

The corporate governance of Hitachi, Ltd. (the “Company”) is described below.

I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

The Company views the expansion of long-term and overall shareholder returns as an important management objective. The Company and the Hitachi Group have a wide range of stakeholders like shareholders and investors, customers, business partners, etc., and the Company recognizes that these relationships make up an important portion of its overall corporate value.

The Company is a company with Nominating Committee, etc. under the Companies Act, aiming to establish a framework for quick business operation and to realize highly transparent management by separating responsibilities for management oversight and those for execution of business operations. The Company attempts to have appropriate composition of the Board of Directors aiming to ensure the effectiveness of management function in addition to reflect global and various perspective to the management. As of the filing date of this report, the Board of Directors was made up of 12 Directors elected at the general meeting of shareholders held in June, and nine of whom are Independent Directors (the directors who fulfill the qualification requirements to be outside directors as provided by the Companies Act of Japan and also meet the independence criteria defined by the Company and those as provided by Japanese stock exchanges where the Company is listed, unless otherwise stated). In May 2012, the Company established the Corporate Governance Guidelines, which outlines the basic framework of corporate governance, including the roles that the Board of Directors should fulfill, and posted them on the Company's website.

<https://www.hitachi.com/IR-e/corporate/governance/guidelines.html>

In addition, the Company sets Hitachi Group Codes of Conduct as behavior disciplines to be shared among the Hitachi Group to generate its common values and promote understanding of social responsibilities to be fulfilled by Hitachi.

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

The Company is implementing all principles of the Corporate Governance Code.

[Disclosure Based on the Principles of the Corporate Governance Code] Update

<Principle 1.4 Cross-Shareholdings>

(1) Policy regarding cross-shareholdings

Under the basic policy, the Company will not acquire or hold other companies' shares except for cases where acquiring or holding such shares is necessary in terms of transactions or business relationship. The Company will promote reducing shares that it already owns unless significance of holding shares or economic rationale of holding is confirmed.

The Board of Directors verifies whether it is appropriate to hold shares for all stock the Company owns every year. In such verification, each individual stock was re-examined as to the purpose of holding the shares and whether benefits from holding shares are in line with target level of capital efficiency. As the result of verification, the Company promotes the sales of shares for which significance of holding shares and economic rationale is not confirmed. In the fiscal year ended March 31, 2023, the Company reduced the number of shares held in nine listed stocks (total amount sold: 84,017 million yen).

(2) Criteria for exercising voting rights of cross-shareholdings

The Company exercises voting rights from the perspective of increasing the corporate value of the Company and investee companies over the medium- to long-term. In exercising voting rights, the following agenda items, etc., that may have a significant impact on the corporate value of investee companies, shall be paid careful attention to collect the necessary information in order to determine approval or disapproval after scrutiny.

- Proposals for the appointment of Directors and Audit & Supervisory Board Members (in the event of a serious scandal or prolonged sluggish performance)
- Proposals related to reorganization
- Proposals related to the introduction of hostile takeover defense measures

<Principle 1.7 Related Party Transactions>

Approval of the Board of Directors shall be required for transactions involving conflict of interest and competitive transactions by Directors and Executive Officers. Said policies and procedures are stipulated in Article 15 of the Company's Corporate Governance Guidelines as follows.

Article 15. (Conflicts of Interest)

All directors and executive officers shall not pursue interests of themselves or third parties that would constitute a real or perceived conflict of interest with the Company.

Even without intentions to pursue interests described above, all directors and executive officers shall obtain approval by the Board resolution to conduct any transactions that would constitute a conflict of interest or competition with the Company stipulated by the Companies Act of Japan.

Directors and executive officers who have their personal or professional interests in the above-mentioned transactions may not participate in the vote in the Board resolution.

<Supplementary Principle 2.4.1>

The Company believes that diversity, equity, and inclusion (DEI) are sources of innovation and growth. By respecting and valuing individual differences in background, age, gender, sexuality, family status, disability, race, nationality, ethnicity, and religion, the Company aims to be a company in which every person makes a positive contribution. With a diverse workforce, broad experience, and an inclusive culture, the Company will meet its customer's needs and drives its sustainable growth.

Specifically, in addition to promoting all dimensions of diversity, the Company sets three common global DEI topics: Gender, Culture, and Generation, and drives initiatives aligned to local needs and business strategies. The Company sets greater management diversity as a global DEI target, and by fiscal 2030, its target is for 30% of its executive and corporate officers to be women and 30% to be non-Japanese persons as Key Performance Indicators (KPIs). As of June 2023, 11.4% of executive and corporate officers were woman and 20.3% of executive and corporate officers were non-Japanese persons. In addition, the

Company is working to ensure a diverse range of human resources and transforming to job-based human resources management to maximize organizational and individual performance and improve engagement, by assigning the right people to the right jobs according to their personal abilities and motivations, regardless of their attributes such as nationality, gender, or age.

Information on the Company's DEI strategies for the active participation of all human resources, including women, foreign nationals and people with experience at other companies, and specific initiatives are disclosed in the Annual Securities Report, on the Company's website and in the Sustainability Report, etc.

Annual Securities Report

<https://www.hitachi.com/IR-e/library/stock/>

Company website

<https://www.hitachi.com/sustainability/index.html>

Sustainability Report

<https://www.hitachi.com/sustainability/download/index.html>

<Principle 2.6 Roles of Corporate Pension Funds as Asset Owners>

Hitachi Pension Fund (HPF) manages and administers the Company's corporate pension reserves. In order to realize the safe and efficient operation of reserves, HPF has issued management basic policies and operation guidelines decided by its Board of Representatives to trustees, receives reports on the status of the management from those trustees on a regular basis, and appropriately supervises them while incorporating the specialized knowledge of external specialized organizations as necessary. HPF also conducts regular monitoring of stewardship activities of the trustees. In order to appropriately manage conflicts of interest that may arise between the beneficiaries of the corporate pension and the Company, HPF entrusts to the trustees the selection of investees and the decision to exercise voting rights relative to investees.

The Company dispatches and assigns personnel with appropriate experience and abilities from the finance division and human capital division so that HPF can enhance its management expertise and perform functions such as monitoring of the trustees.

In addition, in order to properly operate the retirement benefit system of the Hitachi Group, the Company has established a committee chaired by the Executive Officer in charge of pensions and members from executives of the finance division and human capital division to periodically check important matters on the operation of the system and the status of pension finances. In addition, the Company established subsidiaries within the Hitachi Group that provide investment advice, agency services, and investment management, and are working to efficiently manage pension assets for the entire Group by utilizing the human resources of those subsidiaries who have specialized knowledge and abilities.

<Principle 3.1 Full Disclosure>

(1) Management Philosophy, Management Strategy and Management Plan

In addition to the corporate philosophy and founding spirit that the Hitachi Group has inherited since its founding, the Hitachi Group Vision, which shows the ideal form of the Hitachi Group in the future, is systematized as a Hitachi Group identity and disclosed on the Company's website.

<https://www.hitachi.com/corporate/about/identity/>

The Company has formulated and disclosed a three-year Mid-term Management Plan from the fiscal year ended March 31, 2023.

<https://www.hitachi.com/IR-e/library/strategy/index.html#Presentation2024>

(2) Basic views and guidelines on corporate governance

See "1. Basic Views" above and the Company's website.

<https://www.hitachi.com/IR-e/corporate/governance/>

(3) Policies and procedures for determining remuneration for senior management and Directors

In accordance with the provisions of the Companies Act, the Compensation Committee, which is made up of a majority of Independent Directors, determines the policy for determining the details of remuneration for Directors and Executive Officers, and the details of individual remuneration (such as the amount of remuneration, etc.) based on it. For the policy on determining the amount of remuneration, etc., see "Disclosure details of the policy for determining the amount of remuneration related to Directors and Executive officers and the calculation method" described below.

(4) Policies and procedures for the appointment and dismissal of Executive Officers and the nomination of candidates for Directors, as well as explanation of the appointment and dismissal of Executive Officers and the nomination of candidates for Directors

■ Policies and procedures for the appointment and dismissal of Executive Officers

At the Company, in accordance with the provisions of the Companies Act, the Board of Directors decides the appointment and dismissal of Executive Officers, including the Chief Executive Officer, in order to establish an optimal business execution system for the Company's management. The Nominating Committee deliberates in advance on the appointment and dismissal of the Chief Executive Officer, and the Board of Directors makes a decision taking into consideration the Nominating Committee's proposal.

Personnel appointments of other Executive Officers shall also be reported to the Nominating Committee prior to the decision of the Board of Directors. Since the term of office of Executive Officers of the Company is one year (until the last day of the fiscal year ending within one year after selection), the structure of Executive Officers follows a process every year of being reported to and deliberated by the Nominating Committee and decided by the Board of Directors.

