

News Release

FOR IMMEDIATE RELEASE

Hitachi to Strengthen Business Structure for Further Growth through Digital, Environment, and Innovation

Tokyo, February 2, 2022 – Hitachi, Ltd. (TSE: 6501, “Hitachi”) today announced that as of April 1 2022 it will strengthen business structure in order to further evolve the Social Innovation Business and achieve growth with a focus on digital, environment and innovation in its next Mid-term Management Plan.

1. Accelerating Growth through Digital, Environmental, and Innovation

(1) Achieving Growth by Accelerating Digitalization

Hitachi will establish a structure, led by Hitachi Digital LLC*¹ based in North America, to create and implement global digital strategies that cut across the entire Hitachi Group, and to accelerate growth through digitalization. EVP Toshiaki Tokunaga, who will take charge of Digital Systems & Services sector, will serve as Chairman, and Jun Taniguchi (currently President of Hitachi Global Life Solutions, Inc.), who has been involved in promoting DX in the control platform business and the digitalization of the home appliance business, will be appointed CEO.

In addition, two leaders will join the management of Digital Systems & Services sector to strengthen structures to drive the global growth of the digital businesses. Shashank Samant, CEO of GlobalLogic, while leading co-creation and digital business by leveraging GlobalLogic's digital engineering capabilities, will also serve as an Executive Advisor to EVP Tokunaga to support the development of the Hitachi Group's overall digital business growth strategy. And Gajen Kandiah, CEO at Hitachi Vantara LLC, will undertake a concurrent position as Chief Digital Transformation Officer in charge of Digital Systems & Services business. He will apply insights of the cloud and data applications, which are the core strengths of Hitachi Vantara, to expand the Hitachi Group's service business, and to transform the Group as a whole into a world-class digital solution provider.

Through these initiatives, Hitachi will expand Lumada business and accelerate the growth through DX globally.

(2) Achieving Growth by Accelerating Environmental Strategies

In order for the Hitachi Group to grow and contribute to sustainability as part of efforts to achieve a decarbonized society and a circular economy, VP Lorena Dellagiovanna will be appointed to the newly created position of Chief Sustainability Officer, and will hold concurrent positions as Head of Environment*² and Chief Diversity & Inclusion Officer (CDIO). By leveraging her broad-ranging network of contacts in the European political and industrial arenas, Hitachi will create and implement global environmental strategies to accelerate activities aimed at achieving long-term environmental targets while maintaining comprehensive attention to sustainability. At the same time, it will seek out business opportunities and lead in the creation of value for the Group as a whole with a focus on the environment, while achieving sustainable growth through GX(Green Transformation).

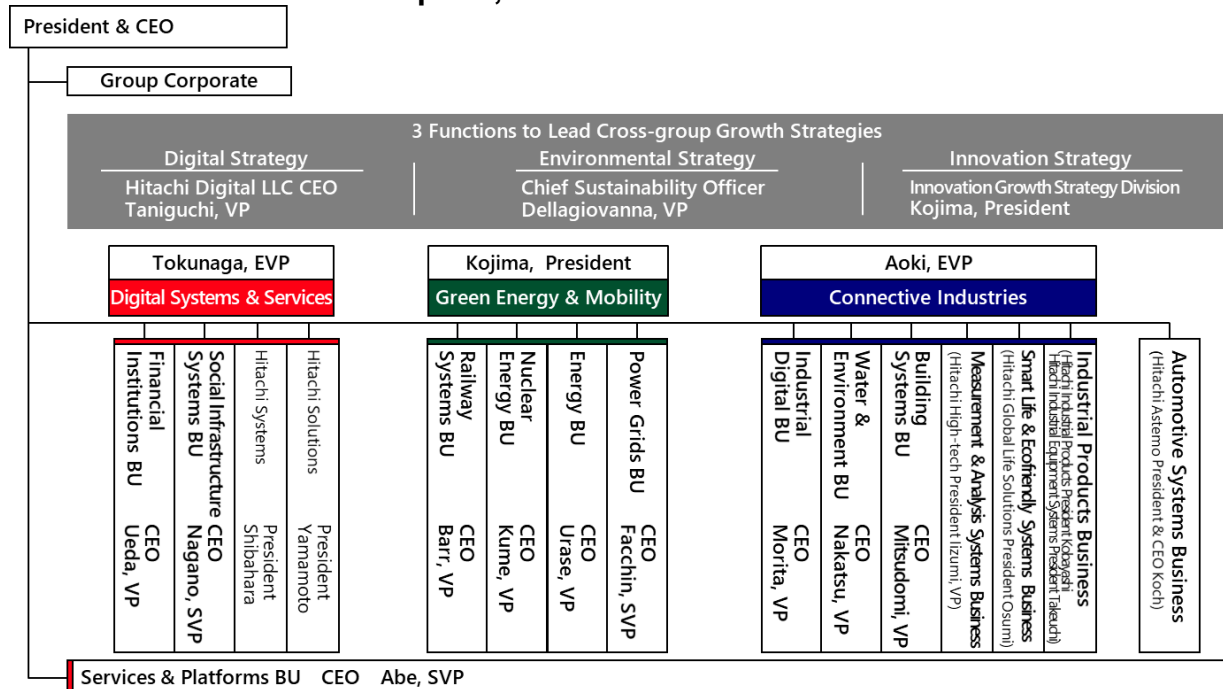
(3) Achieving Growth by Investing in Innovation

