# Research & Development Strategy

### **Driving the Next Growth** through Sustainable Innovation

Hitachi aims to maximize corporate value through by continuously investing in advanced technology R&D to address societal issues while realizing sustainable growth. The Research & Development Group is driving innovation not only by advancing its strong technological platforms but also by leveraging diverse assets cultivated over many years, such as domain knowledge, OT technologies, and intellectual property. By bringing together our technological platforms with those of our customers and strategic partners in academia, we are working to create new values.

In Lumada, we are fusing our cutting-edge AI technologies with on-site domain knowledge to develop innovative solutions addressing operational challenges and improving efficiency. For example, the AI agent "Naivy" integrates real-time data collected from equipment and systems with site knowledge to present optimal responses to field operators and significantly enhance safety and operations.

Looking ahead to future growth, the Research & Development Group is collaborating with the Strategic Social Innovation Business Unit (Strategic SIB) to innovate



Al agent, Naivy

in key areas driving societal and industrial transformation, such as data centers and eMobility, by combining Hitachi's advanced digital technologies with our extensive knowledge of societal infrastructure. Through such initiatives, we are leveraging innovative technologies and rich experience to realize a sustainable society for the future while achieving steady growth.

#### **Supporting Business Evolution** through the Challenge of "Next" to Lead the Future 🖸

Hitachi is taking on the challenge of realizing "world-first" and "world-leading" technologies through disruptive innovations such as high QoL particle beam therapy revolutionizing cancer treatment, electrification of aircraft transforming mobility, silicon quantum computers dramatically enhancing computing power, and infrastructure monitoring utilizing big data from space. These "Next" domains are our growth drivers as we aim to solve societal issues while creating new markets.

Hitachi has planned 1.3 trillion yen in R&D investment up to FY2027 to advance the development of both Lumada and next-generation technology. We will continue to pursue next-generation growth areas and accelerate the evolution of our business through R&D.

## Intellectual Property Strategy

#### Leveraging the Source of Value Creation

Under Inspire 2027, we expect to strengthen synergies between businesses and regions, especially in digitaland Lumada-related areas. By deepening such connections, we hope to accelerate the creation of innovation and solutions, which should also increase the intellectual properties generated from them. Hitachi has positioned these intellectual properties as the source of business growth and value creation, and we are enhancing our cross-departmental and global intellectual property activities under the leadership of the Chief Intellectual Property Officer (CIPO) to ensure that this source is effectively leveraged.

Specifically, by appropriately protecting and managing not only inventions but also software, data, design rights and other IP (such as know-how, trade secrets) that are valuable to the Company's businesses, we are concentrating on building the optimal intellectual property portfolio that can support digital-centric business growth while also promoting the sharing of intellectual property throughout the Group. Furthermore, as generative AI develops, its effect on intellectual property rights and their management is becoming a

new issue, and therefore we are also focusing on risk management in the field of intellectual property, such as by analyzing copyright risks, formulating guidelines, using generative AI in intellectual property management, and seeking to understand related precedents.

By visualizing intellectual property, strategically managing and utilizing it, and promoting IP sharing within the group, alongside minimizing IP-related risks, we aim to contribute to the achievement of the Inspire 2027 goals and the realization of a true One Hitachi.