The succession planning for the Chief Executive Officer and the policy for appointment and dismissal, etc. is disclosed on the Company's website.

<https://www.hitachi.com/IR-e/corporate/governance/system/>

■ Policies and procedures for the nomination of candidates for Directors

At the Company, in accordance with the provisions of the Companies Act, the Nominating Committee determines candidates for Directors. Matters need to be considered in determining candidates for Directors such as the size of the Board of Directors, the composition and aptitude of Directors, and the independence of Independent Directors are disclosed on the Company's website.

<https://www.hitachi.com/IR-e/corporate/governance/initiatives/>

Regarding the appointment of individual executives and the nomination of candidates for Directors, the reasons for appointment/nomination and individual backgrounds are disclosed in the Notice of Annual General Meeting of Shareholders and the Annual Securities Report. When a new Chief Executive Officer or President is appointed, the Company makes efforts to enhance external explanation.

Notice of Annual General Meeting of Shareholders

<https://www.hitachi.com/smeet-e/>

Annual Securities Report

<https://www.hitachi.com/IR-e/library/stock/>

<Supplementary Principle 3.1.3>

(1) Sustainability initiatives

The Hitachi Group practices sustainable management and places sustainability at the center of its business strategy and setting itself the goal of contributing to the realization of a sustainable world as a global leader of the Social Innovation Business.

In April 2022, the Company formulated the 2024 Mid-term Management Plan in order to conduct management from a long-term perspective, maximize the use of diverse management resources, promote the Social Innovation Business, and address increasingly complex global issues. In the 2024 Mid-term Management Plan, the Company declared its new goal of "supporting people's quality of life with data and technology that fosters a sustainable society." The Company further evolve its Social Innovation Business driven by three growth drivers: Digital, Green, and Innovation, and contribute to solve social issues, in order to respect for planetary boundaries to protect the environment and realize wellbeing for all individuals (being in a good physical, mental, and social condition). The Company will also grow Lumada globally as a customer co-creation framework and accelerate business expansion.

In addition, the Company addresses the priority items: Environment, Resilience, Safety & Security, Healthcare, Harmonious Coexistence of People and Nature, DEI, Integrity in Management, and Enhancing Quality of Life, in order to provide value to customers and society through the enhancement of human capital in the 2024 Mid-Term Management Plan.

Specific details of its sustainability initiatives are disclosed in the Annual Securities Report, on the Company's website and in the Sustainability Report, etc.

Annual Securities Report

<https://www.hitachi.com/IR-e/library/stock/>

Company website

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

Sustainability Report

<https://www.hitachi.com/sustainability/download/index.html>

(2) Investment in human capital

The Company believes that human capital is the source of value and aims to provide customers and society with value and contribute to the creation of sustainable society by harnessing the power of employees. The Company formulated the 2024 Human Resources Strategy based on the 2024 Mid-term Management Plan, which defines its vision of becoming an employer of choice in the global marketplace, by developing an organization in which human resources oriented toward social contribution gather and thrive. To realize that vision, the Company defined a Foundation based upon three strategic pillars: People, Mindset, and Organization.

As a concrete initiative, in order to select and develop global management leaders, the Company is implementing intensive training for both On-the-job training and Off-the-job training, including tough assignments and the provision of opportunities to discuss matters with managers and outside directors, for the GT +, a talent pool of candidates for management leadership, and the Future 50, which is a selection of young and promising employees among them. Aiming to achieve expansion of the Lumada business, a growth driver for the Company, the Company is securing and cultivating the Digital talents who will drive digital transformation (DX) by acquiring global human resources such as personnel at GlobalLogic and expanding the company's own DX training system and development programs based on practical experience. The Company monitors employee engagement annually through Hitachi Insights, a global employee survey, and work to plan and promote human capital measures in order to improve employee engagement. In addition to these, the Company has been working to improve individual capabilities and specialties through Title-Specific Management Training for managers and career development support for employees, to introduce job descriptions and "Learning Experience Platform (LXP): a platform that AI interface recommends internal and external learning content according to the career aspirations" for a transformation to job-based human resources management, and to introduce support systems to promote "work-life management", which encourages employees to proactively take change of improving the quality of both their work and private lives.

Details of investment in human capital are disclosed in the Annual Securities Report, on the Company's website and in the Sustainability Report, etc.

Annual Securities Report

<https://www.hitachi.com/IR-e/library/stock/>

Sustainability Report

<https://www.hitachi.com/sustainability/download/index.html>

(3) Investment in intellectual property

The Hitachi Group sets the intellectual property as key element of its business strategy. Through intellectual property activities, it promotes the creation of solutions that enhance value for customers, the global deployment of the created intellectual property, and the contribution to solving social issues related to the SDGs and Society 5.0. As a concrete example of intellectual property activities, the total number of published patent applications in the fiscal year ended March 31, 2023 was roughly 5,200 in Japan and roughly 10,500 outside Japan. Details of intellectual property activities are disclosed in the Integrated Report, the Sustainability Report and resources of R&D and IP Strategies Briefing on the Company's website.

Integrated Report

<https://www.hitachi.com/IR-e/library/integrated/>

Sustainability Report

<https://www.hitachi.com/sustainability/download/index.html>

R&D and IP Strategies Briefing

<https://www.hitachi.com/IR-e/library/presentation/webcast/221205.html>

The Hitachi Group's R&D expenditure in the fiscal year ended March 31, 2023 was 316.2 billion yen, which was 2.9% of revenue.

(4) Impact of Climate Change Risks and Earnings Opportunities on the Company's Business Activities and Earnings etc.

Responses to climate-related risks and opportunities, in June 2018, the Company announced its endorsement of the recommendations by the Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosures (TCFD), and disclosed the key climate-related financial information in line with the TCFD's recommendations in the Sustainability Report.

Sustainability Report

<https://www.hitachi.com/sustainability/download/index.html>

<Supplementary Principle 4.1.1>

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

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, and, in principal, delegates all decision on business execution to executive officers, except for matters stipulated by laws, regulations and the Articles of Incorporation. The basic management policy includes mid-term management plan and annual budget compilation. The Board of Directors also focuses on strategic issues related to the basic management policy.

<Principle 4.9 Independence Standards and Qualification for Independent Directors>

<Supplementary Principle 4.11.1>

The Company discloses the policies and procedures for the appointment of Directors of the Company, the experience, knowledge, and abilities that Directors should have, and the composition of the Board of Directors based on these, on the Company's website.

<https://www.hitachi.com/IR-e/corporate/governance/initiatives/>

<Supplementary Principle 4.11.2>

The status of important concurrent positions of Directors is disclosed in the Notice of Annual General Meeting of Shareholders.

<https://www.hitachi.com/smeet-e/>

Article 6 of the Company's Corporate Governance Guidelines stipulates that the Directors are encouraged not to serve as more than four listed companies' directors, corporate auditors, or executive officers in addition to the Company's director because they are expected to invest the time necessary to understand the Company's business, participate in and prepare for the Board of Directors meetings.

Article 6. (Service in Other Companies)

Directors are encouraged not to serve as more than 4 listed companies' directors, corporate auditors, or executive officers in addition to the Company's director because they are expected to invest the time necessary to understand the Company's business, participate in and prepare for the Board's meetings. Directors shall advise the director as set forth in the Article 8 when receiving an invitation to serve as an officer from other companies.

<Supplementary Principle 4.11.3>

The Company evaluates the effectiveness of its Board of Directors each year in a continuous effort to maintain and improve its functions. The details of evaluation process, evaluation results and future initiatives are disclosed at the Company's website.

<https://www.hitachi.com/IR-e/corporate/governance/initiatives/>

<Supplementary Principle 4.14.2>

The policy for training Directors is stipulated in Article 11 of the Company's Corporate Governance Guidelines as follows to be implemented as appropriate in addition to orientation upon assuming office.

Article 11. (Education of Directors)

The Company shall provide directors with an orientation upon assuming office as well as other opportunities, when necessary, in order for them to acquire knowledge, such as of the Hitachi Group's business, necessary for discharging their duties as directors.

<Principle 5.1 Policy for Constructive Dialogue with Shareholders>

In order to contribute to the improvement of corporate value over the medium- to long-term, the Company is working to implement measures and develop a system to promote constructive dialogue with shareholders and investors. In addition, the Company strives to disclose information fairly and with high transparency so that shareholders and investors can fully understand the Company's management policies and financial situation and appropriately evaluate corporate value.

With regard to general dialogue with shareholders and investors, the investor relations and public relations division, the legal division, the strategy planning division, the finance division, etc. have established a system to appropriately disseminate information and conduct dialogue in cooperation, provide feedback on the opinions of shareholders and investors to the Directors and Executive Officers, and use them to promote management reforms aiming for sustainable growth of the Company.

