

March 31, 2023

Corporate name	Hitachi Construction Machinery Co., Ltd. (Code: 6305, Prime Market of the Tokyo Stock Exchange)
Name of representative	Kotaro Hirano Executive Officer, President & CEO

Notification on the Introduction of a Restricted Stock Compensation Plan

At a meeting held today of the Remuneration Committee of Hitachi Construction Machinery Co., Ltd. (“the Company”), committee members reviewed the Company’s Executive Officers’ compensation policy and resolved to introduce a restricted stock compensation plan (hereinafter “the plan”) for the Company’s Executive Officers. We hereby inform you as below of the details.

1. The objective for introducing the plan

The objective of the plan is to provide an incentive for the Executive Officers to seek continual improvement in the company’s enterprise value, and to pursue greater shared value with our shareholders.

2. Overview of the plan

The company will provide monetary compensation claims as remuneration relating to restricted stocks to the Executive Officers, based on a resolution by the company’s Remuneration Committee. The Executive Officers shall make in-kind contribution of all monetary compensation claims to be provided by the company according to the plan, and shall, in return, receive the company’s common shares that will be issued or disposed of by the company. The amount paid in per share shall be decided by the Board of Directors based on the closing price of the company’s common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution by the Board of Directors (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day) within a scope that does not confer undue privilege to the Executive Officers subscribing to these common shares.

For each Executive Officer, specific issue dates and allocations shall be determined by the Remuneration Committee.

The issuance or disposal of the company’s common shares (hereinafter “these shares”) under the plan shall be conditional upon the signing of a restricted stock allocation contract between the company and the Executive Officers that includes the following content:

- (1) The Executive Officer who is scheduled to be provided with restricted stock is prohibited from disposing of these shares in any way, including transfer to a third party or collateralization, between the date of issue of the restricted stock and the day the Executive Officer resigns from his/her post as Executive Officer or ceases to be employed by the company (hereinafter, “the transfer restriction period”).
- (2) In the case of certain predefined circumstances, the company shall acquire these shares without consideration.

These shares are scheduled to be maintained in dedicated accounts opened at Nomura Securities Co., Ltd. by the Executive Officers during the transfer restriction period to prevent disposal of the shares through transfer, collateralization, or other means.