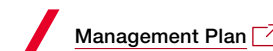


Past Mid-term Management Plans



Mid-term Management Plan 2012 (FY2010–2012)

Rebuilding Management **Recovery**

Achievements

- Created a product-based company system clarifying responsibilities and authority**
 - Clarified responsibility and authority through introduction of an in-house company system
 - Consolidated business into six groups, focused on growth fields under an integrated system of operations and accelerated management
- Rebuilt/Withdrew from low-profit businesses**
 - Automotive systems business: Rebuilt through structural reform
 - Flat-panel TV business: Withdrew from in-house production
 - HDD business: Divestiture
- Strengthened cost competitiveness**
 - Started the “Hitachi Smart Transformation Project” for cost structure reform
 - Expanded centralized purchasing and global procurement
 - Optimized and consolidated manufacturing sites

Mid-term Management Plan 2015 (FY2013–2015)

Building a Foundation for Growth **The Swapping Out of Businesses**

Challenges

- Realizing further improvements to business profitability
- Enhancing business with social innovation as a core
- Developing business globally

Achievements

- Promoted the Social Innovation Business on a global basis by strengthening frontline functions**
 - Expanded service businesses through the use of digitalization
 - Strengthened digital capabilities through the acquisition of Pentaho
- Reviewed non-core businesses**
 - Thermal power business: Established a joint-venture firm with Mitsubishi Heavy Industries
 - Air-conditioning business: Established a joint-venture firm with Johnson Controls
 - Batteries business: Relisted Hitachi Maxell, drew down Hitachi’s stake in the company
- Promoted globalization**
 - Relocated the railway systems business headquarters to the United Kingdom
 - Introduced Global Performance Management aimed at enhancing the use of global human capital

Mid-term Management Plan 2018 (FY2016–2018)

Strengthening the Social Innovation Business **Leveraging Digital Technologies**

Challenges

- Speeding up management to rapidly respond to changes in market environments
- Launching a platform for digital growth
- Addressing low-profit businesses to improve profitability

Achievements

- Transitioned away from a product-based company system to a three-level structure comprising frontline, platform, and product tiers**
 - Accelerated decision-making with the introduction of a business unit system
- Strengthened the global front line**
 - Bolstered global frontline operations through acquisitions (Ansaldo STS, Sullair)
- Expanded the digital solutions business with Lumada**
 - Launched Lumada
 - Established Hitachi Vantara to deliver digital solutions
 - Lumada business revenues grew to 1 trillion yen
- Executed ongoing business reviews**
 - Divestiture and deconsolidation of listed subsidiaries
 - Divestiture of Hitachi Koki and Clarion
 - Sold a part of shares in Hitachi Transport System, Hitachi Capital, and Hitachi Kokusai Electric
 - Reduced/Withdrew from low-profit businesses such as the information and telecommunications equipment business and the overseas EPC business

Mid-term Management Plan 2021 (FY2019–2021)

Realized Social Innovation with Digitalization **Built a Platform for Global Growth**

Challenges

- Growing business through expansion of co-creation with Lumada as a core
- Completing business portfolio revisions
- Improving capital efficiency

Performance targets and results

Although the initial targets at the start of fiscal 2019 were revised due to the COVID-19 pandemic in 2020, revenues expanded, profitability was maintained, operating cash flows were generated, and net income attributable to Hitachi, Ltd. stockholders reached an all-time high.

(billion yen)	Mid-term Management Plan 2021 targets (as announced in April 2021)	FY2021 results
Revenues	9,500.0	10,264.6
Adjusted operating income/ratio	740.0 / 7.8%	738.2 / 7.2%
Net income attributable to Hitachi, Ltd. stockholders	550.0	583.4
Operating cash flows (FY2019–2021 cumulative total)	More than 2,100	Approx. 2,100
ROIC	8.3%	7.7%

