

News Release

FOR IMMEDIATE RELEASE

Hitachi to Strengthen its Business Structure Towards its Vision for Three Types of Value Creation

Tokyo, February 3, 2021 --- Hitachi, Ltd. (TSE: 6501, "Hitachi") today announced that as of April 1, 2021 it will strengthen its business structure in order to accelerate the creation of social value, environmental value and economic value through its Social Innovation Business.

Specifically, Hitachi will adopt an optimum organization revision and personnel changes from three perspectives, (1) creating social value through accelerated diversity & inclusion, (2) creating environmental value through the creation and execution of a Group-wide environmental strategy, and (3) creating economic value by further expanding the Lumada business and implementing post-M&A growth strategy.

1. Social value: Accelerating diversity & inclusion

Through the global expansion of the Social Innovation Business including the stable supply of energy and the provision of safe and secure means of transportation, Hitachi will strive to create social value that improves people's quality of life (QoL). As the social issues and customer issues that need to be solved in order to create social value differ by country and region, human resources that understand diverse cultural backgrounds, experiences and approaches will be essential to solving them.

To accomplish this, Hitachi will further promote the participation of foreign national, female and non-Hitachi Group human resources in management decision-making, as it has pursued to date, and will appoint Claudio Facchin as Senior Vice President and Executive Officer, CEO of the Power Grids Business Unit. Additionally, current Chief Diversity & Inclusion Officer Lorena Dellagiovanna will be appointed as Hitachi's first female Vice President and Executive Officer, and further accelerate the Hitachi Group's diversity & inclusion initiatives.

Through these changes, as of April 1, 2021, four of Hitachi's executive officers will be foreign nationals, three of whom will be working in Japan. By having foreign national executive officers working in Japan where Hitachi's headquarters is located, more diverse values and ways of thinking will be reflected in management decision making.

2. Environmental value: Formulating and executing the Hitachi Group-wide environmental strategy

Amid rising global environmental awareness, the Hitachi Group has been working to create environmental value. For instance, in May 2020, Hitachi declared the goal of achieving carbon neutrality at Hitachi business sites (factories and offices) by fiscal 2030. This time, Hitachi will strengthen its organization to further accelerate initiatives aimed at enhancing environmental value by organically linking two aspects: the attainment of environmental goals and the solving of customer and social issues through our business. Firstly, Executive Vice President Alistair Dormer will be assigned to the newly created Chief Environmental Officer position and further drive initiatives to enhance environmental value across the Hitachi Group and globally. In addition, current Chief Diversity & Inclusion Officer Lorena Dellagiovanna will assume the concurrent roles of newly established Deputy Chief Environmental Officer and Deputy General Manager of Government & External Relations Group. In these roles she will promote existing diversity & inclusion initiatives while promoting other endeavors such as supporting the creation of environmental business opportunities through overseas external relations activities.

3. Economic value: Further expanding the Lumada business and building a structure to achieve post-M&A growth strategies

For Hitachi to become a global leader of the Social Innovation Business and create economic value for its customers, it will be essential to further expand the Lumada business while ensuring a smooth integration and the execution of growth strategies after M&As in the power grids business and automotive system business.

(1) Further expansion of the Lumada business

First, to accelerate further growth of the Lumada business, Hitachi will strengthen the operating structure of the IT Sector that drives IT business. Specifically, current Services & Platforms Business Unit CEO Toshiaki Tokunaga will be appointed Executive Vice President and Executive Officer. In this role he will oversee the IT Sector, expand the Lumada business throughout the Hitachi Group, and as Head of the Social Innovation Business, strongly promote the formulation and execution of digital solution business strategy in each front-line division.

(2) Executing smooth integration and growth strategies after M&A

To accelerate integrated global management towards the growth of the power grids business, the Power Grids Business Unit, responsible for Hitachi ABB Power Grids, will be newly established and current Hitachi ABB Power Grids CEO Claudio Facchin will be appointed Senior Vice President, CEO of the Power Grids Business Unit.

