

News Release

FOR IMMEDIATE RELEASE

Hitachi to Strengthen Business Structure to Realize a "True One Hitachi" with Digital at its Core *Accelerating growth as a digital-centric company*

Tokyo, January 31, 2025 – Hitachi, Ltd. (TSE:6501, “Hitachi”) today announced that it will strengthen its business structure, effective April 1, 2025 under the leadership of Toshiaki Tokunaga, who will become the next President & CEO. The new structure will help realize the company’s transformation into a “True One Hitachi” with digital at its core in the next Mid-term Management Plan, and sustainably accelerate the growth of the Social Innovation Business as a digital-centric company.

In the Mid-term Management Plan 2024, Hitachi strengthened the competitiveness of each of its businesses and moved into growth mode. Meanwhile, the business environment is changing dynamically, with factors such as the rise of geopolitical risks and the emergence of new technologies such as generative AI. In this environment, the key to Hitachi's sustainable acceleration of growth and improvement of corporate value is to create value that is unique to Hitachi by further strengthening collaboration between each of its businesses with digital at its core, while also acquiring new growth opportunities to build a foundation for the future and expand Social Innovation Business in each region of the world. To achieve this, Hitachi will strengthen its business structure as follows.

1. Accelerating Value Creation as One Hitachi Globally, with Digital at its Core

In order for Hitachi to realize sustainable growth in the future, it is essential to leverage its strengths in IT, OT and products, and to accelerate the creation of Hitachi's unique value globally, with digital at its core. Jun Abe, who has been strengthening the foundations of the company-wide digital business and most recently led Connective Industries, will assume the role of Executive Vice President and Executive Officer in charge of Digital Systems & Services. With experience leading IT, OT and products businesses, Abe will lead the digital business for the entire Hitachi Group, further strengthening the collaboration between Digital Systems & Services and the OT and products areas, and further accelerating the digitization of each business. In addition, Hitachi will newly establish a Digital Engineering & AI Solutions Business Unit (BU) to oversee its global businesses, including GlobalLogic Inc., and will expand its business through the integrated management of its global entities. Furthermore, Hitachi will newly establish an AI & Software Services BU, and will evolve Lumada's business through generative AI, leading to growth beyond industry and regional boundaries.

In order to aim for further growth globally, Brice Koch will assume the position of Executive Vice President and Executive Officer in charge of Connective Industries. Koch, who has extensive experience in global business operations at ABB Group and other companies, as well as experience in business promotion and the formulation of company-wide management strategies at Hitachi Group as CSO, will promote structural reform and digitalization globally. In order to simplify the business portfolio and further improve the competitiveness in the market, the sector will be consolidated into three BUs, Urban Systems BU, Industrial Products & Services BU, and Industrial AI BU. This will speed up management and accelerate the creation of synergies among businesses. Industrial Digital BU will be reorganized and a part of it will be transferred to Social Infrastructure Systems BU. By operating in integration with the Digital Systems & Services, we will accelerate the digitalization of the industry domain.

Furthermore, Hitachi will operate its energy and railway businesses, which are expanding due to the global GX (Green Transformation) tailwind, as separate sectors, thereby increasing the agility of each business. The Energy sector will be led by Andreas Schierenbeck, Senior Vice President and Executive Officer of Hitachi and CEO of Hitachi Energy Ltd., and the Mobility sector will be led by Giuseppe Marino, Senior Vice President and Executive Officer of Hitachi

and Director of Hitachi Rail Ltd. Both of whom will lead their sectors to further business expansion.

With a total of four sectors, Hitachi will accelerate the digitalization of the Hitachi Group's OT and products areas, create value as One Hitachi, and further improve its global competitiveness by further strengthening the collaboration of each business with Digital Systems & Services.

