For Immediate Release

Notice regarding the introduction of the Board Incentive Plan Trust for the equity compensation program for Directors and Executives

Tokyo, October 28, 2026 Hitachi, Ltd. (TSE: 6501, "Hitachi") resolved at a meeting of the Compensation Committee held today to adopt a scheme using a Board Incentive Plan Trust (the "BIP Trust") for the equity compensation program for Directors and Executives. Under this scheme, Hitachi will continue to operate the equity compensation program for Directors and Executives in a stable and reliable manner with the aim of enhancing corporate and shareholder value over the long term.

Introduction of the BIP Trust

At a meeting held on March 31, 2026, the Compensation Committee resolved to revise the equity compensation program for Hitachi's Executive Officers and Corporate Officers (the executive positions next to Executive Officers), as well as Executives of some Hitachi Group companies (collectively, the "Executive Officers, etc."), and to apply an equity compensation framework comprising a Restricted Stock Unit ("RSU") program and a Performance Share Unit ("PSU") program to all Executive Officers, etc.[*1] Hitachi will adopt a trust-based scheme for the administrative operation of share delivery under the program, similar to the scheme used for the employee equity compensation program announced on March 23, 2026[*2].

Hitachi also grants RSUs to its Directors under the equity compensation program for Directors. The BIP Trust will also be introduced for the administrative operation of share delivery under the program.

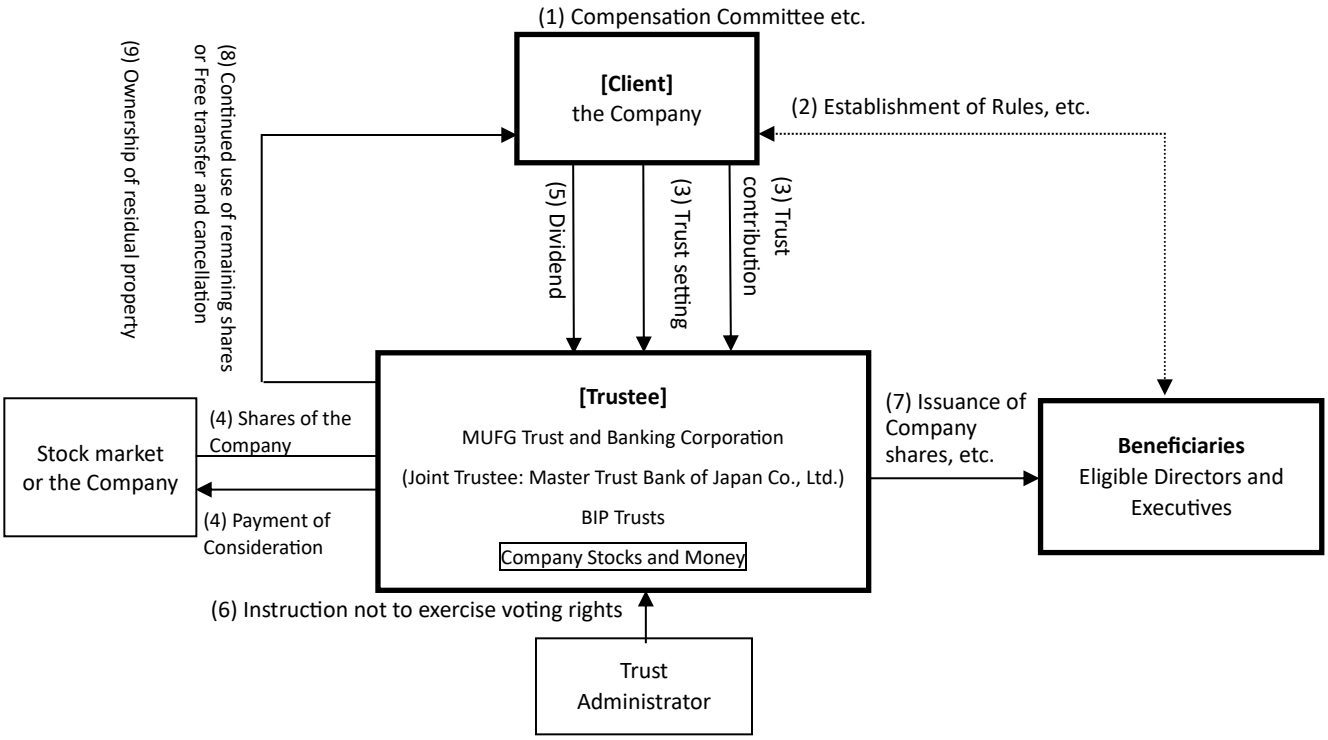
In cooperation with Mitsubishi UFJ Trust and Banking Corporation, Hitachi will deliver or pay Hitachi shares and an amount of cash equivalent to the proceeds from the sale of Hitachi shares (collectively, the "Hitachi Shares, etc.") to Hitachi's Directors and the Executive Officers, etc. (collectively, the "Directors and Executives") through the BIP Trust in accordance with the applicable share delivery regulations and other rules (the "Rules, etc.").

