Inspire 2027, the Hitachi Group's Management Plan ☑

Growing Sustainably and Contributing to a Harmonized Society through True One Hitachi

Sustainable growth

through True One Hitachi

Inspire 2027 (FY2025-2027)

To demonstrate our unshakeable determination to transform into a digitalcentric company, we have set Lumada 80-20 as a long-term goal.

To reach our target level, we intend to improve cash flow, optimize capital allocation and accelerate the transformation of our portfolio under Inspire 2027, the management plan. Along with this, we will integrate the strengths of the 280,000 employees of the Hitachi Group as True One Hitachi and aim to further enhance our corporate value. In this way, we will achieve sustainable growth and elevate Hitachi to the next stage while also contributing to a harmonized society.

Wellbeing





Economic growth

(Impact) Decarbonization/

Examples of Social Innovation

Long-term Management Goal

Target Level

Lumada 80-20

Adj. EBITA

margin

20%

resource circulation Balance expansion of energy demand with decarbonization

Revenue

ratio

80%

100 million t

Railway services Balance social infrastructure development/advancement with secure and safe lives

20 billion passenger trips

Al applications Balance productivity growth with reduction of worker burden

estimated target level

2 billion people

In-vitro testing/ diagnosis, treatment Balance cancer treatment with work and social participation

1 billion people

Harmonized Society

Mid-term Management Plan 2024

Mode change to

organic growth

Green

Digital

Innovation

Ö-LUMADA

Co Creation for S.

Inspire 2027 Targets

Revenues*3		CAGR 7-9%
Adj. EBITA margin*4		13-15%
CF conversion*5		Over 90%
ROIC		12-13%
Lumada	Revenue ratio	50%
	Adj. EBITA margin	18%

Impacts of Inspire 2027 Promoted as True One Hitachi

- ▶ Transform into a digital-centric company aiming for Lumada 80-20
- Strengthen Four core main businesses with Lumada at its core
- Create the next pillars of growth
- Optimize capital allocation supporting value creation

Planetary boundaries

▶ Strengthen management foundation supporting growth orientation

→ P.14 Evolution of Lumada

*2 Greenhouse gas avoided emissions

*1 The value proposition is based on the Company's

- → P.17 Four Core Business Strategies
- → P.16 R&D and IP Strategies
- ⇒ P.25 CFO and CRMO Message
- P.25 CFO and CRMO Message
- → P.34 Corporate Governance

^{*3} Three-year CAGR *4 Updated definition of Adj. EBITA: Adj. operating income plus acquisition-related amortization *5 Core FCF/Net income (excluding special factors)