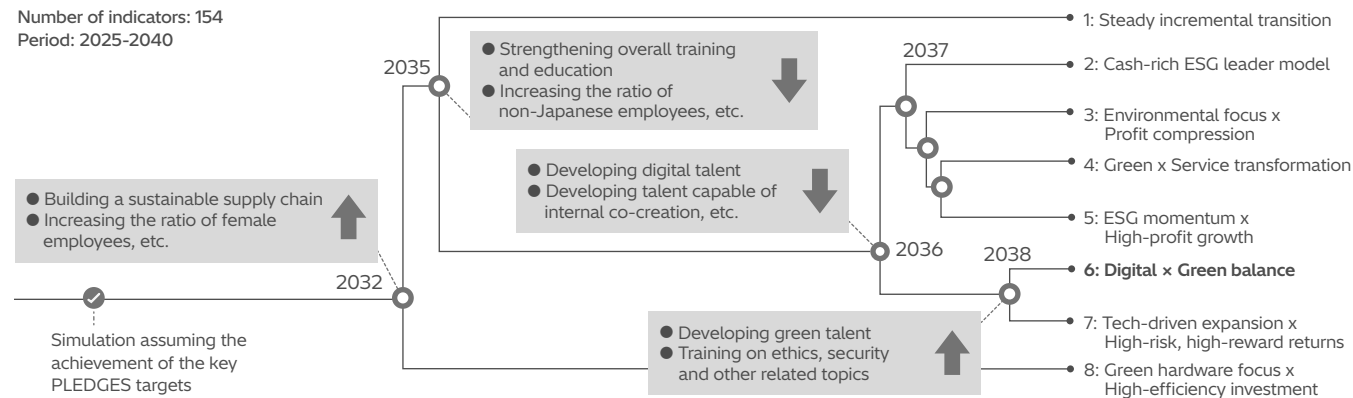
The analysis also found that achieving this scenario will require

the phased implementation of initiatives aligned with the sustainability strategy PLEDGES. These initiatives include improving ROIC and operating profit, strengthening engagement with procurement partners, advancing diversity, reinforcing business ethics and information security, and strengthening the human capital needed to lead green transformation (GX) and digital transformation (DX) initiatives.

Although forecasting an uncertain future is inherently difficult, Hitachi strives to further advance sustainable management by combining AI-driven simulations and other digital technologies with human experience and judgment.

Overview of future scenario simulation

Number of indicators: 154
Period: 2025-2040



Sustainability strategy management structure

Establish a structure to foster sustainability

Under the leadership of Chief Sustainability Officer (CSuO), Lorena Dellagiovanna, Hitachi engages in sustainability initiatives on a Group-wide basis. The Senior Executive Committee deliberates and makes decisions on important sustainability issues. These issues are submitted to the Board of Directors as needed.

The Committee deliberates and decides on important managerial matters, including the following strategies:

- **Business and regional management strategies:** Matters relating to management strategies for each business and region necessary for Hitachi's growth.
- **Risk management strategies:** Matters needed to strengthen the Company's management base linked to growth through a unified and horizontal understanding of risks across the entire Hitachi Group globally.
- **Human resources strategies:** Matters needed to foster an organization and culture aimed at the growth of Hitachi, and to secure and cultivate human resources.
- Other strategies including sustainability strategies relating to the Hitachi Group globally.

By formulating and executing various strategies in an integrated manner as One Hitachi, we aim to further enhance our corporate value and achieve sustainable growth.

As a company with a Nominating Committee, Hitachi has an Audit Committee composed of independent directors that conduct an annual audit of sustainability related operations. Reports on important sustainability issues are made to the Committee by the executive officers responsible.

Toward further integration of sustainability and business

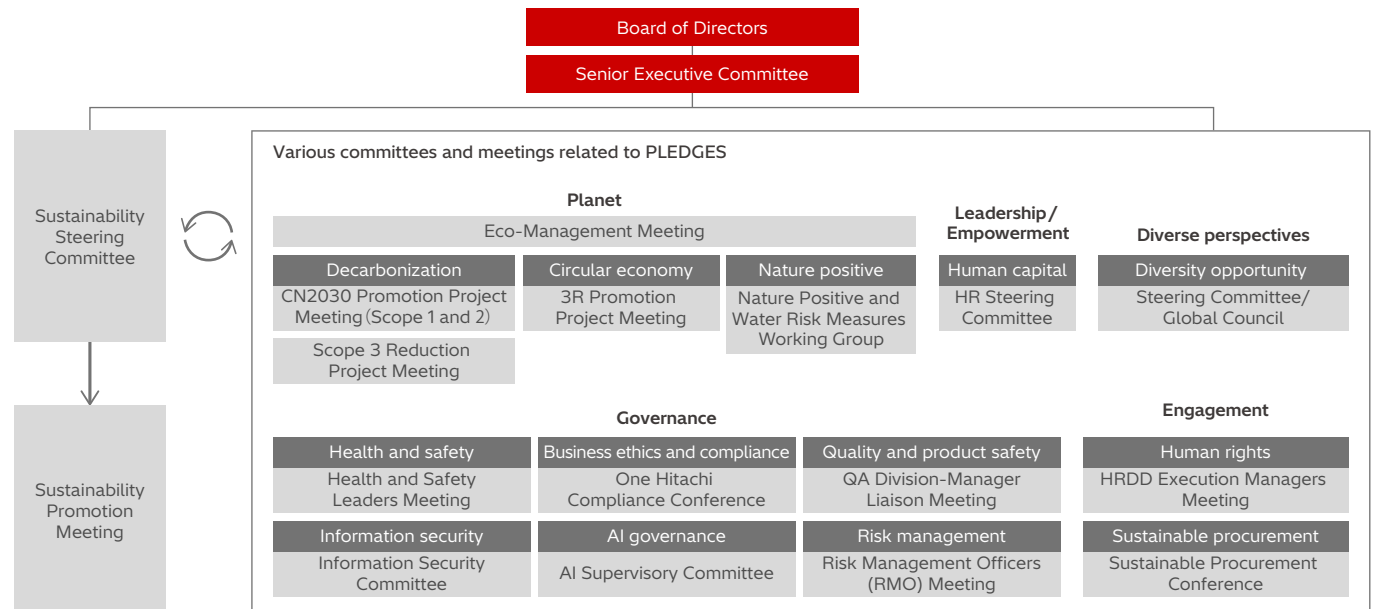
Sustainability leaders in sectors and business units (BUs) are appointed to further integrate sustainability into our businesses. The Sustainability Steering Committee, comprising the CSuO and the sustainability leaders from sector and BU, meets quarterly to discuss the initiatives, current challenges and responses needed to execute PLEDGES, the Group-wide sustainability strategy.

Committees for fostering the sustainability strategy PLEDGES

In addition to the quarterly Sustainability Steering Committee chaired by the CSuO, we hold the Sustainability Promotion Meeting once or twice a year to discuss important sustainability initiatives and share information. The meeting brings together sustainability representatives from sector, BU, major Group company and regional headquarters.

We also have a dedicated meeting structure for each of the themes covered by the Hitachi Group sustainability strategy, PLEDGES. These themes include the environment, human capital, health and safety, quality and product safety, sustainable procurement etc. These meeting structures, comprising representatives from sectors, BUs and major Group companies, discuss Group-wide initiatives and share information to further strengthen sustainability across the Group.

Governance structure for fostering the sustainability strategy PLEDGES



Overview of sustainability related conference bodies

Strategic pillars	Meeting	Attendees	Purpose	Frequency
PLEDGES	Sustainability Steering Committee	CSuO*1, Deputy CSuOs, Sustainability Leaders of sectors and BUs	Discuss and decide on measures necessary to execute PLEDGES across the entire Group, as well as on current issues and responses	Every quarter
	Sustainability Promotion Meeting	Deputy CSuO, sustainability representatives of business promotion division heads at BUs and major Group companies, Sustainability Officers of regional headquarters	Deliberate and share information related to material sustainability initiatives	Once or twice per year
Planet	Eco-Management Meeting	Heads of the business promotion, environment-related, MONOZUKURI (production) and procurement divisions from BUs and major Group companies	Deliberate on, plan and implement action plans (environmental action plans) to achieve Hitachi's environmental long-term goals	Every half-year
	CN2030 Promotion Project Meeting (Scope 1 and 2)	Heads and members of the environment-related and MONOZUKURI (production) divisions from BUs and major Group companies	Monitor and discuss measures to accelerate implementation focused on Scope 1 and 2 emissions reduction	Every half-year
	Scope 3 Reduction Project Meeting	Heads and members of the environment-related, MONOZUKURI (production) divisions and sustainable procurement divisions at BUs and major Group companies	Monitor and discuss measures to accelerate implementation focused on Scope 3 emissions reduction	Every half-year
	3R Promotion Project Meeting	Heads and members of the environment-related and MONOZUKURI (production) divisions from BUs and major Group companies	Drive 3R initiatives aimed at achieving a circular economy	Every quarter
	Nature Positive and Water Risk Measures Working Group	Heads and members of the environment-related divisions from BUs and major Group companies	Monitor and discuss measures focused on nature-positive initiatives and water risks	Every half-year
Leadership/ Empowerment	HR Steering Committee	CHRO*2, Deputy CHROs, Global HR leaders, Business HR leaders (Sector CHROs) and Corporate HR leaders	Discuss and make decisions on the Human Capital Strategy and key HR initiatives	Every month
Diverse perspectives	Steering Committee	Global DOI*3 Division Head, DOI general managers from each sector, Global HR CoE*4 Head	Set the strategy to leverage diverse perspectives through inclusive culture and merit-based processes that ensure equal opportunities for all	Every quarter
	Global Council	DOI Officers from BUs and major Group companies	Implement policies and initiatives for leveraging diversity and share best practices	Every month
	Regional Council	Leaders responsible for overseeing DOI in each region; representative business leader and DOI leaders from BUs and Group companies in each region	Develop and implement global initiatives that account for region-specific challenges, regulations and cultures	One to three times every six months
Governance	Health and Safety Leaders Meeting	Individuals responsible for health and safety at BUs and major Group companies (CHROs, officers in charge of health and safety)	Instruct and communicate health and safety activity policies and measures; confirm progress; share details on important incidents related to health and safety; and discuss measures to prevent recurrence	Once per two months
	QA Division-Manager Liaison Meeting	Heads of the quality assurance divisions at BUs and major Group companies	Discuss and develop shared Hitachi Group quality improvement activity policies and measures for products and services	Every quarter
	Information Security Committee	CD&SO*5, Information Security Audit Officer, Information Security Training Officer, and representatives of BUs, business sites and Corporate Departments	Discuss and decide on policies and measures regarding information security and personal information protection	Every half-year
	AI Supervisory Committee	Leaders of major corporate divisions, the AI utilization promotion division, sector promotion leaders (including those overseas)	Support the establishment and operation of a Hitachi Group framework to manage risks that may arise from AI utilization	Every quarter
	One Hitachi Compliance Conference	CCO*6 and compliance officers of BUs and major Group companies	Raise awareness of and discuss compliance measures	Once per year
Engagement	RMO (Risk Management Officers) Meeting	CRMO*7, Deputy CRMOs, RMOs of each sector, BU, and regional headquarter	Discuss advancing ERM, sharing information on material business risks and fostering a Company-wide risk culture	Once per two months
	HRDD Execution Managers Meeting	HRDD execution managers at BUs and major Group companies	Provide information and knowledge necessary for HRDD implementation and share and discuss the status of implementation in BUs and major Group companies	Once or twice per year
	Sustainable Procurement Conference	CPO*8, heads of the procurement divisions at BUs and major Group companies, individuals responsible for and engaged in sustainable procurement	Communicate the Hitachi Group sustainable procurement policies and strategies to all procurement divisions and improve knowledge and share best practices	Once or twice per year

*1 Chief Sustainability Officer *2 Chief Human Resources Officer *3 Diversity, Opportunity and Inclusion *4 Center of Excellence *5 Chief Digital & Security Officer *6 Chief Compliance Officer *7 Chief Risk Management Officer *8 Chief Procurement Officer

Sustainability initiatives and external evaluation

Hitachi aspires to support the development of sustainable societies. To amplify our efforts, we engage in external initiatives and evaluations that help enhance our sustainability performance.

Sustainability initiatives

We actively contribute to a range of international initiatives and groups which exist to drive sustainability on a global scale.

World Business Council for Sustainable Development (WBCSD)

Became a member in 1995
Adopted SOS 1.5 project in 2020



Business for Social Responsibility (BSR)

Became a member in 2007 and has participated in the Human Rights Working Group (HRWG) since 2016



United Nations Global Compact (UNGC)

Signatory since 2019
Committed to conducting business activities in accordance with the principles of the UN Global Compact



World Economic Forum

Participant in the World Economic Forum (WEF) Davos Meeting since 2014

Japan Climate Initiative (JCI)

Became a member in 2018



Business Ambition for 1.5°C

Signed in 2020, supporting the goal of limiting the global temperature increase to 1.5°C above pre-industrial levels



ESG Disclosure Study Group (EDSG)

Participant in the ESG Disclosure Study Group as a founding member since 2020



The Valuable 500

Participant since 2021, supporting inclusion for people with disabilities



The Science Based Targets initiative (SBTi)

Received SBTi validation in 2025 for Hitachi's net-zero science-based targets through fiscal 2050



Initiatives of the ESG Disclosure Study Group

The ESG Disclosure Study Group (EDSG) was established in 2020 under Hitachi's leadership and continues to be co-led by Hitachi today. EDSG is Japan's largest private-sector community for corporate disclosure and sustainable management, bringing together more than 130 business companies, institutional investors, audit firms, government organizations and other stakeholders. EDSG works closely with global sustainability organizations, including the IFRS Foundation, to exchange practical insights and develop recommendations that reflect international trends. The organization's activities include working groups on improving the Integrated Report, developing sustainability talent and embedding integrated thinking into management, along with sharing information on a continuous basis through seminars and webinars featuring experts. Through our participation in EDSG, we will continue to deepen dialogue and co-creation with diverse stakeholders and exercise leadership in driving sustainable management and information disclosure in Japan. In doing so, we aim to contribute to sustainable value creation across society.

 [ESG Disclosure Study Group](#)

Stakeholder engagement

Hitachi endeavors to accurately identify the various social issues that each country and region faces, and to work toward resolving these issues through engagement in collaborative creation with a wide range of stakeholders, including customers, governments and municipalities, as well as academic and research institutions.

 [Dialogue with stakeholders](#)

 [Disclosure Policy](#)

 [Multi-Stakeholder Policy \(Japanese only\)](#)

Industry leadership and policy recommendations

Hitachi established the position of Chief Government and External Relations Officer (CGRO) in April 2026. Under this structure, the Global Government Affairs Division leads engagement with governments and international organizations in coordination with our six global regions: the Americas, EMEA, APAC, India, China and Japan. These activities help to create business opportunities and generate value aligned with policy priorities and social challenges in areas such as energy and social infrastructure. Governments are also increasingly seeking Hitachi's views. We contribute to the realization of a better society by making recommendations through councils, as well as making recommendations through discussions in business and industry associations.

Participation in government councils and business and industry associations

Council/Group	Participants	Activities
Meeting on Digital Administrative and Fiscal Reform	Executive Chairman Toshiaki Higashihara	Aims to realize social transformation by fundamentally reviewing Japan's administrative and fiscal systems from a user-centric perspective in response to rapid population decline, as well as by maximizing the use of digital technologies to maintain and strengthen public services and revitalize local economies [Hitachi] Received invitation from the Japanese government; Chairman joins as an expert member and submits recommendations regarding digital transformation (DX) in government and data utilization
World Economic Forum	Executive Officers, led by Executive Chairman Toshiaki Higashihara and President & CEO Toshiaki Tokunaga	An international forum in which leaders from various field, including economics, politics and academia, participate to discuss solutions to challenges facing the world, regions and industries through dialogue and collaboration [Hitachi] Participates in events such as the Davos Forum to engage in discussions and advocate for solutions to global, regional and industry challenges; advocates for achieving net zero at COP as a member of the World Economic Forum's Alliance of CEO Climate Leaders
National Association of Manufacturers	Hitachi Corporate Office in Washington DC	Lobbying and making policy recommendations, as the largest association of manufacturers in the United States, to support the international competitiveness of member corporations [Hitachi] Gathers information and shares insights on policy and regulatory trends affecting the manufacturing sector in the United States
Japan Business Council in Europe (JBCE)	Hitachi Europe Government Relations Office	Making policy recommendations to contribute to the further development of EU-Japan relations and the EU economy as the body representing Japanese corporations in the EU [Hitachi] Provides insights and contributes to discussions based on policy trends regarding Japan-EU relations and the business environment within the EU
Japan Business Federation (Keidanren)	Executive Chairman Toshiaki Higashihara (Vice Chair, Keidanren Board of Councillors)	An economic organization whose members include leading companies and industry associations in Japan; proposes a vision for the future of Japan's economy and industries Shares views on key issues such as DX, green transformation (GX) and human resources development to achieve Future Design 2040 [Hitachi] Leverages our broad and diverse expertise and dispatches chairpersons and members to various committees; actively carries out initiatives to contribute to policy proposals and economic development in Japan and overseas
Japan Electrical Manufacturers' Association (JEMA)	Executive Vice President and Executive Officer Yasunori Inada (Director, JEMA)	A major industry association representing companies engaged in the manufacture and supply of electrical equipment and systems in Japan; pursuing the sustainable development of electrical manufacturing by providing recommendations on various governmental and administrative policies and promoting product safety awareness, international standardization and compatibility evaluation, statistical research work and the development of human capital for STEM fields [Hitachi] Participates in policy and regulatory discussions through various committee activities and public statements in the power and electrical manufacturing sectors; contributes to the development of recommendations for the government; pursues standardization
Japan Electronics and Information Technology Industries Association (JEITA)	President & Chief Executive Officer Toshiaki Tokunaga (Vice Chairperson, JEITA)	A major industry association in Japan representing companies in the electronics, information technology and digital industries in Japan; examines and makes proposals on digital technology, data usage and market creation under the mission to achieve Society 5.0; offers insights into developments of international legislation, agreements and standards to develop digital trade and strengthen international competitiveness [Hitachi] Participates in discussions on digital technology and industrial policy through various committee activities; contributes to policy recommendations and rule-making
Japan Machinery Federation (JMF)	Executive Chairman Toshiaki Higashihara (Vice Chairman, JMF)	Provides policy recommendations to the Diet and the government, conducts surveys and research on the machinery industry and drives international standardization activities for the comprehensive progress and development of the machinery industry [Hitachi] Participates in discussions on policy and regulatory development aimed at improving the business environment in the machinery industry; has served as chair organization for four years since fiscal 2022, providing recommendations to the Japanese government and leading the industry
Japan-U.S. Business Council (JUBC)	Executive Chairman Toshiaki Higashihara (Vice Chairman, JUBC)	Exchanges views and develops policy recommendations regarding various issues with Japan-U.S. economic relations from the point of view of the Japan-U.S. business community as a whole [Hitachi] Participates in dialogue between the Japanese and U.S. business communities on key issues affecting Japan-U.S. economic relations and holds discussions aimed at developing policy recommendations

Efforts in international standardization activities

Hitachi views international standardization as one of the key means of establishing the international rules needed to achieve a sustainable society. We actively participate in standardization activities through international standards organizations such as the IEC^{*1}, ISO^{*2}, and ITU-T^{*3}, as well as in consortia and forums established across regions and industries worldwide.

For example, for the circular economy (CE), Hitachi established the Hitachi-AIST Circular Economy Cooperative Research Laboratory together with the National Institute of Advanced Industrial Science and Technology (AIST), working to create internationally accepted rules and standards originating from Japan. Existing CE metrics have generally lacked a cost-efficiency perspective, limiting their ability to incentivize investment. Hitachi works to address this gap by standardizing a new CE metric called Circular Value-added Productivity (CVP). This metric captures the economic efficiency of circular investments by making improvements in investment efficiency visible. In standardizing CVP, Hitachi aims to accelerate the transition to a CE for society as a whole, expand the application of high-efficiency and optimization technologies to circular economy initiatives and help solve social challenges.

Providing solutions consistent with international standards through international standardization activities allows Hitachi to support the sound development of global markets and facilitate innovation to resolve social challenges.

^{*1} International Electrotechnical Commission. An international organization composed of member countries and regions

^{*2} International Organization for Standardization. An international organization composed of member countries and regions

^{*3} International Telecommunication Union Telecommunication Standardization Sector. A specialized agency of the United Nations

 **Research Report on Circular Value-added Productivity (CVP)**

 **Policy advocacy and standardization activities related to climate change**

Employee participation in international standardization activities

A Hitachi employee has been serving as a member of the SMB^{*1}, an upper-level committee supervising the IEC's standardization activities. Our employees can also be found in other key international positions, including chairpersons, secretaries and other leadership positions across various bodies, and participate in a variety of technical committees within international standardization organizations. In recognition of these contributions to international standardization activities, two Hitachi employees received honors from the Minister of Economy, Trade and Industry and the Director-General of the Innovation and Environment Bureau at the fiscal 2025 Industrial Standardization Awards presented by Japan's Ministry of Economy, Trade and Industry (METI).

^{*1} Standardization Management Board. Fifteen members are appointed from IEC member countries. Seven members are elected by the standing member countries and eight by general election

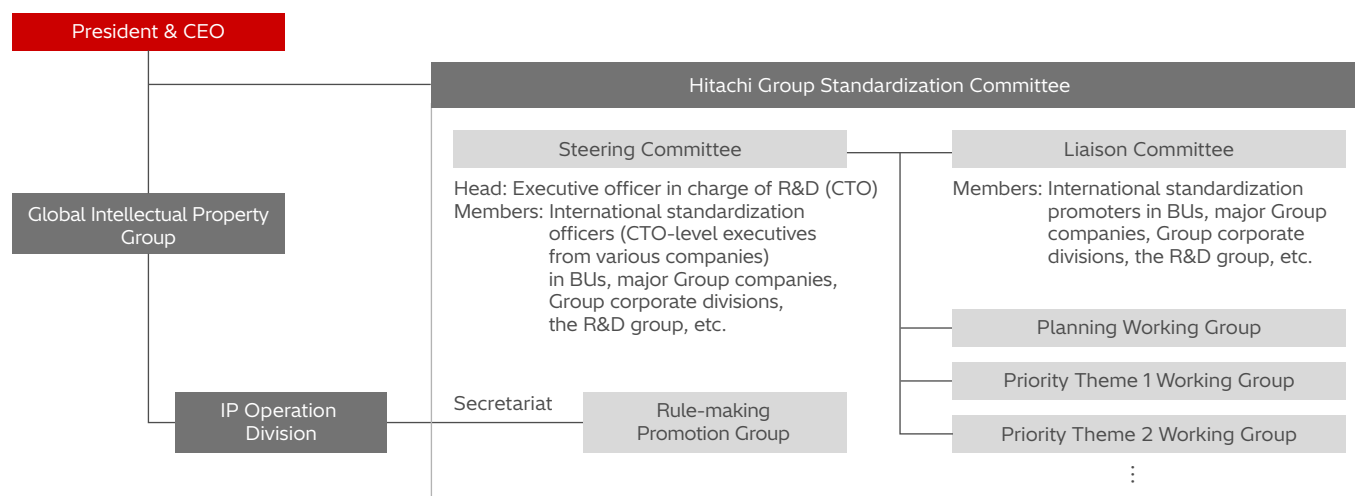
Structure for advancing international standardization activities

The Hitachi Group Standardization Committee has been established under the Chief Technology Officer (CTO) to promote international standardization activities through Group-wide collaboration. The Steering Committee^{*1} identifies priority themes for Hitachi's medium- to long-term activities, and through discussions and strategic initiatives conducted by dedicated working groups, takes a leading role in advancing global international standardization activities.

In addition, the Hitachi Group Standardization Committee supports talent development by incorporating lectures and practical training on international standardization into programs for developing technical leaders. The committee also operates an internal recognition program to honor employees who have made significant contributions to international standardization activities.

^{*1} A committee chaired by the Executive Officer in charge of R&D, who serves as CTO of the Hitachi Group, and composed of CTO-level executives from each business unit (BU) and major Group company. The committee makes decisions on cross-organizational projects spanning multiple BUs and Group companies

Hitachi Group Standardization Committee



Sustainability initiatives and external evaluation

We look to internationally recognized external assessments to confirm our current efforts and seek for improvements.

External ESG evaluations

MSCI ESG Ratings



(Rated in 2026)



CDP Climate Change and Water Security A List



(Rated in 2025)



Supplier Engagement Assessment



(Rated in 2025)



World's Most Ethical Companies®



(Awarded in 2026)



Catalyst Award



(Awarded in 2026)



ISS ESG Corporate Rating



(Rated in 2026)



SX Brands



(Awarded in 2026)



Inclusion in ESG indices

MSCI Selection Indexes



(Continued inclusion in 2026)



MSCI Japan ESG Select Leaders Index

2026 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

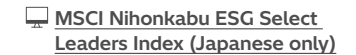
(Continued inclusion in 2026)



MSCI Nihonkabu ESG Select Leaders Index

2026 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX

(Continued inclusion in 2026)



FTSE4Good



FTSE4Good

(Continued inclusion in 2026)



FTSE JPX Blossom Japan Index



FTSE JPX Blossom
Japan Index

(Continued inclusion in 2026)



FTSE JPX Blossom Japan Sector Relative Index



FTSE JPX Blossom
Japan Sector
Relative Index

(Continued inclusion in 2026)



S&P/JPX Carbon Efficient Index



(Continued inclusion in 2026)



Planet

In this section

- 040 Environmental vision and long-term environmental targets
- 043 Products, services and solutions that support green transformation (GX)
- 048 Environmental governance
- 051 Decarbonization
- 058 Climate-related financial information disclosure (based on TCFD recommendations)
- 065 Circular economy
- 068 Nature positive

Our aspiration is to become a global leader in green transformation (GX)

To achieve our aspiration, we are leveraging our strengths in business and technology to help protect our planet. Underpinning our efforts is the Hitachi Environmental Vision — built on three strategic pillars: Decarbonization, Circular economy and Nature positive.

We contribute to the realization of a sustainable society by reducing greenhouse gas (GHG) emissions across the value chain, improving resource efficiency, reducing waste, conserving biodiversity and promoting the responsible use of water resources.

“As One Hitachi, we are advancing Planet, the first pillar of our sustainability strategy, PLEDGES. Addressing environmental challenges is not only our responsibility as a global company but also a critical management priority for sustainable growth. Guided by our Environmental Vision, we are driving decarbonization, circular economy and nature-positive initiatives across our value chain.

Alongside reducing the environmental impact of our own operations, we address global environmental challenges through solutions that enable renewable energy integration, clean mobility and highly efficient social systems, products and services. We will continue to balance risk mitigation with growth opportunities while advancing society's green transformation.”



Megumu Tsuda

Vice President and Executive Officer, Deputy CSuO,
General Manager of Global Environment Division,
General Manager of Global Sustainability Division

PLEDGES Leadership Video — Planet

▶ WATCH

Planet

FY2025 highlights

64%

Factories and offices GHG emissions reduction rate

1.8%

Waste landfill rate

280 million tons

Avoided emissions per year
(Forecast of FY2025–FY2027 average)

22%

Reduction rate in
water use per unit

Environmental vision and long-term environmental targets

Environmental Vision and Hitachi Environmental Innovation 2050

For Hitachi, the environment forms the core of “Planet” in its PLEDGES sustainability strategy and is an important foundation supporting medium- to long-term value creation through green transformation. As environmental issues become increasingly severe worldwide, Hitachi believes that a medium- to long-term perspective that looks ahead to future generations is essential, and has established Environmental Vision to set out the direction the Hitachi Group should pursue.

To realize this vision, Hitachi has established long-term environmental targets for fiscal 2050, “Hitachi Environmental Innovation 2050,” built around the three pillars of decarbonization, circular economy and nature positive. Through data and innovative technologies, Hitachi is advancing initiatives aimed at solving environmental and social challenges while enhancing corporate value.

- **Decarbonization:** Achieve net-zero*¹ across the value chain by fiscal 2050. We will contribute to the reduction of greenhouse gas (GHG) emissions and the decarbonization of the value chain through high-efficiency products, innovative services and future technologies.
- **Circular economy:** Aim to achieve circular transformation by fiscal 2050 in which resources and businesses operate in a circular model. We intend to transition to a circular business model that minimizes energy and resource use while maximizing value across the entire life cycle of both products and services.
- **Nature positive:** In addition to minimizing the impact of our business activities on nature by fiscal 2050, we aim to mitigate damage from natural disasters and contribute to nature resilience, including faster recoveries.

The Environmental Action Plan defines these environmental activities, including the achievement of long-term environmental targets. The plan is a short-term action plan, which we pursue in three-year increments, to implement throughout the Hitachi Group.

*1 In accordance with the 1.5°C emissions reduction scenario, reduce GHG emissions throughout the value chain as much as possible, and permanently remove and neutralize the remainder by absorption or sequestration

Environmental Vision and long-term environmental targets, “Hitachi Environmental Innovation 2050”

Environmental Vision

Hitachi aims to become a global leader in green transformation through its Social Innovation Business to help protect our Planet and achieve well-being for People



Decarbonization



Circular Economy



Nature Positive

Long-term Environmental Targets

Hitachi Environmental Innovation 2050

Pursue dual missions of “GX for CORE” and “GX for GROWTH” to achieve our environmental targets using data and innovative technology



Net Zero
by FY2050

Decarbonize the value chain by highly efficient products, innovative services, and future technologies



Circular Transformation
by FY2050

Maximize the value throughout the entire lifecycle of products and services by building evolving business ecosystems



Nature Resilience
by FY2050

As a responsible partner for infrastructure, minimize the impact on and from nature, ensuring swift recovery

Carbon neutrality
by FY2030*¹

52% GHG emission reduction
in the value chain by FY2030*²

Zero landfill waste
by FY2030*^{3,4}

Eco-design*⁵
for all relevant product groups
by FY2030

10% water usage reduction
by FY2030*⁶

Impact assessment
on and from nature
in the value chain by FY2030*⁷

Environmental Action Plan

Set environmental action items and targets every three years in order to achieve the long-term targets

*1 At factories and offices, through reducing emissions and offsetting residual emissions compared to FY2019

*2 Gross profit-based intensity value compared to FY2022

*3 Defined as a final disposal rate (landfill disposal/waste and valuables) of less than 0.5% in any given fiscal year in the Hitachi Group. Pursued in assumed conformance with regulations, conditions, etc.

*4 At manufacturing sites

*5 Application of environmentally conscious design in the design of products, or implementation of environmental impact assessments for product groups

*6 Intensity value compared to FY2019

*7 For major products and projects, in addition to compliance with necessary regulations

Main targets toward achieving Hitachi Environmental Innovation 2050

Hitachi has established the following main targets for fiscal 2030 and fiscal 2050 under decarbonization, circular economy and nature positive. We will further advance our environmental initiatives to achieve these targets.

Decarbonization

Hitachi aims to achieve carbon neutrality at all business sites (factories and offices) by fiscal 2030, using fiscal 2019 as the base year for comparison. In addition, Hitachi has set a target to reduce the greenhouse gas (GHG) emissions intensity—defined as emissions per unit of value added (gross profit)—across the value chain by 52% from the fiscal 2022 level, and is working to achieve this goal.

Targets and KPIs	FY2027	FY2030	FY2050
GHG emissions reduction at business sites (factories and offices) (FY2019 base year)	75%	Carbon neutrality	Net-zero
GHG emissions intensity reduction rate*1 across the value chain (FY2022 base year)	40%	52%	

*1 Intensity based on gross profit

Circular economy

To deliver value across product life cycles, Hitachi aims first to eliminate landfill waste at manufacturing sites and to apply eco-design to all related product groups by fiscal 2030, thereby promoting environmentally conscious design and the transition to circular business models.

Targets and KPIs	FY2027	FY2030
Waste landfill rate	2.0%	0%
Eco-design application rate	New products	All relevant product groups

Nature positive

Recognizing water as part of natural capital, Hitachi aims to reduce water use by 10% by fiscal 2030 (compared to the fiscal 2019 baseline). In addition, we will continue assessing both our impacts on natural capital and the impacts of nature on our business activities throughout the value chain, while keeping a close eye on international initiatives such as the Conference of the Parties (CBD-COP) to the Convention on Biological Diversity and the Taskforce on Nature-related Financial Disclosures (TNFD).

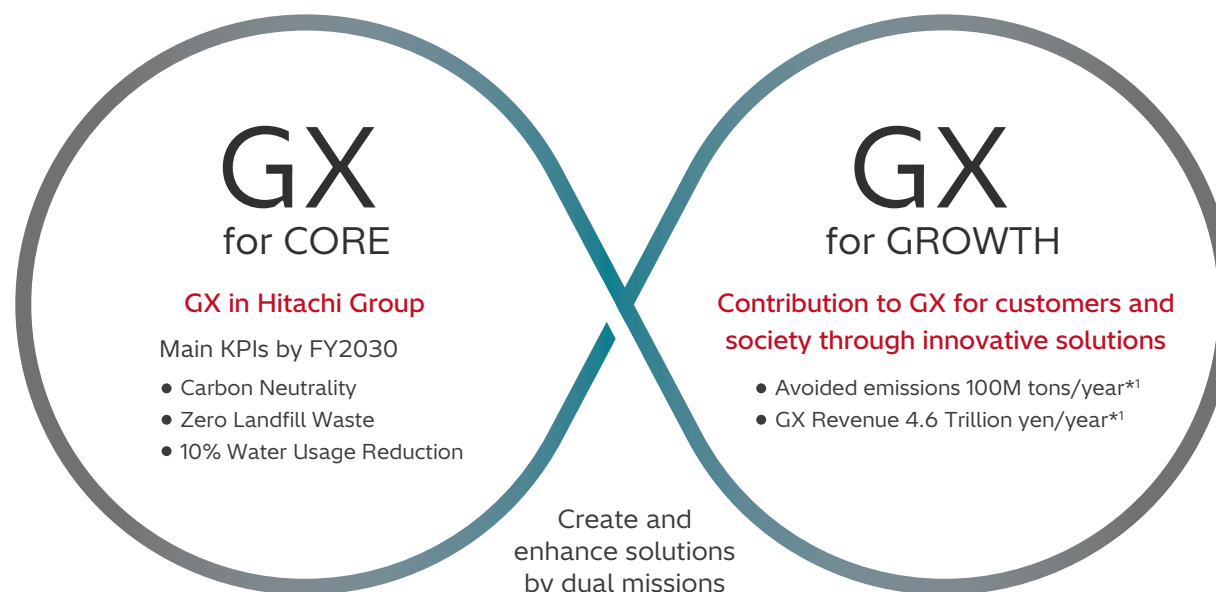
Targets and KPIs	FY2027	FY2030
Reduction rate in water use per unit*1 (FY2019 base year)	8%	10%

Achieving Hitachi Environmental Innovation 2050

To achieve the goals of Hitachi Environmental Innovation 2050, Hitachi is pursuing two key missions: “GX for CORE” and “GX for GROWTH.” The first pillar, known as GX for CORE, accelerates the Hitachi Group’s own green transformation. The second pillar, GX for GROWTH, drives green transformation for customers and society through innovative solutions.

By advancing GX for CORE and GX for GROWTH in tandem, Hitachi will create and enhance solutions and continuously increase the environmental value it delivers. Through the pursuit of these missions, we will accelerate the realization of decarbonization, circular economy and nature positive—paving the way toward a sustainable future where people can live with peace of mind.

GX for CORE and GX for GROWTH



*1 3-year average from FY2025 to FY2027

Environmental Action Plan

To achieve the Environmental Vision and the Hitachi Environmental Innovation 2050 long-term environmental targets, Hitachi draws up an Environmental Action Plan containing indicators and targets set every three years.

2027 Environmental Action Plan (fiscal 2025–2027)

PLEDGES

In conjunction with the revision of the long-term environmental targets, Hitachi Environmental Innovation 2050 and the Inspire 2027 management plan, Hitachi has established the specific metrics and targets of the 2027 Environmental Action Plan (FY2025–FY2027). We will advance our environmental initiatives to achieve these targets over a three-year span.

Category	Activity		KPIs	Base year	FY2025 targets	FY2025 results	FY2026 targets	FY2027 targets
	Factories and offices	Reduction of GHG at business sites	GHG emissions reduction rate*1	FY2019	60%	64%	65%	75%
	Value chain	Reduce GHG emissions throughout the value chain	Number of procurement partners that set GHG reduction plans and targets (1,000 companies by 2030)	–	400 companies	428 companies	500 companies	700 companies
	Products and services	Reduce GHG emissions of products and services	GHG emissions intensity reduction rate*2	FY2022	30%	41%	35%	40%
			Avoided emissions: 100 million tons per year*3	–		Target: 100 million tons/year (FY2025–FY2027 average) Forecast: 280 million metric tons/year*4 (FY2025–FY2027 average)		
Circular economy	–	Promote eco-design	Application rate of environmental conscious design for new product development	–	100%	100%	100%	100%
	Factories and offices	Enhance efficiency in the use of resources	Waste landfill rate*5	–	3.0%	1.8%	2.5%	2.0%
			Effective utilization rate of plastic waste*5	–	87.5%	99.1%	90.0%	92.5%
Nature positive	Biodiversity conservation	Contribution to biodiversity conservation	Reduction rate in water use per unit*5	FY2019	6%	22%	7%	8%
			Reduction rate of water usage at manufacturing sites located in water-stressed areas	Previous FY	0.6%	–0.4%	0.8%	1.0%
Growth through environmental business	Products and services	GX revenue	Revenue of products, services, and solutions contributing to GX per year*3	–	–	Target: 4.6 trillion yen/year (FY2025–FY2027 average) Forecast: 4.7 trillion yen/year*4 (FY2025–FY2027 average)		

*1 Scope: All manufacturing sites and A/B non-manufacturing sites

*2 Per gross profit

*3 FY2025–FY2027 average

*4 Calculated from FY2025 actual results and FY2026–FY2027 forecasts.

*5 All manufacturing sites

Products, services and solutions that support green transformation (GX)

Hitachi's approach to GX

Based on our founding mission, “contribute to society through the development of superior, original technology and products,” Hitachi leverages IT, OT and products to contribute to green transformation (GX) as a digital infrastructure company. Hitachi operates globally across four key sectors: Energy, Mobility, Digital Systems & Services, and Connective Industries.

Hitachi implements a range of GX initiatives, including the provision of products and services that minimize environmental impacts during use, energy transition solutions for decarbonization, safe, comfortable, and clean modes of transportation, and enhanced system efficiency and uptime through digital technologies. We introduce the following examples based on our three pillars: decarbonization, circular economy and nature positive.

Business overview

Featured examples

Decarbonization

Contributing to the maximization of renewable energy utilization through digital control

With the anticipated increase in electricity demand due to the expanding use of AI, leveraging renewable energy for carbon neutrality is an urgent priority.

Hitachi supports the use of renewable energy with digital technology that integrates IT and OT. Our efforts include providing cross-regional grid management systems that deliver renewable energy from production sites to distant consumption areas, as well as next-generation nationwide load dispatching systems and electricity balancing market systems that support grid stabilization, which becomes more critical as renewable energy usage grows. Hitachi builds the next-generation nationwide load dispatching systems by combining our expertise in power systems accumulated over many years with Hitachi Energy's global products.

Case study of Hitachi's Cross-Regional Operation System featured by WBCSD

Innovation in long-distance and highly efficient transmission with high voltage direct current (HVDC)

Hitachi Energy's HVDC efficiently transmits large amounts of energy over long distances from remote locations to demand areas, supporting output fluctuations and stabilizing interconnected AC systems. HVDC plays a vital role in transforming energy systems as a transmission technology that supports the mass introduction of renewable energy.

This technology has been recognized by the World Business Council for Sustainable Development (WBCSD) as a concrete example of emissions reduction.

HVDC case study featured by WBCSD



Digital control to maximize the use of renewable energy



High-voltage direct current (HVDC) transmission system

Advancing railway decarbonization through battery technology

Hitachi Rail introduced the world's first battery-powered passenger train in Japan and Europe's first battery hybrid train in Italy. The train introduced in Italy reduced CO₂ emissions by approximately 50% compared with conventional diesel-powered trains.

Hitachi Rail is currently testing a new battery system on intercity express trains in the U.K. The battery unit, which delivers over 700 kW of power, is expected to reduce emissions and fuel costs by up to 30%. The project also demonstrates that battery technology can contribute to lower infrastructure costs by reducing the installation of overhead line facilities in tunnel sections and at complex junctions.

Replacing diesel engines with high-performance batteries and enabling cost-effective partial electrification allows Hitachi Rail to provide a lower-cost pathway to more efficient rail decarbonization worldwide. Passengers also benefit from the ability of intercity express trains to operate in zero-emission battery mode on non-electrified sections of track, improving air quality and reducing noise.

Social impact story



Battery-powered hybrid railcar

Circular economy

Transitioning transformers to a circular model to support energy transition

Hitachi is working to reduce environmental impacts and advance the reuse of finite resources in transformers, key components of power infrastructure.

At Hitachi Energy, initiatives are being advanced across the entire value chain in collaboration with customers and partners. For example, recycled mineral oil, recovered and refined from used transformers, has been utilized as insulating oil for distribution transformers and most recently also successfully tested and technically validated for power transformers. Substituting virgin mineral oil with recycled mineral oil as the dielectric insulating fluid can typically reduce the material-related carbon footprint of transformers by up to 8%, without requiring any change in transformer design. This substitution also allows the average recycled content at transformer level to increase by approximately 20%.



Recycled mineral oil-filled transformer

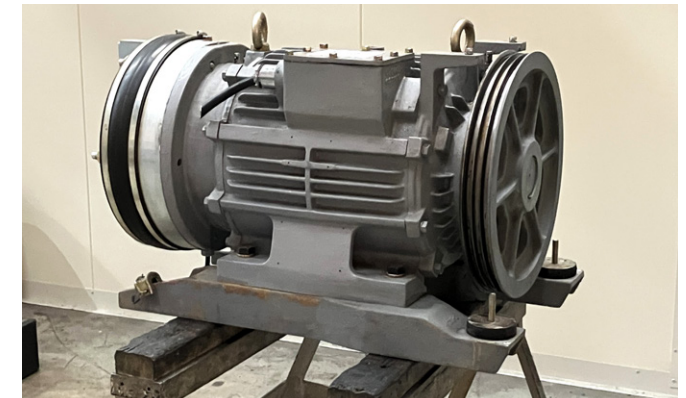
Advancing resource circulation through permanent magnet motor recycling

Hitachi Building Systems has established and begun operating a recycling network for permanent magnet motor hoisting machines replaced during modernization projects for Hitachi elevators. This initiative encourages the circular use of resources, including rare earth elements, and helps reduce environmental impact.

Specifically, permanent magnet motors are removed from hoisting machines recovered during modernization projects, then disassembled and demagnetized to recover the magnets. The recovered magnets are recycled by external specialist manufacturers for reuse as regenerated magnets, while copper wiring and steel components are likewise separated and recycled as material resources.

At present, approximately 80 tons of motors (gross motor weight) are processed annually. Looking ahead, this volume is projected to grow to approximately 650 tons per year in line with demand for elevator modernization projects, and Hitachi Building Systems will continue to scale up its processing capacity accordingly. Furthermore, by newly including industrial motors used across the Hitachi Group within the scope of this network, we will reduce waste, secure stable volumes of recovered resources and expand demand for recycled materials.

Social impact story



Recovered permanent magnet motor hoisting machine

Pursuing a circular economy through business model transformation

Hitachi Industrial Equipment Systems and Hitachi Global Air Power are engaged in rebuilding and remanufacturing services for air compressors. When servicing a customer's air compressor, Hitachi Industrial Equipment Systems collects the major components removed for replacement, then disassembles, overhauls and inspects them before storing them as rebuilt products for future use. These rebuilt products are subsequently utilized when servicing other customers' air compressors. Hitachi Global Air Power provides remanufacturing services for air compressors. Used air compressors are collected from customers and restored to like-new condition by incorporating the latest specifications that can be retrofitted, thereby extending the service life of the equipment. Looking ahead, both companies will expand the range of products eligible for rebuilding and remanufacturing services.



Remanufactured air compressor

Nature positive

Advanced wastewater treatment and provision of reclaimed water

Amid growing global concerns over water scarcity and environmental degradation, countries and regions worldwide have been facing diverse water and environmental challenges in recent years. Against this backdrop, Hitachi has stepped up to offer tailored solutions to address these needs.

In the Philippines, we implement an advanced treatment and water reclamation project at the Alabang Sewage Treatment Plant in the Manila metropolitan area. The project uses a membrane bioreactor (MBR) system*1 to remove nitrogen and phosphorus, and further treats the effluent using a reverse osmosis (RO) system*2 and ultraviolet disinfection to produce reclaimed water that meets the country's drinking water standards. In addition to designing and delivering mechanical and electrical equipment, Hitachi also provides digital transformation (DX) solutions, such as remote plant monitoring and operation optimization systems, contributing to improved water quality and meeting growing water demand.

*1 A membrane bioreactor (MBR) system is a sewage treatment system that combines activated sludge treatment and immersion membranes to enable high-concentration activated sludge treatment. This system is easy to maintain, conserves space, is low cost, and ensures high-quality treated water

*2 A reverse osmosis (RO) system is a water purification system that uses pressure higher than osmotic pressure to force water through a semipermeable membrane, resulting in purified water



Alabang Wastewater Treatment Plant in Metro Manila

Inundation and flood damage forecasting

In recent years, the increased frequency and severity of floods in Japan, exacerbated by climate change and other factors, have required local governments to enhance countermeasures. Such countermeasures include not only physical infrastructure but also data-driven disaster preparedness measures, such as the creation of flood hazard maps. Hitachi implements flood forecasting initiatives, including the delivery of a basin flood damage prediction system to Aomori Prefecture.

This prediction system integrates map data, river data and laser profiler (LP)*1 data to run high-speed, high-precision flood simulations that support risk assessment and evacuation planning. The system also automatically integrates river water level and weather data, enabling continuous 24-hour flood forecasting with predictions extending up to six hours in advance. Through the creation of a new, more precise flood risk map (flood frequency map) and an internal water hazard map*2, Hitachi helps municipalities prepare for both internal and external*3 flooding, contributing to more robust flood risk management.

*1 Three-dimensional topographic data obtained via airborne laser surveying

*2 An internal water hazard map summarizes estimated data such as flood area and depth when internal water (water flowing through sewers and waterways) floods due to heavy rain or similar events

*3 External water refers to water flowing in rivers

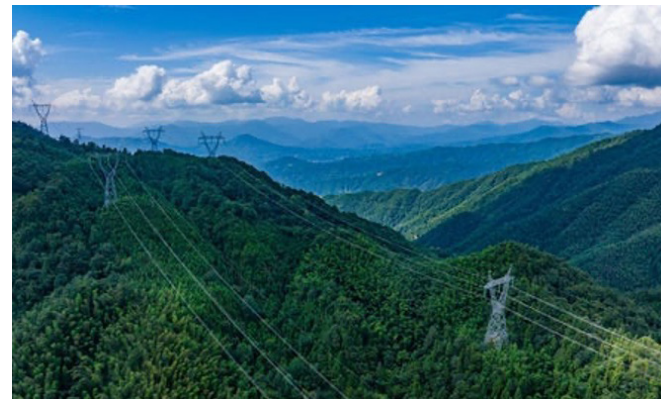


Basin flood damage prediction system

Enabling safe and resilient infrastructure using Service Suite X

In the utilities and rail industries, effective work management, including vegetation management, is essential to ensure safety, reliability and regulatory compliance. Through Service Suite X work management software platform, Hitachi Energy enables a shift from labor-intensive, reactive practices to a proactive, digitally integrated approach that covers prediction, planning and field execution within a closed-loop, cloud-native software platform.

By integrating workforce information, vegetation data and real-time field inputs into a single source of truth, Service Suite X supports AI-driven scheduling risk assessment, prioritization and optimized work planning. Field crews are equipped with mobile-first access to critical information, while real-time progress visualization and data-driven reporting improve operational efficiency, enhance field safety and support the resilient and sustainable operation of critical infrastructure.



Infrastructure operations enabled by Service Suite X

Enhancing forest value and supporting local communities through digital technology

Forests cover approximately 70% of Japan's land. However, aging populations and labor shortages have left many forests insufficiently maintained. As a result, the inherent functions and value of forests, including watershed protection and CO₂ absorption, are not being fully utilized. Hitachi Systems implements the Forest Survey DX Service nationwide to strengthen the multifaceted functions of forests, including watershed protection^{*1}, and enhance forest value.

This service uses drones and aerial laser surveying to assess large forest areas quickly and safely. AI technology then visualizes data including tree counts, species, size and carbon sequestration. The service also generates CS topographic maps and statistical reports using terrain data and analyzes forest conditions, including levels of forest degradation and density. These insights support forest management planning, carbon credit generation and nature-positive initiatives, enabling Hitachi Systems to help build a more sustainable future for the region.

^{*1} Watershed protection is the ability of forest soils to retain precipitation and regulate the flow of water into rivers, helping to mitigate flooding and maintain stable river flows during periods of drought. Rainwater is also naturally filtered as it passes through forest soils, improving water quality.



Wide-area forest surveys using drones

GHG avoided emissions

Hitachi calculates our contribution to decarbonization through collaborative creation with customers as avoided emissions. This metric indicates the extent to which Hitachi products and services contribute to reducing GHG emissions associated with customers' business activities, expressed in terms of avoided emissions. Under the 2027 Environmental Action Plan, Hitachi aims to achieve average annual avoided emissions of over 100 million tons over the three-year period from fiscal year 2025 through fiscal year 2027. As of fiscal year 2025, the projected average over the planned period is expected to reach 280 million tons.

PLEDGES 2027 Environmental Action Plan KPI

Avoided emissions: 100 million metric tons /year	Forecast:
	280 million metric tons/year (FY2025-FY2027 average)
	Target: 100 million metric tons/year (FY2025-FY2027 average)

Note: KPIs are based on the FY2025-FY2027 average. Forecasts are calculated based on FY2025 actual results and FY2026-FY2027 forecasts.

We developed our methodology for calculating avoided emissions with reference to international discussions, including guidance published by the WBCSD, and calculate the metric based on this methodology. Our calculation takes customer GHG emissions from the introduction and use of Hitachi products and services and compares these emissions with those under a baseline scenario established by Hitachi.

International discussions aimed at improving the transparency and credibility of avoided emissions continue to evolve. For example, the WBCSD published guidance on avoided emissions in March 2023 and issued a revised version in July 2025. In Japan, the GX League^{*1} is examining the use of avoided emissions in climate-related opportunity disclosures and evaluations. The IEC^{*2} is also advancing standardization efforts related to avoided emissions. These developments reflect growing international discussion on how to assess contributions to decarbonization through products and services. Hitachi participates in these international discussions through organizations including the WBCSD and IEC, contributing insights gained through practical application of the methodology. We will continue working to enhance the

transparency and credibility of our calculations and disclosures while contributing to the decarbonization of customers and society as a whole.

*1 A place where companies aiming to achieve sustainable growth with a view to becoming carbon neutral by 2050 collaborate with companies engaged in similar initiatives, as well as with entities from across industry, government and academia

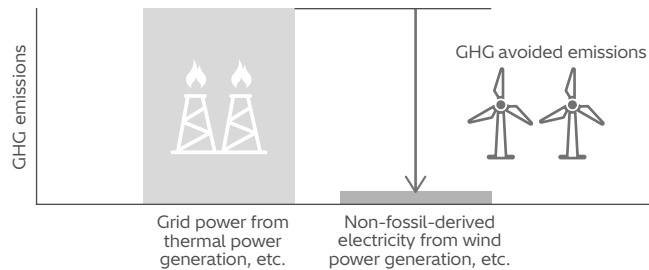
*2 International Electrotechnical Commission

Calculating avoided emissions

(1) Transition to non-fossil energy

- Calculate the amount of GHG emissions reduced by using non-fossil energy sources compared to electricity supplied from the grid

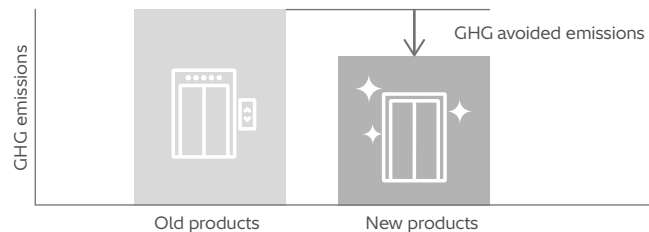
Examples: HVDC, wind turbines, etc.



(2) Energy saving

- Calculate the amount of GHG emissions reduced by improving energy efficiency compared to products and services with equivalent functions

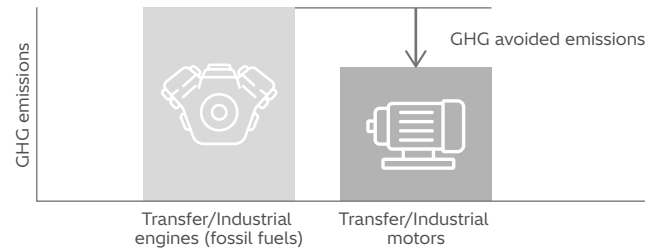
Examples: Compressors, elevators, etc.



(3) Electrification

- Calculate the amount of GHG emission reductions compared to products and services before electrification

Example: Electrification of industrial equipment



GX revenue

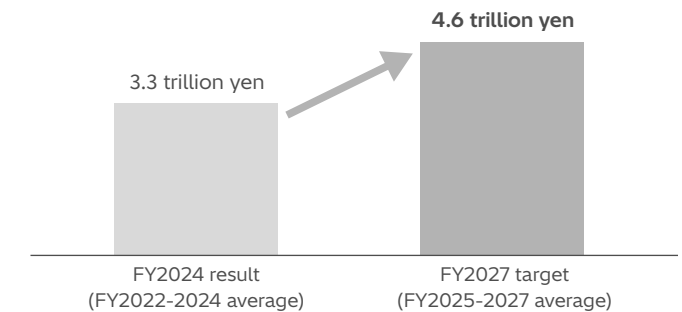
Hitachi aims to contribute to and accelerate green transformation (GX) for society and customers through our businesses. We disclose GX revenue as an indicator of the progress and outlook of these efforts.

GX revenue represents the revenue of Hitachi, Ltd. and our consolidated subsidiaries derived from businesses classified as “environmental businesses” under criteria established by Hitachi. These criteria take into account regional environmental policies, Hitachi business lines and concepts reflected in the six environmental objectives of the EU Taxonomy Regulation (climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and the protection and restoration of biodiversity and ecosystems). Accordingly, this indicator differs from environmental metrics defined under the EU Taxonomy Regulation and other regulatory frameworks adopted in various jurisdictions.

GX revenue is evaluated based on a three-year average basis. Under the 2027 Environmental Action Plan, the target is to achieve an annual average of 4.6 trillion yen over the three-year period from fiscal 2025 through fiscal 2027.

The criteria used to define environmental businesses, which form the basis for calculating GX revenue, may be revised in the future in response to changes in government environmental policies and shifts in investor and societal perspectives on environmental issues.

2027 Management values of the 2027 Environmental Action Plan
Revenue of products, services and solutions contributing to GX



PLEDGES 2027 Environmental Action Plan KPI

Revenue of products, services and solutions contributing to GX	Forecast:
	4.7 trillion yen/year (FY2025-FY2027 average)
	Target: 4.6 trillion yen/year (FY2025-FY2027 average)

Note: KPIs are based on the FY2025–FY2027 average. Forecasts are calculated based on FY2025 actual results and FY2026–FY2027 forecasts.

Environmental governance

Environmental governance structure

To achieve our Environmental Vision and achieve its long-term environmental targets, Hitachi Environmental Innovation 2050, Hitachi is building a global system to support decision-making and execution in environmental management for companies, comprising Hitachi, Ltd. and consolidated subsidiaries.

To promote sustainable management, we hold the Sustainability Promotion Meeting once or twice a year, consisting of the Chief Sustainability Officer (CSuO), Deputy CSuO, heads of business promotion divisions of each business unit (BU) and major Group companies, as well as sustainability officers of regional headquarters. This meeting serves as a forum to discuss and share information on important sustainability initiatives. Important environmental matters related to achieving our long-term environmental targets are submitted to the Senior Executive Committee for discussion and decision, and to the Board of Directors when necessary.

Under the three pillars of our Environmental Vision, decarbonization, circular economy and nature positive, we have established separate meetings for important topics, with responsible officers from each BU and major Group companies as the main members. Through these meetings, we promote environmental activities across the Hitachi Group by developing cross-Group measures and sharing information.

Hitachi is working to lead green transformation (GX) globally under the two pillars of GX for CORE (Hitachi's own GX) and GX for GROWTH (GX together with customers and society), establishing the necessary framework to support these efforts.

As a company with a Nominating Committee, etc., Hitachi has an Audit Committee composed of independent directors that conduct an annual audit of sustainability related operations, including environmental matters. Reports on climate change and other important environmental issues are made to the committee by the executive officers responsible.

[Sustainability strategy management structure](#)

[GX for CORE and GX for GROWTH](#)

[Decarbonization](#)

Structure for fostering environmental governance



[Overview of sustainability related conference bodies](#)

Executive compensation system linked to environmental value

We incorporate sustainability assessments into our executive compensation system and reflect certain environmental targets and KPIs based on our sustainability strategy, PLEDGES, in executive compensation evaluations. Refer to the following link for more details.

[Linking executive compensation to the sustainability strategy](#)

Enhancing our environmental management system

Hitachi has approximately 1,370 business sites of different sizes engaging in a wide variety of activities. We classify these sites into three environmental risk categories: A (high risk), B (medium risk) and C (low risk), based on globally standardized Environmental Management Classification Criteria*1, and implement our environmental management according to the environmental risk level of each site.

In fiscal 2025, approximately 120 major sites were classified as Category A. For sites of companies acquired by Hitachi that have a large environmental impact (equivalent to Category A), we classify them as Category A after an adjustment period of several years to adapt to Hitachi's environmental management system.

The business units and Group companies participate in formulating the Environmental Action Plan at Eco-Management Meeting, set targets based on the plan and work toward achieving them. The Environmental Action Plan is thoroughly communicated throughout the Hitachi Group via environmental strategy officers appointed from among the heads of environmental promotion divisions at BUs and Group companies. In addition to Hitachi's own environmental management system, major global manufacturing sites have also acquired third-party certifications, such as ISO 14001*2.

We have also established a system to encourage procurement partners to reduce their environmental impact, including efforts toward carbon neutrality upstream in the value chain. We summarize Hitachi's approach to sustainable and green procurement, as well as requirements for procurement partners, in various guidelines, which are distributed to them. We also hold procurement briefings and conduct sustainability audits to further strengthen engagement with procurement partners.

Certain environmental data is subject to third-party limited assurance. See the Hitachi ESG Databook 2026 for more information on assurance.

Hitachi ESG Data Book 2026

*1 We score each site based on criteria for environmental management classification, such as electricity consumption, waste generation, water use and whether the site is subject to legal regulations. Based on this score, we categorize the site into one of the three categories

*2 181 Hitachi Group business sites have acquired third-party ISO 14001 certification (as of March 2026).