The BIP Trust will acquire in advance, from the stock market or Hitachi, the number of Hitachi shares expected to be delivered to the Directors and Executives. Hitachi and the relevant Hitachi Group companies will bear all costs associated with the acquisition of such shares and the operation of the equity compensation program for Directors and Executives, and the Directors and Executives will bear no such costs.

*1 Press Release dated March 31, 2026: "Notice regarding the revision of the executive equity compensation program"

*2 Press Release dated March 23, 2026: "Hitachi to introduce RSU program for employees and launch global ESPP to enhance long-term corporate value"

Structure of the BIP Trust



(1) The Company will obtain a resolution of the Compensation Committee etc. regarding the introduction of the BIP Trust.
(2) The Company will establish share delivery regulations related to the BIP Trust.
(3) The Company will establish the BIP Trust by entrusting a certain amount of money to the trustee as the source of remuneration for the Eligible Directors and Executives, and the Eligible Directors and Executives who satisfy the beneficiary requirements will become beneficiaries.
(4) In accordance with instructions from the trust administrator, the BIP Trust will acquire the Company's shares on the stock market or from the Company using the funds contributed in (3).
(5) Dividends on the Company's shares held in the BIP Trust will be paid in the same manner as dividends on other shares of the Company.
(6) Voting rights for the Company's shares held in the BIP Trust will not be exercised throughout the trust period.
(7) During the trust period, Executive Officers, etc. will receive annual grants of RSUs and PSUs under the Rules, etc. One-third of the RSUs will vest in each of the three fiscal years after grant, and PSUs will vest after the end of the three-fiscal-year period following grant or at the end of the management plan, based on predetermined performance conditions. The trustee will deliver or pay Hitachi Shares, etc. based on the vested RSUs and PSUs. Directors will receive annual RSU grants under the Rules, etc., and the trustee will deliver or pay Hitachi Shares, etc. based on RSUs that vest after the end of the third fiscal year following grant.
(8) If there are remaining shares at the end of the trust period, the Company will either continue to use the BIP Trust as a share delivery scheme of the same type as the equity compensation program for Directors and Executives, or, if the BIP Trust is terminated, the Company will receive the remaining shares from the trust free of charge and plan to cancel such shares.
(9) Any remaining cash in the BIP Trust at the end of the trust period will be used as funds for share acquisition, etc. if the trust is continued; if the trust is terminated, the portion exceeding the trust expense reserve is expected to be donated to an organization with no interest in the Company.

If, due to the delivery of shares to the Eligible Directors and Executives, no Company shares remain in the BIP Trust, the BIP Trust will be terminated even prior to the end of the trust period. However, the Company may also acquire additional Company shares through the BIP Trust by entrusting additional funds.

