

Unconsolidated Balance Sheet

	Fiscal 2023 (Reference) (As of March 31, 2024)	Fiscal 2024 (As of March 31, 2025)
	(Millions of yen)	
(Assets)		
Current assets	1,687,949	1,123,104
Cash	25,403	59,073
Trade receivables and contract assets	667,498	649,780
Finished goods	13,179	8,175
Semi-finished goods	13,518	5,135
Raw materials	30,314	13,897
Work in process	66,762	53,224
Advances paid	32,201	36,837
Short-term loan receivables	572,849	206,308
Others	279,809	104,323
Allowance for doubtful receivables	(13,587)	(13,652)
Fixed assets	4,407,538	5,392,346
Tangible fixed assets	187,066	172,214
Buildings	91,956	85,532
Structures	5,380	5,232
Machinery	7,299	6,689
Vehicles	141	163
Tools and equipment	46,409	36,989
Land	20,894	20,467
Lease assets	12,943	12,217
Construction in progress	2,041	4,921
Intangible fixed assets	97,748	99,410
Patents	31	22
Software	92,730	97,161
Right of using facilities	140	128
Lease assets	78	112
Others	4,767	1,986
Investments and others	4,122,722	5,120,722
Affiliated companies' common stock	3,837,689	4,641,296
Other securities of affiliated companies	26,848	38,134
Investments in affiliated companies	32,253	31,022
Investments in securities	76,666	64,117
Long-term loan receivables	34	194,402
Prepaid pension costs	6,361	7,880
Deferred tax assets	103,253	115,293
Others	40,322	29,314
Allowance for doubtful receivables	(706)	(739)
Total assets	6,095,488	6,515,451

	Fiscal 2023 (Reference) (As of March 31, 2024)	Fiscal 2024 (As of March 31, 2025)
	(Millions of yen)	
(Liabilities)		
Current liabilities	1,450,411	2,107,382
Electronically recorded obligations	12,462	10,150
Trade accounts payable	276,563	253,662
Short-term debt	69,016	361,702
Current portion of long-term debt	107,501	292,572
Lease liabilities	4,437	3,995
Other accounts payable	71,624	72,286
Accrued expenses	181,294	153,959
Contract liabilities	118,774	140,972
Deposits received	574,026	771,797
Provision for product warranties	79	-
Provision for loss on construction contracts	33,318	29,011
Others	1,313	17,272
Non-current liabilities	1,030,880	820,569
Debentures	220,000	220,000
Long-term debt	547,484	340,376
Lease liabilities	9,973	9,172
Accrued pension liability	66,959	60,977
Provision for loss on business of affiliated companies	165,953	170,117
Asset retirement obligations	10,469	10,571
Others	10,041	9,354
Total liabilities	2,481,292	2,927,951
(Net assets)		
Stockholders' equity	3,553,986	3,556,972
Common stock	463,417	464,384
Capital surplus	181,383	182,350
Capital reserve	181,383	182,350
Others	-	-
Retained Earnings	2,914,176	2,918,826
Others	2,914,176	2,918,826
Reserve for advanced depreciation of fixed assets	835	735
Retained earnings carried forward	2,913,340	2,918,090
Treasury stock	(4,991)	(8,587)
Valuation and translation adjustments	59,059	29,717
Unrealized holding gains on securities	28,537	23,692
Deferred profit or loss on hedges	30,521	6,024
Subscription rights to shares	1,149	809
Total net assets	3,614,195	3,587,499
Total liabilities and net assets	6,095,488	6,515,451

Unconsolidated Statement of Operations

	Years ended March 31	
	2024 (Reference)	2025
	(Millions of yen)	
Revenues	1,756,937	1,774,233
Cost of sales	1,218,045	1,206,065
Gross profit on sales	538,892	568,167
Selling, general and administrative expenses	391,179	356,072
Operating income	147,712	212,094
Other income	324,571	264,688
Interest income and dividends	295,671	252,253
Others	28,899	12,434
Other expenses	71,282	48,172
Interest expenses	21,499	10,768
Others	49,782	37,404
Ordinary income	401,001	428,610
Extraordinary gain	278,191	25,759
Gain on sale of affiliated companies' common stock	110,135	20,215
Gain on sale of investments in securities	153,330	3,442
Gain on sale of real property	14,726	2,101
Extraordinary loss	47,105	7,788
Impairment loss on affiliated companies' common stock	37,229	4,221
Impairment loss on assets	9,001	2,593
Impairment loss on investments in affiliated companies	873	954
Impairment loss on investments in securities	-	19
Income before income taxes	632,088	446,581
Income taxes		
Current	81,541	56,062
Deferred	(31,023)	412
Net Income	581,570	390,107