In addition, executives, such as top management and the CFO, etc., actively engage in information dissemination and dialogue, such as meeting with institutional investors, holding quarterly financial results briefings, and holding briefings on management policies. In addition, the Company has been holding "Investor Day (Hitachi IR Day)" since the fiscal year ended March 31, 2011 as an opportunity for persons in charge of major businesses to directly explain respective business strategies to shareholders and investors. Details of briefing materials and videos at these briefings are posted on the Company's website.

<https://www.hitachi.com/IR-e/library/irday/index.html>

In dialogue with shareholders and investors, the Company strives to ensure fair information disclosure and pays full attention to preventing insider information from being communicated.

[Action to Implement Management that is Conscious of Cost of Capital and Stock Price]

Under the 2024 Mid-term Management Plan, the Company sets fiscal 2024 performance targets of 5-7% Annual growth rate for revenue (FY 2021-FY 2024 CAGR), 12% Adjusted EBITA margin, 10-14% EPS growth rate (FY 2021-FY 2024 CAGR), 1.2 trillion yen Core free cash flows (cumulative for 3 years), and 10% return on invested capital (ROIC), and the Company is working to generate cash and enhance shareholder returns.

(1) Further strengthening cash generation capability and deepening ROIC management

The Company aims to grow EPS and core free cash flows per share (CFPS) by maximizing cash flows from operating activities through expansion of the Lumada business, which is a revenue growth driver, sales growth and improvement of profitability by reviewing business processes, reduction of loss costs through risk management and strengthening of working capital monitoring including early collection of accounts receivable, and by strengthening cash generation capability through careful monitoring of each capital investment item.

In addition, the Company introduced ROIC as a KPI for business management from fiscal 2019 to accelerate management that emphasizes capital efficiency, with the aim of sustainably generating returns that exceed the weighted average cost of capita (WACC), which is the cost of raising invested capital. To achieve the 10% ROIC targeted, the Company will further deepen ROIC management by utilizing the ROIC tree and developing internal KPIs for each business and formulating and reviewing of business strategies.

(2) Increasing shareholder returns

The Company views the return of profits to shareholders through enhancing corporate value from mid- to long-term perspective and paying dividends and repurchase of its shares as an important managerial issue. The Company considers both 50% of core FCF and 50% of net income for total shareholder return and plans to return earnings generated from business growth to shareholders by payment of dividends and share buybacks. The 2024 Mid-term Management Plan sets a target of generating a three-year cumulative core FCF of 1.2 trillion yen. Based on total funds of 2.3 trillion yen, including 1.1 trillion yen from gain on sale of assets which include the partial sale of shares of Hitachi Astemo, the Company plans to allocate 0.8-0.9 trillion yen to shareholder returns for three years cumulative. In addition to dividend payments, the Company repurchased up to 100 billion yen of treasury shares in fiscal 2023.

Details of the measures taken to realize management in the Company that is conscious of capital costs and stock prices are disclosed in the Company's Mid-term Management Plan, Annual Securities Report, and Integrated Report, etc.

Mid-term Management Plan

<https://www.hitachi.com/IR-e/library/strategy/index.html#Presentation2024>

Annual Securities Report

<https://www.hitachi.com/IR-e/library/stock/>

Integrated Report

<https://www.hitachi.com/IR-e/library/integrated/>

[Implementation of Dialogue with Shareholders]

For information on implementation of dialogue with shareholders and investors, see <Principle 5.1 Policy for Constructive Dialogue with Shareholders> above, "III. Implementation of Measures for Shareholders and Other Stakeholders – 2. IR Activities" below, the Company's Integrated Report and website, etc.

Integrated Report

<https://www.hitachi.com/IR-e/library/integrated/>

Company's website

<https://www.hitachi.com/IR-e/library/index.html>

2. Capital Structure

Percentage of Foreign Shareholders	More than 30%
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[Status of Major Shareholders] **Update**

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	165,356,100	17.84
Custody Bank of Japan, Ltd. (Trust Account)	58,852,150	6.35
GOVERNMENT OF NORWAY (Standing proxy: Citibank, N.A.)	24,951,370	2.69
State Street Bank and Trust Company 505223 (Standing proxy: Mizuho Bank, Ltd.)	23,695,502	2.56
NATS CUMCO (Standing proxy: Mizuho Bank, Ltd.)	20,239,016	2.18
Nippon Life Insurance Company	20,000,099	2.16
SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited)	19,957,992	2.15
Hitachi Employees' Shareholding Association	18,899,108	2.04
State Street Bank West Client -Treaty 505234 (Standing Proxy: Mizuho Bank, Ltd.)	17,741,387	1.91
JP Morgan Chase Bank 385632 (Standing proxy: Mizuho Bank, Ltd.)	13,818,784	1.49

Controlling Shareholder (except for Parent Company)	—
Parent Company	None

Supplementary Explanation **Update**

Status of Major Shareholders is as of September 30, 2023.

Some reports on substantial shareholdings regarding the Company under the Financial Instruments and Exchange Act are available for public inspection. However, the information in the reports is not described in the above table since the Company does not confirm the actual status of shareholdings as of September 30, 2023. The major contents of the reports are as follows.

- Holders: BlackRock Japan Co. Ltd and nine other persons
- Date on which the duty to file report: September 15, 2023
- Number of shares: 68,635,088 shares
- Ownership percentage to the total number of issued shares: 7.32%

- Holders: Sumitomo Mitsui Trust Asset Management Co., Ltd. and one other person
- Date on which the duty to file report: March 15, 2022
- Number of shares: 58,850,673 shares
- Ownership percentage to the total number of issued shares: 6.08%

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange, Prime Market / Nagoya Stock Exchange, Premier Market
Fiscal Year-End	March
Type of Business	Electric Appliances
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1,000
Sales (consolidated) as of the End of the Previous Fiscal Year	More than 1 trillion yen
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	More than 300

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

5. Other Special Circumstances which may have Material Impact on Corporate Governance

II Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with Nominating Committee, etc.
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	20
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Independent Director
Number of Directors	12

[Independent Directors]

Number of Outside Directors	9
Number of Independent Directors	9

Independent Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k		
Katsumi Ihara	From another company													
Ravi Venkatesan	From another company													
Cynthia Carroll	From another company													
Ikuro Sugawara	From another company													
Joe Harlan	From another company													
Louise Pentland	From another company													
Takatoshi Yamamoto	From another company													
Hiroaki Yoshihara	Other													
Helmuth Ludwig	From another company													

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category; "▲" when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries

b. Non-executive director or executive of a parent company of the Company

c. Executive of a fellow subsidiary company of the Company

d. A party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the listed company or an executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/auditor

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)

i. Executive of a company, between which and the Company outside directors/auditors are mutually appointed (the director himself/herself only)

j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)

k. Others

Independent Directors' Relationship with the Company (2)

Name	Membership of Committees			Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
	Nomination	Compensation	Audit			
Katsumi Ihara	○	○	○	○	There are no personal or business relationships, etc. that fall under the matters described as criteria for judging independence in “Independent Directors – Matters relating to Independent Directors,” and there are no other special interests.	<p>Mr. Ihara has rich experience and insight in the area of global corporate management gained through the involvement in management at major companies conducting diversified businesses globally. He is appointed to expect to leverage such experience and insight to reinforce the supervisory and decision making functional aspects of the Company’s Board of Directors by offering opinions and proposals regarding the general management of the Company and supervising the execution of duties by Executive Officers and others from an independent perspective.</p> <p>As shown on the left, there are no special interests with the Company, and the Company believes that independence has been ensured, and since he does not fall under any of Article 211, Paragraph 4, Item 6 a to j of the Enforcement Rules for Securities Listing Regulations, he is designated as an independent officer.</p>
Ravi Venkatesan				○	There are no personal or business relationships, etc. that fall under the matters described as criteria for judging independence in “Independent Directors – Matters relating to Independent Directors,” and there are no other special interests.	<p>Mr. Venkatesan has rich experience and insight in the area of global corporate management, digital business and emerging markets. He is appointed to expect to leverage such experience and insight to reinforce the supervisory and decision making functional aspects of the Company’s Board of Directors by offering opinions and proposals regarding the general management of the Company from a global viewpoint and supervising the execution of duties by Executive Officers and others from an independent perspective.</p> <p>As shown on the left, there are no special interests with the Company, and the Company believes that independence has been ensured, and since he does not fall under any of Article 211, Paragraph 4, Item 6 a to j of the Enforcement Rules for Securities Listing Regulations, he is designated as an independent officer.</p>
Cynthia Carroll	○			○	There are no personal or business relationships, etc. that fall under the matters described as criteria for judging independence in “Independent Directors – Matters relating to Independent Directors,” and there are no other special interests.	<p>Ms. Carroll has rich experience and insight as the top executive of major global companies in the mining industry. She is appointed to expect to leverage such experience and insight to reinforce the supervisory and decision making functional aspects of the Company’s Board of Directors by offering opinions and proposals regarding the general management of the Company from a global viewpoint and supervising the execution of duties by Executive Officers and others from an independent perspective.</p> <p>As shown on the left, there are no special interests with the Company, and the Company believes that independence has been ensured, and since she does not fall under any of Article 211, Paragraph 4, Item 6 a to j of the Enforcement Rules for Securities Listing Regulations, she is designated as an independent officer.</p>
Ikuro Sugawara			○	○	There are no personal or business relationships, etc. that fall under the matters described as criteria for judging independence in “Independent Directors – Matters relating to Independent Directors,” and there are no other special interests.	<p>Mr. Sugawara has rich experience and insight in the area of public administration, etc. gained through leading positions at government agencies. He is appointed to expect to leverage such experience and insight to reinforce the supervisory and decision making functional aspects of the Company’s Board of Directors by offering opinions and proposals regarding the general management of the Company and supervising the execution of duties by Executive Officers and others from an independent perspective.</p> <p>As shown on the left, there are no special interests with the Company, and the Company believes that independence has been ensured, and since he does not fall under any of Article 211, Paragraph 4, Item 6 a to j of the Enforcement Rules for Securities Listing Regulations, he is designated as an independent officer.</p>

