

## Corporate Governance

Hitachi views the expansion of long-term and overall shareholder returns as an important management objective. Hitachi, Ltd. and Hitachi Group companies maintain good relationships with a wide range of stakeholders, and we recognize that these relationships make up an important portion of our overall corporate value. Accordingly, we are striving to establish a system that will improve our corporate value primarily through the implementation of measures focused on promoting constructive dialogue. To advance these efforts effectively, we are working to improve our corporate governance by ensuring thorough separation between the oversight and execution of management, establishing a swift business execution system, and striving to achieve highly transparent management.

### Message from the Chairman of the Board



**Katsumi Ihara**  
Independent Director

#### On Being Appointed Chairman of the Board

Four years have passed since I was appointed as a Hitachi director. This period marks the final phase of Hitachi's major structural reforms, implemented for more than 10 years after the 2008 global financial crisis. During this time, Hitachi has been laying the foundation for growth by transforming individual businesses to be competitive in the global market and supplementing the necessary pieces with substantial M&A activities. We have finally entered a phase of full-fledged transition from structural reforms to global growth. The Mid-term Management Plan 2024, announced in April 2022, is based on this recognition.

Hitachi has invested a substantial amount of capital in M&A in recent years. It is an important responsibility of the Board of Directors to follow up on these acquisitions to ensure that the newly acquired assets generate synergies within the group and contribute to the enhancement of corporate value. At the same time, looking at the current business environment, we are in the midst of volatility, uncertainty, complexity and ambiguity (VUCA), such as rising geopolitical risks, inflation and supply chain disruptions. The Board of Directors continues to address the strengthening risk management system as one of its important themes.

Many of Hitachi's independent directors have management experience at global companies and possess a wide range of experience and knowledge. Above all, they have a strong desire to contribute to the enhancement of Hitachi's corporate value. Despite the challenging business environment, we will fulfill our responsibility in terms of management oversight to ensure rigorous and effective discussions leading to sustainable growth.

#### Board of Directors Composition and Effectiveness

At present, Hitachi's Board of Directors consists of 12 members, of which nine are independent directors, five are non-Japanese and two are women. They have a wide range of specialties, including top management experience at global companies and public administration backgrounds. At the Board of Directors meetings, these members pose sharp questions and opinions during lively discussion with executive officers. I feel that the current composition of the Board of Directors goes beyond formal aspects and substantially contributes to the enhancement of Hitachi's corporate value. In recent years, Hitachi has been focusing more on the digital

field, so we have brought independent directors on board who are well versed in digital technologies. To maintain and improve the effectiveness of the Board of Directors, it is necessary to continuously secure directors with experience and knowledge that match the direction the company is heading. However, it is not an overnight task to invite people with management experience in global companies to serve as independent directors. I believe that the activities of Nominating Committee, which deliberates Board composition in light of Hitachi's future vision, including advances in ESG management contributing to the realization of a sustainable society, are extremely important in terms of ensuring the effectiveness of the Board of Directors.



### Lively and Earnest Discussions at Board Meetings

Not all directors agree with agendas submitted to the Board of Directors. In the past, there have been cases where opinions on major M&A projects were divided. As large M&A projects entail significant risks, analysis from a variety of perspectives is essential, and it is natural that there will be differences in judgment. What is important here is not only that the agenda is passed, but also that the executive side understands the rationale behind points discussed and applies them to subsequent PMI and risk management.

In formulating Mid-term Management Plan 2024, the Board of Directors held five sessions to discuss the plan before it was announced. Independent directors provided a variety of opinions that were reflected, for example, in the new business promotion organization and the deepening of Lumada strategy. The technology strategy was also discussed in the form of backcasting from 2050, rather than focusing only on the three-year period ending in 2024.

### Strengths of Hitachi's Board of Directors: Awareness of and Confidence in Mutual Respect

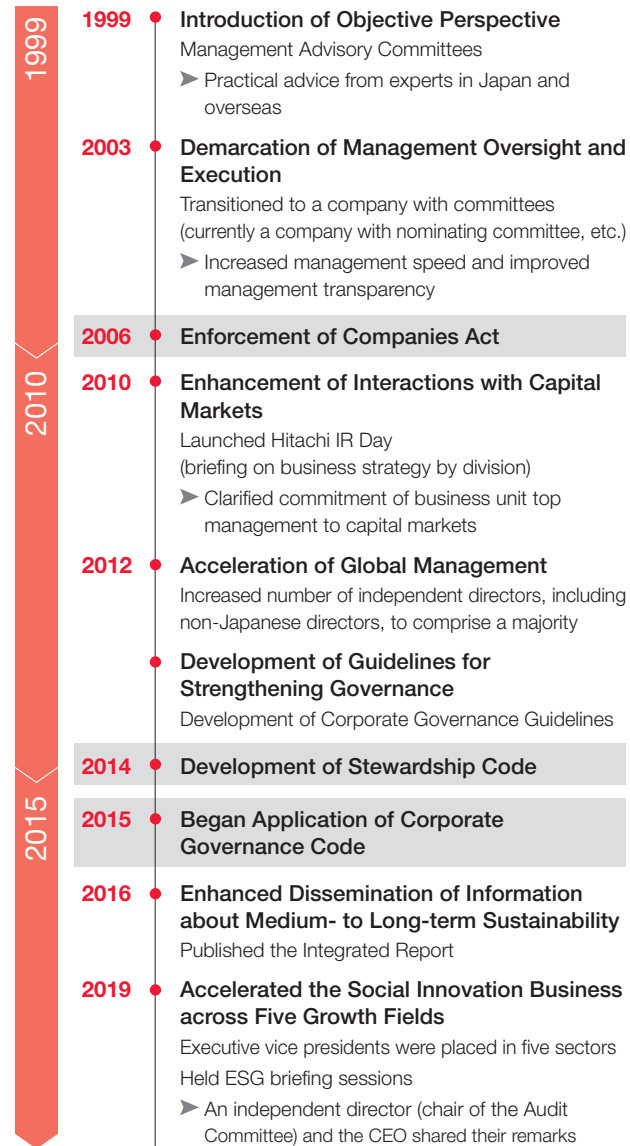
Since being appointed director, I felt that Hitachi's corporate culture is based on respect for the opinions of others. Executives sincerely listen to director opinions and are willing to incorporate them into their work. Further, directors have a passionate desire to contribute to the sound development of Hitachi's business based on their own experiences. Hence, all

directors attend the Board meetings after careful preparation, including reading through the materials distributed in advance and sorting out points to be confirmed. I think that effectiveness of Hitachi's Board of Directors is largely supported by this sense of mutual respect and trust.

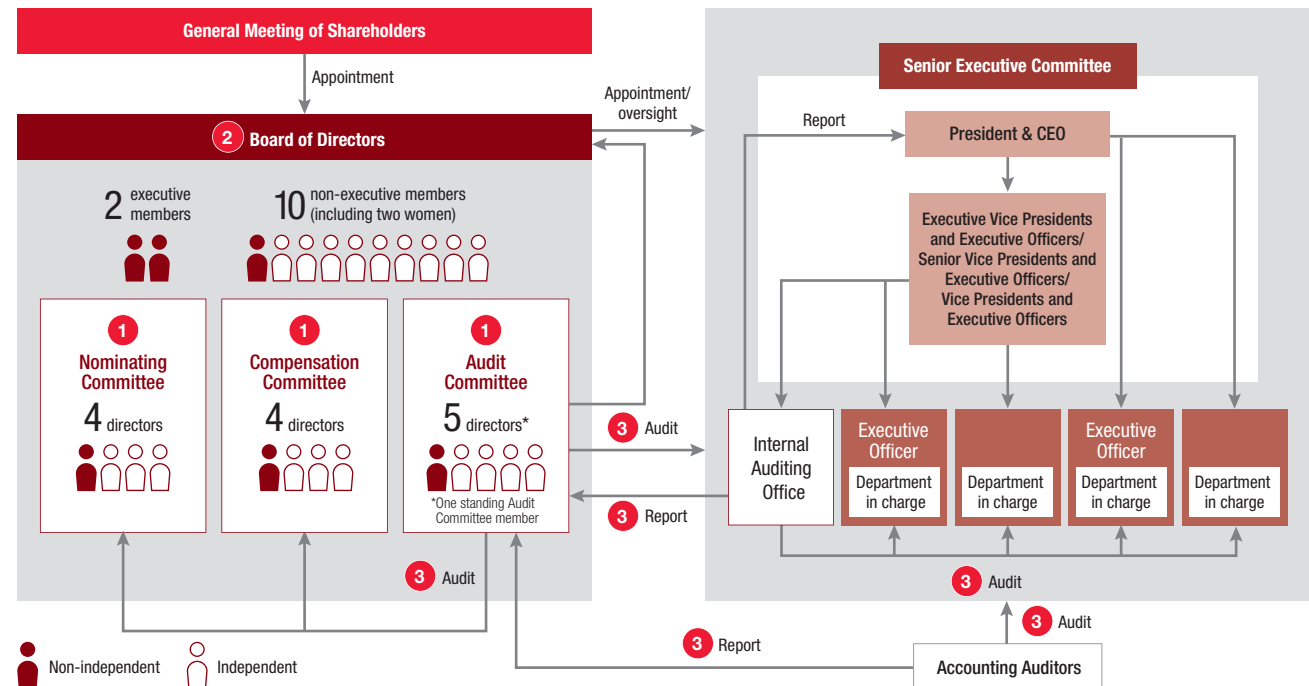
Additionally, Board meetings are not the only opportunity for interactions between independent directors and executive officers. Opinions and questions from independent directors to executive officers are also exchanged on a daily basis via email, while executive officers seek the opinions of independent directors on specific area of expertise. Further, Hitachi has non-executive directors within the company who are familiar with Hitachi's business and worksites, effectively functioning as a bridge between independent directors and the company.