Achievements

- Launched the digital business platform and achieved growth**
 - Launched the Lumada Solution Hub and the Lumada Alliance Program
 - Expanded the Lumada business revenues from 1.1 trillion yen to 1.6 trillion yen
- Enhanced efforts toward digital and environmental growth**
 - 2019: Acquired JR Automation
 - 2020: Made Hitachi High-Tech a wholly owned subsidiary
 - Established Hitachi ABB Power Grids (now Hitachi Energy)
 - 2021: Established Hitachi Astemo
 - Acquired GlobalLogic
 - Transferred the diagnostic imaging-related business
 - Participated in COP26 as a principal partner
- Reinforced and improved the business foundation by resolving management issues**
 - Made progress in reviewing the capital policies of listed subsidiaries
 - Divestiture of Hitachi Chemical and Hitachi Metals*
 - Sale of a part of shares in Hitachi Construction Machinery and Hitachi Transport System*
 - Responded to management issues
 - Settled with Mitsubishi Heavy Industries on South Africa projects
 - Withdrew business operations on the U.K. nuclear power stations construction project
 - Promoted diversity, increased digital talent, and enhanced risk management

* Completed in FY2022

10-Year Financial Data

[Annual Securities Report](#) [Information for Shareholders and Investors \(Financial Information\)](#)

million yen

For the year:	IFRS	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Revenues		9,774,930	10,034,305	9,162,264	9,368,614	9,480,619	8,767,263	8,729,196	10,264,602	10,881,150	9,728,716
Adjusted operating income		641,325	634,869	587,309	714,630	754,976	661,883	495,180	738,236	748,144	755,816
Adjusted EBITA		—	—	—	—	—	—	609,107	855,380	884,606	918,184
EBIT		534,059	531,003	475,182	644,257	513,906	183,614	850,287	850,951	845,632	857,942
EBITDA		—	—	—	—	885,318	619,001	1,343,067	1,392,840	1,373,468	1,310,702
Net income attributable to Hitachi, Ltd. stockholders		217,482	172,155	231,261	362,988	222,546	87,596	501,613	583,470	649,124	589,896
Earnings per share attributable to Hitachi, Ltd. stockholders, basic (yen)		45.04	35.65	47.90	375.93	230.47	90.71	519.29	603.75	684.55	634.57
Net cash provided by operating activities		451,825	812,226	629,582	727,168	610,025	560,920	793,128	729,943	827,045	956,612
Net cash used in investing activities		(612,545)	(730,799)	(337,955)	(474,328)	(162,872)	(525,826)	(458,840)	(1,048,866)	151,063	(131,543)
Net cash provided by (used in) financing activities		233,206	(26,467)	(209,536)	(321,454)	(320,426)	2,837	(184,838)	202,739	(1,142,966)	(1,024,907)
Core free cash flows		(176,448)	113,371	100,215	283,593	136,079	135,441	419,848	290,082	416,460	571,467
Core free cash flows per share, basic (CFPS) (yen)		(36.54)	23.48	20.75	293.70	140.92	140.25	434.64	300.16	439.19	614.74
Capital investment (Tangible fixed assets and investment property)		431,201	528,551	377,545	374,901	414,798	399,643	359,897	388,747	349,756	315,891
Depreciation (Tangible fixed assets and investment property)		350,783	366,547	302,757	265,413	271,682	342,450	345,201	382,922	358,412	280,306
R&D expenditures		334,814	333,730	323,963	332,920	323,145	293,799	293,571	317,383	316,280	290,145
Total assets		12,433,727	12,551,005	9,663,917	10,106,603	9,626,592	9,930,081	11,852,853	13,887,502	12,501,414	12,221,284
Property, plant and equipment		2,472,497	2,500,226	1,998,411	2,124,827	1,956,685	2,165,311	2,408,887	2,478,901	1,700,471	1,221,842
Total Hitachi, Ltd. stockholders' equity		2,942,281	2,735,078	2,967,085	3,278,024	3,262,603	3,159,986	3,525,502	4,341,836	4,942,854	5,703,705
Interest-bearing debt		3,557,356	3,604,455	1,176,603	1,050,294	1,004,771	1,485,042	2,397,356	3,126,712	2,213,348	1,180,022
Adjusted EBITA margin		—	—	—	—	—	—	7.0	8.3	8.1	9.4
Return on invested capital (ROIC)		—	—	—	—	8.5	9.4	6.4	7.7	7.6	8.7
Return on equity (ROE)		7.8	6.1	8.1	11.6	6.8	2.7	15.0	14.8	14.0	11.1
Return on assets (ROA)		2.9	2.4	3.0	5.0	3.3	1.3	4.8	5.2	5.3	5.1
D/E ratio (Including non-controlling interests) (times)		0.83	0.87	0.29	0.23	0.23	0.35	0.54	0.58	0.41	0.20
Total Hitachi, Ltd. stockholders' equity ratio		23.7	21.8	30.7	32.4	33.9	31.8	29.7	31.3	39.5	46.7
Total shareholder return (million yen)		57,944	57,939	62,764	72,416	86,905	91,792	101,517	120,905	336,593	266,805
including share buybacks (million yen)		0	0	0	0	0	0	0	0	199,999	99,999
Dividend per share (yen)		12.0	12.0	13.0	75.0	90.0	95.0	105	125	145	180
Dividend payout ratio		26.6	33.7	27.1	20.0	39.1	104.8	20.2	20.7	21.0	28.3