Name	Membership of Committees			Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
	Nomination	Compensation	Audit			
Joe Harlan		○		○	There are no personal or business relationships, etc. that fall under the matters described as criteria for judging independence in “Independent Directors – Matters relating to Independent Directors,” and there are no other special interests.	Mr. Harlan has rich experience and insight in the area of global corporate management gained through the involvement in management at major companies conducting diversified businesses globally. He is appointed to expect to leverage such experience and insight to reinforce the supervisory and decision making functional aspects of the Company’s Board of Directors by offering opinions and proposals regarding the general management of the Company from a global viewpoint and supervising the execution of duties by Executive Officers and others from an independent perspective. As shown on the left, there are no special interests with the Company, and the Company believes that independence has been ensured, and since he does not fall under any of Article 211, Paragraph 4, Item 6 a to j of the Enforcement Rules for Securities Listing Regulations, he is designated as an independent officer.
Louise Pentland				○	There are no personal or business relationships, etc. that fall under the matters described as criteria for judging independence in “Independent Directors – Matters relating to Independent Directors,” and there are no other special interests.	Ms. Pentland has deep insight into corporate legal matters and corporate governance gained through her rich experience as the chief legal officer of major global companies. She is appointed to expect to leverage such experience and insight to reinforce the supervisory and decision making functional aspects of the Company’s Board of Directors by offering opinions and proposals regarding the general management of the Company from a global viewpoint and supervising the execution of duties by Executive Officers and others from an independent perspective as well as reflecting her global viewpoint. As shown on the left, there are no special interests with the Company, and the Company believes that independence has been ensured, and since she does not fall under any of Article 211, Paragraph 4, Item 6 a to j of the Enforcement Rules for Securities Listing Regulations, she is designated as an independent officer.
Takatoshi Yamamoto		○		○	There are no personal or business relationships, etc. that fall under the matters described as criteria for judging independence in “Independent Directors – Matters relating to Independent Directors,” and there are no other special interests.	Mr. Yamamoto has broad range of insight in business and management gained through his experience in the area of corporate analysis and global corporate management. He is appointed to expect to leverage such experience and insight to reinforce the supervisory and decision making functional aspects of the Company’s Board of Directors by offering opinions and proposals regarding the general management of the Company and supervising the execution of duties by Executive Officers and others from an independent perspective. As shown on the left, there are no special interests with the Company, and the Company believes that independence has been ensured, and since he does not fall under any of Article 211, Paragraph 4, Item 6 a to j of the Enforcement Rules for Securities Listing Regulations, he is designated as an independent officer.
Hiroaki Yoshihara	○		○	○	There are no personal or business relationships, etc. that fall under the matters described as criteria for judging independence in “Independent Directors – Matters relating to Independent Directors,” and there are no other special interests.	Mr. Yoshihara has rich experience and insight in the area of global corporate management and accounting. He is appointed to expect to leverage such experience and insight to reinforce the supervisory and decision making functional aspects of the Company’s Board of Directors by offering opinions and proposals regarding the general management of the Company from a global viewpoint and supervising the execution of duties by Executive Officers and others from an independent perspective. As shown on the left, there are no special interests with the Company, and the Company believes that independence has been ensured, and since he does not fall under any of Article 211, Paragraph 4, Item 6 a to j of the Enforcement Rules for Securities Listing Regulations, he is designated as an independent officer.

Name	Nomination	Compensation	Audit	as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Helmuth Ludwig			○	○	There are no personal or business relationships, etc. that fall under the matters described as criteria for judging independence in “Independent Directors – Matters relating to Independent Directors,” and there are no other special interests.	Mr. Ludwig has rich experience and insight in the area of global corporate management and digital business. He is appointed to expect to leverage such experience and insight to reinforce the supervisory and decision making functional aspects of the Company’s Board of Directors by offering opinions and proposals regarding the general management of the Company from a global viewpoint and supervising the execution of duties by Executive Officers and others from an independent perspective. As shown on the left, there are no special interests with the Company, and the Company believes that independence has been ensured, and since he does not fall under any of Article 211, Paragraph 4, Item 6 a to j of the Enforcement Rules for Securities Listing Regulations, he is designated as an independent officer.

[Committees]

Committee’s Composition and Attributes of Chairperson

	All Committee Members	Full-time Members	Inside Directors	Independent Directors	Chairperson
Nomination Committee	4	0	1	3	Independent Director
Compensation Committee	4	0	1	3	Independent Director
Audit Committee	5	1	1	4	Independent Director

[Executive Officers (*Shikkoyaku*)]

Number of Executive Officers 38

Status of Additional Duties

Name	Representative Authority	Additional Duties as Director			Additional Duties as Employee
			Nomination Committee Member	Compensation Committee Member	
Toshiaki Higashihara	Yes	Yes	○	×	No
Keiji Kojima	Yes	Yes	×	○	No
Masakazu Aoki	Yes	No	×	×	No
Yoshihiko Kawamura	Yes	No	×	×	No
Alistair Dormer	Yes	No	×	×	No
Toshiaki Tokunaga	Yes	No	×	×	No
Jun Abe	No	No	×	×	No
Lorena Dellagiovanna	No	No	×	×	No
Katsuya Nagano	No	No	×	×	No
Hidenobu Nakahata	Yes	No	×	×	No
Masahiko Hasegawa	Yes	No	×	×	No
Claudio Facchin	No	No	×	×	No
Giuseppe Marino	No	No	×	×	No
Mamoru Morita	No	No	×	×	No
Atsuhiko Aketa	No	No	×	×	No
Noriharu Amiya	No	No	×	×	No
Takashi Iizumi	No	No	×	×	No
Hitoshi Ito	No	No	×	×	No
Yasunori Inada	No	No	×	×	No
Tatsuro Ueda	No	No	×	×	No
Kenji Urase	No	No	×	×	No
Tomomi Kato	No	No	×	×	No

Tadashi Kume	No	No	×	×	No
Kohei Kodama	No	No	×	×	No
Takashi Saito	No	No	×	×	No
Kenichi Tanaka	No	No	×	×	No
Jun Taniguchi	No	No	×	×	No
Kojin Nakakita	No	No	×	×	No
Hideshi Nakatsu	No	No	×	×	No
Itaru Nishizawa	No	No	×	×	No
Seiichiro Nukui	No	No	×	×	No
Andrew Barr	No	No	×	×	No
Yoshinori Hosoya	No	No	×	×	No
Chie Mashima	No	No	×	×	No
Shinya Mitsudomi	No	No	×	×	No
Masashi Murayama	No	No	×	×	No
Kazunobu Morita	No	No	×	×	No
Takashi Yoda	No	No	×	×	No

[Auditing Structure]

Appointment of Directors and/or Staff to Support the Audit Committee

Appointed

Matters Related to the Independence of Such Directors and/or Staff from Executive Officers

When necessary, the Board of Directors may appoint one or more director(s), who does not serve concurrently as an executive officer, as a director responsible for assisting with the duties of the Audit Committee. In addition, the Board of Directors' Office (the "Office") shall be established specifically to assist with the duties of each Committee and the Board of Directors and be composed of employees who are not subject to the direction of Executive Officers. In order to ensure the independence of the Office personnel from Executive Officers, the Audit Committee shall be informed in advance of planned transfers of the Office personnel.