Outline of the Trust Agreement (Planned)

No.	Item	Details
1	Type of Trust	Trust of money other than a money trust for specific sole management
2	Purpose of Trust	Facilitation and increased efficiency of the practical administration of the equity compensation program for Directors and Executives
3	Trustor	The Company
4	Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
5	Beneficiaries	Eligible Directors and Executives who satisfy the beneficiary requirements
6	Trust Administrator	A third party professional with no interest in the Company or its subsidiaries
7	Trust Agreement Date	November 12, 2026
8	Trust Term (initial trust period)	November 12, 2026 to the end of November, 2028
9	Exercise of Voting Rights	Not exercised
10	Class of Shares to be Acquired	Common stock of the Company
11	Total Acquisition Amount	26,258 million yen
12	Method of Share Acquisition	To be acquired from the Company
13	Timing of Share Acquisition	November 2026

Cautionary Statement

Certain statements found in this document may constitute "forward-looking statements" as defined in the U.S. Private Securities Litigation Reform Act of 1995. Such "forward-looking statements" reflect management's current views with respect to certain future events and financial performance and include any statement that does not directly relate to any historical or current fact. Words such as "anticipate," "believe," "expect," "estimate," "forecast," "intend," "plan," "project" and similar expressions which indicate future events and trends may identify "forward-looking statements." Such statements are based on currently available information and are subject to various risks and uncertainties that could cause actual results to differ materially from those projected or implied in the "forward-looking statements" and from historical trends. Certain "forward-looking statements" are based upon current assumptions of future events which may not prove to be accurate. Undue reliance should not be placed on "forward-looking statements," as such statements speak only as of the date of this document.

Factors that could cause actual results to differ materially from those projected or implied in any "forward-looking statement" and from historical trends include, but are not limited to:

- economic conditions, including consumer spending and plant and equipment investment in Hitachi's major markets, as well as levels of demand in the major industrial sectors Hitachi serves;
- exchange rate fluctuations of the yen against other currencies in which Hitachi makes significant sales or in which Hitachi's assets and liabilities are denominated;
- uncertainty as to Hitachi's ability to access, or access on favorable terms, liquidity or long-term financing;
- uncertainty as to general market price levels for equity securities, declines in which may require Hitachi to write down equity securities that it holds;
- fluctuations in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum, synthetic resins, rare metals and rare-earth minerals, or shortages of materials, parts and components;
- credit conditions of Hitachi's customers and suppliers;
- general socioeconomic and political conditions and the regulatory and trade environment of countries where Hitachi conducts business, particularly Japan, Asia, the United States and Europe, including, without limitation, direct or indirect restrictions by other nations on imports and differences in commercial and business customs including, without limitation, contract terms and conditions and labor relations;
- uncertainty as to Hitachi's ability to respond to tightening of regulations to prevent climate change;
- uncertainty as to Hitachi's ability to maintain the integrity of its information systems, as well as Hitachi's ability to protect its confidential information or that of its customers;
- uncertainty as to Hitachi's ability to attract and retain skilled personnel;
- uncertainty as to Hitachi's ability to continue to develop and market products that incorporate new technologies on a timely and cost-effective basis and to achieve market acceptance for such products;
- the possibility of disruption of Hitachi's operations by natural disasters such as earthquakes and tsunamis, the spread of infectious diseases, and geopolitical and social instability such as terrorism and conflict;
- estimates, fluctuations in cost and cancellation of long-term projects for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- increased commoditization of and intensifying price competition for products;
- fluctuations in demand of products, etc. and industry capacity;
- uncertainty as to Hitachi's ability to implement measures to reduce the potential negative impact of fluctuations in demand of products, etc., exchange rates and/or price of raw materials or shortages of materials, parts and components;
- uncertainty as to Hitachi's ability to achieve the anticipated benefits of its strategy to strengthen its Social Innovation Business;
- uncertainty as to the success of acquisitions of other companies, joint ventures and strategic alliances and the possibility of incurring related expenses;
- uncertainty as to the success of restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness;
- the potential for significant losses on Hitachi's investments in equity-method associates and joint ventures;
- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity-method associates and joint ventures have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- uncertainty as to Hitachi's access to, or ability to protect, certain intellectual property; and
- uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its employee benefit-related costs.

The factors listed above are not all-inclusive and are in addition to other factors contained elsewhere in this document and in other materials published by Hitachi.

* This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Media Contact
Global Communications Department
Global Corporate Brand & Communications Division
Corporate Strategy Group
Hitachi, Ltd.
+81-3-3258-1111

IR Contact
Investor Relations Division
Hitachi, Ltd.
+81-3-5208-9323