Number of ISO 14001 certified companies

Sustainable procurement

Collection of environmental impact data using our ESG Management Support Service

As part of our environmental management, Hitachi uses the ESG Management Support Service (ESG-MSS) to collect approximately 20 categories of environmental related data, ranging from energy use, water use and waste generation, to whether an item falls under relevant environmental laws, regulations and environmental accounting. Data collection for fiscal 2025 covered roughly 1,370 business sites in 72 countries.

The aggregated data is used to provide feedback to improve environmental measures, such as in determining business site environmental management classifications, identifying environmental management issues and sharing instructive examples within the Group. We also compile data on key metrics twice a year for the approximately 120 major sites in Category A and the approximately 80 manufacturing sites in categories B and C.

We established an international help desk to support the system and encourage an understanding of environmental management, offering support in Japanese, English and Chinese.

Chemical substance management system

Hitachi manages data on chemical substances in procured materials, parts and products using a green procurement system compatible with the chemSHERPA*1 format. This framework allows us to identify the chemical substances that are used in our products—from design and development, procurement and production to quality assurance and shipping—and to ensure compliance with the laws and regulations of export destination countries.

To ensure proper use of chemical substances in our business operations, we operate a database for chemical substance management called CEGNET, which keeps track of the latest laws and regulations and our own voluntary management rules, and is used for risk searches for new substances handled at each site. The system also registers the chemical substances in use, aggregates data on quantities handled, emitted and transferred, and supports efforts to reduce emissions.

*1 A shared transmission scheme throughout the supply chain to ensure proper management of chemical substances in products and continuing compliance with the ever-growing requirements of major global laws and regulations like the REACH regulation (EU regulation of Registration, Evaluation, Authorisation and Restriction of Chemicals) and RoHS directive (EU rules restricting the use of hazardous substances in electrical and electronic equipment)

Briefings for procurement partners

We registered data regarding chemical substances contained in approximately 1.44 million materials, parts and products in our green procurement system as of the end of fiscal 2025. In addition, we hold briefings for procurement partners who use the system to help our partners learn how to operate the system and chemSHERPA. The briefings also help improve partner understanding of trends in regulatory revisions. In fiscal 2025, we held 4 briefings, with a total of 1,654 participants.

Environmental education for employees

Hitachi offers e-learning based environmental education to all Group employees, from new hires to senior management. We also provide annual specialized training on environmental risks and compliance with environment-related laws and regulations for working-level employees in charge of environmental management and internal environmental audits. Particularly in China, we provide training focused on compliance with the country's environmental laws and regulations, which have been tightened in recent years.

Environmental compliance

In addition to ensuring compliance with the laws and regulations of each country and region, Hitachi strives to minimize environmental risks by establishing voluntary management criteria that are more stringent than regulatory requirements and by conducting internal audits. We make periodic examinations of soil and groundwater to detect contamination at business sites where hazardous chemical substances are, or once were, used. If contamination is found, we conduct cleaning and monitoring activities until decontamination is complete.

In addition, Hitachi has established rules for communicating information on environmental issues, such as the impact of business activities on the surrounding environment, including water quality, waste materials, air quality, noise and vibration, complaints and the external environmental impact of disasters. In this way, we ensure that BUs and Group companies promptly collect and share information with the corporate environment division of Hitachi, Ltd.

If a violation occurs or a complaint is received, Hitachi shares information on the causes and countermeasures throughout the Group and, under appropriate guidance from BUs and Group companies, continuously strengthens compliance activities to prevent recurrence.

Environmental education in fiscal 2025

Contents of training	Target	Number
Hitachi Group training on basic environmental management, recent amendments to laws and operational procedures	Employees working in air quality, water quality and waste management	Japan: 62 companies, 1,767 people (waste: 1,091 people + compliance: 676 people) China: 29 companies, 56 people 23 companies, 38 people
Environmental management training program to reduce environmental risks in China and raise the knowledge of working-level employees	Working level employees	23 companies, 38 people
New employee training	New employees in the China Hitachi Group	Not conducted in FY2025

Implementation status of internal environmental audits

Implementing department	Target	Frequency
Corporate environment divisions (Global Environment Division), Hitachi, Ltd.	Business units, headquarters of the Group companies and business sites with high environmental risks	Usually every three years
Corporate environment divisions of BU and Group companies	Major business sites and subsidiaries of business units and the Group companies*1	
	Sites of business units and the Group companies outside Japan that are classified as Category A in our environmental management classification*2	
ISO 14001-certified business sites (Audit teams)	Divisions within business sites	

*1 According to the Hitachi Group Global Audit Standards, which specify matters concerning internal audits conducted by business units and the Group companies

*2 According to the Environmental Action Plan

Number of regulatory violations and complaints

Decarbonization

Efforts to achieve decarbonization

Climate change is an urgent global challenge in today's world that threatens the foundations of economic and social systems worldwide. Hitachi monitors developments in international discussions, including the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change, and deepens cooperation with governments and other stakeholders to tackle environmental issues from a global perspective. In doing so, we aim to become a Climate Change Innovator and accelerate society's decarbonization.

Under our mission of GX for CORE, we will accelerate measures to reduce our own GHG emissions to achieve carbon neutrality at business sites (factories and offices) by fiscal 2030. Additionally, as stated in our long-term environmental targets, Hitachi Environmental Innovation 2050, we are working toward achieving net zero by fiscal 2050.

Under GX for GROWTH, we will contribute to the decarbonization of society through the growth of businesses that contribute to a greener future. For example, Hitachi Energy plans to invest approximately 6.25 billion USD between fiscal years 2024 and 2027 to enhance manufacturing, engineering, digital technologies, research and development and partnerships, helping to accelerate the clean energy transition. This investment will also help to reduce emissions during the use of our products and services, which account for the majority of GHG emissions in

our value chain. Hitachi will tackle environmental issues head-on by providing products and services with minimal environmental impact and by offering a wider range of solutions that reduce GHG emissions for customers and society.

In addition, Hitachi has received validation from the SBTi (Science Based Targets initiative)*1 for our science-based net-zero target for achieving the 1.5°C target set by the Paris Agreement. Certified targets are as follows.



The net-zero science-based target validated by SBTi

	FY2030	FY2050	
	Short-term target	Long-term target	Net-zero target
Scope 1, 2 (FY2019 base year)	Total reduction of 83%	Total reduction of 90%	Net-zero *4 throughout the entire value chain
Scope 3 Category 1, 11*2 (FY2022 base year)	Per unit of added value*3 52% reduction	Per unit of added value 97% reduction	

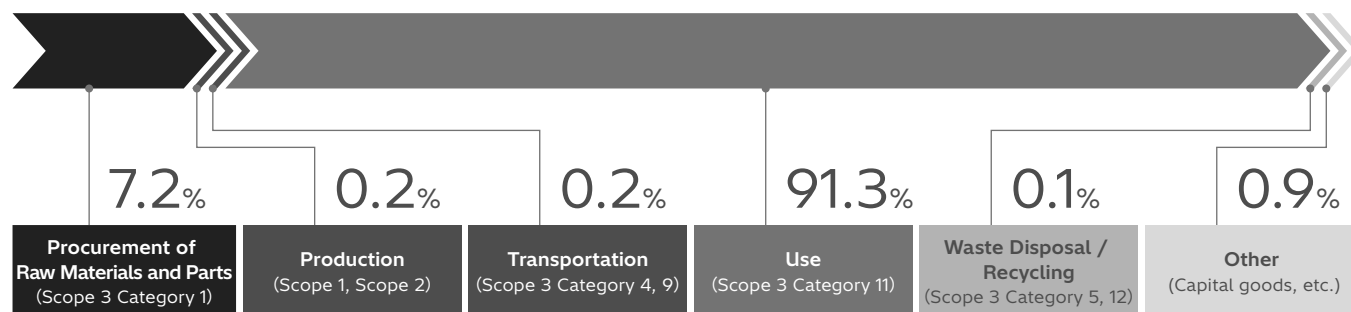
*1 International initiative where companies and financial institutions set science-based greenhouse gas (GHG) emission reduction targets, and have the validity of such targets reviewed and certified

*2 GHG emissions from purchased products and services, and GHG emissions from the use of sold products

*3 Gross profit

*4 We plan to neutralize residual emissions that are difficult to reduce through GHG absorption and removal

Ratio of GHG emissions at each stage of Hitachi's value chain in fiscal 2025



Environmental strategy for achieving decarbonization

Initiatives for achieving decarbonization

1. Achieve carbon neutrality at our own business sites and production activities (by fiscal 2030)
 - Introduce energy-saving and renewable energy equipment
 - Procure electricity from non-fossil power sources
2. Achieve world-class energy efficiency in products
 - Achieve energy conservation by developing environmentally conscious products from the design stage
3. Collaborate with procurement partners toward decarbonization
 - Distribute Sustainable Procurement Guidelines and Green Procurement Guidelines, requesting all procurement partners to set GHG emission reduction targets
 - Hitachi has accumulated knowledge of GHG reduction and calculation and analysis methods through dialogue with the 21 procurement partners selected in fiscal 2022. We applied this knowledge to GHG emissions reduction activities with approximately 428 procurement partners in fiscal 2025 and aim to expand these activities to 500 partners in fiscal 2026.
4. Support businesses that contribute to the decarbonization of society as a whole
 - Operate power grid business to support the expansion of renewable energy
 - Provide energy-efficient high-speed trains and battery hybrid trains
 - Provide Lumada solutions that support the realization of decarbonization through digitalization
5. Develop technologies to enable the transition to decarbonization
 - Develop high-efficiency products, energy management systems and hydrogen-related technologies

Policy advocacy and standardization activities related to climate change

Hitachi believes that effective and practical policy, regulatory and international frameworks are essential to addressing climate change and other environmental challenges. Based on this view, we actively participate in policy advocacy and the development of global frameworks.

Hitachi has played an active role in developing standards, including eco-design standards, primarily through TC 111, the committee responsible for environmental standardization within the International Electrotechnical Commission (IEC). We contributed to the development of IEC 63372, an international standard published in January 2026 that establishes a framework for quantitatively assessing carbon footprints, GHG emissions reductions and avoided emissions. We also participated in discussions on guidance for avoided emissions conducted through the World Business Council for Sustainable Development (WBCSD) and were featured as a case study.

In Japan, Hitachi engages in policy advocacy on decarbonization initiatives through Keidanren, including emissions trading systems and the Asia Zero Emission Community (AZEC) initiative promoted by the Japanese government. We also actively advocate for effective climate-related disclosures through organizations including the TCFD Consortium, based on dialogue between information providers and users.

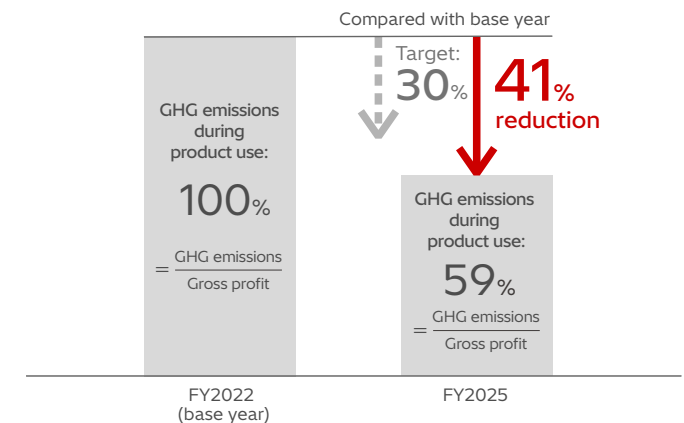
Sustainability initiatives

Reduction of product and service GHG emissions during use

Hitachi has set a target to reduce GHG emissions per unit of value added (gross profit)*1 (Scope 3, Category 11) by 40% by fiscal 2027 from the fiscal 2022 baseline. This indicator tracks GHG emissions generated during the use of products and services, which account for the largest share of emissions across the value chain.

In fiscal 2025, we achieved a reduction rate of 41%, exceeding our target of 30%. Although the decline in electricity emission factors slowed in certain countries and regions, the introduction of new energy-efficient products used in industrial equipment and social infrastructure, together with increased revenue from services, contributed to achieving the target.

PLEDGES 2027 Environmental Action Plan management values GHG emissions intensity reduction rate*1



*1 Per unit of gross profit

GHG emission reduction at business sites (factories and offices) and Hitachi Carbon Neutrality 2030

In working toward realizing a decarbonized society, Hitachi has set a carbon neutrality target at all business sites (factories and offices) by fiscal 2030 as part of our long-term environmental targets.

Under the 2027 Environmental Action Plan (fiscal 2025-2027), in line with the revision of our long-term targets, we have expanded the scope of our targets from only Category A business sites to include all manufacturing sites and both Category A and B non-manufacturing sites, using fiscal 2019 as the new base year. In addition to conventional energy-derived CO₂, we also work to reduce non-energy-derived GHG emissions. The reduction rate of GHG emissions in fiscal 2025, based on this expanded scope and using fiscal 2019 as the base year, was 64%.

CO₂ emissions reduction measures at Hitachi include energy-saving initiatives, installation of renewable energy equipment, PPA*¹, as well as procurement of non-fossil energy and utilization of energy attribute certificates*². Among these efforts, our energy-saving initiatives, installation of renewable energy equipment and PPAs help mitigate the risk of future energy price increases and support compliance with carbon pricing. We also focus on these measures to support our corporate mission of contributing to society through the development of superior, original technologies and products.

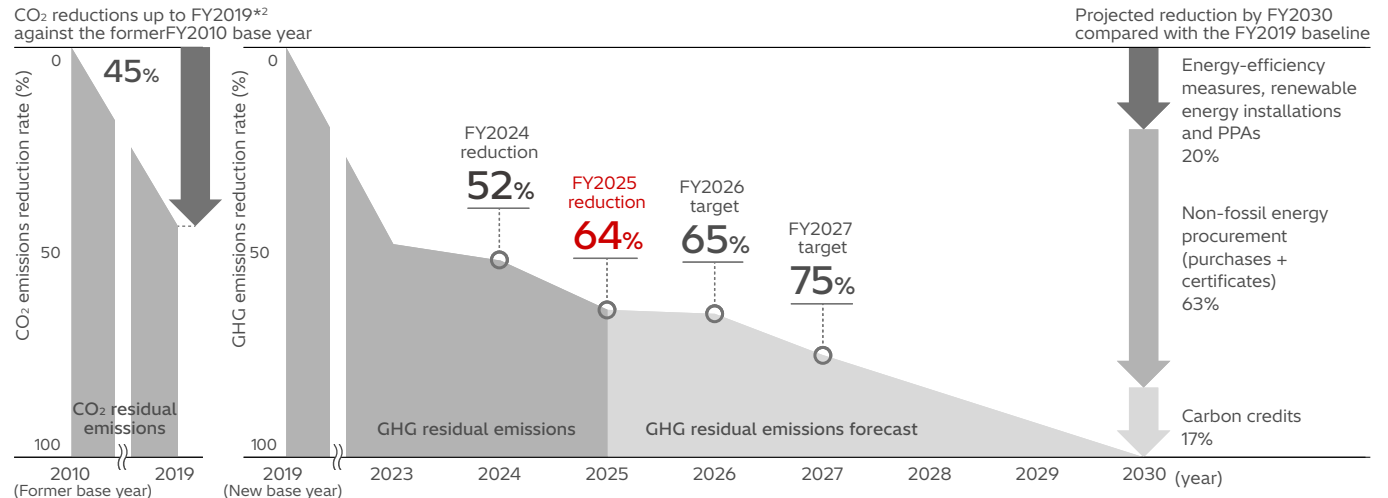
*¹ Power purchase agreement: A long-term contract under which a buyer purchases renewable electricity from a power generator.

*² Energy attribute certificate: Accredits the environmental value associated with electricity generation from renewable energy sources. Unlike the purchase of renewable electricity, acquisition of this environmental value, which is separate from the electricity itself, is regarded as equivalent to using energy sources that do not emit CO₂.

Energy inputs and GHG emissions during business operations

GHG reduction roadmap

Data up to fiscal 2019 and data from fiscal 2019 onward are shown in separate graphs due to differences in the calculation scope and other factors*¹.



*¹ CO₂ emissions from Category A sites up to FY2019. GHG emissions (including non-energy-related GHGs) from all manufacturing sites and Categories A and B non-manufacturing sites from FY2019 onward.

*² Figures beginning in FY2019 reflect all manufacturing sites and non-manufacturing sites for Categories A and B.

Major initiatives for reducing GHG emissions at business sites (factories and offices)

The specific initiatives to achieve carbon neutrality at business sites are summarized below by location type (factories, offices).

Factories	• Improve equipment efficiency by introducing and upgrading to high-efficiency equipment (Identify priority measures and manage rates of introduction and upgrades)
	• Improve production efficiency and energy use efficiency during production through use of the Lumada platform and production technologies cultivated over many years of experience
	• Optimize equipment operations and reduce wasted energy by installing smart meters
	• Review product designs and processes
Offices	• Optimize control of equipment operations in response to production conditions
	• Construct or relocate to new facilities with high energy efficiency
	• Consolidate and integrate existing facilities
	• Install energy-saving equipment and optimize equipment operations in collaboration with building owners
Factories and offices	• Install renewable energy systems
	• Procure electricity from non-fossil power sources
	• Utilize energy attribute certificates
	• Utilize renewable energy with additional* ² through corporate PPA* ¹
	• Engage in capital investment to reduce CO ₂ through the use of Hitachi Internal Carbon Pricing (HICP)

*¹ A contract whereby a corporation, municipality, or other legal entity purchases electricity generated by renewable energy from a power producer on a long-term basis (usually 10 to 25 years). PPA stands for power purchase agreement.

*² The effect whereby the introduction of renewable energy electricity leads to an increase in new renewable energy generation facilities.

The Hitachi internal carbon pricing framework

Hitachi introduced the Hitachi Internal Carbon Pricing*¹ (HICP) framework in fiscal 2019 to facilitate CO₂ reduction at our business sites (factories and offices). We reference global emissions trading schemes and carbon taxes to set internal carbon prices and convert the CO₂ reduction effects of decarbonization-related capital investments into monetary value. This value is added to the effect of energy savings to evaluate the overall investment impact, thereby providing incentives to further expand capital investment aimed at decarbonization.

The introduction of the HICP framework enables us to incorporate risk factors such as potential increases in future carbon tax burdens and new emission regulations from the initial stages of capital investment planning. By prioritizing decarbonization investments, we aim to minimize the impacts of future climate change risks and strengthen our corporate resilience.

Initially, we set the HICP rate at 5,000 yen/t-CO₂ in consideration of 2025 carbon taxes and carbon trading prices (ETS*²). Subsequently, looking ahead to 2030, we increased the rate to 14,000 yen/t-CO₂ in August 2021 in consideration of anticipated carbon taxes and carbon trading prices. This increase allows us to respond proactively to future risks such as carbon taxes and to accelerate the implementation of energy-saving and renewable energy equipment, our highest priority initiative aimed at achieving carbon neutrality.

Hitachi utilizes the HICP system to facilitate additional investment that would not have qualified under previous criteria by converting CO₂ reduction benefits into monetary values. This approach helps drive further reductions in CO₂ emissions.

In fiscal 2025, although the total investment amount decreased, the number of adopted projects increased to 151, resulting in a substantial increase in CO₂ emissions reductions to 11,116 t-CO₂.

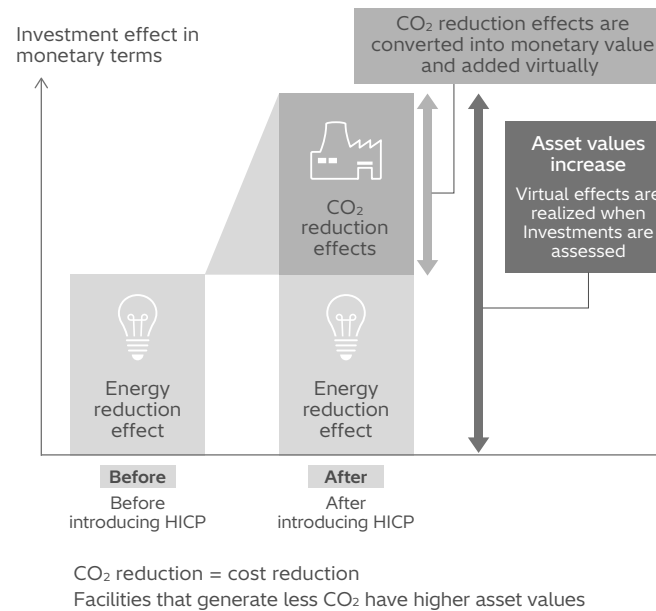
We will continue to utilize the HICP system to reduce CO₂ emissions.

*¹ An in-house tool for voluntarily assigning a price to the amount of carbon generated or reduced within the company, to support investment decisions and risk management.

*² Emission Trading Scheme.

GHG reduction roadmap

Hitachi internal carbon pricing framework



HICP implementation results

Category	FY2021* ¹	FY2022* ¹	FY2023	FY2024	FY2025
Number of HICP projects	59	94	52	70	151
Investment [M (JPY)]	1,464	1,185	2,234	2,282	1,300
CO ₂ reduction volume [t-CO ₂]	1,230	2,519	4,302	2,864	11,116

Note: From August 2021, the set carbon price was raised from 5,000 yen/t-CO₂ to 14,000 yen/t-CO₂.

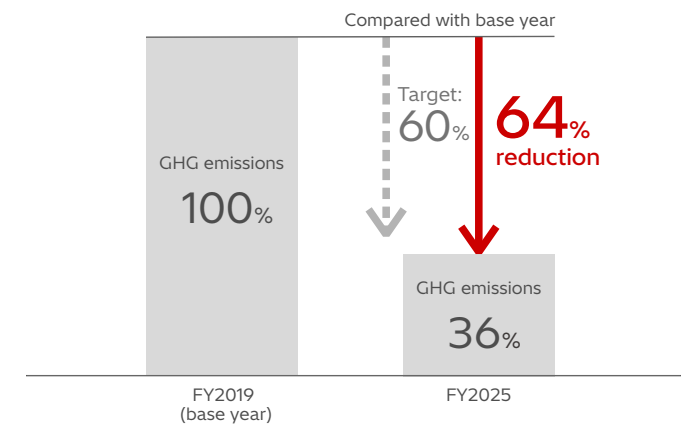
*¹ Excluding an energy-related company that became a consolidated subsidiary in fiscal 2020

Activities and achievements at business sites (factories and offices)

The 2027 Hitachi Environmental Action Plan sets a target to reduce GHG emissions at business sites (factories and offices).

In fiscal 2025, actual GHG emissions reduction was 64%, surpassing the target of a 60% reduction compared to the base year of fiscal 2019. This achievement was driven by steady progress through initiatives such as improving facility efficiency by introducing and upgrading high-efficiency equipment, installing renewable energy systems and procuring electricity from non-fossil energy sources.

PLEDGES Environmental Action Plan management values GHG emissions reduction rate at business sites (factories and offices)* (vs. FY2019)

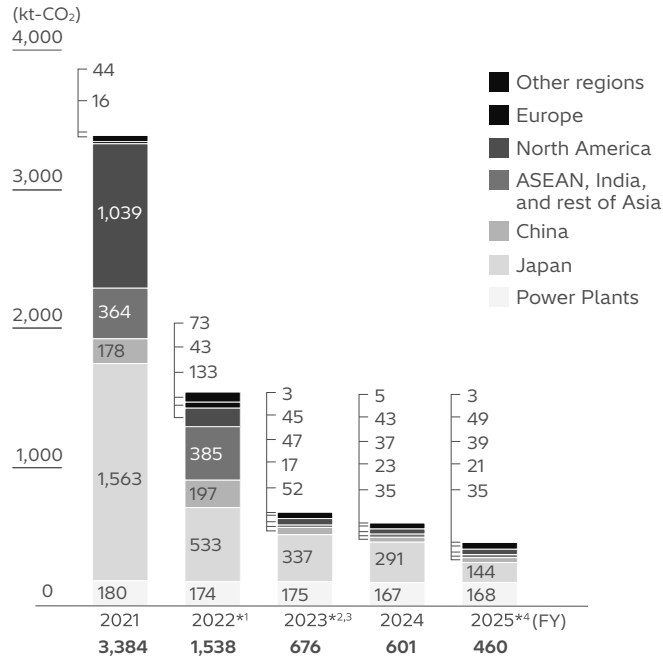


Note: Regarding CO₂ emission factors for electricity: For Japan, we used adjusted emission factors for each power company based on the Act on Promotion of Global Warming Countermeasures. For China, we used the average emission factors for regional power grids published by the government. For other countries, we used the latest annual emission factors for each country provided by the International Energy Agency (IEA) or the latest factors provided by power supply companies.

Note: 13.8 kt-CO₂ of retired carbon credits were deducted only from the 2027 Environmental Action Plan management values. For the figures subject to independent assurance, emissions from the cancellation of credits for neutralization were not deducted.

* Scope: All manufacturing sites, as well as non-manufacturing sites for Category A and B. GHGs emitted from the organization (Scope 1 and 2).

Trends in GHG emissions (Hitachi Group's factories, offices and power plants)



*1 Scope: Category A sites through FY2022; all manufacturing sites and Categories A and B non-manufacturing sites from FY2023 onward.

*2 In fiscal 2023, the amount decreased due to deconsolidation of auto parts-related companies

*3 From fiscal 2023, amounts include non-energy-related GHG emissions (kt-CO₂e)

*4 Energy-derived CO₂ emissions in fiscal 2025 were 304 kt-CO₂ for Scope 1 and 157 kt-CO₂ for Scope 2 (market based)

Introducing renewable energy

To reduce CO₂ emissions, Hitachi installs renewable energy power generation equipment on our premises and actively procures electricity generated by newly constructed renewable energy equipment located off-site. Furthermore, by expanding the introduction of corporate PPA, we are accelerating the replacement of fossil fuel-derived electricity with electricity from renewable energy sources.

The renewable electricity introduced will comply with the standards set by the GHG Protocol.

Renewable electricity procurement and use across the Hitachi Group in fiscal 2025 amounted to 1,045 GWh.

This accounted for 75% of the electricity consumption of all manufacturing sites and Category A and B non-manufacturing sites, which are included in the target management scope of the 2027 Environmental Action Plan (FY2025–FY2027).

At 189 sites, 100% of the electricity consumed was sourced from renewable sources. Of these sites, 57 achieved carbon neutrality (reduced Scope 1 and 2 GHG emissions to zero) through enhanced energy-savings and purchases of credits for neutralization.

In addition, Hitachi Energy continues to actively pursue decarbonization by supplying 100% of in-house electricity from non-fossil fuel sources.

Sites powered by 100% renewable electricity

Country/Region	Sites using 100% renewable energy	
		Carbon neutrality
Europe	78	4 sites (Hitachi Energy Group) 2 sites (Hitachi High-tech Group) 1 site (Hitachi Rail Group) 1 site (Hitachi, Ltd.)
North America	19	4 sites (Hitachi Energy Group) 4 sites (Hitachi High-tech Group) 2 sites (Hitachi Industrial Equipment Systems Group) 1 site (Hitachi Rail Group)
China	17	3 sites (Hitachi High-tech Group) 2 sites (Hitachi Industrial Equipment Systems Group) 1 site (Hitachi Energy Group)
Japan	30	7 sites (Hitachi High-tech Group) 3 sites (Hitachi Industrial Equipment Systems Group) 3 sites (Hitachi, Ltd.)
Asia (excluding China and Japan)	26	7 sites (Hitachi Energy Group) 5 sites (Hitachi, Ltd.) 1 site (Hitachi Industrial Equipment Systems Group)
Other regions	19	5 sites (Hitachi Energy Group) 1 site (Hitachi Industrial Equipment Systems Group)
Total	189	57

Hitachi Rail's next-generation digital plant achieving carbon neutrality (Hagerstown, USA)

Hitachi Rail commenced full-scale operations of its state-of-the-art digital rail vehicle manufacturing facility in Hagerstown, Maryland, USA, in September, 2025. The Hagerstown plant is operated as a carbon-neutral and zero-landfill-waste facility, manufacturing and delivering rail vehicles to customers across North America, including the Washington, D.C. metropolitan area, Baltimore and Philadelphia.

At this facility, 60–70% of electricity is generated on-site from renewable energy, while the remaining 30–40% is supplied through the purchase of energy attribute certificates (EACs), enabling net-zero CO₂ emissions on an annual basis.

In addition, the plant operates an ESG reporting system designed to simplify sustainability disclosures and continuously monitors energy and water use to support ongoing improvements in resource efficiency.

Initiatives with procurement partners to reduce environmental impact

Hitachi operates across a wide range of business domains, and our procurement is supported by many procurement partners from whom we source various products and components. In order to encourage these procurement partners to reduce their impact on the environment, we familiarize our procurement partners with relevant guidelines and hold briefings to share our policy for environment. In particular, to advance decarbonization, Hitachi has set a target of achieving net zero across our value chain by fiscal 2050. To this end, we encourage collaboration and cooperation with procurement partners on initiatives upstream in the value chain.

 [Hitachi Group Sustainable Procurement Guidelines](#)

 [Environmental Vision and Hitachi Environmental Innovation 2050](#)

Efforts toward carbon neutrality upstream in the value chain

GHG emissions measurement upstream in the value chain

Hitachi calculates GHG emissions of Scope 3 Category 1, Purchased Goods and Services, upstream in the value chain by using a calculation method that covers the majority of procurement spending and partially incorporates primary data from procurement partners. We place emphasis on engagement in the collection of primary data from procurement partners, utilizing the EcoVadis third-party sustainability evaluation platform and the Hitachi Sustainability Questionnaire.

The Scope 3 Category 1 emissions in fiscal 2025 was 15.09 million metric tons.

GHG emissions reduction efforts upstream in the value chain

The Hitachi Sustainable Procurement Guidelines require procurement partners to set science-based, corporate-wide GHG reduction targets in line with Hitachi's GHG reduction targets and to report on progress.

To encourage GHG reduction efforts among procurement partners, we have engaged in dialogue with 21 partner companies selected in fiscal 2022 and explored GHG reduction measures, emissions calculation methodologies and approaches to collecting, analyzing and utilizing data. Based on these insights, the number of procurement partners in fiscal 2025 that have established GHG emissions reduction targets and implementation plans increased to 428. We are working to expand that number to 500 by fiscal 2026.

Target procurement partners were selected from those with the highest Scope 3 Category 1 emissions and key procurement partners in Hitachi's business activities. Our selected procurement partners are located in a wide range of countries and regions and operate in a variety of industries, including raw materials, components and equipment. In terms of scale, our partners include not only large companies but also small and medium-sized enterprises.

PLEDGES 2027 Environmental Action Plan KPI

Number of procurement partners that set GHG reduction plans and targets

428 companies

FY2025 target: 400 companies

Target by FY2030: 1,000 companies

Hitachi has been working to understand the amount of GHG reductions upstream in our value chain by collecting reduction plans from procurement partners and analyzing the details of these plans. While some of the applicable partners are steadily calculating emissions, setting targets and developing action plans, Hitachi has recognized that others—particularly small and medium-sized enterprises—are uncertain about what steps to take, how to schedule these steps, how to apply specialized calculation methods and how to set appropriate targets. Hitachi established a decarbonization co-creation partner framework in fiscal 2025 for procurement partners, particularly small and medium-sized enterprises, based on findings from procurement partner assessments to date. We engage in direct dialogue to support procurement partners in calculating emissions and developing reduction targets and plans that reflect their circumstances. We also support capacity building for our procurement partners by preparing and providing the necessary tools, including practical handbooks on carbon reduction.

Going forward, we will expand our support programs by leveraging assistance from public institutions with specialized expertise and practical experience to help procurement partners successfully implement their reduction plans. Hitachi is committed to expanding GHG emissions reduction activities with the goal of having 700 procurement partners establish reduction targets and plans by fiscal 2027.

Sharing our Green Procurement Guidelines and related initiatives

Hitachi distributes the Green Procurement Guidelines that define our basic position on procuring environmentally friendly parts and products, as well as our requirements for procurement partners. The guidelines set out matters related to environmental conservation activities, such as establishing environmental management systems and recommending the acquisition of environmental certifications. The guidelines also cover matters related to reducing the environmental impact of products supplied to Hitachi. These measures include conserving resources and energy, recycling, properly managing chemical substances in products, and providing appropriate information.

To address chemical substances in products, we recommend that our procurement partners use chemSHERPA*1 Cl/AI, a standardized format for communicating information on chemical substances in products throughout the supply chain.

*1 Developed by the Japanese Ministry of Economy, Trade and Industry to facilitate the management of chemical substances in products by creating a standardized format throughout the supply chain. The chemSHERPA- Cl standard is applicable to chemical substances contained in chemical products and chemSHERPA-AI to those contained in molded products

 [Green Procurement Guidelines](#)

 [Green Procurement Guidelines Annex](#)

Adoption of environmentally conscious procured materials

Since fiscal 2023, Hitachi has sourced all newly refined aluminum (Al ≥ 99.7%, standard ingots) procured for use in Japan primarily from manufacturers that produce the material using hydropower and other renewable electricity. This initiative contributes to reducing GHG emissions from products and services purchased upstream in the value chain. We also work with procurement partners to adopt green steel*1 produced using the mass balance approach, as well as recycled materials to support a circular economy.

Looking ahead, we will continue to adopt and explore environmentally conscious procurement materials through collaboration and cooperation with our procurement partners.

*1 Steel products supplied with certifications indicating the allocation of GHG emission reductions, such as CO₂, achieved through additional reduction projects carried out by steel manufacturers. These reductions are pooled and distributed across selected steel products by the manufacturer.

Received the highest rating for CDP supplier engagement

In April 2026, Hitachi, Ltd. was selected as a Supplier Engagement Leader, the highest rating in the Supplier Engagement Rating by CDP, an international non-governmental organization working in the environmental sector. Hitachi has been selected for the fifth consecutive year since 2021 in recognition of a series of initiatives aimed at realizing a net-zero society, including reducing GHG emissions across the entire value chain.



 [External ESG evaluations](#)

Reducing transportation energy consumption

Hitachi works to reduce our environmental impact not only by reducing energy use at factories and offices, but also by improving logistics processes, including product shipping and transportation. We reduce transportation-related energy consumption associated with the delivery (shipment) of finished products by improving transport efficiency and reducing packaging size and weight.

Also, each business site works to reduce transportation energy consumption by pursuing modal shifts to more efficient transportation methods, improving truck loading ratios and taking other measures. Our sites are also transitioning to eco-friendly vehicles for company use.

Reducing CO₂ emissions from business vehicles through Hitachi fleet management

Hitachi is preparing to electrify our fleet of business vehicles as part of efforts to achieve net-zero by fiscal 2050. However, companies face various challenges in introducing electric vehicles, including the limited availability of electric vehicle options and insufficient charging infrastructure.

To address these challenges, Hitachi is steadily preparing for the electrification of business vehicles at each BU and Group company based on our own fleet management plan. Specifically, Hitachi visualizes vehicle operating conditions using BPO*1 and AI drive recorders*2 and uses the resulting data to analyze driving behavior and monitor CO₂ emissions. Based on the results of this analysis and monitoring, Hitachi implements actions to reduce CO₂ emissions from existing vehicles and is replacing business vehicles with electric vehicles in a phased manner to further reduce CO₂ emissions from our fleet.

*1 Abbreviation of business process outsourcing. BPO outsources the entirety of a business process to a specialized contractor
*2 A service that uses AI to analyze recorded driving footage and identify potentially unsafe driving behaviors and driving tendencies.

Hitachi fleet management

Vehicle visualization	• Centralized fleet management via BPO • AI drive recorders to monitor vehicle operation status
Vehicle data analysis	• Analysis of vehicle operation status and travel routes • Analysis of driver tendencies • Continuous monitoring of electrification rates and CO₂ emissions
Actions to reduce CO₂ emissions	• Optimizing fleet size based on vehicle utilization status • Encouraging eco-driving by reducing sudden acceleration and braking • Fostering awareness of CO₂ reductions via visualizations of emissions • Phased vehicle electrification, taking operational impact into account

In fiscal 2025, our reduction initiatives focused on leveraging BPO to centralize vehicle management and installing AI drive recorders to monitor vehicle operating conditions.

These measures have already been implemented in 73% of our business vehicles in Japan, and we plan to further expand their adoption going forward.

In addition, as a further measure to pursue centralized fleet management, we will begin consolidating monthly parking lots. This consolidation will increase the number of basic charging stations as part of our charging infrastructure strategy, thereby facilitating the introduction of electric vehicles.

Climate-related financial information disclosure (based on TCFD recommendations)

Endorsement of the TCFD recommendations

In June 2018, Hitachi announced its endorsement of the recommendations by the Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosures (TCFD). Since then, we have continued to disclose information on the impact of climate change on our business and finances in line with the TCFD recommendations.

This section provides disclosure of the Hitachi Group approach and efforts to address climate change based on the four pillars recommended by the TCFD (governance, strategy, risk management, and metrics and targets). Hitachi's TCFD disclosure has been assessed as an Excellent TCFD Disclosure over several years from the perspective of domestic equity investment management institutions of the Government Pension Investment Fund of Japan (GPIF).

Governance

Hitachi sees climate change and other environmental issues as important management issues.

Climate change measures are a core part of the Hitachi sustainability strategy, and policies and important matters concerning these matters are discussed by the Senior Executive Committee and submitted to the Board of Directors as necessary.

Management supervises the formulation and revision of Hitachi's long-term environmental targets, Hitachi Environmental Innovation 2050, including greenhouse gas emission reduction targets, through reporting to the Board of Directors when such targets are formulated or revised. In addition, the Audit Committee conducts an audit of sustainability-related operations once a year, and responsible executive officers report to the committee on important climate-related matters during the audit.

We have participated as a planning committee member in the TCFD Consortium since its inception in 2019 as part of our outward TCFD initiatives. The consortium discusses effective corporate disclosure and efforts to link disclosed information to appropriate investment decisions on the part of financial

institutions and others. We contributed to the development of the Scope 3 Guidebook, which was published in March 2026.

■ [Sustainability strategy management structure](#)

■ [Environmental governance structure](#)

Strategy

Hitachi addresses the environment as an important foundation supporting medium- to long-term value creation through green transformation. Since 2002, we have advanced environmental initiatives by publishing our environmental vision and outlining its contributions as a global company toward realizing decarbonization. In fiscal 2016, we established our long-term environmental targets, Hitachi Environmental Innovation 2050, based on the Paris Agreement and projections, such as the IPCC's Fifth Assessment Report RCP2.6*1 and RCP8.5*2 scenarios.

In May 2025, Hitachi updated its long-term environmental targets, Hitachi Environmental Innovation 2050, setting a new target of achieving net zero by fiscal 2050 which also serves as a transition plan for decarbonization. This target is also positioned as a target within PLEDGES.

In addition, Hitachi's GHG reduction targets toward fiscal 2050 have been certified by the Science Based Targets initiative (SBTi)*4 as a science-based net-zero target, consistent with the 1.5°C pathway*5 outlined in the Paris Agreement.

In pursuing these targets, Hitachi demonstrates a commitment to contributing to global decarbonization.

*1 A Representative Concentration Pathway (RCP) scenario under which, at the end of the 21st century, the projected increase in global temperatures from preindustrial levels is kept below 2°C

*2 An RCP scenario that projects that emissions will continue to rise, resulting in an approximately 4°C rise in global temperatures compared to preindustrial levels

*3 Presented in the Sixth Assessment Report of the IPCC. A scenario that limits the projected temperature increase to roughly 1.5°C under sustainable development

*4 An international initiative where companies and financial institutions set science-based GHG emission reduction targets and have their validity reviewed and certified

*5 A target to limit the rise in global average temperature to 1.5°C compared to pre-industrial levels

■ [Environmental Vision and Hitachi Environmental Innovation 2050](#)

■ [Environmental strategy for achieving decarbonization](#)

■ [GHG emission reduction at business sites \(factories and offices\) and Hitachi Carbon Neutrality 2030](#)

Identification and assessment of climate-related risks and opportunities

The Hitachi Group operates a broad array of businesses around the world with each business having its own set of risks and opportunities. To address the impacts of climate change, climate-related risks and opportunities are assessed in accordance with TCFD classifications. For important businesses with relatively high likelihood of being affected by climate change, risks and opportunities are evaluated on a business specific basis. In examining the risks and opportunities of climate change, we classified the assessment time horizon into three periods: short-term, medium-term, and long-term. These classifications reflect the time frame in which the impact of climate change will become apparent, defined respectively as follows.

Time horizon for assessing climate-related risks and opportunities

	Time horizon	Reason for adoption
Short-term	Over the next three years, from fiscal 2025 to 2027	Corresponds to the three-year management period covered by 2027 Environmental Action Plan
Medium-term	Up to fiscal 2030	Time horizon of our fiscal 2030 long-term environmental targets
Long-term	Up to fiscal 2050	Time horizon of our fiscal 2050 long-term environmental targets

Degrees of impact

Impact	Definition
Major	Has an impact sufficient to disrupt business or cause it to substantially decrease or increase
Medium	Part of the business is impacted
Minor	Almost no impact

Responding to climate scenario risks and opportunities for each business

Hitachi operates a broad array of businesses with each business having its own set of risks and opportunities. Accordingly, scenario analyses were conducted for businesses with a relatively high likelihood of being affected by climate change. In selecting these businesses, factors such as sales volume within Hitachi and the amount of GHG emissions from energy use during product and service utilization are considered. In the past, certain businesses used fossil fuels as a primary energy source. However, those businesses have already been removed from consolidation and are not included in the current analysis.

As a result of the review, the Railway Systems, Power Generation

and Power Grids, IT Systems and the Industrial Equipment businesses were selected for analysis. For each of these target businesses, we examined the business environment and how best to respond, mindful of changes in policy and market conditions under the 1.5°C scenario and of the physical impacts of climate change under the 4°C scenario, respectively.

1.5°C scenario: As projected by the RCP2.6 scenario in the IPCC's Fifth Assessment Report, the SSP1-1.9 scenario in the IPCC's Sixth Assessment Report, the IEA 450 scenario and the IEA Net Zero scenario, a world is assumed in which stringent measures and regulations will be implemented to realize decarbonization. Risks and opportunities were examined on the premise of achieving net-zero by fiscal 2050.

4°C scenario: The 4°C scenario assumes a situation in which global GHG emissions increase due to insufficient regulation and climate-related disasters occur frequently, as represented by the RCP8.5 scenario in the IPCC's Fifth Assessment Report and the SSP5-8.5 scenario in the IPCC's Sixth Assessment Report.

Furthermore, events expected to occur regardless of progress toward global decarbonization have been summarized as non-environmental market factors (neither the 1.5°C nor 4°C scenario).

The major risks and opportunities for the selected businesses are outlined in the following table.

Business environment, major risks and opportunities and strategies under the 1.5°C and 4°C scenarios

Target businesses	Mobility-related businesses	Energy-related businesses	Digital Systems & Services business	Industrial equipment business
The business environment, major risks and opportunities under the 1.5°C scenario	Business environment Global demand will continue to expand for railway transport systems that emit relatively less GHG per distance covered, with tighter GHG emission regulations in each country and region.	Business environment Global demand for electricity from non-fossil energy sources is expected to continue rising, supported by the accelerated deployment of renewable and nuclear generation and the progressive tightening of GHG emission frameworks across major jurisdictions. Increasing alignment among leading economic powers in advancing decarbonization—underpinned by coordinated incentive schemes and transition-support mechanisms—will influence capital allocation and technology investment. Power systems will be required to integrate a growing share of variable and distributed renewable generation. Policymakers and regulatory bodies will play a decisive role in prioritizing non-fossil technologies, while cost-of-capital dynamics and targeted support instruments will critically determine transition speed. Rapid policy-driven adoption may, however, heighten end-user electricity-affordability pressures and trigger political responses that could shift policy direction, including the rise of populist movements challenging decarbonization trajectories.	Business environment Demand for energy-saving, high-efficiency digital solutions will grow with tighter GHG emission regulations in each country and region. There will also be expanding demand for data centers and data analysis systems to accommodate the expansion of data utilization businesses, including the use of AI, in addition to the expansion of environment-related financial businesses, such as investments and loans, for decarbonization businesses and green bond issues.	Business environment Global demand for energy-saving industrial equipment will grow with tighter GHG emission regulations across countries and regions.
	Risks A decline in competitiveness in the railroad sector if there are delays in the development of innovative technologies expected to contribute to the reduction of GHG emissions. Specifically, delays in the development of new technologies such as dynamic headways (flexible operations based on passenger demand) and support for new mobility services (e.g., MaaS). Also, a decline in competitiveness due to delays in the timely marketing of effective and sustainable products that comply with increasingly stringent laws and regulations for decarbonization.	Risks Exceptional growth in electricity demand may exceed the production capacity of established suppliers, lowering barriers to entry for new market participants and increasing competitive and operational risks. Large-scale capital-expenditure programs may divert strategic focus from innovation essential for competitiveness beyond the current industry cycle. Accelerated technology-development timelines could adversely affect long-term quality and resilience. Limited international and regional coordination in balancing supply and demand across grids with high renewable variability may impede renewable-energy deployment. Additionally, the rapid expansion of electricity-intensive data centers may absorb a significant share of new clean-energy additions, potentially constraining decarbonization progress and slowing the structural displacement of fossil-based generation.	Risks Competitiveness will decline if there is a slowdown in technological and human resource development to provide energy-saving and highly efficient digital solutions, or if decarbonized measures for energy-intensive data centers are delayed.	Risks Competitiveness will decline if there are delays in the development of high-efficiency, low-loss products.
	Opportunities A transition of most long-distance public transportation to the railway sector under the 1.5°C scenario, since rail is a mode of transportation that contributes to decarbonization with low GHG emissions per unit of transportation. Expanded business opportunities by developing and delivering railroad cars that are more energy efficient than existing models by converting to bi-mode railroad cars and by increasing the efficiency of rail services with digital technology.	Opportunities Growing demand for renewable energy and grid modernization offers significant opportunities across advanced transmission technologies, digital grid management solutions, life cycle service offerings and integrated energy platform models capable of supporting diverse generation sources. Substantial investment is expected to continue flowing into offshore wind, solar, digital load management systems, high and ultra high voltage transmission infrastructure and energy storage systems. These developments create favorable conditions for expanding flexible grid solutions, digital monitoring capabilities and platform based services essential for managing the increasing complexity of decarbonized power systems. There are major opportunities as grids become smarter and more connected, ranging from digital grid technologies to the rapid build-out of HVDC lines and cross-border interconnectors. As fossil generation declines, revenues increasingly shift toward clean-energy integration, positioning modernized grids at the center of the transition.	Opportunities There will also be expanded demand for environment-related financial services such as investments and loans for decarbonization businesses and green bond issues. Demand will grow for energy saving and high-efficiency digital solutions that contribute to zero-emissions.	Opportunities Utilization of IoT, digitalization and connectivity to develop innovative products and solutions that contribute to GHG emission reductions beyond the energy-saving performance of individual products.

Target businesses	Mobility-related businesses	Energy-related businesses	Digital Systems & Services business	Industrial equipment business
The business environment, major risks and opportunities under the 4°C scenario	Business environment Demand for electric-powered transport will gradually expand, even without tighter energy regulations. Damage from typhoons, floods and other natural disasters caused by climate change could rise sharply.	Business environment In a high-warming trajectory, continued reliance on fossil fuels drives sustained increases in fuel prices, improving the relative cost competitiveness of non-fossil energy sources. Moderate growth in renewable and nuclear demand occurs unevenly across regions, reflecting divergent and often polarized positions among major economic powers; some jurisdictions pursue significant clean-energy investment, while others deprioritize climate policy and indirectly benefit from the mitigation efforts of more ambitious economies. Climate-related natural disasters intensify sharply, increasing the need for extensive climate-adaptation measures to protect power-system assets. At the same time, large-scale migration from climate-exposed and heat-affected regions places additional pressure on energy infrastructure, altering demand patterns and stressing local grids.	Business environment Demand for new, high-efficiency technology will expand as multiplex digital systems in response to natural disaster BCPs will result in increased energy consumption. Demand will also grow for social and public systems to reduce damage from natural disasters. In addition, climate change will increase risks to food procurement, including agricultural crops, and there will be a growing need for solutions to address these risks.	Business environment Typhoons, floods and other natural disasters caused by climate change will increase significantly.
	Risks The frequent occurrence of natural disasters will exacerbate damage to production facilities, worsen working environments and disrupt supply chains, leading to delays in deliveries and the procurement of parts.	Risks More frequent and severe climate hazards heighten the risk of physical damage to power-generation assets and transmission and distribution networks, complicating restoration efforts and prolonging service interruptions. These conditions amplify supply-chain fragility, disrupt logistics and delay procurement of critical components. The recurring impact of extreme events also slows the timely development and deployment of generation, transmission and distribution technologies designed to withstand hostile environmental conditions, reinforcing operational uncertainty and increasing system-resilience costs. At the same time, the policy landscape becomes harder to navigate, with fragmented climate rules and volatile fossil fuel prices making long term planning difficult. Altogether, these pressures reduce the reliability of the power system, disrupt economies and increase public demand for urgent upgrades to keep the grid functioning. Increased likelihood that climate change-related extreme weather events, such as heat waves, storms and floods, might also increase the risks of negative impacts on HE operations and supply chain, causing costs due to infrastructure damages, business disruptions, challenges in meeting supply and demand for necessary parts and adverse effects on the workforce in the facilities.	Risks Natural disasters will exacerbate damage to production facilities, worsen working environments and disrupt supply chains, leading to delays in deliveries and the procurement of parts and increased risk of damage to data centers.	Risks Natural disasters will exacerbate damage to production facilities, worsen working environments and disrupt supply chains, leading to delays in deliveries and the procurement of parts.
	Opportunities Transport systems more resilient to natural disasters can be developed. Competitiveness can be enhanced by providing added value in such forms as energy-saving railcars and adaptability to new technologies.	Opportunities Rising temperatures increase overall electricity consumption, particularly from expanded cooling needs. These conditions drive demand for resilient generation technologies and hardened transmission and distribution infrastructure engineered to operate reliably under extreme conditions. Existing networks can enhance their competitiveness through targeted resilience upgrades that improve system durability, reduce vulnerability to climate shocks and maintain performance despite escalating environmental stresses.	Opportunities Demand will increase for social and public systems that help reduce damage from natural disasters and for digital solutions required as part of BCP. In addition, demand is growing for digital analytical solutions utilizing data and AI in the agriculture and biotechnology sectors. Furthermore, demand for disaster-resilient data centers is expanding.	Opportunities Efforts to accommodate IoT products will lead to higher demand for remote control and remote maintenance during natural disasters.
Non-environmental market factors (neither the 1.5°C nor 4°C scenario)	- Economic growth will lead to urbanization and population growth around the world which will drive the railway business globally as an efficient form of public transport for large numbers of passengers regardless of climate conditions. The market size in Japan and Europe will remain flat, but the Asian market overall will see substantial growth. - Decreased demand for long-distance transportation due to travel restrictions caused by the pandemic and greater use of remote work. However, we do not expect the decline to be as severe as in air transportation. - Competition will grow as major railway manufacturers in various countries expand their businesses to meet global demand.	- Economic growth, urbanization and population growth will push up demand for energy, especially electricity, mainly in developing countries. - Political trends in each country and region related to climate change and energy issues, and changes in public awareness. - Energy supply and demand will diversify due to various factors, such as GHG emissions, the environmental burden, economic performance, safety and supply stability. - Digital technology will develop further to enhance the stability and efficiency of the power supply.	- Further digitization globally will exponentially increase the volume of data circulated, accumulated and analyzed. - New services and businesses utilizing digital technology will expand. As a result, demand for data centers and energy consumption will increase. - Slower market expansion due to heightened geopolitical and trade risks.	- Growing automation market driven by the use of digital technologies such as AI to reduce labor needs, update aging infrastructure and respond to population decline and labor shortages due to aging societies. - Increase in the number of employees working remotely due to the global outbreak of infectious diseases. Growing demand for factory automation to accommodate a smaller number of workers. - The industrial market in emerging economies will grow due to a rise in production plants.

Target businesses	Mobility-related businesses	Energy-related businesses	Digital Systems & Services business	Industrial equipment business
Response to future business risks (business opportunities)	Response to business risks under 1.5°C or 4°C scenarios - Continue to strengthen the railway business, as global demand for railways will increase under either scenario. - Specifically, develop and market more energy-saving railcars and battery powered railcars for non-electrified sections. Strengthen railway services through digital utilization, such as dynamic headway (flexible operations in response to passenger demand) and new mobility services such as MaaS. - Increase competitiveness by strengthening sustainable activities while adhering to international standards, etc. - Given the increasing frequency of natural disasters, take risk aversion into account when deciding the location and equipment layout of a new plant. Keep an eye on the supply chain in strengthening our ability to respond to business disruption risks in accordance with our BCPs. Evaluate and analyze organizational structures and physical locations, reflecting the results of this work in response measures.	Response to business risks under 1.5°C or 4°C scenarios - Continue to enhance the response to relevant markets in view of expected expanded demand for non-fossil energy under either scenario. - Production capacity expansion investments. - Strengthen the provision of grid solutions, digital service solutions, and energy platforms that can accommodate the increased use of renewable energy and diversification of energy supply and demand management. - Given the increasing frequency of natural disasters, develop technologies for disaster-resilient renewable energy systems and disruption-resistant power transmission/distribution systems. Take risk aversion into account when deciding the location and equipment layout of a new production plant. Keep an eye on the supply chain in strengthening our ability to respond to business disruption risks in accordance with our BCPs.	Response to business risks under 1.5°C or 4°C scenarios - Continue to develop innovative digital technologies and utilize AI, nurture necessary human capital and enhance digital service solutions that generate new value in view of the expected growth in demand for digital services and the subsequent market expansion under either scenario. - Specifically, enhance competitiveness by providing energy-saving and high efficiency digital solutions that contribute to the following outcomes: zero-emissions; environment-related financial services for decarbonization businesses; social and public systems to prevent natural disasters, reduce damage and enhance resilience; and digital systems for BCPs. - Given the increasing frequency of natural disasters, strengthen our ability to respond to business disruption risks in accordance with our BCPs. - Actively promote the use of AI, decarbonization and enhanced disaster resilience in data centers to strengthen competitiveness as sustainable and resilient facilities.	Response to business risks under 1.5°C or 4°C scenarios - Under either scenario, continue developing energy-saving, high-efficiency products that use IoT technology. Focus particularly on connected products with communication features. Miniaturized, high-efficiency, low-loss products can also help reduce GHG emissions. - Given the increasing frequency of natural disasters, take risk aversion into account when deciding the location and equipment layout of a new plant. Keep an eye on the supply chain in strengthening our ability to respond to business disruption risks in accordance with our BCPs.
Non-environmental market factors (neither the 1.5°C nor 4°C scenario)	Partial impact on the revenue of Mobility Segment, which accounted for approximately 12% of Hitachi's revenue at 1,321.5 billion yen in fiscal 2025	Partial impact on the revenue of the Energy Segment, which accounted for approximately 30% of Hitachi's revenue at 3,219.9 billion yen in fiscal 2025	Partial impact on the revenue of the Digital Systems & Services Segment, which accounted for approximately 28% of Hitachi's revenue at 2,940.0 billion yen in fiscal 2025	Partial impact on the revenue of the Industrial Products & Services, which accounted for approximately 6% of Hitachi's revenue at 659.1 billion yen in fiscal 2025

Note: The above scenario analyses are not future projections but attempts to examine our resilience to climate change. How the future unfolds may be quite different from any of these scenarios

Climate change-related risks in the Hitachi Group

Based on a business-by-business review, no significant climate change-related risks that were difficult to address were identified at Hitachi.

When considering whether existing businesses will be viable in decarbonization, businesses that use electricity as their primary energy source can adapt by switching to electricity derived from non-fossil energy sources. On the other hand, businesses that currently use fossil fuels are expected to require various measures to adapt, such as adopting next-generation technologies, including hydrogen and biomass, and carbon offset initiatives.

Since many of Hitachi's businesses use electricity for the majority of operations, there is little significant risk associated with the unavailability of fossil fuels. The following is a summary of Hitachi's overall risks under the 1.5°C scenario and the 4°C scenario. For Hitachi's business portfolio, it has been determined that these climate change-related risks can be managed through appropriate countermeasures.

(1) Transition risks associated with the shift to a decarbonized economy (mainly risks under the 1.5°C scenario)

Category	Major risks	Time horizon	Impact	Main initiatives
Policy and legal	Increased business costs from the introduction of carbon taxes, fuel and energy consumption taxes, emissions trading systems and other measures	Short to long term	Medium	- Advance activities to achieve net zero. - Avoid increases in business costs by further enhancing production and transport efficiency and expanding the use of non-fossil fuel-based energy. Encourage the adoption of energy-saving equipment by introducing Hitachi Internal Carbon Pricing (HICP). - Transition from fossil fuel-using businesses to non-fossil fuel-using businesses. - Facilitate investments that contribute to decarbonization. For example, Hitachi Energy plans to invest approximately 6.25 billion USD from FY2024 to FY2027.
Technology	Loss of sales opportunities due to delays in technology development for products and services aimed at decarbonization	Short to long term	Medium	- Contribute to reducing GHG emissions by developing and marketing innovative products and services that lead to the achievement of long-term environmental targets, as well as expanding the decarbonization business. - Advance the development of energy-saving and low-carbon products by implementing Environmentally Conscious Design Assessments when designing products and services.
Market and reputation	Impact on business due to a decline in reputation or assessment of the Company's approach to climate change issues	Medium to long term	Minor	- Established a net-zero target under the Hitachi Environmental Innovation 2050 long-term environmental targets and obtained net-zero validation from the SBTi to drive decarbonization efforts. - Disclosing information on climate change initiatives and progress through sustainability reports, the corporate website, responses to CDP and participation in events such as COP.

(2) Risks related to the physical impacts of climate change (4°C scenario)

Category	Major risks	Time horizon	Impact	Main initiatives
Acute and chronic physical risks	Climate-related risks to business continuity, including increased severity of typhoons and floods (acute risks), as well as long-term rising temperatures and heat waves (chronic risks)	Short to long term	Medium	- Consider the possibility of flood damage when deciding on the location, equipment layout and other conditions for a new plant - Compiled the Water Risk Guidelines for identifying water risks and countermeasures, and ensured compliance at major manufacturing sites globally.

Responding to water risks

Climate-related opportunities (Hitachi Group)

Hitachi views addressing environmental challenges, including climate change, as a key management priority and sees contributing to decarbonization as a significant business opportunity, particularly in the 1.5°C scenario, which assumes progress in decarbonization.

Under its long-term environmental goals, Hitachi Environmental Innovation 2050, we have set a target of achieving net zero across the entire value chain by fiscal 2050. Achieving this target requires not only decarbonizing factories and offices, but also reducing GHG emissions associated with the use of sold products and services, which account for a large portion of value chain emissions. In addition, achieving the target of 100 million metric tons of avoided emissions per year will require Hitachi products to make a significant contribution to GHG emissions reduction. Hitachi will continue to advance these initiatives and contribute to resolving issues related to climate change.

