

News Release

Hitachi establishes its fourth Corporate Venture Capital Fund to capture technology turning points and future growth opportunities

Total assets under management (AUM) reaches 1 billion USD, contributing to sustainable growth with a world-class investment scale

Tokyo, February 5, 2025 – Hitachi, Ltd. (TSE: 6501, "Hitachi") today announced the establishment of the fourth fund of the corporate venture capital (hereinafter referred to as "CVC") fund "HV Fund" with a purpose to identify startups with the potential to create or disrupt large attractive markets, anticipate the next technological and social turning points, and generate future growth opportunities. The fourth fund will have a size of 400 million USD, which is the largest CVC fund managed by Hitachi to date. The fund will make strategic investments in startups with cutting-edge, digital technologies such as data centers, distributed energy systems, future of work and industrial AI, as well as startups in new frontiers including bio, quantum, nuclear fusion, life science, space and adjacent technologies. With the establishment of the fourth fund, Hitachi's investment in CVC will reach 1 billion USD (AUM*¹), a world-class investment scale which will further accelerate open innovation and contribute to the innovation ecosystem of startups globally.

Under the leadership of Toshiaki Tokunaga, who will be appointed as Representative Executive Officer, President & CEO in April, Hitachi aims to realize "True One Hitachi" with digital at its core and accelerate sustainable growth of Social Innovation Business. In the next Mid-term Management Plan, which is currently being formulated, Hitachi will enhance not only existing businesses but also efforts to explore new technologies and capture future growth opportunities. The establishment of the fourth fund is intended to add on and further expand Hitachi's investment in innovative startups to identify the next technology turning points and business model changes that will lead to business creation. In order to promote business creation under the new Mid-term Management Plan, this corporate venturing initiative will collaborate with "Strategic SIB*² Business Unit", which will be launched in April to mobilize company-wide resources and accelerate innovation.

Hitachi established Hitachi Ventures ("HV") in June 2019, and now managed 3 CVC funds. HV now has a startup portfolio of 38 companies, including newly born Unicorns that meet the criteria of "more than 1 billion USD in valuation" and "within 10 years of establishment". In addition, about half of this portfolio have already begun collaborating with Hitachi's business units and group companies and are making progress. These startups include: Makersite, the leader in product lifecycle intelligence software, which uses AI and data analysis to accelerate and enhance sustainable product and supply chain decision-making; Captura, which offers advanced engineered carbon dioxide removal technology; and Archetype AI, whose Physical AI foundation model, Newton, enables developers to rapidly build solutions with their real-world sensor data. These collaborations are contributing to accelerated implementation of cutting-edge technologies and business models.

By leveraging these achievements under a world-class CVC investment scale, combined with the development of cutting-edge technologies through own R&D, Hitachi will anticipate the latest transitions in technology and society, linking them to business creation, thus achieving sustainable growth.

*1 AUM: Assets Under Management

*2 SIB: Social Innovation Business

■ Keiji Kojima, President and CEO of Hitachi, Ltd. said:

Hitachi's efforts in CVC, which began in 2019 with 150 million USD, have expanded to 1 billion USD in 5 years, driven in part by the disruptive innovation brought about by Generative AI. With technology trends shifting at an unprecedented speed, it is important to identify the next global change point while leveraging the external ecosystem in addition to developing cutting-edge technologies through R&D, for further growth of the Social Innovation Business. We hope that the establishment of the fourth fund will accelerate our quest for new growth opportunities.

■ Toshiaki Tokunaga, Executive Vice President and Executive Officer, Hitachi, Ltd. (To be appointed as President & CEO on April 1, 2025) said:

Under the next Mid-term Management Plan currently being formulated, Hitachi will accelerate its progress toward becoming a global leader in Social Innovation Business by achieving "True One Hitachi" with digital at its core. Against this backdrop, strengthening our ability to anticipate global change and adding this new CVC fund to search for the next technological trend beyond Gen AI are significant steps toward achieving sustainable growth. Through our CVC, we will continue to embody the "pioneering spirit" inherited from our founder, Namihei Odaira, and create new growth opportunities jointly with startups around the world.

■ Stefan Gabriel, CEO & Managing Director, Hitachi Ventures said:

We are very grateful for the trust and support from Hitachi's Executives committing a fourth Hitachi Ventures fund. While topping up our AUM to 1 billion USD, Hitachi Ventures will be able to keep the speed of venture investing in future Unicorns of fast-changing growth markets in upcoming regions that create strategic and technical relevance for Hitachi's businesses. With our minority investments we help to combine the agility, entrepreneurial spirit and speed of startups with the global industry reach, trusted expertise and financial strength of Hitachi. This will greatly accelerate the transition of Hitachi and its customers in their transformation journey and help build and grow businesses, collaborate and innovate with selected Unicorns of tomorrow.

■ Overview of the Fourth Fund

Name	HV Fund IV
Date of Establishment	April 1, 2025 (scheduled)
Advisory Company	Hitachi Ventures GmbH
Investor	Hitachi, Ltd.
Fund Size	400 million USD
Investment Target	Innovative startup in cutting-edge, digital technology and new frontiers

■ About Hitachi Ventures GmbH

Date of Establishment	June 1, 2019
Location	Germany: Munich (headquarter) USA: Palo Alto, Boston
Representative	CEO and Managing Director, Stefan Gabriel

Hitachi Ventures is the corporate venture capital arm of Hitachi Ltd. With 1 billion USD assets under

management, we focus on investing in early-stage and growth-stage technology companies with strategic relevance to Hitachi. With a global network and extensive experience across various industries, Hitachi Ventures supports innovative startups in their journey to disrupt markets and transform industries. The firm's investment areas span from environmental tech & circularity, energy, mobility, AI & digital technologies, to industrial automation and life sciences. For more information on Hitachi Ventures, please visit the company's website at <https://www.hitachi-ventures.com>

■ About Hitachi, Ltd.

Hitachi is promoting the Social Innovation Business, which uses data and technology to realize a sustainable society. The three business sectors are Digital Systems & Services, which supports DX for customers; Green Energy & Mobility, which contributes to the realization of a decarbonized society through energy and rail; and Connective Industries, which provides solutions by digitally connecting products in a wide range of industries. Under the business structure of the three sectors, we provide solutions to our customers and society through Lumada solutions that utilize IT, OT (control and operation technology), and products. Driven by Digital, Green, and Innovation, we aim to grow through collaborative creation with our customers. 3 Sector sales revenue for fiscal year 2023 (ending March 31, 2024) is 8,564.3 billion yen, and as of March 31, 2024, we have 573 consolidated subsidiaries and approximately 270,000 employees worldwide. For more information, please visit Hitachi's website at <https://www.hitachi.co.jp/>.

■ Contact for Inquiries

Corporate Venturing Hitachi, Ltd.

Contact form: <https://www8.hitachi.co.jp/inquiry/hitachi-ltd/hqrd/corporateventuring/en/form.jsp>

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.