Unconsolidated Statement of Changes in Net Assets (April 1, 2024 to March 31, 2025)

(Millions of yen)

(millions of yen)

	Stockholders' equity								
	Common stock	Capital surplus			Retained earnings			Treasury stock	Total stockholders' equity
		Capital reserve	Others	Total capital surplus	Others		Total retained earnings		
					Reserve for advanced depreciation of fixed assets	Retained earnings carried forward			
Balance at beginning of year	463,417	181,383	-	181,383	835	2,913,340	2,914,176	(4,991)	3,553,986
Change during year									
Issuance of new shares	967	966		966					1,933
Reversal of reserve for advanced depreciation of fixed assets					(100)	100	-		-
Distribution of surplus						(189,207)	(189,207)		(189,207)
Net income						390,107	390,107		390,107
Acquisition of treasury stock								(200,285)	(200,285)
Disposition of treasury stock			(651)	(651)				1,091	439
Cancellation of treasury stock			(195,598)	(195,598)				195,598	-
Transfer to capital surplus from retained earnings			196,249	196,249		(196,249)	(196,249)		-
(Net) Change in items other than stockholders' equity during year									
Total change during year	967	966	-	966	(100)	4,750	4,650	(3,596)	2,986
Balance at end of year	464,384	182,350	-	182,350	735	2,918,090	2,918,826	(8,587)	3,556,972

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Unrealized holding gains on securities	Deferred profit or loss on hedges	Total valuation and translation adjustments		
Balance at beginning of year	28,537	30,521	59,059	1,149	3,614,195
Change during year					
Issuance of new shares					1,933
Reversal of reserve for advanced depreciation of fixed assets					-
Distribution of surplus					(189,207)
Net income					390,107
Acquisition of treasury stock					(200,285)
Disposition of treasury stock					439
Cancellation of treasury stock					-
Transfer to capital surplus from retained earnings					-
(Net) Change in items other than stockholders' equity during year	(4,845)	(24,496)	(29,341)	(340)	(29,682)
Total change during year	(4,845)	(24,496)	(29,341)	(340)	(26,695)
Balance at end of year	23,692	6,024	29,717	809	3,587,499

(Notes on Important Accounting Policy)

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

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

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

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

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

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

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

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

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

(Notes on Accounting Estimates)

1. Valuation of Affiliated companies' common stock and Investments in affiliated companies
 - (1) Amounts recorded in the financial statements of this fiscal year
 The ending balance of Affiliated companies' common stock and Investments in affiliated companies, without market value: 4,641,432 million yen
 - (2) Information that contributes to understanding of accounting estimates
 Affiliated companies' common stock without market value is evaluated by considering possibility of recovery based on the performance according to the business plan of those companies if the real value of the stock has declined significantly as compared to the purchase price. A part of affiliated companies' common stock is evaluated based on the real value which includes the excess earning power calculated by enterprise value measurement at the time of the acquisition of the Company concerned. Necessity of impairing the excess earning power is determined by the possibility of achieving the future business plan.
 Business plans are estimated based on revenue growth rate and gross margin ratio, and other factors. In addition, although a certain amount of negative impact due to the business environment is included in current business plans, these plans may be affected by risks related to market or economic environment, and actual result may differ from the estimates.
 Significant changes in primary assumptions of the business plan could result in the real value being less than the purchase price.
2. Impairment loss on Fixed Assets
 - (1) Amounts recorded in the financial statements of this fiscal year
 The ending balance of Tangible fixed assets: 172,214 million yen
 The ending balance of Intangible fixed assets (excluding selling, leasing, or otherwise marketing software): 86,745 million yen
 - (2) Information that contributes to understanding of accounting estimates
 This note is omitted as the same content is stated in '6. Property, plant and equipment, Goodwill and Other intangible assets' under 'Notes on Important Matters for Basis of Presentation of Consolidated Financial Statements' in the Notes to Consolidated Financial Statements.

