

# Value Integration

## Evolution of Lumada

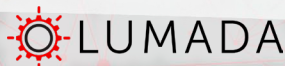
Transforming Data into Value through Lumada Further Evolved through Hitachi's Domain Knowledge and AI

Evolve social infrastructure through AI strengthened with domain knowledge

Digital capabilities

Domain knowledge

Installed base



Transform data into value

Digital Services

Domain knowledge × AI

Digitalized Assets

Collect data from installed base

Energy Railway Industry  
Public Finance ...

Long-term Management Goal

Target level

Lumada Revenue ratio **80%**

Lumada Adj. EBITA margin **20%**

Positioning Hitachi's broad installed base of products and systems as Digitalized Assets that generate data and value, we will use our own domain knowledge and AI to provide Digital Services that transform our accumulated data into value, contributing to solve our customers' problems.

Under Inspire 2027, we will aim for Lumada revenue ratio of 50% and adjusted EBITA margin of 18%. We have also set a long-term target level called Lumada 80-20, where we will aim to increase the Lumada revenue ratio to 80% and adjusted EBITA margin to 20%. We will achieve continuous growth by raising the Lumada ratio.

Inspire 2027

Lumada revenue ratio **50%**  
Lumada Adj. EBITA margin **18%**

Lumada Revenue/Ratio

**3.0 trillion yen/31%**  
Adj. EBITA margin **15%**

Digital services **1.4**  
trillion yen  
Digitalized assets **1.6**  
trillion yen

FY2024

**3.9 trillion yen/38%**  
Adj. EBITA margin **16%**

**1.8**  
trillion yen  
**2.1**  
trillion yen

FY2025

FY2027

## Lumada: A Growth Model for Maximizing Hitachi's Strengths

Hitachi is helping to solve issues for society and our customers through Lumada, leveraging Hitachi's massive, globe-spanning installed base and deep domain knowledge cultivated in mission-critical areas and combines them with digital technology. In addition to boosting our capabilities through solo initiatives, co-creation with customers and cooperation with external partners, we are also using AI to maximize the value of accumulated data and on-site knowledge, through which we are accelerating business development in Hitachi's unique way. Moreover, by providing services to products and systems from other companies, we are striving to continuously expand the Lumada business's Total Addressable Market (TAM) and switch to a stable, continued high-revenue model rooted in relationships with our customers.