2. Capturing New Growth Opportunities for the Future

In order to capture new growth opportunities while strengthening existing businesses, Hitachi will newly establish a Strategic SIB^{*1} BU directly under the CEO to create new Social Innovation Business by mobilizing company-wide resources. Jun Taniguchi, who has been globally executing company-wide digital strategies in Silicon Valley, where new technologies and businesses are constantly emerging, will take the lead as Senior Vice President and Executive Officer. The CEO will make top-down decisions on strategic themes, such as data centers, healthcare, and batteries, for which demand is rapidly expanding due to the growing use of generative AI, in order to create businesses globally to capture new growth opportunities. In addition, the key to capturing technological change is to leverage internal and external ecosystems, and Hitachi will identify innovative technologies and link them to business creation by accelerating open innovation and R&D through corporate venturing. By anticipating technological and social turning points and creating businesses as new growth areas, Hitachi will achieve further sustainable growth into the future.

*1 SIB: Social Innovation Business

3. Enhancing Functions for Further Global Growth

In order to accelerate the growth of One Hitachi globally by strengthening existing businesses and capturing new growth opportunities, Hitachi will create businesses from a regional perspective and strengthen its corporate functions as a global company. First, Hitachi will strengthen its strategy and marketing functions in all six regions^{*2}, including India, where abundant opportunities for growth are expected, in order to explore One Hitachi opportunities and further growth from the perspective of each region's market. A regional strategy officer will be assigned to each region to ensure that growth opportunities and risks in each region are reflected in business strategy discussions in a timely manner, thereby accelerating the speed of management consistency across regions, sectors, and BUs.

As for strengthening corporate functions to support growth, Hidenori Azushima, who has been leading the formulation and implementation of the company-wide Mid-term Management Plan 2024, and the formulation of the next Mid-term Management Plan in the corporate strategy division, will assume the position of Vice President and Executive Officer, CSO and General Manager of Strategic Planning Division to formulate company-wide management strategies to realize growth with digital at the core. Shigetoshi Sameshima, who has been promoting the development of new businesses utilizing generative AI, will assume the role of CTO as Vice President and Executive Officer to further accelerate R&D in this area. Senior Vice President and Executive Officer, Lorena Dellagiovanna, who will continue to serve as Chief Sustainability Officer and CHRO, will lead the development of talents to drive One Hitachi globally across countries, regions and businesses, as well as creating an environment where diverse talents can play active role and contribute to sustainable business growth. In addition, in the increasingly complex business environment, Hitachi will achieve further global growth by strengthening risk management and strategically reducing business risks through closer collaboration between sectors, BUs, regions and the corporate division.