Before the COVID-19 pandemic, all directors attended meetings together, which gave them the opportunity to receive explanations from relevant parties and communicate with each other before meetings. Since fiscal 2020, Board members living overseas have had difficulties traveling to Japan and remote meetings have become the norm, limiting face-to-face communication. Going forward, while keeping an eye on the situation, we will use face-to-face opportunities as much as possible to further invigorate communication among directors and with executive officers to improve the quality of discussions and enhance the effectiveness of the Board of Directors.

## History of Hitachi's Corporate Governance Reform



## Hitachi's Corporate Governance Framework and Features (as of July 2022)



### POINT ①

#### Transparency in Management

Transitioned to a company with committees (currently a company with a nominating committee, etc.) in 2003.

Hitachi established the Nominating Committee, the Compensation Committee and the Audit Committee, with independent directors comprising the majority of members and serving as chairpersons. This system ensures transparency in management, separates the oversight and execution of management, facilitates the full exercise of oversight functions, and enables discussions and reports to be conducted appropriately within these three committees.

### POINT ②

#### Independence of the Board of Directors

Increased the number of independent directors, including non-Japanese directors, in 2012.

The Board of Directors, which is chaired by an independent director, has 12 members, including nine independent directors, two directors who are also serving as executive officers, and one director who is not serving as an executive officer. The chairman of the Board is an independent director. In addition, we have established a system that facilitates the full exercise of oversight functions by maintaining a separation between management oversight and execution.

### POINT ③









#### Enhanced Collaboration through Tripartite Auditing

Hitachi's Audit Committee and internal audit sections collaborate with third-party accounting auditors to strengthen Tripartite Auditing aimed at increasing the effectiveness of internal controls.

## Experience, Knowledge and Capabilities Required for Directors

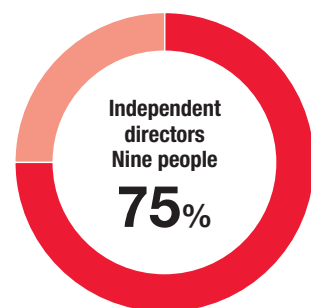
Hitachi Directors need to have a wide range of experience and knowledge in the global and diverse fields that are worthy of leading Hitachi's management to expand the Social Innovation Business globally, and have the qualities of a broad experience and expertise in management.

The experience, knowledge, capabilities and other qualities required for Hitachi directors are as follows.

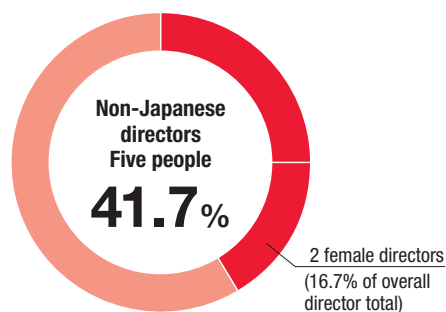
Core Skills		Number of applicable directors	Professional Skills		Number of applicable directors
Core qualities that ensure management oversight efficiency and decision-making functions			Expertise and experience that enhances discussions pertaining to the promotion of the Social Innovation Business		
 Corporate management	Corporate management experience and knowledge	<b>12 people</b>	 Governments and international organizations	Leadership experience in government, governmental agencies, international organizations or economic associations that facilitate an understanding of and response to regulations and social issues, as well as practical experience at educational institutions	<b>4 people</b>
 Global business	Business experience outside Japan or management experience at a company that develops business globally	<b>12 people</b>	 Legal affairs	Expertise and practical experience in legal affairs indispensable for global business and the development of new business	<b>1 person</b>
 Risk management	Knowledge of risk assessment and management necessary to maintain operations	<b>12 people</b>	 R&D and intellectual property	Expertise and practical experience in R&D or intellectual property facilitating the utilization of technology and the incorporation of new technologies	<b>2 people</b>
 Finance and accounting	Knowledge and management experience pertaining to financial accounting necessary for medium- to long-term corporate value creation from a financial perspective	<b>12 people</b>	 Digital	Practical experience in industrial fields vital for promoting digital transformation (DX) in the Social Innovation Business	<b>4 people</b>

## Board of Directors Composition (As of July 2022)

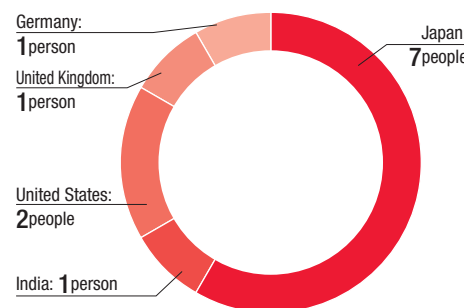
**Independence**  
(ratio of independent directors)



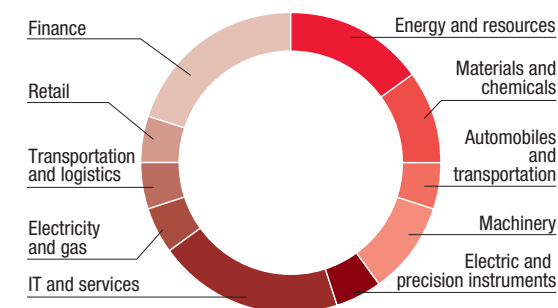
**Diversity**  
(ratio of non-Japanese and female directors)



**Diversity**  
(by country of origin)



**Industrial field**



## Highly Experienced Directors

At Board of Directors, discussions are conducted from a variety of perspectives by directors possessing a wealth of experience and knowledge pertaining to management, legal affairs, accounting, capital markets, government agencies and digital initiatives at global corporations.