Cooperation among Audit Committee, Accounting Auditors and Internal Audit Departments

The Audit Committee conducts audits for whether corporate administration by Directors and Executive Officers are properly carried out under appropriate internal control systems.

The Audit Committee develops the audit policy and the audit plan, and periodically receives reports or conducts hearing for execution of duties from Directors and Executive Officers. In addition, the members of the Audit Committee, who are in charge of internal inspection, examine business units of the Company and receive reports from subsidiaries in order to check whether business transaction and property management are properly carried out, and then report the results to the Audit Committee. Furthermore, such members of the Audit Committee attend the important meetings including the budget meeting, the Senior Executive Committee and the Disclosure Committee, inspect audit reports from internal audit division, and provide internal audit division with instructions about divisions to be subject to auditing and items to be focused, if necessary.

The Audit Committee receives reports and explanations about the audit plan and results of the audit from the accounting auditor, and based on the reports, verifies results of financial audits and internal control audits. In addition, the Audit Committee receives reports and explanations of quality control systems of the accounting auditor.

The accounting auditor of the Company is Ernst & Young ShinNihon LLC. In the fiscal year ended March 31, 2023, the accounting audit of the Company was performed by three certified public accountants of Ernst & Young ShinNihon LLC: Koji Fujima, Yasuhiro Ozeki and Shinya Yoshida. At the direction of them, the accounting audit works were assisted by 44 certified public accountants and 89 staffs belonging to Ernst & Young ShinNihon LLC.

In the fiscal year ended March 31, 2023, the amount of the fees paid by the Company and its consolidated subsidiaries to Ernst & Young ShinNihon LLC was 1,371 million yen based on audit certification services, and 62 million yen based on non-audit services. The amount of the fees (excluding the amount mentioned above) paid by the Company and its consolidated subsidiaries to Ernst & Young ShinNihon LLC Group (including Ernst & Young and its group firms which belong to the same network as Ernst & Young ShinNihon LLC) was 4,801 million yen based on audit certification services, and 673 million yen based on non-audit services. The Audit Committee approves the amount of the fees in advance of the Company's decision.

The Audit Committee evaluated the appropriateness and relevance of auditing conducted by the accounting auditor from the perspectives of the effectiveness of initiatives to facilitate communication with the Audit Committee and the top management in particular, the details and implementation of audit systems and auditing manuals and remuneration for auditing in accordance with evaluation criteria the Audit Committee formulated in advance. For evaluating the accounting auditor, the Audit Committee gathered information on matters such as the independence of the accounting auditor, audit systems, the implementation of audits and audit quality thereof from the Accounting Control Department and the Internal Auditing Office. The Audit Committee also received reports from the accounting auditor regarding compliance with laws and regulations, including the accounting auditor's independence, methods for evaluating risks with respect to the acceptance and continuation of audit services, audit and inspection systems and quality control systems, and detailed audit plans based on the accounting auditor's evaluations for risks pertaining to the Company, as well as results of audits and details of and progress on plans for improving business operations and auditing efficiency at the time of the completion of quarterly reviews and annual audits. Based on such reports, the Audit Committee concluded that the accounting auditor conducted highly transparent audits and its activities were appropriate and relevant.

The Internal Auditing Office is in charge of internal audit within the Hitachi Group and audits business units, corporate divisions of headquarters and subsidiaries and affiliates.

The Internal Auditing Office monitors and assesses whether overall business operations, including marketing, personnel management, labor management, compliance, procurement transactions, production control, environment, disaster prevention, export regulations, information system, accounting and financing activities, and property management of the Hitachi Group are properly carried out pursuant to audit standards established by the Company, and points out items required to be improved based on the results of auditing and follows up their improvements. The Internal Auditing Office reports in advance its internal audit plan to the Audit Committee, and reports results of auditing to the President and the Audit Committee. Furthermore, relating to the internal control over financial reporting, the internal control division in the Internal Audit Office promotes to establish and maintain the internal control systems pursuant to the Company's guideline, assesses its effectiveness, and reports the results to the President and the Audit Committee.

[Independent Directors]

Number of Independent Directors	9
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Matters relating to Independent Directors

For appointment an Independent Director, the Nominating Committee of the Company considers, in addition to the following criteria for the independency, whether the Independent Director has the highest personal and professional ethics, integrity and insight, and distinguished records of leadership or experience at policy making levels in business, law, administration, accounting or education, etc.

For the independency of an Independent Director, the Company considers the Independent Director to be independent unless

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

Each of Independent Directors has no personal or business relationship with the Company. In addition, there is no particular conflict of interest between each of Independent Directors and the Company.

The Company considers that all Independent Directors are independent, and therefore has notified them as independent directors to each of the Company's listing stock exchanges in Japan.

[Incentives]

Incentive Policies for Directors and/or Executive Officers	Performance-linked Remuneration / Stock Options / Other
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Supplementary Explanation

Remuneration of Directors and Executive Officers is stipulated in "Remuneration for Directors and Executive Officers Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods."

Recipients of Stock Options	Executive Officers / Other
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Supplementary Explanation

Until the fiscal year ended in March 31, 2019, the stock options as stock-based compensation (stock acquisition rights) with stock price conditions at an exercise price of 1 yen per share were granted to Executive Officers of the Company and Corporate Officers of the Company (the number of shares subject to stock acquisition rights is 100 shares per unit). In the fiscal year ended March 31, 2017, there were 17,205 stock acquisition rights issued to Executive Officers and 7,014 to Corporate Officers. In the fiscal year ended March 31, 2018, there were 17,430 stock acquisition rights issued to Executive Officers and 5,476 to Corporate Officers. In the fiscal year ended March 31, 2019, there were 13,351 stock acquisition rights issued to Executive Officers and 4,048 to Corporate Officers. The concept of level of a grant by the individual, etc., is described in "Remuneration for Directors and Executive Officers Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods." From the fiscal year ended March 31, 2020, the Company will grant restricted shares in lieu of conventional stock options as stock-based compensation.

[Compensation for Directors and Executive Officers]

Disclosure of Individual Directors' Compensation	No Individual Disclosure
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Disclosure of Individual Executive Officers' Compensation	Selected Executive Officers
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Supplementary Explanation

The Company discloses individual compensation for some Executive Officers in its Annual Securities Report in accordance with the provisions of the

Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

[Method of Determination of Policy]

The Company's Compensation Committee sets forth the policy on the determination of the amount of compensation, etc. of each Director and Executive Officer pursuant to applicable provisions of the Companies Act.

[Basic Policy]

- Compensation shall be commensurate with roles and responsibilities of each Directors and Executive Officers.
- Compensation for Directors shall be such that it enables them to exercise functions of supervision of management effectively.
- Compensation for Executive Officers shall be reflected by considering the following factors;
 - (Alignment with the 2024 Mid-Term Management Plan)
 - In the Short-term incentive compensation and Long-term incentive compensation, set performance metrics toward the Mid-term Management Plan as KPI to encourage executives to achieve them.
 - (Establishment of compensation program and corporate performance program that foster a growth mindset)
 - Pursue an optimal balance between short and medium- to long-term performance about "growth," "improving profitability" 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 stretched goals and commensurate compensation levels.
 - (Setting indicators to promote sustainable management)
 - Develop specific indicators and goals related to "Environments," "Business with Integrity" and "Quality of life" under its sustainability strategy, and encourage their implementation.
 - (Expansion of stock compensation that rewards growth in corporate value over the medium- to long- term)
 - Expand stock compensation to better align with medium to long-term corporate value.
- Competitive compensation levels with a global perspective
 - Ensure competitive compensation levels to attract and retain key executives in global market, regardless of their residence or origin, who lead global management of global organization.
- Compensation benchmarking with objectivity and transparency
 - Reference to the benchmarks in the US and European markets in addition to the benchmarks in the Japanese market for analysis and level-setting from multiple perspectives.
- Transparency and objectivity through enhanced compensation disclosure and shareholder engagement
 - Endeavor to gain investors' understanding and support through sufficient disclosure of the compensation program with a global perspective and ongoing shareholder engagement, and continuously improve the program based on the insights gained through the engagement.

[Compensation Structure]

(i) Matters relating to Directors

Compensation for Directors is basic remuneration as fixed pay. The amount of basic remuneration is decided by adjusting a basic amount to reflect full-time or part-time status, committee membership and position, and travel from place of residence, etc. A Director concurrently serving as an Executive Officer is not paid compensation as a Director.