Category	Main opportunities	Impact	Main initiatives
Services and markets for products	Expansion of business opportunities through the expanded deployment of innovative products and services that can contribute to the mitigation of and adaptation to climate change	Major	• Expand business areas that contribute to decarbonization. • In the energy field, advance power generation using non-fossil fuel energy sources and the installation of supporting power grids. • In fields such as mobility and connective industries, advance the reduction of GHG emissions during product use by enhancing energy efficiency through greater utilization of digital technology (Green by Digital) and by developing products with world-class efficiency. • Facilitate the adoption of carbon-free solutions and services through co-creation with customers.
Resilience	Provision of solutions to address climate-related natural disasters	Medium	• Providing flood simulators and evacuation and emergency operation support systems • Providing disaster prevention solutions, such as high-performance firefighting command systems



The results of these studies of climate-related risks and opportunities indicate that Hitachi has not recognized any significant or difficult-to-address climate change-related risks at this stage. It has been determined that contributions to climate change action can be regarded as business opportunities. Hitachi believes that we have high resilience in the transition to decarbonization over the medium to long term, as we closely monitor market trends and develop business flexibly and strategically under both the 1.5°C and 4°C scenarios.

Risk management

Hitachi identifies, evaluates and manages climate change-related risks for each BU and Group company to determine environmental impacts and other factors. The results are consolidated by the Global Environmental Division of Hitachi, Ltd., and any risks or opportunities recognized as particularly important for the Group as a whole are deliberated by the Senior Executive Committee and, if necessary, by the Board of Directors.

Metrics and targets

Hitachi has established medium- to long-term metrics and targets under the Hitachi Environmental Innovation 2050 long-term environmental targets. Short-term metrics and targets are detailed and tracked in the Environmental Action Plan, which is formulated every three years. Metrics for climate change are based on GHG emissions for Scopes 1, 2 and 3. For Scopes 1 and 2, Hitachi uses the GHG emissions reduction rate, and for Scope 3, the GHG emissions intensity reduction rate.

Total GHG emissions from the use of sold products in Scope 3 in Category 11, which account for significant emissions given the nature of Hitachi's business, fluctuate greatly due to changes, etc., in sales volumes, products handled and the business portfolio. As a result, the outcomes of initiatives, such as energy conservation and efficiency improvements, are often difficult to see. Therefore, intensity reduction of GHG emissions has been established as a metric for providing customers and society with products and services that offer equivalent value while emitting less GHG emissions. In conjunction, avoided emissions that contribute to decarbonization is also set and managed as a metric toward creating a decarbonized society as a whole.

GHG emissions generated at business sites (factories and offices) are continuously reduced by utilizing the Hitachi Internal Carbon Pricing (HICP) system, which provides incentives for capital investments that contribute to GHG reductions. The carbon price for HICP is set at 14,000 yen per ton-CO₂.

In addition, we incorporate sustainability assessments into our executive compensation system to achieve our long-term environmental targets and address climate change. We reflect certain environmental targets and KPIs based on PLEDGES, our sustainability strategy, in executive compensation evaluations.

 [Linking executive compensation to the sustainability strategy](#)

 [Environmental Vision and Hitachi Environmental Innovation 2050](#)

 [Decarbonization](#)

 [Products, services and solutions that support green transformation \(GX\)](#)

 [GHG emission reduction at business sites \(factories and offices\) and Hitachi Carbon Neutrality 2030](#)

 [Calculating GHG emissions throughout the value chain \(fiscal 2025\)](#)

Circular economy

Efforts to achieve a circular economy

Environmental issues continue to intensify associated with increased economic and social activities within the conventional linear economy of mass production, mass consumption and mass disposal. These problems involve resource shortages, tight supply and demand for energy, environmental pollution caused by increasing waste, global warming and the loss of biodiversity.

To solve these problems and create sustainable societies, we must shift away from linear economies and toward circular economies. Hitachi, together with customers and society, contributes to the transition to a circular economy through our business activities.

Circular economy initiatives

We aim to achieve a circular transformation of resources and business operations by fiscal 2050 under our long-term environmental target, Hitachi Environmental Innovation 2050. Circular transformation involves shifting toward circular business models by minimizing energy and resource use and maximizing value throughout the entire life cycle of products and services through initiatives such as enhancing value and extending product lifespans during product usage via sharing and recurring use, and recovering resources from end-of-life products through remanufacturing or recycling.

Furthermore, to achieve circular transformation, Hitachi actively works to reduce landfill waste and implement eco-design, an environmentally conscious approach to product design. Since resources that are landfilled or discarded during the manufacturing process lose their value, Hitachi aims to achieve zero landfill waste generated at our manufacturing facilities by fiscal 2030. Additionally, transitioning to a circular business model, including landfill waste reduction, requires eco-design in product development stages. Accordingly, we aim to apply eco-design to all applicable product groups by fiscal 2030.

Approaches toward circular transformation

With the goal of achieving a circular transformation, Hitachi strives to continuously utilize resources and assets throughout the product life cycle to reduce and prevent waste generation. To this end, we implement three approaches: innovation in upstream product design, innovation in the product manufacturing process and innovation of our business model.

(1) Product design

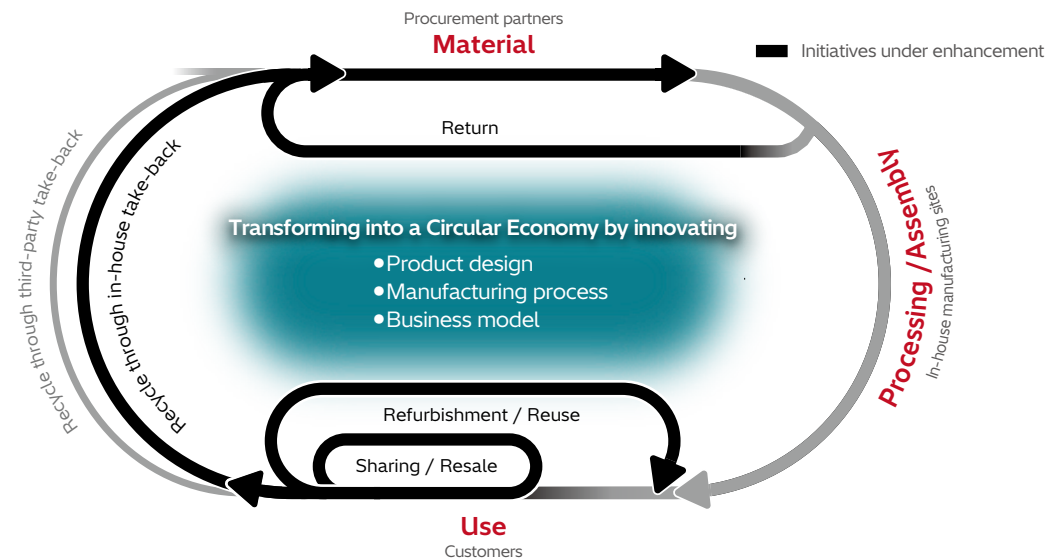
Through environmentally conscious design assessments and life cycle assessments for new products that involve design activities, we will reduce waste by standardizing parts, extending service life, utilizing recycled materials and designing for easy recyclability, while considering resource circulation across the whole value chain. To this end, we set a target of 100% application

of the relevant assessments to all new products involving design activities and work to achieve this goal by fiscal 2027, based on the Hitachi Eco Design Management Guidelines and Hitachi Eco Design Activity Guidelines that reflect the latest international trends. In fiscal 2025, we achieved a rate of 100%.

(2) Manufacturing process

In our manufacturing processes, we optimize manufacturing volumes for products and components based on supply and demand, digitize design processes for paperless work, reduce packaging material usage, reduce defective products through quality improvements and reduce the use of chemical substances. We implement these initiatives while sharing best practices among divisions. We also set specific targets for the waste landfill rate and the effective utilization rate of plastic waste, monitoring progress against these targets.

Approaches toward circular transformation



(3) Business model

To adapt to a society that is transitioning from goods to experiences, as well as from ownership to use, we enable the effective use of resources and assets through leasing, pay-per-use systems, subscriptions, products as a service, reuse and sharing-based models.

At the same time, we collect used products and consider resale, use as repair parts, or recycling of these products to further utilize resources and assets efficiently. To this end, we share our goals with diverse stakeholders in the value chain and drive co-creation.

We also advance research and development involving raw materials, products, tools, applications and services necessary for our goals, leveraging the strengths of Hitachi's IT, OT and products to support the realization of a circular economy not only in our value chain, but also in our customers' activities.

 **Improving the environmental performance of products and services through eco-design**

 **Pursuing a circular economy through business model transformation**

Management of waste and valuables generated at business sites

We collect environmental load data for waste and valuables*¹ generated at business sites to centrally manage the volumes of waste and valuables generated and exported by type. For hazardous waste, in particular, we ensure thorough compliance with laws and regulations, and engage in proper disposal within the Group.

We use the ESG Management Support Service (ESG-MSS) to collect data.

Our 2027 Environmental Action Plan sets a fiscal 2025 waste landfill rate target of 3.0% as a more advanced circular economy indicator. The waste landfill rate is an indicator that shows the proportion of final disposal (landfill disposal) relative to the total amount of waste and valuables generated. The waste landfill rate amounted to 1.8% in the fiscal year in question, meeting our target.

Waste and valuables generated during the fiscal 2025 increased by 8 kt year on year, mainly due to changes in business activities. Meanwhile, we continued to advance resource circulation through

measures including installing recycling facilities at business sites, closed-loop recycling of waste as raw materials at other Group business sites and repeated use of packing and cushioning materials for transportation. These efforts helped limit the amount of waste sent to landfill and kept the waste landfill rate below the target.

These efforts also increased the number of business sites that achieved zero landfill waste*² to 167.

*¹ Materials generated through business activities. Each country has a legal definition of waste. In Japan, the Waste Management and Public Cleansing Law defines waste as garbage, bulky waste, incineration ash, sludge, human waste, waste oil, waste acid, waste alkali, animal carcasses and other solid or liquid contaminants or unwanted materials. Valuables, meanwhile, are the materials left over after business activities other than waste, and can be sold or transferred free of charge to other parties as items of value.

*² Defined as a final disposal rate (landfill disposal/waste and valuables) of less than 0.5% for the relevant fiscal year in the Hitachi Group. Pursued in assumed conformance with regulations, conditions, etc.

PLEDGES 2027 Environmental Action Plan management values

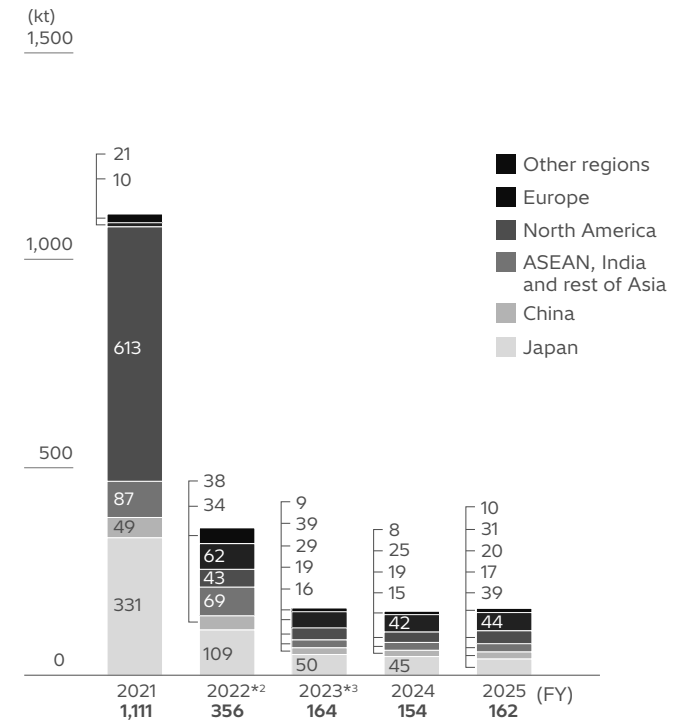
Waste landfill rate*

1.8%

FY2025 target:3.0%

*All manufacturing sites

Trends in waste and valuables generation*¹ (Hitachi Group)



*¹ Through fiscal 2021, this volume was the amount of waste and valuables generated by major business sites. Beginning in fiscal 2022, this volume is the total amount of waste and valuables generated in the manufacturing processes of all business sites and the amount generated at offices other than manufacturing processes

*² In fiscal 2022, the amount decreased significantly due to deconsolidation of materials-related and construction machinery-related companies. From fiscal 2022, the above figures include waste and valuables generated by an energy-related company and auto parts-related companies which have been included in the scope of consolidation since fiscal 2020

*³ Fiscal 2023 amounts decreased due to the deconsolidation of auto parts-related companies

Raw material inputs and waste and valuables generation during business operations

Effective utilization rate of plastic waste

We began strengthening our activities in fiscal 2022 toward achieving a 100% effective utilization^{*1} rate of waste plastics throughout the entire Hitachi Group by fiscal 2030. In fiscal 2025, we set an effective utilization rate target of 87.5% and achieved 99.1%. To improve the effective utilization rate, we implement measures including design changes for equipment and products that do not generate waste, reduction of waste through yield improvements, in-house reuse, sorting and accumulation of waste to enhance value and recycling measures through detailed sorting.

PLEDGES 2027 Environmental Action Plan management values

Effective utilization rate of
plastic waste

99.1%

FY2025 target: 87.5%

Note: Includes all manufacturing sites

Hitachi Global Life Solutions adopted a new design with consideration to product usability. In cordless stick vacuum cleaners, for example, the company has worked on eco-conscious designs together with a lightweight design and improved suction power. Certain stick vacuum cleaners use recycled plastic for more than 10% by weight of the plastic materials used in components, such as the bases of accessory stick vacuum stands. The company also uses unpainted exterior resin parts to improve the recyclability of plastic materials. Another example is the company's use of removable lithium-ion batteries, which allow the batteries to be easily separated when products are disposed of.

Furthermore, Kanto Eco Recycle Co., Ltd., a subsidiary of Hitachi Global Life Solutions that handles the recycling of used household appliances, has introduced a sorting device for mixed plastics in the recycling process for washing machines and other products. The company began full-scale operations of this device in early April of fiscal 2024.

To facilitate recycling of home appliances in Japan, Hitachi Global Life Solutions established an efficient recycling system to comply with the 2001 Act on Recycling of Specified Home Appliances. This system recycles four categories of end-of-life home appliances (air conditioners, TVs, refrigerators/freezers and washing machines/dryers) on a nationwide scale as part of cooperative efforts among five companies^{*2}. In fiscal 2025, approximately 78 kt of materials were recycled out of

approximately 87 kt of end-of-life products processed. By product type, the recycling rate for refrigerators and freezers was 80%, exceeding the legal requirement of 70% by 10 percentage points, while the rate for washing machines and dryers was 94%, exceeding the legal requirement of 82% by 12 percentage points.

^{*1} Effective utilization encompasses material recycling, chemical recycling and thermal recovery. Pursued in assumed conformance with regulations, conditions, etc.

^{*2} Hitachi Global Life Solutions, Sharp Corporation, Sony Corporation, Fujitsu General Limited and Mitsubishi Electric Corporation

^{*3} Parts and materials recovered from four categories of end-of-life home appliances (air conditioners, TVs, refrigerators/freezers and washing machines/dryers) and recycled through in-house use, sale, or transfer free of charge to other entities for use

Improving the environmental performance of products and services through eco-design

Hitachi introduced an environmentally conscious design process based on the international standard IEC 62430 to steadily improve the environmental performance of our products and services. Through this process, we implement eco-design practices by integrating compliance with environmental regulations, environmental considerations and an understanding of stakeholder requirements into our design and development activities. All products involving design activities fall within the scope of these practices, and Hitachi applies eco-design across all applicable product groups.

We use our Environmentally Conscious Design Assessments to conduct a multifaceted evaluation of 30 environmental impact categories across the entire product life cycle, from raw material procurement to disposal and recycling, including climate change, resource depletion and impacts on ecosystems.

For example, we evaluate opportunities to reduce environmental impacts throughout the life cycle by reducing packaging materials and improving energy efficiency during product use. We also apply Life Cycle Assessments (LCAs), in addition to our Environmentally Conscious Design Assessments, to quantitatively measure and verify environmental impacts. These impacts include the consumption of mineral resources, fossil fuels and water resources, as well as climate change and air pollution. We use assessment results to improve the design of next-generation products and provide transparent disclosures to stakeholders, supporting the continuous enhancement of environmental performance.

^{*1} IEC 62430: The standard developed by the International Electrotechnical Commission (IEC) concerning environmentally conscious design for electrical and electronic products

PLEDGES 2027 Environmental Action Plan management values

Application rate of environmentally
conscious design for newly
developed products

100%

FY2025 target: 100%

Nature positive

Efforts to achieve nature positive

Nature Risk Rising, published by the World Economic Forum (WEF) in 2020, reports that the creation of approximately 4.4 trillion USD of economic value, or more than half of global GDP, depends on natural capital and ecosystem services it provides. Since that publication, the significant impact of the deterioration of nature on economic activity and corporate management has continued as a point of emphasis.

The Global Risks Report 2025, also published by the WEF, lists environmental issues among the top risks for the next decade, highlighting the growing severity of nature-related risks, including biodiversity loss, ecosystem collapse, the depletion of natural resources and critical changes to Earth systems.

At the 15th Conference of the Parties to the United Nations Convention on Biological Diversity (CBD-COP15) held in 2022, the “Kunming-Montreal Global Biodiversity Framework” was adopted, including the “30by30 target” to conserve at least 30% of land and water areas by 2030.

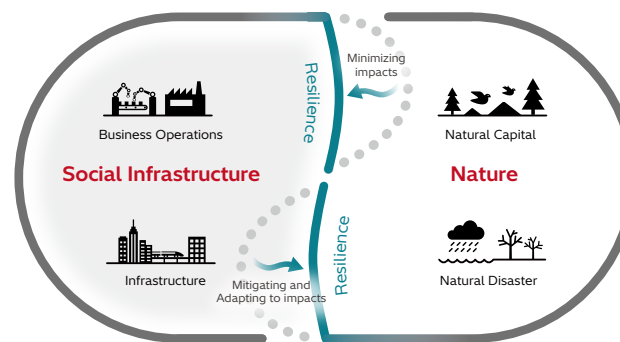
The Task Force on Nature-related Financial Disclosures (TNFD) published its final recommendations in 2023, and discussions led primarily by the International Sustainability Standards Board (ISSB) are underway to develop disclosure standards for nature-related risks and opportunities based on the TNFD framework. As a result, there is a growing international trend to incorporate dependencies and impacts on natural capital in business decisions and disclosures.

Natural capital is the foundation of a sustainable society, deeply intertwined with social infrastructure. Social infrastructure extends beyond physical systems, playing a vital role in advancing symbiosis with nature along with the conservation and restoration of biodiversity. As a responsible partner for social infrastructure, Hitachi commits to contributing to the realization of a nature positive future.

Nature positive initiatives

Under Hitachi Innovation 2050, our long-term environmental target, we aim to minimize the impact of our business activities on nature by fiscal 2050, mitigating damage from natural disasters and contributing to nature resilience, including faster recoveries.

To achieve nature resilience, Hitachi has set a target to improve water resource use efficiency by 10% by fiscal 2030. We also aim to conduct assessments that evaluate the mutual interactions with nature across the entire value chain for major products and projects.



Nature resilience approaches

Hitachi pursues water conservation and water usage reduction at manufacturing sites as part of efforts to achieve nature resilience. At sites located in water-stressed regions, the company strives to mitigate water risks through measures that include improving water intake management and equipment upgrades.

Hitachi also recognizes the importance of water stewardship as a contribution to the conservation of water resources. Water stewardship is a broad concept that encompasses not only water management within owned facilities, but also water management in local communities and across the value chain. As part of these efforts, we invest in research and development and develop products and services that contribute to improving the water cycle

and reducing the risk of water-related disasters. Our work extends to advanced wastewater treatment and flood damage prediction systems. We view these R&D investments, as well as the results of these investments, as support for solutions to local water issues

As part of the framework supporting water risk assessment and management, we invest in the ESG Management Support Service (ESG-MSS). In addition, we engage external experts to conduct risk analyses and develop response measures for high-risk locations in light of regional characteristics and business operations. We view these initiatives as examples of investments that support efforts to address water-related risks.

Our endorsement of the 30by30 Alliance for Biodiversity and certifications of Natural Symbiosis Sites signal not only the conservation of biodiversity, but also our collaborations with local stakeholders aimed at maintaining and restoring a healthy water cycle. Both in Japan and overseas, we will work to strengthen water stewardship in collaboration with local communities, pursuing initiatives tailored to the characteristics and challenges in each region.

Management of water use at business sites

Hitachi regards reducing water consumption at business sites and the preservation of water quality as key priorities. We conduct comprehensive water management, including wastewater volume and water quality monitoring, across the entire process from water intake to usage and discharge. Specifically, we engage in Company-wide initiatives that include visualizing and enhancing the management of water intake using flow meters and other devices. We also take measures to prevent water leaks, recycle cooling water and purify and reuse wastewater. We continue to monitor and manage our operations to minimize wastewater pollution through water quality measurements, such as BOD and COD.

In the event of any issues or incidents related to wastewater discharge, we respond in line with a management cycle that identifies the cause, implements corrective measures and prevents recurrence. These and related efforts are covered within our environmental compliance framework.

The 2027 Environmental Action Plan includes the following water-related KPIs to enhance monitoring: (1) Reduction rate in water use per unit and (2) Reduction rate of water usage at manufacturing sites located in water-stressed areas*1.

In fiscal 2025, the first year under 2027 Environmental Action Plan, we set a target of a 6% improvement across all manufacturing sites for the reduction rate in water use per unit in connection with water used in manufacturing processes and general daily usage. We achieved a reduction rate of 22%, exceeding our target by a significant margin. We reduced the volume of water used by 0.20 million m³, equivalent to a reduction of 2.1% compared with the base year. Our measures to reduce water usage included strengthening water intake management by installing flowmeters, installing water pipes above ground to prevent leakage, recirculating cooling water and reusing purified waste water.

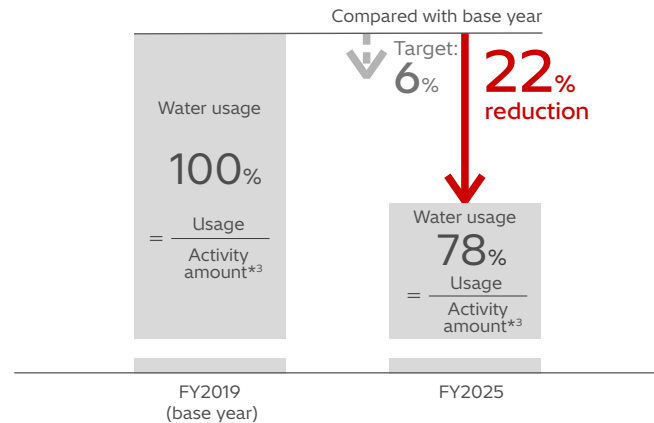
On the other hand, we set a target of a 0.4% year-on-year reduction of water usage at manufacturing and business facilities located in water-stressed regions. Our results here were a 0.6% increase compared to the previous year. The manufacturing facilities are located in China, Italy, the United States, Thailand, India, Germany, Egypt, Spain, Poland, and Türkiye. At 13 facilities, water use increased due to higher production volumes.

Going forward, we will work in collaboration with facilities located in water-stressed regions to develop water conservation plans and measures. We will also strengthen business resilience by ensuring the consistent implementation of these measures, sharing best practices across locations and engaging in regular dialogue with the relevant sites.

We collect and manage data related to discharge volume based on categories that include discharge destinations (rivers, lakes, groundwater, marine waters and sewer systems).

*1 Water-stressed areas are defined as areas rated High or above for Baseline Water Stress or Baseline Water Depletion in the World Resources Institute's (WRI) Aqueduct tool, or rated High or above for Water Availability in the World Wide Fund for Nature's (WWF) Water Risk Filter. At Hitachi, areas rated High or above in any of these indicators are included in the KPI scope.

PLEDGES 2027 Environmental Action Plan management values Reduction rate in water use per unit*1, 2

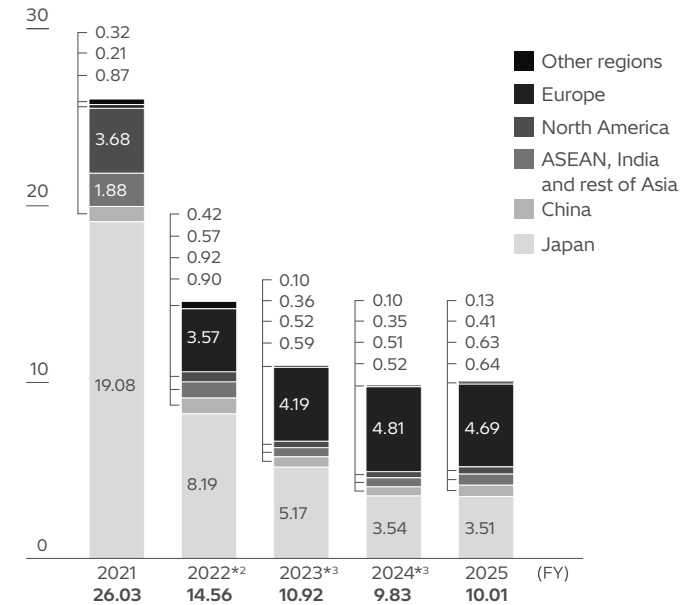


*1 Total amount of water used in manufacturing processes and general daily usage at manufacturing sites

*2 Scope: All manufacturing sites

*3 Activity amount is a value closely related to water use at each business site (for example, output, sales and production weight)

Trends in water usage*1 (Hitachi Group)

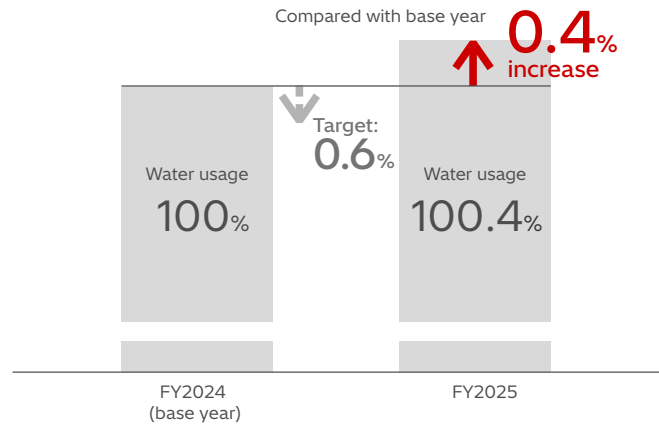


*1 Includes manufacturing processes and daily usage at manufacturing sites, and daily usage at non-manufacturing sites

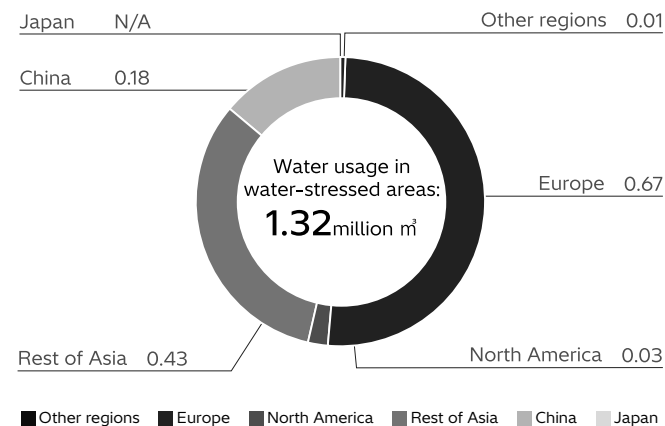
*2 In fiscal 2022, the amount decreased significantly due to deconsolidation of materials-related and construction machinery-related companies. From fiscal 2022, the above figures include water usage by an energy-related company and auto parts-related companies which have been included in the scope of consolidation since fiscal 2020

*3 Fiscal 2023 amounts decreased due to the deconsolidation of auto parts-related companies

Water Inputs and effluent discharges and consumption during business operations

PLEDGES 2027 Environmental Action Plan management values**Reduction rate of water usage at manufacturing sites*¹ located in water-stressed areas**

*¹ Excludes sites where water is used solely for WASH services and not for manufacturing purposes. WASH (Water, Sanitation and Hygiene) is an integrated concept that aims to ensure access to safe water, sanitation facilities and hygienic conditions.

Breakdown of water usage in water-stressed areas**Responding to water risks**

Since Hitachi's exposure to water risks varies depending on the region and business operations, we believe it is important to identify water risks specific to each location and implement risk mitigation measures. To advance these measures in a planned and consistent manner, we compiled procedures for identifying and addressing water risks into the Water Risk Guidelines*¹. Through fiscal 2024, we applied these guidelines to major manufacturing sites classified under Environmental Management Category A. However, we expanded their scope to include all manufacturing sites beginning in fiscal 2025. We use our ESG Management Support Service (ESG-MSS) and various globally recognized tools for water risk assessment, in addition to region- and operation-specific water risk identification checklists. We use these data and checklists to identify and evaluate the water risks annually for each business unit, Group company by country and region and for the entire Group. In recent years, the TNFD international framework for disclosure has highlighted the importance of incorporating biodiversity perspectives into water risk assessments. Consequently, we are also conducting risk assessments focused specifically on

biodiversity by utilizing biodiversity-related data included in the Water Risk Filter*² and the water risk identification checklist.

Based on these assessment results, we implement specific measures tailored to the nature of the risk at each location where we determine area water risk to be high. For example, at sites facing challenges, such as the risk of water leaks or instability in water supply, we implement measures to prevent leaks by moving water distribution pipes above ground. At sites with manufacturing processes that consume large amounts of water, we have introduced measures that include the recycling of cooling water to reduce water withdrawal and mitigate water-related risks.

By translating the results of our water risk assessments into concrete measures across all manufacturing sites, we effectively reduce water and biodiversity risks, while we continue to improve our assessments and response measures.

*¹ Water Risk Guidelines: Prepared with reference to the guide for Setting Site Water Targets Informed By Catchment Context created by members of the UN Global Compact, the CEO Water Mandate, the Pacific Institute, WRI, WWF and other global institutions with the aim of helping companies set effective site water targets

*² Water Risk Filter: A water risk assessment tool developed by the World Wide Fund for Nature (WWF)

Identification of Water Risks Using the ESG Management Support Service (ESG-MSS)

	Regional water risks		Operational water risks
Risk identification method	Enter address information into the global tool Aqueeduct * ¹ to identify risks	Enter address information into the global tool Water Risk Filter * ² to identify risks	Risks identified through ESG-MSS using information such as a business site's volume of water intake and effluents discharged and water-related initiatives
Number of evaluation items related to water resources, water quality, water damage, regulations, reputational risk, etc.	Physical risks (eight quantitative items), Physical risks (two qualitative items), regulatory and reputational risks (three items)	Physical risks (five risk categories, 23 items in total), regulatory risks (four risk categories, eight items in total), reputational risks (three risk categories, 11 items in total)	Approximately 70 items
Risk assessment	Five-level scale: low, low-medium, medium-high, high, extremely-high	Five-level scale: very low, low, medium, high, and very high	Five-level scale: very low, low, medium, high, and very high
Risk results (excluding sites where water use is limited solely to WASH services)	Baseline water stress* ³ at high or higher: 23 business sites Baseline water resource depletion* ⁴ at high or higher: 7 business sites Any metric at high or higher: 24 business sites	Water availability* ⁵ at high or higher: 4 business sites	Including the 24 business sites listed on the left, operational water risks from Very low to Low
Comprehensive risk assessment results	None of our business sites face an overall high water risk		

*¹ A water risk assessment tool developed by the World Resources Institute (WRI)

*² A water risk assessment tool developed by the World Wide Fund for Nature (WWF)

*³ Percentage of total annual water withdrawal relative to the available and renewable supply

*⁴ Percentage of total annual consumption relative to the available and renewable supply

*⁵ A metric based on a multi-model approach that integrates the best available global water scarcity risk metrics (e.g., water depletion, water stress)

In fiscal 2025, we conducted a regional water risk assessment covering all manufacturing and business sites. Based on the understanding that, among water risks, being located in a water-stressed region is the most significant risk factor, we conducted an assessment and identified a total of 24 business sites*¹ operating in China, Italy, the United States, Thailand, India, Germany, Egypt, Spain, Poland, and Türkiye as having high water risk from the perspective of water stress.

As a result of evaluating the operational water risk, all business sites, including the previously identified high-risk business sites, were found to have Very low to Low operational risks related to water risks.

For this reason, Hitachi believes that none of our business sites faces overall high water risk.

Water usage at the 24 business sites with high regional water risks was 1.32 million m³, accounting for about 14% of the 9.26 million m³ of water used in Hitachi's main manufacturing processes.

*1 Excludes facilities that use only WASH services (water not used for manufacturing purposes)

Understanding water risks in the supply chain

Hitachi believes it is important to understand the water risks faced by procurement partners to ensure stable procurement of parts and products.

In fiscal 2025, we used the Aqueduct and the Water Risk Filter to identify regional water risks among companies assessed by EcoVadis (about 2,500 companies selected based on transaction history and country of operation.) About 1,928 of these partners responded to our survey regarding environmental initiatives, and we shared the results with relevant internal departments. Moving forward, we will strive to understand the water risks of our procurement partners further by expanding the scope of the survey.

Assessment of natural capital and biodiversity at manufacturing sites

Overview of initiatives related to natural capital and biodiversity
Hitachi conducts reviews based on the LEAP approach, referencing the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD). Our goal here is to assess the dependencies and impacts on natural capital and biodiversity at the manufacturing sites we operate directly, with the aim of reducing nature-related risks and enhancing business sustainability.

Below, we provide an outline of our approach and overview for manufacturing sites, as well as the direction of our future initiatives.

- **Identify priority geographical locations (Locate)**
We conducted a screening of our manufacturing sites from the perspective of biodiversity. We categorized our business activities by sector and identified the locations for evaluation, focusing on business areas we consider to have a relatively strong relationship with natural capital.
- **Evaluate dependencies and impacts on natural capital (Evaluate)**
In terms of dependencies and impacts on natural capital, we utilized ENCORE (a natural capital evaluation tool) to identify dependencies and impacts on ecosystem services related to our operations, as well as to analyze trends in the impact of our business activities on the natural environment.

As a result, we recognize that ecosystem services (e.g., the water cycle and disaster-prevention functions) are linked to the stability of our operations. Accordingly, certain business activities (e.g., use and discharge of chemicals, external factors such as noise and light, etc.) may impact the natural environment.

- **Assess nature-related risks (Assess)**
We used the WWF Biodiversity Risk Filter (BRF) and the WWF Water Risk Filter (WRF) to assess the importance of biodiversity, ecosystem health, and water-related risks.

Our assessment indicated that, depending on business characteristics and location, we own sites where consideration for ecosystems and water resources is particularly important. Accordingly, we recognize the need to take measures appropriate to the nature of the risks involved.

- **Future initiatives (Prepare)**
Based on the assessment results, Hitachi plans to implement initiatives in phases, prioritizing locations where we believe it is most important to address nature-related risks.

Moving forward, we will utilize the assessment results from ENCORE, BRF and WRF to conduct reviews that account for the natural environment and regional characteristics surrounding our business sites. As necessary, we will continue to assess business site conditions and engage in dialogue. Through these initiatives, we aim to balance reductions in our environmental impact with the sustainability of our businesses, while also enhancing disclosures of natural capital-related information in accordance with the TNFD recommendations.

Screening by sector (high or higher) of nature-related risks using external tools

Nature-related risk assessment framework			Relative distribution of nature-related risks by sector (high or higher)			
			Energy	Mobility	CI	DSS
Natural capital	Dependency	Flood mitigation services				
		Education, science and research services				
	Impact	Emissions of harmful soil and water pollutants				
		Disturbances (e.g., noise, light)				
		Emissions of non-greenhouse gas air pollutants				
Biodiversity		Importance				
		Soundness				
Watersheds and water risks		Physical risks				
		Regulatory risks				
		Reputational risks				

Note: Gray shading indicates nature-related risks assessed as high for the relevant sector using external tools.

Efforts to conserve ecosystems

Building on longstanding ecosystem conservation activities, Hitachi advances initiatives aimed at contributing to the global targets under the Kunming-Montreal Global Biodiversity Framework (GBF).

Specifically, the Hitachi Group is working to obtain certifications as Nationally Certified Sustainably Managed Natural Sites and advance forest conservation activities as a means to contribute to 30by30, the global target under the GBF to conserve at least 30% of land and ocean areas by 2030. Individual BUs and Group companies pursue their own targets, conducting activities focused on measures against invasive alien species and the prevention and reduction of plastic pollution in line with the global target to reduce major human-induced threats to biodiversity

Through assessments based on the LEAP approach of the Taskforce on Nature-related Financial Disclosures (TNFD), Hitachi has reaffirmed that ecosystem conservation is a material issue for each business site and facility to address according to their respective business characteristics and local conditions.

Natural capital and ecosystem services support Hitachi business activities, with our social infrastructure businesses at the core, and the degradation of natural capital and ecosystem services could lead to medium- to long-term business risks. Based on this understanding, the Hitachi Group pursues a broad range of initiatives to achieve nature positive outcomes and enhance business resilience. We work in collaboration with local communities and relevant stakeholders on these and other initiatives that extend well beyond biodiversity conservation to include maintaining healthy water cycles at the watershed level and preserving ecosystem services.

Support for Business for Nature's Call to Action

In 2020, the global Business for Nature coalition issued a Call to Action^{*1}, encouraging policy makers around the world to adopt policies to “reverse nature loss in this decade.” Hitachi Ltd. supports and has signed the Call to Action.

^{*1} The Call to Action states that healthy societies, resilient economies and thriving businesses rely on nature. The statement urges governments to adopt policies to reverse the loss of nature, and calls for the protection, restoration and sustainable use of natural resources

Support for 30by30 Alliance for Biodiversity led by the Ministry of the Environment, Japan

30by30 is an international framework that aims to conserve or protect at least 30% of the land and sea areas in Japan by 2030 to achieve nature positive goals of curbing biodiversity loss and encouraging restoration by the same year.



The 30 by 30 Alliance for Biodiversity was established to promote achievement of the 30 by 30 target agreed to at the G7 Summit 2021 and consists of governments, companies and NPOs. The goals of the alliance are to expand national parks, register “satochi-satoyama^{*1}” landscapes and corporate forests (areas of biodiversity preservation planned by various organizations) in international databases, pursue conservation in such areas and share information concerning these activities.

Hitachi, Ltd. supports this mission and is actively engaged in related initiatives.

^{*1} An area consisting of farmlands, irrigation ponds, secondary forest, plantation forest and grasslands surrounding human settlements that is located between more natural, deep mountainous areas and urban areas of intensive human activities

Nationally Certified Sustainably Managed Natural Sites by the Ministry of the Environment

Nationally Certified Sustainably Managed Natural Sites are a certification system launched by the Ministry of the Environment in fiscal 2023 as part of efforts to achieve nature-positive goals. Areas where private-sector initiatives conserve biodiversity, including corporate forests, *satochi-satoyama* landscapes, and urban green spaces, are eligible for certification. These

recognized areas, excluding overlaps with protected regions, are registered as Other Effective area-based Conservation Measures (OECM) in the international database, and contribute to achieving the 30by30 target.

In fiscal 2023, Hitachi had three sites recognized under this certification program.

Company name	Site name	Location	Site overview
Hitachi, Ltd.	Kokubunji Site: Kyoso-no-Mori	Kokubunji City, Tokyo	Primary vegetation includes dogwood, sawara cypress and konara oak. The site features a variety of natural environments, such as springs, ponds, natural forests, bamboo groves and grasslands, creating a diverse ecosystem that supports a wide range of species.
	Hitachi Group Mito Business Sites	Hitachinaka City, Ibaraki Prefecture	The naturally occurring tall red pine trees have been preserved in a way that closely resembles the original forest at the time the works were established. Additionally, in the greenbelt known as the Sagiyama area, large forests, primarily consisting of Japanese bay and hackberry trees—vegetation believed to represent the area’s potential natural vegetation—are being systematically maintained and managed.
Hitachi High-Tech	Hitachi High-Tech Woodlands of Hitachi High-Tech Science	Oyama Town, Sunto District, Shizuoka Prefecture	Efforts are being made to manage and conserve the green spaces within the site to create a forest rich in biodiversity. Initiatives include 1. Maintaining and restoring green spaces, 2. Converting artificial forests into natural forests, 3. Restoring the Japanese pampas grassland and 4. Eradicating invasive plant species.

Managing chemical substances

Hitachi believes that properly managing the use of chemical substances, including volatile organic compounds (VOCs), is important not only for reducing pollutant emissions into the air and water, but also for minimizing impacts on natural capital.

Based on this belief, Hitachi formulated the Environment and CSR-Based MONOZUKURI Standards to manage chemical substances at all stages of our operations—from design, development and procurement, to production, quality assurance and shipping. We divide chemical substances in our products into two categories: prohibited substances and controlled substances. These categories are managed separately to ensure compliance with legal and regulatory requirements in export destinations. With regard to chemical substances used in our business operations, we manage them in three categories: prohibited, reduced and controlled. We also provide education on laws, regulations and risk assessment to chemical substance handlers and managers to further reduce risks.

Managing chemical substances in our products

Hitachi defines the chemical substances in our products that require management as Hitachi Group voluntarily controlled chemical substances. As a rule, we use the stringent EU standards as our baseline for identifying and managing these substances, regardless of export destination, industry, or application.

We review and update the list of managed substances and management levels in accordance with revisions to the EU's REACH*¹ and other regulations. In principle, we designate substances as Hitachi Group voluntarily controlled chemical substances at least six months before they are officially regulated.

*1 Registration, Evaluation, Authorisation and Restriction of Chemicals. An EU regulation concerning the registration, evaluation, authorisation and restriction of chemicals.

Classification examples

Prohibited substances (Level 1)

Substances for which use in products (including packaging) is generally prohibited in Japan and overseas, but which may still be present in procured items.

Controlled substances (Level 2)

Substances for which tracking and management are required, as well as substances that should be considered for recycling or appropriate disposal.

Managing chemical substances in our business operations

Hitachi has endeavored to reduce emissions of chemical substances from factories and other facilities by designating substances for reduction and expanding the scope of substances under management. We translate reduction case studies into English and Chinese, and share them within the Hitachi Group to improve global adoption and management standards.

At each business site, we regularly measure and manage atmospheric emissions*² (e.g., sulfur oxides (SOx), nitrogen oxides (NOx) and volatile organic compounds (VOCs)) in accordance with the local laws and regulations of the respective sites. We continue to monitor these selected substances at manufacturing and business sites in Japan and overseas using ESG-MSS. At the same time, we strictly enforce compliance with laws and regulations, while engaging in management in accordance with our own standards.

In fiscal 2024, the final year of the 2024 Environmental Action Plan, we set a target of an 8% improvement in atmospheric chemical substance emissions per unit compared to the base year of fiscal 2010, and achieved a 29% improvement, surpassing the target by a significant margin. We switched from paints containing VOCs to water-soluble and powder paints, improving processes in painting and washing operations to achieve significant emissions reductions.

Based on these results, we did not set standalone numerical targets for reducing chemical emissions in the 2027 Environmental Action Plan. Rather, the plan describes a transition to a management phase (KPI selection and focus), reflecting the fact that risks have been sufficiently mitigated through the substantial reductions achieved to date. At the same time, we will continue to conduct regular measurements and monitoring of atmospheric emissions, including SOx, NOx and VOCs. Our practical goal here is to ensure compliance with laws and regulations, as well as to manage these substances in line with our own standards.

In addition, we conduct life cycle assessments (LCAs) during the product design and development stage to evaluate environmental impacts across the entire product life cycle, pursuing measures that include adopting low-VOC paints and alternative substances. In this way, we have built a system designed to reduce chemical emissions throughout the entire product life cycle.

Hitachi will continue to reduce environmental risks posed by chemical substances through ongoing monitoring and management.

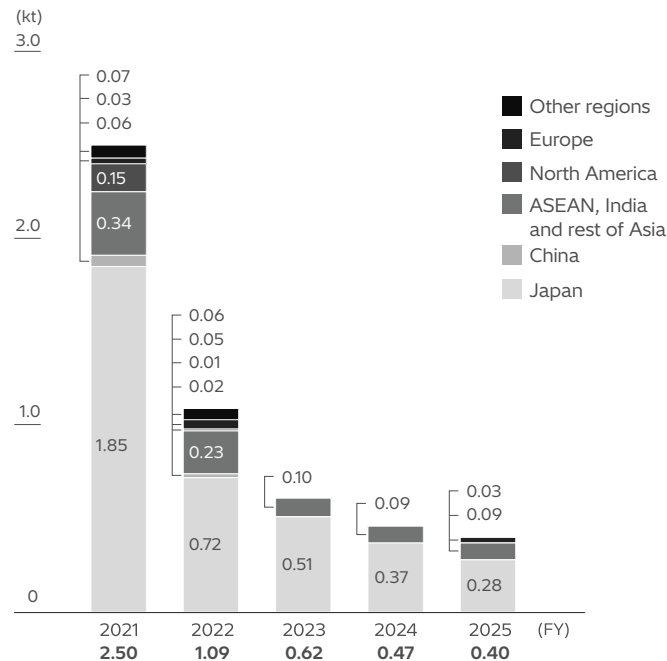
*1 A total of 50 substances selected based on hazard and atmospheric emissions.

Approximately 100% of substances in fiscal 2025 were classified as VOCs

*2 Calculated using site-specific data (measured values, exhaust volume, content rate, etc.)

Inputs and discharges of chemical substances during business operations

Trends in reducing atmospheric emissions of chemical substances (Hitachi Group)



Note: Atmospheric emissions of VOCs and other chemical substances are calculated from the content rate included in the materials, etc.

*1 In fiscal 2022, amount decreased due to deconsolidation of the materials-related and construction machinery-related companies. From fiscal 2022, the above figures include atmospheric emissions of chemical substances from auto parts-related companies which became a consolidated subsidiary in fiscal 2020

*2 Fiscal 2023 amounts decreased due to the deconsolidation of auto parts-related companies

Leadership and Empowerment

In this section

077 Global human capital management

087 Fulfilling and rewarding workplace

Our Human Capital strategy focuses on the development of talent, leadership and organizational capabilities

To strengthen global competitiveness by securing world-class talent, our Human Capital strategy focuses on three core areas: Talent Management, Total Reward and One HR Platform.

Through Talent Management, we strengthen our global approach to attract, develop and deploy talent across the Group while reinforcing leadership development for a future-ready workforce.

Through Total Reward, we enhance compensation transparency, equity and market competitiveness based on a strong pay-for-performance philosophy.

One HR Platform increases visibility into our workforce and supports more global data-driven human capital management and the development of new digital capabilities.

“People are the foundation of Hitachi’s sustainable growth and creation of social value.

As AI, technologies and business needs continue to evolve, developing the skills, leadership and capabilities needed for the future is becoming increasingly important.

Through One Hitachi, we are bringing together diverse talent and expertise across the Group while strengthening the capabilities required to execute our business strategy and support long-term sustainable business growth.

By investing in our people, prioritizing health, safety and wellbeing, and strengthening our organization, we are building the capabilities that will drive innovation and create lasting value for customers, society and our stakeholders.”



Susumu Takimoto

Vice President and Executive Officer, Deputy CHRO,
Deputy General Manager of Human Capital Group, General
Manager of Global Safety and Health Management Division

**PLEDGES Leadership Video —
Leadership and Empowerment**

▶ WATCH

Leadership and Empowerment FY2025 highlights

550 people

Global leaders who realize our growth strategy

69.2 points

Employee growth mindset score

73.3 points

Employee engagement score

Global human capital management

Global human capital strategy

At Hitachi, people are the engine of value creation and growth. Based on this belief, we are making proactive investments in human capital and aspire to become an employer of choice globally under our management plan, Inspire 2027.

Operating in an environment shaped by rapid technological advancement, increasing global competition for talent and evolving skill requirements, Hitachi has designed Talent Management, Total Reward and the One HR Platform as three strategic priorities. Through various initiatives in these key areas, we systematically address emerging risks and organizational challenges before they materialize.

These efforts support to leverage the full capabilities of the Group to deliver long term value for society and all stakeholders.

Talent Management

At Hitachi, we globally integrate talent acquisition, development and deployment to support each employee's proactive career growth and capability development.

We focus on developing leaders who can drive our business strategy and strengthening succession planning to ensure a sustainable pipeline of future leadership talent.

Total Reward

We are transforming our total reward framework to drive transparency, equity and market competitiveness, with a focus on job based pay structures and a strong pay for performance philosophy. Through this transformation, we aim to establish an

attractive and Hitachi specific offering that enhances acquisition, retention and motivation of diverse talent globally.

One HR Platform

We support both global consistency and locally tailored execution through a platform that integrates people data across the Group and enables the digitalization of HR processes and employee experiences.

Through this integrated framework, we are strengthening the execution of our strategy while fostering the growth and engagement of each employee, thereby enabling sustainable business growth and long-term value creation for society.

Connection between three focus areas/six initiatives/HR program

3 Focus Areas	6 Initiatives	HR Programs				
Talent Management	Enable talent acquisition, development and mobility to accelerate synergy	Talent acquisition 	Workforce deployment 	Transformation to job-based HR management in Japan 	Cultivate an employee growth mindset 	
		Career training and consultation services to support self-directed career development 	Talent development initiatives to establish a learning organization 	Regional initiatives to develop employee skills 	Global Performance Management (GPM) 	
	Leadership development for sustainable growth	Selecting and developing global leaders (GLD) 				
Total Reward	Fostering a high-performance culture	Global compensation philosophy ensuring fair evaluation and compensation 	Compensation levels and systems in Japan 	Re-employment after retirement age (Japan) 		
	Incentivize employees to increase corporate value	Restricted stock units plan (RSU) 	Employee stock purchasing plan (ESPP) 	Initiatives to support employee wealth building (Japan) 		
One HR Platform	Enhance Global HR platform to strengthen One Hitachi collaboration	Hitachi Global Grade (HGG) 	Integrated human capital management platform 	Integration of acquired companies 		
	Strengthen AI expertise and adopt	Acquiring and developing AI professionals 	AI literacy program 	The use of AI in HR operation 	Advancing people analytics 	

Global human capital management structure

To ensure the reliable and effective implementation of our human capital strategy, Hitachi has established a globally integrated Human Capital Management structure. Under the leadership of the Chief Human Resources Officer (CHRO), the group HR function, business HR teams and regional HR teams work together as one to effectively drive HR initiatives across the Group.

By integrating the following, we are achieving a unified operating model:

- (1) Establish strategy globally
- (2) Co-design key global programs
- (3) Implement locally, based on business and regional contexts

Key matters related to the formulation and implementation of HR programs are discussed and approved by the Senior Executive Committee and, as necessary, reported to the Board of Directors.

By leveraging cross-functional working groups and incorporating diverse perspectives from across the Group, we enhance the quality of our programs.

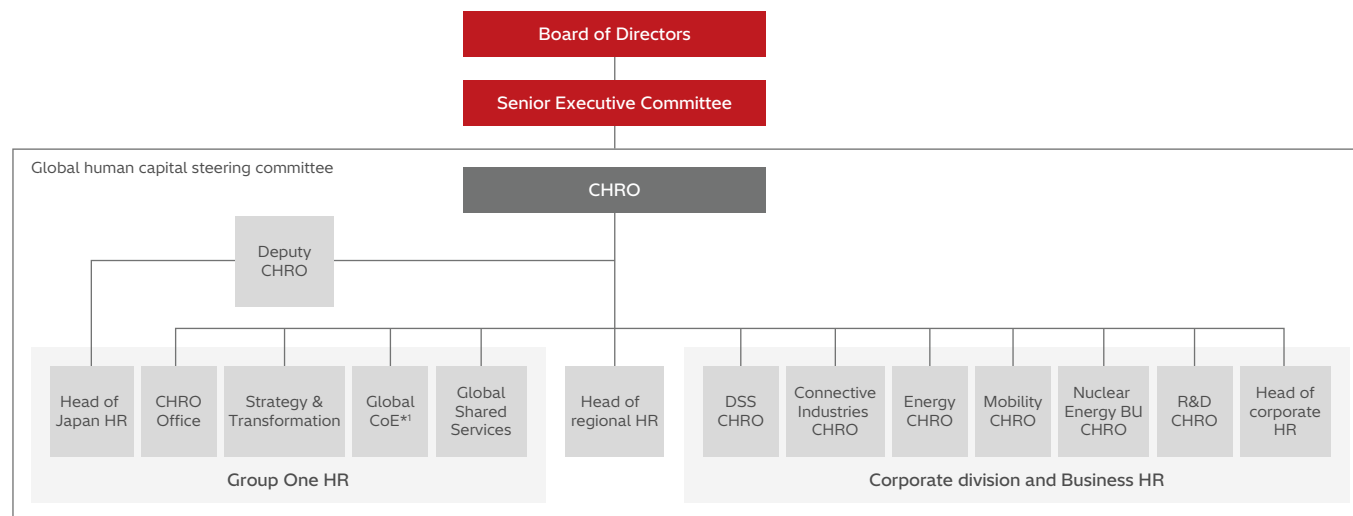
Global human capital targets

PLEDGES

Hitachi has established Group wide human capital targets and KPIs to strengthen execution and monitor systematically our progress.

In fiscal 2025, these programs advanced steadily, with measurable progress against key indicators.

Global human capital management structure



*1 Center of Excellence

Global human capital targets

PLEDGES Strategic Pillars	Included Theme	KPIs	FY2027 targets	FY2025 results
Leadership	Human capital acquisition and development, individual leadership	Number of global leaders who realize growth strategy	1,000 people	550 people
		Number of AI professional talents*2	50,000 people	39,000 people
		Employee growth mindset score*3	70 points	69.2 points
Empowerment	Employee engagement*1, organizational culture	Employee engagement score*3*4	80 points*5	73.3points
		Number of people who receive allotment of Restricted Stock Unit grant	1,500 people	1,800 people
		Number of people eligible for Employee Stock Purchase Plan globally	150,000 people	130,000 people

*1 The willingness of employees to understand the company's strategy and initiatives, find purpose and fulfillment in their work and proactively take ownership of achieving results.

*2 The figures are cumulative count of achievements meeting the prescribed criteria, including completion of internal development programs and acquisition of vendor-certified AI-related qualifications. Figures are shown in thousands

*3 Linked to executive compensation

*4 The percentage of positive responses to employee engagement survey questions, measured across four dimensions: pride in working for the company, perception of the workplace as a great place to work, sense of fulfillment and accomplishment in work and intention to remain with the company in the near term.

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

Enhancing employee engagement

As part of our Human Capital management, Hitachi monitors Employee Engagement through the global employee survey (Hitachi Insights) and has established the employee engagement score as a KPI to monitor the status and identify areas of improvement.

Specifically, Hitachi focuses on key engagement drivers, including talent deployment, corporate culture and the work environment, and implements various initiatives to enhance employee engagement.

Hitachi also strengthens two-way communication with top management and employees through town hall meetings, roundtable discussions and internal social platforms.

As a result, the employee engagement score for fiscal 2025 reached 73.3 points, representing an increase of 1.8 points compared with fiscal 2024. As part of Inspire 2027, Hitachi aims to achieve an ambitious target of 80 points.

From fiscal 2026, Hitachi will strengthen employee experience through redesigning our survey to leverage employee's opinions and feedback for further improvement, using AI-enabled support for result analysis and action planning.

In addition, the survey results encourage dialogue between managers and team members, helping employees strengthen their sense of ownership, support professional growth and improve overall organizational performance.

Executive communication activity

“Ask Me Anything” Sessions

Hitachi regularly hosts “Ask Me Anything” sessions, where the CHRO answers employees’ questions directly. These sessions attract a large global audience and promote two-way dialogue, helping employees better understand the company’s strategic priorities, business direction and human capital strategy, while fostering an inclusive and participative workplace culture.

Townhall Meetings

Town hall meetings provide a platform for direct dialogue between executives and employees, helping to share business strategy and key priorities, strengthen employee engagement, reinforce our culture and foster a stronger sense of One Hitachi.

Talent Management

Enable talent acquisition, development and mobility to accelerate synergy

To respond with agility and continuity to a rapidly changing business environment, Hitachi focuses on strengthening the talent and skills required for strategy execution through a job-based, integrated talent framework, while enhancing our ability to place leaders in the right roles at the right time. This approach also enables effective talent flow across the Group by connecting acquisition, development, mobility and fostering continuous learning and a growth mindset.

Talent acquisition

In response to intensifying competition for talent, the rapid emergence of new skills and shifts in candidate expectations and demographics, Hitachi has closely aligned Talent Acquisition and Talent Management teams within the global Center of Excellence (CoE) to drive an integrated talent strategy.

Talent Acquisition teams embedded within the business units (BUs) are positioned as specialists in specific locations and sectors. This approach supports agile hiring and targeted initiatives, including programs for early-career talent while also promoting the placement of talent into highly specialized roles.

In Japan, we are advancing a personalized talent acquisition strategy, focused on new graduate recruitment, with a strong emphasis on a job-based model. This approach aligns individual career aspirations with specific roles, ensuring candidates are matched with opportunities tailored to their unique needs and strengths. A cornerstone of this approach is our job-based internship program, which enables new graduates to immerse themselves in real job functions and business operations. Through these hands-on experiences, candidates can explore specialties and preferences firsthand, supporting a more thoughtful and self-driven matching process.

Strategic workforce planning that enables business growth / Hitachi Rail

Hitachi Rail aligns long-term project plan, technology roadmaps and regional growth strategies to identify future workforce needs on a skills basis and drive strategic talent acquisition. This approach enables the recruitment of talent with transferable skills, as well as individuals from related industries, while strengthening long-term employability.

Workforce deployment

At Hitachi, we ensure effective talent allocation through a global and structured approach that aligns roles, capabilities and business priorities, enabling effective deployment across the organization.

Talent reviews conducted at global, business and regional levels provide visibility on employee capabilities, performance and potential, supporting informed allocation and succession planning.

Hitachi also promotes internal mobility across businesses and regions, providing employees with access to diverse career opportunities through internal job posting processes and platforms, while enabling the organization to respond to evolving business needs.

These initiatives are complemented by efforts to strengthen global mobility policies and frameworks and expand the adoption of job-based management, particularly in Japan. Through the optimal deployment of talent, these efforts reinforce employee motivation and a shared sense of purpose, enabling both individuals and the organization to grow sustainably, while enhancing workforce agility and supporting the continuous development of leadership talent to drive the effective execution of business strategy.

Transformation to job-based HR management in Japan

Hitachi has been promoting job-based HR management through both the development of structures and frameworks, as well as initiatives aimed at driving changes in mindset and behavior, resulting in the establishment of a solid foundation for job-based talent management.

