

Hitachi to strengthen business structure to drive Lumada 3.0 growth through Physical AI

Accelerating transformation toward a digital-centric company under the management plan "Inspire 2027"

Tokyo, January 29, 2026 Hitachi, Ltd. (TSE:6501, "Hitachi") will strengthen its business structure effective April 1, 2026 under its management plan "Inspire 2027," to support sustainable growth and increase corporate value by responding quickly to changes in the macroeconomic trends and advancing "Lumada 3.0" growth through Physical AI.

Hitachi's business environment is changing dynamically and rapidly. In the field of AI in particular, the evolution from "generative AI" to "agentic AI" is reshaping operations, enabling the autonomous execution of office workflows, while the current shift toward "Physical AI" is beginning to transform frontline operations by enabling more advanced capabilities. Leveraging its unique combination of IT, OT, and products, together with its broad internal "customer zero" ecosystem, Hitachi will accelerate efforts to translate advances in AI into enhanced corporate value. To further drive the growth of Lumada 3.0, differentiated by deep domain knowledge and AI, Hitachi will strengthen its global deployment structure for "HMAX by Hitachi" - a suite of next - generation solutions that brings the power of AI to social infrastructure – using Physical AI as it aims to become the "world's leading practitioner of Physical AI."

In addition, by strengthening its corporate functions to more rapidly respond to changes in the business environment - including global government policies, macroeconomic trends, and emerging technological innovations - Hitachi aims to enhance group-wide management as a unified organization of approximately 280,000 employees, and to increase corporate value through sustainable growth, under its "True One Hitachi" approach.

1. Strengthening the business structure to accelerate the growth of Lumada 3.0

(1) Reorganizing the Connective Industries Sector to focus on accelerating the growth of Lumada 3.0

To accelerate the growth of Lumada 3.0, the core of the management plan "Inspire 2027", Hitachi will reorganize the Connective Industries Sector. Senior Vice President and Executive Officer Noriharu Amiya, who has been driving the sector's digital transformation as Sector COO, will assume the role of Sector CEO and lead the sector's management, while the current three Business Units (BUs) will be reorganized and strengthened.

To enhance the digitalized assets of Lumada 3.0, Hitachi will establish the Industrial Products BU. The BU will focus management resources on developing and expanding industrial products where Hitachi can build market leadership, accelerating the growth of Lumada 3.0.

In addition, to translate advancements in Physical AI into business opportunities for Lumada 3.0 digital services and to further strengthen HMAX, which is already gaining traction in the mobility and energy domains, Hitachi will establish the Industrial Solutions BU. The BU will work closely with the industrial Digital Transformation (DX) division, which will be transferred to and reinforced within the Digital Systems & Services Sector, to accelerate the growth of HMAX Industry in the industrial domain.

Furthermore, to capture business opportunities in mission-critical domains - such as data centers and semiconductor manufacturing - that continue to expand rapidly in response to rising AI demand, Hitachi will establish the Urban Solutions & Services BU. By integrating capabilities

across group companies within the BU, Hitachi will pursue new growth opportunities and accelerate business expansion.

(2) Further Strengthening the Digital Systems & Services Sector to drive digitalization across the entire Hitachi Group

To accelerate the digitalization of OT and products businesses across the Hitachi Group, the Digital Systems & Services Sector will undergo further organizational enhancements. Specifically, the industrial DX division - previously part of the Connective Industries Sector - will be transferred to the Digital Systems & Services Sector and integrated with the Social Infrastructure Systems BU and Financial Institutions BU to form the new Digital Services BU. Through this integration, Hitachi will deliver AI-driven front engineering, digital services, and mission-critical system integration across all social infrastructure domains in which the Hitachi Group operates, including energy, transportation, industry, telecommunications, public services, and finance. The BU will be led by Senior Vice President and Executive Officer Katsuya Nagano, who has long led front business operations, together with Vice President and Executive Officer Yasuki Imai. Drawing on their extensive experience in DX and large-scale system integration, the two leaders will drive further growth of the Digital Systems & Services Sector in the Japanese market.

In addition, to drive the digitalization of the entire Hitachi Group and further strengthen the delivery structure of the sector, Hitachi will integrate GlobalLogic and Hitachi Digital Services^{*1}. By combining the two companies' strengths in digital engineering, software development capabilities spanning from chip to cloud, AI application technologies, and mission-critical system integration, Hitachi will enhance its end to end digital service delivery capabilities. Through deeper collaboration with OT and product divisions across the Hitachi Group, and by leveraging achievements from "customer zero" initiatives, Hitachi will comprehensively support customers' digital transformation and growth.

*1 Press release dated January 29, 2026, "Hitachi Announces Plans to Integrate GlobalLogic and Hitachi Digital Services to Accelerate Global Growth of Lumada 3.0"

2. Reorganizing and strengthening corporate functions to enhance company-wide management as "One Company"

(1) Enhancing corporate value through strengthened company-wide strategy planning functions

To respond more quickly to changes in the global business environment and enhance corporate value through sustainable growth under "True One Hitachi," Hitachi will reorganize and strengthen its company-wide strategy planning functions, a core role of the corporate organization. Specifically, Hitachi will establish a new Corporate Strategy Group that consolidates the functions of corporate strategy, government and external relations, and brand communications, while also integrating Investor Relations, under the CFO, into a unified structure. This new structure will enable seamless intelligence gathering, company-wide strategy formulation, planning-to-execution management, timely disclosure of management information, and brand enhancement. Through these measures, Hitachi aims to strengthen its strategic planning capabilities to turn environmental changes into growth opportunities, enhance capital allocation initiatives with a focus on capital efficiency, and further advance business portfolio reform, and deepen engagement with capital markets.