Name	Notes	Main industrial fields	Positions at Hitachi and responsibilities
Katsumi Ihara	Engaged in Sony Group management, possessing a wealth of experience and insight in the field of international corporate management.	Electric and precision instruments, finance	Independent director ● Nominating Committee chairman ● Audit Committee member ▲ Compensation Committee member
Ravi Venkatesan	Possesses a wealth of experience and insight in international corporate management at Microsoft India and other companies, and in particular, the digital field and business in emerging markets.	IT and services	Independent director
Cynthia Carroll	Possesses a wealth of experience and insight as a manager of large international corporations including Anglo American.	Materials and chemicals, energy and resources	Independent director ● Nominating Committee member
Ikuro Sugawara	Held a leading position in the Ministry of Economy, Trade and Industry, and possesses a wealth of experience and insight in the administrative field.	General industry	Independent director ● Audit Committee member
Joe Harlan	Possesses a wealth of experience and insight in international corporate management, including at the Dow Chemical Company.	Electricity and gas, energy and resources, materials and chemicals	Independent director ▲ Compensation Committee member
Louise Pentland	Attorney licensed in New York and the UK possessing a wealth of insight into corporate legal affairs and corporate governance cultivated through experience as a Legal Officer at PayPal Holdings and other large global corporations.	IT and services, finance and retail	Independent director
Takatoshi Yamamoto	Possesses extensive insight into business and management in the fields of corporate analysis and international corporate management.	Finance	Independent director ▲ Compensation Committee chairman
Hiroaki Yoshihara	Possesses a high degree of professional knowledge and a wealth of experience in the fields of international corporate management, finance and accounting.	Finance, general industry	Independent director ● Nominating Committee member ● Audit Committee chairman
Helmuth Ludwig	Mainly engaged in Siemens Group management, possessing a wealth of experience and insight in international corporate management and the digital field in particular.	Machinery, manufacturing	Independent director ● Audit Committee member
Keiji Kojima	Engaged in R&D at Hitachi and its group companies, most recently in the Smart Life sector, possessing a wealth of experience and achievements, particularly in digital businesses related to Lumada global deployment.	IT and services	Director, Representative Executive Officer, President & CEO ▲ Compensation Committee member
Hideaki Seki	Engaged in managing Hitachi and group company elevator/escalator and automotive systems businesses, possessing a wealth of experience and achievements, including promoting the global expansion of these businesses.	Automobiles and transportation, machinery	Director ● Audit Committee member
Toshiaki Higashihara	Engaged in managing a wide range of fields at Hitachi and its group companies, including the social infrastructure and electric power system businesses, possessing a wealth of experience and achievements that include promoting the global expansion of Hitachi Group business.	Transportation and logistics, IT and services, energy and resources	Director, Executive Chairman, Representative Executive Officer ● Nominating Committee member

## Administrative Performance of the Board of Directors

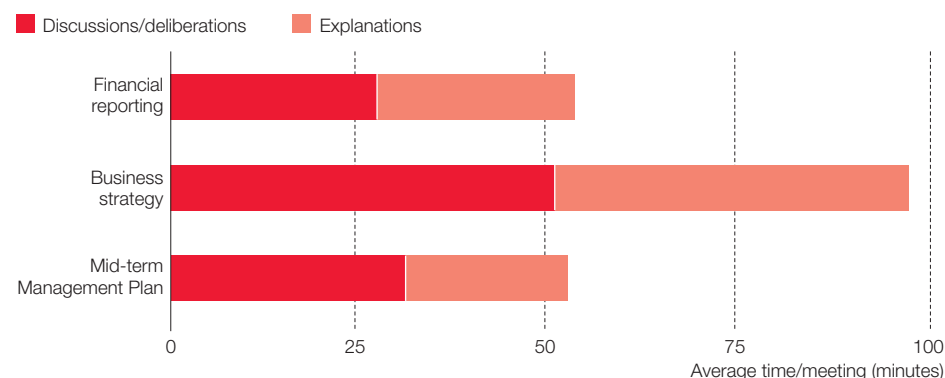
The Board of Directors approves basic management policy for the Hitachi Group and oversees the execution of the duties of executive officers and directors in order to sustainably enhance corporate value and the shareholders' common interests. The basic management policy includes the Mid-term Management 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 the Board of Directors Regulations.

Fiscal 2021 was a year in which we formulated the next Mid-term Management Plan, with the Board of Directors holding numerous discussions between executive officers and directors on the plan's direction and priority issues. At a Board meeting held in October 2021, then CEO Toshiaki Higashihara (currently Executive Chairman of the Board) provided a progress report on the 2021 Mid-term Management Plan, facilitating a common understanding among directors regarding issues that need to be strengthened in the next Mid-term Management Plan. This process was aimed at sharing Hitachi's aspirations as a Company and examining specific plan details. In promoting the execution of management strategies, more time is spent discussing and deliberating than is used to explain quarterly financial reports and business strategies. As for GlobalLogic, which plays a major role in promoting Hitachi's digital strategy, the Board of Directors is informed of the post-acquisition PMI plan and progress, and the status of promotion is shared on a regular basis. In terms of environmental initiatives, a report on Hitachi's participation in COP26 and the revision of long-term environmental targets was provided, affirming Hitachi's efforts toward the environment including carbon neutrality.

## Board of Directors Meetings in Fiscal 2021

Fiscal 2021 Board of Directors Meeting Results	
Meetings held	Nine days
Average number of agenda items	7.5 per meeting
Average meeting length	3.5 hours (longest meeting 5.7 hours)

## Discussion of Major Themes



## Providing Information to Independent Directors

The Board of Directors holds individual meetings and site visits to improve the effectiveness of the Board of Directors and increase opportunities for information sharing. Site visits were conducted on a limited basis in fiscal 2021 due to the impact of the COVID-19 pandemic, but through online participation in the Hitachi Social Innovation Forum, attendance at Internal Business Conference and Research Presentation Meeting held at research institutes, we provided opportunities to deepen understanding of the business and engage in dialogue with senior management and front-line employees.



Digital Research Presentation Meeting held on November 12, 2021



Visit to Hitachi Research Laboratory on May 12, 2022



## Activities of the Three Committees

### 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.

This committee determines director candidates, holds preliminary discussions concerning the appointment and dismissal of the CEO and receives advance reports on the selection and dismissal of executive officers.

In fiscal 2021, the Nominating Committee held meetings on 10 days.

#### ■ Primary Activities

In addition to deciding upon the contents of proposals made concerning director appointments at the Annual General Meeting of Shareholders, the Nominating Committee confirmed and deliberated proposals for CEO appointments and confirmed receipt of a preliminary report on the executive officer system implemented in fiscal 2022. In addition, it promoted committee-related activities, including discussions and individual interviews aimed at developing candidates for future management and leadership positions.

### Audit Committee

The Audit Committee has the authority to audit the execution of duties of directors and executive officers and to decide 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 chairman of the Audit Committee, has been involved in accounting and other business practices at the KPMG Group for many years and possesses a considerable wealth of knowledge concerning finance and accounting.

In fiscal 2021, the Audit Committee held meetings on 15 days.

#### ■ Primary Activities

The Audit Committee conducted activities that were focused on its priority matters for consideration, which included 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.

### 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 fiscal 2021, the Compensation Committee held meetings on five days.

#### ■ Primary Activities

The Compensation Committee determined remuneration amounts for individual directors and executive officers in accordance with established policies while verifying and reviewing the processes and results of appraisals for performance and individual targets tied to short-term incentive compensation for executive officers. In addition, the committee reviewed the executive compensation system while giving due consideration to compensation granted to managers at global companies and the goal of sharing value with shareholders, and decided upon policies covering remuneration for directors and executive officers in fiscal 2022.

## CEO Appointment, Dismissal, and Succession Plan

After a preliminary report to the Nominating Committee, Hitachi's Board of Directors decides upon the appointment and dismissal of executive officers with the goal of constructing an optimal business execution system for management. As stipulated in our Corporate Governance Guidelines, our basic policy concerning the CEO requires that individuals serving in the position of CEO have extensive experience and achievements in the field of company management. They must also be considered optimally suited for conducting management aimed at achieving Hitachi's goals of continuously raising its corporate value and further serving the common interests of its shareholders. Decisions regarding the appointment or dismissal of the CEO shall be made based on prior deliberations and proposals by the Nominating Committee.

Regarding our CEO Succession Plan, as the speed of change in the management environment accelerates, we are striving to build a system that enables us to appropriately and promptly secure and develop (both internally and globally) necessary management personnel who will provide leadership that will allow us to realize our growth strategies. Accordingly, we are also concentrating on providing training for selected employees while targeting the early development of candidates for future management positions. Moreover, we are developing next-generation leaders capable of acting authoritatively and resolutely by establishing forums where participants can discuss what is necessary for Hitachi's future growth and make recommendations to management.

## Analysis and Evaluation of the Effectiveness of the Board of Directors

Hitachi evaluates the effectiveness of its Board of Directors each year in a continuous effort to maintain and improve its functions.