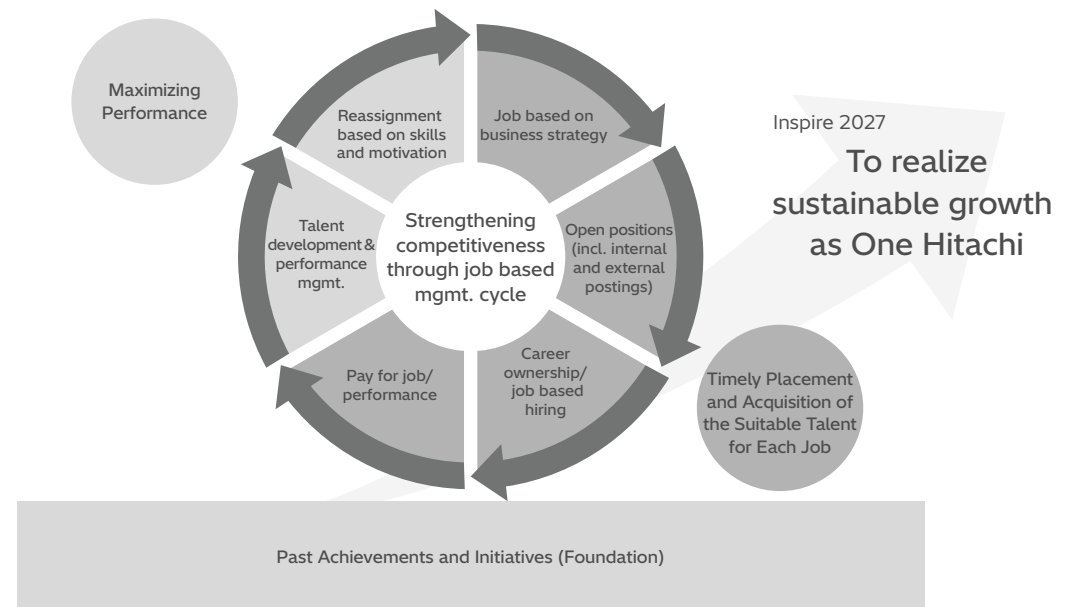
Concrete outcomes of promoting job-based management can be seen in several areas. For example, under the group-internal job posting system, both the number of open positions and applicants have doubled over the past five years.

By clearly defining job responsibilities and requirements, this system has expanded opportunities for employees to proactively apply for roles based on their skills and career aspirations. As a result, there has been a steady increase in cases where the most suitable talent for each role is appointed based on individual motivation and capabilities, regardless of attributes such as nationality, gender, or age.

In graduate recruitment, we have introduced a job-matching approach under which job categories or positions are confirmed at the time of the offer. In a survey of job offer recipients conducted in fiscal 2025, more than 90% expressed positive feedback, noting a strong sense of alignment between their skills and career aspirations and the assigned job, as well as a clearer understanding of their post-joining roles, which contributes to higher motivation.

We will continue operating the job-based management cycle—covering recruitment, compensation, capability development and performance improvement, and reassignment based on skills and motivation. In this way, the system will remain grounded in the jobs required to execute our business strategy and we will achieve timely talent acquisition and maximized performance. We expect these efforts to further strengthen our competitiveness and realize sustainable growth.

Target state of Hitachi's job-based HR management



Cultivate an employee growth mindset

We are committed to fostering agility to adapt effectively to evolving business needs, creating an innovative and purpose-driven culture that encourages ownership, initiative and continuous learning.

This goal is supported by creating a psychologically safe environment through the adoption of Hitachi Group Core Competencies*¹ along with scaled reskilling and upskilling initiatives aligned with business needs. Senior Leadership and people managers play a central role in this effort, supported by development programs that emphasize coaching, constructive feedback and learning from on-the-job challenges. At the same time, global talent mobility is being promoted to broaden experience and perspective, reinforcing a culture where employees are encouraged to take initiative, speak up and

continuously build capability in a changing environment.

We will continue to monitor the progress of these initiatives through Hitachi Insights, our global employee engagement survey, by using a Growth Mindset Score as a KPI to measure employees' attitudes toward learning, adaptability, organizational culture and managerial support. In fiscal 2025, the Growth Mindset score reached 69.2, showing steady progress toward our fiscal 2027 target of 70.

Looking ahead, Hitachi will continue to enhance mechanisms that create the right environment and structure so that employees who aspire to do more are enabled to achieve great things.

*1 Formulated based on Hitachi's founding spirit (Hitachi Values) and business strategies, etc. They specifically define how to embody the Hitachi founding spirit as behaviors expected of all Hitachi Group employees

Hitachi Group Core Competencies



People champion

Related Hitachi's founding spirit: *Harmony*

Cultivate an inclusive work environment based on safety and trust, which values diverse perspectives and encourages speaking up and growth so that we can perform at our best.

Customer & society focus

Related Hitachi's founding spirit: *Sincerity*

Focus on societal challenges, always act honestly and be accountable for contributing to society through collaboration with internal and external stakeholders.

Innovation

Related Hitachi's founding spirit: *Pioneering spirit*

Drive innovation with a passion for learning, challenge the status quo and respond with speed to create new value.

Career training and consultation services to support self-directed career development

At Hitachi Ltd., we are focusing on fostering a growth mindset that encourages employees to think and act for their own careers. To support this system, we introduced career training as a foundational program that directly influences employee self-directed career development.

The program uses the Will-Can-Must framework to promote specific initiatives for individuals to make self-directed efforts to develop their career and abilities by giving extra support in formulating action plans toward their intended career. To date, approximately 19,500 employees have participated in this program (as of the end of March 2026). Going forward, we will continue to implement the program for all generations of employees.

At our Career Consultation Room, we provide a career consultation service that supports employees in their career development and helps to assign the right person in the right place for open positions through matching advice, which enables specific consultations on the group-internal job posting system, and career consulting, which supports the employee's overall career development.

Going forward, we will continue to support individual self-understanding and career planning while respecting the individuality and aspirations of each employee, thereby linking individual motivation and abilities to improved performance, engagement and overall well-being.

Talent development initiatives to establish a learning organization

In response to the rapid advancement of digital technologies and the growing complexity of society, Hitachi is fostering a learning organization that drives business growth and enhances organizational capabilities globally. To this end, we are building an environment that enables all employees to continuously and timely acquire the knowledge and skills they need.

Operating across different markets, Hitachi designs common frameworks to build and deploy capabilities, which are implemented locally to reflect regional business and market conditions, combining global consistency with local execution.

These initiatives are supported by Group-wide platforms and processes such as Hitachi Academy*¹. Opportunities include global learning programs, digital and data-related capabilities

development and structured talent processes, such as talent reviews, succession planning and leadership development initiatives, to ensure consistent implementation of talent initiatives across the organization.

As part of this effort, we expanded access to LinkedIn Learning^{*2} to all indirect employees across the Hitachi Group from fiscal 2025, establishing the program as a Group-wide learning platform. In addition, to further encourage learning through LinkedIn Learning and foster a culture of self-directed learning, we plan to integrate LinkedIn Learning into a wide range of training programs beginning in fiscal 2026.

Furthermore, we implemented globally standardized, role-based training programs for managers, aligned with a common framework.

In Japan, we also utilize the Learning Experience Platform (LXP) by integrating multiple platforms and enabling visibility and sharing of skills, learning progress and knowledge. By recommending optimal learning opportunities tailored to each employee, the LXP serves as a foundational learning infrastructure and contributes to the advancement of job-based management.

^{*1} A corporate university responsible for human capital development across the Hitachi Group. The academy was established in 2019 through the integration of three training institutions within the Hitachi Group, and provides education and training programs globally in areas such as DX (digital transformation), IT and OT skills and global leadership development.

^{*2} An online video learning platform provided by LinkedIn, one of the world's largest professional networks.

Training for managers

Training	Overview	FY2025 results
Global Leadership Acceleration Program for Managers (GAP-M), Ready to Lead	Leadership training with common global content for managers and new managers	Held in 7 countries/regions (Japan, the United States, the United Kingdom, India, Singapore, China and Taiwan) with 3,086 participants

Nurturing early-career talent through global development / Hitachi Energy

Hitachi Energy's Global Power+ Graduate Program provides STEM graduates with practical experience through six month job rotations. The program is designed to attract and develop high potential talent for future leadership roles.

With over 320 participants from around 35 countries, the program has achieved a 99% retention rate during participation and 96% one year after completion, helping to build a diverse and sustainable talent pipeline.

Regional initiatives to develop employee skills

Regional Headquarters — Hitachi America, Hitachi Europe, Hitachi Asia, Hitachi India and Hitachi China — play a key role in coordinating implementation across regions, ensuring alignment with global frameworks while adapting initiatives to local priorities.

Through this approach, Hitachi strengthens our workforce capabilities and enables consistent, effective execution across diverse markets.

Global Performance Management (GPM)

Global Performance Management (GPM) forms the foundation for business management and performance enhancement with the aim of fostering the sustainable growth of organizations and individuals.

Hitachi has established the Hitachi Group Core Competencies (behavioral goals) as the behaviors expected of all employees and applies them across the Group as a common standard for performance evaluation and development through our GPM system. Supervisors provide coaching and feedback to employees to help them achieve their targets. By clarifying the skills and behaviors that individuals need to demonstrate, while explaining how their actions contribute to the growth of the business, we cultivate employee fulfillment at work while encouraging employees to take ownership of their work and self-development.

In fiscal 2025, with the aim of realizing more sophisticated talent management, we revised the evaluation terms and definitions to enable a forward-looking assessment of both results and behavior. In addition, we have established guidelines to encourage honest feedback, thereby accelerating the growth of both individuals and the organization.

Leadership development for sustainable growth

In response to the globalization of our business and rapid changes in the business environment, Hitachi regards the development of future leaders as a key pillar of our human capital strategy to support sustainable growth and long-term value creation.

To strengthen the talent pool of future leaders, Hitachi is redefining what future leaders need to succeed, enhancing the leadership development program accordingly. The program aims to support individuals from all levels to learn quickly, think strategically across the organization, drive change, empower diverse talent and inspire with a clear vision.

Through this approach, Hitachi seeks to develop next-generation global leaders and build a robust pipeline that supports succession planning across the entire group.

Empowering leaders through learning and coaching / Hitachi Energy

Hitachi Energy's Power Your Leadership program promotes leadership mindsets and behavioral change among managers worldwide through e-learning, workshops and collaborative learning. In addition, professional coaching is provided through a combination of programs designed for all employees and leadership-focused programs.

Since fiscal 2022, more than 250 participants have completed over 2,100 hours of coaching, supporting individual growth and self-reflection while driving organizational transformation.

Total Reward

Fostering a high-performance culture

To create an environment where employees can confidently demonstrate their capabilities and take on ambitious challenges, Hitachi strives to maximize employee engagement and performance through fair and transparent evaluation and treatment, appropriate performance-based compensation, long-term incentives and support programs tailored to different life stages.

Our total reward is designed not only to recognize short-term results, but also to place emphasis on behaviors that reflect future-oriented growth and challenge, thereby encouraging sustained contribution to the organization.

Through these initiatives, we reinforce a high-performance culture and strengthen sustainable competitiveness.

Global compensation philosophy ensuring fair evaluation and compensation

Hitachi respects and supports human rights as described in the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and we are committed to ensuring fair evaluation and compensation.

We also believe that, to empower a diverse workforce regardless of nationality, we must establish globally consistent systems for evaluating and compensating talent fairly.

As part of this effort, Hitachi has established the Global Compensation Philosophy as a formal policy to embody the Hitachi Group Identity and to secure and retain talent who drive business growth and maximize value for stakeholders, including shareholders and customers, while also enhancing employee engagement. This philosophy is founded on three core principles shared across the entire Group:

1. Ensuring market competitiveness
2. Pay-for-performance
3. Maintaining transparency

We ensure compliance with the laws and regulations of each country and region in which we operate when determining compensation. For instance, we conduct comprehensive and

periodic checks through our system to ensure compliance with minimum wage requirements in Japan.

After developing a performance-based compensation system that is fair and competitive in the context of the labor market for the industry in each country or region, we made the system for determining compensation known to all regular employees. We thus evaluate the performance of all regular employees each year and then determine the amount of compensation.

Furthermore, Hitachi, Ltd. introduced a system for all regular employees in which compensation varies according to individual employee performance and company performance. In addition to evaluation results, employees receive feedback on their strengths and areas for improvement identified via the evaluation, as well as challenges and goals for future work to encourage personal growth.

Compensation levels and systems in Japan

At Hitachi, Ltd., in response to changes in the labor market environment and increasing workforce mobility, we have reviewed compensation levels across job grades in Japan and raised compensation ranges with the aim of ensuring market-competitive remuneration. This initiative is intended to appropriately evaluate and reward each employee's goals and achievements, thereby enhancing engagement and fostering a virtuous cycle of value creation.

At the same time, to realize fair and transparent compensation based on roles and responsibilities, we are progressively transitioning toward a job-based compensation framework in Japan. By enabling compensation to be set in line with professional expertise and the significance of each role, we aim to build a talent portfolio aligned with our business strategy. In addition, we are enhancing transparency around compensation by disclosing job-level compensation ranges at the time of recruitment.

As part of our talent management framework, Hitachi is advancing the implementation of a job-based compensation system, establishing clearer compensation standards that reflect job responsibilities and the scope of roles. Compared with the traditional seniority- or competency-based compensation approach, this has enhanced transparency and strengthened employees' understanding and acceptance of compensation decisions.

Re-employment after retirement age (Japan)

In Japan, where there is a retirement age and reemployment system, Hitachi, Ltd. and certain Group companies in Japan anticipate an increase in employees reaching retirement age in the future. We believe that leveraging these employees' skills and experience is essential for sustainable growth.

To create an environment where employees can thrive regardless of age, we have implemented a system in which the working conditions under the reemployment system after retirement are the same as those before retirement, and compensation is based on the jobs after reemployment.

Incentivize employees to increase corporate value

In a complex and rapidly changing business environment, Hitachi encourages employees to adopt a long-term perspective in their actions by positioning the alignment of employee incentives with long-term corporate value creation as an important element of the human capital strategy.

Through this approach, Hitachi seeks to reinforce a foundation that supports sustained growth and value creation across the Group.

Restricted stock units plan (RSU)

Going forward, Hitachi will expand stock-based compensation, previously limited to the executive officers and the corporate officers of Hitachi, Ltd. and executives of selected group companies, to include a wider range of group company officers and certain employees to extend an ownership mindset across leadership, encourage a management perspective and align the eligible Directors and employees with shareholder interests to create long-term corporate value. We also expect this expanded program to enhance employee engagement and support the attraction and retention of high-performing talent.

In addition, beginning April 2026, RSUs have been granted to more than 1,800 leaders across more than 40 countries*¹ comprising employees of Hitachi and directors and employees of certain subsidiaries. The RSUs extend to between two and three levels below BU CEOs or functional leaders.

*1 Residents of countries where it is difficult to deliver shares due to overseas laws and regulations will receive an amount equivalent to RSU in lieu of the delivery of the Company's shares by trust

Employee stock purchasing plan (ESPP)

Hitachi, Ltd. and certain Group companies in Japan have adopted an employee stock purchasing plan to support asset accumulation among employees and enhance their sense of participation in management.

Under the employee stock purchasing plan, employees will receive training on asset accumulation when acquiring Hitachi, Ltd. shares and may receive incentive payments based on Hitachi, Ltd. performance. This system links the growth of the company to employee asset accumulation.

The shares held by Hitachi's Employee Stock Purchasing Plan rank ninth in terms of major company shareholders (shareholding ratio: 1.73% as of March 31, 2026).

Furthermore, we are working to introduce a new framework that will allow employees outside Japan*1 to purchase company stock.

Through this initiative, we aim to further support employees in building personal assets, strengthen a sense of belonging and align the interests of employees with those of shareholders. Our goal is to expand the Employee Stock Purchasing Plan to cover 150,000 eligible employees by fiscal 2027.

*1 Excludes employees in countries where legal or operational constraints make implementation difficult

Initiatives to support employee wealth building (Japan)

Hitachi, Ltd. and the Group companies in Japan offer partial or full defined benefit pension plans, defined contribution pension plans, and lump-sum retirement allowance plans. These plans respond to the diverse needs of employees as they age and to changes in employment patterns, helping to ensure security and stability in life after retirement while enhancing well-being.

At Hitachi, Ltd., these defined benefit pension plans, defined contribution pension plans and lump-sum retirement allowance plans are available to all regular employees. We also have systems in place for non-regular employees, based on employment status.

One HR Platform

Enhance global HR platform to strengthen One Hitachi collaboration

Hitachi is advancing the development of a globally integrated talent management platform to enhance visibility into talent and optimize talent deployment, thereby strengthening the competitiveness of the Group as a whole. Starting with the development of a talent database and the implementation of a Global Leadership Development Program for selected top talent, we continue to expand our efforts through common job grading and performance management, a global learning platform and a globally integrated human capital management platform.

Through these initiatives, Hitachi aims to enable the visualization of talent and the strategic development and appointment of leaders across countries and businesses, thereby strengthening decision-making capabilities and execution across the organization.

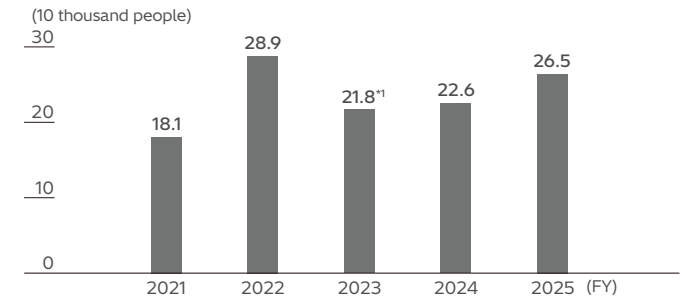
Hitachi Global Grade (HGG)

To empower a diverse workforce to drive business forward, role- and job-based talent management is essential. One of the key tools for achieving this talent management is the Hitachi Global Grade (HGG) system. The HGG consists of 11 grades, and each position is evaluated based on the common standards of the entire Hitachi Group.

Integrated human capital management platform

Through our human capital management platform, we share up-to-date talent information (professional skills, career preferences, etc.) via a cloud system. The platform enables centralized management of various processes, including search for talent across the Group. We utilize this information for team management, performance management, development planning and career development. The platform is gradually being expanded across the whole Group.

Introduction of the integrated human capital management platform



*1 The decrease from FY2022 is due to changes in the number of Group companies.

Integration of acquired companies

Hitachi gradually integrates newly acquired companies into our global human capital framework.

Specifically, we foster the adoption of common HR systems, talent management practices and governance processes, while considering local business and market conditions.

Through this approach, Hitachi supports the effective integration of employees and strengthens organizational alignment across the Group.

A global talent platform driving talent growth at scale / Hitachi Energy

Hitachi Energy is strengthening its global talent platform under Inspire 2027 to support the recruitment of 15,000 employees, leveraging a robust digital foundation and standardized processes. By establishing a single source of talent data and common governance, the company is improving data quality, operational efficiency and cross-functional collaboration, enabling data-driven talent management at scale. As a result, it can process more than one million applications annually and support large-scale hiring while using automation and analytics to enhance efficiency and strengthen diversity, inclusion and a high-performance culture.

Strengthen AI expertise and adoption

Hitachi positions strengthening and adoption of AI expertise as a key element of our human capital strategy, recognizing AI as a critical driver of competitiveness and value creation to ensure future-ready talent and organization.

We recognize that if knowledge of AI and the skills to utilize it do not become sufficiently widespread, there is a risk of falling behind in adapting to technological changes, and challenges related to risk management and ethics may come to the fore.

By reinforcing AI-related capabilities across the Group, Hitachi aims to enhance execution of business transformation while managing technology-related risks and supporting sustainable, long-term growth.

Acquiring and developing AI professionals

The strengthening of AI talent at Hitachi started in fiscal 2024 with the goal of developing 50,000+ AI professionals.

With the advancement of AI technology and the expansion of its application areas, focus areas are expanding to include agentic AI and physical AI. We are promoting the acquisition of AI skills and capabilities necessary for business promotion in each division through both development and recruitment approaches.

Through this initiative, we were able to expand to approximately 39,000 AI professionals in fiscal 2025. In developing AI professionals, as a measure to quickly equip members with the necessary skills required for each business promotion, we are globally deploying and promoting a flexible combination of various methods, including Hitachi's unique training programs.

Business assistance AI application project / Hitachi Elevator (China) Co., Ltd.

Hitachi Elevator (China) Co., Ltd. has established an AI management platform that enables the sharing and reuse of AI capabilities across business functions while advancing AI-powered initiatives to support operational processes. Through standardization and phantomization, the company is strengthening cross-functional collaboration and accelerating digital transformation across the group through responsible, human-centered AI adoption. As a result, it has enhanced collaboration and optimization across functions, enabling scalable and sustainable AI deployment while strengthening organizational alignment and execution.

AI literacy program

Hitachi is taking a structured, group wide approach to strengthening AI literacy by integrating workforce education, hands on AI adoption, and robust governance. This approach is anchored on three key pillars.

1. AI Center of Excellence (AI CoE): Serves as a central hub for driving value creation through the safe, ethical and practical use of AI, in line with the Group's responsible AI principles.
2. AI literacy training program: Focuses on building a foundational understanding of AI concepts, increasing employee familiarity with AI technologies and strengthening awareness of risk management and readiness for AI use.
3. Digital community of practice: Brings together employees across functions to embed AI tools such as Copilot into everyday work, share AI best practices and promote continuous learning through knowledge sharing and peer-to-peer collaboration.

The use of AI in HR operation

Hitachi leverages AI across our core HR platform and selected external digital platforms to enhance productivity, operational efficiency and overall employee experience.

AI enabled capabilities are automating recruitment processes, including candidate screening and interview scheduling, as well as onboarding processes and workforce data analysis, enabling HR teams to shift their focus from administrative activities to higher-value strategic work that supports business growth and talent development.

Integration with external AI platforms has further strengthened HR operations by enhancing candidate management, case management and self-service inquiry support, resulting in improved responsiveness and reduced turnaround times.

Digital assistants and chatbots provide 24/7 employee support for key programs such as the Stock Incentive projects. In addition, AI-enabled learning platforms deliver personalized development recommendations based on employees' roles, skills and career paths, with particularly strong impact in the digital business sector.

Through responsible adoption, AI has delivered measurable improvements in talent acquisition, including higher application completion and candidate engagement (99.2%), increased recruiter capacity (approximately 12,733 hours saved) and significantly reduced time to hire.

As AI capabilities continue to mature, Hitachi will continue to apply responsible, human centered AI to drive measurable productivity gains and operational efficiency across HR functions, further enhancing value creation throughout the HR organization.

Advancing people analytics

By leveraging data-driven insights, rather than relying solely on experience and intuition, Hitachi is pursuing data-driven human capital management that incorporates employee feedback and data, aiming to enhance organizational productivity and employee wellbeing while creating an environment where everyone can proactively tackle challenges and perform at their best.

As one concrete initiative, Hitachi introduced an onboarding survey in fiscal 2025. By understanding the expectations and concerns of new employees early on, we have built a system that enables timely and personalized support, creating an environment where everyone can perform at their best with confidence from the start.

Through these measures, we will directly link individual growth with organizational vitality and further strengthen human capital across the entire Group.

Enabling data-driven hiring through talent analytics / Hitachi Rail

Hitachi Rail uses dashboards to visualize recruitment status and labor market trends, supporting data-driven decision-making. By integrating internal and external talent data, it aims to advance data-driven recruitment, strengthen access to external talent markets and accelerate access to critical talent. This approach enhances recruitment sophistication and reduces reliance on passive hiring.

Fulfilling and rewarding workplace

Creating a workplace where employees can stay healthy and perform to their full potential with confidence is an important foundation for sustainable corporate growth. Hitachi is committed to fostering a fulfilling and rewarding workplace by promoting flexible ways of working and strengthening support tailored to different life stages. In addition to providing work arrangements that are not constrained by time or location, Hitachi systematically offers systems and initiatives that support employees in balancing work with child care and nursing care. Through these efforts, Hitachi seeks to create an environment where every employee can continuously contribute and deliver value.

Implementing work-style reform

Hitachi pursues work-style reforms to help employees with diverse backgrounds thrive and perform at their best. Today, Hitachi, Ltd. offers work-from-home and satellite office programs to approximately 95% of employees, supporting flexible work regardless of time or location. Under these programs, employees do not need to commute to the office for a certain amount of time, and they may work outside the office without any limitations. Employees may also work at locations where they provide child care, nursing care, etc., or where relatives reside. In fiscal 2024, we began permitting employees to work in locations outside Japan where their relatives reside, subject to certain conditions.

Hitachi, Ltd. also introduced location-free work for managerial-level employees and employees eligible for discretionary work, which allows these individuals to work on a spot remote basis. We have eliminated minimum daily work hours for flex-time work, allowing for regular work days to become “non-work days.” Furthermore, we also began expanding rest and vacation options by introducing the Life Support Leave program (multi-purpose, 100% paid leave program), responding to diversifying needs for time off.

As part of our efforts to create autonomous and flexible work styles, we make policy recommendations through KEIDANREN (Japan Business Federation) and the Japan Employers’ Federation of Electrical, Electronics & Information Industries, and offer input on government committees, such as the Working Conditions Committee within the Ministry of Health, Labour and Welfare’s Labor Policy Council, as representatives of various economic associations.

Expanding support systems for balancing work with child care and nursing care

Hitachi works to enhance workplace environments that help employees balance work with child care and nursing care. Specifically, at Hitachi, Ltd., we organize necessary support based on the four perspectives of (1) information provision, (2) financial support, (3) work-style reform and (4) mindset reform, and provide and implement concrete support measures as an all-inclusive, integrated package. Similar initiatives are also being rolled out across the Group companies in Japan.

Activities for balancing work with child care and nursing care

In terms of support for balancing work and child care, we provide

a range of programs tailored to each stage, from before child-care leave begins through employees’ return to work. Hitachi, Ltd. shares video messages from top management and employees, including men, who have taken child-care leave, and encourages employee declarations of their intent to take leave. Through these initiatives, we enhance workplace communication and understanding and aim to ensure that all eligible employees are able to take advantage of child-care leave and related programs. We also hold seminars for both employees planning to take leaves and their supervisors to ease concerns during the leave period and provide stronger supports for their return to work. Additional post-leave support includes a child-care and work balance allowance and other assistance programs.

With regard to support for balancing work and nursing care, due to the declining birthrate and aging population in Japan, the

Recent activities at Hitachi, Ltd.

Category	Activity	Key components
Child-care	Expectant parent seminars	• For employees who are expecting a child themselves or whose spouse/partner is expecting a child; aims to provide the knowledge necessary to consider taking child-care leave and to encourage the use of leave and work systems • Over 90% of participants who are men stated that they would like to take child-care leave after attending the seminar
	Declaration of child-care leave via workflow system	• Initiative aimed at identifying child-care leave intentions early and securing time to build workplace support structures • Facilitates communication and meetings with supervisors regarding the use of child-care leave while also providing necessary information on relevant systems and seminars during the period leading up to the start of the leave
	Child-care and women’s health concierge services	• Provides support for finding a nursery school service • Shares parenting quizzes and articles aimed at encouraging men’s involvement in child-care, and also offers an advice service for women with health-related concerns
Nursing-care	Strengthening workplace communication to support work-life balance	• Distributed the Work-Nursing Care Balance Workplace Communication Guide to all employees (Outlines communication flow and key points to help facilitate dialogue between employees facing nursing-care responsibilities, their supervisors, and specialists (nursing-care concierges))
	Introduction and expansion of nursing care concierge (individual consultation service)	• Provided services to employees and their families for nursing care-related concerns, delivered by nursing-care experts acquainted with our company programs • These services cover approximately 90% of the Group employees within Japan (as of March 2026)
	Regular seminars and lectures	• Regular panel discussions featuring Hitachi Group employees with experience of handling both work and caregiving, and lectures by external experts • In fiscal 2025, approximately 10,000 employees participated, with about 90% reporting that the sessions helped alleviate their concerns and anxieties

number of employees facing the challenge of providing nursing care for elderly family members increases continuously. In response, we expand our support programs with the aim of helping employees balance work and nursing care and preventing turnover because of providing care. Hitachi, Ltd. and the Group companies in Japan regularly conduct employee awareness and fact-finding surveys concerning nursing care. Based on the results of these surveys, we enhance measures to help employees balance their work and home nursing-care responsibilities. Specific initiatives include regular nursing-care seminars featuring panel discussions with Hitachi Group employees who have caregiving experience. We also set up consultations with experts familiar with internal and external support systems and develop a communication guide for supervisors and subordinates to facilitate better conversations around balancing work and care. Hitachi, Ltd. took the lead in implementing these initiatives, and over 80% of employees are now aware of national and company support programs. These efforts have helped prevent or reduce employee turnover and extended leave due to caregiving. Additionally, in response to what is known as the “2025 problem,” occurring as the members of Japan’s first baby boom enter the 75-and-over age bracket, we formulated plans for measures to support a balance between nursing care and work at all Hitachi Group companies in Japan and are pursuing initiatives in this area.

To help employees to balance work with child care and nursing care, it is essential to foster a workplace culture that makes it easy for these employees to access and utilize various support systems. To this end, we launched new Seminars to Promote Diverse Work Styles in fiscal 2024 for all Group employees in Japan. These seminars explain the background behind our efforts to support diverse work styles and emphasize the importance of workplace-wide engagement in work-style reform. Our goal is to create a culture that respects everyone’s work and private lives, regardless of personal circumstances such as child care or nursing care, and encourages mutual support.

Preventing long working hours and heavy workload

Hitachi complies with the laws and regulations of each country and region concerning long working hours and heavy workload. To maintain employee health and improve productivity, Hitachi, Ltd. sets Company-wide KPIs for work-style reform in Japan each fiscal year. In this way, we strengthen workplace management and review business processes. We also offer e-learning programs to ensure compliance with laws and regulations related to working hours and annual paid leave. Workplaces and projects that may involve long working hours are managed on an individual basis. To manage long working hours and prevent heavy workload, we have introduced a way to check employees’ working hours based on PC use, and also provide labor management-related information and send out alerts to help supervisors monitor the working conditions of their subordinates in a timely manner, thereby supporting appropriate management in the workplace. We extend similar efforts to the Group companies in Japan to prevent long working hours and heavy workload using IT tools.

While the law requires premiums of 25% for overtime, 25% for late-night work and 35% for work on weekends and holidays, Hitachi, Ltd. pays 30%, 30% and 45%, respectively. In addition to paying over the minimum legally required premium rates for overtime, late-night work and work on weekends and holidays, we also give employees who work their prescribed working hours on weekends or holidays time off in lieu. Employees receive the premium rate for the hours worked even if they take this time off in lieu.

Diverse perspectives

In this section

091 Diversity, opportunity and inclusion

We bring different perspectives together to create shared value through collaboration

Guided by our belief of “Together, we are stronger,” Hitachi values each person’s uniqueness and the different perspectives they bring.

Across our businesses, countries, functions and teams, we believe better ideas emerge when people with different backgrounds, experiences and ways of thinking work together. This is how we strengthen innovation, improve decision-making and create value for customers and society.

The foundation for realizing this is Diversity, Opportunity and Inclusion (DOI). Diversity brings different perspectives. Inclusion makes sure those perspectives are heard and respected. And Opportunity means transparent and merit-based talent processes that allow people to contribute and grow.

Through global direction and local action, we continue to embed DOI into how we lead, work and make people decisions, from recruitment and development to evaluation and career progression.

Diverse perspectives FY2025 highlights

15.9%

Women executive and corporate officers

23.2%

Ethnically and culturally diverse
executive and corporate officers

~3,000

Leaders completed Inclusive
Leadership training

Diversity, opportunity and inclusion

Our approach to advancing Diversity, Opportunity and Inclusion

At Hitachi, we respect and value each other's uniqueness. By fostering an environment where people collaborate and support one another, our culture drives the success of our mission to contribute to society. Because "Together, we are stronger".

This belief reflects how we work, grow and create value: by bringing together different perspectives, enabling psychological safety and strengthening inclusive leadership.

In fiscal 2026, we refined our narrative under Diversity, Opportunity and Inclusion (DOI), to reflect our focus on fair access, merit-based processes and inclusive systems that translate diverse perspectives into innovation, business success and positive societal impact. This approach is embedded in the Hitachi Global Policy on Diverse Perspectives, which sets the principles and practices that shape a culture of inclusion, fairness, collaboration and long-term competitiveness.

Policy of diverse perspectives—our foundational values

Since our founding in 1910, Hitachi has been guided by the values of Harmony, Sincerity and a Pioneering Spirit. These values are not only part of our legacy, they continue to shape the way we lead, collaborate and innovate today.

Viewed through the lens of our values, our approach to leveraging diverse perspectives is as follows:

- **Harmony (Wa)** encourages us to collaborate across differences, deepen mutual understanding and create a sense of belonging regardless of role, region, or background
- **Sincerity (Makoto)** reminds us to act with integrity and empathy, always striving for fairness, transparency and ethical behavior in how we treat others and make decisions
- **Pioneering Spirit (Kaitakusha-Seishin)** drives us to challenge convention, embrace new perspectives and co-create solutions that serve society and improve lives

These values are more than principles; they are our compass as we create a workplace culture where people feel they truly belong, are empowered to contribute their best, feel proud of their impact and grow together.

Hitachi Global Policy on Diverse Perspectives

Global DOI management structure

Under the leadership of the Chief Sustainability Officer (CSuO), Hitachi has strengthened our global and regional management structure to advance inclusion and leverage diverse perspectives in line with business needs and local priorities. This approach reflects a more strategic and operational approach to embedding Diversity, Opportunity and Inclusion across the Group.

Topics related to DOI are discussed both within the executive and operational levels to ensure common direction, clear accountability and disciplined execution. The Steering Committee, comprised of the General Manager of Global DOI Division, the General Managers of DOI for each sector and the Global HR Center of Excellence (COE) Head, sets the overall strategy and direction. The Global Council, comprised of leaders responsible for DOI from Business Units (BUs) and major Group companies, supports implementation by aligning priorities and advancing initiatives tailored to local business and market contexts.

Important matters are reported to and deliberated on by the Senior Executive Committee and, when necessary, reported to the Board of Directors.

Regional councils are established across six regions: the Americas, EMEA, APAC, India, Japan and China. Regional DOI leaders in each region work closely with business leaders and DOI leaders representing BUs and Group companies to translate global direction into local actions.

This management structure, together with visible executive sponsorship, helps embed inclusion and diversity into our businesses and strengthen accountability. The corporate global team supports this structure by advancing Group-wide initiatives and fostering an inclusive culture grounded in fairness, merit-based processes and opportunity for all.

Global DOI management structure



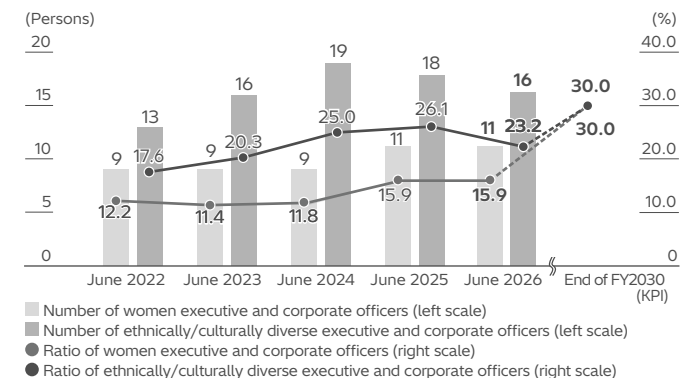
Global ambitions

Diversity at the leadership level

Hitachi, Ltd. has established an aspirational target to strengthen diversity at the leadership level. By fiscal 2030, we aim for 30% of executive and corporate officer positions to be held by women and another 30% by ethnically and culturally diverse individuals^{*1}. This commitment is also aligned with the Japanese Cabinet Office's target for women to hold 30% of executive positions at companies listed on the Tokyo Stock Exchange Prime Market by 2030.

^{*1} Counting the number of non-Japanese members

Diversity at the leadership level (Hitachi, Ltd.)



Fostering new business creation through DOI: Make a Difference!

PLEDGES

Since fiscal 2015, Hitachi has conducted idea contests open to all employees across the group with the aim of strengthening an ownership mindset and fostering a strong corporate culture. To date, more than 4,930 ideas have been submitted, and outstanding proposals for new businesses and internal transformation have received support to help bring those ideas to life.

For Hitachi to achieve sustainable growth, it is essential not only to create new businesses, but also to foster an environment in which diverse talent can fully realize their potential. To this end, Make a Difference! provides a platform that empowers each employee to take initiative with a pioneering spirit. It brings together proposals from employees across the Group and around the globe who offer diverse perspectives, and helps transform outstanding ideas into viable businesses.

In addition, by recognizing and honoring employees who embody the pioneering spirit that has defined Hitachi since its founding, we seek to build even greater momentum for innovation.

Focus areas initiatives

Our DOI strategy focuses on five areas: cultures, genders, generations, people with disabilities and neurodiversity and LGBTQIA+. Together, these priorities help build a culture where people feel respected, included and empowered to contribute their best. These areas also support Hitachi's broader aim of turning diverse perspectives into innovation, stronger people outcomes and positive impact for customers and society.

Cultural and ethnic inclusion

Hitachi generates over 60% of our revenue outside Japan and employs nearly 60% of our workforce outside Japan. As a global company, we strive to ensure that our systems and practices enable people of all nationalities, cultural backgrounds and regions to contribute to their full potential.

Our workforce reflects a wide range of nationalities, languages, races and cultural backgrounds. This diversity strengthens our ability to understand the needs of customers, partners and communities, while also encouraging innovation and supporting

sustainable business growth.

Hitachi recognizes that empowerment must be accompanied by education and awareness. For this reason, Hitachi is committed to fostering a deeper understanding of how to work effectively across cultures. By helping teams navigate different communication styles, decision-making norms and approaches to trust and feedback, Hitachi strengthens our ability to collaborate across the globe. This cultural agility supports smoother internal operations and enhances our ability to serve diverse customers and stakeholders.

In fiscal 2026, Hitachi will place particular focus on leading with cultural awareness, strengthening leaders' ability to recognize, value and work effectively across differences and to create environments where diverse perspectives are understood, respected and translated into stronger collaboration and better business outcomes.

Initiatives at the global level

As a global organization operating across diverse regions and cultures, Hitachi recognizes that cultural diversity is not only a source of difference, but also a foundation for collaboration and value creation. To deepen mutual understanding across the Group, Hitachi launched a global campaign in fiscal 2025 focused on cultural inclusion.

As part of this initiative, employees from various regions around the world were interviewed about how cultural backgrounds influence ways of working, including decision-making, communication styles, and approaches to meetings. These conversations were captured in a series of short videos and shared globally, providing employees with opportunities to learn from real experiences and perspectives across cultures. By sharing personal insights rooted in day-to-day work, the videos highlight not only the challenges that can arise from cultural differences, but also the potential for new ideas and innovation when those differences are understood and respected.

These efforts support ongoing dialogue and understanding across Hitachi's global workforce.

Inclusion and opportunity across genders

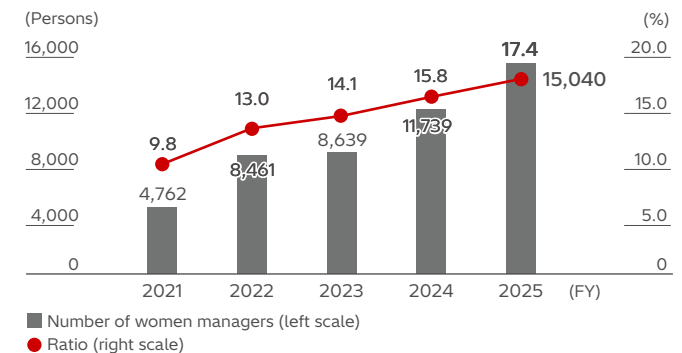
At Hitachi, we believe that balanced gender representation strengthens our ability to understand and respond to the needs of customers, society and the markets in which we operate. As of the end of March 2026, women represented 23.4% of Hitachi's global

workforce and 17.4% of employees in managerial roles. We recognize that continued progress is needed, particularly in leadership, and we remain committed to creating an environment in which women and all employees can develop their capabilities, contribute fully and advance based on merit and talent.

Our approach focuses on building fair opportunities by ensuring that the right people are in the right roles and that advancement processes are transparent and merit-based. Through this, Hitachi aims to strengthen our talent pipeline and build a more inclusive organization overall.

We also recognize that progress in gender inclusion requires both structural action and cultural change. For this reason, Hitachi continues to strengthen leadership accountability, inclusive leadership capabilities and workplace environments that enable people to thrive. Through these efforts, we seek to create a company where opportunities are more widely available, talent is recognized fairly and diverse perspectives contribute to better decision-making, innovation and sustainable growth.

Ratio and number of women managers (Hitachi Group)



Note: Figures include enrolled employees with employment contracts as of March 31, including employees seconded from the Hitachi Group to other companies and employees on leave, and excluding employees seconded from other companies to the Hitachi Group. Manufacturing workers not registered in the employee database and employees of some newly consolidated companies are not included. As of the end of fiscal 2025, the number of manufacturing workers not registered in the employee database was 22,000. The increase in the number and percentage of women managers over time reflects improved coverage of our employee database and changes in the number of consolidated companies. Also, employees whose grades (job titles) are not registered in the employee database are not included in the number of managers.

Tackling the gender pay gap

Hitachi applies the same system of compensation and benefits regardless of employee gender. Since fiscal 2023, Hitachi has conducted an annual global survey on the gender pay gap, defined as the ratio of the average pay per woman to that per man. The results of the percentage for fiscal 2025 were 82.4% globally, 72.9% in Japan and 91.2% in other regions. The gender pay gap results from a number of different factors, including a high proportion of men in senior and higher positions. Especially in Japan, women holding managerial positions are less than men, and the percentage of women working shorter hours is higher compared to men. Hitachi will continue to increase the number of women in managerial positions in Japan through DOI activities to bridge the gap.

Women in Tech: One Hitachi in Action

In fiscal 2025, Hitachi advanced gender inclusion in technology through a unified “One Hitachi” presence at the Women in Tech Summit in Poland. GlobalLogic, Hitachi Energy and Hitachi Vantara jointly engaged a large audience, presenting a shared commitment to inclusive innovation and expanding opportunities for talent across the Group.

Speakers from across Hitachi companies showcased expertise in areas such as AI and digital engineering, while the initiative strengthened talent engagement and recruitment outreach. It was also recognized with the ESG Award at the Hitachi FY2025 Global IT Awards as “Women in Tech – One Hitachi.”

This collaboration demonstrates how cross-group alignment strengthens talent pipelines and supports inclusive growth across Hitachi.

Gender inclusion initiatives in Japan

At Hitachi in Japan, we are committed to advancing gender inclusion by promoting flexible work styles and career development programs that support women’s growth and success.

One such initiative is the “Career & Beyond” mentoring program, which supports women who aspire to managerial roles as well as those who feel uncertain about their career paths. The program fosters career understanding and confidence to support proactive career development, while promoting networking among participants.

To create an environment where diverse talent can thrive, we also promote active participation in childcare regardless of gender. By raising awareness among not only employees themselves but also managers and workplace colleagues, we are fostering a workplace culture that encourages employees to take child-care leave. Specifically, we provide continuous learning opportunities, such as workplace support campaigns and e-learning programs, to promote understanding and practical support within teams. As a result of these initiatives, in fiscal 2025, the paternity leave and related leave take-up rate (including spousal childbirth leave) reached 94.5% at Hitachi Ltd., representing significant progress toward fostering a workplace environment where employees can achieve a healthy balance between work and private life and support one another.

In addition, in connection with International Men’s Day and International Women’s Day, we held health seminars designed to improve literacy around andropause and menopause. The seminars were structured to be beneficial for any gender, including for employees who support the health of their partners or workplace team members, and were attended by 3,300 employees.

As part of our efforts to support the next generation, we also provided external outreach programs aimed at encouraging junior high and high school girls to pursue STEM-related career paths. These initiatives included opportunities for dialogue with Hitachi Group employees and office tours, contributing to greater awareness of STEM careers among students.

Collaboration across generations

At Hitachi, we value the strengths, experience and perspectives of all generations. We believe that when people across age groups work together with mutual respect and openness, they create stronger collaboration, richer ideas and more innovative solutions that reflect the needs of society and our customers. Today, Hitachi’s workforce includes four generations working side by side, combining long-standing expertise with emerging skills and fresh perspectives. As of the end of fiscal 2025, Generation Z represented around 20% of our global workforce, and this share is expected to grow in the years ahead.

Our approach to generational inclusion is not based on labels or stereotypes, but on recognizing the uniqueness of each individual and creating opportunities for people to learn from one another. Through open dialogue, mentorship and structured collaboration across generations, we aim to build an environment where employees of all ages feel valued, heard and supported. By

combining complementary strengths across generations, Hitachi seeks to turn generational diversity into a source of innovation, knowledge continuity and sustainable growth.

Generation inclusion at Hitachi Energy Czech Republic

At Hitachi Energy Czech Republic, generation inclusion is embedded in everyday operations. The GA manufacturing unit in Trutnov has been recognized for its strong commitment to supporting employees aged 55+ and fostering collaboration across generations. In 2025, the site was awarded first place in the large company category of the regional “Company Friendly to Employing People 55+” competition. With 15% of its workforce aged over 55, the Trutnov team implements age responsive HR practices, flexible work arrangements, continuous learning opportunities and structured support for smooth retirement transitions. These efforts reflect Hitachi Group’s belief that experience, lifelong learning and intergenerational collaboration are key drivers of resilience, innovation and sustainable growth.

Accessibility—People with disabilities and neurodiversity

Hitachi is committed to creating an environment in which people with disabilities and neurodivergent traits feel respected, supported and empowered to contribute their best. We continue to strengthen awareness, accessibility and support across the workplace so that all employees can thrive and participate fully.

At Hitachi, we understand disability as a broad concept that includes both visible and non-visible differences, including physical, mental, intellectual and sensory differences. We recognize and value neurodiversity as a form of cognitive diversity and acknowledge that individual characteristics and needs vary. By respecting diverse characteristics and experiences, we strive to create an inclusive workplace where everyone can thrive and achieve their full potential.

Our approach focuses on creating more accessible workplaces, systems and ways of working, while also strengthening recruitment, retention and long-term opportunity. Since joining The Valuable 500 in 2021, Hitachi has continued to advance disability inclusion through leadership commitment and systemic change. Across the Group, we are working to embed accessibility principles into physical environments, digital tools, talent processes and everyday practices.

As part of these efforts, Hitachi participated in SYNC 25 in December 2025 in Tokyo, the world’s first Accountability Summit for disability inclusion, and had a discussion on driving measurable

and transformative progress across our global network.

To further support inclusion at scale, Hitachi has developed a comprehensive Disability Inclusion Guide, consisting of video and materials covering core inclusion concepts and diverse disability characteristics. Developed in fiscal 2025, the guide is designed for use across all teams and is being deployed globally throughout fiscal 2026.

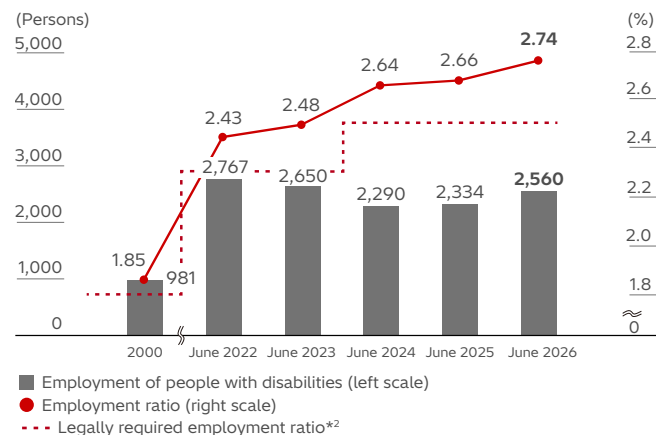
Through these efforts, Hitachi aims to build a workplace where inclusion is practical, sustainable and closely linked to stronger people outcomes and long-term business value.

Employment of people with disabilities in Japan

Hitachi, Ltd. and Hitachi Group companies in Japan recruit people with disabilities through accessible and accommodating processes without discrimination.

As of June 2026, the employment ratio of people with disabilities was 2.74% at Hitachi, Ltd. and 2.78% for the entire Group in Japan.

Employment of people with disabilities and employment ratio (Hitachi, Ltd.)*1



Note: Data is compiled on June 1 of each fiscal year. The employment ratio is calculated according to methods prescribed in the relevant laws.

*1 Includes special subsidiaries and related Group companies. (1 special subsidiary and 22 related Group companies in June 2026. Figures include Hitachi, Ltd.)

*2 The legally required employment rate was 1.8% through 2012, 2.0% from 2013, 2.2% from 2018, 2.3% from 2021, 2.5% from 2024 and 2.7% from July 2026.

Inclusive AI at GlobalLogic

GlobalLogic advances disability inclusion through its work on Inclusive AI. In partnership with the American Association of People with Disabilities (AAPD), the company is co-developing an Inclusive AI Governance Framework that integrates accessibility, fairness and privacy into AI systems from the design stage. This approach reflects a shift toward inclusive design, ensuring that diverse user needs are considered from the outset rather than addressed retrospectively. By embedding these principles into its governance and development processes, GlobalLogic aims to deliver AI solutions that are both responsible and accessible. This initiative demonstrates how inclusive innovation can create value for a broader range of users while supporting sustainable and socially responsible digital transformation.

Initiatives in Japan

In Japan, Hitachi is advancing disability inclusion through a combination of employee-driven initiatives and structured company-led efforts.

In 2025, following a proposal from an internal Employee Resource Group (ERG), Hitachi sponsored the Deaflympics Tokyo 2025. Through this initiative, we supported two employee-athletes from within the Group, fostering a sense of pride while deepening understanding across the organization of the unique strengths of the Deaf community.

We also hosted a large-scale seminar titled the “Disability Inclusion Cafe,” engaging more than 3,000 employees. The session aimed to deepen understanding of inclusive hiring and highlighted how workplace inclusion can act as a catalyst for broader societal change.

In addition, we are sharing specialized case studies with HR teams, based on surveys of employees with disabilities and their managers. This initiative is designed to enhance recruitment accuracy and strengthen retention support across Japan.

Through these efforts, Hitachi is strengthening the effectiveness of disability inclusion in Japan while contributing to the advancement of inclusion across the Group.

Respect for individual identity and uniqueness—LGBTQIA+

Hitachi is committed to creating an environment where people of all identities feel safe, respected, included and empowered to contribute their best. We believe this commitment is essential to unlocking the creativity, collaboration and innovation that support our shared success.

As part of this commitment, Hitachi recognizes and supports LGBTQIA+ employees across the Group. We strive to foster a culture of understanding and inclusion where all employees, regardless of sexual orientation, gender identity, or gender expression, can thrive with dignity and authenticity and advances a range of initiatives, including awareness campaigns, education, training and regionally led programs that reflect local needs and contexts. Through these efforts, we aim to build a workplace that respects each person’s individuality, fosters a sense of belonging and values diverse perspectives.

Initiatives at the global level

During Pride Month in June 2025, Hitachi launched a global campaign to raise awareness about LGBTQIA+. As part of these activities, we collected everyday experiences from the LGBTQIA+ community and shared them as “Real Voices from Our Colleagues” to deepen understanding of the experiences that LGBTQIA+ colleagues may encounter and to encourage all employees to reflect on what inclusive behavior truly means.

Hitachi has also created the LGBTQIA+ Toolkit and made it available to all employees. The Toolkit offers definitions of terminology related to LGBTQIA+, and showcases specific actions that can be put into practice in the workplace to foster awareness and inclusion.

Initiatives in Japan

Since April 2020, most Hitachi Group companies in Japan have extended the same benefits to employees with same-sex partners as those with opposite-sex partners. These benefits include family care leave, childcare support and work-life balance initiatives. In recognition of these efforts, Hitachi, Ltd. and several Group companies were honored in the PRIDE Index 2025, an evaluation of LGBTQIA+-related initiatives led by the Japanese General Incorporated Association “work with Pride.”

Hitachi has also demonstrated global support for LGBTQIA+ communities by sponsoring local pride parades. In Japan, Hitachi participated in “Tokyo Pride 2025” as a sponsoring company, exhibiting a booth in collaboration with ERG, and 140 executives,

employees and their families also participated in the Pride Parade to show their allyship.

As part of our broader commitment to inclusion, Hitachi also supports the Business for Marriage Equality campaign, which advocates for the legalization of same-sex marriage in Japan.

Effort to embed DOI strategy into everyday practice

Hitachi aims to embed DOI into everyday operations by both the top down and the bottom up approach, combining leadership-driven direction with employee-led participation.

Leadership capability and employee awareness training

Embedding DOI across the organization requires both leadership capability and shared awareness among employees and we enhance learning and capability development.

For leaders, Hitachi focuses on strengthening inclusive leadership as a core capability. In fiscal 2024, Hitachi launched a global Inclusive Leadership program for executive officers, corporate officers and Group company presidents. This program focuses on self-awareness, inclusive communication and the behaviors that help leaders welcome and value different perspectives. To embed these principles more broadly, Hitachi certified in-house trainers and expanded the program to around 3,000 senior leaders across the Group in fiscal 2025, with plans for further expansion.

For the broader organization, learning opportunities help build awareness of how assumptions can influence everyday decisions and behaviors. Hitachi has developed and rolled out an e-learning program to foster a shared understanding of fairness, merit-based processes and inclusive ways of working. In fiscal 2025, approximately 80,000 employees completed the program, and we continue to expand the program globally.

Visible leadership commitment and employee-driven engagement

Hitachi reinforces DOI through visible leadership commitment and employee-driven engagement.

Executives demonstrate their commitment to inclusion through clear messaging and consistent role modeling, including top-level DOI messages and video communications that highlight the importance of inclusive leadership through a leader's own actions,

experiences and everyday behaviors.

Employee-driven engagement is led in part by ERGs, which play a vital role in advancing inclusion from the bottom up. ERGs foster networking, psychological safety and open dialogue, while bringing employee perspectives into the organization. Through practical, authentic and locally grounded activities, ERGs help translate DOI principles into meaningful everyday experiences across the Group.

Catalyst Award

Hitachi was recognized by Catalyst, a global nonprofit organization, with the 2026 Catalyst Award, a premier global award for workplace inclusion initiatives, for our efforts to embed inclusion into our business strategy and governance structure.



The award acknowledges our work to advance inclusive leadership and strengthen talent practices through a combination of global governance and local implementation.

Governance

In this section

- 098 Health and safety
- 104 Quality and product safety
- 107 Business ethics and compliance
- 114 Information security
- 118 Risk management
- 122 Corporate governance



We are building our business on a resilient and trusted foundation, fostering shared responsibility for honest and ethical operations

The foundation of all our business activities lies in conducting our operations with integrity, based on fair and transparent management. Under a governance structure that ensures the effectiveness of oversight, we are enhancing robust, Group-wide risk management.

Amid an increasingly uncertain and rapidly evolving environment, we continuously enhance these frameworks to strengthen Hitachi's long-term resilience.

Under our founding spirit, we ensure the Group works together to create safe, secure, comfortable and healthy workplaces for all, while delivering "Hitachi Quality" — high-quality and safe products and services — to customers around the world.

At the same time, we are strengthening our information security measures to protect critical assets and build trust with stakeholders.

In addition, we are advancing our approach to AI governance for our products, services and systems, fostering ethical use of emerging technologies.

Governance FY2025 highlights

82.4

Ethical culture and compliance perceptions
assessment score

100%

Of employees trained on information security
and personal information protection

Health and safety

Basic approach for health and safety

Hitachi communicates the Hitachi Group Health and Safety Policy to all Hitachi Group companies worldwide in Japanese, English and Chinese. This policy is based on our philosophy that Health and Safety Always Comes First. We coordinate with all related companies, including contractors and procurement partners, to ensure the Group works together to create safe, secure, comfortable and healthy workplaces for all.

We instill our belief in everyone who works at the Hitachi Group that occupational incidents and illnesses can be prevented and that each of us is responsible for our own health and safety. We also strive to actively adopt practices to protect our own health and safety and foster a culture of raising mutual awareness.

 [Hitachi Group Health and Safety Policy](#)

Structure of the health and safety management system

At Hitachi, under the direction of the Chief Human Resources Officer (CHRO), the Global Safety and Health Management Division at the headquarters oversees the Group-wide health and safety management system. The division is responsible for formulating and implementing strategies for health and safety initiatives, setting targets and Group-wide KPIs and monitoring the progress of initiatives.

As part of these efforts, a bimonthly Health and Safety Leaders Meeting is held, bringing together officers in charge of health and safety at each Group company and the health and safety manager of each division to share policies and review progress on health and safety initiatives. The Senior Executive Committee receives reports and discusses the number of incidents and responses to health and safety risks, the results of which are reported to the Board of Directors.

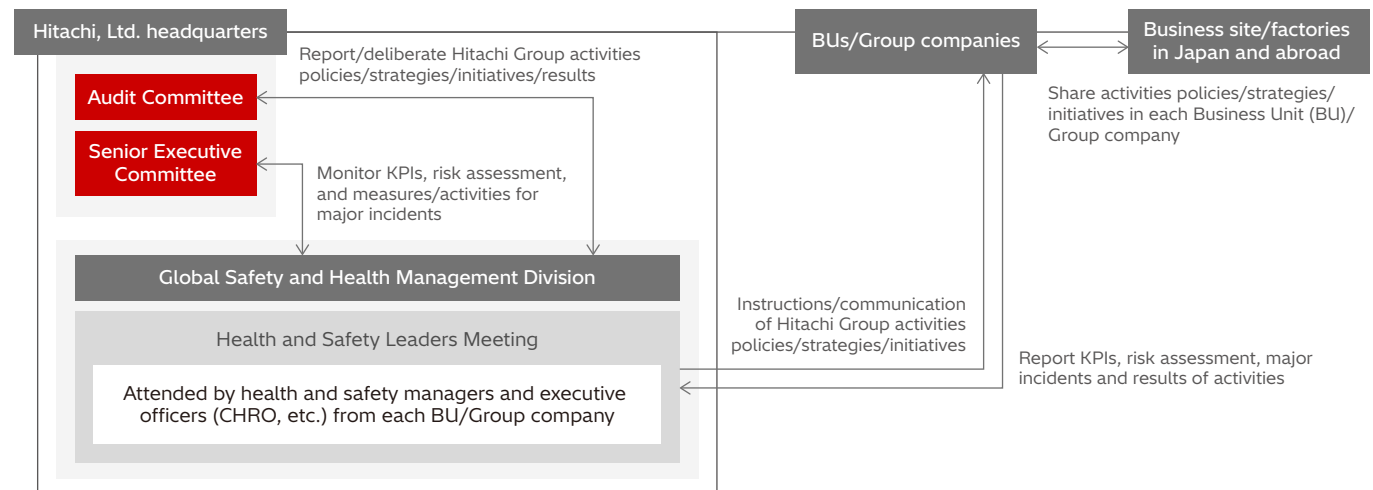
Each business site, plant and other location holds a monthly

Health and Safety Committee Meeting with the participation of management and employees. During these meetings, the committee analyzes the causes of accidents and workplace incidents, discusses response measures, reviews measures based on the status of employees on sick leave and shares relevant information. In the event of a serious accident or disaster, the Global Safety and Health Management Division becomes involved directly, as appropriate, to support root cause analysis and improvement measures for corrective action and preventing recurrence. In Japan, the Hitachi Workers Union also participates in the Health and Safety Committee, reflecting Hitachi's commitment to engage in employee-management cooperation for improving health and safety.