3. Provision for loss on business of affiliated companies
 - (1) Amounts recorded in the financial statements of this fiscal year
The ending balance of Provision for loss on business of affiliated companies: 170,117 million yen
 - (2) Information that contributes to understanding of accounting estimates
This note is omitted as the same content is stated in '7. Allowances and Provisions' under 'Notes on Important Accounting Policy' in the Notes to Unconsolidated Financial Statements.
4. Accrued pension liability
 - (1) Amounts recorded in the financial statements of this fiscal year
The ending balance of Prepaid pension costs: 7,880 million yen
The ending balance of Accrued pension liability: 60,977 million yen
 - (2) Information that contributes to understanding of accounting estimates
This note is omitted as the same content is stated in '7. Allowances and Provisions' under 'Notes on Important Accounting Policy' in the Notes to Unconsolidated Financial Statements and '3. Employee Retirement Benefits' under 'Notes on Accounting Estimates' in the Notes to Consolidated Financial Statements.
5. Provision for loss on construction contracts
 - (1) Amounts recorded in the financial statements of this fiscal year
The ending balance of Provision for loss on construction contracts: 29,011 million yen
 - (2) Information that contributes to understanding of accounting estimates
This note is omitted as the same content is stated in '7. Allowances and Provisions' under 'Notes on Important Accounting Policy' in the Notes to Unconsolidated Financial Statements and '4. Long-term projects' under 'Notes on Accounting Estimates' in the Notes to Consolidated Financial Statements.
6. Deferred tax assets
 - (1) Amounts recorded in the financial statements of this fiscal year
The ending balance of Deferred tax assets: 115,293 million yen
 - (2) Information that contributes to understanding of accounting estimates
This note is omitted as the same content is stated in '5. Deferred tax assets' under 'Notes on Accounting Estimates' in the Notes to Consolidated Financial Statements.

(Notes to Unconsolidated Balance Sheet)

1. Collateralized assets

(Millions of yen)

Type of asset	Year-end book value	Description
Affiliated companies' common stock	46	Collaterals for borrowings by affiliated companies
Investments in securities	6	Collaterals for borrowings by investees
Long-term loan receivables	26	Collaterals for borrowings by affiliated companies
Total	78	

2. Accumulated depreciation of tangible fixed assets

Buildings	135,662 million yen
Structures	23,301 million yen
Machinery	75,649 million yen
Vehicles	905 million yen
Tools and equipment	105,728 million yen
Lease assets	9,378 million yen

3. Guarantees

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

(Millions of yen)

Guarantee	Year-end balance
Hitachi Energy Ltd	1,128,698
HITACHI RAIL STS S.P.A.	352,322
HITACHI RAIL GTS HOLDING LIMITED	303,213
Hitachi Rail Ltd.	95,267
Hitachi Energy Canada Inc.	5,540
JR Technology Group, LLC	1,643
Kawasaki Railcar Manufacturing Co., Ltd.	1,600
Others	2,154
Total	1,890,439

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

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

4. Short-term receivables from affiliated companies	403,387 million yen
Long-term receivables from affiliated companies	203,899 million yen
Short-term payables to affiliated companies	1,301,601 million yen
Long-term payables to affiliated companies	3,586 million yen

(Notes to Unconsolidated Statement of Operations)

Revenues from affiliated companies	316,934	million yen
Purchases from affiliated companies	806,384	million yen
Non-operating transactions with affiliated companies	26,694	million yen

(Notes to Unconsolidated Statement of Changes in Net Assets)

Matters related to Class and Number of Treasury Stock

(Shares)

Class	Number of shares			
	At beginning of year	Increase during year	Decrease during year	At end of year
Common stock	546,173	58,283,311	56,362,375	2,467,109

Summary of Reason for Change

The increase during this fiscal year by 58,283,311 shares is due to the repurchase of 47,450,100 shares of its own common stock pursuant to Article 459, Paragraph 1 of the Companies Act of Japan and Article 32 of Hitachi's Articles of Incorporation, which was approved at the Board of Directors meeting held on April 26, 2024, the increase of 10,728,252 shares through the share split, the acquisition of 56,800 shares without consideration in accordance with the restricted stock compensation plan, and the purchase of 48,159 shares from less-than-one unit shareholders at their request. The decrease during this fiscal year by 56,362,375 shares is due to the cancellation of 56,227,700 shares of its treasury stock pursuant to Article 178 of the Companies Act of Japan, the disposition of 110,200 shares as a result of the exercise of stock acquisition rights, the disposition of 22,100 shares in accordance with the performance-linked restricted stock plan, and the sale of 2,375 shares to less-than-one unit shareholders at their request.