Hitachi will create and implement investment strategies aimed at creating innovations by back-casting from 2050. A new Innovation Growth Strategy Division will be established*3 to accelerate growth throughout the Hitachi Group as a whole, with President Keiji Kojima holding a concurrent position as General Manager. This Division will strengthen ties with R&D groups, startup companies, and other entities, undertaking strategic investments to bring about innovations through new technologies and business models, and will lead the next stage of growth for Hitachi.

2. Accelerating Growth by Simplifying Management

To accelerate management and succeed in global competition, Hitachi will simplify the management structure based on three sectors: Digital Systems & Services; Green Energy & Mobility; and Connective Industries. Even as it maintains the current BU structure, it will strengthen ties among divisions with similar business attributes, and strive to secure a top global position by accelerating growth through digital, environment, and innovation.

Business Structure as of April 1, 2022



BU: Business Unit
EVP: Executive Vice President
SVP: Senior Vice President
VP: Vice President

3. Strengthening the Management Base

(1) Strengthening Risk Management Structures

To ensure that Hitachi can respond quickly and comprehensively to the various risks that the Group will face as it strives for growth on a global scale, current SVP CFO Yoshihiko Kawamura will be appointed EVP, and will also hold a concurrent position as Chief Risk Management Officer (CRMO). By establishing a function under the CRMO to collaborate across related divisions in regions throughout the world and to evaluate business risks and opportunities, and by strengthening structures to enable integrated decision-making, Hitachi will respond proactively not only to natural disasters and geopolitical risks, but also to risks involving compliance, security, and elements of the supply chain such as quality and procurement. In this way, the company will strive to put in place a robust management foundation.

(2) Further Promoting Diversity and Inclusion (D&I)

Hitachi sees D&I as sources of innovation and engines that drive global growth. It assigns diverse individuals to positions where they are able to make use of their unique knowledge and experiences, and to fully demonstrate their capabilities. Hitachi will actively fill key positions with diverse talent, including women, non-Japanese, and individuals with backgrounds outside of the Hitachi Group, such as Lorena Dellagiovanna, Gajen Kandiah, and Yoshihiko Kawamura, to achieve further growth on a global scale.

*1 To strengthen the functions of the current Hitachi Global Digital Holdings LLC, the company's name will be changed to Hitachi Digital LLC (tentative name at present).

*2 The current title of Chief Environmental Officer will be changed to Head of Environment.

*3 The current Future Investment Division and Corporate Venturing Office will be combined to form Innovation Growth Strategy Division.

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About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, contributes to a sustainable society with a higher quality of life by driving innovation through data and technology as the Social Innovation Business. Hitachi is focused on strengthening its contribution to the Environment, the Resilience of business and social infrastructure as well as comprehensive programs to enhance Security & Safety. Hitachi resolves the issues faced by customers and society across six domains: IT, Energy, Mobility, Industry, Smart Life and Automotive Systems through its proprietary Lumada solutions. The company's consolidated revenues for fiscal year 2020 (ended March 31, 2021) totaled 8,729.1 billion yen (\$78.6 billion), with 871 consolidated subsidiaries and approximately 350,000 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.