### Fiscal 2021 Evaluation Process

	Points of evaluation
1. Questionnaire-based self-assessment by each director (February–March 2022)	<ul style="list-style-type: none"> <li>Composition: Diversity on the Board, the number and proportion of Inside and Outside directors, etc.</li> <li>Visibility of responsibilities and roles of the Board</li> <li>Meeting operation: Meeting frequency, deliberation time, agenda setting, quality of deliberation, Chairman's role, etc.</li> <li>Contribution: Contribution to strategy building and change of company culture, contribution to constructive discussions, utilization of Director's knowledge and experience, discussions contribution to CEO succession plan, etc.</li> <li>Understanding of the company: Hitachi Group Identity, risk factors, potential challenges and opportunities.</li> <li>Three committees: Composition, responsibilities and roles, coordination with the Board, etc.</li> <li>Supporting system for the Board: Provision of necessary information such as the Board materials, etc.</li> </ul>
2. Discussions among independent directors (March 2022)	<ul style="list-style-type: none"> <li>Independent directors had a meeting and discussed the Board effectiveness there referring to the Board's activities in each evaluation items set out in the above 1.</li> </ul>
3. Discussions at the Board meeting (May 2022)	<ul style="list-style-type: none"> <li>The Board analyzed and evaluated its effectiveness as a whole and confirmed the policy on approaches to further enhance the Board's effectiveness based on the results of the preceding process, considering comparison to the evaluation results of the previous year and measures taken for improving its effectiveness in fiscal 2022.</li> </ul>

### Evaluation Results and Future Initiatives

Evaluation results	
Overall evaluation in fiscal 2021	<ul style="list-style-type: none"> <li>The Board assessed that Board members are diverse and make use of their knowledge and expertise to speak out, having vigorous discussions especially on matters related to business strategies such as the Mid-term Management Plan targeting the medium- to long-term growth of corporate value. The Board concluded that the effectiveness of the Board as a whole is maintained.</li> </ul>
Future initiatives	
Further enhancement of corporate governance	<ul style="list-style-type: none"> <li>Provide opportunities to freely discuss corporate culture and the overall future of the business portfolio to deepen discussions.</li> <li>Discuss specific strategies including important themes (such as GX and DX) in each sector and BU to confirm consistency with the Mid-term Management Plan.</li> </ul>
Enhancement of the Board support system and improvement of practical issues in operations	<ul style="list-style-type: none"> <li>Post COVID-19, increase opportunities for meetings with BU CEOs and others and restart Independent Director visits to group sites.</li> <li>Further improve structure and content of materials for Board meetings and ensure provision of materials well in advance of meetings.</li> </ul>

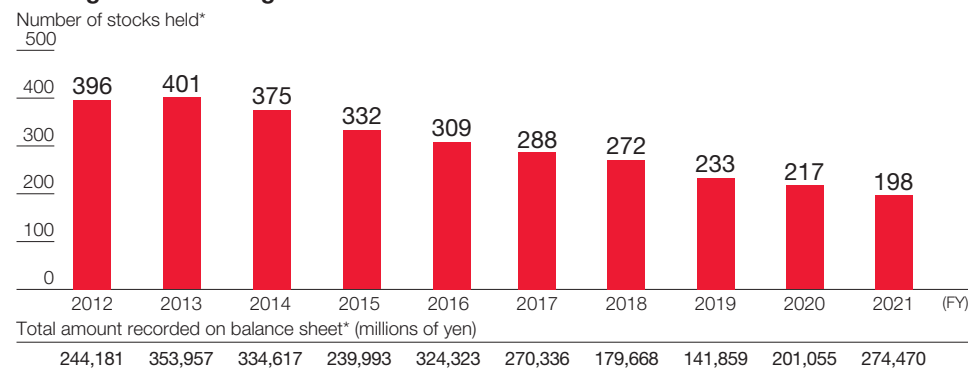
## Policy regarding Strategic Shareholdings

### Policy on listed company strategic shareholdings

Hitachi's basic policy is not to acquire or hold other companies' shares except in cases where acquiring or holding such shares is necessary in terms of transactions or business relationships. We will promote reducing shares already held unless significance of holding shares or economic rationales of holding are confirmed.

The Board of Directors verifies the appropriateness of all stock holdings every year. To this end, each individual stock was reexamined 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, we promote the sales of shares for which significance of holding shares and economic rationale are not confirmed. In the fiscal year ended March 31, 2022, we reduced the number of shares held in 10 listed stocks (total amount sold: 47,750 million yen).

### Strategic shareholding status



\*Total of listed and unlisted shares



## Director and Executive Officer Compensation

### Basic Policy

- Compensation shall be such that it enables the company to attract necessary personnel to achieve an improvement in corporate value through global business growth.
- Compensation shall be commensurate with the roles and responsibilities of each Director and Executive Officer.
- Compensation for Directors shall be such that it enables them to exercise the management oversight functions effectively.
- Compensation for Executive Officers shall be such that it enables them to contribute to sustained improvement in corporate value through the execution of business and employs an appropriate balance between short-term performance and medium- and long-term performance.
- The level of compensation shall be determined considering compensation levels at other companies as well as economic and market trends.
- The Compensation Committee utilizes external experts to gain expert advice and an objective viewpoint, if necessary, for considering the details and amounts of compensation.

### Compensation Structure

#### (1) 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.

#### (2) 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 1:1:1 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 the position an Executive Officer holds, the greater the proportion of variable pay is set to the total annual compensation.

If it is found that an executive officer has engaged in misconduct during their term of office, any compensation already paid shall be returned to the company (clawback provision).

Please refer to Compensation to Directors and Executive Officers on page 94 of the Annual Securities Report (The 153rd Business Term)

▶ [https://www.hitachi.com/IR-e/library/stock/hit\\_sr\\_fy2021\\_4\\_en.pdf](https://www.hitachi.com/IR-e/library/stock/hit_sr_fy2021_4_en.pdf)

## Reflecting Sustainability Targets in Executive Compensation Evaluation

In fiscal 2021, Hitachi introduced evaluations that take environmental value into consideration in the executive compensation system for the first time with the aim of accelerating the creation of environmental value. All executive officers, including the CEO, set targets for environmental value and were evaluated for their achievement of individual targets.

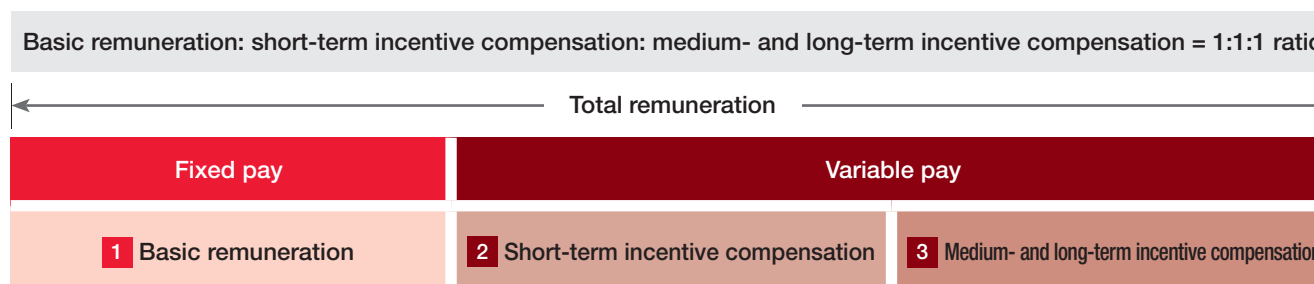
From fiscal 2022, in addition to environmental targets such as decarbonization and resource efficiency, we introduced quantitative and qualitative target setting for occupational health and safety and product quality in the compensation evaluation of all executive officers to further advance sustainable management.

### Examples of Sustainability Targets Reflected in Fiscal 2022 Compensation Evaluations

	Sustainability targets
Decarbonization	<ul style="list-style-type: none"> <li>• Efforts to realize carbon neutrality* in business sites (factories and offices) by fiscal 2030</li> <li>• Efforts to achieve carbon neutrality* by fiscal 2050 throughout the value chain</li> </ul>
Resource efficiency	<ul style="list-style-type: none"> <li>• Efforts related to resource efficiency</li> </ul>
Occupational health and safety	<ul style="list-style-type: none"> <li>• Zero fatal accidents</li> <li>• Wellbeing initiatives</li> </ul>
Product quality	<ul style="list-style-type: none"> <li>• Efforts to enhance product quality</li> </ul>

\*Regarding fiscal 2030 and fiscal 2050 decarbonization targets, single-year targets are set Groupwide and for each BU.