(2) Creating business opportunities through One Hitachi by strengthening group government and external relations functions

In light of the growing influence that political and policy developments around the world have on Hitachi's management, Hitachi will establish the position of Chief Government and External Relations Officer (CGRO) to oversee government and external relations activities across the entire Group. Vice President and Executive Officer Hirohide Hirai will assume this newly created role. By strengthening coordination with all business divisions and with the six key global

regions (the Americas, EMEA, APAC, India, China, and Japan), which represent Hitachi's strategic markets, Hitachi will ensure that developments in each country are swiftly incorporated into management decisions, thereby reducing business risks and enabling the creation of new business opportunities under the One Hitachi approach.

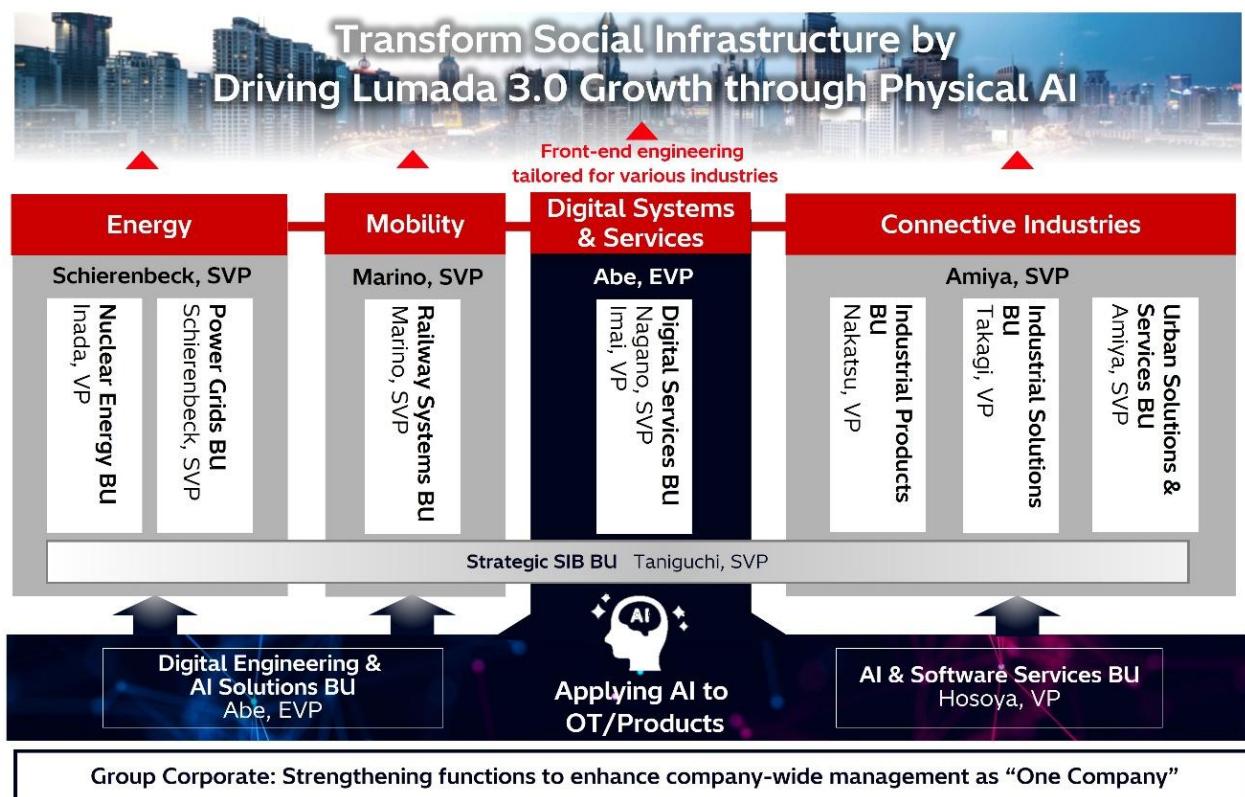
(3) Accelerating global growth through enhanced regional strategy and risk management

To strengthen the formulation and execution of growth strategies across the six global regions, as well as to enhance risk-management capabilities, Hitachi will appoint executive officers to all positions responsible for regional strategy. In addition, to drive cross-group growth initiatives in each region and deliver integrated experiential value to customers, Hitachi will establish the new Head of Regional Strategies to oversee all regional operations, a position to be assumed by Masahiko Hasegawa, Senior Vice President and Executive Officer, CMO.

(4) Accelerating AI-driven business transformation through enhanced group-wide AX and security

To advance AI Transformation (AX) and strengthen security across the Hitachi Group, Satoko Fujimori - who has been serving as COO of the AI & Software Services BU - will be promoted to Vice President and Executive Officer and appointed Chief Digital & Security Officer (CD & SO). Working in close collaboration with the Digital Systems & Services Sector, she will promote the application of AI technologies and the enhancement of cybersecurity across the entire Hitachi Group, while accelerating the expansion of synergies by leveraging GlobalLogic's engineering resources.

Business Structure as of April 1, 2026



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About Hitachi, Ltd.

Through its Social Innovation Business (SIB) that brings together IT, OT(Operational Technology) and products, Hitachi contributes to a harmonized society where the environment, wellbeing, and economic growth are in balance. Hitachi operates globally in four sectors – Digital Systems & Services, Energy, Mobility, and Connective Industries – and the Strategic SIB Business Unit for new growth businesses. With Lumada at its core, Hitachi generates value from integrating data, technology and domain knowledge to solve customer and social challenges. Revenues for FY2024 (ended March 31, 2025) totaled 9,783.3 billion yen, with 618 consolidated subsidiaries and approximately 280,000 employees worldwide. Visit us at www.hitachi.com.

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