Hitachi continuously improves the health and safety management system by analyzing the factors behind incidents and implementing measures to prevent recurrence, sharing best practices, and conducting training. As a result of these efforts, we have obtained ISO45001 and other international certifications at multiple locations.

 [Labor-management cooperation toward improving health and safety levels](#)

Structure of the health and safety management system



Global health and safety targets

PLEDGES

Hitachi is committed to creating safe, incident-free and healthy workplaces by eliminating serious incidents and fostering a strong safety culture. Our aspiration for health and safety in 2035 is to prioritize health and safety above all and achieve a globally top-level safe environment.

In line with our sustainability strategy, PLEDGES, we have set targets of zero fatal incidents, including contractors, and a TRIFR*¹ of 0.1 or lower by fiscal 2027 and are advancing initiatives to achieve them.

Fatal incidents including those involving contractors and TRIFR have been trending downward over the past three years as a

result of our ongoing efforts. However, both increased in fiscal 2025. Through our analysis, we confirmed that there is room for improvement in risk assessments and risk mitigation measures for high-risk activities*².

In light of these challenges, we are strengthening our efforts to enhance risk assessments and further embed a culture of safety. Specifically, we are introducing risk assessment support systems that utilize AI to prevent risks from being overlooked. At the same time, we are clarifying the competency requirements for risk assessment practitioners to reduce assessment variability and improve consistency in judgment.

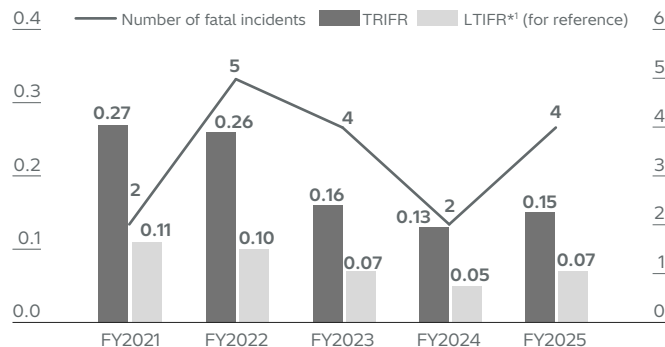
*1 Total Recordable Injury Frequency Rate (number of recordable injuries per 200,000 work hours)

*2 (1) electric shocks (high voltage), (2) work at height, (3) industrial vehicles, (4) heavy lifting, (5) getting caught in or between objects, (6) confined space, (7) toxic gases, (8) fires and explosions

Safety targets and results (Hitachi Group)

KPI	FY2021 results	FY2022 results	FY2023 results	FY2024 results	FY2025 results	FY2027 targets
Fatal incidents (including contractors)	2 cases (including 1 case at contractors)	5 cases (including 2 cases at contractors)	4 cases (including 4 cases at contractors)	2 cases (including 0 cases at contractors)	4 cases (including 1 case at contractors)	0 cases per year
Total recordable injury frequency rate (TRIFR)	0.27	0.26	0.16	0.13	0.15	0.1

Trend in fatal incidents and total recordable injury frequency rate (TRIFR)



*1 Lost Time Injury Frequency Rate (number of recordable injuries per 200,000 working hours)

Key initiatives in health and safety

To achieve targets for fiscal 2027, Hitachi has identified five key elements of health and safety—safety culture and leadership, communication and engagement, risk management, governance and competency—and is advancing initiatives based on these elements.

Key initiatives for fiscal 2025–2027

Safety culture and leadership	• Strict compliance with the Hitachi Group Health and Safety Policy • Raise safety awareness across the organization and close perception gaps between job levels through safety awareness surveys • Address common challenges across the Hitachi Group through the Global Health and Safety Steering Committee (One Hitachi Approach)
Communication and engagement	• Foster psychologically safe workplaces through enhanced communication initiatives • Deploy cross-Group communication programs, such as in-house health and safety conventions and inter-site visits within BUs
Risk management	• Support qualitative improvements in risk assessment to eliminate serious incidents and reduce incident severity • Institutionalize early detection and monitoring practices to help reduce the incidence of mental health disorders
Governance	• Standardize health and safety practices in line with the Hitachi Group Health and Safety Management System (including performance evaluations via corporate audits, follow-ups on management reviews and occupational health initiatives)
Competency	• Develop and deploy specialized training programs for risk assessment and incident investigation, as well as qualification and competency requirements • Improve employee literacy in both mental and physical health through continuous education

Deployment and operation of the health and safety management system

To raise the overall level of health and safety across the Group and to strengthen and correct risk management practices, Hitachi has established the Hitachi Group Health and Safety Management System Standards (available in Japanese and English), which meet the requirements of ISO 45001. We deploy and operate this system across all business units (BU) and Group companies.

To further enhance health and safety efforts Group-wide, we have established and operate Group-wide guidelines, including the Hitachi Group Risk Assessment Guidelines and the On-site Construction Safety Management Guidelines (available in Japanese, English, and Chinese). These guidelines support a unified management system by providing health and safety procedures and rules tailored to business characteristics, emergency response procedures and procedures for hazard identification and risk assessment.

Risk assessment

At Hitachi, risk assessments are conducted in accordance with the Hitachi Group Risk Assessment Guidelines, which align with the Hitachi Group Health and Safety Management System Standards. These assessments are carried out when introducing or modifying machinery, changing processes, or in response to incidents, in order to mitigate risks.

In particular, to prevent serious incidents and reduce the lost time injury frequency rate (LTIFR), Hitachi emphasizes proper risk assessments for high-risk activities and implements standardized risk management practices across the Group.

To ensure high-quality risk assessments, it is essential to accurately identify hazards and develop effective mitigation measures. To support this, we are working to improve the quality of risk assessments at each Group company and business site, by leveraging AI and accumulated knowledge so that hazards can be appropriately identified and effective countermeasures can be planned and implemented.

Internal audits and monitoring

Hitachi reports annually to the Audit Committee on its health and safety policies, plans and performance for review and discussion. Reports are also made at least once a year to the Senior Executive

Committee, meetings of the Group company presidents and other bodies, about important issues such as fatal incidents and potentially serious events. The results of monitoring incidents requiring improvement in particular are also reported.

In addition, we established a system to conduct annual internal audits based on the Hitachi Group Health and Safety Management System Standards. In fiscal 2025, we conducted audits for six BUs and Group companies. These standards require each BU and Group company to supervise and manage health and safety activities across the domestic and international sites under their jurisdiction. To comply with these standards, we have established and operate a three-tiered audit system (lines of defense).

- Self-audits: Conducted independently by each site
- Business audits: Conducted by the health and safety departments of each BU or Group company for the sites under their control
- Corporate audits: Conducted by the Global Safety and Health Management Division at headquarters for each BU and Group company's health and safety department

Through this multilayered audit framework, Hitachi works to review, evaluate and improve health and safety activities across its numerous sites Group-wide.

Implementation of health and safety training

To prevent incidents, Hitachi provides a wide range of health and safety training for all executive officers and employees and fosters a culture of health and safety.

For all employees, we offer e-learning programs that are available at any time, focused on health and safety. The same content is also used in annual training sessions for newly appointed managers and assistant managers to deepen their understanding of safety. 3,938 individuals participated in this training in fiscal 2025.

For line managers, safety officers and senior executives, we offer in-person training programs with more specialized content. For example, the Safety Instructor Development Program for Safety Personnel and Line Managers is designed to train instructors responsible for safety education at each BU and Group company, with the aim of ensuring consistent implementation of Group-

wide safety initiatives. In addition, we conduct executive training focused on safety for senior executives at each BU and Group company to reinforce their awareness of their roles and responsibilities as leaders in building safe workplaces. Moreover, after executive officers complete training, we also evaluate changes in awareness and behavior through one-on-one interviews with external consultants.

Beyond these Group-wide programs, each BU and Group company implements training tailored to their specific risk profiles to advance health and safety education. This includes distributing work guidelines and procedures relating to business and industry. We also conduct safety-focused training at each organizational level, as well as education and drills tailored to each organization and business type, for line managers and safety staff and for workers engaged in specific hazardous activities in the field. We provide individual guidance to new hires and temporary workers in particular, as they are at a higher risk of injury. We perform this training through on-the-job training to increase awareness and understanding of work procedures and dangers before engaging in work.

Number of participants in specialized safety training by grade

	FY2021	FY2022	FY2023	FY2024	FY2025
Management executives training (BU CEOs, Group company presidents, etc.)	138	173	25	93	71
Safety instructor development program for safety personnel and line managers	-	146	-	18	-

Ensuring the health and safety of contractors

Hitachi has set a target of zero fatal incidents, including those involving contractors. At the same time, preventing incidents involving contractors remains a key challenge, particularly in construction, installation and service and maintenance work conducted off-site. To address this challenge, we are strengthening our safety management systems. Specifically, we revised the On-site Construction Safety Management Guidelines in fiscal 2024 and have expanded a Group-wide integrated

safety management framework that includes contractors to enhance safety standards at worksites.

The revised guidelines stipulate a systematic approach to contractor selection, including preliminary assessments (pre-screening) of safety records and risks, as well as competency assessments, safety management by ordering party and operational workflows from the planning stage through project completion. In addition, our contracts require compliance with the On-site Construction Safety Management Guidelines, and we operate practical safety management processes across the Group that are aligned with actual business practices. In fiscal 2025, we placed particular emphasis on ensuring these requirements were firmly embedded at worksites and promoted the sharing of insights and risk information accumulated across businesses.

At the workplace level, in addition to orientation training to ensure awareness of safety rules and emergency procedures, we strengthened health and safety training for contractors and increased both the quality and frequency of health and safety patrols. Health and safety professionals conduct regular on-site inspections to point out areas of risk and provide guidance on improvements. At the same time, we work to embed a collaborative safety culture by sharing best practices among contractors and recognizing outstanding examples through awards.

Furthermore, with regard to contractor management, we conduct audits to verify that operations are being carried out in accordance with guidelines, and we gain an understanding of on-the-ground operations to drive continuous improvement. In fiscal 2025, we incorporated the issues and insights identified through audits to step up the improvement cycle toward raising the quality of guideline implementation. Results and progress regarding these initiatives are regularly reported and shared through our internal health and safety management process.

In addition, Hitachi clearly defines a health and safety code of conduct for contractors and procurement partners in the Hitachi Group Sustainable Procurement Guidelines. These guidelines establish requirements for ensuring occupational safety and health, properly managing hazardous work, and conducting safety training, thereby promoting safety awareness throughout the value chain. By strengthening collaboration with contractors, we are helping to ensure a safe and secure value chain.

 [Hitachi Group Sustainable Procurement Guidelines](#)

Initiatives to improve employee health

Hitachi regards improving employees wellbeing as an important foundation for sustainable growth. Across the Group, we are working to create workplaces where employees can work safely and maintain both mental and physical wellbeing. To support this, we use the annual global employee survey to assess employee wellbeing and, based on the results, promote initiatives addressing both mental and physical health.

Looking ahead to fiscal 2027, we have established the wellbeing score related to health and safety from our global employee survey, as well as the mental and physical health-related absence rates, as key KPIs. We strive to improve employee wellbeing through continuous improvements in these areas.

 [Health Management Strategy Map](#)

 [Enhancing employee engagement](#)

Health targets and results

KPI	Reporting boundary	FY2023 results	FY2024 results	FY2025 results	FY2027 targets
Wellbeing score*1	Hitachi Group	-	69.4	70.6	75 points
Mental absence rate*2	Hitachi Group companies in Japan	0.85	0.90	0.95	0.86 or lower
Physical absence rate*3	Hitachi Group companies in Japan	-	-	0.18	0.19 or lower

*1 Rate of positive responses to questions regarding wellbeing related to health and safety (measured across seven categories, including belief that the company takes steps to ensure employee physical and mental well-being, employee works with a sense of fulfillment, employee has a person with whom they can speak freely, employee can freely express their emotions)

*2 Percentage of employees who took seven or more consecutive days of sick leave or a leave of absence due to a mental illness (Number of cases of sick leave or leave of absence due to a mental illness ÷ average monthly number of employees × 100)

*3 Percentage of employees who took seven or more consecutive days of sick leave or a leave of absence due to a physical illness (Number of cases of sick leave or leave of absence due to a physical illness ÷ average monthly number of employees × 100)

Addressing mental health

Hitachi recognizes the importance of both company-led care provided through the workplace and by managers, and self-care by employees, and promotes initiatives tailored to each.

Through company-led care initiatives, we help workplace colleagues and managers recognize signs of physical and mental distress at an early stage and connect the employee with appropriate support. At the same time, we support employees in recognizing stress and changes in their own physical and mental condition so they can take preventive action and respond appropriately.

We will continue to promote proactive mental health measures to address stress and mental health challenges associated with changes in work styles and working environments.

Addressing physical health

Hitachi regards maintaining good physical health and enabling employees to continue working in a healthy and energetic manner as an important foundation for fulfilling life and sustainable growth.

To support this, we help employees gain an accurate understanding of their own health status and take a proactive approach to prevention and improvement. We also provide an environment that supports improvement in lifestyle habits, disease prevention and the prevention of disease progression, as well as balancing medical treatments with work.

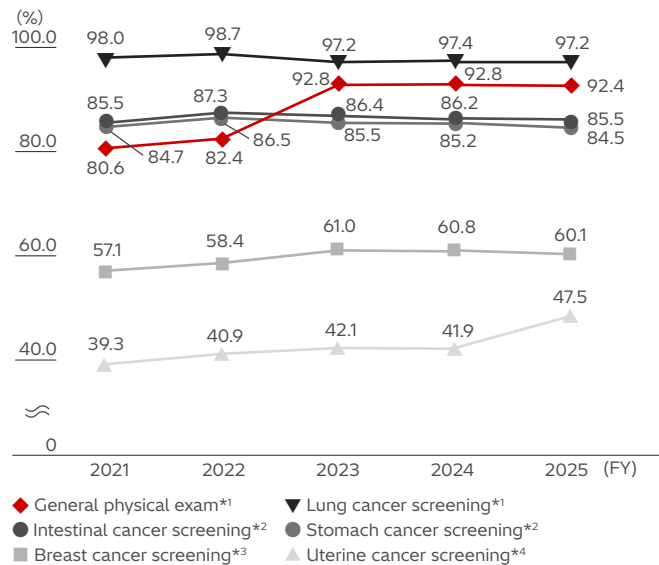
Furthermore, we address global health challenges, including measures to combat infectious diseases, and promote environments where employees and their families work and live safely and with peace of mind.

Medical exam and screening attendance rates (Hitachi Group companies in Japan)

In Japan, Hitachi has established a system that offers financial support for medical exams by the Health Insurance Society. We encourage employees aged 35 and over to receive general physical and other exams specified under law, as well as targeted screening based on age, for the early diagnosis and treatment of lifestyle-related diseases, cancer, etc.

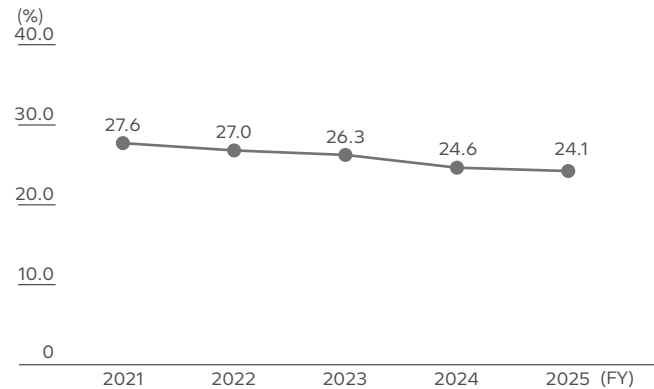
At Hitachi, Health Insurance Societies in Japan pursue policies to prevent and control conditions such as diabetes, cerebral strokes and myocardial infarctions. In fiscal 2025, we offered three smoking cessation programs to encourage smoking cessation for employees working at home, the Minchare, the Fully Online Smoking Cessation Program and the Easy Smoking Cessation Program. A total of 826 individuals participated in the program, and 52.3%, or 432 people, quit smoking—far more than results from outpatient smoking cessation clinics.

Medical exam and screening attendance rates (Hitachi Group in Japan)



*1 Men and women aged 35 and older *2 Men and women aged 30 and older
 *3 Women aged 30 and older *4 Women aged 25 and older

Smoking rate*1 trend (Hitachi Group in Japan)



*1 Employees aged 35 and over (results of specific medical examinations)

Promoting Collabo-Health

Hitachi, Ltd. and the Group companies in Japan carry out a variety of health improvement initiatives, including Collabo-Health*1, according to their respective characteristics. While making full use of the services provided by the Hitachi Health Insurance Society*2 to maintain and improve employee health, we also work toward obtaining certification under the Health and Productivity Management Organization Recognition Program of the Ministry of Economy, Trade and Industry. In addition, we evaluate health promotion initiatives on an annual basis, giving recognition to the most accomplished companies and business sites within the Group to heighten motivation to pursue such initiatives.

*1 A concept involving insurers, such as the Health Insurance Society, who work proactively with business owners to establish a clear division of labor and form positive working environments that prevent illness and improve the health of insured persons (employees and their families) effectively and efficiently

*2 Hitachi Group employees and their families are members of this organization, which is one of Japan's largest health insurance associations. As of the end of March 2026, there were 136 participating corporations and 298,186 insured persons (159,014 members and 139,172 dependents)

Number of Hitachi Health Insurance Society member corporations certified under the Health and Productivity Management Organization Recognition Program (Hitachi Group in Japan)

	FY2021	FY2022	FY2023	FY2024	FY2025
Large companies	75/87 companies (Including four with "White 500" status)	78/80 companies (Including four with "White 500" status)	75/78 companies (Including seven with "White 500" status)	65/65 companies (Including nine with "White 500" status)	65/66 companies (Including 11 with "White 500" status)
Small- and medium-sized companies	66/70 companies (None with "Bright 500" status)	65/66 companies (Including two with "Bright 500" status)	61/62 companies (Including three with "Bright 500" status)	43/43 companies (Including three with "Bright 500" status and two with "NextBright 1000" status)	39/39 companies (Including one with "Bright 500" status and three with "NextBright 1000" status)

Health promotion initiatives for employees and their families

In Japan, Hitachi supports healthy behaviors among employees and their families through MY HEALTH WEB, a portal site operated by the Hitachi Health Insurance Society. More than 90% of employees are registered on the site, and a variety of initiatives are provided, including incentive points and access to health examination results and other health-related information.

For example, we introduced Risk Simulator, a service that predicts the risk of hospitalization for eight major diseases based on the health examination results of employees and their families, with approximately 10,000 users in fiscal 2025. We also offer a walking program called Walkfes, conducting two campaigns in spring and fall over a combined period of approximately 100 days, with around 50,000 participants in each campaign. Additionally, to encourage employees and their families to proactively undergo health examinations, we provide a health examination reservation service through MY HEALTH WEB.

To encourage spouses and other dependents to undergo health examinations, we provide health information and health examination reservation services through a smartphone app in addition to MY HEALTH WEB. Approximately 37,000 people have been registered for this service.

Addressing global health issues, including infectious disease prevention

Hitachi endeavors to prevent infectious disease among employees on overseas assignments and business travelers. To this end, we provide information for employees posted overseas and business travelers regarding vaccinations for hepatitis A, tetanus, cholera, etc., according to the health conditions in the destination country. We offer vaccinations at in-house health management centers or outside medical institutions. We also post information on the Hitachi Group intranet to help travelers and their families to live safely, providing warnings for personnel living overseas about infectious diseases including malaria, one of the three major infectious diseases in the world. Information includes descriptions of symptoms, prevention and what to do if one contracts a disease.

Furthermore, in Japan, the Health Insurance Society offers an incentive point system to reward influenza vaccine recipients,

including employee family members, with the aim of preventing influenza outbreaks in the workplace. Moreover, as an initiative to prevent contracting influenza, we recommend employees get vaccinated prior to the flu season. Nearly 65,000 employees and their families take advantage of the program every year.

Health and safety considerations for nuclear power businesses

Since 2008, Hitachi has worked with the world's leading nuclear power plant vendors to develop the Nuclear Power Plant and Reactor Exporters' Principles of Conduct, a set of voluntary principles established by the private sector for exports of nuclear power plants and reactors. The Principles of Conduct, which were adopted by all vendors involved in their development, were formally announced on September 15, 2011, and Hitachi has expressed its commitment to comply with them.

Nuclear Power Plant and Reactor Exporters' Principles of Conduct

Support for radiation workers

For workers engaged in radiation-related tasks at nuclear power plants in Japan, Hitachi uses the Hitachi Radiation Control System to centrally manage radiation exposure, including that of partner company personnel. Hitachi has established our own internal radiation exposure standards, which are more stringent than those required by Japanese law, and manages exposure appropriately based on these standards. In terms of health management, in addition to legally mandated periodic health checkups, Hitachi supports employee well-being through on-site health consultations with in-house occupational physicians. To ensure safety in radiation-related work, employees receive foundational training on radiation and safety before starting tasks. Practical training is also provided through immersive programs such as experiential safety training and virtual reality (VR) simulations, helping reinforce knowledge and raise safety awareness to ensure safe work practices.

Initiatives to reduce radioactive waste

To help make nuclear power a safer and more sustainable energy source and improve its social acceptability, Hitachi is advancing the development of fast reactors and fuel cycle technologies. These efforts aim to promote more efficient use of resources and reduce the environmental impact of radioactive waste.

Fuel cycle

Initiatives to enhance nuclear power plant safety

Based on the lessons learned from the Fukushima Daiichi Nuclear Power Plant accident, Hitachi is strengthening safety measures to ensure that existing nuclear power plants comply with new regulatory standards. Furthermore, we are advancing the development of HI-ABWR, an innovative light-water reactor incorporating enhanced safety features from the design stage, with the aim of achieving both enhanced safety and reduced environmental impact.

Innovative new light-water reactor HI-ABWR

Quality and product safety

Approach to quality assurance activities

Hitachi was founded on the founding spirits of Harmony, Sincerity and Pioneering Spirit. Guided by the values of adhering to the basics and ethics, and placing right and wrong before profit and loss, Hitachi is firmly committed to the principle of quality and reliability first. Trust in the quality of our products and systems is paramount, we prioritize Safety (S) >> Quality (Q) > Delivery (D) > Cost (C), placing the highest importance on safety and quality.

In the event of an incident, it is crucial to thoroughly analyze failure, learn from it, and apply to advance our technology and prevent recurrence. To gather insights from failures, Hitachi has held review sessions for product incidents—known as OCHIBO-HIROI (gleaning)—since the 1950s, with the aim to prevent recurrence, avoid incidents, and promote technological advancement.

As stipulated in the Hitachi Group Code of Ethics and Business Conduct, we aim to provide products and services that meet the needs and requirements of our customers, complying with relevant laws and standards and ensuring quality and safety by setting additional standards of our own where necessary. Our basic principles for quality assurance are also in the Quality Assurance Standards within our company rules, and are communicated to employees.

Hitachi Group Code of Ethics and Business Conduct

Quality assurance structure

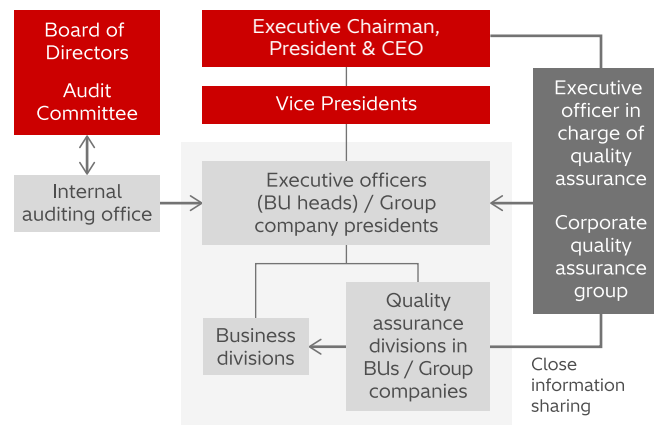
Hitachi places the highest priority on customer safety and trust in our quality assurance structure and positions quality assurance divisions within business units (BUs) and Group companies as organizations independent from design, manufacturing and business divisions.

We also establish clear reporting lines and ensure close information sharing between quality assurance divisions at each company and the corporate quality assurance group at headquarters. Giving greater authority to the corporate quality assurance group at headquarters also allows us to further strengthen quality assurance governance across the Group.

When a product incident occurs in the Hitachi Group, the quality

assurance division in the relevant BU or Group company reports the incident to the corporate quality assurance group. Weekly reports are provided to management executives, including the Executive Chairman, and the President & CEO at Hitachi, Ltd. In the event of a serious incident, the quality assurance division promptly reports to management, including the Executive Chairman, and the President & CEO at Hitachi, Ltd. These response procedures are reviewed every six months and improved as necessary.

Quality assurance structure



Global quality assurance structure

Hitachi operates globally through business portfolio reforms and M&A. To deliver Hitachi Quality to customers around the world in line with our corporate philosophy, we are strengthening and embedding a global quality assurance structure. Specifically, we promote Hitachi's basic principles of quality assurance globally and establish a framework for receiving incident reports from overseas Group companies. We also establish international reporting lines independent of the business divisions, conduct rigorous pass/fail assessments through quality assurance divisions and practice OCHIBO-HIROI, consistent with those in Japan.

Quality assurance activities

OCHIBO-HIROI review sessions for product incidents

PLEDGES

Based on our approach that prevention is the essence of quality assurance, Hitachi conducts OCHIBO-HIROI review sessions on product incidents as part of our efforts to prevent incidents before they occur. We hold the sessions for individual business divisions every six months in principle. These sessions take place from the customer's perspective and share the impact of the incident while identifying not only the technical causes, but also the business processes that led to the incident and the psychological and behavioral factors affecting the individuals involved. We have set a target of 100% executive participation (including Hitachi executives and business site senior management) in OCHIBO-HIROI sessions and collect annual participation data to strengthen efforts to prevent product incidents.

Executive participation in the OCHIBO-HIROI review sessions conducted in fiscal 2025 was 100%.

Quality enhancement activities related to service, software and security

Our software and services are areas that continue to grow in scale. To strengthen quality in these areas, we ensure that our product divisions incorporate the software development capabilities and expertise that our solutions divisions possess. In doing so, we strive to ensure higher levels of reliability in increasingly sophisticated and complex software. Furthermore, we are improving and incorporating secure development and maintenance processes for our products and services to address the increasing security risks arising from network connectivity and openness.

Technical law compliance activities

Hitachi fosters internal awareness of product regulations, laws amendments and enforcement dates in each country and region. We also work to clarify regulations with product-specific regulatory maps, pursue regulatory compliance and implement continuous process improvements under our product compliance management system.

Pursuit of thorough safety design and safety monitoring for products and services

When developing products and services, Hitachi makes the safety of customer lives, health and property the top priority in product design. We strive to ensure safety at every step, from development and production to sales and maintenance. Safety is ensured through risk reduction according to the following order of priority: design (fundamental safety design), protective measures (safeguards) and information (precautions for use). Also, we conduct risk assessments from a wide perspective in collaboration with related BUs and research laboratories.

Use of AI in quality assurance operations

Hitachi leverages the knowledge and expertise we have accumulated over many years to advance and improve the efficiency of quality assurance operations through the use of AI. We aim to enhance quality and operational efficiency by using AI as a complementary tool while continuing to place human judgment and experience at the center of operations. Omika Works conducted verification testing on the use of AI trained on the experience and expertise of skilled personnel to support quality assessments and analysis, as well as responses to field issues and inquiries. The site now operates using this AI. The AI supports the site in searching and analyzing past cases, as well as preparing reports. As a result, Omika Works has improved shipping quality and significantly shortened response times while reducing reliance on the experience of personnel in charge. The use of skilled personnel's tacit knowledge has also proven effective in facilitating the transfer of expertise. Hitachi will continue advancing quality assurance by combining the strengths of AI and human expertise.

end, we conduct annual surveys of the number of certified sites and the number of sites planning to obtain certification.

Management system certification

Area	Name of standard	Number of certified sites
Overall quality	ISO 9001	1,062 sites
Railway business	ISO/TS 22163	18 sites
Medical devices	ISO 13485	24 sites

Note: Survey results are as of the end of March 2026

External audits concerning product quality assurance

Hitachi commissions regular external audits of product safety for certified products and other products. Relevant logos indicate products that have received certification. We also undergo regular external audits for products following certification to confirm ongoing quality standards.

S-Mark: Indicates third-party certification for electronics based on a certification system administered by the Steering Council of Safety Certification for Electrical and Electronic Appliances and Parts of Japan (SCEA) (Frequency of external audits: 1 time/year; Audit scope: Product and factory quality control)

UL Mark: Indicates compliance with safety standards established by UL Solutions, a safety certification company (Frequency of external audits: 4 times/year; Audit scope: Products)

Quality and reliability education

Hitachi provides education and training on quality and reliability tailored to different employee groups on a regular basis. Topics cover a wide range of areas, including the safety of products and services. In addition to offering e-learning courses on Hitachi's quality philosophy, which are available at any time for all employees, we also feature quality assurance as a topic for position-specific and executive-oriented training, as well as new employee education. Hitachi also holds various basic and specialized technical courses related to the reliability of its

products and services every year. Each BU also conducts specialized technical courses regarding manufacturing, quality assurance and maintenance.

Enhancing S >> Q > D > C training

Hitachi provides training for employees involved in product and service safety or quality to increase awareness and understanding of the company's operational priority: Safety (S) >> Quality (Q) > Delivery (D) > Cost (C). This training reinforces the importance of safety and quality among employees. To ensure relevance considering changes in products, services and the business environment, we review and update training materials every three years.

In fiscal 2025, we revised the S>>Q>D>C training materials and plan to begin training at sites world-wide in fiscal 2026.

Quality and reliability education

Training program	Target	Purpose	Timing
Hitachi's quality philosophy	All employees	To deepen understanding of Hitachi's basic approach to quality and the initiatives that put this approach into practice	Ongoing
New employee training	New employees		Upon joining the company
Training for newly appointed managers	Newly appointed managers		Annually
S >> Q > D > C training	Employees involved in product and service safety or quality	To instill Hitachi's operational priority of S >> Q > D > C	Annually
Specialized technical training	Employees involved in product and service safety or quality	Practical and technical training on product safety and quality	Annually
Executive candidate training	Future executive leaders	To deepen understanding of Hitachi's quality philosophy	Annually

International standards certification for our quality management system

Hitachi's quality management system has acquired certification from external certifying organizations. We are committed to effectively applying the findings of third-party evaluations to improve our business operations. Based on these efforts, we have obtained quality management system certification globally for each of our product categories. As of the end of March 2026, the status of major certifications is as follows. Certification status may change due to various factors, including business globalization, the establishment or relocation of sites and M&A activity. To this

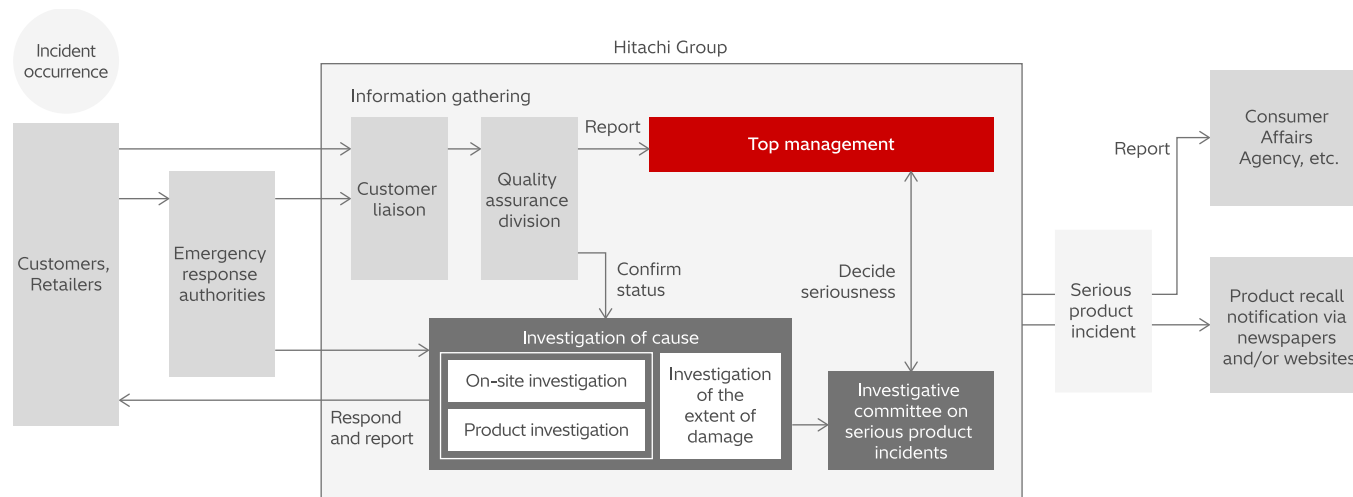
Response to product safety incidents

In the event of an incident, the quality assurance division in the BU or Group company in charge of the product acts swiftly to resolve the problem. The responsible divisions ensure product safety by not only investigating the technical causes, but also thoroughly discussing the process, organizational structure and underlying factors leading up to the occurrence, along with ways to prevent recurrence.

In the case of a severe incident, we provide prompt status reports to top management, issue reports to government agencies in line with legal requirements and provide relevant information disclosure to customers on our website and through other communication channels. At the same time, we have a structure in place to ensure that fast and appropriate action is implemented at all companies across the Group.

If we determine that retroactive action is necessary, we notify customers via newspaper advertisements and websites to carry out the necessary repair or replacement program.

Response procedure for product incidents



Business ethics and compliance

Doing business ethically, honestly and transparently

Hitachi believes that business ethics and compliance are the foundation of the company, and fosters fair, transparent and honest management. We strive to create an open environment in which every employee acts ethically and maximizes performance. In addition to ensuring compliance with laws and regulations, we require not only employees but also business partners to understand and adhere to the Hitachi Group Code of Ethics and Business Conduct (the “Code”), which serves as the Group’s formal policy on business ethics, including the prevention of bribery and corruption, as well as various related policies and rules. We promote a culture of speaking up to ensure timely reporting and action in the event of an actual or suspected violation of laws and regulations or the Code.

The Hitachi Group Identity embodies our Mission, the Hitachi Founding Spirit, and the Hitachi Group Vision. We believe this identity is an important part of the Hitachi Group’s commitment to business ethics and compliance. Through the One Hitachi Compliance Program, which aims to strengthen compliance throughout the Group and organization globally, Hitachi fosters a corporate culture in which every employee understands what is expected of them and acts with integrity and fairness.

Furthermore, to ensure thorough business ethics and compliance throughout the value chain, we have established Hitachi’s Expectations of Business Partners as principles that our business partners (including procurement partners, intermediaries involved in Hitachi’s business, agents and contractors) should uphold. In this way, we are working to promote understanding of Hitachi’s commitment to ethical business activities, respect for human rights and more.

 [Hitachi Group Code of Ethics and Business Conduct](#)

 [Hitachi’s Expectations of Business Partners](#)

 [Anti-bribery and anti-corruption](#)

Compliance with the Hitachi Group Code of Ethics and Business Conduct

Hitachi has established the Hitachi Group Code of Ethics and Business Conduct as the Group’s policy on business ethics, and it applies to the entire Group. All employees (including temporary and part-time employees) are required to complete annual business ethics and compliance training and to formally indicate by their signature that they will comply with the policies embedded in the code. These policies include business ethics, conflicts of interest, anti-bribery and anti-corruption, fair and free competition, sustainability, human rights, respect for diversity and individuality and community involvement. The Code has been translated into more than 20 languages and is shared with executives, employees and all relevant stakeholders on Hitachi’s website and on the intranets of Hitachi, Ltd. and other Group companies.

The compliance division regularly reviews and updates the Code to strengthen our ethical standards and to ensure its continued effectiveness in response to changes in the external environment, including legislative and regulatory updates. As part of these efforts, we partially revised the content in fiscal 2025 to reflect the latest initiatives and ensure alignment with actual practices. This included updates to the decision-tree flow for making appropriate judgments and the process flow following the submission of a report through the whistleblowing system in order to provide more clarity regarding these process flows. We also reported these changes to the Senior Executive Committee, as well as the Audit Committee members who are non-executive directors.

Ethics and compliance structure

Under the leadership of the Chief Compliance Officer (CCO), Hitachi conducts the One Hitachi Compliance Program, in which the Hitachi Group Code of Ethics and Business Conduct serves as the core operating guidelines, to strengthen business ethics and compliance throughout the Group. The Senior Executive Committee deliberates and makes decisions on important Compliance issues. These issues are submitted to the Board of Directors as needed.

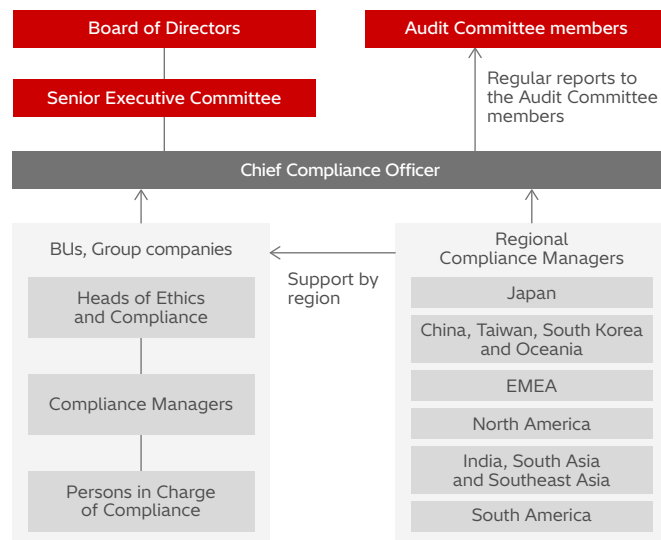
In addition, the CCO regularly reports important compliance matters, including corruption issues, to the Senior Executive Committee and Audit Committee members who are non-executive directors. The advice and counsel received by the CCO is incorporated in the planning and operation of compliance initiatives and the CCO reports back on previous instructions. For example, the creation of a compliance-specific audit team was advised by the members of the Audit Committee in fiscal 2023. The compliance division created the recommended team and reports back on compliance audits conducted on a regular schedule.

Additionally, Hitachi appointed Regional Compliance Managers in Japan, China, Taiwan, South Korea, Oceania, Europe, the Middle East and Africa (EMEA), North America, India, South Asia, Southeast Asia and South America to support regional business units (BUs), Group companies and other entities to meet global and local compliance and regulatory requirements. Regional Compliance Managers also play a role in facilitating collaboration across the Group.

Furthermore, approximately 700 selected Heads of Ethics and Compliance, Compliance Managers and Persons in Charge of Compliance and others from BUs and Group companies around the globe work to streamline business ethics standards and drive the efficiency and effectiveness of the One Hitachi Compliance Program. These people are key stakeholders in promoting ethics awareness among management and employees. They coach colleagues through ethical dilemmas, raise concerns and potential risks to their legal division or Hitachi, Ltd.’s compliance division and conduct investigations when appropriate.

The compliance division and Regional Compliance Managers hold regular meetings with global and local Heads of Ethics and Compliance, Compliance Managers and Persons in Charge of Compliance and others, to provide updates on ethics and compliance initiatives, trends, and to provide additional resources to support fulfillment of their respective roles.

Ethics and compliance structure



Global target for ethics and compliance

PLEDGES

Hitachi encourages each employee to apply high ethical standards in their day-to-day work and strengthens its business ethics and compliance culture. As part of these efforts, Hitachi has established a KPI based on the results of an awareness assessment on corporate ethics and compliance conducted by Ethisphere, a U.S.-based research institute specializing in global business ethics.

Under the Hitachi Group sustainability strategy PLEDGES, we have set a target of achieving a score of 85 by fiscal 2027 based on relevant benchmarks and have been implementing a range of initiatives, including the following.

- Enhance the effectiveness and trust of the whistleblowing system by shortening the investigation period, thereby enabling timely responses and early detection and remediation of misconduct and concerns
- Foster workplace discussions and communication with supervisors to encourage the sharing of ethical issues
- Utilize the Global Compliance Platform to centralize rules and promote understanding and adherence

As a result of these efforts, the score has improved year over year, reaching 82.4 in fiscal 2025. We report progress to the Senior Executive Committee and the Audit Committee members who are non-executive directors, and will continue to pursue further improvements going forward.

KPI	FY2023 score	FY2024 score	FY2025 score	FY2027 target
Ethical culture and compliance perceptions assessment score	76.5	79.8	82.4	85.0

Initiatives to deter non-compliance

Hitachi implements comprehensive initiatives to deter non-compliance and to reduce exposure to unethical opportunities. These include conducting training on business ethics and compliance, implementing compliance-specific audits and conducting due diligence of third parties. In addition, Hitachi strengthens its speak-up culture and enhances the Global Compliance Hotline (whistleblowing system), with a clear commitment to non-retaliation. Through these measures, Hitachi promotes early detection and prevention of potential misconduct and minimizes opportunities for unethical behavior to arise.

Business ethics and compliance training

To foster shared values and encourage higher levels of compliance awareness in the Group, Hitachi conducts annual business ethics and compliance training for all employees (including temporary and part-time employees) based on the Hitachi Group Code of Ethics and Business Conduct and internal rules. This training covers business ethics, anti-bribery and anti-corruption, gifts, travel and entertainment, anti-money laundering laws, fraud, fair competition, information owned by others, data protection, conflicts of interest, reporting and non-retaliation and the Hitachi Global Compliance Hotline. After completing the training, participants pledge to comply with the Hitachi Group Code of Ethics and Business Conduct.

In fiscal 2025, the training was completed by a total of 316,164 employees Group-wide (including temporary and part-time employees), representing a participation rate of 96.9% during the designated training period beginning in October in conjunction with Hitachi Group Ethics & Compliance Month. The training remains available beyond the training period, and employees are encouraged to complete it on an ongoing basis. In addition, we conducted data analysis on the level of understanding among training participants by region and job category, as well as the time required to complete training, to identify areas of risk or the need for additional training.

Additional training is also provided for employees new to Hitachi, and newly-appointed managers. Furthermore, Hitachi provides an Executive Ethics and Compliance Briefing for Members of the Board of Directors and Newly Appointed Directors, led by the Chief Compliance Officer (CCO) and external experts. In fiscal 2025, the briefing covered several key topics, such as fostering a culture of ethical behavior, addressing compliance challenges and

reviewing industry best practices, benchmarks and the implications of key regulatory changes.

Business ethics and compliance training

Program	Purpose	Timing
Business ethics and compliance training for all employees	To foster shared values and to encourage higher levels of compliance awareness	Annually
Training for new employees	To ensure a complete understanding of the Hitachi Group Code of Ethics and Business Conduct	Upon joining the company
Training for newly appointed managers		Annually
Ethics and compliance board briefing	To explain benchmarks and improvement measures to directors, and seek their advice on compliance operations	Annually

Ethics and compliance audits and risk assessments

Hitachi, Ltd.'s Internal Auditing Office conducts internal audits, targeting areas such as anti-bribery, anti-corruption and competition law compliance, of all BUs and the Group companies every four years. In addition, internal audits are carried out by the audit or compliance department of each BU and the Group company.

Furthermore, Hitachi, Ltd.'s Compliance Audit Team adopts a risk-based approach and launched compliance-specific audits targeting anti-bribery, anti-corruption and competition law compliance at Group companies identified as relatively high-risk. In fiscal 2025, audits were conducted at nine Group companies. These audits are conducted using a structured PDCA cycle to support continuous improvement of the compliance program.

To promote the early identification of compliance risks and the streamlining and acceleration of response efforts, the compliance division is implementing a developed self-verification tool. This tool enables the collection and analysis of data related to compliance risks at each business unit and the Group company. At the regional levels, each Regional Compliance Manager continues to strengthen cooperation with Group companies in their respective regions and maintain a framework to conduct risk assessment, supporting each company in identifying risks and implementing appropriate measures.

In addition, in fiscal 2025, we launched the Hitachi Group Ethics and Compliance Risk Management Framework. The Framework establishes a consistent, Group-wide approach to identifying, assessing and managing Ethics & Compliance risks, clarifies roles and responsibilities according to the Three Lines Model, defines key Ethics & Compliance risk categories and provides practical tools to support effective implementation of the Framework across Hitachi.

Ethics and compliance audits and risk assessments

Type	Target	Scope	Timing
Internal Audits	All BUs and the Group companies	- Audits conducted in accordance with the Audit Office's schedule - Review of standard mechanisms, such as compliance structures, rules and processes - Operational checks of high-risk items (e.g., entertainment expenses and interactions with competitors)	Every four years
Compliance-Specific Audits	Group companies identified as relatively high-risk	- Audits focus on selecting targets based on a risk-based approach - In-depth investigations that include non-public information obtained through external resources, and more effective interviews conducted in the local language	Selected on a risk-based basis

Due diligence on business partners

Hitachi conducts due diligence on the compliance aspects of its business partners in accordance with Hitachi Group Business Partner Compliance Due Diligence Policy.

Specifically, we have implemented an internal reputational due diligence program including the introduction of a third-party management system to identify reputational risks. Such reputational risks include direct or indirect involvement in bribery, corruption, human rights or labor rights violations, money laundering, environmental crimes, violations of competition law or international trade restrictions, such as sanctions and import/export controls and other factors related to potential business partners. This program promotes the creation of fair and sound partnerships by preventing Hitachi from engaging with parties that are likely to act in a manner inconsistent with Hitachi's ethical culture and ensuring measures to reduce the risk of bribery, corruption and other unethical behavior.

Hitachi employs a system for conducting due diligence and creating due diligence reports through a platform from an external service provider, and we have assigned several due diligence analysts to an internal global compliance team. The goal of this system is to improve and standardize business partner screening, as well as to create and maintain records, when initiating or renewing transactions with business partners globally.

In addition, we have published Hitachi's Expectations of Business Partners, which sets out Hitachi's expectations for its business partners and emphasizes the importance of ethical business practices, preventing bribery, corruption and money laundering, protecting human rights and maintaining fair and transparent business practices. As a guideline for ethical behavior in all business relationships, it is also consistent with the Hitachi Group Code of Ethics and Business Conduct.

 [Hitachi's Expectations of Business Partners](#)

Strengthening our speak-up culture

Hitachi believes that a speak-up culture—where employees are encouraged to raise concerns and feel confident that they can do so without fear of retaliation—is essential for the early detection and prevention of breaches of ethical and regulatory expectations.

When an employee discovers an actual or suspected violation of laws, regulations, or the Hitachi Group Code of Ethics and Business Conduct, or when employees have questions about business activities in general, we encourage them to consult with or report the matter to their leaders, the relevant department (Human Resources, Compliance and Legal), or the Hitachi Global Compliance Hotline.

Annually, during the Hitachi Group Ethics & Compliance Month, messages were delivered by the President & CEO as well as other Hitachi leaders, emphasizing to all Hitachi Group employees the importance of speaking up. In fiscal 2025, Hitachi released a series of one-on-one ethics and compliance interview videos. These videos feature the CCO asking Hitachi leaders about their previous personal compliance challenges, and aim to serve as examples of how employees can handle their compliance challenges.

World's Most Ethical Companies®

In 2026, Hitachi, Ltd. was recognized as one of the World's Most Ethical Companies® by Ethisphere, a U.S. research institute specializing in global corporate ethics, marking its second consecutive year receiving this recognition. This prestigious award recognizes companies that demonstrate excellence in business ethics through an evaluation of over 240 proof points on practices that support robust ethics and compliance, governance, a culture of ethics, environmental and social impact and initiatives that support the value chain.



Note: The "World's Most Ethical Companies" and "Ethisphere" names and marks are registered trademarks of Ethisphere LLC.

Strengthening compliance practices across industries

In fiscal 2025, the compliance division hosted the second annual roundtable for compliance professionals featuring 20 participating global companies based in Japan. The roundtable fosters collaboration, knowledge sharing and strategic discussions to strengthen compliance practices across industries.

Hitachi Global Compliance Hotline (Whistleblower System)

The Hitachi Global Compliance Hotline is a reporting channel that uses a whistleblowing system operated by a third-party organization and is available 24 hours a day, seven days a week to Hitachi Group employees, business partners and other stakeholders. To ensure that no one is treated unfairly, anonymous reporting is permitted when legal, and all information received is kept strictly confidential except where necessary to conduct an investigation. Consultation and reporting are available, by toll-free calls or online, for all matters involving violations of laws and regulations, the Hitachi Group Code of Ethics and Business Conduct, and violations of human rights including harassment and other misconduct.

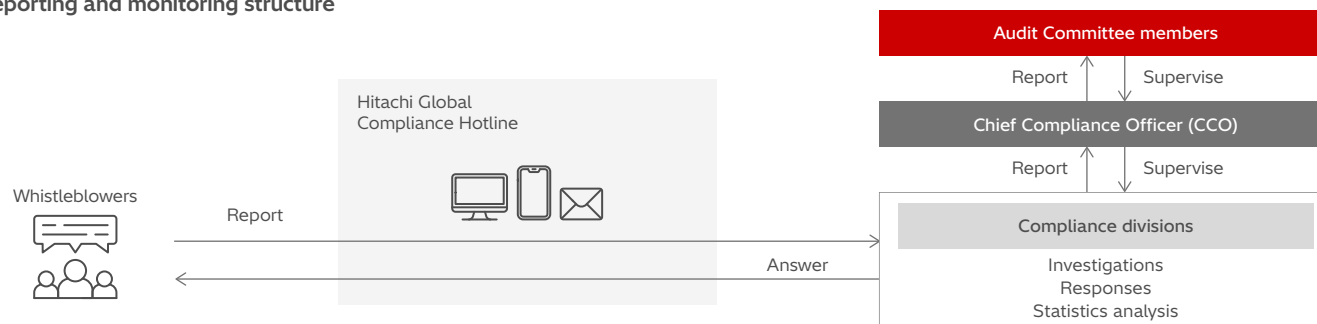
Phone numbers for the Hitachi Global Compliance Hotline are available for employees and other stakeholders to speak to a representative in their native language. The phone lines are staffed by specially trained third-party representatives, with translators in approximately 50 languages. Web-based reporting is also available. Data supplied during a report is stored on secure servers maintained by the third party that administers the hotline.

To address and resolve contacts with the Hitachi Global Compliance Hotline efficiently, we assign inquiries to investigators based on area of expertise. After a confidential review of the concern, the investigator determines whether the report requires an investigation. If an investigation is necessary, appropriate investigative measures are taken. For any compliance-related concerns that are substantiated, disciplinary actions may be taken. Discipline comes in many forms, from warnings to suspensions or termination. Also, when necessary, monitoring is conducted for a certain period after the completion of the investigation to verify whether corrective actions are effective.

The CCO reports to, and receives necessary instructions from, the members of the Audit Committee on a quarterly basis regarding the number of cases reported, trends, etc. Serious incidents of noncompliance are immediately reported to the CCO. In fiscal

2025, we received 1,950 reports from across the Group. We also concluded the processing of 1,788 reports (including reports that occurred in previous years) during fiscal 2025 where compliance-related issues were confirmed in 432 cases.

Reporting and monitoring structure



Details of fiscal 2025 reports

Categories		HR issues ^{*1}	Harassment	Financial	Procurement	Competition law	Bribery	Other	Total
Areas where whistleblowing cases occurred	Americas	85	161	33	5	0	5	143	432
	Europe	52	157	30	6	0	4	160	409
	Middle East and North Africa	13	9	9	0	1	2	24	58
	Sub-Saharan	0	1	1	0	0	0	7	9
	APAC (excluding Japan)	35	61	28	5	17	17	128	277
	Japan	112	388	33	3	3	3	225	765
	Total	297	777	134	19	31	31	687	1,950

^{*1} Labor management, travel expenses, commuting costs, etc.

[Hitachi Global Compliance Hotline](#)

[Grievance mechanisms for human rights](#)

Anti-bribery and anti-corruption

Hitachi has made it clear that we do not tolerate bribery, kickbacks, or any other corrupt behavior by employees or business partners, or any conduct that violates the anti-bribery laws and regulations of countries and regions, including the U.S. Foreign Corrupt Practices Act (FCPA).

To assist in making decisions, we have established the Hitachi Group Code of Ethics and Business Conduct, which includes provisions on anti-bribery and anti-corruption. Whenever such provisions are revised, they are subject to approval by the Senior Executive Committee and reported to the Audit Committee members who are non-executive directors.

In addition, we have also established the Hitachi Group Anti-Bribery and Anti-Corruption Policy, as well as rules and guidelines related to the provision and acceptance of gifts, entertainment and travel expenses, as well as donations and political contributions.

Under these policies, when providing or accepting entertainment or gifts, or making donations or political contributions, executive officers and employees must not exceed the scope of actions permitted by anti-bribery laws and regulations and must comply with Hitachi's internal rules. These policies indicate specific limits in terms of monetary value and the number of times that entertainment, gifts and other arrangements may be provided to third parties. Hitachi policies also prohibit facilitation payments.

These policies and guidelines clearly define what constitutes acceptable and unacceptable behavior, enabling employees to make appropriate and consistent decisions in practice. In addition, they establish clear requirements for prior approval, documentation and record-keeping for activities such as the provision and acceptance of gifts, entertainment and travel expenses, as well as donations and political contributions.

Furthermore, Hitachi established the Hitachi Group Business Partner Due Diligence Policy covering business partner screening procedures, and the Hitachi Group Conflicts of Interest Policy covering definition, identification and management guidelines for conflicts of interest.

As an additional effort to manage the risk of corrupt practices, Hitachi has established and implemented procedures for pre-screening of (1) the provision and acceptance of gifts, entertainment and travel expenses; (2) the selection of business

partners; (3) donations and political contributions; and (4) business acquisitions, joint ventures and other forms of investment and financing for each transaction type. In doing so, we take into account the risk of corrupt practices by country/region in the screening procedures according to the score of the Corruption Perceptions Index (CPI) published annually by Transparency International and other relevant factors.

During the initial compliance screening for M&A and other transactions, we also evaluate the target company's bribery and corruption risks, as well as other compliance risks, and conduct the Ethics & Compliance risk assessment and due diligence process, in accordance with the Hitachi Group Ethics & Compliance Guideline on Mergers and Acquisitions.

Educational activities for preventing bribery and corrupt practices

One of the major topics covered in the Hitachi annual business ethics and compliance training is the prevention of bribery and corruption. This training includes more specific details on preventing bribery and corruption when providing or receiving gifts, travel and entertainment. In addition, we post the Group-wide educational materials on anti-bribery and anti-corruption on the intranet for use by all Group companies.

In conjunction with the United Nations' International Anti-Corruption Day on December 9, we posted an article on the Hitachi Group employee news website, calling on employees to refamiliarize themselves with the Hitachi Group Code of Ethics and Business Conduct and Hitachi Group Anti-Bribery and Anti-Corruption Policy and to promote awareness.

We also share the latest U.S. Department of Justice enforcement policies on bribery, corruption and other corporate crimes at regular meetings for Heads of Ethics and Compliance, Compliance Managers, Persons in Charge of Compliance and others at the Group companies. The meetings are designed to expand the knowledge of Heads of Ethics and Compliance, Compliance Managers and Persons in Charge of Compliance and others, as well as confirm the rationale and direction of the Hitachi Group compliance program.

Fair competition

Hitachi engages in business in accordance with the law and business ethics, and we practice fair and open competition. We have also established the Hitachi Group Code of Ethics and Business Conduct and the Hitachi Group Fair Competition Policy, and its operational standards. In fiscal 2021, we revised the guidelines for preventing cartel activity and improved the relevant forms based on the revised guidelines.

Educational activities for preventing violations of competition law

As with our anti-bribery and anti-corruption initiatives, Hitachi addresses compliance with competition laws as one of the main topics in our annual business ethics and compliance training. Through this training, we strive to ensure that employees fully understand all relevant rules and operational standards. Additionally, we have established standards related to global contact with competitors for overseas employees to inform them of the practicalities involved.

Export controls

Hitachi's basic export control policy is to comply with export and import laws and regulations on a global basis to maintain international peace and security, and to manage exports appropriately in accordance with internal regulations. Hitachi, Ltd. established Corporate Regulations concerning Security Export Control based on this policy to ensure implementation of strict export control practices in line with relevant laws and regulations. We screen all goods and technologies intended for export against such factors as destination countries and regions, as well as intended end use and end users. We provide guidance and educational support for the formulation of regulations and the establishment of frameworks to Hitachi Group companies to ensure that the Group companies follow the same export control policies in accordance with relevant laws and regulations.

As part of our training program for all Group companies, we offer courses and e-learning programs on export controls, consisting of a basic e-learning program in 15 languages and an e-learning program for practitioners in Japanese and English. Hitachi strives to ensure that export controls are thoroughly enforced throughout the Group.

Violation of laws and regulations

In fiscal 2025, Hitachi recorded no incidents in which Hitachi was prosecuted or penalized by authorities for bribery, corrupt practices, competition laws or export controls.

Prevention of antisocial transactions and money laundering

To cut off all relationships with antisocial forces, the Hitachi Group Policy Against Money Laundering and Antisocial Transactions includes provisions stating that we will never engage in antisocial transactions under any circumstances, and will refuse any improper demands and unfair deals.

We conduct periodic assessments of all new and existing business partners. In Japan, we insert antisocial-force rejection clauses in contracts. If we determine that a business partner belongs to an antisocial force, we can promptly void the contract and end the relationship. The Hitachi Group acts decisively to eliminate approaches from antisocial forces in partnership with external specialist institutions (the National Center for Removal of Criminal Organizations or the police).

Furthermore, the policy clearly establishes Hitachi's stance of not tolerating any involvement with persons or organizations engaged in money laundering or other illegal activities within or outside of Japan. Using a risk-based approach, we conduct due diligence on prospective customers and business partners, including checking against country sanctions lists and inspecting payment details for red flags. Additionally, we include clauses in contracts which prohibit money laundering and terrorist financing.

Tax compliance

To respond to tax risks associated with the globalization of our business, including tax audits and litigation by tax authorities in various countries, Hitachi conducts appropriate tax governance throughout the Group by identifying tax risks on a quarterly basis under the management of the CFO.

To ensure thorough compliance with these rules, we strive to raise awareness among all employees involved in tax management (filing and paying taxes, handling tax audits and managing tax risk) and in the handling of other tax-related matters.

1. Group companies strictly comply with all relevant laws, follow the spirit of the laws and implement tax management when pursuing their business activities, bearing in mind such international tax compliance standards as the Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations of the OECD, as well as that body's Action Plan on Base Erosion and Profit Shifting (BEPS).
2. Group companies effectively, continually and proactively manage tax-related issues in a manner befitting their status as socially responsible organizations, maintaining Hitachi's brand value and seeking to maximize shareholder value.
3. Group companies build sincere and positive relations of trust with the tax authorities in the regions where these companies do business, striving to maintain and develop those relations.

In accordance with these policies, we established rules on transfer pricing management for the Group companies, seeking to identify and mitigate potential tax risks related to transfer pricing in transactions with foreign-affiliated parties, as well as to ensure compliance. As stated above, we strive to raise awareness of these rules and ensure that they are followed.