(ii) Matters relating to Executive Officers

Compensation for Executive Officers consists of basic remuneration as fixed pay, and short-term incentive compensation and medium- and long-term incentive compensation as variable pay. The basic amount of basic remuneration, short-term incentive compensation, and medium- and long-term incentive compensation is set based on the ratio of 1:1.2:2.0 as the standard, taking into account the composition of executive compensation for major global companies, in order to improve corporate value through the growth of global businesses. The higher position Executive Officers hold, the higher proportion of variable pay is set to the total annual compensation.

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

Basic remuneration

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

Short-term incentive compensation

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

<President (CEO)>

Financial Performance	70%
Individual goals	10%
Sustainability measurement	20%

<Executive Officers in charges of business>

Financial Performance (Corporate)	30%
Financial Performance (Division)	30%
Individual goals	20%
Sustainability measurement	20%

<Executive Officers in charge of corporate affairs>

Financial Performance	40%
Individual goals	40%
Sustainability measurement	20%

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

Medium- and Long-term incentive compensation

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

<Restricted Stock Compensation>

Condition	Incumbency condition
The grant ratio to LTI target	30%
Grant date of Restricted Stock	Every Fiscal Year

<Performance-linked Restricted Stock >

1) Stock Compensation with Stock Price Condition

The grant ratio to LTI target	70%
Grant date of Restricted Stock	After the end of the three fiscal years beginning with the base fiscal year

2) Stock Compensation with Conditions for Achievement of Mid-term Management Plan Targets (ROIC)

The grant ratio to LTI target	10%
Grant date of Restricted Stock	After the end of the final fiscal year of the Med-term Management Plan period

3) Stock Compensation with Conditions for Achievement of Mid-term Management Plan Targets (Sustainability targets)

The grant ratio to LTI target	10%
Grant date of Restricted Stock	After the end of the final fiscal year of the Med-term Management Plan period

- In RS compensation, the shares of RS equivalent to 30% of the LTI target are granted and the restriction on the shares is lifted depending on the tenure of each executive over the three fiscal years from the beginning of the fiscal year when the RS is granted.
- In Performance-linked RS compensation, the shares of Performance-linked RS Compensation will be granted depending on the degree of achievement of the evaluation KPI during a certain evaluation period, and restriction on transfer will be lifted upon retirement. Performance-linked RS compensation comprises of compensation with stock price condition and with conditions for achievement of Mid-term Management Plan targets.

In stock compensation with stock price condition, Performance Share Units (“PSUs”) equivalent to 70% of the LTI target are granted, and the shares of restricted stock equivalent to 0 ~ 200% of the PSUs are granted in accordance with the results of comparing the Total Shareholder Return growth rate of the Company stock with the TOPIX growth rate and with the stock price growth rates of comparable companies in global competition as determined by the Compensation Committee for the three fiscal years beginning at the beginning of the fiscal year to which the PSUs are granted.

In stock compensation with conditions for achievement of Mid-term Management Plan targets, PSUs equivalent to 20% of the LTI target are granted. The shares of restricted stock equivalent to the PSUs are granted when the target of ROIC and sustainability indicators during the period of Mid-term Management Plan covering the fiscal year when the PSUs are granted are achieved.

- If it is deemed to be inappropriate to grant the shares of restricted stock due to laws and regulations in the country of residence, etc., cash award based on the value of the Company’s share price shall be substituted for restricted stock.
 - From Fiscal 2019, shares of restricted stock have been granted in place of the stock options as stock-based compensation the Company has granted until then. From Fiscal 2023, the medium- and long-term compensation described above is granted.
- If it is found that an executive officer has been engaged in misconduct during his/her term of office, compensation for Executive Officers that has been already paid shall be returned to the Company.

With regard to persons who are hired externally such as foreign persons, a compensation package could be individually determined based on the level of compensation in a job market which is considered for compensation benchmarking while referring the above policy. The Company grants restricted stock units to non-Japanese Executive Officers as medium- and long-term incentive compensation. One third of vested restricted stock units is delivered in the form of shares of common stock of the Company and cash each fiscal year over three years from the beginning of the fiscal year containing the day on which restricted stock units are granted.

[Supporting System for Independent Directors]

The employees as described in “Auditing Structure – Appointment of Directors and/or Staff to Support the Audit Committee” shall assist Independent Directors in their duties.

The policy for remuneration for Independent Directors is as described in “Remuneration for Directors and Executive Officers Policy on Determining Remuneration Amounts and Calculation Methods.”

[Retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)]

Information on retired presidents/CEOs holding advisory positions

Name	Job title/ position	Responsibilities	Employment terms (Full/part time, with/without compensation, etc.)	Date when former role as president/ CEO ended	Term
—	—	—	—	—	—

Number of retired presidents/CEOs holding advisory positions

0

Others

Although the Articles of Incorporation stipulate that Advisers can be appointed by resolution of the Board of Directors, there is currently no one with that position.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)

The Board of Directors

The Board of Directors approves 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 the shareholders' common interests. The basic management policy includes medium-term management plan and annual budget compilation. 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 Board of Directors Regulations. As of the filing date of this report, the Board of Directors was made up of 12 Directors, and nine of whom are Independent Directors and two concurrently serve as Executive Officers.

Within the Board of Directors, there are three statutory committees of the Nominating Committee, the Audit Committee and the Compensation Committee with Independent Directors accounting for the majority of members of each committee. The Board of Directors meetings were held nine days during the fiscal year ended March 31, 2023, and the attendance rate of Directors at those meetings was 100%. Attendance record of Directors at the Board of Directors meetings during his/her term of office is as follows.

Katsumi Ihara: 9/9 days (100%)
Ravi Venkatesan: 9/9 days (100%)
Cynthia Carroll: 9/9 days (100%)
Ikuro Sugawara: 7/7 days (100%)
Joe Harlan: 9/9 days (100%)
George Buckley: 2/2 days (100%)
Louise Pentland: 9/9 days (100%)
Harufumi Mochizuki: 2/2 days (100%)
Takatoshi Yamamoto: 9/9 days (100%)
Hiroaki Yoshihara: 9/9 days (100%)
Helmuth Ludwig: 9/9 days (100%)
Keiji Kojima: 9/9 days (100%)
Hideaki Seki: 9/9 days (100%)
Toshiaki Higashihara: 9/9 days (100%)

During fiscal 2022, in addition to management plans and business strategies, the Board of Directors extensively discussed and deliberated on how to respond to group-wide risks, including the situation in Ukraine. In order to promote more lively discussion, the Board of Directors spends more time exchanging views on agenda items than explaining them.

In addition, the Company hold the Board of Directors meeting in countries closely related to the Hitachi Groups' business on an annual basis. In December 2022, the Company held the Board of Director meeting in California, U.S.A. At the meeting, which was held outside Japan for the first time in three years due to the COVID-19 pandemic, Directors discussed issues relevant to the region, as well as invited local experts to discuss the latest trends in infrastructure investment and human capital in the U.S.A. as a side event.

The Company is working to improve the effectiveness of the Board of Directors by enhancing opportunities to share information with Independent Directors through individual meetings, site visits, and other activities.

The Nominating Committee

The Nominating Committee has the authority to determine proposals submitted to the general meeting of shareholders for the election and dismissal of directors. The Nominating Committee consists of four Directors, three of whom are Independent Directors. It determines Director candidates and holds preliminary hearings concerning the appointment and dismissal of executive officers, including the CEO stipulated in "Policies and procedures for the appointment and dismissal of Executive Officers and the nomination of candidates for Directors, as well as explanation of the appointment and dismissal of Executive Officers and the nomination of candidates for Directors" in "I.1. Disclosure Based on the Principles of the Corporate Governance Code." In the fiscal year ended March 31, 2023, the Nominating Committee held meetings on 10 days. Attendance record of members at the Nominating Committee meetings during his/her term of office is as follows.

Katsumi Ihara: 8/8 days (100%)
Cynthia Carroll: 9/10 days (90%)
Harufumi Mochizuki: 2/2 days (100%)
Hiroaki Yoshihara: 10/10 days (100%)
Toshiaki Higashihara: 10/10 days (100%)

In the fiscal year ending March 31, 2023, the Nominating Committee decided on the details of the proposal for the election of Directors to be submitted to the general meeting of shareholders, and received and confirmed a preliminary report on the structure of Executive Officers for fiscal 2023. In addition, in order

to develop management-level leadership candidates, the members of the Nominating Committee made discussion and one-on-one interviews with leadership candidates.

