Messages from the **Newly Appointed Independent Directors**

Leveraging Diverse Perspectives to Gain a Competitive Edge and Empower the Organization to Transform

Eriko Sakurai

Independent Director / Member of the Nominating Committee

As a manager leading a multinational team at a materials company in the United States, I have strived to foster both diversity and unity. I started my career in a passionate and dynamic environment, surrounded by highly motivated individuals, each of whom harbored ambitions to grow their own businesses as they boldly pursued technological innovation to expand on a global scale.

Going into the 2010s, I began to accept independent directorships out of a growing desire to contribute to the work of Japanese companies that seek transformation in order to break out onto the global stage. Hitachi is similarly undergoing significant transformation, courageously embarking on a path of painful portfolio reforms, nevertheless achieving respectable results as it continues to enhance its corporate value. I firmly believe that these changes were underpinned by strong leadership with a clear vision for the future. Unbound by conventional frameworks, this leadership readily accepts the need for change as it resolutely and unhesitatingly advances ever onward.

To fulfill Inspire 2027. I believe it is essential to develop the human capital to lead the organization globally. Such talent needs to experience different cultures early in their careers, internalize the understanding that "differences" are an asset to the organization and gain experience in managing a diverse workforce. This is because the environment where people with different backgrounds and perspectives can speak candidly and motivate each other to improve is the one that produces innovation, sharpens sensitivity to changes in the operation and geopolitical risks and becomes a driver for enhancing organizational agility.

Furthermore, as symbolized by Hitachi's vision of a Harmonized Society, it is highly meaningful for B2B companies to leverage technological innovation to contribute to solving the social challenges. At Hitachi, going forward, I will continue to engage in active discussions with management on how to effectively incorporate sustainability into its decisions. I also hope to apply the insights I have gained in my conversations with investors and other stakeholders during my previous experiences as an independent director.

In recent times, the roles and expectations demanded of independent directors have been growing ever greater. As I assumed this position, I made a conscious effort to set aside time to further deepen my understanding of Hitachi's people and organization. I hope to visit locations both in Japan and overseas to get a feel for the realities on the ground, and to actively engage in candid discussions with Board members who hold diverse skills and perspectives, as well as in dialogue with people outside the Company. Armed with an understanding of the scale of Hitachi and depth of its business, I will utilize my experience in deriving optimal solutions from a global management perspective and a regional axis to contribute to maximizing the collective strength of Hitachi as a global team.

Accelerating Transformation and Integration through Trust-based Governance

Takashi Nishiiima

Independent Director / Member of the Audit Committee and Compensation Committee



Under the banner of Inspire 2027, Hitachi aims to further enhance its corporate value with digital technology at its core, working to transform its business structure and establish its position on the global stage. I myself have spent many years engaged in the management of a manufacturer of measurement and control equipment—a global company that, while being Japanese, generates over 70% of its sales overseas. I have worked to deliver value through a combination of products, services and solutions, and it is due to these experiences that I feel a deep resonance with Hitachi's values and find myself aligning with the path the Company seeks to follow.

I have placed particular emphasis on recognizing commonalities between strong individual businesses and linking them together to boost overall competitiveness, leveraging the power of IT to optimize the vertical value chain of the operation, organization and management. In addition to this vertical collaboration, I believe that horizontal collaboration between businesses can create powerful synergies that will propel the organization forward. Hitachi has the potential to achieve this kind of vertical and horizontal optimization on a global scale. Moreover, I believe that there is still significant room for growth in its overseas business development. I hope to contribute by drawing on my management experience as I engage in dialogue with the executive team.

Creating sustainable corporate value requires quality and depth of governance. I believe that the most important function of a board of directors is to directly confront the fundamental issues of what vision a company hopes to pursue in the medium to long term and whether its strategy is feasible. Additionally, with regard to risk management, I believe that a board of directors can support more reliable decision-making by striking a balance between opportunity loss and crisis prevention, as well as by sharing and discussing diverse perspectives, including those of independent directors. When I myself served in an executive position, I benefited greatly from the candid and tough questions coming from independent directors. I have learned firsthand that such sincere discussions improve management quality, leading to higher corporate value. That is why I believe it is now more important than ever for the Board of Directors and the executive team at Hitachi to share goals and build relationships based on trust and open discussion.

Furthermore, in order to continue growing even amid the high level of uncertainty we see today, we must not only revise our visible businesses and organizations, but also reform the invisible aspects of our organization, such as our corporate culture, mindset and decision-making processes. Hitachi is addressing these difficult questions head-on, and we are now beginning to feel some traction. I find it deeply meaningful to be able to participate in such initiatives, and I will devote myself to this work with great enthusiasm.