(Notes on Revenue Recognition)

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

Information about disaggregation of revenue and to understand the amount of revenue in the current and the following fiscal years are omitted as the same content is stated in 'Note on Revenue Recognition' in the Notes to Consolidated Financial Statements. Of the revenue recognized during the fiscal year ended on March 31, 2025, the amount of revenue recognized based on the pattern of the cost accrual arising from long-term project was 485,271 million yen.

(Notes on Accounting for Deferred Taxes)

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

(Notes on Transactions with Related Parties)

(Millions of yen)

Attribute	Name of company etc.	% of voting rights held	Relationship with the related parties	Description of transaction	Transaction amount	Classification	Year-end balance
Subsidiary	Hitachi Energy Ltd	Direct: 100.0% *		In-kind contribution (Note 1)	484,345	-	-
				Guarantees	1,128,698	-	-
Subsidiary	Hitachi Rail Ltd.	Direct: 100.0%	Manufacturing, sale engineering and maintenance of the Group's products *	Underwriting of capital increase	226,170	-	-
				Guarantees	95,267	-	-
Subsidiary	Hitachi America Capital, Ltd.	Indirect: 100.0%	Funds transactions	Loan (Note 2) (Note 3)	(17,352)	Short-term loan receivables	174,938
Subsidiary	Hitachi International Treasury Ltd.	Direct: 100.0%	Funds transactions	Loan (Note 2)	149,520	Long-term loan receivables	149,520
				Deposits received (Note 2) (Note 3)	73,809	Deposits received	73,809
Subsidiary	HITACHI INTERNATIONAL (HOLLAND) B.V.	Direct: 100.0%	Funds transactions	Borrowing (Note 2) (Note 3)	283,640	Short-term debt	283,640
Subsidiary	Hitachi (China), Ltd.	Direct: 100.0%	Sale of the Group's products *	Borrowing (Note 2) (Note 3)	2,576	Short-term debt	70,273
Subsidiary	Hitachi High-Tech Corporation	Direct: 100.0%	Sale of the Company's products *	Deposits received (Note 2) (Note 3) (Note 4)	44,418	Deposits received	159,911
Subsidiary	Hitachi Global Life Solutions, Inc.	Direct: 100.0%	Manufacturing, sale and maintenance of the Group's products *	Deposits received (Note 2) (Note 3) (Note 4)	11,188	Deposits received	81,761
Subsidiary	Hitachi Systems, Ltd.	Direct: 100.0%	Outsourcing of the Company's software development, outsourcing of maintenance of the Company's telecommunications equipment *	Deposits received (Note 2) (Note 3) (Note 4)	10,561	Deposits received	72,677
Subsidiary	HITACHI RAIL STS S.P.A.	Indirect: 100.0%	Manufacturing, sale, engineering and maintenance of the Group's products *	Guarantees	352,322	-	-
Subsidiary	HITACHI RAIL GTS HOLDING LIMITED	Indirect: 100.0%	Manufacturing, sale, engineering and maintenance of the Group's products	Guarantees	303,213	-	-

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

Notes: 1. The shares of Hitachi Energy Ltd were acquired in exchange for the in-kind contribution of the loans to Hitachi Energy Ltd and other assets.

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

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

4. The transaction amount includes interest received and paid.

(Notes on Per Share Information)

Net assets per share 783.48yen

Net income per share 84.79yen

Note: On July 1, 2024, the Company completed a share split into 5 shares for every one common share. The figures for net income per share are calculated on the assumption that the Company conducted this split at the beginning of the fiscal year.

(Notes on Major Subsequent Events)

Repurchase of Shares of Common Stock

The Board of Directors held on April 28, 2025 decided to repurchase shares of its own common stock pursuant to Article 459, Paragraph 1 of the Companies Act of Japan and Article 32 of the Articles of Incorporation, as follows.

(a) Reason for repurchase

The Company views the return of profits to shareholders through enhancing corporate value from mid- and long-term perspective, paying dividends continuously and repurchasing its own shares flexibly as an important managerial issue. The Company has decided to repurchase its own shares this time, taking into consideration its financial condition, asset sales and others.

(b) Outline of the Repurchase

- (i) Class of shares to be repurchased
Common stock of the Company
- (ii) Aggregate number of shares to be repurchased
Up to 140 million shares
(3.06% of the number of outstanding shares (excluding treasury stocks))
- (iii) Aggregate amount of repurchase
Up to 300.0 billion yen
- (iv) Period of the repurchase
From April 30, 2025 to March 31, 2026
- (v) Method of repurchase
Expected open market purchase through the Tokyo Stock Exchange