*2 Americas, EMEA, APAC, India, Japan, China

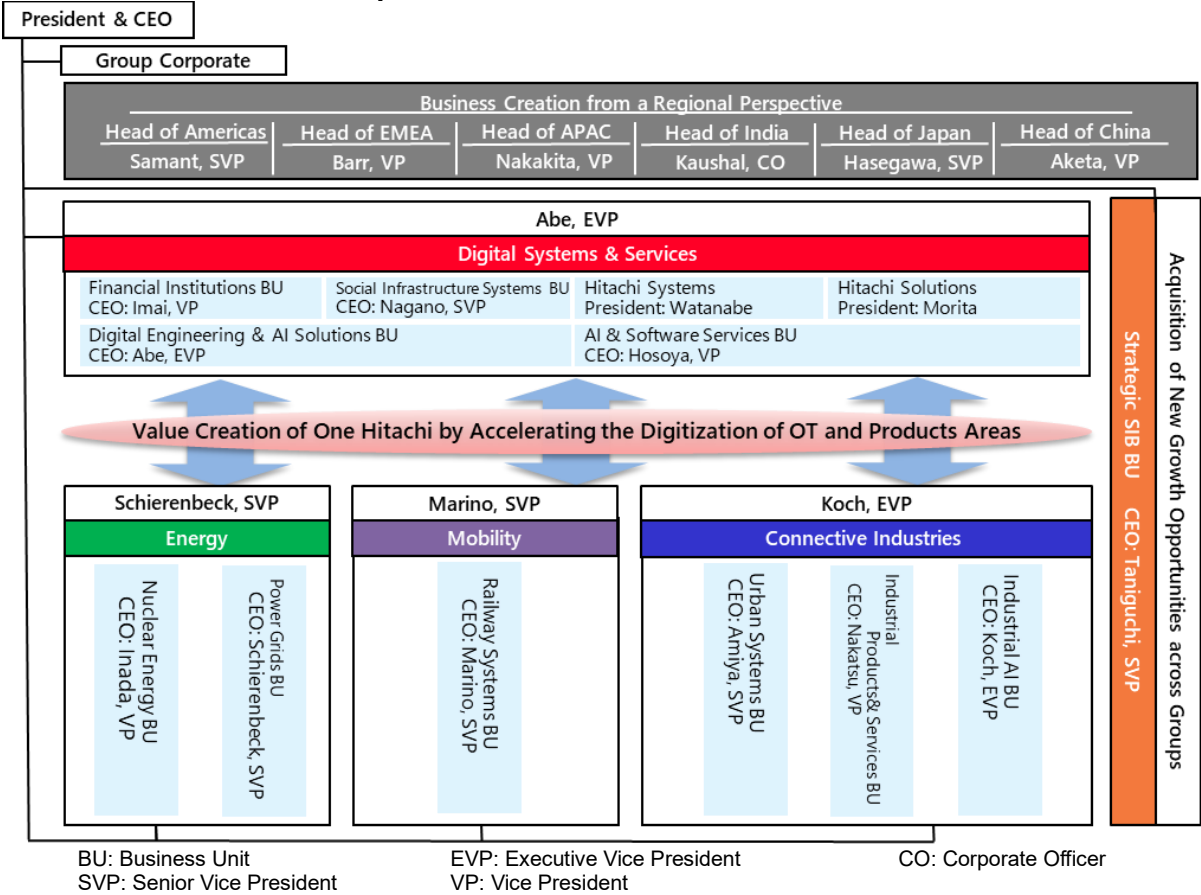
4. Participation of Diverse Talents

Hitachi believes that the source of future growth is having diverse talents throughout the world demonstrate and combine their unique capabilities. In the new business structure starting from April, three out of Hitachi's four sectors will be overseen by non-Japanese.

In addition, in order to capture new growth opportunities on a global scale, Michele Fracchiolla, who has contributed to the global expansion of the railway business and most recently promoted the formulation of the company's environmental business strategy, will assume the position of President & COO of Strategic SIB BU as Vice President and Executive Officer. Furthermore, Michael Goodman, who has extensive experience and a career in the IT and cyber security fields, will be a newly appointed external hire as Vice President and Executive Officer, CD & SO^{*3} to support business growth based on his extensive outside experience and professional expertise. Leaders with diverse backgrounds will accelerate sustainable growth by mobilizing their collective efforts to realize a true One Hitachi with digital at its core.

*3 CD & SO: Chief Digital & Security Officer

Business Structure as of April 1, 2025



- End -

About Hitachi, Ltd.

Hitachi drives Social Innovation Business, creating a sustainable society through the use of data and technology. We solve customers' and society's challenges with Lumada solutions leveraging IT, OT (Operational Technology) and products. Hitachi operates under the 3 business sectors of “Digital Systems & Services” – supporting our customers’ digital transformation; “Green Energy & Mobility” – contributing to a decarbonized society through energy and railway systems, and “Connective Industries” – connecting products through digital technology to provide solutions in various industries. Driven by Digital, Green, and Innovation, we aim for growth through co-creation with our customers. The company’s revenues as 3 sectors for fiscal year 2023 (ended March 31, 2024) totaled 8,564.3 billion yen, with 573 consolidated subsidiaries and approximately 270,000 employees worldwide. For more information on Hitachi, please visit the company's website at <https://www.hitachi.com>.

Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.