Notes:1. Adjusted operating income is presented as revenues less selling, general and administrative expenses, as well as cost of sales.

2. Adjusted EBITA = Adjusted operating income + Acquisition-related amortization + Share of profits (losses) of investments accounted for using the equity method.

3. "Core free cash flows" are net cash provided by operating activities minus capital expenditures.

4. On October 1, 2018, the Company completed the share consolidation of every five shares into one share for its common stock. Basic earnings per share attributable to Hitachi, Ltd. stockholders, basic core free cash flows per share, and dividend per share are calculated on the assumption that the Company conducted this consolidation at the beginning of the previous fiscal year.

5. On July 1, 2024, the Company executed a 5-for-1 split of its common stock.

6. ROA (Return on assets) = Net income / Total assets (Average between the end of current fiscal year and the end of previous fiscal year) × 100

5-Year Non-financial Data

[Sustainability Report](#)
[Environmental Data](#), [Social Data](#), [Governance Data](#)

Human Capital		FY2019	FY2020	FY2021	FY2022	FY2023
Number of employees	Hitachi Group	301,056	350,864	368,247	322,525	268,655*1
	Hitachi, Ltd.	31,442	29,850	29,485	28,672	28,111
Average service (years)*2	Hitachi Group	15.0	13.6	13.5	12.6	12.9
Turnover ratio (%)*2*3*4	Hitachi Group	5.2	4.3	7.5	8.5	6.3

Percentage of Positive Responses to Employee Engagement Questions*5 (Hitachi Group)

Global average (%)		60	62	65	69.5	68.6
By region (%)	Japan	—	—	56	61.2	61.6
	Overseas	—	—	80	82.3	80.2

Digital Talent*6 (Hitachi Group)

Global (persons)		30,000	35,000	67,000	83,000	95,000
By region	Japan	19,000	23,000	29,000	42,000	50,000
	Overseas	11,000	12,000	38,000	41,000	45,000

Diversity, Equity and Inclusion

Ratio of women employees (%)*2*3	Hitachi Group	19.4	19.1	20.2	22.3	22.5
Ratio of women managers (%/persons)*2*3*7*8	Hitachi Group	8.9 (4,302)	9.5 (4,641)	9.8 (4,762)	13.0 (8,461)	14.1 (8,639)
	Hitachi, Ltd.	5.5 (700)	6.5 (768)	6.8 (785)	7.4 (826)	7.8 (866)

Ratios of Women and Non-Japanese Executives* (Hitachi, Ltd.)

	July 2020	June 2021	June 2022	June 2023	June 2024
Number of women executives	5	7	9	9	9
Ratio of women executives (%)	7.1	10.1	12.2	11.4	11.8
Number of non-Japanese executives	6	8	13	16	19
Ratio of non-Japanese executives (%)	8.6	11.6	17.6	20.3	25.0

* Executive Officers and Corporate Officers

[Scope of Data]

*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 FY2023, these numbers were approximately 23,000 and approximately 8,000, respectively.

*3 The figures are based on enrolled employees with employment contracts including those seconded from the Hitachi Group to other companies and those taking leave, and excluding those seconded from other companies to the Hitachi Group (as of March 31).

*4 Figures include only voluntary resignations.