## Compensation to Executive Officers (Fiscal 2022)



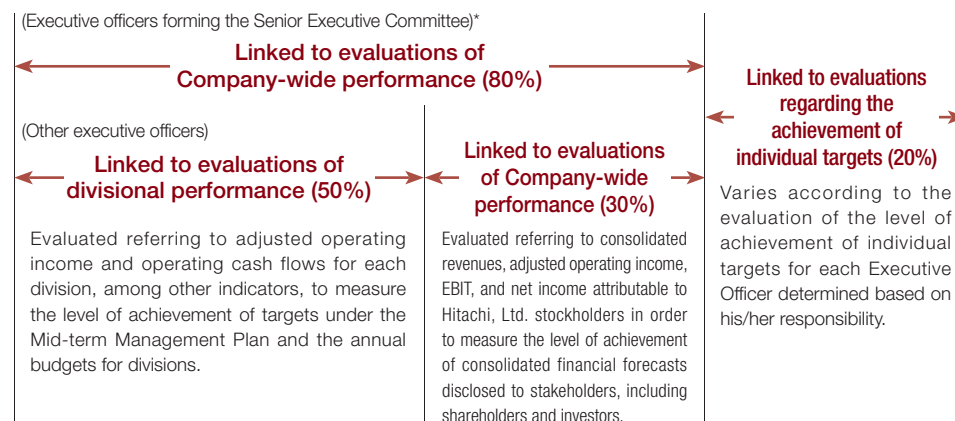
### 1 Basic remuneration

Set according to the relevant position by adjusting that amount to reflect financial results and individual performance.

### 2 Short-term incentive compensation

The amount of short-term incentive compensation is decided within a 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.

From fiscal 2022, we are also working to further strengthen accountability by linking the achievement of KPIs, including sustainability indicators specified in the Mid-term Management Plan, to the performance evaluation of executive officers.



\*The rates used for "other executive officers" apply when "executive officers forming the Senior Executive Committee" are in charge of sector or business unit.

### 3 Medium- and long-term incentive compensation

Shares of restricted stock were introduced in fiscal 2019 as compensation for Japanese executive officers and corporate officers (the executive positions next to Executive Officers) to promote management from a medium- to 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. In fiscal 2020, a restricted stock compensation unit system\*1 was introduced as compensation for non-Japanese executive officers and corporate officers. In fiscal 2021, the scope of the restricted stock compensation unit system was expanded to executives at some group companies.

#### Shares of restricted stock

- The restriction on transfers shall be lifted if executive officers resign from all of the positions of the company's executive officer, director, and corporate officer.
- With regard to one-half of the granted shares of restricted stock, the number of shares for which the transfer restriction is lifted shall be determined after ex-post evaluation. In the ex-post evaluation, the total shareholder return (TSR) of Hitachi stock over the three years from the beginning of the fiscal year when the medium- to long-term incentive compensation is granted is compared to growth rate of TOPIX over the same period.

TSR/TOPIX growth rate	Shares for which the transfer restrictions are lifted
120% or more	Transfer restrictions are lifted for all granted shares.
Between 80% or more but less than 120%	Transfer restrictions are lifted for part of granted shares*2.
Less than 80%	No granted shares have transfer restrictions lifted.

\*1 A system in which restricted stock compensation units are granted to the eligible persons, and over three years from the start of the business year in which the restricted stock compensation units were granted, one-third of the number of restricted stock compensation units granted is paid in each fiscal year that passes, as Hitachi stock or cash.

\*2 Number of shares for which the transfer restrictions are lifted = Number of granted shares × ((TSR/TOPIX Growth Rate Ratio × 1.25) – 0.5)  
Shares for which the transfer restrictions are not lifted shall be acquired by Hitachi without consideration.

### Internal Control over Financial Reporting

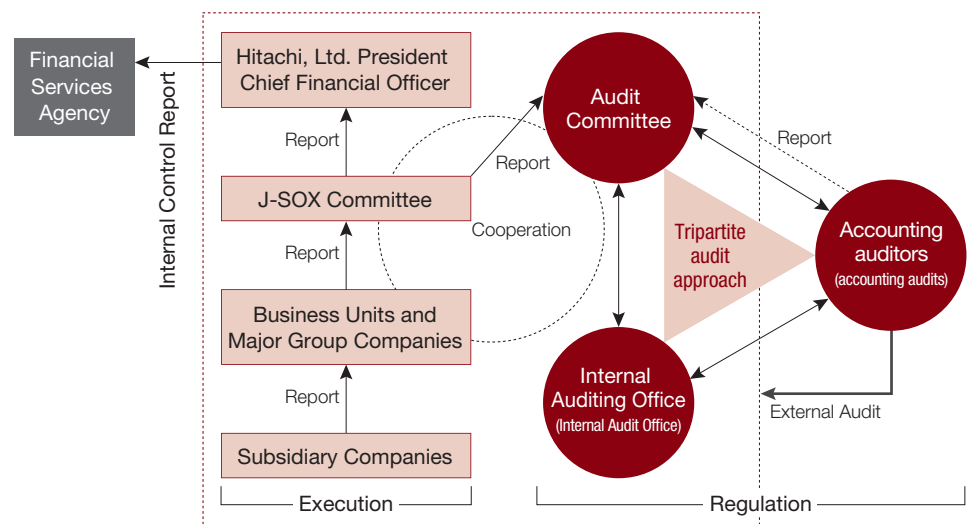
To ensure the reliability of its consolidated financial reporting, the Hitachi Group is establishing and implementing relevant internal controls. We evaluate their effectiveness by adhering to standards for the evaluation of internal controls related to financial reporting that are generally accepted as fair and reasonable.

Furthermore, we have established the J-SOX Committee with the goal of raising the effectiveness of these internal controls. This committee evaluates internal control effectiveness and establishes frameworks designed to improve and strengthen them.

**Enhanced management of risk associated with global business expansion**

**Creation of a system focused on maintaining transparency and a sense of urgency**

#### Internal Control Assessment Framework

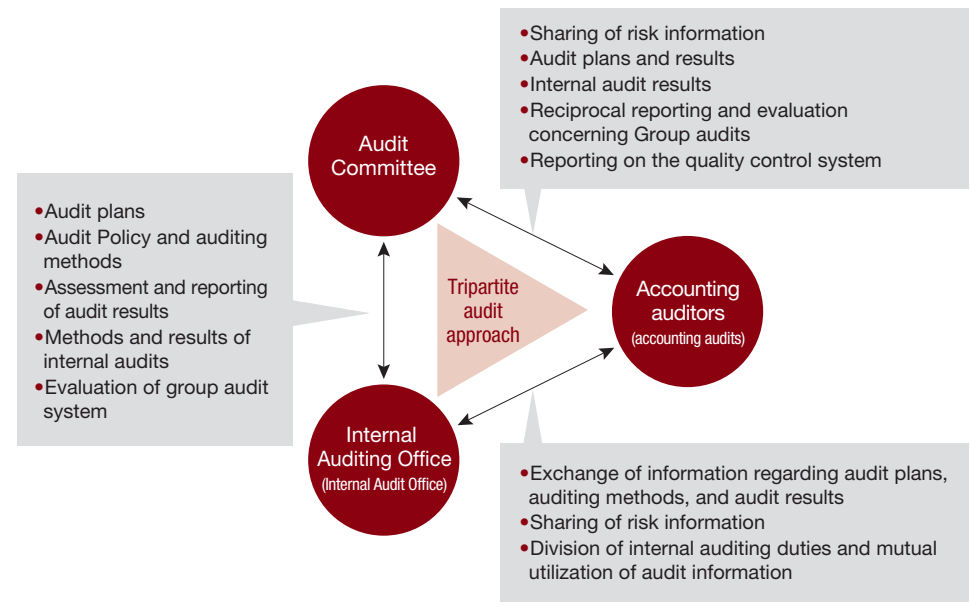


### Enhanced Collaboration through Tripartite Audits

In pursuit of sustainable growth in corporate value, Hitachi's Audit Committee and internal audit section collaborate with third-party accounting auditors to strengthen its "Tripartite Auditing," which aims to increase the effectiveness of internal controls. The three parties communicate closely to share risk information and assessments concerning risk response while securing transparency and ensuring appropriate checks and balances.

**Sharing of risk information and assessments of risk response**

**Ensuring transparency and a sense of urgency and improving the effectiveness of internal controls**



## Building a More Effective and Efficient Auditing System

### Audit Committee

The Audit Committee formulates audit plans in accordance with risk-based approaches and conducts audits for each consolidated business unit. Cooperating with the internal audit section audits, Audit Committee members meet directly with business unit heads. These members share concerns and issues related to the implementation of business strategies aimed at achieving sustainable growth that require attention with the internal audit section. At that time, the committee also verifies matters that carry high levels of risk in terms of quality, measuring these risks through employee awareness surveys and thorough implementation of business strategies.