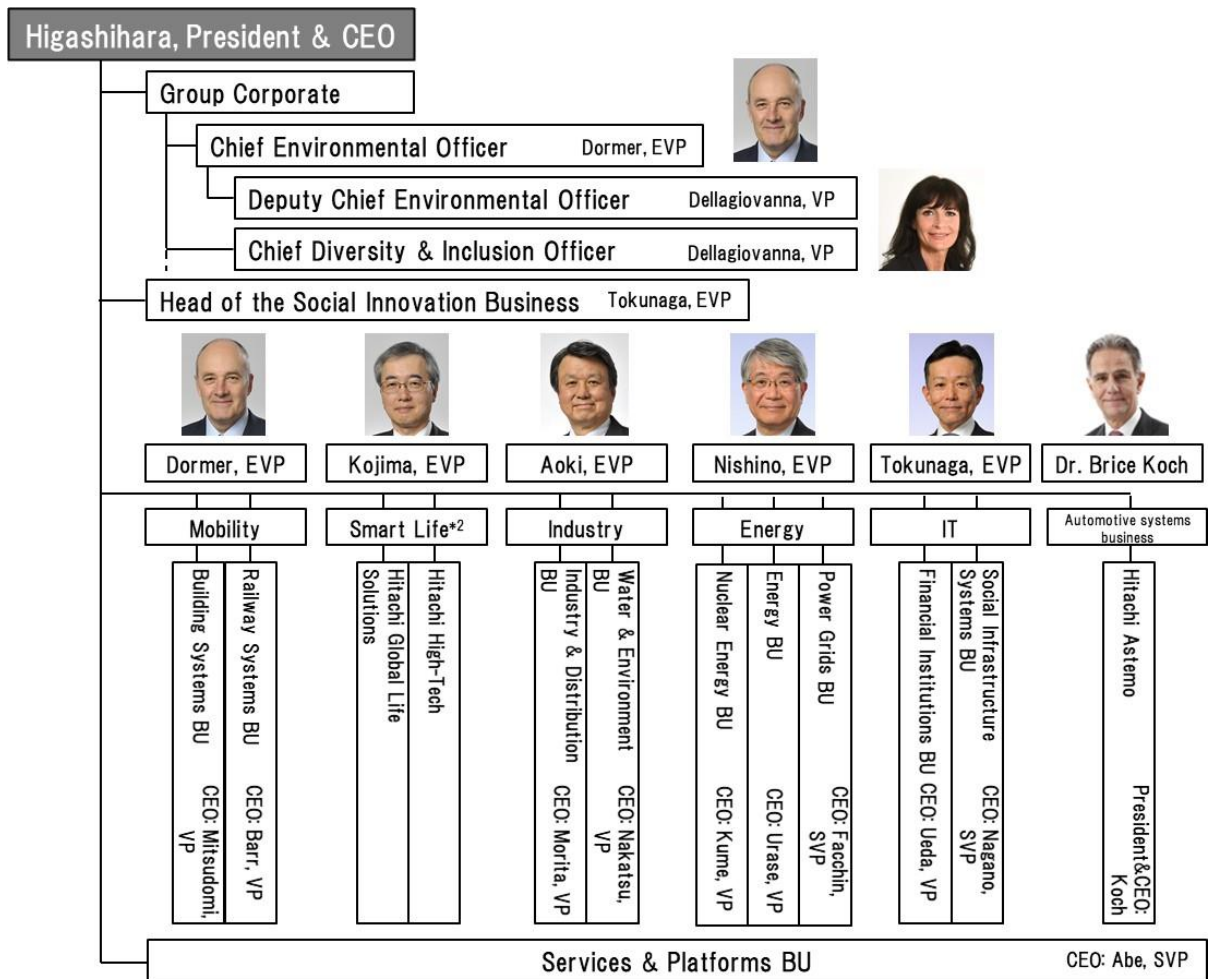
In addition to the current five sectors which are the areas of focus of the Social Innovation Business, Hitachi Astemo, which was formed in January 2021, will be spun off from the Smart Life Sector and positioned as a business alongside the five sectors. With this change, swift decision-making will take place under President & CEO of Hitachi Astemo Brice Koch, forming a structure that will achieve smooth integration and growth strategies, produce synergy, and further accelerate the growth of the business.

In the automotive systems business, Hitachi will expand the provision of electrification components and AD/ADAS*1 systems and, in the power grids business, expand the grid solution business that supports the spread of renewable energy and the stable supply of electric power. Through these approaches, Hitachi will endeavor to create social and environmental value in addition to economic value.

* 1 AD: Autonomous driving

ADAS: Advanced Driver-Assistance Systems

Business structure as of April 1, 2021



EVP : Executive Vice President, SVP : Senior Vice President, VP : Vice President

*2 The Healthcare Business Unit which currently belongs to the Smart Life Sector will be dismantled after the diagnostic imaging-related business is transferred to FUJIFILM Corporation.

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, is focused on its Social Innovation Business that combines information technology (IT), operational technology (OT) and products. The company's consolidated revenues for fiscal year 2019 (ended March 31, 2020) totaled 8,767.2 billion yen (\$80.4 billion), and it employed approximately 301,000 people worldwide. Hitachi drives digital innovation across five sectors – Mobility, Smart Life, Industry, Energy and IT – through Lumada, Hitachi's advanced digital solutions, services, and technologies for turning data into insights to drive digital innovation. Its purpose is to deliver solutions that increase social, environmental and economic value for its customers. For more information on Hitachi, please visit the company's website at <https://www.hitachi.com>.

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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.