Tax compliance initiatives

By following the relevant tax-related rules applicable to the Group as a whole, Hitachi manages tax risks associated with globalization. For example, we strengthen risk management and compliance with laws and regulations by identifying and sharing matters indicated by the tax authorities and tax-related legal proceedings in each country.

The results of our tax filings and tax audits in Japan are reported to the CFO, and we work continuously to ensure appropriate tax reporting and prevent fraud. In preparing tax filings, we determine whether anti-tax haven legislation applies. When legislation

applies, we reflect said rules properly in the tax filing to ensure appropriate tax payments.

Hitachi follows rules for transfer pricing management and manages transfer pricing in accordance with the OECD Transfer Pricing Guidelines and the laws and regulations on transfer pricing in each country or region where the Group companies are located.

We paid 364.5 billion yen*¹ in income taxes for the fiscal year ended March 31, 2026 (Japan: 56%, Overseas: 44%*²).

*¹ Refers to income taxes paid in the consolidated statements of cash flows

*² Based on the percentage in the country-by-country report submitted to tax authorities

Stakeholder collaboration and engagement

Hitachi continues efforts to build relationships of trust through sincere responses to tax authorities and to reduce tax risks through researching appropriate tax treatment in consultation with external tax advisors. We also collaborate with the business community through industry associations to lobby for viable tax reform that contributes to the stronger international competitiveness of Japanese companies.

Information security

Approach to information security

Cyberattacks are increasing worldwide, and incidents that may have a social impact not only on a company's own operations but also across the entire value chain are becoming more frequent. In addition, the misuse of AI technology is leading to a rise in the number of attacks as well as increasingly advanced and sophisticated attack methods, further heightening the risks faced by companies.

Against this backdrop, Hitachi, a company transforming social infrastructure through digital technologies, recognizes cybersecurity as one of its key management priorities and advances cybersecurity initiatives from both value creation and risk management perspectives. Across the Group, we are implementing common initiatives to strengthen information security, including cybersecurity and data protection.

 [Information Security Report](#)

Information security policy

Based on the Information Security Policy, Hitachi has established various security-related rules. These basic rules include the Information Security Management Rules and the Hitachi Group Privacy Principles.

The Information Security Management Rules define the basic matters that must be complied with in relation to the formulation, implementation, maintenance and ongoing improvement of information security management systems. They further stipulate that Personal Information Protection Management Systems, including the policies, must be reviewed at least once a year.

 [Information Security Policy](#)

Privacy protection policy

Hitachi has established the Hitachi Group Privacy Principles, which set out the privacy protection principles and basic guidelines for data protection that all Hitachi Group executives and employees are required to follow.

The Hitachi Group Privacy Principles define the fundamental principles for privacy protection in accordance with the eight principles of the OECD Privacy Guidelines, which have been incorporated into personal information protection laws and regulations in various countries and regions.

 [Basic Principles Relating to Privacy Protection](#)

Personal information protection policy

Hitachi, Ltd. has established the Personal Information Protection Policy, which is disseminated to all executive officers and employees and is publicly disclosed on its website. The Personal Information Protection Policy clearly specifies the types of data collected, how data retention is handled and the circumstances under which data may be disclosed.

When acquiring personal information from customers or others in the course of business activities, the department responsible for handling such personal information provides a notice detailing the person responsible for managing personal information, the purposes for which the information will be used, and the handling of personal information when provided to third parties or contractors. In principle, personal information is collected only after obtaining the consent of the individual concerned.

Referring to the Hitachi Group Privacy Principles, Hitachi, Ltd.'s Personal Information Protection Policy and related regulations, each Hitachi Group company establishes its own Personal Information Protection Policy and works to build and operate personal information management systems.

 [About Personal Information Protection of Hitachi, Ltd. \(Privacy Policy and Summary\)](#)

 [About Personal Information Protection of Hitachi, Ltd.](#)

Appropriate management of contractors

When Hitachi outsources the handling of personal data to contractors, we require them to protect personal data at a level equivalent to that required under the Hitachi Group Privacy Principles.

For example, Hitachi has established internal regulations governing the outsourcing of personal information and conducts the screening and supervision of contractors. When outsourcing business operations, Hitachi screens candidate companies and selects only those that protect personal information at a level equal to or higher than Hitachi's own standards. We only outsource business operations to contractors that agree to contracts incorporating strict personal information management provisions, including the establishment of a management framework and, in principle, a prohibition on subcontracting. Furthermore, we regularly assess contractors and encourage them to recognize their responsibilities, thereby strengthening the management and supervision of contractors.

In addition, the Hitachi Group Sustainable Procurement Guidelines, which set out requirements for procurement partners, include provisions on the prevention of personal and confidential information leakage and are shared with procurement partners.

 [Hitachi Group Sustainable Procurement Guidelines](#)

Structure for advancing information security

At Hitachi, the Chief Digital & Security Officer (CD & SO), who is responsible and accountable for information security and data protection across the Group, establishes policies and measures and oversees the maintenance and promotion of the management system. The Information Security Committee, chaired by the CD & SO and consisting of business unit (BU) heads and representatives from corporate functions, is held regularly to review and improve the management system.

The Information Security Committee deliberates and determines various information security policies and measures, including cybersecurity and data protection initiatives. Information on the policies and measures adopted, as well as their implementation status, is regularly reported to the Senior Executive Committee and Audit Committee members of the Board of Directors. The Senior Executive Committee deliberates and makes decisions on important information security issues. These issues are submitted to the Board of Directors as needed.

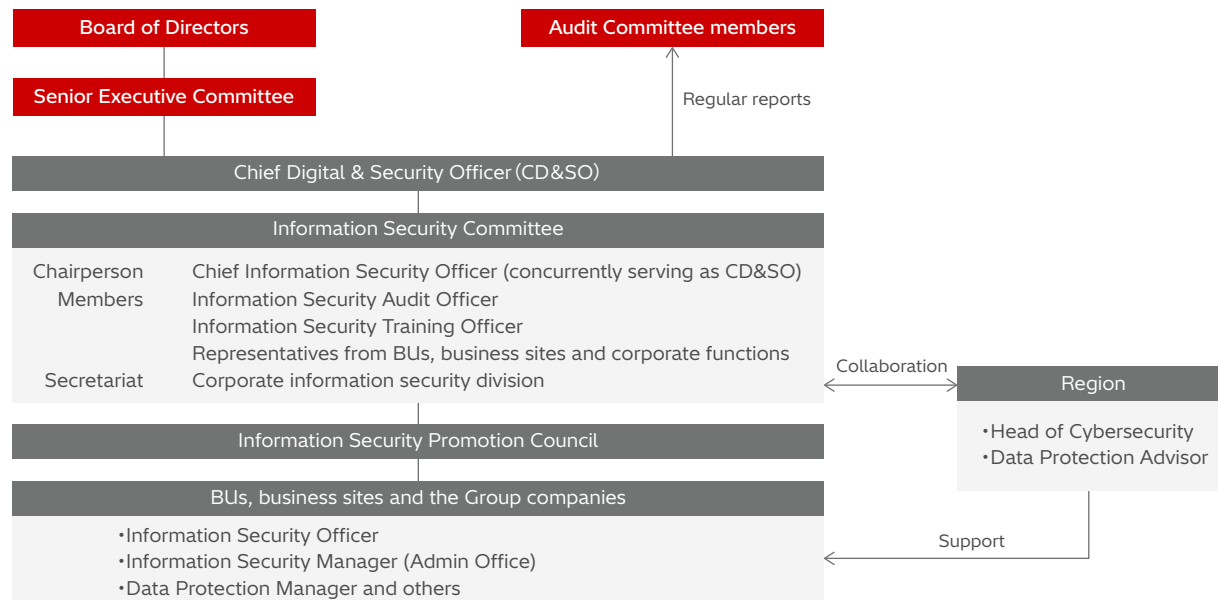
The policies and measures determined by the Information Security Committee are communicated to all BUs, business sites and the Group companies through channels such as the Information Security Promotion Council, which is attended by Information Security Implementation Officers and other relevant personnel.

Within each BU, business site, and Group company, Information Security Officers, Information Security Managers, Information Security Admin Office, and Data Protection Managers work together to implement information security and data protection measures. They are responsible for promoting employee awareness and training and ensuring that policies and measures are effectively implemented within their respective organizations. In the event of an information security incident, they report the incident to the information security organization within the relevant BU, business site, or Group company, or to Hitachi's corporate information security division. Support for investigation and incident resolution is provided as necessary.

Strengthening global governance for cybersecurity and data protection

To strengthen cybersecurity governance on a global basis, Hitachi has established region branches reporting directly to headquarters in the Americas, Europe, Asia, India and China, and has appointed a Head of Cybersecurity for each region branch. To strengthen data protection governance, Hitachi has appointed Data Protection Advisors within regional headquarters in the Americas, Europe, Asia, India and China. Through these Heads of Cybersecurity and Data Protection Advisors, Hitachi provides support to BUs, business sites and Group companies in each region and promotes coordination across the Group.

Structure for advancing information security



Global target for information security

PLEDGES

Under the Hitachi Group sustainability strategy, PLEDGES, we have established the target of ensuring and enhancing information security across the Hitachi Group. To achieve this target, we formulate and implement various measures based on industry trends and global regulatory developments.

Specifically, the information security division conducts annual self-assessments by monitoring the Cybersecurity Score, which was developed with reference to guidelines such as the Ministry of Economy, Trade and Industry's Cybersecurity Management Guidelines, to verify whether appropriate security measures are being effectively implemented. In this way, we strive to ensure and enhance information security.

In fiscal 2025, we assessed the governance status across the entire Hitachi Group with the aim of enhancing the effectiveness of risk management. We monitored the effectiveness of measures implemented by each BU and Group company and improved the management framework. At the same time, we improved existing measures to enhance monitoring capabilities and accelerate incident response. As regulatory requirements continue to tighten across countries and regions, we intend to leverage our global data protection framework to ensure a stable and consistent response.

Information security management

In accordance with the Information Security Management Rules, Hitachi has established an information security management system incorporating the international standard ISO/IEC 27001. In light of the increasing severity of cyberattacks in recent years, we continue to strengthen information security based on the Information Security Standards, operational procedures that comply with the U.S. government standards SP800-53/171.

Audits, assessments and monitoring of information security and data privacy

Hitachi advances its information security and data privacy initiatives through the PDCA cycle of its management system. We conduct regular audits, assessments and monitoring to verify that the management system is being properly implemented across BUs, business sites and Group companies.

Audits

Hitachi, Ltd.'s audit department conducts regular audits of all business operations, including information security, at BUs, business sites and Group companies.

All divisions of Hitachi, Ltd. and Group companies in Japan conduct annual internal audits of information security and personal information protection. Internal audits are conducted independently by auditors appointed by the President & CEO. Auditors are not permitted to audit their own divisions, thereby ensuring fairness and independence. Group companies in Japan conduct internal audits equivalent to those conducted by Hitachi, Ltd., and the results are reviewed by the corporate information security division.

Assessments

Hitachi conducts regular on-site assessments through specialized internal security teams to verify the implementation status of information security measures and reduce security risks.

Monitoring

With regard to data privacy, Hitachi conducts annual monitoring of Group companies to confirm that internal regulations in accordance with the Hitachi Group Privacy Principles have been properly established and implemented.

Self-checks

All divisions of Hitachi, Ltd. conduct annual self-checks to confirm the operational status of personal information protection. In

addition, business divisions that handle important personal information conduct monthly checks to confirm the operational status of their respective operations.

Training and awareness on information security and data privacy

Hitachi holds annual e-learning programs on information security and data privacy for all executive officers and employees.

At Hitachi, Ltd., completion of e-learning on information security and personal information protection is mandatory. In fiscal 2025, the completion rate reached 100%, excluding those unable to participate due to reasons such as leave of absence. In addition, Hitachi, Ltd. offers a variety of training programs tailored to different target groups and objectives, including classroom sessions for new employees, newly appointed managers, and Information Security Managers, to provide education on information security and personal information protection. Hitachi, Ltd. shares its training content within the Group and is actively engaged in information security and personal information protection training throughout the entire Group.

Hitachi also conducts simulated targeted e-mail attack training to educate employees about targeted e-mail attacks and other cyberattacks. Employees receive deceptive emails designed to simulate actual attacks, helping to raise security awareness through firsthand experience.

In addition, Hitachi regularly holds seminars for Hitachi Group employees to raise awareness of information security and personal information protection. We promote awareness-raising initiatives, including sharing relevant information via our corporate intranet.

Prevention of information leakage and incident response

Hitachi implements a number of common IT security measures to prevent information leakage, including device encryption, secure PCs, electronic document access control and expiration processing software, ID management and access control via authentication infrastructure, and e-mail and website filtering systems. In response to targeted e-mail attacks and other cyberattacks, we participate in public-private information-sharing initiatives and strengthen various IT security measures, including defense-in-depth strategies.

To prevent information leakage from procurement partners, when outsourcing work involving the handling of information, we review and assess their information security measures in advance based

on Hitachi's information security requirements. We also provide security education materials to procurement partners, and we ask procurement partners to check and remove business information from personally owned devices.

At Hitachi, when an information security incident occurs, we follow established emergency response procedures. These procedures outline immediate actions such as internal and external reporting, prompt containment measures and identification of the affected information assets. They also cover early-stage responses such as investigating the cause, addressing complaints and establishing communication procedures for notifying affected individuals. In the event of an information security incident, BUs, business sites and Group companies must report the incident immediately to the information security division in accordance with established emergency response procedures. In addition, the emergency response procedures detail the process for notifying the relevant authorities and affected individuals in the event of a personal information leak.

Cybersecurity initiatives

As a wide range of cyberattacks, including supply chain attacks, ransomware attacks, and attacks exploiting zero-day vulnerabilities, continue to occur, and the sources and impacts of incidents continue to expand, Hitachi addresses these risks through cybersecurity management tailored to the characteristics of each environment, including internal IT environments, development and testing environments, production and manufacturing environments, supply chains, and products and services. Hitachi also continues to strengthen its cyberattack monitoring and incident response capabilities to reduce business risks.

Cybersecurity management

Hitachi has established standards for vulnerability management and network security in internal IT environments and requires BUs and Group companies to regularly assess the status of their security measures and implement corrective actions where necessary. As a Group-wide measure, we monitor the status of vulnerability mitigation measures on devices and follow up with users and administrators.

In the development and testing environments, as well as production and manufacturing environments, we have established standards and guidelines for the implementation and operation of each environment to ensure security compliance, and promote

measures based on these guidelines throughout the Hitachi Group. We also share Hitachi's information security requirements with procurement partners and work closely with them to strengthen security.

In addition, we have established management principles for ensuring and maintaining the security of products and services, and we promote measures based on these principles throughout the Hitachi Group. To enable appropriate responses to vulnerabilities and incidents, we have established Product Security Incident Response Teams (PSIRTs), responsible for the technical aspects of product and service security, at headquarters, BUs and Group companies. These teams work collaboratively to address vulnerabilities and respond appropriately to incidents relating to products and services.

Furthermore, based on the Three Lines of Defense concept, we have established a framework to maintain security measures for development and testing environments, production and manufacturing environments, and products and services. As the first line of defense, each BU and Group company conducts self-assessments to confirm compliance with guidelines and management principles. As the second line of defense, the headquarters information security division monitors the results of these self-assessments. As the third line of defense, the audit division reviews the implementation of these monitoring activities.

Cybersecurity monitoring and incident response enhancement

Hitachi maintains 24/7/365 monitoring and incident response functions through the Hitachi Security Operations Center (SOC). This enables the early detection of global-scale cyberattacks and a rapid response.

Hitachi also strengthens its cybersecurity monitoring capabilities through Endpoint Detection and Response (EDR)*¹ to monitor device behavior and strengthen authentication protection, and through External Attack Surface Management (EASM)*² to identify and manage its attack surface. We continue to improve and strengthen our cybersecurity monitoring environment by leveraging the latest technologies.

*¹ Systems to monitor suspicious behavior and attacks on endpoint devices such as computers and enable rapid response

*² Systems to identify and manage assets exposed to external networks, such as the internet, that could become targets of cyberattacks

Data protection initiatives

As the use of data continues to expand and cross-border data flows increase, risks related to data protection are also growing. Based on the Hitachi Group Privacy Principles and the Personal Information Protection Policy, Hitachi promotes data privacy and personal information protection while strengthening governance in line with legal and regulatory developments in each country and region. Through these efforts, Hitachi seeks to achieve both the appropriate management and effective use of data.

Privacy protection initiatives

Hitachi, Ltd. has introduced the Hitachi Privacy Impact Assessment (PIA) system and conducts privacy impact assessments for operations involving the handling of personal data, thereby working to prevent privacy-related issues before they occur. The system is also being gradually introduced across Group companies. Through the development of guidelines and checklists, as well as regular training programs, we promote the implementation of appropriate privacy protection measures and raise employee awareness of privacy protection.

In addition, due to the nature of its business, the Digital Systems & Services Sector, which drives Hitachi's digital business, has established the position of Personal Data Officer responsible for overseeing the handling of personal data, as well as the Privacy Protection Advisory Committee, which brings together expertise in privacy protection and supports risk assessments and the development of mitigation measures. Through this framework, we are further strengthening our privacy protection efforts.

Personal information protection initiatives

To maintain a level of personal information management that goes beyond the requirements of Japan's Act on the Protection of Personal Information, Hitachi, Ltd. has established a personal information protection management system in accordance with the Japan Industrial Standard (JIS) Q 15001, Personal Information Protection Management Systems – Requirements. Through this system, we promote the appropriate management of personal information, provide educational programs for all employees and conduct periodic audits to help ensure the protection of personal information. Personal information is never provided to third parties without prior consent. When prior consent is obtained, we require third parties receiving such data to comply with Hitachi's rules for handling personal information.

Responding to relevant laws around the world

With increasing privacy risks, countries and regions around the world are actively enacting and revising relevant laws and regulations. Hitachi ensures thorough compliance with applicable legal requirements across the Group globally, monitors developments in laws, regulations and social trends and implements appropriate measures.

In Japan, Hitachi complies with the requirements of the Act on the Protection of Personal Information regarding the reporting of personal data breaches and notification of affected individuals. In the event of a breach that may harm the rights and interests of individuals, Hitachi promptly reports the incident to the Personal Information Protection Commission and notifies the affected individuals. In fiscal 2025, there were no reportable personal information breach incidents at Hitachi, Ltd. under the Act on the Protection of Personal Information.

Third-party evaluations and certifications

ISMS certification

Hitachi promotes the acquisition of third-party evaluations and certifications for information security management. As of the end of July 2026, 8 divisions of Hitachi, Ltd. and 28 divisions across 17 Group companies in Japan had obtained ISMS certification based on ISO/IEC 27001, the international standard for information security management systems, including cybersecurity. These certifications are maintained and renewed through periodic audits conducted by independent certification bodies. Hitachi is also expanding its ISMS certification efforts outside Japan.

PrivacyMark certification

Hitachi promotes the acquisition of third-party evaluations and certifications for personal information protection. As of the end of July 2026, Hitachi, Ltd. and 38 Group companies in Japan had obtained PrivacyMark*¹ certification, a third-party certification system for personal information protection in Japan.

*¹ A third-party certification granted to businesses that are recognized as having implemented appropriate measures for the management and protection of personal information. The certification is administered by the Japan Institute for Promotion of Digital Economy and Community (JIPDEC)

Risk management

Risk management approach

Hitachi's business activities have been transformed through innovations in digital technologies such as AI and the advancement of globalization, among other events, and the types of risks that could have a significant impact on management have diversified. Since individual risks interact with each other and can affect business activities in a complex chain reaction, they must be viewed from multiple perspectives, such as their nature, likelihood of occurrence and impact on Hitachi if they do occur. In addition, for Hitachi to enhance its corporate value over the medium to long term, it is important not only to view risks as threats but also to view them positively as business opportunities and create profit-earning opportunities in the risk management process. Accordingly, Hitachi has developed a Group-wide risk management system and risk management process, with reference to international risk management frameworks such as COSO-ERM and ISO 31000, to promote comprehensive, efficient and systematic risk management across the Hitachi Group.

Risk management system

In accordance with internal rules for Group-wide risk management, Hitachi has established a system for managing information on Group-wide risks and addressing risks of high importance on a priority basis. The Chief Risk Management Officer (CRMO), who is responsible for Group-wide risk management, identifies risks across the Hitachi Group and reports to the Senior Executive Committee and the Board of Directors on the status of risk responses.

Furthermore, Hitachi has built a risk management system that classifies and organizes risk management functions and roles within the Hitachi Group into three lines (the "Three-Line Model"). The functions and roles of each line are as follows.

A Sector Risk Management Officer (RMO) and business unit RMO (BU RMO) are assigned to each sector and BU, which are the first line. They implement and oversee risk management of the sector/BU that they are in charge of, and report the status of risk

management to the CRMO and Group Corporate.

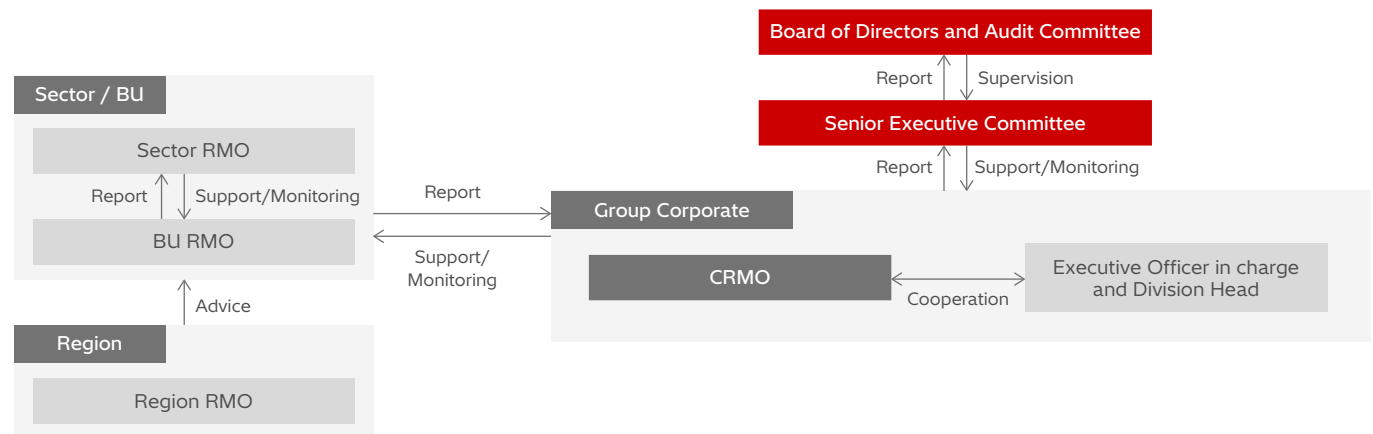
Group Corporate, which is the second line, manages risk in each division, assigning an RMO where necessary, and also works with the CRMO to provide advice, support and monitoring, etc., for first-line risk management.

The third line, the Internal Auditing Office, verifies and evaluates risk management in a position that is independent of the first and second line, and provides advice where necessary.

In addition to the above, an RMO is also assigned to each region, including Japan, and works with the CRMO to provide risk management advice to the first line from the perspective of their region.

Going forward, Hitachi aims to strengthen the Group-wide risk management promotion system by further increasing information sharing between RMOs and cooperation across the Hitachi Group.

Group risk management system



Risk management initiatives

PLEDGES

In accordance with internal rules setting out Group-wide risk items, risk assessment methods and other relevant matters, Hitachi continually identifies and assesses risks, and implements and improves measures to address them through the following process in line with changes in the business environment both inside and outside the Company.

A) Identification and assessment of risks

Based on Group-wide risk items, sectors and BUs identify risks related to their business activities and assess the impact*¹ and likelihood of occurrence*² (bottom-up approach). The results of the bottom-up approach are reviewed by members of the Senior Executive Committee and others from the perspective of the Hitachi Group as a whole and the overall risk portfolio, and the key risks for the Hitachi Group are selected (top-down approach). The selected key risks are organized and analyzed using tools such as risk heat maps. Among these risks, those requiring prioritized discussion and action are designated as key focus areas.

B) Measures to address risks

Measures to address identified and assessed risks are formulated and implemented from the perspective of avoidance, mitigation, transfer, acceptance, etc. The status of measures for the key focus areas determined in the process described in A) above, which include important management priorities such as ensuring strategic human capital and strengthening the supply chain, is reported to the Senior Executive Committee and the effectiveness and appropriateness of the measures and the schedule for addressing risks are discussed.

C) Improvement

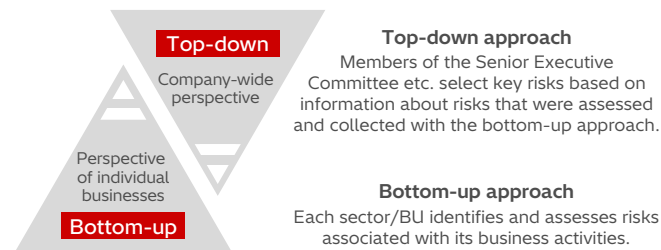
Hitachi adapts to the changing business environment by confirming that risks are being properly identified, analyzed, assessed and addressed and continually making improvements where necessary.

Additionally, under the slogan "We Are All Risk Managers," efforts are made to foster a risk culture and risk ownership across the Hitachi Group and to increase the effectiveness of the risk management process through training programs that encourage a change in behavior and initiatives to strengthen human resources.

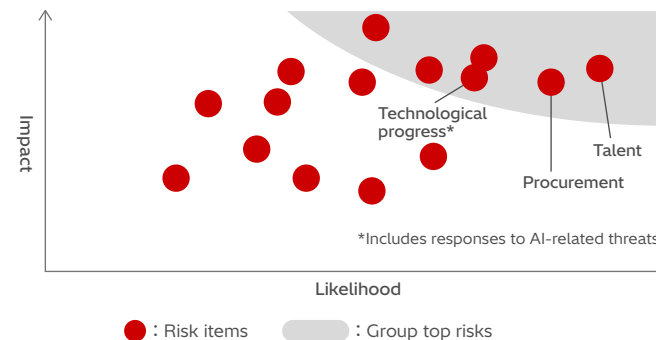
*1 The impact is evaluated based on finance, employees, customers/business partners, laws and regulations and other factors and from the perspective of stakeholders.

*2 Evaluation is made in terms of the actual occurrence in the past and the estimated probability of future occurrence.

Risk assessment process



Illustrative group risk heat map



AI governance-related initiatives

PLEDGES

Today's business environment makes it essential for companies to achieve productivity gains and other business outcomes through the use of AI. For Hitachi to maintain and strengthen our competitive advantage in this business environment, we must employ sophisticated management that enables us to proactively leverage AI while mitigating the critical risks associated with AI.

We published the principles guiding the ethical use of AI and established AI ethics committees at organizations that handle AI, thereby establishing AI governance mechanisms to manage risks from the perspective of AI ethics. We also established the AI Supervisory Committee, chaired by the Chief Legal Officer (CLO). This committee strengthens our global AI governance by overseeing the AI ethics committees across sectors and BUs. Furthermore, Hitachi has set up the AI Advisory Board comprising external experts to foster discussions on appropriate AI governance.

Inspire 2027 aims to provide long-term value through the development and utilization of human-centric AI. To this end, we will enhance risk management in the application of AI to products, services and systems centered around the AI Supervisory Committee. As part of these efforts, we establish risk management processes tailored to the characteristics of each sector and BU while also improving the efficiency of AI risk management. We have also established guidelines governing not only the internal use of AI but also its external applications. In fiscal 2025, we expanded these guidelines to reflect the broader use of AI agents.

[Principles guiding the ethical use of AI in Social Innovation Business](#)

[Hitachi's Activities for the Ethical Use of AI in Its Social Innovation Business](#)

Efforts against investment risks

Hitachi established a clear decision-making framework for all stages of our business, including investment and financing, to ensure that we capture growth opportunities while appropriately managing risk.

When making investment and financing decisions, our deliberation structure comprises three levels: the Board of Directors, the Senior Executive Committee and the relevant sector or BU. We delegate decision-making authority according to the size and risk profile of each proposal, enabling prompt and appropriate decision-making. In order to effectively conduct deliberations at the Senior Executive Committee, the Investment Strategy Committee has been established as an advisory body. The committee comprises members from corporate divisions and other organizations selected from a global perspective. For significant projects, the committee deliberates on risks,

countermeasures, business feasibility, growth strategies and other factors from multiple perspectives in light of changes in the business environment before making recommendations to the Senior Executive Committee.

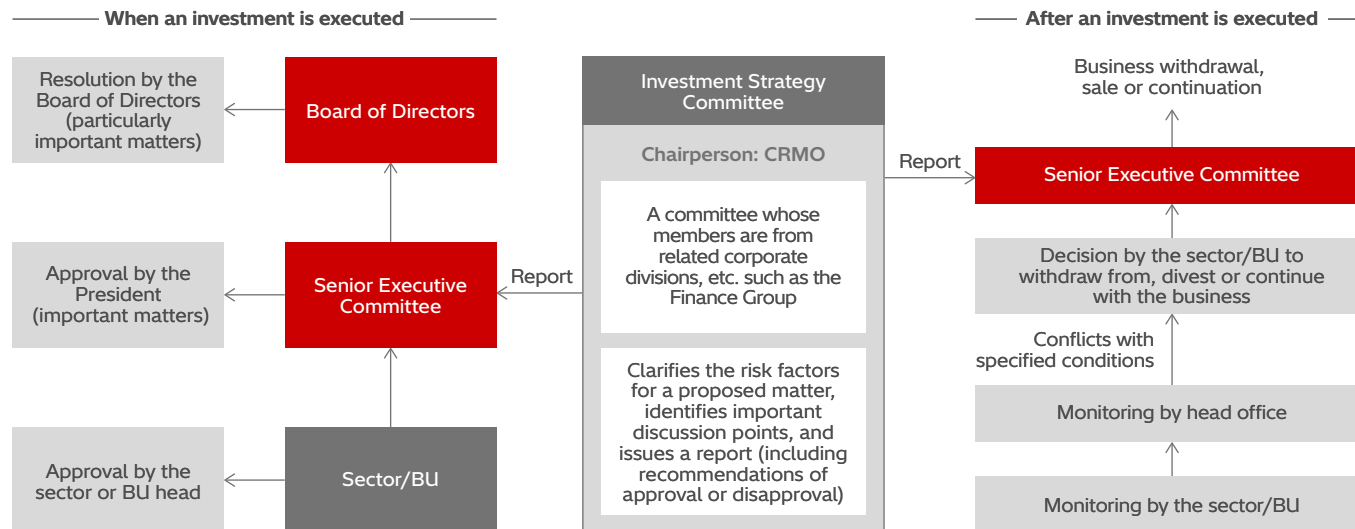
After an investment is executed, we periodically monitor the status of the project against the plan. If the project fails to proceed as expected, we assess whether to continue or withdraw to improve capital efficiency.

We identify changes in the global economic environment, digital technologies, geopolitics, customer trends and other factors surrounding Hitachi from both risk and opportunity perspectives. We continue to refine our criteria for investment and financing decisions, as well as our post-investment PMI and monitoring framework, to enhance medium- to long-term corporate value and achieve our management plan.

Quantitative understanding of risks

Hitachi quantifies risks by calculating expected maximum potential loss (Value at Risk) using statistical methods for each type of assets held on the Group's consolidated balance sheet. We also quantify the risks associated with the order backlog for long-lead-time contracts by taking future uncertainties into account. We regularly monitor our capacity for growth investment by visualizing available financial resources based on total consolidated net assets and other indicators. This approach helps us capture growth opportunities while keeping risk balanced with our consolidated financial strength. We also quantitatively analyze and assess risk levels and profitability on a regional and per-sector basis.

Framework of decision-making



Business continuity initiatives

Given the close relationship of our business to social infrastructure, Hitachi continues to strengthen business continuity plans (BCPs) and business continuity management (BCM) to ensure that risks do not disrupt our business or significantly affect society.

At Hitachi, each business division at each company prepares for large-scale earthquakes, typhoons, floods and pandemics by formulating Business Continuity Plans (BCPs) based on the Hitachi Group Guidelines for Developing Business Continuity Plans, created in three languages (Japanese, English and Chinese.)

Hitachi, Ltd. and domestic Group companies also implement earthquake preparedness simulation drills to effectively execute BCPs established by each business division and continuously improve plans as needed. In fiscal 2025, we continued preparations for a major earthquake in the Tokyo metropolitan area by conducting an initial response drill for disaster-response staff at the Hitachi, Ltd. headquarters based on a scenario involving a temporary network disruption. We also explored preparations for a potential Nankai Trough Earthquake through lectures and workshops.

Results of drills simulating headquarter earthquake measures

FY2023	Added a drill scenario in which an earthquake strikes the Tokyo metropolitan area during daylight hours on a weekday and temporarily disrupts network connections, requiring initial communication with disaster-response staff
FY2024	Reconfirmed initial response procedures, from ensuring the safety of disaster-response staff and confirming their status to gathering at the headquarters meeting room, based on a scenario in which an earthquake strikes the Tokyo metropolitan area during daylight hours on a weekday
FY2025	Conducted an initial response drill using emergency communication methods between headquarters and nearby office buildings, with both in-person and remote participation, based on a scenario in which an earthquake strikes the Tokyo metropolitan area during daylight hours on a weekday and disrupted network communications in central Tokyo

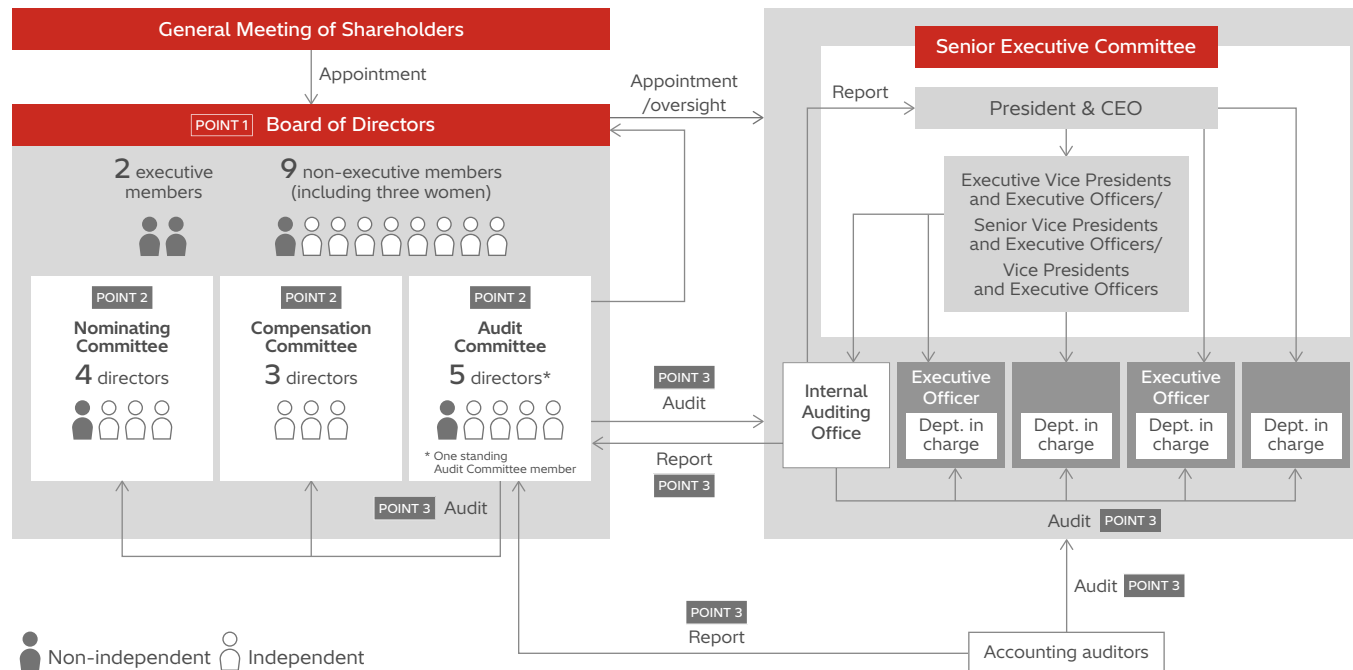
In addition to the above, please refer to the following for risks related to business operations and other relevant information.

- Annual Securities Report (the 157th business term) page 40 (Risk Factors)
- IRO areas of the Hitachi Group
- Climate-related financial information disclosure (based on TCFD recommendations)
- Global human capital management
- Business ethics and compliance
- Information security
- Sustainable procurement

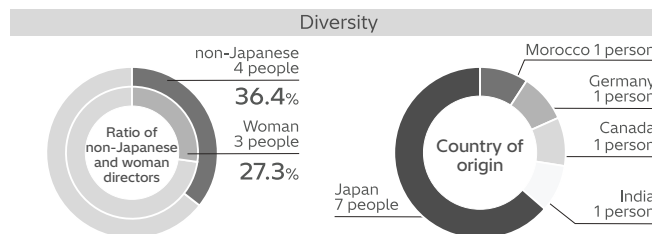
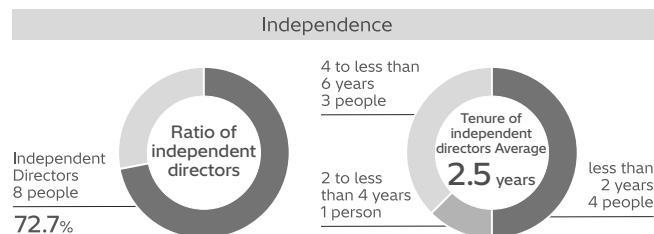
Corporate governance

Hitachi views the expansion of long-term, overall returns to shareholders and investors as an important management objective. To enhance corporate value, we maintain good relationships with diverse stakeholders and are establishing a framework to foster sustainable value creation through ongoing dialogue. In terms of corporate governance, we separate oversight from execution, supporting swift business execution and underpinning highly transparent management.

Hitachi's corporate governance framework and features (as of June 2026)



Board of Directors composition (as of June 2026)



POINT 1 Independence of the Board of Directors

A structure with a majority of independent directors, including international directors

The Board of Directors consists of 11 members: eight independent directors, two directors who concurrently serve as executive officers and one non-executive director. The Board is chaired by an independent director. Furthermore, by separating management oversight from execution, we have established a structure that enables the Board to fully exercise its supervisory functions.

POINT 2 Transparency in management

Robust governance structure as a company with Nominating Committee, etc.

We have established three committees—Nomination, Audit and Compensation—each chaired by an independent director. This structure is designed to strengthen the supervisory function of the Board of Directors while ensuring that discussions and reporting within the committees are conducted effectively.

POINT 3 Enhanced collaboration through tripartite auditing

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

[Video: Hitachi's corporate governance and tripartite auditing](#)

[Corporate Governance Report](#)

Directors' skills matrix

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

No	Name	Major experiences and insights	Core skills			Professional skills				
			Corporate management	Global business	Risk management	Finance and accounting	Legal affairs	Digital	Government, international and educational organizations	Sustainability
1	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 sustainable management, having served as CEO of Diversey, Solvay and Syensqo, as well as chairman of WBCSD*, ICC* ² and Cefic* ³ , 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* ⁴ and the promotion of DX* ⁵ as President of Yokogawa Electric, and has rich experience and insight in global corporate management and sustainable 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 sustainable management, having served as the head of global business divisions at Dow Corning, and regional operations at Dow, as well as chair of the Sustainability Committee as an outside director of a 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 sustainable 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 sustainable 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 sustainable management as CEO, etc. at Hitachi.	○	○	○			○		○

*1 World Business Council for Sustainable Development

*2 International Chamber of Commerce

*3 The European Chemical Industry Council

*4 Operational Technology

*5 Digital Transformation

Definition

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

Director and executive officer compensation

Key principles of executive compensation

Key principles: Incentive plan	Aim for growth, profitability and cash generation	Accelerate sustainable management	Emphasize alignment with shareholder value	Ensure global competitiveness in business and compensation
Aligned with the medium- to long-term growth of corporate value and business performance Corporate value growth through pay-for-performance Linkage with the management plan + Medium- to long-term growth	1 Alignment with the management plan	For short-term incentive compensation and medium- and long-term incentive compensation, set performance metrics toward the management plan targets as key performance indicators (KPIs) to encourage executives to achieve them.		
	2 Establishment of a compensation program and a performance evaluation program that fosters a growth mindset	- Pursue an optimal balance among short-, medium- and long-term performance about growth, profitability improvement and cash generation, aiming for improvement of short-term performance and medium- to long-term growth in corporate value. - Establish a compensation program that significantly rewards performance by setting stretch goals and commensurate compensation levels.		
	3 Setting indicators to promote sustainable management	Develop specific indicators and goals under the sustainability strategy PLEDGES, and encourage their implementation.		
	4 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. - Promote long-term share ownership through measures such as the establishment of shareholding guidelines.		
Attract and retain key talent	5 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 lead global management of a global organization.		
	6 Compensation benchmarking with objectivity and transparency	Reference the benchmarks in the U.S. and European markets in addition to the benchmarks in the Japanese market for analysis and level-setting from multiple perspectives.		
Transparency, objectivity and fairness	7 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

(1) Directors

Compensation for directors is made up of basic compensation as fixed pay and stock-based compensation. The ratio for the base amount of basic compensation to stock-based compensation is 2.5-to-1. The methods for determining each type of compensation are as follows.

A. Basic remuneration

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

B. Stock compensation

Restricted stock compensation units (RSU) are granted to serve as an incentive to provide management oversight and advice with

the medium- to long-term enhancement of corporate value in mind. After three years have passed, Hitachi provides an amount equivalent to the granted units in the form of common stock or cash.

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

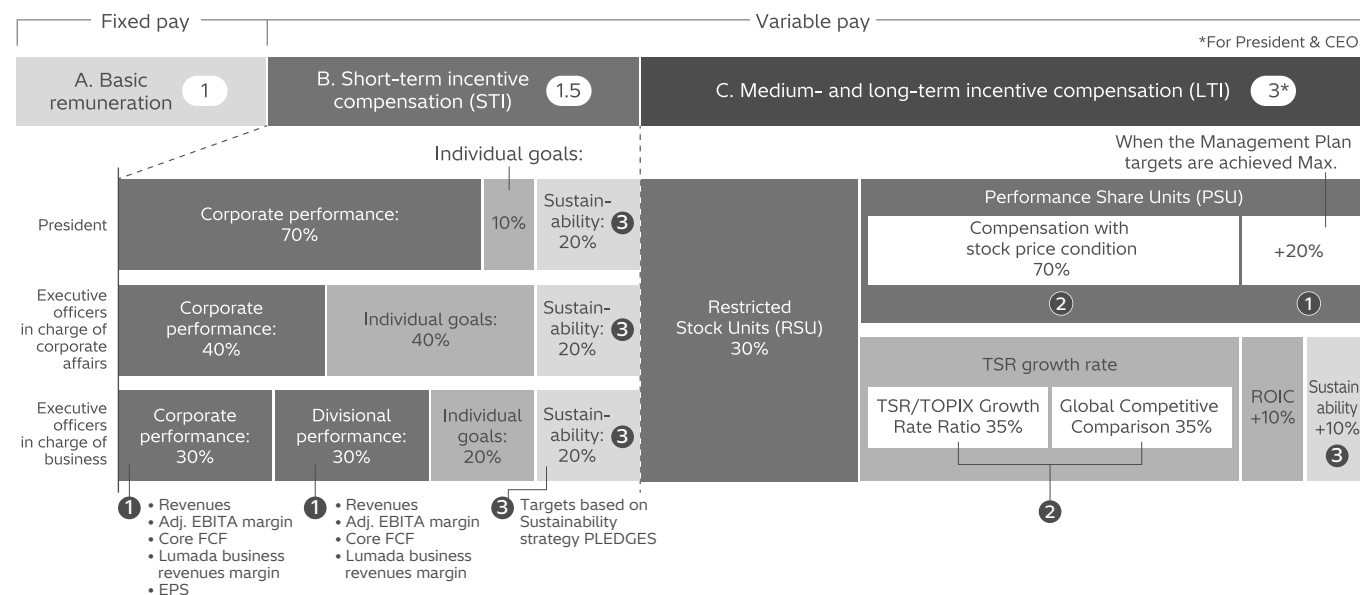
Alignment of increased corporate value with employee compensation

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

(2) Executive Officers

Compensation for Executive Officers consists of basic compensation as fixed pay and short-term incentive compensation and medium- and long-term incentive compensation as variable pay. The ratio of base amounts for each form of compensation is determined to ensure the enhancement of corporate value through global business growth, referencing ratios for executive compensation at leading global companies, including those in Europe and the United States. In the case of Hitachi's President & CEO, this ratio is 1 : 1.5 : 3. In addition, ratios are set so that the higher the rank of an executive officer position, the greater the variable compensation as a percentage of total compensation. The details of compensation are disclosed in the Compensation to Directors and Executive Officers, etc. section on page 123 of Hitachi's Annual Securities Report.

Annual Securities Report (the 157th business term)



Key Aspects of Compensation to Executive Officers

- 1 Strengthening the link with the management plan
 - Adopt the key indicators set forth in Inspire 2027 as KPIs (STI, LTI)
- 2 Strengthening the link with corporate value enhancement
 - Set a high ratio of stock price condition compensation (LTI)
 - Establish a global competitive comparison (LTI)
- 3 Further evolving sustainable management
 - Separate sustainability evaluations and set at 20% (STI)
 - Some targets and KPIs of the sustainability strategy PLEDGES are incorporated into executive compensation evaluation to encourage their execution (STI, LTI)

Linking executive compensation to the sustainability strategy

A. 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.

B. Short-term incentive compensation (STI)

The amount of short-term incentive compensation is decided within the range of 0 to 200% of a basic amount set according to the relevant position, by adjusting that amount to reflect financial results and individual performance.

C. Medium- and long-term incentive compensation (LTI)

The target amount (medium- and long-term incentive compensation target (LTI target)) is decided based on the positions of Executive Officers in order to propel management from a medium- to long-term perspective and to provide incentives to bring about a sustainable increase in corporate value by further promoting shared values among senior management and shareholders through the holding of shares from their term of office. In order to further clarify its commitment to enhancing corporate value over the long term, in March 2026, the Company revised its executive stock compensation program. Under a globally unified program, medium- and long-term incentive compensation consisting of restricted stock unit (RSU) awards and performance-linked stock unit (PSU) awards is granted. Details are available on page 125 of the Annual Securities Report.

Annual Securities Report (the 157th business term)

If it is found that an executive officer has engaged in misconduct during his/her term of office, compensation for Executive Officers that has already been paid shall be returned to the Company (clawback policy). Shareholding guidelines for Executive Officers are designed to further enhance the effectiveness of sharing value with shareholders through shareholding and to promote continued shareholding. 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 basic remuneration by coefficients determined according to their respective positions.

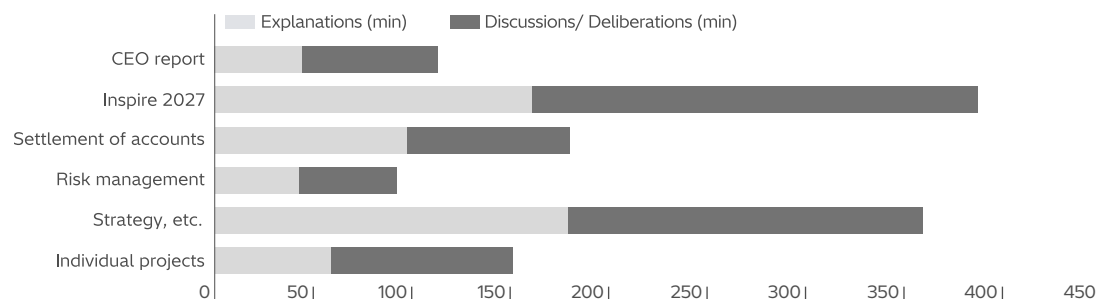
Administrative performance of the Board of Directors

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

In fiscal 2025, by approving Inspire 2027 management plan and receiving progress reports on two occasions at board meetings, we held many discussions on the ideal state the Hitachi Group should aim for in the future and the business strategies that would make that possible. We also widely discussed and deliberated on risk management pertaining to generative AI, and responses to geopolitical risks in light of recent world affairs.

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

FY2025 time spent and ratios of explanations and discussions of important topics (results up to March 31, 2026)



Board of Directors Meeting and major agendas in FY2025

Meetings

Meetings held	Average number of agenda items	Average meeting length
10 (9) times	7.3 (8.0) per meeting	160.2 (170.0) minutes

Note: Figures exclude those from the Extraordinary Meeting of the Board of Directors held on October 9, 2025.

Topics

Main topics discussed

CEO report	Progress of capital policy-related matters, response to investors, etc.
Inspire 2027	Resolution to approve Inspire 2027: 1 meeting Progress reports: 2 meetings
Settlement of accounts	Financial results, business environment, shareholder returns, etc.
Risk management	Status of compliance initiatives, improvements to Group governance and M&A processes, AI risk management, enterprise risk management (ERM), monitoring of investment and financing projects, etc.
Strategy, etc.	Research and development strategy, regional strategy, human capital strategy, sustainability strategy, individual M&A transactions

Activities of the three committees

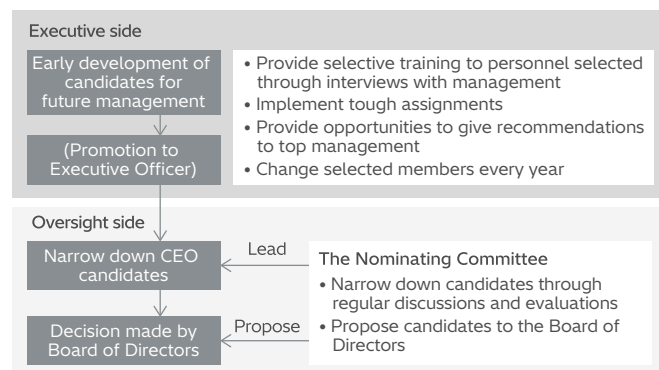
	Meetings held in FY2025	Major activities
Nominating Committee	10 times	- Decided the details of proposals for the election of directors - Discussed future CEO successor candidates - Confirmed the structure of executive officers for fiscal 2026 - Discussed the development of management leadership candidates, conducted one-on-one interviews with leadership candidates
Compensation Committee	7 times	- Confirmed and deliberated over the processes and details of performance evaluations and individual target evaluations regarding the assessment of fixed compensation and short-term incentive compensation for executive officers - Discussed and deliberated on executive officer shareholding guidelines (to be introduced from fiscal 2026). - Decided to revise the executive officer medium- and long-term incentive compensation program and transition to a structure consisting of a restricted stock unit (RSU) program and a performance share unit (PSU) program - Reflected changes in the business environment, feedback from shareholders and investors and benchmark information and advice from third-party organizations in conducting deliberations
Audit Committee	12 times	- Considered matters such as strengthening Hitachi's tripartite audit structure, and auditing the development and operational status of an internal control system - Verified the results of financial statement audits and internal control audits based on the accounting auditor's report - Checked and approved the quality control structure and compensation of the accounting auditor - Received regular reports on the risks, challenges and opportunities of executive departments: covering sustainability, human capital, health and safety, quality assurance, brand management, compliance, cybersecurity, and AI transformation - Conducted onsite audit of Group locations

CEO appointment and dismissal, and succession plan

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

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

The succession planning process



Analysis and evaluation of the effectiveness of the Board of Directors

The Company evaluates the effectiveness of its Board of Directors each year in an ongoing effort to maintain and improve its functions. In particular, beginning in fiscal 2025, to ensure the objectivity of the evaluation and incorporate multifaceted perspectives, evaluations by Executive Officers and interviews conducted by a third-party organization have been introduced.

FY2025 evaluation process

1. Self-assessment by each director (February 2026)	• Board role • Board composition (diversity of the Board, the number and proportion of independent directors, etc.) • Board operation (relation between the Board and Executive Officers, appropriateness of agenda setting, time allocation, meeting frequency, etc.) • Three committees' activities (composition, roles, report to the Board, etc.) • Information to the Board (provision of information such as the Board materials and business information, etc.) • Contribution of the Board members themselves (understanding of the business and Hitachi Group Identity, utilization of director's knowledge and experience, etc.) • Contribution by the Board (role of Chairperson, contribution to the succession plan of CEO, external communication, etc.)
2. Questionnaire-based evaluation by some Executive Officers (March 2026)	• Contribution by the Board • Board Composition • Relationship between the Board and Executive Officers
3. Interview conducted by a third party for independent directors (From February to March 2026)	• To gain a deeper understanding of the directors' self-assessment results, an interview with independent directors was conducted by a third party
4. Discussions among independent and non-executive directors (March 2026)	• Independent directors and non-executive directors held a meeting and discussed the effectiveness of the Board of Directors, referring to each evaluation result and the Board's activities in fiscal 2025 with respect to the evaluation items described in 1 through 3 above. The discussion focused on such topics as the appropriate division of roles between oversight/supervision and execution, strengthening communication between Directors and Executive Officers, and the policy regarding the involvement of independent directors in investor engagement
5. Discussions at the Board meeting (April 2026)	• The Board analyzed and evaluated its effectiveness as a whole and confirmed the policy on approaches to further enhance the Board's effectiveness based on director self-evaluations, executive evaluations, third-party interviews and Section 4 discussions, considering comparison to the evaluation results for the previous year and measures taken for improving its effectiveness

Evaluation results (overall evaluation in FY2025)

The overall effectiveness of the Board of Directors is ensured by the following strengths in particular:

1. A healthy balance between oversight and execution of management, built on transparency and trust
2. A diverse Board composition designed with a global perspective
3. A Board culture that enables open, candid, and substantive discussion
4. Effective facilitation of the meetings and smooth operations

Future initiatives

Enhance corporate governance and further improve the effectiveness of the Board

- The Board of Directors will continue to hold more vigorous discussions regarding management policies, etc. from a medium- to long-term perspective with a thorough separation of execution and oversight.
- In addition to discussions at Board of Directors meetings, by setting up meetings for executive officers and directors to exchange opinions freely regarding the long-term management policy, further promote sharing of understanding and fostering mutual trust between the Board and the executives.
- Independent and non-executive directors will share information on the selection of CEO and executive candidates as appropriate and provide further support for the development of said candidates

Enhance the Board support system and improve practical issues in operations

- Increase opportunities for Directors to further understand the businesses of the Company through briefing sessions to explain businesses, visiting operation sites of the Hitachi Group and other means
- Further improve the structure and contents of materials for the Board meeting, early provision of meeting materials

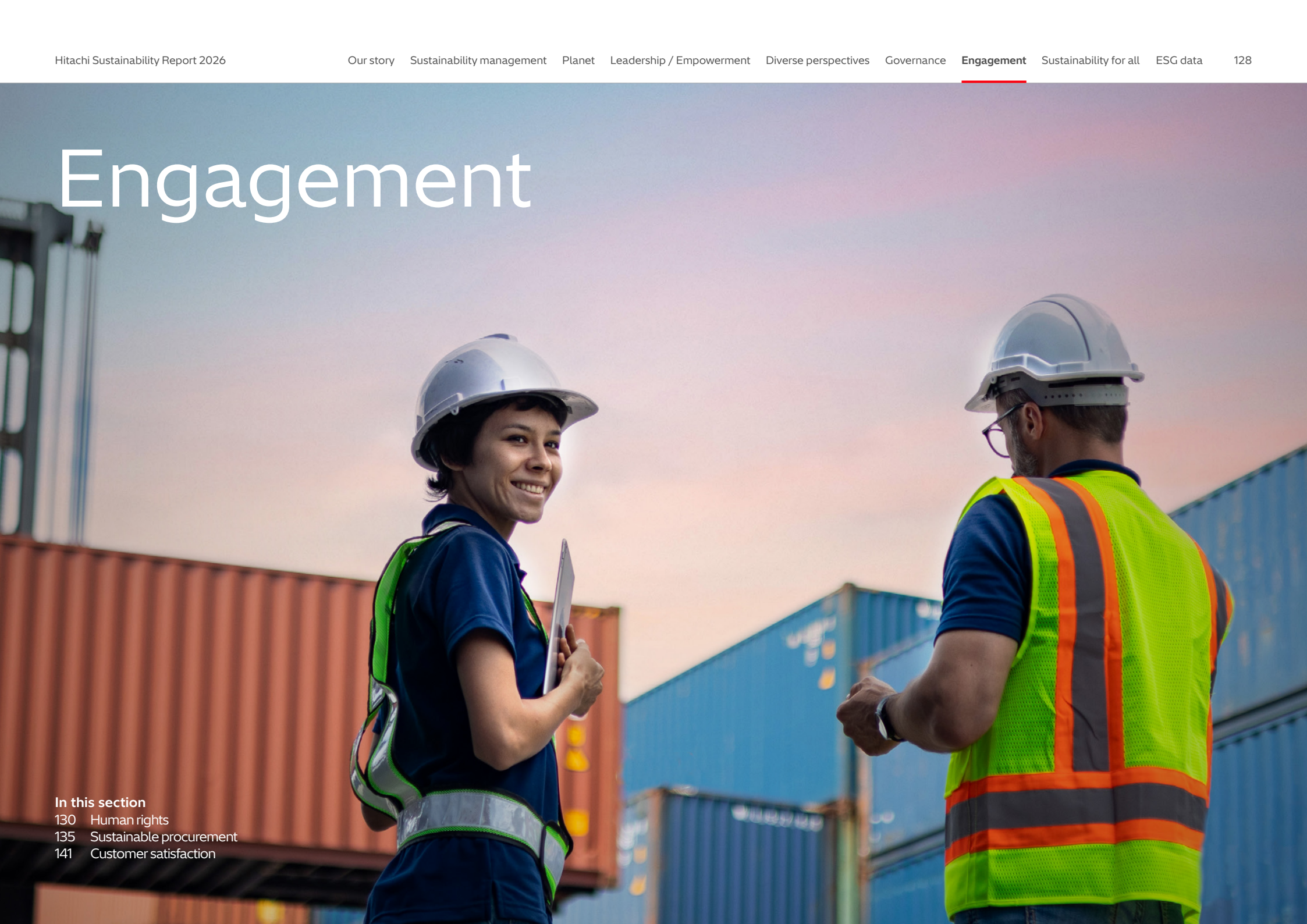
Dialogue with investors and information sharing with directors

Establish and implement appropriate opportunities for dialogue and share feedback from investors with each director

Engagement

In this section

- 130 Human rights
- 135 Sustainable procurement
- 141 Customer satisfaction



Sustainability starts in our operations. To have real impact, we have to extend our efforts throughout the entire value chain too.

Hitachi fosters business activities that emphasize sustainability across the entire value chain and aims to achieve the sustainable development of both society and business.

We position respect for human rights as a fundamental responsibility of a global company and strive to prevent human rights violations across all aspects of business activities.

Together with our procurement partners, we advance sustainable procurement by conducting risk assessments, audits and follow-up actions, while also engaging partners through dialogue and training. We further collaborate to set and achieve GHG emissions reduction targets across the value chain.

"Sustainability is neither a cost nor a constraint; it is a growth driver that strengthens business resilience and competitiveness. Sustainable procurement is essential to putting sustainability at the core of our business activities throughout the value chain, achieving mutual prosperity with our procurement partners and translating PLEDGES into concrete actions.

