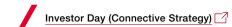
CEO Message

Executive Vice President Messages

The Value Creation Process

Executive Vice President Messages



12



Masakazu Aoki

Executive Vice President and Executive Officer, General Manager of Connective Industries Division

Bringing Together Unrivaled Products and Providing Solutions That Seamlessly Connect Boundaries

Our Vision

"We shall not be complacent in our traditional product business. We shall not fear change, we need to embrace it." The CI sector was created based on this strong belief. We aim to create new value that is "connective." Our purpose is "Connecting data, value, industry, and society." Bringing together Hitachi's unrivaled products and solutions that seamlessly connect boundaries — between management and workplace, one company and another, people and industry — will transform industries and society and generate sustainable value.

Social issues in recent years have become increasingly complex, and the number of issues that cannot be solved within a single field have been increasing. It is thus important to solve interdisciplinary boundary issues. In this environment, the CI sector is striving to expand the Total Seamless Solution, which leverages the strength that comes from having products, OT and IT, and "domain SI" gained through collaborative creation with customers and takes advantage of Hitachi's proprietary technologies and extensive empirical knowledge to solve boundary issues, from industry to urban and healthcare fields. The sector is also working to strengthen recurring business. In doing so, it aims to achieve further global growth. To this end, we have been developing business primarily in the digital field with the DSS sector. We will further expand our business into the "Green" field with the GEM sector.

Business Strategy (Lumada Expansion)

We have three growth strategies. The first is the evolution and expansion of the Total Seamless Solution using the Lumada framework for collaborative creation with customers. We have already produced several results using AI, which is attracting attention. At sales workplaces, we have optimized order placement using an AI demand prediction solution and thereby significantly reduced the time for placing orders and preventing stockouts, which were customers' challenges. We have built a track record in the food and apparel industries and then will expand business into many different fields. We will also optimize solutions according to issues and make contributions in the "Green" field. Looking at solutions for carbon neutrality, primarily solutions related to electric vehicles, we are developing solutions across the entire EV value chain, including EV chargers that have high-voltage power receiving, ultra-rapid, multi-point switching functions; a V2X*1 system that enhances the resilience of buildings; and an EV battery LCM*2 solution.

The second strategy is strengthening the recurring business. We continue to provide sustainable value to customers with the Total Seamless Solution and strengthen the business foundations in the CI sector.

The third is accelerating global growth. We are strengthening businesses primarily in North America through an M&A strategy.

*1 V2X; Vehicle to X (a general term for technologies related to connections and links between automobiles and other items) *2 LCM: Life Cycle Management

The Story of Value Co-creation

As a recent topic, let's look at an example of collaborative creation with Lion Electric, an EV manufacturer in North America. It manufactures EV school buses. An urgent challenge for Lion Electric is to quickly establish a system for increasing EV battery production to meet the rapidly growing EV demand to achieve zero emissions and reduce our environmental impact. For this reason, it selected JR Automation, an American subsidiary of Hitachi that possesses advanced robotic SI technology, to be its main contractor. By supervising the overall project and developing the prototyping and full production lines for EV batteries in parallel, the two companies have succeeded in quickly establishing safe, highly efficient, high-performance production lines through collaborative creation, despite time constraints.



EV battery production lines