*5 Questions change slightly each year. The above figures are not adjusted for changes in questions. In FY2023, the composition of questions measuring employee engagement was revised. The percentage was calculated from the average of the percentage of positive responses to the following four questions: pride in working for Hitachi; whether it is a great place to work that one would recommend to others; job satisfaction and sense of accomplishment; and desire to continue working for Hitachi for the foreseeable future.

*6 We define digital talent as those who possess any of the 12 capabilities required for digital business, including design thinking, data science, and security. The number of digital talent is the total number of persons under each capability (total number of people, in thousands).

*7 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.

*8 Figure does not include some employees whose grades (job titles) are not registered in the employee database.

*9 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 the Hitachi Group (as of March 31). Figures for FY2021 exclude those seconded from other companies to the Hitachi Group.

Occurrence Rate (TRIFR*10*11)

(Hitachi Group)	CY2019	CY2020	CY2021	FY2021	FY2022	FY2023
Global total	0.37	0.29	0.28	0.27	0.26	0.16
Japan	0.17	0.14	0.12	0.12	0.14	0.13
Asia (excluding Japan)	0.30	0.17	0.12	0.11	0.09	0.05
The Americas	1.66	1.54	1.36	1.20	1.10	0.38
Europe	0.53	0.45	0.38	0.45	0.39	0.32

Occupational Health and Safety (Hitachi Group*12)

Number of fatal accidents*11	5	3	2	2	5	4
------------------------------	---	---	---	---	---	---

[Scope of Data]

*10 TRIFR: Total Recordable Injury Frequency Rate (casualties per 200,000 work hours)

*11 We used the statistical period between January and December of each year in the past. However, in accordance with the safety targets set under our Mid-term Management Plan 2024, we changed the statistical period to April through March beginning in FY2021.

*12 Includes contractors

Sustainable Procurement Activities

(Hitachi Group)	FY2019	FY2020	FY2021	FY2022	FY2023
Sustainability monitoring (companies)	291	271	[Human rights] 2,524*13 [Environment] 708*13	1,374*14	3,227
Sustainability audits (companies)	19	27	25	128*15	150
Sustainability procurement seminars (companies)	59	450	359	520	269*16

*13 Sustainability monitoring in FY2021 was focused on human rights and environmental risk assessment.

*14 Sustainability monitoring from FY2022 onwards has been focused on environment, labor and human rights, ethics, and sustainable procurement.

*15 Including the number of companies audited by Hitachi Energy beginning FY2022.

*16 Procurement partners of Hitachi Astemo not included in the Sustainable Procurement Seminars for FY2023.

Environment (Hitachi Group)	FY2019	FY2020	FY2021	FY2022	FY2023
CO ₂ emissions at business sites (factories and offices) (kt-CO ₂)	4,374	3,296	3,384	1,538	676
Waste and valuables generation (kt)	1,302	1,061	1,111	356	164
Water usage (million m ³)	36.41	26.35	26.03	14.56	10.92
Atmospheric emissions of chemical substances (kt)	3.88	2.37	2.50	1.09	0.62

CO₂ Avoided Emissions through Products and Services: Target 100 million metric tons/year (FY2024)

Forecast 153 million metric tons/year*

* 3-year average during the Mid-term Management Plan 2024

[Scope of Data]

Data on the Environment (Hitachi Group) applies to business sites with a large environmental load that are classified as category A.* In FY2023, CO₂ emissions at business sites (factories and offices) include non-energy-related greenhouse gases (kt-CO₂e) in the reported amount. Only the FY 2023 CO₂ emissions at business sites (factories and offices) covers business sites in Categories A, B, and C (excluding non-manufacturing sites for category C).

* All Group business sites are classified into one of three categories: A, B, or C, based on the Criteria for Classification of Environmental Management established by Hitachi, and the most suitable management is then conducted for each in accordance with the respective level of environmental risk.