As One Hitachi, we strengthen supply chain resilience as part of our responsibility to society and business. We visualize risks and reduce them through close collaboration with procurement partners. By enhancing transparency, building trust and advancing globally consistent practices, we achieve both risk mitigation and growth, delivering sustainable value."



Alice Po

Vice President and Executive Officer, CPO,
General Manager of Value Integration Division

PLEDGES Leadership Video — Engagement

▶ WATCH

Engagement FY2025 highlights

5,232

Procurement partners taking action
on environment and human rights

428

Procurement partners have set
GHG reduction plans and targets

Human rights

Respecting the human rights of all people

Hitachi believes that respecting human rights is both our responsibility as a global company and a business essential. We do not tolerate any acts that impair individual dignity or discriminate on bases such as gender, sexual orientation, age, nationality, race, ethnicity, ideology, belief, religion, social status, family origin, disease, or disability.

We prioritize stakeholder engagement to understand and manage our human rights impacts. Stakeholders who are affected or may be affected include employees at Hitachi and its procurement partners, local communities, consumers, other individuals or groups whose livelihoods or working environments may be affected, industry associations, government entities, investors, NGOs/NPOs, human rights organizations, etc.

Hitachi Group Human Rights Policy

In 2013, Hitachi conducted stakeholder dialogue inviting representatives from the European Commission, the International Labour Organization (ILO), NGOs, companies, and lawyers, and formulated the Hitachi Group Human Rights Policy as top-tier internal rule.

In November 2024, Hitachi revised the policy to reflect business and international trends strengthening respect for human rights across the value chain. The policy incorporates feedback from numerous stakeholders, including the U.S.-based human rights NPO Shift, and was approved by the Senior Executive Committee. The update enhanced and clarified the international standards we commit to; identified six salient human rights issues; and clarified Hitachi's human rights due diligence (HRDD) process based on our track record.

Hitachi engages with diverse business partners, promoting understanding of its policies and taking appropriate actions to uphold respect for human rights and strengthen efforts toward a sustainable society.

We also protect freedom of expression and the right to privacy, as recognized by international norms, such as the International Covenants on Human Rights, to prevent and mitigate human rights impacts.

-  [Revision of Hitachi Group Human Rights Policy](#)
-  [Hitachi Group Human Rights Policy](#)
-  [Hitachi Group Code of Ethics and Business Conduct](#)
-  [Hitachi Group Sustainable Procurement Guidelines](#)
-  [Encouraging procurement partners to conduct activities](#)

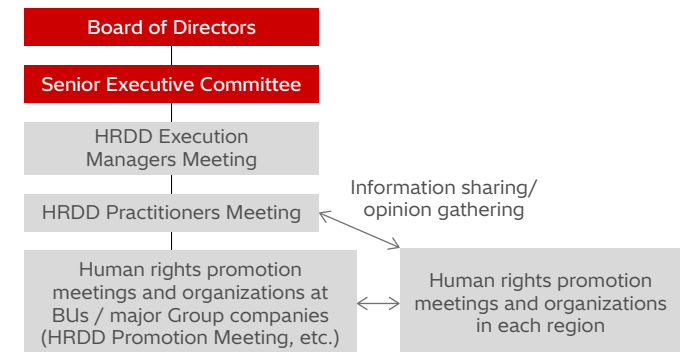
Structure for advancing respect for human rights

Hitachi continues to strengthen human rights risk management globally by tasking the Chief Sustainability Officer (CSuO) with Group-wide human rights initiatives and policies based on the status of HRDD progress. Our HRDD Promotion Secretariat, established within the headquarters of Hitachi, Ltd. (consisting of the HR division, procurement division and sustainability division) takes charge of core cross-division activities, including investigating measures, preparing manuals and guidelines and responding to internal and external inquiries.

To address diverse businesses and value chains, we appoint the heads of BUs and presidents of major Group companies to lead HRDD. We also assign HRDD Execution Managers to each BU and major Group companies. In addition, BUs and the overseas subsidiaries of major Group companies work with regional headquarters to address regional human rights issues.

We established a new HRDD Practitioners Meeting in fiscal 2025 to improve the quality of HRDD by confirming progress and discussing implementation issues (held four times in fiscal 2025). We also hold an HRDD Execution Managers Meeting once or twice yearly. At this meeting, we share and discuss the progress of HRDD at BUs and major Group companies, with important matters deliberated and decided by the Senior Executive Committee and submitted to the Board of Directors as necessary. Furthermore, the Audit Committee, composed of external directors, conducts audits of sustainability-related operations, including human rights.

Structure for advancing respect for human rights



Roles of human rights-related meeting body and organization

Meeting body/organization	Attendees	Purpose/role
HRDD Execution Managers Meeting	HRDD Execution Managers at BUs and major Group companies	Provide key information for HRDD and discuss implementation status across BUs and major Group companies
HRDD Practitioners Meeting	Human rights officers from BUs, major group companies and regional headquarters	Share HRDD progress and issues
Human rights meetings and organizations at BUs/major Group companies	Persons responsible for HRDD promotion, HRDD Execution Managers and persons in relevant divisions	Pursue human rights activities tailored to the business characteristics
Regional Human rights promotion meetings	HQ HRDD leads and selected BU/Group representatives	Share regional regulatory trends and risk; discuss responses to region-specific human rights issues

Global human rights targets

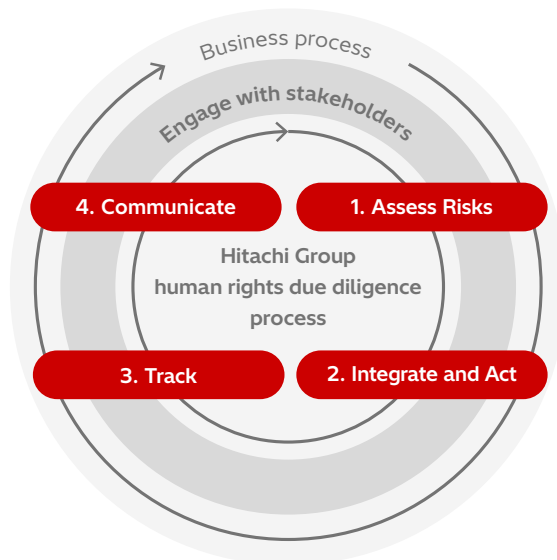
PLEDGES

Our goal under the Hitachi Group Sustainability Strategy PLEDGES is to identify and address human rights risks proactively through detailed implementation of HRDD. As a Group, Hitachi works actively to remediate the specific human rights risks identified.

Human rights due diligence (HRDD) initiatives

Hitachi manages human rights risks according to the HRDD process (illustrated herein), based on the Human Rights Risk Management Implementation Manual, and in line with the UN Guiding Principles on Business and Human Rights.

HRDD process



Implementation status of recent major HRDD

Year	Implementation status
FY2022	Transitioned from headquarters-led HRDD to a model led by business units (BUs) and major Group companies. Conducted four training sessions with Shift and carried out human rights risk assessments.
FY2023-FY2024	Conducted human rights risk assessments at all BUs and major Group companies. Held a guidance session led by Shift and, at certain BUs and Group companies, considered measures to address salient human rights issues and methods for verifying their effectiveness to promote understanding of the processes following human rights risk assessments.
FY2025	Created measures based on the Shift methodology to implement HRDD more effectively (e.g., formulate common standards for the Hitachi Group risk assessment process, use AI for initial determinations, etc.). Introduced a system to centrally manage the progress of HRDD at the headquarters (from risk assessment to decision-making and implementation of response measures) at BUs and major Group companies.

(1) Assess risks

Under the Hitachi Group Human Rights Policy, we identified forced labor (including violations of migrant workers' rights), child labor, harassment, discrimination, lack of health and safety and violation of freedom of association as salient human rights issues common across multiple BUs and Group companies. During the risk assessment phase of HRDD, each BU and major Group company conducts a risk assessment that considers these salient human rights issues as well as the characteristics of each business.

In fiscal 2025, we began creating a heat map visualizing human rights risks for each BU and major Group companies. We conduct risk assessments based on trends in the external environment noted through dialogues, etc., with NGOs. We conduct discussions within the HRDD Practitioners Meeting and use AI for certain aspects of the risk assessments. Based on criteria common throughout the Hitachi Group, we assess the negative impacts of human rights issues across the value chain for all BUs and major Group companies, including assessments of the severity and likelihood of occurrence. We proceed to investigate the situation on the ground through a self-assessment questionnaire (SAQ) and dialogue with stakeholders, including rights holders. In this way, we identify risks for which corrective action is required.

Key risks by salient human rights issue

Salient Human Rights Issues	Description
Forced Labor	(Investigated, but no risk identified at this time)
Child Labor	
Harassment	Various types of harassment in the workplace
Discrimination	Discrimination in the workplace (lack of multilingual support, etc., may limit participation by foreign language speakers)
Lack of Health and Safety	Occupational incidents at Group factories and at subcontractor construction sites
Violation of Freedom of Association	Restrictions on freedom of association and the right to organize in certain Southeast Asian countries

Development of Group-wide risk assessment standards to support HRDD led by individual businesses

Each BU and major Group company at Hitachi deals with a different business and external environment. The manner and severity of possible human rights risks are diverse. As each business entity best understands their own situation, we believe it is important that each pursue HRDD under their own responsibility. Based on this idea, the HRDD Promotion Secretariat has been supporting the efforts of each entity to implement HRDD led by each BU and major Group company since fiscal 2022.

To strengthen the system that helps persons in charge of each BU and major Group companies to autonomously and effectively assess and judge human rights risks, we developed common Group-wide human rights risk assessment standards based on an HRDD methodology developed with NPO Shift. In addition to developing a long list of human rights issues, we also produced an evaluation criteria guide and evaluation format. Our efforts included the use of AI. We use AI for basic information related to risk assessments after discussions between BUs and Group companies and the HRDD Promotion Secretariat. In this way, we reduce the risk of AI generating content that does not reflect the facts (hallucinations).

Self-assessment questionnaire (SAQ)

As part of the HRDD risk assessment process, Hitachi developed a self-assessment questionnaire (SAQ) with support from Business for Social Responsibility (BSR), a U.S.-based nonprofit and external human rights expert. The SAQ enables BUs and the Group companies to conduct due diligence on the six salient human rights issues identified in Hitachi's Human Rights Policy. The SAQ is designed to assess whether business operations of each division align with the international standards to which Hitachi has committed. Use of the SAQ began across BUs and the Group companies in fiscal 2025.

Response to recruitment fee burdens on workers

A Group company accounted for using the equity method and based in Southeast Asia was found to have required workers to bear recruitment fees, a practice permitted under local law but deemed inappropriate by the ILO. In response, Hitachi collaborated with the majority shareholder outside the Group, the minority shareholder within the Hitachi Group, and Hitachi, Ltd. to take corrective action in accordance with ILO guidelines. Affected employees received reimbursement within three months of the issue being identified.

Risk assessment for new businesses and projects

At Hitachi, investment decisions are made based on the scale and details of each project. The sustainability division participates in the Investment Strategy Committee, which submits proposals to the Senior Executive Committee, and conducts risk assessments that include human rights considerations.

Similar processes are followed when BUs and the Group companies make their own investment decisions, ensuring that risk assessments are thoroughly conducted before launching any new business or project across the Group.

If human rights risks are identified after a project or business has begun, a task force is assembled as needed to conduct fact-checking and take appropriate action.

(2) Integrate and act and (3) Track

For human rights risks identified through fact checking surveys and other means, as well as human rights issues raised by internal and external stakeholders, we examine corrective measures that consider the degree of involvement (causing, encouraging, or related), and we pursue appropriate measures to ensure respect for human rights throughout the value chain.

(4) Communicate

Hitachi discloses information on initiatives concerning respect for human rights, including HRDD, through our Sustainability Report, websites and other channels. We also strive to deepen understanding of Hitachi initiatives through appropriate communication in response to questions, observations and the like from investors, ESG evaluation organizations, NGOs and media outlets. In addition, we incorporate opinions from both inside and outside our organization when considering future measures.

Engage with stakeholders

Hitachi places a strong emphasis on stakeholder engagement with rights holders, the subjects of human rights, and the individuals or organizations that represent them. In fiscal 2025, we conducted a total of 14 stakeholder dialogues (seven in fiscal 2024), the content of which is used in our human rights risk analysis and remediation activities. Depending on the details and degree of impact, we established a task force with relevant stakeholders from Hitachi Group entities to implement more comprehensive responses.

Measures to prevent harassment

Hitachi recognizes harassment as a serious violation of human rights in the workplace and is committed to creating an environment where everyone is respected and feels comfortable expressing their opinions. In fiscal 2025, we established the Hitachi Group Anti-Harassment Rules to reinforce our zero-tolerance attitude toward harassment.

We include matters related to harassment in our annual

compliance e-learning for all employees, and we actively update e-learning materials on harassment prevention common to the Hitachi Group, which we first developed in fiscal 2023.

In addition, training programs are tailored to the specific circumstances of each workplace. For example, we conduct training programs for managers that focus on creating workplaces where employees feel safe and on developing management practices to foster open and communicative workplaces. All employees at the respective workplaces also receive training on harassment prevention and communication.

Furthermore, newly appointed managers and assistant managers are required to complete training that includes content on workplace human rights issues and harassment prevention to ensure proper understanding and application of these principles.

Initiatives to prevent child labor and forced labor

To prevent child labor, Hitachi reviews official documents upon hiring to verify employee age. Our Business and Human Rights e-learning course and other awareness-raising materials offer case studies and other methods to inform employees that, in accordance with the UN Guiding Principles on Business and Human Rights, companies have a responsibility to respect rights not only within their own operations but also across their supply chains, including among procurement partners, particularly regarding child labor and forced labor.

Encouraging procurement partners to conduct activities

To deepen respect for human rights throughout our entire supply chain, Hitachi includes the Human Rights Policy in the Hitachi Group Sustainable Procurement Guidelines for our procurement partners. We encourage an understanding of the Hitachi policy to strengthen respect for human rights and strive to ensure that our approach is put into practice. Moreover, the guidelines make it clear that child labor and forced labor must be eliminated. We ensure the raising of awareness for human rights and engagement with procurement partners through efforts including Sustainability Procurement Seminars in various regions.

Since fiscal 2022, we have utilized EcoVadis^{*1}, a third-party

evaluation platform, to assess and monitor our sustainability performance relating to human rights, including efforts to address forced labor and child labor. This assessment involved gathering responses from a survey to understand the actual situation on the ground. In addition to EcoVadis, we use the proprietary Hitachi Sustainability Questionnaire to conduct written surveys across a wider range of procurement partners to expand our sustainability assessment. We also conduct sustainability audits, including labor and human rights, based on responses to our written survey. We explain to our procurement partners the issues identified during audits and request improvements.

*1 A sustainability risk assessment service platform that evaluates companies in the four areas of environment, labor and human rights, ethics and sustainable procurement

Strengthening engagement with procurement partners

Efforts to raise awareness of human rights among officers and employees

Based on the Hitachi Group Human Rights Policy, we continue to raise awareness of human rights among Hitachi Group officers and employees. Our efforts include as messages from the President & CEO on the importance of respect for human rights on World Human Rights Day, as well as e-learning programs (in fiscal 2025, 8,593 employees studied Business and Human Rights, 82,107 employees studied Harassment Prevention and 3,876 employees studied training content for newly appointed managers and assistant managers). In fiscal 2025, we also redoubled our efforts to reach out to employees through awareness-raising videos featuring sustainability officers. We also produce posters for display at global sites to convey the importance of respect for human rights.

Initiatives for executive officers

As part of annual executive training, Hitachi invited the President and CEO of the U.S.-based human rights NPO Business for Social Responsibility (BSR) to speak at the 2025 session. The training focused specifically on conflict-affected and high-risk areas (CAHRAs). The training, which was also attended by the heads of BUs, reinforced an awareness of human rights risks as an important management issue and served as a basis for ensuring respect for human rights in all aspects of our businesses.

Initiatives for employees

In Japan, we aim for every employee to attend at least one annual human rights group training, lecture, or video-based educational

activity held at each business site or Group company. In addition, we conduct various awareness initiatives that include onboarding training directed at new hires, training by job positions, and training for employees transferred abroad. In this way and others, we strive to help employees understand the significance of respecting human rights in their own work.

At global sites, regional headquarters play a central role in activities to promote HRDD according to the actual situation in each region. Examples include seminars by region and dialogues between outside experts and regional executives.

We also hold annual human rights workshops globally. In fiscal 2025, we invited the Business and Human Rights Center (BHRC) to participate. More than 1,400 employees attended globally from various departments, including procurement and sales, to gain a deeper basic knowledge of human rights and understanding of the responses required of companies.

Freedom of association and collective bargaining

Mutual communication between employees and management

The relationship between employees and management at Hitachi is stable with healthy ongoing dialogue.

In Japan, workers are guaranteed the three fundamental rights (the right to organize, the right to collective bargaining and the right to collective action) under the law, and Hitachi also respects these rights. The Federation of Hitachi Group Workers Unions (FHGWU), which comprises the trade unions of Hitachi, Ltd. and the Group companies in Japan, fosters mutual understanding between employees and management through dialogue. Specifically, we regularly hold Hitachi Group management round-tables to share information and exchange views and opinions on the Group business conditions. In addition, we have established five round-table conferences and committees, such as the Hitachi Group Health and Safety Roundtable Conference, which each meet once or twice a year to share information and exchange opinions.

At Hitachi Ltd., the Central Management Council, the Business Units Management Council and the Business Sites Management Council have been established to ensure smooth management operations, advance business growth, and improve working

conditions for union members. In addition, 14 thematic committees, advisory panels and round-table conferences, including the Next 100 Labor and Management Committee, the Central Compensation Committee and the Employment and Work Style Committee, have been set up to facilitate information sharing, opinion exchanges and discussions one to four times a year in each group.

Hitachi, Ltd. and the Hitachi Workers Union have been bound by a collective agreement since 1951. Every other year, as part of the union-management negotiations held each spring, we renew our collective agreement following discussion of revisions for the improvement of working conditions. Our Group companies in Japan have also concluded collective agreements between employees and management and revise these on an ongoing basis. The employee membership rate in trade unions, etc., in major group companies in Japan (60 companies) is approximately 99% as of March 31, 2025. All Hitachi, Ltd. employees, with the exception of managers, can join the Workers Union, and the membership rate is approximately 96% as of March 31, 2025.

The Group companies outside Japan also pursue dialogues with individual trade unions and their representatives in accordance with the laws and regulations in each country and region. These dialogues deepen mutual understanding of employees' working conditions and compensation treatment, as well as business conditions. For example, Hitachi Europe holds an annual European Labor-Management Council meeting to provide a forum for management and employees to exchange views on the Group's business environment and strategies. Hitachi China holds an annual management information meeting with the industrial association (trade union) to facilitate smooth communications with employees and share information on business conditions and issues. In addition, the company and the industrial association concluded collective agreements on working conditions, wage revisions, the protection of women employees and other matters to protect the rights and interests of employees.

In fiscal 2024, no Hitachi Group operating sites reported violations of freedom of association and the right to collective bargaining.

Notification of company-guided reassignments and transfers to group companies

The collective agreement between Hitachi, Ltd. and the Hitachi Workers Union states that employees' reassignments or transfers to group companies for work-related reasons should adequately take into consideration the situation of the employees, as well as

require the company to promptly inform the Hitachi Workers Union of the decision. More specifically, the company discusses with the union regarding basic matters related to large-scale transfers, reassignments, or changes in the company.

Labor-management cooperation toward improving health and safety levels

Hitachi, Ltd. and the Hitachi Workers Union are dedicated to improving health and safety levels through employee management cooperation. This includes signing a collective agreement on the promotion of health and safety measures, a health and safety committee, education and training programs, health checks for employees, etc.

The Health and Safety Committee works with the Group companies in Japan to ensure a healthy and safe work environment through initiatives that include formulating and tracking an annual health and safety plan. The committee also reviews measures to prevent occupational incidents and shares information on the health checkup status.

Health and safety

Grievance mechanisms for human rights

Hitachi established a Group-wide internal reporting system called the Hitachi Global Compliance Hotline.

This system is a whistleblowing system operated by a third-party organization and available in approximately 50 languages. It is available not only to Hitachi Group employees, but also to business partners and other stakeholders. All reports, including those concerning human rights and harassment, are investigated in principle while maintaining confidentiality and anonymity. Once the facts are confirmed, the whistleblower is informed of the investigation results, and appropriate corrective actions are taken as necessary. We make every effort to deal with situations as appropriate, including taking remedial action when necessary. The number of labor-related and harassment reports (including reports in previous years) that were resolved in fiscal 2025 was 272 (of which 38 were confirmed as compliance-related issues) and 712 (of which 225 were confirmed as compliance-related issues), respectively.

Hitachi Global Compliance Hotline

Hitachi Global Compliance Hotline (Whistleblower System)

Initiatives to promote Broad-Based Black Economic Empowerment (B-BBEE) in South Africa

As Hitachi conducts business in South Africa, we pursue activities aligned with the country's Broad-Based Black Economic Empowerment (B-BBEE)*1 policy to create employment and economic development.

Hitachi Energy

Hitachi Energy South Africa is advancing transformation and aligning with the Employment Equity Act (EEA)*2 targets and plans in line with updated sector targets in 2025. The target is to have 70% of our workforce comprising employees from Historically Disadvantaged South Africans (HDSA) backgrounds, based on occupational levels for employment equity, with the ultimate aim of ensuring that there is diversity in the workforce, including gender diversity of which the current female ratio is 33.5%. As of November 2025, the company achieved Level 1 under B-BBEE.

The company's training strategy is aligned with the skills development targets linked to B-BBEE. It also invests in its current employees in line with diversity and equity to enhance performance and promotability of internal talent. Every year, the company hires graduates and trainees with HDSA backgrounds, including learners living with disability. Currently, employees with HDSA backgrounds comprise 60% of management / supervisory positions.

Hitachi Vantara

Hitachi Vantara South Africa is committed to advancing transformation and inclusive economic participation in South Africa through targeted employment equity, skills development and empowerment initiatives. The company currently maintains a Level 4 B-BBEE contributor status and continues to align its transformation strategy with national B-BBEE and Employment Equity objectives. HDSA represent 61% of employees within middle, senior and top management positions, reflecting the company's commitment to building a diverse and representative leadership pipeline. The organization's Workplace Skills Plan supports the proactive development and upskilling of employees across all levels, ensuring continuous learning and improved career progression opportunities. Hitachi Vantara's Skills Development initiatives include a Graduates Internship Programme, a People Living with Disability (PWD) Learnership Programme, bursary sponsorships for tertiary education, and the adoption and support of a STEM and Arts specialized school for girls located in a previously disadvantaged community. In support of broader transformation, Hitachi Vantara established the Hitachi Vantara Empowerment Trust in December 2025 to strengthen HDSA ownership participation and advance sustainable economic interest and empowerment.

*1 Companies and organizations in South Africa are scored on B-BBEE approaches and contributions, rated on a scale from level 1 (highest) to level 8 (lowest), or as non-compliant

*2 A South African law that promotes fairness and equal opportunities in the workplace for all employees

*3 Historically Disadvantaged South Africans

Sustainable procurement

Basic procurement policy

Hitachi believes that embedding sustainability at the core of our business throughout our value chain will lead to mutual prosperity for procurement partners*1 and the Hitachi Group. To achieve this, we pursue sustainable procurement, identifying and mitigating procurement risks associated with the globalization of business as early as possible. These risks include human rights violations and greenhouse gas emissions in the value chain.

We established the Hitachi Group Global Procurement Principles as our highest-level code of conduct to be followed in our procurement activities. This code clearly states that Hitachi must give due consideration to ethics and compliance, the environment, human rights, labor practices, safety, business stability and continuity and risk management systems in the value chain. The code requires that Hitachi asks its procurement partners to give due consideration to these areas as well.

We also established the Hitachi Group Sustainable Procurement

Examples of the Hitachi Group Procurement Partner Code of Conduct

Categories	Details
1 Labor	- Prohibition of forced labor and child labor - Compliance with working hours - Compliance with minimum wage laws
2 Health and safety	- Prevention of occupational injuries and illnesses - Communication of health and safety-related matters
3 Environment	- Management and reduction of greenhouse gases - Contribution to the circular economy
4 Business ethics	- Prevention of bribery and corruption - Fair competition
5 Product quality and safety	Ensuring product safety
6 Prevention of personal and confidential information leakage	- Protection against threats to computer networks including cyberattacks - Measures to prevent personal information leakage
7 Management system	- Corporate commitment (declaration) - Conducting due diligence on upstream suppliers in the value chain

Guidelines for procurement partners. The guidelines include the Hitachi Group Procurement Partner Code of Conduct, which we expect all procurement partners involved in business with the Hitachi Group to comply with. The Code is organized into seven major categories: labor (including human rights), health and safety, environment, business ethics, product quality and safety, prevention of personal and confidential information leakage and management systems. We also use the guidelines as a communication tool to inform procurement partners about Hitachi Group initiatives and share our policies and activities related to sustainability.

We aim to develop a sustainable society and business together with procurement partners by fostering procurement activities that adhere to these codes.

*1 Hitachi normally refers to its suppliers (including vendors or providers) as “procurement partners” who build business together on an equal footing

 **Sustainable procurement**

 **Hitachi Group Sustainable Procurement Guidelines**

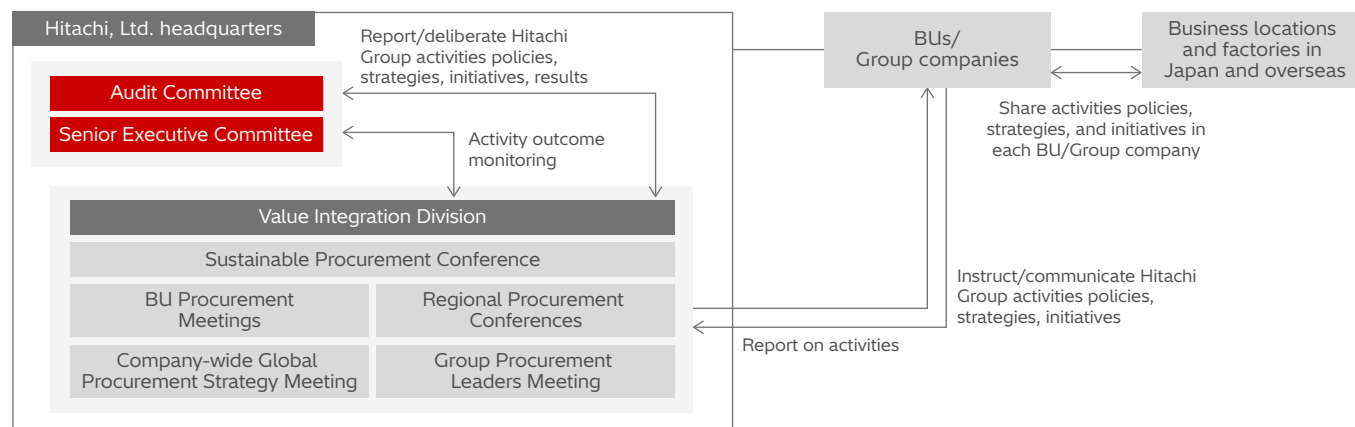
Sustainable procurement management framework

Hitachi operates a dedicated sustainable procurement organization within the value integration division, which is responsible for corporate procurement. The organization reviews and determines related policies.

Once decisions are made, they are thoroughly communicated across the Hitachi Group via platforms such as the Sustainable Procurement Conference, which is attended by the heads of procurement divisions from business units (BUs) and major Group companies. This conference also facilitates the strategic development of sustainable procurement activities and the sharing of best practices, enhancing Group-wide initiatives related to sustainability, including environmental and human rights-related measures.

Key procurement strategies and sustainable procurement initiatives are regularly reported to the Senior Executive Committee, and progress against targets is reported to the Board of Directors. Each year, the division reports on priority procurement measures to the Audit Committee, which consists of members of the Board of Directors. These reports include matters identified and addressed in the previous year, and feedback from the Audit Committee is reflected in activities in the following year.

Sustainable procurement management framework



Global targets for sustainable procurement

PLEDGES

Under Hitachi Group sustainability strategy PLEDGES, Hitachi has set global targets for sustainable procurement to strengthen engagement with procurement partners.

Global targets for sustainable procurement

KPI	FY2027 targets	FY2025 results
Number of procurement partners taking action on environment and human rights (compared to FY2024)	1.5 times (6,000+ procurement partners)	5,232 procurement partners
Number of procurement partners that set GHG reduction plans and targets	700 procurement partners	428 procurement partners

Specific initiatives involving "procurement partners taking action on environmental and human rights together with Hitachi" include sustainability assessments and sustainability audits. We conducted these initiatives with 5,232 companies in fiscal 2025.

Hitachi aims to build a sustainable value chain by accurately understanding the concerns and challenges faced by procurement partners and working together to resolve those issues.

- **Initiatives with procurement partners to reduce environmental impact**
- **Human rights due diligence (HRDD) initiatives for procurement partners**

Strengthening engagement with procurement partners

Raising awareness of the Hitachi Group Sustainable Procurement Guidelines

Our Sustainable Procurement Guidelines set out the code of conduct we require procurement partners to follow, including compliance with laws and regulations, completion of Self-Assessment Questionnaires (SAQs) and acceptance of on-site

audits. We now provide the guidelines in 16 languages to help global procurement partners understand the guidelines in their local languages.

Additionally, to help procurement partners better understand the guidelines, Hitachi has developed summary versions of the guidelines and introductory videos that highlight the key elements of the guidelines, presenting the expected sustainability standards in an accessible format.

We distribute these guidelines to procurement partners and work to promote understanding and compliance through sustainable procurement seminars and other communication efforts.

 [Hitachi Group Sustainable Procurement Guidelines](#)

Sustainability assessments

Hitachi manages sustainability risks across the upstream value chain by promoting sustainability initiatives among procurement partners and conducting sustainability assessments of procurement partners.

We established the Hitachi Group Sustainable Procurement Guidelines, which include the Hitachi Group Procurement Partner Code of Conduct, and actively work to raise awareness of these guidelines.

The guidelines are incorporated into Hitachi Group's contracts, and new suppliers undergo a compliance review that includes sustainability criteria during the onboarding process.

In addition, we conduct sustainability risk screening based on the industry and country of operation of each procurement partner. Based on the screening results, procurement partners are selected for further evaluation based on criteria such as strategic importance, procurement spend and business continuity. These selected partners are then assessed and analyzed through SAQs on their sustainability initiatives, as part of efforts to foster engagement and conduct risk assessments.

Hitachi utilizes the third-party evaluation platform EcoVadis to support the overall process of evaluation, analysis and monitoring. EcoVadis assesses sustainability initiatives across four key areas: Environment, Labor and Human Rights, Ethics and Sustainable Procurement. In addition to EcoVadis, we also use the proprietary Hitachi Sustainability Questionnaire to conduct SAQs

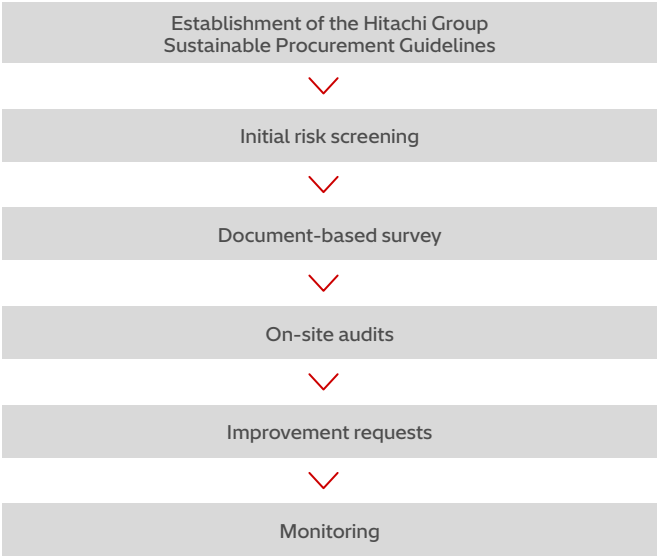
across a wider range of procurement partners to expand our sustainability assessment.

In fiscal 2025, we conducted sustainability assessments of 5,090 procurement partners across the Hitachi Group. Based on the information obtained from these assessments, we conduct the following activities.

- Set a benchmark score for SAQs and request corrective actions from target companies
- Promote focused improvement and monitoring of high-risk items
- Implement sustainability audits for target suppliers where high-risk issues remain uncorrected

Improvement efforts require the understanding and cooperation of procurement partners. To support these efforts, Hitachi provides guidelines on corrective measures. Looking ahead, Hitachi will strengthen measures to steadily assess the sustainability risks of procurement partners, detect risks at an early stage and drive corrective actions through active engagement with partners.

Sustainable procurement process



Sustainability auditing and monitoring

Hitachi conducts sustainability audits of the manufacturing bases of our global procurement partners on a regular basis. We use external evaluation organizations to conduct sustainability audits.*1 Sustainability audits consist of document-based surveys, employee interviews and facility inspections to confirm sustainability initiatives at procurement partners from the perspectives of labor and human rights, health and safety, environment, and ethics.

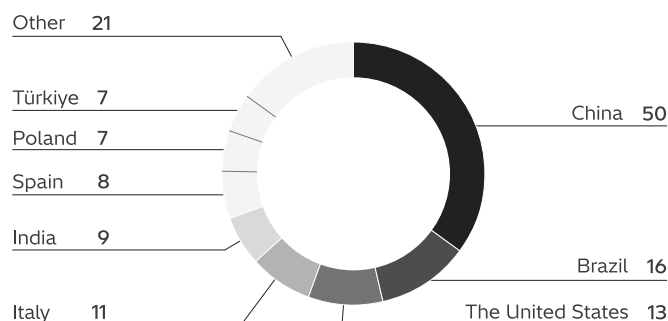
In fiscal 2025, Hitachi held audit briefing sessions in collaboration with external auditing organizations for 31 procurement partners in China and 6 procurement partners in Japan to encourage a deeper understanding of audits.

Partners that are audited are selected based on the results of SAQs, as well as the scale and importance of partnerships (e.g. procurement spend). In fiscal 2025, sustainability audits were conducted on 142 procurement partners. We explain any issues identified during the audit to procurement partners. In particular, when high-risk matters including violations of laws or regulations are identified, we ask our procurement partners to take corrective action, including identifying the cause of the occurrence and formulating an improvement plan. We then continue to provide guidance and monitor improvements.

Going forward, Hitachi will continue to expand our sustainability initiatives and mitigate sustainability risks in the value chain by providing training that supports improvements and conducting follow-up audits in-person for procurement partners who are deemed to be at high risk as a result of these audits.

*1 Some Group companies conduct sustainability audits using internal auditors

Regional distribution of sustainability audits in FY2025 (19 countries, 142 companies in total)



Examples of matters identified for improvement

Category	Examples of matters identified
Labor and human rights	- Requiring employees to pay monetary deposits or recruitment fees (as defined by the ILO) at the time of hiring - Employee overtime hours not properly managed
Health and safety	- Lacking legally required building permits or fire safety permits - Emergency exits are locked
Environment	Environmental impact assessments not properly conducted
Ethics	Employees not trained on fair business

Initiatives with procurement partners to reduce environmental impact

Hitachi works with procurement partners to build a sustainable value chain with a strong focus on environmental responsibility. To achieve net zero across the entire value chain by fiscal 2050, we are committed to reducing GHG emissions from purchased goods and services (Scope 3 Category 1). We are strengthening engagement with procurement partners, targeting the establishment of GHG emission reduction goals and plans with 700 partners by fiscal 2027. The number of partners that had established GHG emission reduction targets and plans reached 428 in fiscal 2025.

Initiatives with procurement partners to reduce environmental impact

Human rights due diligence (HRDD) initiatives for procurement partners

Hitachi implements human rights due diligence initiatives for its procurement partners. These initiatives include sustainability assessments, sustainability audits and monitoring, and a hotline for procurement partners. Through these initiatives, we strive to mitigate human rights risks by helping our partners understand Hitachi's approach to respecting human rights.

The Labor section of the Hitachi Group Sustainable Procurement Guidelines stipulates not only the prohibition of forced and child labor, but also that working hours, including overtime, must not exceed the limits set by local laws and regulations. Where no such regulations exist, total working hours, including overtime, should not exceed 60 hours per week. Regarding wages, the guidelines require compliance with all applicable laws and regulations, including those related to minimum wages, overtime pay and legally mandated benefits. Furthermore, we require our procurement partners to provide fair and market-competitive wages and benefits to ensure that employees have an adequate standard of living beyond legal requirements.

Encouraging procurement partners to conduct activities

Procurement partner hotline

Hitachi accepts consultations and reports regarding potential misconduct from stakeholders, including procurement partners, to foster honest and fair dealings with procurement partners. Potential misconduct includes violations of laws and regulations and the Hitachi Group Codes of Conduct and Business Ethics. We established the Hitachi Global Compliance Hotline as a help desk, and we publicize the help desk and procedures on our website. The hotline is accessible 24 hours a day, seven days a week, online or via telephone.

-  [Hitachi Global Compliance Hotline](#)
-  [Hitachi Global Compliance Hotline \(Whistleblower System\)](#)

Implementation of training and capacity building for the procurement personnel

Hitachi provides trainings to procurement personnel, raising awareness across divisions responsible for sustainable procurement practices.

Specifically, at all of our global locations, we enhance understanding on human rights due diligence, carbon neutrality, advanced internal practices related to sustainable procurement and other important sustainability initiatives. We also offer e-learning on sustainable procurement to encourage a complete understanding of various policies that include the Sustainable Procurement Guidelines, Green Procurement Guidelines and Policy for Responsible Supply Chain of Minerals. Furthermore, we provide training on sustainable procurement not only to procurement personnel but also to newly appointed managers in procurement divisions. In fiscal 2025, 1,428 employees completed our training.

In fiscal 2025, to further raise human rights awareness among Hitachi Group employees, including those in working in procurement divisions, Hitachi invited the non-profit organization Business for Social Responsibility (BSR) to conduct training on human rights risks in the value chain and the responsibilities expected of companies.

-  [Efforts to raise awareness of human rights among officers and employees](#)

Implementation of training and capacity building for procurement partners

Hitachi provides sustainable procurement training tailored to each region for procurement partners in Southeast Asia, China, Japan and other regions to address social issues proactively together with our procurement partners. In fiscal 2025, 388 procurement partners participated in this training, through which we seek to deepen understanding of the Hitachi Group sustainable procurement policy in each region and enhance procurement partners' sustainability capabilities.

Sustainable procurement training tailored to each region

Region	Details
Southeast Asia	Provided 26 procurement partners with an overview of Hitachi's sustainable procurement policy and strategies, including environmental and human rights initiatives. Encouraged participation in EcoVadis*1 assessments and audits. Also provided training on GHG emissions calculation and reduction methods and examples of carbon neutrality/net zero initiatives undertaken by procurement partners.
China	Provided 157 procurement partners with an overview of Hitachi's sustainable procurement policy and strategies, including environmental and human rights initiatives. Encouraged participation in EcoVadis*1 assessments and audits. Also provided training on sustainability trends in China, the importance of decarbonization initiatives and examples of carbon neutrality/net zero initiatives undertaken by procurement partners.
Japan	The Railway Systems BU held workshops for 38 procurement partners, introducing European trends and case studies related to ecodesign and the circular economy. Hitachi Industrial Equipment Systems provided training for 167 procurement partners on methods for calculating and reducing GHG emissions using public resources and tools.

*1 A sustainability assessment service platform that evaluates companies in the four areas of environment, labor and human rights, ethics and sustainable procurement

We engage in capacity building with procurement partners, targeting the establishment of GHG emission reduction goals and plans with 700 partners by fiscal 2027. We began providing decarbonization training tailored to each company in fiscal 2025 for selected collaborative partners with high emissions or a strategic role in decarbonization efforts. This training provides partner companies with hands-on support for emissions calculations, reduction target setting and action plan development. We also provide handbooks, instructional videos on emissions calculations and target setting methods, emissions calculation templates and case studies to help strengthen each company's capabilities.

Participating in supply chain-related initiatives

Hitachi participates in the Global Compact Network Japan (GCNJ) and actively exchanges views with Japanese companies on best practices related to sustainable procurement.

As a member of the CSR Committee of Japan Electronics and Information Technology Industries Association (JEITA) and its Responsible Supply Chain Working Group, we also work to raise CSR awareness within the industry, address shared challenges, and streamline CSR procurement management.

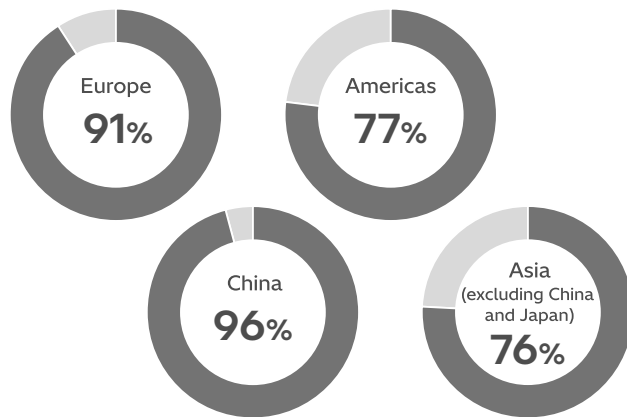
As part of cross-industry initiatives, Hitachi participates in the Human Rights Subcommittee organized by BSR, using insights gained on legal and social expectations related to human rights to strengthen measures for mitigating human rights risks upstream in the value chain.

-  [Sustainability initiatives](#)

Strengthening global partnerships

Our procurement partner network has become increasingly globalized as our business has expanded globally. We now work with approximately 60,000 procurement partners across more than 60 countries. Accordingly, we appoint procurement officers to oversee procurement activities locally in the main regions (China, other Asian countries, Europe and the Americas) in order to encourage procurement from locally based partners in line with the principle of promoting local production for local consumption. These officers carry out activities including sustainability monitoring, sustainability audits and sustainable procurement seminars for procurement partners in their respective regions to strengthen sustainable procurement.

Ratio of local procurement of materials for main regions (FY2025)

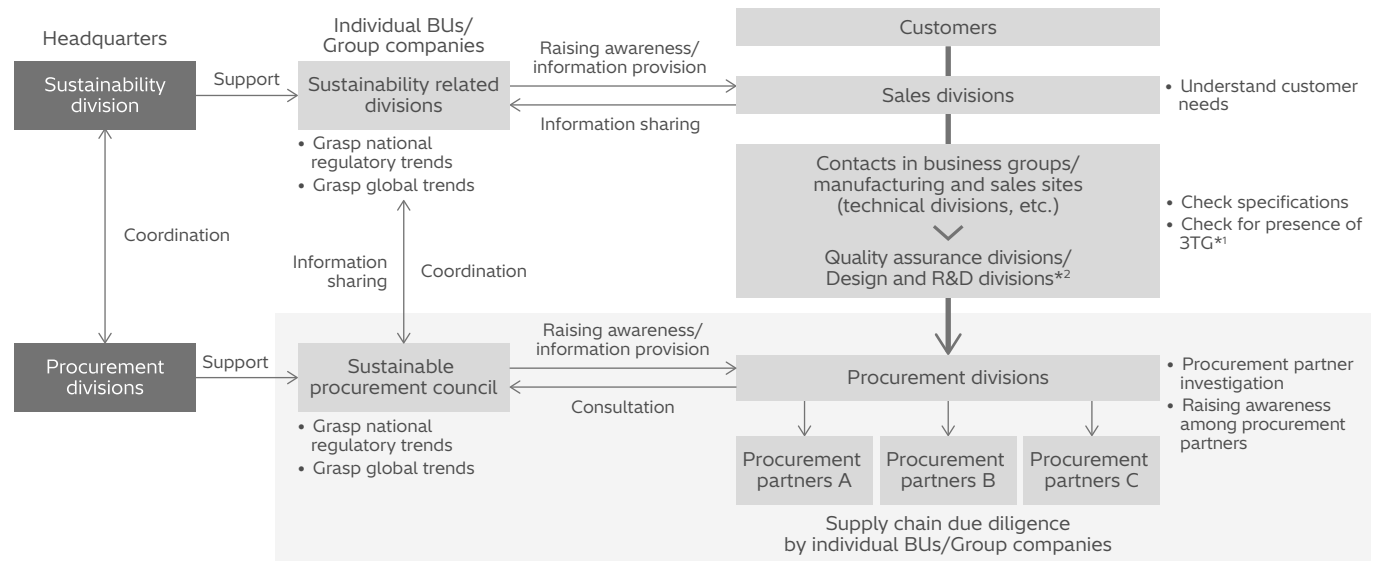


Responding to the conflict mineral issue

In fiscal 2013, Hitachi formulated a Conflict Minerals Procurement Policy, declaring our stance and commitments regarding conflict minerals. The policy was revised in fiscal 2016 to lay out explicit measures to be implemented to ensure responsible procurement. Expanding the scope of corporate responsibilities for the procurement of minerals is a global trend. Companies are increasingly expected to address broader overall risks to human rights beyond the risk of being complicit in conflicts and recognize responsibilities that extend beyond the countries adjoining the Democratic Republic of the Congo to a wider area where the risks are high. In consideration of these developments, we revised this policy to formulate the Hitachi Group's Policy for Responsible Supply Chain of Minerals in fiscal 2021.

Hitachi Group's Policy for Responsible Supply Chain of Minerals

Hitachi's conflict minerals response framework



*1 Collective term for four commonly used conflict minerals: tin, tantalum, tungsten, and gold

*2 May differ depending on BU or the Group company

Structure and initiatives

Sales divisions, business groups, manufacturing sites, procurement divisions and other divisions within individual BUs and the Group companies work together to respond to investigation requests and inquiries relating to conflict minerals. We also strive to grasp developments in conflict mineral-related laws and regulations in each country and region and what global society demands of enterprises, and work to share information within the Group.

Each BU and the Group company investigate the use of conflict minerals and report the results to customers when requested. We carry out value chain investigations with the cooperation of the sales, procurement and sustainability divisions of each BU and Group company. In addition, Hitachi, Ltd. is a member of the Japan Electronics and Information Technology Industries Association (JEITA)'s Responsible Minerals Trade Working Group. This working group addresses the issues of conflict minerals with other members of the association.

Industry leadership and policy recommendations

Procurement BCPs initiatives

Hitachi is committed to enhancing our procurement Business Continuity Plan (BCP) throughout the Group to ensure that incidents*1 do not disrupt operations and cause significant impacts on society.

The procurement divisions of each BU and major Group company work to minimize the impact of disasters through the following measures: (1) minimizing procurement risks through thorough standardization and the use of common parts; (2) multi-supplier arrangements; (3) diversifying manufacturing locations; (4) budgeting for strategic inventory; and (5) considering alternative products.

Concerns over the impact of geopolitical risks on supply chains increased in 2025 amid rising tariff impacts, export controls and regional conflicts. Against this backdrop, we strengthened our existing initiatives, as well as supply chain resilience through the introduction of a procurement supply chain risk management platform that improves supply chain visibility, enables early detection of risk incidents, accelerates impact assessments and supports countermeasure implementation.

*1 Events such as natural disasters (including major earthquakes) serious enough to disrupt business

Procurement Resilience

Strengthening and expanding the procurement supply chain risk management platform

Hitachi implemented a procurement supply chain risk management platform for the procurement divisions of BUs and Group companies in Japan. This platform enables the rapid detection of disaster-related information, identification of affected sites and assessment of impacts on a global scale. Hitachi is improving visibility into procurement supply chain risks globally through the introduction of optimized platforms tailored to regional and business requirements.

Customer satisfaction

Improving communication with customers

The sales and marketing divisions at Hitachi appoint an account manager to each customer to help leverage customer feedback in developing management, product and solution strategies. These account managers serve as points of customer contact with the Group companies, working to improve communication with customers while building closer relationships between customers and Hitachi Group companies.

Strengthening global account management

Aiming for sustainable global business growth, Hitachi has appointed regional strategy officers in six key regions—the Americas, EMEA, APAC, India, Japan and China—to ensure that regional growth opportunities and risks are promptly reflected in management strategies. We also appoint Chief Marketing Officers (CMOs) in charge of global sales transformation to strengthen collaboration with business units (BUs), Group companies and regional headquarters, and deliver solutions as One Hitachi to key customers and partners beyond regional and business boundaries.

As priority initiatives, we plan and execute sales strategies for new global business development. We also appoint Group Account Managers to represent the Group for key customers worldwide and build strategic partnerships in collaboration with cross-BU account teams.

Digital marketing

Hitachi created the One Hitachi Customer Relationship Management (CRM) to manage Group-wide marketing information centrally and consolidates market analysis on a global basis. We drive digital marketing by leveraging the CRM system in planning business strategies for growth, customer targeting, improving proposal quality, understanding the state of communication with customers and monitoring progress.

Advertising activities

Hitachi established the Advertising Guidelines to comply with laws and regulations and ensure consideration for society.

We developed a multilingual Advertising Material Checklist to ensure these guidelines are followed strictly at all business locations worldwide. All items on the checklist are confirmed when creating advertisements.

Our social media activities are also rooted in corporate ethics and legal compliance. We establish policies and guidelines that protect the Hitachi brand and avoid infringing on the rights of others. We also carry out educational activities through e-learning courses in Japanese, English and Chinese regarding specific operational methods and risk countermeasures.

We noted no instances of violations of regulations or voluntary standards related to corporate advertising activities in fiscal 2025.

 [About Hitachi's social media activities](#)

Comprehensive online customer support

Hitachi offers comprehensive global customer support on our website to respond to a wide range of incoming communications, including inquiries, opinions, requests and claims. We take corrective actions and measures to prevent recurrence in the event of matters that we must address or resolve in connection with information received. We also take proactive efforts to incorporate customer feedback when forming these actions and preventive measures. Going forward, we will further strengthen coordination among Hitachi Group companies and improve customer support and response mechanisms to respond to customer feedback more quickly and effectively.

 [Contact Us](#)

Sustainability for all

In this section
144 Social contribution activities

Through our business, we are creating positive impact for people and the planet — delivering sustainability for all.

▣ [Delivering positive impact](#)

Our social contribution activities nurture people and connect us to the future

At the heart of our business approach is a commitment to addressing social challenges, working toward a more Harmonized Society by promoting STEAM^{*1}, the environment and community support.

STEAM

As a company driven by science and technology, developing the talent of the future is essential. Through STEAM education support, we are fostering the next generation of problem-solvers, helping them unlock their creativity and problem-solving skills while strengthening the foundation for innovation and sustainable growth.



Science outreach programs using an electron microscope at an elementary school in the United States (Hitachi High-Tech)

Environment

Addressing global environmental challenges — from climate change to resource scarcity — requires collective action. Through environmental education and community-based conservation initiatives, we promote awareness and behavioral change that unlock greater sustainability and value creation for all.



Beach cleanup by sustainability professionals gathered at Hitachi Rail Italy

Community support

Wherever we have a presence, we seek to build trust with our local communities. Through collaboration and support, Hitachi promotes resilient communities and fosters harmonious, long-term growth for those we call neighbors.



Meal box preparation for elderly residents in Hong Kong (Hitachi Digital and Hitachi Vantara)

Social contribution activities
FY2025 highlights

JPY 2,091M
Contributed by Hitachi

33,968
Participating Hitachi employees

60,650
Hours contributed

^{*1} Science, technology, engineering, the arts, mathematics

Social contribution activities

Approach to social contribution activities

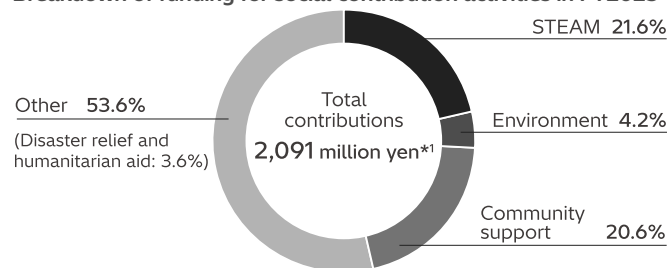
Under the Hitachi Group Identity, we position social contribution activities as important activities that contribute to the creation of social and environmental value, thereby supporting the sustainable development of both society and business, and actively foster social contribution activities mainly in regions where we operate. With the social contribution statement “Nurturing People, Connecting to the Future,” we engage in various activities focused on three key areas: STEAM (Science, Technology, Engineering, Arts, Mathematics), Environment and Community support. The Hitachi Group Policy on Social Contribution Activities clarifies Hitachi’s vision and approach to social contribution activities.

Policy on Social Contribution Activities

Funding for social contribution activities and the number of participating employees

The Hitachi Group and the Hitachi Global Foundation provided 2,091 million yen in fiscal 2025 toward social contribution activities worldwide, including initiatives to cultivate a talented younger generation and financial donations and other support for disaster-struck areas. A total of 33,968 Hitachi Group employees (roughly 11.8% of total employees) participated in social contribution activities.

Breakdown of funding for social contribution activities in FY2025



*1 Japan: Hitachi, Ltd., 70 Group companies (71 companies total) and the Hitachi Global Foundation. Outside Japan: 163 companies.
Funding includes monetary and in-kind donations, independently organized programs, participation or dispatch of employees and employee donations. Funding excludes personnel costs incurred from the participation or dispatch of employees.

Support for employee social contribution activities

Hitachi believes that each employee viewing social issues as their own and engaging actively in social contribution activities will lead to the growth of our entire organization. To this end, we create systems that facilitate employee participation in social contribution activities.

Social contribution scheme enabling Hitachi and employees to provide financial support (donations/loans) together

Hitachi has introduced a social contribution scheme whereby financial support (donations/loans) provided by employees is matched by the company. The scheme not only helps to improve employee engagement through active social contribution activities, but also gives added impact to the financial support provided by employees.

Matching fund

Hitachi makes use of a matching fund that enables employees to donate to nonprofit organizations in response to disasters, accidents, disease outbreaks, or other such social problems. This matching fund utilizes a service provided by Canada’s Benevity which gives employees the ability to select the NPOs of their choice swiftly according to the social issues faced. Employees and the company have contributed a cumulative total of 92.05 million yen in donations to date. In fiscal 2025, these donations supported humanitarian assistance in Ukraine through the Japanese Red Cross Society, earthquake relief efforts in Myanmar and Thailand and UNICEF, among other initiatives.

Microfinance

Hitachi uses microfinance to provide loans to business owners in seven fields (agriculture, education, construction, healthcare, housing, manufacturing and transportation) that contribute to solving social issues so that people in developing countries can become more self-reliant. This microfinance utilizes the crowdfunding platform provided by the US NPO Kiva Microfunds, which works with microfinance institutions around the world online to provide individual support by matching borrowers with lenders. To date, employees and the company have provided a total of USD 4.9 million in loans to 88,000 borrowers in 63 countries, with a total of USD 150,000 provided in fiscal 2025. Hitachi sees microfinance as a way to break the chain of poverty in

developing countries and will continue to work to support this type of financial service.

Life support leave system

Hitachi, Ltd. introduced life support leave, a paid leave program that employees can use for multiple purposes based on their needs at different life stages. The program supports employees in balancing work, life, career development and social contribution, as well as autonomous work styles. Employees may take up to five days of leave per year for activities outside work, including volunteer activities and serving as bone marrow or organ donors. In fiscal 2025, 4,153 employees used the program, including 98 employees who participated in volunteer activities on 209 occasions.

Examples of social contributions

Hitachi engages in a wide range of social contribution activities, both globally and in local communities, with the aim of resolving social issues. Specific social contribution activities are published on social media with the hashtag #HitachiSocialGood.

STEAM

Hitachi fosters the development of the next generation through a wide range of initiatives, including educational support activities that utilize the resources of Hitachi Group companies, as well as grants and scholarships for young university faculty members and researchers in the natural sciences.

Strengthening community engagement through digital skills development

Hitachi Lift India has established an IT-based skill center in Noida, India, to strengthen the underserved community engagement and enhance digital literacy, technical skills and career readiness among the members of the community. The center provides programs to develop basic IT skills employability, contributing to expanded job opportunities and social participation for local communities in association with IIT-Bombay (a prestigious engineering and research institution). This initiative supports human capital development through digital technologies and contributes to sustainable growth in the region. Hitachi Lift India will continue to create social value by fostering talent development tailored to local needs.

Educational outreach program for elementary school students

Hitachi (China) dispatched employee volunteers to a primary school in collaboration with Hitachi Elevator, Hitachi Energy and Hitachi High-Tech. Together, the companies held classes for 195 elementary school students on science, the environment and safety. These classes helped raise awareness of environmental protection and safety while fostering interest in science and technology. The companies also donated 630 educational materials, including experimental teaching kits.

STEM Innovation Lab

The GlobalLogic-supported STEM Innovation Lab program aims to create an ecosystem that supports students' learning in science by setting up STEM and robotics labs in government schools across India. These STEM labs give approximately 6,000 young people, especially girls, the opportunity to develop 21st-century skills and spark their interest in STEM and modern technologies such as robotics, while making learning engaging and enjoyable. Through this initiative, GlobalLogic helps provide equitable access to learning opportunities, empowering young people to become the innovators who will help shape the future.

Environment

Hitachi engages in environmental education activities such as environmental experience classes and factory tours; greening activities such as forest conservation and tree planting; and cleanup activities around offices and factories, as well as along coastlines.

Environmental improvement through urban tree planting

Hitachi Energy implemented tree-planting initiatives in India in collaboration with local communities to improve the urban environment. As part of efforts to promote greenery around urban infrastructure, approximately 18,200 saplings were planted along a stretch of about one kilometer. In addition, 7,400 saplings were planted across two public spaces in Vadodara, and 6,200 saplings were planted at the Fire Department campus. These efforts contribute to greener urban environments, improved biodiversity and the preservation of local ecosystems.

This initiative has been carried out in partnership with Government authorities, local stakeholders and relevant organizations, with employee participation further strengthening environmental awareness and community engagement. Hitachi Energy will continue to work closely with local communities to help build a more sustainable future.

Afforestation activities (Yasato Forest)

Hitachi High-Tech regards corporate management that is in harmony with the global environment as an important factor in achieving sustainable development for society and the corporation. As a part of this approach, the company received a loan of approximately 2.3 hectares of national forest in Ishioka City, Ibaraki Prefecture, under the Corporate Forest Program of the Forestry Agency, and named this area the Hitachi High-Tech Yasato Forest. Since 2005, Hitachi High-Tech has engaged in a 60-year program of afforestation activities in this forest. In fiscal 2025, volunteer members from the Hitachi High-Tech Group, along with their families and secretariat staff, participated in forest maintenance activities with the cooperation of the Ibaraki Forest Management Office and the Haga District Forest Association. The branch cutting process, which involves removing branches from their base at the trunk, helps produce high-quality trees. Thinning, which involves removing some trees from an overcrowded forest, creates a healthy forest where sunlight can penetrate effectively.

Community support

In addition to contributing to society through our business activities, Hitachi also undertakes initiatives that leverage the resources developed through those activities to help solve issues and support development in local communities. To realize a sustainable society, we engage in community-based initiatives while building trusting relationships with local communities.