### Internal Audit Section

Hitachi's internal audit section performs regular internal audits of each business unit, business division and subsidiary. This section reports directly to the President and is independent from organizations that are subject to its audits. The internal audit section also formulates audit plans based on past audit records and the most recent business circumstances. In addition, this section performs audits while sharing information with the Audit Committee, ensuring their effectiveness. The internal audit section at Hitachi is responsible for confirming the legality and appropriateness of all business operations, including those related to accounting, production management, sales, purchasing, IT systems, compliance, and human resources. Furthermore, acting on behalf of our management team, the internal audit section confirms whether employees are well versed in the ideas and policies of management, whether operations are being carried out based on these ideas and Policies, and whether business strategies are being implemented in a way that will efficiently lead to sustainable growth.

### Accounting Auditors

Accounting auditors perform audits that focus on the accuracy and reliability of our financial statements. First, they adopt a risk-based approach in response to the group's overall financial status. Applying this approach, they then determine the scope and methods of the audit, formulate an audit plan, and share opinions with the Audit Committee. Next, based on the audit plan, they perform audits on each of the five sectors and the business units that comprise them, enabling effective and efficient understanding of data related to Hitachi's finance department and each of its business segments. If, during the auditing process, our accounting auditors discover a degree of risk that could impact future financial statements significantly or issues that, even if monetarily small, could have a large qualitative effect, they share related information regarding these risks and issues and the progress on a response from the related divisions with the Audit Committee and internal audit section. They also work to improve and raise the effectiveness

of audits by submitting "management letters" containing points of concern and improvement suggestions through the finance department. Recently, they have also been working to raise the efficiency of checks on the accuracy of numerical figures by using some IT systems to investigate all cases rather than performing test-checking through sampling.

## Topics

### Sector Corporate Auditor System

To further raise audit effectiveness, sector corporate auditors were assigned in each core business field (sector) in April 2019. Through this action, we expanded the internal control system spearheaded by chief auditors and enhanced collaboration with executive vice presidents managing each sector, as well as with the Audit Committee.

Although sector corporate auditors do not act as organs under the Companies Act, they still assume responsibility for governance in each sector. Statutory auditors, which function as organs at Hitachi subsidiaries under the Companies Act, also report to sector corporate auditors and work to improve the effectiveness of Hitachi's internal control systems.

### IT Utilization

When conducting business audits, we use IT systems to expeditiously search for reference information contained within materials submitted prior to audit in an attempt to improve efficiency. We are currently enhancing a system that will allow our internal audit section to share information with professional accounting auditors using a data lake. When reading audit reports submitted to the President by the internal audit section, the President must be able to quickly understand the issues identified by these reports and make prompt judgments concerning whether immediate action is required. In the future, our internal audit section will continue to maintain its transparency and independence while working to improve audit efficiency as one member of our Tripartite Audit system.

## Comprehending Management Issues through Dialogues with Stakeholders

In promoting the Social Innovation Business, Hitachi accurately detects a variety of social issues in each country and region, addressing these issues through co-creation with customers, governments, academic organizations, research institutions and a wide range of other stakeholders.

In response to the recent rise of ESG investing, Hitachi is proactively engaged in dialogue with shareholders and investors on both financial and non-financial information, while also focusing efforts on co-creation to improve disclosure of non-financial information. Going forward, Hitachi will continue to proactively promote dialogues with stakeholders, incorporating the takeaways into operations to realize sustainable management.

### ESG Disclosure Study Group

How to address the rapidly changing global trend in ESG disclosure is a major challenge for many corporations and institutional investors in Japan. Hitachi, Ltd. is responding to this issue through co-creation with stakeholders. In June 2020, Hitachi took the lead in establishing the ESG Disclosure Study Group to explore ways of disclosing ESG information that contribute to long-term corporate value enhancement while also keeping an eye on global trends. The study group initially started with 19 companies, and as of June 30, 2022, more than 100 companies, institutional investors, auditing firms and public organizations are participating.

Study group activities are divided into phases according to themes, and in June 2022, the “ESG Disclosure Study Group Report 2022” was published including the results of these activities. This report contains ESG disclosure recommendations for corporations, institutional investors and standard-setting bodies and is disseminated to relevant organizations within and outside Japan. Hitachi, Ltd. serves as the co-chairman and secretariat of this study group, and leads these activities.



General Incorporation Association of ESG Disclosure Study Group / EDSG  
▶ <https://edsg.org/en/>

Left: Tetsuo Kitagawa, Representative Director, ESG Disclosure Study Group (Emeritus Professor of Aoyama Gakuin University; Professor at Tokyo Metropolitan University)

Right: Norio Masuda, Co-Representative Director, ESG Disclosure Study Group (Senior Manager, Sustainability Promotion Division, Hitachi, Ltd.)

### Kyoto University and Hitachi Joint Project

One of the key initiatives for the evolution of sustainable management is to quantitatively clarify the financial impact of non-financial values such as environmental and social values created by business activities, as well as intangible asset measures such as human resource policies. This is expected to further advance management and improve engagement with stakeholders.

Since 2021, Hitachi, Ltd. has engaged with these challenges through experimental research conducted in collaboration with Graduate School of Management, Kyoto University. Through academic and other approaches, it was quantitatively confirmed that Hitachi's initiatives toward the environment and human resources could have a positive impact on financial indicators (ROIC and WACC). In the future, we will clarify the causal relationship between non-financial and intangible asset measures and financial indicators, as well as employee survey results, to identify measures with a high degree of causal influence and lead them to measures to improve financial performance through non-financial and intangible asset measures.

### Enhancing Hitachi Sustainable Management

Visualization of correlation and causality between non-financial and intangible asset measures and financial indicators, and quantification of financial impact is important.

Background

#### Global trends

##### Demand for disclosure linking financial and non-financial information

- IFRS Foundation announced an exposure draft of ISSB (non-financial information disclosure standards) in March 2022, indicating importance of “non-financial and financial connectivity”
- Revised Japan's Corporate Governance Code in June 2021 to reference the relationship between human capital and investment
- Securities Report revised in March 2020 upon request for disclosure of non-financial information having a medium- to long-term financial impact

#### Hitachi's activities

##### Mid-term Management Plan announcements

- Announced that Mid-term Management Plan 2021 will promote management focused on social, environmental and economic value
  - ▶ Engaged in non-financial value visualization in collaboration with related departments
- Announced that Mid-term Management Plan 2024 will strengthen efforts targeting human capital management and the environment
  - ▶ Correlation, causality, and quantification of financial impact are important

## Independent Directors Dialogue

### Independent Directors Dialogue with Stakeholders

At Hitachi Investor Day 2022, held on June 13, 2022, a first-ever dialogue session was conducted by Hitachi independent directors. With Executive Vice President, CFO Yoshihiko Kawamura as moderator, independent directors Harufumi Mochizuki and Helmuth Ludwig exchanged opinions on the formulation of the Mid-term Management Plan, Lumada and Hitachi's vision, among other questions submitted in advance by institutional investors and analysts.

#### Discussions at the Board of Directors Meeting on the Mid-term Management Plan

**Mr. Kawamura:** My understanding is that the Board conducted in-depth discussions from early on in formulating the Mid-term Management Plan 2024 announced in April 2022. Please share that process.

**Mr. Mochizuki:** In formulating a Mid-term Management Plan, specific plans for the next three years are considered, but as a first step, it is extremely important that the directors and the executive officers share the same vision of what Hitachi wants to be. At Hitachi, the Board members and the executive officers have had a series of discussions, so we have a common understanding of what we want to be. On this basis, we discussed priority issues for the next three years and how to implement them. From the initial stages of plan formulation, the Board of Directors has held a total of five meetings to discuss. At these meetings, everyone provides opinions, thus a single agenda item can take up an hour or more. In this process, various opinions were provided by Board members from diverse backgrounds, but because we share the same underlying vision, discussions remained focused. The important thing is to make sure that everyone outside the

company understands it correctly, and independent directors have pointed out that it should be written in more specific terms. Through this process, I believe we were able to formulate an easily understandable Mid-term Management Plan focused on the essentials. For the past 10 years, I have served as a Hitachi independent director, following the company's transformation from the difficult period after the 2008 global financial crisis to the present. I have watched the process of Hitachi's incremental transformation into a global company. I am impressed that Hitachi has changed direction from a Japan-centric conglomerate to a Social Innovation Business with a clearly defined stance as a global leader in the Mid-term Management Plan 2024.