Corporate Data and Stock Information (as of March 31, 2024)

■ Corporate Name

Hitachi, Ltd.
(Kabushiki Kaisha Hitachi Seisakusho)

■ URL

<https://www.hitachi.com/>

■ Head Office

6-6, Marunouchi 1-chome, Chiyoda-ku,
Tokyo 100-8280, Japan

■ Founded

1910 (Incorporated in 1920)

■ Capital Stock

463,417 million yen

■ Number of Employees (consolidated)

268,655

■ Number of Shares Issued

(common stock, including treasury stock)

927,167,877

■ Number of Shareholders

201,834

■ Administrator of Shareholders' Register

Tokyo Securities Transfer Agent Co., Ltd.
3-11, Kanda Nishiki-cho, Chiyoda-ku,
Tokyo 101-0054, Japan

■ Stock Exchange Listings

Tokyo, Nagoya

■ Accounting Auditor

Ernst & Young ShinNihon LLC

■ Contact

Hitachi, Ltd.
TEL: +81-3-3258-1111

■ 10 Largest Shareholders

Name	Share ownership (shares)	Shareholding ratio (%) ^{*2}
The Master Trust Bank of Japan, Ltd. (Trust Account)	155,658,700	16.80
Custody Bank of Japan, Ltd. (Trust Account)	57,317,377	6.19
STATE STREET BANK AND TRUST COMPANY 505223	22,663,806	2.45
GOVERNMENT OF NORWAY	21,161,670	2.28
NATS CUMCO ^{*1}	20,721,566	2.24
Nippon Life Insurance Company	20,000,099	2.16
SSBTC CLIENT OMNIBUS ACCOUNT	19,936,868	2.15
STATE STREET BANK WEST CLIENT-TREATY 505234	18,317,987	1.98
Hitachi Employees' Shareholding Association	17,568,674	1.90
JP MORGAN CHASE BANK 385632	15,303,016	1.65

^{*1} NATS CUMCO is the nominee name of the depository bank, Citibank, N.A., for the aggregate of the Company's American Depositary Receipts (ADRs) holders.


^{*2} Treasury stock (546,173 shares) is not included in the shareholding ratio calculation.

■ Ratings

(as of August 31, 2024)

Rating company	Long-term	Short-term
Standard & Poor's (S&P)	A	A-1
Moody's Japan K.K. (Moody's)	A3	P-2
Rating and Investment Information, Inc. (R&I)	AA-	a-1+

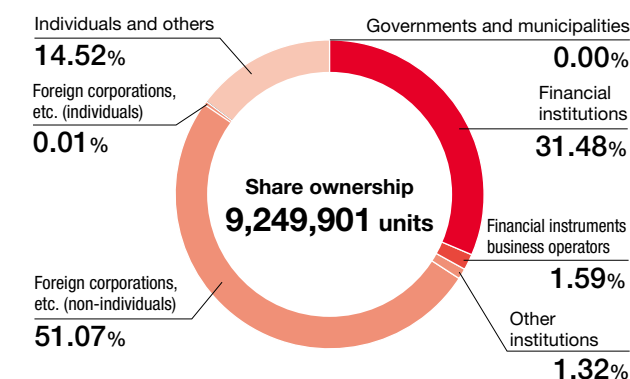
■ Assurance

To enhance the reliability of information it discloses, Hitachi uses a combined assurance model that includes assurance obtained from executives and from external assurance providers. Please refer to [production structure](#).  The supervisor of the Hitachi Integrated Report 2024 is Tomomi Kato, Senior Vice President and Executive Officer, CFO. Some of the environmental, social, and governance data in the Hitachi Sustainability Report 2024 has undergone third-party verification by KPMG AZSA Sustainability Co., Ltd.

Indicators Subject to Independent Assurance

Hitachi Group Number and ratio of women managers, CO₂ emissions at business sites (factories and offices)

■ Shareholder Composition



Note: Of 546,173 shares of treasury stock, 5,461 units are included in the "Individuals and others" row, while 73 shares are included in the "Number of shares less than one unit" row.

■ Engagement with Shareholders and Investors

Hitachi emphasizes engagement with shareholders and investors. In fiscal 2023, Directors and Executive Officers had meetings with major shareholders (representing 37% of total shareholdings). In other activities, the Investor Relations Division meets with analysts and investors about 780 times a year, discussing topics ranging from business strategies and financial results to governance, the executive compensation structure, and sustainability. Feedback received during these meetings is shared with top management and utilized in decision-making.

Integrated Reports Inquiries

Investor Relations Division
+81-3-3258-1111