The Audit Committee

The Audit Committee has the authority to audit the execution of duties of Directors and Executive Officers and to determine on proposals submitted to the general meeting of shareholders for the election and dismissal of accounting auditors. The Audit Committee currently consists of five Directors, including four Independent Directors and one standing Audit Committee member. Hiroaki Yoshihara, the Chair of the Audit Committee, has considerable knowledge of finance and accounting based on his long experience at KPMG Group with businesses related to accounting, etc. Mr. Mitsuaki Nishiyama, the member of Audit Committee who has been appointed on June 21, 2023, has considerable knowledge of finance and accounting based on his long experience as a chief of finance and accounting department and an Executive Officer in charge of finance and accounting department.

In the fiscal year ended March 31, 2023, the Audit Committee held meetings on 15 days. Attendance record of members at the Audit Committee meetings during his/her term of office is as follows.

Katsumi Ihara: 14/15 days (93%)
Ikuro Sugawara: 9/9 days (100%)
Harufumi Mochizuki: 6/6 days (100%)
Takatoshi Yamamoto: 6/6 days (100%)
Hiroaki Yoshihara: 15/15 days (100%)
Helmuth Ludwig: 15/15 days (100%)
Hideaki Seki: 15/15 days (100%)

The Audit Committee engaged in a variety of activities as a whole Hitachi Group and by each business segment to study priority matters such as the strengthening of collaboration and the facilitation of information sharing under a "Tripartite Audit" (audit by the Audit Committee, internal audit and audit by accounting auditors), and auditing of the establishment and operation of internal control systems from the perspective of risk management and validity of execution of duties. In addition, a standing committee member worked to obtain information as needed in a timely and accurate manner, mainly by collaborating with the Internal Auditing Office, among other departments, and attending important internal meetings such as the Senior Executive Committee, and facilitated information sharing with other committee members.

The Compensation Committee

The Compensation Committee has the authority to determine remuneration policies for Directors and Executive Officers and remuneration for individuals (including amounts of remuneration) based on them. Currently composed of four Directors, including three Independent Directors, the committee strives to ensure objectivity, transparency, and fairness in the remuneration determination process. In addition, the Compensation Committee verifies and reviews details of the process used for determining remuneration for individuals, including assessments concerning basic remuneration amounts, evaluations of progress made toward individual targets, and performance appraisals that are tied to short-term incentive compensation.

In the fiscal year ended March 31, 2023, the Compensation Committee held meetings on eight days. Attendance record of members at the Compensation Committee meetings during his/her term of office is as follows.

Katsumi Ihara: 8/8 days (100%)
Joe Harlan: 8/8 days (100%)
Harufumi Mochizuki: 2/2 days (100%)
Takatoshi Yamamoto: 8/8 days (100%)
Keiji Kojima: 8/8 days (100%)

In the fiscal year ending March 31, 2023, based on policies for determining compensation for Directors and Executive Officers, the Compensation Committee determined amounts of remuneration for Directors and Executive Officers individually including short-term incentive compensation of Executive Officers in conjunction with which the Compensation Committee confirmed and reviewed the process and details of performance and individual target evaluations. In addition, in order to further strengthen links between global business growth and increase in medium- to long-term corporate value and compensation, the Compensation Committee re-examined the executive compensation system and decided on the policy for determining remuneration for Directors and Executive Officers' compensation.

The Company maintains a limited liability agreement stipulated in Article 427, Paragraph 1 of the Companies Act with each director (excluding Executive Director, etc.) The general intent of the agreement is to limit the liability of Directors to the aggregate amount stipulated in each item under Article 425, Paragraph 1 of the Companies Act.

Executive Officers decide on matters delegated to them by the Board of Directors and execute the Company's business affairs within the scope of assignments determined by the Board of Directors. As of the filing date of this report, the Company has 38 Executive Officers.

The Senior Executive Committee

The Senior Executive Committee is a council to ensure that President deliberately decides on important managerial matters, which may affect the Company or the Hitachi Group business, through discussing from diverse viewpoints. It consists of nine members as of the filing date of this report; President (Keiji Kojima), four Executive Vice President and Executive Officers (Masakazu Aoki, Yoshihiko Kawamura, Alistair Dormer, Toshiaki Tokunaga), three Senior Vice President and Executive Officers (Hidenobu Nakahata, Masahiko Hasegawa, Mamoru Morita) and one Vice President and Executive Officer (Kohei Kodama), and other attendees designated by the President.

In April 2022, the Company established the Growth Strategy Meeting, the Risk Management Meeting and Human Resource Strategy Meeting within the Senior Executive Committee. The Growth Strategy Meeting discusses and decides on matters related to the Hitachi Group's management strategy and accelerates the formulation of strategies necessary for its growth. The Risk Management Meeting discusses and decides on important matters related to group-wide risks, and aims to realize a solid management foundation in coordination with growth strategies through a centralized and cross-sectional understanding of risks. The Human Resource Strategy Meeting discusses and decides on matters necessary to foster the Hitachi Group's organization and culture as well as to secure and develop human resources, thereby supporting its further growth through the enhancement of human capital.

3. Reasons for Adoption of Current Corporate Governance System

The Company is a company with Nominating Committee, etc. under the Companies Act, aiming to establish a framework for quick business operation and to realize highly transparent management by separating responsibilities for management oversight and those for execution of business operations. In addition, based on the experience and insight possessed by independent directors, the Company improves the functions of the Board of Directors by supervising the execution of duties by Executive Officers from an independent standpoint.

III Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Shareholder Meeting	On June 1, 2023, the Notice of Annual General Meeting of Shareholders was sent out for the Annual General Meeting of Shareholders held on June 21, 2023. It was posted on the Company's website before the mailing date (May 25, 2023).
Scheduling AGMs Avoiding the Peak Day	The Company held its Annual General Meeting of Shareholders on June 21, 2023.
Allowing Electronic Exercise of Voting Rights	On the dedicated website established by Tokyo Securities Transfer Agent Co., Ltd., the Company's shareholder registry administrator, it is possible to exercise voting rights by electromagnetic means after the Notice of Annual General Meeting of Shareholders is sent until the day before the Annual General Meeting of Shareholders.
Participation in Electronic Voting Platform and Other Efforts to Enhance the Voting Environment for Institutional Investors	It uses an electronic voting platform for institutional investors operated by ICJ, Inc.
Providing Convocation Notice in English	English translations of the Notice of Annual General Meeting of Shareholders, business reports, etc. have been prepared and are posted on the Company's website. https://www.hitachi.com/smeet-e/
Other	In addition to the Notice of Annual General Meeting of Shareholders, business reports, etc., supplementary explanations of agenda proposals of the General Meeting of Shareholders are posted on the Company's website.

2. IR Activities

	Supplementary Explanations	Explanation by Representative
Preparation and Publication of Disclosure Policy	In addition to disclosing information fairly and with high transparency, the Company has posted a disclosure policy on its website that is based on the basic policy of responsibly responding to shareholders, investors, and other diverse stakeholders through various communication activities. (https://www.hitachi.com/IR-e/corporate/disclosure/)	
Regular Investor Briefings for Analysts and Institutional Investors	Briefings are held on the Company's financial results and business strategies, etc.	Yes
Regular Investor Briefings for Overseas Investors	In order to explain the Group's business performance and management strategy to institutional investors in North America, Europe and Asia, the Company's Executive Officers, etc. provide explanation through individual meetings.	Yes
Posting of IR Materials on Website	https://www.hitachi.com/IR-e/	
Establishment of Department and/or Manager in Charge of IR	Department: Investor Relations Division	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	Company Regulations stipulate that companies are recognized as members of society, devote themselves to fair and transparent corporate behavior, and strive to realize a truly prosperous society as sensible citizens through harmony with the environment and active social contribution activities, and to secure the trust of society broadly, including shareholders, customers, business partners, and local residents in Japan and overseas.
Implementation of Environmental Activities, CSR Activities etc.	The Hitachi Group as a whole has established a specialized department to promote CSR activities globally while sharing policy direction through regular meetings and other means at the Company and group companies in Japan and overseas. The Hitachi Group's CSR and environmental conservation activities, including social contribution activities and the promotion of diversity, are posted on the Company's website. In addition, the Hitachi Sustainability Report, an annual report summarizing activities information, is also posted on the Company's website. (https://www.hitachi.com/sustainability/download/index.html)
Development of Policies on Information Provision to Stakeholders	In addition to disclosing information fairly and with high transparency, the Company has posted a disclosure policy on its website that is based on the basic policy of responsibly responding to shareholders, investors, and other diverse stakeholders through various communication activities. (https://www.hitachi.com/IR-e/corporate/disclosure/index.html)
Other	As of the filing date of this report, 2 of 12 directors are women.

IV Matters Related to the Internal Control System

1. Basic Views on Internal Control System and Progress of System Development

Outlines of the internal control system and the risk management system of the Company are as follows. In addition, these systems were resolved by the Board of Directors as the basic policy for internal control system under the Companies Act.