#### Lumada and the Mid-term Management Plan

**Mr. Kawamura:** Lumada is the lynchpin of the Mid-term Management Plan 2024. Dr. Ludwig, you have in-depth knowledge of the digital field, what is your assessment of this plan?

**Dr. Ludwig:** I studied engineering in Germany and joined Siemens in 1990. After that, for about the past 30 years, I have been engaged in business development in the automation and



digital fields—namely, the integration of virtual with physical. Just as GlobalLogic has joined the Hitachi Group, I also experienced a similar post-merger integration (PMI) at Siemens. It is my fervent belief that companies must have deep knowledge in their business domain and integrate operational technologies (OT) with IT capabilities to enhance competitiveness. With Lumada at the core of Hitachi's Social Innovation Business, there are two critical points. First, is to focus on competition and provide value to customers. To this end, Hitachi must understand how to improve processes, then link them to revenues. Second, solutions must be repeatable, which requires containerization. Hitachi's thorough knowledge of mobility, energy, industry and other business domains offers the potential for business scalability through the utilization of solutions in other fields.

Achieving this will enable Hitachi to increase margins in line with expectations. Although the path forward is not easy, I think Hitachi is off to a good start and on the right track.

### Large-scale M&A Discussions

**Mr. Kawamura:** Over the past two to three years, Hitachi has made a series of large-scale M&A transactions, making Hitachi High-Tech a wholly owned subsidiary and acquiring both the ABB power grids business and GlobalLogic. Given the risks associated with these deals, how were they discussed at the Board meetings?

**Mr. Mochizuki:** Repositioning our business portfolio is an important theme for Hitachi, and determining what to include and what to divest was one of the means of structural reform. Hitachi has made acquisitions in areas where synergies can be expected, while disposing of non-synergistic businesses, which has had a comparatively limited impact on finances and the balance sheet. The acquisition of ABB's power grid business and GlobalLogic is a 1 trillion yen deal, so the Board of Directors had a very in-depth discussion about it. Since the Board members shared the strategy underlying the discussion, the issues were very clear, and we confirmed that we could expect synergies as a growth engine for Hitachi in the true sense of the word. It was a very strategic discussion and a major decision. Further, I also believe that Hitachi's repeated experience with acquisitions has made it very sensitive to the discipline that must be observed when

conducting M&A activities. While pre-acquisition due diligence is taken as a matter of course, the degree to which PMI is achieved is also a critical factor. Hitachi's skills have improved significantly over the past 10 years, including risk mitigation, efforts to realize synergies, and post-acquisition follow-up, including human resources,



while also experiencing some failures. I believe Hitachi has attained a global standard with regard to acquisition capabilities.

**Dr. Ludwig:** GlobalLogic is a company that has achieved amazing growth. The critical point was why it would be better off with Hitachi. The Board of Directors thoroughly discussed this point, confirming that the addition of GlobalLogic to the Hitachi Group will provide even greater value to customers. In M&A, it is of course important to select an appropriate target and realize the deal, but the PMI process afterwards is also extremely important. The question is how to integrate human resources with different backgrounds with a sense of speed. GlobalLogic is full of dynamism, strengthening Hitachi's business and attracting talented human resources. Employees have also been provided with a wider range of opportunities.



### Hitachi's Business Portfolio and Vision for Further Growth

**Mr. Kawamura:** As Hitachi is involved in a variety of businesses, what are your thoughts on conglomerates (discounts)? Furthermore, what is required for a Company with over 100 years of history to achieve growth going forward?

**Dr. Ludwig:** Capital markets may not consider traditional conglomerates to be the best structure. However, I believe that in the future, conglomerates will have a different meaning. First of all, it is critical to have a clear vision and strategy. Hitachi, which is focusing efforts on sustainability and digital transformation, has a robust innovation strategy. In this sense, I think Hitachi's current business portfolio is more streamlined and closer to the conglomerate of the future. In a world where unexpected events often occur, corporations must be resilient. However, simply engaging in a wide range of businesses is not the answer. Hitachi must demonstrate synergies among businesses based on a clear vision, and to this end, I think the speed of decision-making will become increasingly important.

**Mr. Mochizuki:** Hitachi used to be a Japanese conglomerate with domestic sales accounting for 70% of its revenue. To become a global leader, Hitachi must generate greater profits, improve profit margins and continuously generate cash to compete on the world stage. It is also important to have strong leadership focused on the company's ideal positioning without losing the can-do spirit. Having watched Hitachi's trajectory over the past 10 years, my sense is that Hitachi possesses both of these attributes.



## Leadership (As of June 22, 2022)

### Independent Directors\*



**Katsumi Ihara (71)** ● ● ▲

Share ownership: 1,100 shares

Term of office as Independent Director: 4 years

2005 Executive Deputy President, Representative Corporate Executive Officer, Member of the Board, Sony Corporation

2009 Executive Deputy President, Corporate Executive, Sony Corporation  
Executive Vice President, Representative Director, Sony Financial Holdings Inc.

2010 President, Representative Director, Sony Financial Holdings Inc.

2011 President, Representative Director, Sony Life Insurance Co., Ltd.

2015 Chairman, Director, Sony Life Insurance Co., Ltd. (Retired in June 2017)

2016 Chairman, Director, Sony Financial Holdings Inc. (Retired in June 2017)

2018 Director, Hitachi, Ltd.



**Ravi Venkatesan (59)**

Share ownership: 400 shares

Term of office as Independent Director: 1 year, 11 months

1999 Chairman of the Board of Directors, Cummins India Ltd. (Retired in March 2004)

2004 Chairman, Microsoft India Pvt. Ltd. (Retired in September 2011)

2011 Independent Director, Infosys Ltd. (Retired in May 2018, served as Co-Chairman from April 2017 to August 2017)

2013 Venture Partner, Unitus Ventures LLC. (Currently in office)

2015 Chairman (Non-Executive), Bank of Baroda (Retired in August 2018)

2018 Special Representative for Young People & Innovation, UNICEF (Currently in office)

2020 Director, Hitachi, Ltd.



**Cynthia Carroll (65)** ●

Share ownership: 1,500 shares

Term of office as Independent Director: 9 years

1991 General Manager, Foil Products, Alcan Inc.

1996 Managing Director, Aughinish Alumina Ltd., Alcan Inc.

1998 President, Bauxite, Alumina and Specialty Chemicals, Alcan Inc.

2002 President & CEO, Primary Metal Group, Alcan Inc.

2007 CEO, Anglo American plc. (Retired in April 2013)

2013 Director, Hitachi, Ltd.



**Ikuro Sugawara (65)** ●

Share ownership: 0 shares

Term of office as Independent Director: 0 years

1981 Joined Ministry of International Trade and Industry of Japan

2010 Director-General of the Industrial Science and Technology Policy and Environment Bureau, Ministry of Economy, Trade and Industry of Japan ("METI")

2012 Director-General of the Manufacturing Industries Bureau, METI

2013 Director-General of the Economic and Industrial Policy Bureau, METI

2015 Vice-Minister of Economy, Trade and Industry of Japan

2017 Special Advisor to the Cabinet of Japan (Retired in June 2018)

2022 Director, Hitachi, Ltd.



**Joe Harlan (63)** ▲

Share ownership: 1,100 shares

Term of office as Independent Director: 4 years

1999 Vice President and Chief Financial Officer, Lighting Business, General Electric Company

2001 Vice President, Corporate Financial Planning and Analysis, 3M Company

2002 President and Chief Executive Officer, Sumitomo 3M Ltd.

2004 Executive Vice President, Electro and Communications Business, 3M Company

2009 Executive Vice President, Consumer and Office Business, 3M Company

2011 Executive Vice President, Performance Materials, The Dow Chemical Company

2012 Executive Vice President, Chemicals, Energy and Performance Materials, The Dow Chemical Company

2014 Chief Commercial Officer and Vice Chairman, Market Business, The Dow Chemical Company

2015 Vice Chairman and Chief Commercial Officer, The Dow Chemical Company (Retired in August 2017)

2018 Director, Hitachi, Ltd.



**Louise Pentland (50)**

Share ownership: 1,100 shares

Term of office as Independent Director: 7 years

1997 Admitted as a Solicitor (UK)

2001 Senior Legal Counsel, Nokia Networks, Nokia Corporation

2007 Vice President, Acting Chief Legal Officer and Head of IP Legal, Nokia Corporation

2008 Senior Vice President and Chief Legal Officer, Nokia Corporation

2009 Admitted to New York State Bar Association

2011 Executive Vice President and Chief Legal Officer, Nokia Corporation (Retired in May 2014)

2015 General Counsel, PayPal, eBay Inc. Director, Hitachi, Ltd.

Senior Vice President and Chief Legal Officer, PayPal Holdings, Inc.