Fostering next-generation leaders in Asia through the Hitachi Young Leaders Initiative

Hitachi Ltd. and Hitachi Asia have been supporting the Hitachi Young Leaders Initiative (HYLI) since 1996 with the aim of developing young leaders who will lead the next generation in Asia. The four-day program, consisting of forums, workshops and fieldwork, is designed for university and graduate students from seven ASEAN countries and Japan. Participants discuss and exchange opinions on social issues facing ASEAN, and on the final day of the program, they make specific proposals for solving these social issues. In fiscal 2026, the 18th HYLI was held in the Philippines under the theme FLOW AS ONE: What's next for a sustainable future? As of the end of May 2026, a total of 469 were active in various fields such as international organizations, government, companies and NPOs.

 [Hitachi Young Leaders Initiative](#)

Disaster relief

Hitachi promptly coordinates within the Hitachi Group to provide disaster relief and support for recovery efforts in affected areas, depending on the scale of the disaster. Major activities include donations to organizations such as the Red Cross and the provision of relief supplies.

Providing Donations for Earthquake Relief Efforts in Myanmar

Hitachi donated a total of 40 million yen to the Japanese Red Cross Society and other organizations to support disaster relief and recovery efforts following the earthquake that struck central Myanmar on March 28, 2025. The Group also made donations to support programs administered by the American Red Cross and other organizations through a matching fund under which the company matches employee donations.

 [Hitachi to donate to support the earthquake relief efforts in the central Myanmar](#)

Support for earthquake relief efforts in Kumamoto, Japan

Hitachi donated a total of 50 million yen to Kumamoto Prefecture and other recipients to support relief and recovery efforts for those affected by the earthquake that struck on July 28, 2026. In addition, based on conditions and needs in the affected areas, Hitachi Group worked with local governments and related organizations to provide essential relief supplies, including drinking water and portable toilets, were delivered. As part of our efforts to mitigate the impact of extreme heat, Hitachi Group also delivered spot coolers that can be used without installation work and worked closely with local stakeholders to install commercial air conditioning units.

 [Hitachi to donate to support the 2026 Kumamoto Earthquake relief efforts](#)

Contributing to society through the Hitachi Global Foundation

The Hitachi Global Foundation conducts activities that contribute to the public good centered on three areas: promotion of academic research, science and technology; human development; and realization of an inclusive society. These contributions are in line with the intention of Namihei Odaira, the founder of Hitachi, to contribute to society through business activities.

Examples of the Hitachi Global Foundation activities

Area	Category	Details
Promotion of Academic Research, Science and Technology	 The Kurata Grants	A grant program supporting researchers working to solve global social challenges by subsidizing original pioneering research in the natural sciences and engineering, and research in humanities and the social sciences related to highly technological societies. We awarded the 57th Kurata Grant in fiscal 2025.
	 The Hitachi Global Foundation Science and Technology Seminars	An awareness-raising initiative providing opportunities for the public to learn more about cutting-edge science technology topics, with the aim of supporting people in discovering the fascinating fields of science. We hosted an event titled <i>Spotting Deepfakes— AI That Creates vs. AI That Protects</i> in fiscal 2025.  Deepfake Detection: Generative AI vs. Detection AI (Japanese only)
	 The Hitachi Global Foundation Asia Innovation Award	An initiative providing awards for achievements in research and development in science and technology innovation that help to solve social challenges in the ASEAN region. The 6th Hitachi Global Foundation Asia Innovation Award marked the event's first overseas edition, held in Jakarta, Indonesia. This ceremony recognized the achievements of award recipients and deepened cross-disciplinary and cross-organizational collaboration among researchers through the participation of scholarship alumni.  Report on the Hitachi Global Foundation Asia Innovation Award Ceremony 2025
	 Hitachi Fund Support for Research Related to Infectious Diseases	A research grant initiative aimed at conducting academic investigations, analysis and reflections on issues that became apparent under COVID-19 using data and evidence, and sharing findings and research results internationally. The grant program ended in fiscal 2024. We published a research report in October 2025 containing the research findings and the proceedings of the international symposium held in February 2025. (Available on the foundation's website and has been donated to major libraries across Japan.)  Final Research Report: The Hitachi Fund Support for Research Related to Infectious Diseases
Human Development	 Hitachi Future Innovator Program	An exploratory learning program designed to help children discover and solve problems on their own at school with the aim of creating an ideal school. Hitachi Group employees serve as instructors to support learning by giving advice on the children's ideas. In fiscal 2025, 47 employees from 11 Hitachi Group companies participated as instructors. We have implemented the program at 37 elementary schools for 2,569 students to date.
	 Girls in Science Support Project	A program aiming to support science and engineering education for women by sparking interest and enthusiasm for these fields among female junior and senior high school students in Japan. In fiscal 2025, the program focused on the topic of Designing the Future of STEM: The Society We Envision 10 Years From Now and provided a forum for women and men to discuss the future of women in STEM from the perspective of gender bias.  PIONEER TALK (Japanese only)
Realization of an Inclusive Society	 Realization of an Inclusive Society	A program urging a shift in public understanding among citizens to create inclusive societies in which people accept various viewpoints and values. We foster cross-disciplinary exchange and mutual understanding among researchers and individuals directly affected, while broadly sharing the experiences and activities of these individuals. We have published the Hitachi Global Foundation Global Society Review, an electronic journal, twice a year since December 2023. In fiscal 2025, we published Issues 4 and 5 of the Hitachi Global Foundation Global Society Review.  Hitachi Global Foundation Global Society Review (Japanese)  Hitachi Global Foundation Global Society Review (English Summary)

ESG data

In this section

- 148 Environmental data
- 157 Social data
- 166 Governance data

Environmental data

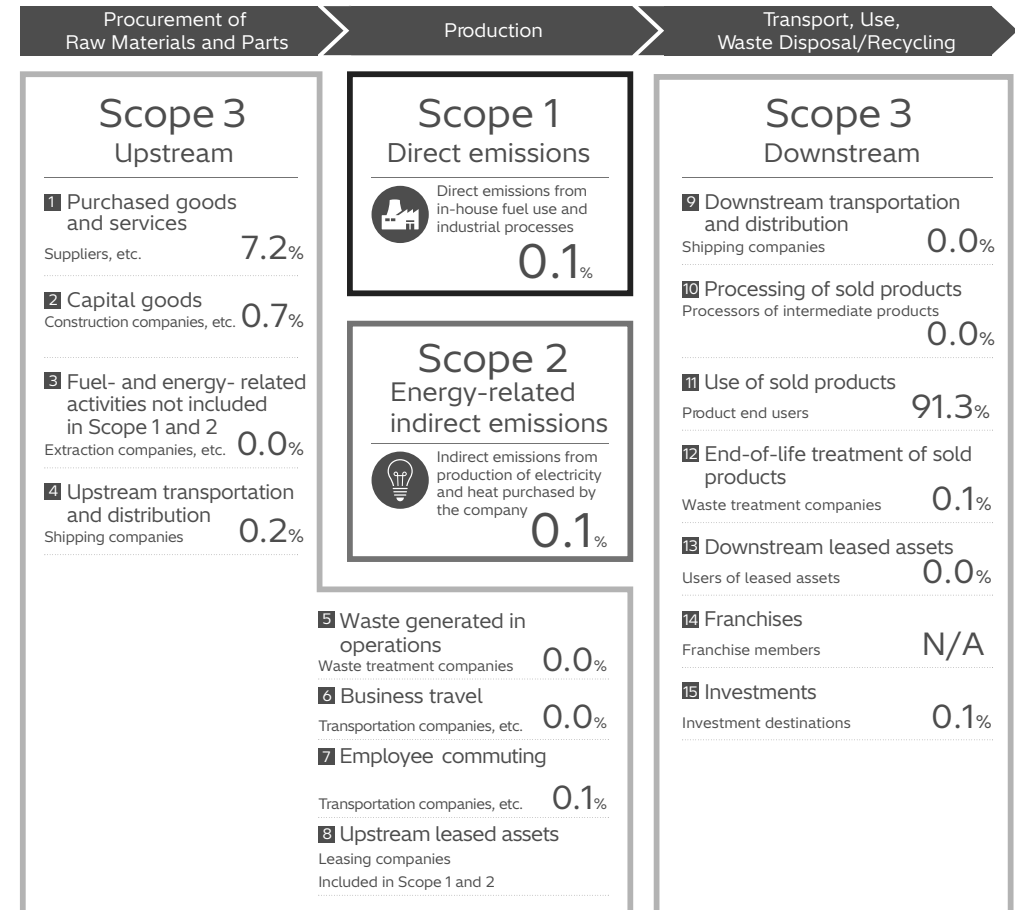
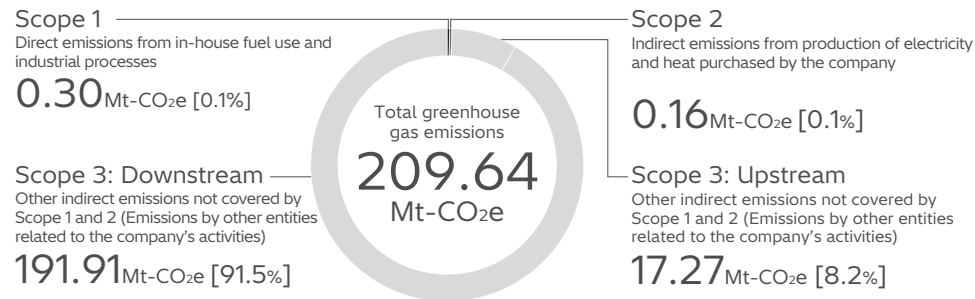
2027 Environmental Action Plan (fiscal 2025–2027)

GHG emissions throughout the value chain

Calculating GHG emissions throughout the value chain (Fiscal 2025)

Hitachi calculates GHG emissions throughout the value chain by referencing GHG Protocol standards. This gives us a good grasp of where and how much emissions occur in our value chain, with which we can establish effective targets and implement reduction measures. Most of the greenhouse gases emitted by Hitachi as a whole are energy-related CO₂. An extremely high share of our value chain emissions comes from the use of the products and services we sell.

We thus believe that we can make a major contribution to decarbonization through our businesses by giving priority to enhancing the efficiency and energy-saving features of our products and services.



In-house: Within the scope of the company's organizational boundaries. In principle, all business activities of the company itself and activities within or controlled by its consolidated subsidiaries

Upstream: In principle, activities related to products and services that are purchased

Downstream: In principle, activities related to products and services that are sold

Detailed data on GHG emissions throughout the Hitachi value chain (Hitachi Group, Fiscal 2025)

Category	Description	Reporting boundary	Emissions (Mt-CO ₂ e)	Percentage (%)
Total Scope 1, 2, and 3		Hitachi Group	209.64	100.00
Total Scope 1 and 2*1		Hitachi Group	0.46	0.22
Scope 1*2				
Direct emissions*1	Direct emissions from in-house fuel use and industrial processes (aggregate of all manufacturing sites and non-manufacturing sites for category A and B)	Hitachi Group	0.30	0.14
Of which, category A	Direct emissions from in-house fuel use and industrial processes (aggregated for category A only)	Hitachi Group	0.29	0.14
Scope 2*3				
Energy-related indirect emissions*1	Indirect emissions from production of electricity and heat purchased by the company (aggregate of all manufacturing sites and non-manufacturing sites for category A and B)	Hitachi Group	0.16	0.07
Of which, category A	Indirect emissions from production of electricity and heat purchased by the company (aggregated for category A only)	Hitachi Group	0.11	0.05
Scope 3 Total		Hitachi Group	209.18	99.78
Scope 3 Upstream (other indirect emissions)				
1 Purchased goods and services*4	Emissions from the resource extraction stage to the manufacturing stage, including raw materials, parts, supplied products, and sales	Hitachi Group	15.09	7.20
2 Capital goods	Emissions generated in the construction, manufacture, and shipping of the company's own capital goods, such as equipment, devices, buildings, facilities, and vehicles	Hitachi Group	1.44	0.69
3 Fuel- and energy- related activities not included in Scope 1 and 2	Emissions from procuring the fuel necessary for electricity and other energy production, including resource extraction, production, and shipping	Hitachi Group	0.06	0.03
4 Upstream transportation and distribution	Emissions from the distribution of raw materials, parts, products supplied, and sales prior to the delivery of materials to the company, as well as other distribution activities of products for which the company bears the expense	Hitachi Group	0.50	0.24
5 Waste generated in operations	Emissions from the transportation, disposal, and treatment of waste generated from the company's operations	Hitachi Group	0.02	0.01
6 Business travel	Emissions generated from the fuel and electricity used by employees for business travel	Hitachi Group	0.05	0.02
7 Employee commuting	Emissions generated from the fuel and electricity used by employees commuting	Hitachi Group	0.11	0.05
8 Upstream leased assets	Emissions from the operation of assets leased by the company, excluding those counted in Scope 1 and 2	Hitachi Group	Included in Scope 1 and 2	—
Scope 3: Downstream (other indirect emissions)				
9 Downstream transportation and distribution	Emissions from the transportation, storage, loading and unloading, and retail sales of products	Hitachi Group	0.01	0.00
10 Processing of sold products	Emissions by downstream companies during the processing of intermediate products	Hitachi Group	0.02	0.01
11 Use of sold products*5	Emissions from the use of products by end users, such as consumers and businesses	Hitachi Group	191.46	91.33
12 End-of-life treatment of sold products	Emissions from the transportation, waste disposal, and treatment of products by end users, such as consumers and businesses	Hitachi Group	0.22	0.10
13 Downstream leased assets	Emissions from the operating of assets owned by the reporting company as the lessor, which are leased to other entities	Hitachi Group	0.02	0.01
14 Franchises	Emissions by franchises under Scope 1 and 2	Hitachi Group	N/A	—
15 Investments	Emissions related to the management of investments	Hitachi Group	0.18	0.09

Note: GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors and considering scientific uncertainty inherent in the Global Warming Potentials

*1 Aggregated according to Hitachi's internal categories; all manufacturing sites and non-manufacturing sites for category A and B. The row labeled "Of which, category A" is aggregated for category A only. In the text, unless otherwise noted, the aggregation pertains to category A, which is subject to environmental management

*2 Including SF₆, PFC, HFC, N₂O, NF₃, CH₄ and C₄-FN. The gas and fuel oil conversion factors are based on the list of calculation methods and emission factors used in the Greenhouse Gas Emissions Calculation, Reporting and Publication System. The gas conversion factors not specified in the list are based on the values stipulated by Hitachi on technical literature

*3 CO₂ emissions from electricity consumption is calculated using a market-based calculation method. CO₂ electrical power conversion factors: We used adjusted conversion factors for individual power businesses based on the Act on Promotion of Global Warming Countermeasures in Japan. In China, we used the average emissions factor published by the government for the regional power grid. For other countries, we used the latest values for each fiscal year supplied by the International Energy Agency (IEA) for individual countries or by power supply companies

*4 Scope 3 Category 1 emissions are calculated for externally procured goods and services managed through respective procurement systems of Hitachi Group companies, using data collected through Hitachi's procurement data aggregation system

*5 Emissions are calculated based on the annual energy consumption of each final product manufactured by Hitachi, multiplied by the number of units sold, the product's lifetime and the CO₂ emission factor. GHG emissions from SF₆ leakage are also included in the calculations for certain products, such as transformers and switchgear. CO₂ emission factors are based on IEA country-specific emission factors (mainly 2023 version)

Environmental load from operations

Energy inputs and GHG emissions during business operations

Energy inputs

			Reporting boundary	Unit	FY2021	FY2022 ^{*1}	FY2023 ^{*2}	FY2024	FY2025
			Hitachi Group	GWh	9,957	5,387	3,353	3,178	2,948
Energy inputs	Electricity	Total	Hitachi Group	GWh	193	706	769	863	1,045
		(Self-generated amount: Includes on-site PPA)	Hitachi Group	GWh	34	25	29	41	56
		(Purchases: Includes non-fossil certificates)	Hitachi Group	GWh	159	681	741	822	989
		Fuel and heat ^{*3}	Biofuel ^{*4}	GWh (PJ)	—	—	62 (0.2)	66 (0.2)	64 (0.2)
Non-renewable energy	Electricity	Electricity	Hitachi Group	GWh	4,584	2,218	715	510	355
	Fuel and heat ^{*3}	City gas	Hitachi Group	GWh (billion m ³)	1,373 (0.11)	767 (0.06)	665 (0.06)	631 (0.05)	89 (0.01)
		LPG, LNG	Hitachi Group	GWh (kt)	1,705 (118)	1,217 (82)	989 (65)	971 (64)	969 (64)
		Other natural gas	Hitachi Group	GWh (billion m ³)	319 (0.03)	261 (0.02)	46 (0.004)	52 (0.005)	286 (0.027)
		Fuel oil (heavy oil, kerosene, etc.)	Hitachi Group	GWh (ML)	495 (47)	197 (19)	95 (9)	74 (7)	78 (7)
		Solid fuel (coke)	Hitachi Group	GWh (kt)	1,278 (156)	—	—	—	—
		Steam, hot water and cold water	Hitachi Group	GWh (PJ)	10 (0.04)	21 (0.08)	12 (0.04)	12 (0.04)	62 (0.22)

Note: Aggregated for category A only until fiscal 2022 according to Hitachi's internal categories. Aggregated for all manufacturing sites and non-manufacturing sites for category A and B for fiscal 2023 according to Hitachi's internal categories

^{*1} Significant decrease for fiscal 2022 due to deconsolidation of materials-related and construction machinery-related companies

^{*2} In fiscal 2023, the amount decreased due to the deconsolidation of the auto parts-related companies

^{*3} Used 3.6MJ/kWh in the conversion from calorific value

^{*4} Past figures have been partly revised

Greenhouse gases emitted

		Reporting boundary	Unit	FY2021	FY2022*1	FY2023*2	FY2024	FY2025*6
Total greenhouse gases*3		Hitachi Group	kt-CO ₂ e	3,412	1,565	676	601	460
Energy-related total CO ₂ emissions	Total	Hitachi Group	kt-CO ₂	3,384	1,538	618	533	425
	(Direct emissions)	Hitachi Group	kt-CO ₂	1,245	459	339	325	268
	(Indirect emissions)	Hitachi Group	kt-CO ₂	2,139	1,079	279	208	157
Total other than energy-related CO ₂ greenhouse gas emissions*4	Total	Hitachi Group	kt-CO ₂ e	28.2	26.7	58.6	68.3	35.4
	Sulfur hexafluoride (SF ₆)	Hitachi Group	kt-CO ₂ e	20.4	22.0	33.2	39.6	32.2
	Perfluorocarbons (PFC)	Hitachi Group	kt-CO ₂ e	1.9	1.3	0.9	0.1	0.4
	Hydrofluorocarbons (HFC)	Hitachi Group	kt-CO ₂ e	3.3	2.4	22.5	26.6	1.4
	Dinitrogen monoxide, nitrogen trifluoride, methane (N ₂ O, NF ₃ , CH ₄)	Hitachi Group	kt-CO ₂ e	2.5	0.9	1.9	1.7	1.1
	CO ₂ from non-energy sources	Hitachi Group	kt-CO ₂ e	0.1	0.2	0.2	0.2	0.2
	C ₄ -fluoronitrile (C ₄ -FN)*5	Hitachi Group	kt-CO ₂ e	—	—	—	0.0	0.0

Note: CO₂ emissions from electricity consumption is calculated using a market-based calculation method. CO₂ emission coefficients for Japan (including power plants) are the latest adjusted emission coefficients for each electric utility based on the Act on Promotion of Global Warming Countermeasures. For China, we use the average emissions factor for the regional power grid published by the government. For countries other than Japan and China, we use the latest IEA emission factors by country for each fiscal year or the latest factors provided by power supply companies

Note: The gas and fuel oil conversion factors are based on the list of calculation methods and emission factors used in the Greenhouse Gas Emissions Calculation, Reporting and Publication System. The gas conversion factors not specified in the list are based on the values stipulated by Hitachi on technical literature

Note: Aggregated for category A only until fiscal 2022 according to Hitachi's internal categories. Aggregated for all manufacturing sites and non-manufacturing sites for category A and B for fiscal 2023 according to Hitachi's internal categories

*1 Significant decrease for fiscal 2022 due to deconsolidation of materials-related and construction machinery-related companies

*2 In fiscal 2023, the amount decreased due to the deconsolidation of the auto parts-related companies. HFC emissions saw a significant increase as recycling-related companies were added to the aggregation scope

*3 Total GHGs: Scope 1 and 2 total

*4 The sources included in the calculation of greenhouse gas emissions other than energy-related CO₂, are as follows: carbon dioxide from cooling and welding applications, methane used for research purposes, hydrofluorocarbons (HFC), perfluorocarbons (PFC), sulfur hexafluoride (SF₆), methane, nitrogen trifluoride (NF₃), dinitrogen monoxide (N₂O) from the manufacture of semiconductor devices and testing of semiconductor inspection equipment, hydrofluorocarbons from the recovery of HFCs during the disposal of refrigeration and air conditioning equipment, sulfur hexafluoride from the production, filling, and testing of high-voltage transformers and power transmission and distribution equipment

*5 A gas, in mixture with carbon dioxide and oxygen, used as an insulating gas that serves as an alternative to SF₆, which has a high greenhouse effect

*6 From fiscal 2025, HFC emissions for a recycling-related company have been calculated based on actual measured values

Raw material inputs and waste and valuables generation during business operations

Raw material inputs

			Reporting boundary	Unit	FY2021	FY2022*1,2	FY2023*3	FY2024*4	FY2025*4
Total amount of raw materials			Hitachi Group	kt	3,235	788	3,345	1,617	750
Raw materials	Metals	Total metals	Hitachi Group	kt	3,083	685	2,430	1,126	499
		New materials	Hitachi Group	kt	909	614	2,428	1,124	400
		Recycled materials, etc.	Hitachi Group	kt	2,175	71	2	2	99
	Plastics	Total plastics	Hitachi Group	kt	74	43	148	113	38
		New materials	Hitachi Group	kt	72	40	146	111	32
		Recycled materials, etc.	Hitachi Group	kt	2	3	2	2	6
	Other materials	Total other materials	Hitachi Group	kt	77	61	767	377	214
		New materials	Hitachi Group	kt	76	54	766	377	197
		Recycled materials, etc.	Hitachi Group	kt	1	7	0.1	0.1	16.6

Waste and valuables generated

		Reporting boundary	Unit	FY2021	FY2022*1,5	FY2023*6	FY2024	FY2025
Total waste and valuables generated	Total / (hazardous)	Hitachi Group	kt	1,111 /(61)	356 /(57)	164 /(13)	154 /(14)	162 /(14)
Waste reduction		Hitachi Group	kt	74 /(10.5)	47 /(23.1)	11 /(4.4)	7 /(3.3)	9 /(3.5)
Recycle	Reuse	Hitachi Group	kt	36 /(18.7)	18 /(6.2)	7 /(0.3)	7 /(0.4)	10 /(0.2)
	Materials recycled	Hitachi Group	kt	784 /(19.3)	256 /(16.7)	131 /(6.0)	122 /(6.9)	122 /(7.1)
	Thermal recovery	Hitachi Group	kt	13 /(6.5)	16 /(4.6)	11 /(1.6)	14 /(2.7)	17 /(3.0)
Landfill		Hitachi Group	kt	204 /(5.7)	20 /(6.5)	4 /(0.6)	4 /(0.4)	4 /(0.3)

Note: Figures in parentheses indicate the amount of waste defined as hazardous under the Basel Convention. The amount of hazardous substances in parentheses is included in the total as a subtotal

*1 In fiscal 2022, the significant decrease is due to deconsolidation of materials-related and construction machinery-related companies

*2 In fiscal 2022, the amount includes the input of raw materials from auto parts-related companies that have been consolidated since fiscal 2020

*3 From fiscal 2023, the amount includes the input of raw materials from energy-related companies that have been consolidated since fiscal 2020. The input of raw materials from auto parts-related companies has been excluded due to their deconsolidation

*4 The amount decreased due to a revision of the calculation method

*5 In fiscal 2022, the amount includes the waste and valuables generated by energy-related and auto parts-related companies that have been consolidated since fiscal 2020

*6 In fiscal 2023, the amount decreased due to the deconsolidation of auto parts-related companies

Water Inputs and effluent discharges and consumption during business operations

Water input

		Reporting boundary	Unit	FY2021	FY2022*2,3	FY2023*4	FY2024	FY2025
Total water withdrawal*1	All areas / (Areas with water stress)	Hitachi Group	Million m ³	26.03	14.23	10.59	9.20/(1.26)	9.46/(1.38)
Surface water	Tap water (water for drinking and other household uses)	Hitachi Group	Million m ³	5.23	5.53	2.37	2.23/(0.53)	2.53/(0.65)
	Industrial water, river water	Hitachi Group	Million m ³	12.47	5.17	5.28	4.33/(0.38)	3.99/(0.40)
	Rain water*5	Hitachi Group	Million m ³	0.01	0.01	0.01	0.16/(0.09)	0.09/(0.05)
Groundwater	All areas / (Areas with water stress)	Hitachi Group	Million m ³	8.32	3.52	2.93	2.48/(0.26)	2.85/(0.28)
Recycled water (Recycled from the wastewater of other organizations)	All areas / (Areas with water stress)	Hitachi Group	Million m ³	0.01	0.00	0.00	0.00/(0.00)	0.00/(0.00)

Water intensity

	Reporting boundary	Unit	FY2021	FY2022*2	FY2023	FY2024	FY2025
Water intensity*6	Hitachi Group	Million m ³ /billions of yen	0.0025	0.0013	0.0012	0.0009	0.0009

Water effluents discharged

		Reporting boundary	Unit	FY2021	FY2022*2,3	FY2023*4,7	FY2024	FY2025
Total water effluents discharged	All areas / (Areas with water stress)	Hitachi Group	Million m ³	21.25	12.15	9.14	8.22/(0.98)	8.29/(1.03)
Public water	All areas / (Areas with water stress)	Hitachi Group	Million m ³	15.40	8.26	6.30	5.80/(0.35)	5.33/(0.35)
Sewerage	All areas / (Areas with water stress)	Hitachi Group	Million m ³	5.31	3.76	2.75	2.26/(0.62)	2.58/(0.67)
Groundwater	All areas / (Areas with water stress)	Hitachi Group	Million m ³	0.54	0.12	0.09	0.16/(0.00)	0.38/(0.01)
Water quality*8	BOD (biochemical oxygen demand)	Hitachi Group	t	156	77	9	7	5
	COD (chemical oxygen demand)	Hitachi Group	t	301	137	2	2	3

Consumption

		Reporting boundary	Unit	FY2021	FY2022 ^{*2,3}	FY2023 ^{*4}	FY2024	FY2025
Total consumption	All areas / (Areas with water stress)	Hitachi Group	Million m ³	4.78	2.08	1.45	0.98 / (0.28)	1.17 / (0.35)
Contained in products	All areas / (Areas with water stress)	Hitachi Group	Million m ³	0.00	0.00	0.00	0.00 / (0.00)	0.00 / (0.00)
Contained in waste	All areas / (Areas with water stress)	Hitachi Group	Million m ³	0.01	0.00	0.00	0.00 / (0.00)	0.00 / (0.00)
Evaporation, etc.	All areas / (Areas with water stress)	Hitachi Group	Million m ³	4.77	2.08	1.45	0.98 / (0.28)	1.17 / (0.35)

Note: Figures in parentheses are the amount from all areas with water stress

*1 Figures through fiscal 2021 represent water usage in manufacturing processes and general daily usage at manufacturing sites classified as Category A within Hitachi, as well as general daily usage at locations other than manufacturing sites. Figures for fiscal 2022 through fiscal 2024 represent water usage in manufacturing processes and general daily usage at Category A manufacturing sites. Figures for fiscal 2025 represent water usage in manufacturing processes and general daily usage at all manufacturing sites

*2 Fiscal 2022 water usage of an energy-related and auto parts-related companies included in the scope of consolidation since fiscal 2020 is included in the reported figures above

*3 Significant decrease in fiscal 2022 due to deconsolidation of materials-related and construction machinery-related companies

*4 In fiscal 2023, the amount decreased due to the deconsolidation of the auto parts-related companies

*5 From FY2024, if the amount of water withdrawal exceeds the sum of water effluents discharged and consumption (water withdrawal > water effluents discharged + consumption), the difference is added to the consumption. If the amount of water withdrawal is less than the sum of water effluents discharged and consumption (water withdrawal < water effluents discharged + consumption), the difference is added to the rainwater in the water withdrawal

*6 Water withdrawal divided by Hitachi's revenue in billions of Japanese yen

*7 For fiscal 2023, the above reported values include BOD/COD of energy companies that have been consolidated since fiscal 2020

*8 Water quality for fiscal 2023 decreased due to a revision in the aggregation method. This revision excluded discharges to sewage systems and counted only either BOD or COD for the same discharge destination

Inputs and discharges of chemical substances during business operations

Chemical substances handled

		Reporting boundary	Unit	FY2021	FY2022 ^{*3}	FY2023 ^{*4}	FY2024	FY2025
Total chemical substances handled ^{*1}	Chemical substances handled	Hitachi Group	kt	26.20	1.70	0.97	0.68	0.65

Chemical substances discharged

		Reporting boundary	Unit	FY2021	FY2022 ^{*2}	FY2023 ^{*3}	FY2024 ^{*5}	FY2025
Total chemical substances discharged		Hitachi Group	kt	3.50	1.39	0.65	0.49	0.55
Chemical substances discharged	Chemical substances discharged ^{*4} (VOC, etc.)	Hitachi Group	kt	2.50	1.09	0.62	0.47	0.45
	SOx (sulfur oxides)	Hitachi Group	kt	0.2	0.01	0.00	0.00	0.04
	NOx (nitrogen oxides)	Hitachi Group	kt	0.8	0.29	0.03	0.02	0.06

Note: Sulfur oxides (SOx) and nitrogen oxides (NOx) are chemical emissions that are released from the combustion of fuel, not due to the chemicals used

*1 We selected 50 substances from the perspective of hazards and atmospheric emissions

*2 Significant decrease in fiscal 2022 due to deconsolidation of materials-related and construction machinery-related companies

*3 In fiscal 2023, the amount decreased due to the deconsolidation of the auto parts-related companies

*4 Approximately 100% of chemical emissions classified as VOCs

*5 Past figures have been partly revised

Environmental management data

Number of ISO 14001 certified companies

	Reporting boundary	Unit	FY2021	FY2022*1	FY2023*2,3	FY2024	FY2025
Total	Hitachi Group	Companies	185	281	178	184	181
Japan	Hitachi Group	Companies	66	66	45	44	44
China	Hitachi Group	Companies	43	61	34	29	29
ASEAN, India and the rest of Asia	Hitachi Group	Companies	43	50	27	36	29
North America	Hitachi Group	Companies	9	13	15	16	14
Europe	Hitachi Group	Companies	15	52	47	44	49
Other	Hitachi Group	Companies	9	39	10	15	16

Note: Companies with at least one certified business site

*1 Significant changes in fiscal 2022 resulting from both the increase caused by the consolidation of an energy-related company and the decrease caused by the deconsolidation of materials-related and construction machinery-related companies

*2 In fiscal 2023, the amount decreased due to the deconsolidation of the auto parts-related companies

Number of regulatory violations and complaints

		Reporting boundary	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Regulatory violations	Water quality	Hitachi Group	Cases	2	0	1	0	3
	Air quality	Hitachi Group	Cases	0	2	0	0	1
	Waste materials	Hitachi Group	Cases	3	0	2	2	1
	Other (equipment registration, etc.)	Hitachi Group	Cases	3	0	0	1	0
		Hitachi Group	Cases	3	0	1	0	0
Complaints		Hitachi Group	Cases	3	0	1	0	0

Environmental accounting

Environmental protection costs

			Reporting boundary	Unit	FY2021	FY2022*2	FY2023*3	FY2024	FY2025
Total			Hitachi Group	Billion Yen	79.97	57.21	44.35	41.28	60.83
Expenses	Business area	Maintenance costs for equipment with low environmental loads, depreciation, etc.*1	Hitachi Group	Billion Yen	19.56	6.30	4.55	4.47	4.88
	Upstream/Downstream	Green procurement expenses, recovery and recycling of products and packaging, recycling expenses	Hitachi Group	Billion Yen	0.64	0.08	0.06	0.06	0.05
	Administration	Labor costs for environmental management and the implementation and maintenance of environmental management systems	Hitachi Group	Billion Yen	5.40	3.06	3.14	2.83	3.09
	Research and development	Costs of research and development and product designs to reduce the environmental burden caused by products and production processes	Hitachi Group	Billion Yen	53.79	47.55	36.37	33.66	52.56
	Social activities	Planting, beautification and other environmental improvement costs	Hitachi Group	Billion Yen	0.26	0.11	0.15	0.18	0.25
	Environmental remediation	Environmental mitigation costs, contributions and charges	Hitachi Group	Billion Yen	0.32	0.11	0.08	0.08	0.01

*1 Equipment depreciation costs are calculated using the straight-line method over five years

*2 In fiscal 2022, the amount decreased significantly due to deconsolidation of materials-related and construction machinery-related companies. The costs of an energy-related company which has been consolidated since fiscal 2020 are not included

*3 In fiscal 2023, the amount decreased due to the deconsolidation of the auto parts-related companies

Environmental protection effects

Economic effects*1

Major FY2025 activities		Reporting boundary	Unit	FY2021	FY2022*2	FY2023*3	FY2024	FY2025
Total		Hitachi Group	Billion Yen	19.20	11.95	1.65	1.30	1.17
Net income effects	Recovering value from waste by sorting and recycling	Hitachi Group	Billion Yen	15.15	7.89	1.15	0.83	0.98
Cost reduction effects	Installing high-efficiency equipment (lighting, power supply, etc.)	Hitachi Group	Billion Yen	4.05	4.06	0.50	0.47	0.19

*1 Economic effects include the following:

Net income effects: Real income from the sale of valuable materials and environmental technology patents

Cost reduction effects: Reductions in electricity, waste treatment, and other expenses through activities that reduce environmental loads

*2 In fiscal 2022, the amount decreased significantly due to deconsolidation of materials-related and construction machinery-related companies. The costs of an energy-related company which has been consolidated since fiscal 2020 are not included

*3 In fiscal 2023, the amount decreased due to the deconsolidation of the auto parts-related companies

Environmental liability

As the amounts that we can reasonably project as future environmental liabilities as of end of April 2026, we recorded 3.0 billion yen in costs for the disposal of waste containing PCBs and 0.8 billion yen to clean up contaminated soil.

Social data

Human capital

Employee data

	Reporting boundary		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Number of employees (by region)	Hitachi Group	Total	People	368,247	322,525	268,655* ¹	282,743	287,901
		(By region)						
		Japan	People	156,768	133,762	113,737	112,749	115,544
		China	People	50,707	43,410	33,167	33,735	35,088
		ASEAN, India and the rest of Asia	People	69,876	62,614	52,704	55,655	54,026
		North America	People	27,914	22,863	17,906	19,683	18,866
		Europe	People	42,519	43,155	42,240	50,657	53,295
		Other areas	People	20,463	16,721	8,901	10,264	11,082
Number of employees (by gender and age)	Hitachi Group* ²	Total	People	283,020	294,746	237,160	246,797	256,007
		(By gender)						
		Men	People	227,652	230,947	185,607	191,444	198,034
		Women	People	55,368	63,799	51,553	55,353	57,973
		(By age)* ³						
		15–19 years old	%	0.4	0.5	0.4	0.3	0.4
			Japan	%	0.3	0.2	0.2	0.2
			Outside Japan	%	0.1	0.2	0.2	0.2
		20–29 years old	%	15.2	19.0	19.9	19.5	19.7
			Japan	%	8.2	6.6	7.5	7.8
			Outside Japan	%	7.0	12.4	12.5	12.0
		30–39 years old	%	27.8	29.5	28.1	28.1	28.2
			Japan	%	12.7	9.8	10.1	9.4
			Outside Japan	%	15.1	19.6	18.0	18.8
		40–49 years old	%	28.5	26.2	25.1	25.3	25.5
			Japan	%	17.5	13.0	13.1	11.6
			Outside Japan	%	11.0	13.1	12.0	13.9
		50–59 years old	%	25.6	22.6	23.9	23.7	23.2
			Japan	%	19.1	15.9	17.2	15.7
			Outside Japan	%	6.5	6.7	6.7	7.5
		60–69 years old	%	2.4	2.2	2.6	2.9	3.0
			Japan	%	0.6	0.4	0.5	0.4
			Outside Japan	%	1.8	1.8	2.1	2.6
		Over 70 years old	%	0.1	0.1	0.1	0.1	0.1
			Japan	%	0.0	0.0	0.0	0.0
			Outside Japan	%	0.1	0.1	0.1	0.1

	Reporting boundary		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Number of employees (by gender and age)	Hitachi, Ltd.	Total	People	29,485	28,672	28,111	25,892	25,934
		(By gender)						
		Men	People	23,749	22,939	22,375	20,340	20,229
		Women	People	5,736	5,733	5,736	5,552	5,705
Average age	Hitachi Group*2	Total	Age	41.7	40.4	40.6	40.8	40.9
		(By gender)						
		Men	Age	42.1	40.9	41.2	41.3	41.4
		Women	Age	40.2	38.5	38.5	38.8	39.2
	Hitachi, Ltd.	Total	Age	43.3	43.4	43.4	42.9	42.3
		(By gender)						
		Men	Age	43.8	43.9	43.9	43.4	42.9
		Women	Age	41.1	41.2	41.3	40.8	40.3
Average service (years)	Hitachi Group*2	Total	Years	13.5	12.6	12.9	12.6	11.8
		(By region)						
		Japan	Years	18.1	18.3	19.2	18.7	17.6
		China	Years	9.2	10.2	11.2	11.1	10.6
		ASEAN, India and the rest of Asia	Years	8.2	7.1	5.0	5.0	4.8
		North America	Years	7.5	8.3	8.2	8.0	7.8
		Europe	Years	5.7	9.1	8.8	9.3	8.8
		Other areas	Years	5.7	6.7	6.8	6.7	6.2
		(By gender)						
		Men	Years	13.8	13.4	13.7	13.3	12.5
		Women	Years	10.9	10.1	10.1	10.0	9.4
	Hitachi, Ltd.	Total	Years	18.5	18.6	18.5	18.1	17.0
		(By gender)						
		Men	Years	19.0	19.2	19.1	18.7	17.6
		Women	Years	16.2	16.3	16.4	15.8	14.9
Turnover rate*4,5	Hitachi Group*2	Total	%	7.5	8.5	6.3	5.8	6.0
		(By region)						
		Japan	%	3.3	2.6	2.6	2.4	2.2
		Outside Japan	%	13.1	13.5	9.7	8.7	9.0
		(By gender)						
		Men	%	7.1	7.8	6.1	5.9	5.8
		Women	%	8.9	10.8	6.9	5.5	6.4
	Hitachi, Ltd.	Total	%	1.8	2.0	2.1	2.0	2.1
		(By gender)						
		Men	%	1.7	1.8	2.1	1.9	2.0
		Women	%	2.3	2.8	2.6	2.4	2.6

*1 The decrease in the number of group employees from the previous fiscal year is mainly due to the deconsolidation of Hitachi Astemo

*2 Manufacturing workers not registered in the employee database and employees of some newly consolidated companies are not included. As of the end of fiscal 2025, the number of manufacturing workers not registered in the employee database was 22,000

*3 Hitachi does not employ 0-14 years old children

*4 The figures are based on enrolled employees with employment contract, including those seconded from Hitachi Group to other companies and those taking leave, and excluding those seconded from other companies to Hitachi Group (as of March 31)

*5 Figures include only voluntary resignations

Talent development

	Reporting boundary		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Number of participants of management training programs	Hitachi Group	For management leaders	People	76	87	72	74	48
		For managers	People	3,900	4,191	3,871	4,186	3,831
Training hours per employee	Hitachi Group*1		Hours	25.9	27.9	30.4	32.5	31.6
Average amount invested in training per employee	Hitachi Group*1		Yen	58,300	77,400	86,405	84,513*2	82,600

*1 Targets of the survey are Hitachi, Ltd., group companies with more than 500 employees, some major group companies and regional headquarters. We compiled the results of the companies that responded

*2 The past figure has been revised

AI professional talents

	Reporting boundary		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Number of AI professional talents*1	Hitachi Group		People	—	—	—	22,000	39,000

*1 The figures are the cumulative count of achievements meeting the prescribed criteria, including completion of internal development programs and acquisition of vendor-certified AI-related qualifications. Figures are shown in thousands

Employee engagement

	Reporting boundary		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Employee engagement score*1	Hitachi Group	Global average	Points	65	69.5	68.6	71.5	73.3
		(By region)	Japan	56	61.2	61.6	63.2	65.6
			Outside Japan	80	82.3	80.2	80.9	81.6

*1 Employee engagement score measures the positive response rate of 4 factors - pride in working for Hitachi; whether it is a workplace one would recommend to others as a great place to work; job satisfaction and sense of accomplishment; and desire to continue working for Hitachi for the foreseeable future

Registered employees, managers, wage, new hires

	Reporting boundary		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Number and ratio of registered employees* ¹	Hitachi Group* ²	Total number of registered employees	People	291,028	301,320	241,504	253,983	263,171
		Number and ratio of women employees	People (%)	58,830 (20.2)	67,224 (22.3)	54,315 (22.5)	58,801 (23.2)	61,645 (23.4)
		(By region) Japan	People (%)	26,773 (16.5)	24,832 (17.9)	22,815 (19.4)	23,590 (20.2)	24,648 (20.8)
		China	People (%)	7,594 (35.7)	7,869 (35.1)	4,504 (34.3)	4,666 (33.5)	4,887 (33.3)
		ASEAN, India and the rest of Asia	People (%)	9,120 (20.6)	15,851 (25.2)	11,359 (25.7)	11,785 (26.0)	12,322 (25.7)
		North America	People (%)	4,954 (25.7)	5,076 (25.1)	4,049 (24.3)	4,689 (25.3)	4,647 (25.0)
		Europe	People (%)	6,761 (23.8)	9,705 (23.6)	9,707 (24.0)	11,868 (24.6)	12,756 (24.7)
		Other areas	People (%)	3,628 (23.4)	3,891 (24.6)	1,881 (19.8)	2,203 (19.9)	2,385 (20.2)
	Hitachi, Ltd.	Total number of registered employees	People	32,713	32,086	31,565	29,381	29,186
	Number and ratio of women employees	People (%)	6,595 (20.2)	6,584 (20.5)	6,563 (20.8)	6,356 (21.6)	6,482 (22.2)	
Number and ratio of managers* ³	Hitachi Group* ^{1, 2}	Total number of managers	People	48,690	65,171	61,291	74,135	86,417
		Number and ratio of women employees	People (%)	4,762 (9.8)	8,461 (13.0)	8,639 (14.1)	11,739 (15.8)	15,040 (17.4)
		(By region) Japan	People (%)	1,540 (4.5)	1,609 (5.0)	1,669 (5.7)	1,821 (6.3)	1,979 (6.8)
		Outside Japan	People (%)	3,222 (22.4)	6,852 (20.8)	6,970 (21.7)	9,918 (21.9)	13,061 (22.7)
	Hitachi, Ltd.* ⁴	Total number of managers	People	11,584	11,188	11,049	10,152	10,004
		Number and ratio of women employees	People (%)	785 (6.8)	826 (7.4)	866 (7.8)	863 (8.5)	894 (8.9)
		(By region) Department manager or above	People (%)	146 (4.3)	160 (5.0)	170 (5.3)	179 (6.0)	194 (6.5)
		Section manager	People (%)	639 (7.8)	666 (8.4)	696 (8.9)	684 (9.5)	700 (10.0)
Wage ratio of women to men* ^{1, 5, 6}	Hitachi Group* ²	All employees	%	—	—	80.1	82.6	82.4
		Permanent and full-time employees	%	—	—	80.6	83.5	83.5
		Managerial level	%	—	—	92.3	92.8	90.8
		Non-managerial level	%	—	—	86.2	86.7	86.7
		Part-time or fixed-term employees	%	—	—	74.0	73.7	67.1
	Hitachi Group companies in Japan* ⁷	All employees	%	—	—	69.4	71.7	72.9
		Permanent and full-time employees	%	—	—	70.2	72.3	73.9
		Managerial level	%	—	—	95.7	95.0	95.4
		Non-managerial level	%	—	—	79.2	80.1	81.7
		Part-time or fixed-term employees	%	—	—	61.5	62.4	65.1
	Hitachi Group companies outside Japan* ^{2, 8}	All employees	%	—	—	89.9	92.2	91.2
		Permanent and full-time employees	%	—	—	89.5	92.3	91.3
		Managerial level	%	—	—	88.8	90.5	86.7
		Non-managerial level	%	—	—	91.9	91.3	90.6
		Part-time or fixed-term employees	%	—	—	97.2	91.4	83.7

	Reporting boundary		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Number and ratio of new employees hired	Hitachi Group*1,2	Total	People	29,539	32,733	25,696	26,482	27,448
		Number and ratio of new women employees hired	People (%)	6,489 (22.0)	9,593 (29.3)	7,003 (27.3)	7,280 (27.5)	7,441 (27.1)
		(By region)						
		Japan	People (%)	2,051 (15.7)	1,275 (25.8)	1,346 (26.0)	1,646 (27.2)	1,740 (26.8)
		China	People (%)	449 (38.3)	377 (29.0)	179 (23.4)	225 (25.3)	284 (24.7)
		ASEAN, India and the rest of Asia	People (%)	1,402 (22.0)	4,314 (30.4)	2,900 (27.9)	2,820 (28.1)	2,746 (28.5)
		North America	People (%)	927 (27.9)	1,212 (28.3)	897 (30.8)	848 (29.6)	685 (26.9)
		Europe	People (%)	971 (27.9)	1,482 (28.8)	1,217 (27.2)	1,304 (26.4)	1,577 (28.0)
		Other areas	People (%)	689 (27.4)	933 (32.7)	464 (23.6)	374 (21.9)	409 (21.5)
	Hitachi, Ltd.	Total	People	911	1,088	1,207	1,301	1,587
		Number and ratio of new women employees hired	People (%)	195 (21.4)	247 (22.7)	277 (22.9)	307 (23.6)	371 (23.4)

*1 The figures are based on enrolled employees with employment contract, including those seconded from Hitachi Group to other companies and those taking leave, and excluding those seconded from other companies to Hitachi Group (as of March 31)

*2 Manufacturing workers not registered in the employee database and employees of some newly consolidated companies are not included. As of the end of fiscal 2025, the number of manufacturing workers not registered in the employee database was 22,000

*3 The increase in the number and percentage of women managers over time reflects improved coverage of our employee database and changes in the number of consolidated companies. Also, employees whose grades (job titles) are not registered in the employee database are not included in the number of managers

*4 The figures are based on the number of employees, including those seconded from Hitachi Group to other companies, those taking leave and those seconded from other companies to Hitachi Group (as of March 31). Figures for fiscal 2021 exclude those seconded from other companies to Hitachi Group

*5 We apply the same system of compensation and benefits regardless of the employee's gender. The gender pay gap is resulting from factors including a high proportion of men employees in senior positions including managers and, especially in Japan, the proportion of women employees in managerial position is low and there is a higher proportion of women employees working shorter hours than men

*6 Calculated in accordance with the laws and regulations of the country where each company is located, basically based on assumed cash compensation, including annual basic bonuses, allowances and variable bonuses

*7 Hitachi Group companies in Japan and the assumptions for these calculation are based on the Act on the Promotion of Women's Active Engagement in Professional Life

*8 Companies with 250 or more employees

Diversity in the executive and corporate officers, and directors

	Reporting boundary		Unit	June 2022	June 2023	June 2024	June 2025	June 2026
Ratio of women and ethnically/culturally diverse executive and corporate officers	Hitachi, Ltd.	Women	Number	9	9	9	11	11
			Ratio	12.2	11.4	11.8	15.9	15.9
		Non-Japanese	Number	13	16	19	18	16
			Ratio	17.6	20.3	25.0	26.1	23.2

	Reporting boundary		Unit	June 2022	June 2023	June 2024	June 2025	June 2026
Ratio of women and ethnically/culturally diverse directors	Hitachi, Ltd.	Total	People	12	12	12	12	11
		Gender	Men	10	10	10	10	8
			%	83.3	83.3	83.3	83.3	72.7
		Women	People	2	2	2	2	3
			%	16.7	16.7	16.7	16.7	27.3
		Nationality	Japanese	7	7	7	8	7
			%	58.3	58.3	58.3	66.7	63.6
			Non-Japanese	5	5	5	4	4
			%	41.7	41.7	41.7	33.3	36.4

Maternity / partner's leave, child-care leave

	Reporting boundary		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Maternity / partner's leave	Hitachi, Ltd.	Utilization rate*1	Men	%	32.9	43.9	51.3	58.3
			Women	%	100.0	100.0	100.0	100.0
		Return rate for recipients*2	Men	%	100.0	100.0	100.0	100.0
			Women	%	100.0	98.3	99.5	97.5
		Retention rate for recipients*3	Men	%	97.5	99.4	97.3	100.0
			Women	%	98.5	100.0	100.0	98.5
Child-care leave	Hitachi, Ltd.	Utilization rate*4	Men	%	9.9	18.4	26.3	36.0
			Women	%	100.0	100.0	100.0	99.5
		Return rate for recipients*5	Men	%	100.0	100.0	92.3	100.0
			Women	%	100.0	99.3	98.5	99.5
		Retention rate for recipients*6	Men	%	94.4	100.0	96.3	98.2
			Women	%	96.6	95.9	96.7	98.7
Child-care or partner maternity leave	Hitachi, Ltd.	Utilization rate*7	Men	%	40.6	56.8	65.2	71.9

*1 Total number of employees who took maternity leave or partner's maternity leaves / Total number of employees with newborn children

*2 Total number of employees not resigning on the day after completing maternity leave or partner's maternity leaves / Total number of employees who took maternity leave or partner's maternity leave

*3 Total number of employees who did not resign within one year after maternity leave or partner's maternity leave / Total number of employees who took maternity leave or partner's maternity leave

*4 Total number of employees who took child-care leave / Total number of employees with newborn children

*5 Total number of employees returning from child-care leave / Total number of employees who planned to return from child-care leave. Number of employees returning excludes those who planned to return and resigned voluntarily without returning

*6 Total number of employees continuously working one year after returning from child-care leave / Total number of employees returning from child-care leave

*7 Total number of employees who took child-care leave or partner maternity leave, or the number of employees taking both / Total number of employees with newborn children

Employment of people with disabilities

	Reporting boundary	Unit	June 2022	June 2023	June 2024	June 2025	June 2026
Employment of people with disabilities	Hitachi, Ltd.*1	People	2,767	2,650	2,290	2,334	2,560
Employment rate of people with disabilities	Hitachi, Ltd.*1	%	2.43	2.48	2.64	2.66	2.74

*1 It includes special subsidiaries and related group companies (One special subsidiary and 22 related group companies as of June 2026)

Health and safety

	Reporting boundary		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Total recordable injury frequency rate (TRIFR* ¹)	Hitachi Group	Total	—	0.27	0.26	0.16	0.13	0.15
		(By region)						
		Japan	—	0.12	0.14	0.13	0.11	0.11
		Asia (excluding Japan)	—	0.11	0.09	0.05	0.05	0.07
		North America, Central and South America	—	1.20	1.10	0.38	0.30	0.32
		Europe	—	0.45	0.39	0.32	0.26	0.30
Number of fatal incidents	Hitachi Group (including contractors)		Cases	2	5	4	2	4
Number of fatalities	Hitachi Group	Employees	People	1	3	0	2	3
	Hitachi, Ltd.	Employees	People	0	0	0	0	0
	Contractors	Contractors	People	1	2	5	0	1
Lost time injury frequency rate (LTIFR* ²)	Hitachi Group		—	0.11	0.10	0.07	0.06	0.07
Number of lost time injuries	Hitachi Group		Cases	432	372	175	161	192
	Hitachi Group companies in Japan		Cases	44	51	25	14	23
	Hitachi, Ltd.		Cases	1	4	3	2	2

*1 Total Recordable Injury Frequency Rate (number of recordable injuries per 200,000 work hours)

*2 Lost Time Injury Frequency Rate (number of recordable injuries per 200,000 working hours)

	Reporting boundary		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Absence rate	Hitachi Group companies in Japan	(By health type)	Mental* ¹	—	—	0.85	0.90	0.95
			Physical* ²	—	—	—	—	0.18

*1 Percentage of employees who took seven or more consecutive days of sick leave or a leave of absence due to a mental illness (Number of cases of sick leave or leave of absence due to a mental illness ÷ average monthly number of employees × 100)

*2 Percentage of employees who took seven or more consecutive days of sick leave or a leave of absence due to a physical illness (Number of cases of sick leave or leave of absence due to a physical illness ÷ average monthly number of employees × 100)

	Reporting boundary		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Medical exam and screening attendance rates	Hitachi Group companies in Japan	(By exam type)	General physical exam* ¹	%	80.6	82.4	92.8	92.4
			Lung cancer screening* ¹	%	98.0	98.7	97.2	97.2
			Intestinal cancer screening* ²	%	85.5	87.3	86.4	85.5
			Stomach cancer screening* ²	%	84.7	86.5	85.5	84.5
			Breast cancer screening* ³	%	57.1	58.4	61.0	60.1
			Uterine cancer screening* ⁴	%	39.3	40.9	42.1	47.5
Smoking rate* ⁵	Hitachi Group companies in Japan		%	27.6	27.0	26.3	24.6	24.1

*1 Men and women aged 35 and over *2 Men and women aged 30 and over *3 Women aged 30 and over *4 Women aged 25 and over *5 Employees aged 35 and over (results of specific medical examinations)

Sustainable procurement

Sustainable procurement activities

	Reporting boundary	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Sustainability assessment	Hitachi Group	Companies	(Human rights) 2,524* ¹ (Environment) 708* ¹	1,374* ²	3,227	4,029	5,090
Sustainability audits	Hitachi Group	Companies	25	128* ³	150	153	142
Sustainable procurement seminars	Hitachi Group	Companies	359	520	269* ⁴	156	388

*1 Sustainability assessment in fiscal 2021 was focused on human rights and the environment

*2 Sustainability assessment from fiscal 2022 onwards has been focused on environment, labor and human rights, ethics and sustainable procurement

*3 Included the number of companies audited by Hitachi Energy beginning fiscal 2022

*4 Procurement partners of Hitachi Astemo not included in the Sustainable Procurement Seminars from fiscal 2023

Rate of local procurement of materials for main regions

	Reporting boundary		Unit	FY2021	FY2022*1	FY2023*2	FY2024	FY2025
Rate of local procurement of materials for main regions	Hitachi Group	(By region)	China	%	95	93	95	96
			Asia (excluding China and Japan)	%	87	85	81	76
			Europe	%	83	83	82	91
			Americas	%	83	74	82	77

*1 Hitachi Metals and Hitachi Construction Machinery were excluded from fiscal 2022, and Hitachi Energy was included from fiscal 2022

*2 Excluded Hitachi Astemo from the second half of fiscal 2023

Green purchasing

	Reporting boundary	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Green purchasing rate* ¹	Hitachi Group companies in Japan	%	83	81	81	82	88

*1 The percentage, by monetary value, of products with the Eco Mark among all products purchased subject to the Act on Promoting Green Procurement

Social contribution activities

Funding for social contribution activities and total employees participating

	Reporting boundary		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Funding for social contribution activities	Hitachi Group and The Hitachi Global Foundation*1	Total	Million yen	1,869	1,490	2,441	3,273	2,091
		(By area)*2						
		STEAM	Million yen (%)	201 (10.8)	193 (12.9)	433 (17.8)	497 (15.2)	452 (21.6)
		Environment	Million yen (%)	36 (1.9)	65 (4.3)	49 (2.0)	112 (3.4)	88 (4.2)
		Community support	Million yen (%)	295 (15.8)	444 (29.8)	360 (14.7)	1,636 (50.0)	430 (20.6)
		Other	Million yen (%)	1,337 (71.5)	789 (52.9)	1,599 (65.5)	1,028 (31.4)	1,121 (53.6)
		Of which, disaster relief and humanitarian aid	Million yen (%)	143 (7.7)	163 (11.0)	105 (4.3)	44 (1.3)	74 (3.6)
Total employees participating	Hitachi Group and The Hitachi Global Foundation*1		People	33,585	23,576	28,398	32,493	33,968

*1 FY2021 Japan: Hitachi, Ltd., 103 Group companies and The Hitachi Global Foundation. Outside Japan: 252 companies
FY2022 Japan: Hitachi, Ltd., 86 Group companies and The Hitachi Global Foundation. Outside Japan: 183 companies
FY2023 Japan: Hitachi, Ltd., 85 Group companies and The Hitachi Global Foundation. Outside Japan: 166 companies
FY2024 Japan: Hitachi, Ltd., 78 Group companies and The Hitachi Global Foundation. Outside Japan: 207 companies
FY2025 Japan: Hitachi, Ltd., 70 Group companies and The Hitachi Global Foundation. Outside Japan: 163 companies

*2 Area classifications were changed from fiscal 2022

Governance data

Corporate governance

Leadership demographics

	Unit		Gender		Nationality	
		Total	Men	Women	Japanese	Non-Japanese
Directors	People	11*1	8	3	7	4
Executive officers	People	36	31	5	31	5
Executive officers and corporate officers	People	69	58	11	53	16
Ratio of women and ethnically/culturally diverse executive and corporate officers	%			15.9		23.2

Note: As of June 2026
*1 Including 8 independent directors (4 from Japan and 4 from outside Japan)

Business ethics and compliance

Business ethics and compliance training

	Reporting boundary	Unit	FY2021	FY2022	FY2023*2	FY2024	FY2025
Number of participants of business ethics and compliance training	Hitachi Group*1	People	341,888	331,525	293,985	291,849	316,164
Participation rate of business ethics and compliance training	Hitachi Group*1	%	99.1	95.1	79.2	94.6	96.9

*1 Participants of Hitachi Group employees of this training include temporary and part-time workers

*2 Since fiscal 2023, only the number of participants who completed the training and the participation rate during the training period set in conjunction with the Hitachi Group Ethics & Compliance Month have been disclosed

Hitachi Global Compliance Hotline (Whistleblower system)

	Reporting boundary		Unit	FY2021	FY2022	FY2023*1	FY2024	FY2025
Number of compliance reports	Hitachi Group	Total	Cases	1,023	1,276	1,613	1,974	1,950
		(By category)						
		HR issues (Labor management, travel expenses, commuting costs, etc.)	Cases	226	294	281	287	297
		Harassment	Cases	341	457	669	865	777
		Financial	Cases	27	34	69	88	134
		Procurement	Cases	26	29	8	21	19
		Competition law	Cases	3	2	7	11	5
		Bribery	Cases	30	31	43	35	31
		Others	Cases	370	429	536	667	687
		(By area)						
		Americas	Cases	238	343	389	479	432
		Europe	Cases	98	202	218	296	409
		Middle East/North Africa	Cases	54	59	46	55	58
		Sub-Sahara	Cases	13	4	7	9	9
		APAC (excluding Japan)	Cases	234	240	336	388	277
		Japan	Cases	386	428	617	747	765

*1 Past figures have been partly revised

Hitachi, Ltd.

Global Sustainability Division

6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo, 100-8280, Japan

Tel: +81-3-3258-1111

<https://www.hitachi.com/en/sustainability/>