- (1) The following measures shall be taken to ensure the effectiveness of audits by the Audit Committee.
 - (a) When necessary, the Board of Directors may appoint one or more director(s), who does not serve concurrently as an executive officer, as a director responsible for assisting with the duties of the Audit Committee. In addition, the Board of Directors' Office (the "Office") shall be established specifically to assist with the duties of each Committee and the Board of Directors.
 - (b) In order to ensure the independence of the Office personnel from Executive Officers and the effect of instructions by the Audit Committee, the Office is staffed with personnel who work only for the Office and are not subject to orders and instructions of Executive Officers, and the Audit Committee shall be informed in advance of planned transfers of the Office personnel.
 - (c) Executive Officers and employees shall report without delay to the members of the Audit Committee significant matters affecting the Company and its subsidiaries, results of internal audits, and the implementation status of reporting under the internal reporting system. It shall be provided for in the company regulation that reporters using the internal reporting system, which is common for the Group, shall not receive disadvantageous treatment for reason of having made a report, and the secretariat of the system shall thoroughly administer this provision.
 - (d) The Office shall be in charge of payment for the expenses incurred in connection with the execution of the duties of the Audit Committee members and other administrative duties, and shall promptly process the payment for the expense or debt except in the case where the expense or debt of the claim is clearly found to be unnecessary to the execution of the duties of them.
 - (e) Standing Committee member(s) shall be appointed to the Audit Committee, and activity plans of the Audit Committee shall be prepared in coordination with the audit plans of Internal Auditing Office.
- (2) The following measures shall be effective to ensure the adequacy of business operations within the Company and the Hitachi Group.
 - (a) Such fundamental policies as the emphasis of the social responsibilities of business enterprises shall be shared with the subsidiaries of the Company.
 - (b) Each subsidiary of the Company shall develop systems to ensure the appropriateness of operations corresponding to its size and other characteristics, basic framework of which is similar to ones employed in the Company. In order to ensure development of such systems in each subsidiary, directors and auditors shall be sent from the Company to its subsidiary, and regular audits shall be conducted for the subsidiary.
 - (c) A reporting system to Directors shall be established to ensure that the execution of duties by Executive Officers of the Company is in compliance with laws, regulations, and the Articles of Incorporation.
 - (d) Information pertaining to the execution of duties by Executive Officers of the Company shall be prepared and maintained in accordance with internal rules.
 - (e) A structure shall be established in which each relevant department shall establish regulations and guidelines, conduct training, prepare and distribute manuals, and carry out other such measures with respect to various risks. Efforts shall be made to identify possible new risks through such things as progress reports on business operations and, should it become necessary to respond to a new risk, an Executive Officer responsible for responding thereto shall be appointed promptly.
 - (f) Efficient performance of duties of the Executive Officers of the Company, and Directors and Executive Officers of the subsidiaries shall be ensured through the following business management systems.
 - The Senior Executive Committee shall be established in order to deliberate on and facilitate the formulation of decisions based on due consideration of diverse factors regarding important issues that affect the Company and/or the Hitachi Group.
 - Based on the management policy, medium-term business plans and annual budgets, on which performance management is based, shall be prepared in order to operate business in a planned and efficient manner.
 - Internal audits of the Company and its subsidiaries shall be conducted to monitor and identify the status of their business operations and to facilitate improvements.
 - The Audit Committee shall receive the audit plans of the accounting auditors in advance, and the prior approval of the Audit Committee shall be required with respect to the fees to be paid to the accounting auditors.
 - Documented business processes for matters to be reflected in financial reports shall be executed at the Company and its subsidiaries, and internal and external auditors shall examine said processes in order to ensure the reliability of financial reports.
 - A structure for the adequate and efficient conduct of business operations common to the Hitachi Group companies shall be established.
 - (g) Continuous maintenance of a legal and regulatory compliance structure shall be ensured through the following business management systems.
 - Internal audits shall be conducted, and various committees shall be established for legal and regulatory compliance activities. Furthermore, an internal reporting system common for the Hitachi Group shall be established and education on legal and regulatory compliance shall be provided.
 - Various policies and rules on compliance with laws shall be established, aiming to ensure that the employees are aware of the internal control systems overall and that the systems are effective.
 - (h) A system shall be established, in which the subsidiaries report on important issues and the progress in measures for operations to the Company through the Company's Senior Executive Committee, medium-term business plans and the budget system.
 - (i) The policy on transactions within the Hitachi Group is to trade fairly based on market prices.

2. Basic Views on Eliminating Anti-Social Forces and Progress of Related Efforts

The Hitachi Group Code of Conduct, which is a common code of conduct for the Hitachi Group, stipulates that it will sever any relationship with anti-social forces (organized crime), both within and outside the country, reject all unreasonable demands and fraudulent transactions, and will not engage in anti-social transactions. In addition, "Hitachi Ltd. Director and Executive Officer Legal Compliance and Ethic Code" clearly prohibits anti-social transactions.

In order to realize these basic principles, as part of the basic policy on internal control systems based on the Companies Act, the Company resolved to establish Company Regulations to stipulate company rules for the prevention of anti-social transactions, and to establish management systems and procedures, etc., for the prohibition and prevention of such matters.

The main concrete measures to eliminate anti-social forces are as follows.

- The Company has established a dedicated department to provide business guidance and audits on information gathering, training, management systems and procedures.
- The Company is working to prevent transactions with anti-social forces through the screening of business partners and the establishment of anti-social force exclusion clauses in contracts.
- In addition to establishing steps and procedures for responding to unreasonable demands, the Company is promoting the installation of a person responsible for preventing unreasonable demands at each business site, and have established a system for contacting and consulting with authorities and external specialized organizations.
- If necessary, the Company will establish an advisory committee, including experts from outside the company, to hear opinions.

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures

Not Adopted

Supplementary Explanation

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

The Company does not deny the significance of the vitalization of business activities and performance that can be brought about through a change in management control, but it recognizes the necessity of determining the impact on company value and the interests of all shareholders of the buying activities and buyout proposals of parties attempting to acquire a large share of stock of the Company or a Group company by duly examining the business description, future business plans, past investment activities, and other necessary aspects of such a party.

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

2. Other Matters Concerning to Corporate Governance System

The status of the Company's internal system for timely disclosure of company information is as follows.

The Company is a company with a Nominating Committee, etc. under the Companies Act, and the Board of Directors determines basic management policies, etc., supervises the execution of business by Executive Officers, while greatly delegating authority to make business decisions to Executive Officers.

The Company's authority on timely disclosure of company information is delegated to Executive Officers, and the Board of Directors and the Audit Committee supervise the execution of business by Executive Officers appropriately.

Disclosure Policy stipulates that the Company appropriately discloses information fairly and with high transparency in accordance with laws and regulations and the rules established by financial instruments exchanges on which the Company is listed. With regard to important information concerning the Company and Group companies, etc., based on laws and regulations, financial instruments exchange rules, internal rules on the management and disclosure of information, etc., the Company will comprehensively grasp and manage important information to be disclosed, and promptly disclose it while ensuring the accuracy of the disclosure details.

Based on this policy, in order to disclose important information in a timely and appropriate manner, the Company has established the following system in the internal rules, etc. for the management and disclosure of information.

Important facts and information related to each business division and head office division of the Company shall be reported to the Global Corporate Brand & Communications Division and the Investor Relations Division by the person in charge of the management of the relevant division based on the above internal rules. In addition, important information at Group companies is similarly transmitted through each department of the Company that manages said Group company.

With regard to important information obtained through such reports, the person in charge of managing the information shall strictly manage it, and the Legal Division will consider the necessity of timely disclosure based on the Financial Instruments and Exchange Act and rules on timely disclosure of financial instruments exchanges. If timely disclosure is deemed necessary, after confirming the appropriateness and accuracy of the disclosure details, disclosure materials shall be prepared, and after the approval of the Executive Officer in charge of legal affairs and the relevant Executive Officer, the Company shall report it to the President before timely disclosure at the Legal Division.

Financial results information for each fiscal year are prepared by the Finance Group in charge of financial results, and the status of the settlement of accounts is disclosed at the Legal Division after deliberations by the Management Committee and approval by the Board of Directors. Financial results information for each quarter is prepared by the Finance Group and disclosed after deliberations by the Senior Executive Committee and reporting to the Board of Directors on the status of financial results.

In addition, the Company has established the Disclosure Committee consisting of the Executive Officer in charge of legal affairs and the Executive Officer in charge of finance, and in addition to confirming laws and regulations concerning disclosure of important information and financial instruments exchange rules, determining disclosure policies, etc., and confirming the appropriateness of the contents of the Annual Securities Report, etc. A Director who is a full-time member of the Audit Committee attends as an observer.