2016 Executive Vice President, Chief Business Affairs & Legal Officer, PayPal Holdings, Inc.

2022 Executive Vice President and Senior Advisor, PayPal Holdings, Inc. (currently in office)

● Nominating Committee ● Audit Committee ▲ Compensation Committee

#### Each Committee is composed of the following members (chair names underlined)

Nominating Committee : Katsumi Ihara, Cynthia Carroll, Hiroaki Yoshihara, Toshiaki Higashihara

Audit Committee : Hiroaki Yoshihara, Katsumi Ihara, Ikuro Sugawara, Helmuth Ludwig, Hideaki Seki

Compensation Committee : Takatoshi Yamamoto, Katsumi Ihara, Joe Harlan, Keiji Kojima

\*Independent directors are directors who fulfill the qualification requirements to be outside directors as stipulated in the Companies Act and also meet independence criteria defined by Hitachi and stipulated by Japanese stock exchanges where Hitachi is listed.




**Takatoshi Yamamoto (69)** ▲

Share ownership: 12,800 shares

Term of office as Independent Director: 6 years

1995 Managing Director, Morgan Stanley Japan Limited

1999 Managing Director and Vice Chairman, Tokyo Branch, Morgan Stanley Japan Limited

2005 Managing Director and Vice Chairman, UBS Securities Japan Co., Ltd.

2009 Managing Director, CASIO COMPUTER CO., LTD.

2011 Advisor, CASIO COMPUTER CO., LTD. (Retired in June 2012)

2016 Director, Hitachi, Ltd.


**Hiroaki Yoshihara (65)** ●●

Share ownership: 3,000 shares

Term of office as Independent Director: 8 years

1978 Joined Peat Marwick Mitchell & Co.

1996 National Managing Partner, the Pacific Rim Practice, KPMG LLP

1997 The Board Member, KPMG LLP

2003 Vice Chairman and Global Managing Partner, KPMG International (Retired in April 2007)

2014 Director, Hitachi, Ltd.


**Helmut Ludwig (59)** ●

Share ownership: 2,800 shares

Term of office as Independent Director: 1 year, 11 months

2001 President, Software and System House Division, Siemens AG

2002 President, Systems Engineering Division, Automation and Drives Group, Siemens AG

2007 President, Siemens PLM Software, Inc.

2010 Global Head of Communications, Industry Automation, Siemens Corp.

2011 President and CEO, Industry Sector, North America, Siemens Industry, Inc.

2014 Executive Vice President and Chief Digital Officer, Digital Factory Division, Product Lifecycle Management, Siemens Corp.

2016 Chief Information Officer, Siemens AG (Retired in December 2019)

2020 Professor of Practice in Strategy and Entrepreneurship, Cox School of Business, Southern Methodist University (currently in office)

Director, Hitachi, Ltd.

## Directors


**Keiji Kojima (65)** ▲

Share ownership: 100,800 shares

1982 Joined Hitachi, Ltd.

2011 General Manager, Hitachi Research Laboratory

2012 Vice President and Executive Officer

2016 Senior Vice President and Executive Officer

2018 Representative Executive Officer, Executive Vice President

2021 Representative Executive Officer, President & COO and Director, Hitachi, Ltd.

2022 Representative Executive Officer, President & CEO and Director, Hitachi, Ltd.


**Hideaki Seki (65)** ●

Share ownership: 12,000 shares

1979 Joined Hitachi, Ltd.

2011 Board Director, Hitachi Automotive Systems, Ltd.

2013 Vice President, Board Director, Hitachi Automotive Systems, Ltd.

2014 Executive Vice President, Board Director, Hitachi Automotive Systems, Ltd.

2015 President & COO, Representative Director, Hitachi Automotive Systems, Ltd.

2016 President & CEO, Representative Director, Hitachi Automotive Systems, Ltd. (Retired in March 2018)

2018 Senior Vice President and Executive Officer, Hitachi, Ltd.

President, Representative Director, Hitachi Building Systems Co., Ltd. (Retired in March 2020)

2020 Director, Hitachi, Ltd.


**Toshiaki Higashihara (67)** ●

Share ownership: 198,800 shares

1977 Joined Hitachi, Ltd.

2007 Vice President and Executive Officer (Retired in March 2008)

2008 President, Hitachi Power Europe GmbH

2010 Representative Executive Officer, President and Chief Executive Officer, Hitachi Plant Technologies, Ltd.

President and Representative Director, Hitachi Plant Technologies, Ltd.

2011 Vice President and Executive Officer, Hitachi, Ltd.

2013 Senior Vice President and Executive Officer, Hitachi, Ltd.

2014 Representative Executive Officer and President & COO, Hitachi, Ltd.

Representative Executive Officer, President & COO and Director, Hitachi, Ltd.

2016 Representative Executive Officer, President & CEO and Director, Hitachi, Ltd.

2021 Representative Executive Officer, Executive Chairman, President & CEO and Director, Hitachi, Ltd.

Representative Executive Officer, Executive Chairman & CEO and Director, Hitachi, Ltd.

2022 Executive Chairman, Representative Executive Officer and Director, Hitachi, Ltd.

## Executive Officers

### President & CEO



**Keiji Kojima\***

Overall management, railway systems business, nuclear energy business, energy business, power grids business and innovation strategies

### Executive Vice Presidents and Executive Officers



**Masakazu Aoki\***

Assistant to the President (industrial digital business, water & environment business, industrial products business, industrial equipment systems business, building systems business, smart life & ecofriendly systems business, measurement and analysis systems business, and healthcare business)



**Yoshihiko Kawamura\***

Assistant to the President (finance strategies, corporate pension system, investment strategies, investor relations strategies, cost structure reforms, risk management, corporate auditing and corporate export regulation)



**Toshiaki Tokunaga\***

Assistant to the President (business for financial institutions, business for government, public corporation and social infrastructure systems, defense systems business, services & platforms business, social innovation business promotion and digital strategies)

### Vice Presidents and Executive Officers

#### Noriharu Amiya

Railway systems business

#### Hitoshi Ito

Government & external relations

#### Kenji Urase

Energy business

#### Tadashi Kume

Nuclear energy business

#### Takashi Saito

Marketing & sales strategies (connective industries)

#### Kenichi Tanaka

Human capital strategies

#### Lorena Dellagiovanna

Sustainability strategies, environmental strategies, diversity & inclusion strategies

#### Hideshi Nakatsu

Water & environment business

#### Andrew Barr

Railway systems business

#### Kentaro Masai

Supply chain management (manufacturing strategies and quality assurance), safety and health management

#### Masashi Murayama

Cost structure reforms and information security management

#### Takashi Yoda

Regional strategies (China)

#### Takashi Iizumi

Healthcare business, measurement and analysis systems business

#### Tatsuro Ueda

Business for financial institutions

#### Tomomi Kato

Finance strategies and corporate pension system

#### Kohei Kodama

Legal affairs, risk management and corporate auditing

#### Norihiro Suzuki

Research & development

#### Jun Taniguchi

Digital strategies, services & platforms business

#### Kojin Nakakita

Regional strategies (APAC)

#### Seiichiro Nukui

IT strategies

#### Tatsuro Hoshino

Marketing & sales strategies (digital systems & services)

#### Shinya Mitsudomi

Urban business strategies, building systems business

#### Kazunobu Morita

Business for industrial digital

### Senior Vice Presidents and Executive Officers



**Jun Abe**

Services & platforms business



**Katsuya Nagano**

Business for government, public corporation and social infrastructure systems, and defense systems business



**Hidenobu Nakahata\***

Human capital strategies, diversity & inclusion strategies, corporate communications strategies, and safety and health management



**Masahiko Hasegawa\***

Marketing & sales strategies, regional strategies

### Executive Officer



**Claudio Facchin**

Power grids business



**Mamoru Morita**

Management strategies



**Toshiaki Higashihara\***

General

Note: Executive officers are listed by position and in Japanese alphabetical order within each grouping. The asterisk (\*) denotes executive officers who are representative executive officers.