

HITACHI
Inspire the Next

Digital Systems & Services sector
Hitachi

Profile Booklet





Digital for all.

Reimagining how we work, improving how we live, and transforming the world around us. All of us.

Hitachi envisions a future where we can maintain a sustainable environment while enhancing the comfort and prosperity of our daily lives. We believe the key to achieving this goal is the power of digital technologies.

We are committed to providing new value to society through our social innovation business. By integrating digital technologies into various levels of our business including corporate management and business practices, social services such as finance and public sector, and the social infrastructure, we seek to drive transformation in society.

We, the Digital Systems & Services sector (DSS sector), will be the driving force in promoting these efforts as One Hitachi.

We have the design capability to comprehend issues and needs from which to craft new experiences, as well as the ability for rapid service development.

We also leverage our expertise in cloud computing, as well as the cutting-edge technologies within AI.

With Lumada at our core, which generates new value from data consisting of accumulated knowledge and techniques, we aim to collaborate with people around the world to achieve a sustainable society.

Hitachi's Digital Technologies at a Glance

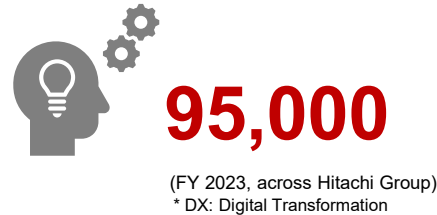
Contributing to the realization of a sustainable society through co-creation with customers, with Lumada at our core.

Our History

Evolution with social progress



Digital Talent Accelerating DX*



Advanced Technologies & Expertise

GlobalLogic* capabilities



* GlobalLogic: A leading company in the digital engineering industry. Acquired by the Hitachi Group in 2021

Lumada business



CAGR*
+30%

(FY 2021 to 2023, across Hitachi Group)

* CAGR: Compound Annual Growth Rate

The growth of the Lumada business is proof of transformation it has made along collaboration with our customers.

The name “Lumada” is coined from the words “illuminate” and “data”.

To illuminate customer data, Lumada leads the way in extracting new insights and proposing solutions to our customers and society, leveraging the strength of Hitachi's IT x OT* x Products.

By accelerating the social innovation business as One Hitachi, we aim to work with our customers to achieve a sustainable society.

* OT: Operational Technology

Growth with Our Customers

Growing with the customers who choose us



DSS sector
CAGR
+10%

(FY 2021 to 2023)

Global Business Expansion

Borderless support for social infrastructure



DSS sector

Business locations **50+**
Service deliveries **120+**
countries & regions

External Award



Selected as one of the top DX Stocks
DX Platinum Companies 2024-2026*

First-time-selection
from the electrical equipment industry (2024)

DX Grand Prix (2021)

DX Stocks category : **3** consecutive years (2021, 2022, 2023)

* Among the DX Stocks selected by the Ministry of Economy, Trade and Industry, the Tokyo Stock Exchange, and Information-technology Promotion Agency, Japan, DX Platinum Companies are recognized for continuing to make remarkable DX efforts, having been selected for the DX Stocks category for three consecutive years as well as the DX Grand Prix category in the past.

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Note: All company and product names are the trademarks or registered trademarks of their respective companies.



Human capital and technology are the source of digital innovation. We will be a “DX partner” to our customers around the world.

We are currently in the midst of great transformations caused by the power of digital technologies. Among these, the emergence of a groundbreaking technology, generative AI, has brought about an unprecedented paradigm shift, and the technology continues to evolve rapidly. By harnessing these technologies to digitally connect everything in our world, we aim to bring greater prosperity to society and everyday life.

Since its founding in 1910, Hitachi has been guided by the corporate philosophy of “Contribute to society through the development of superior, original technology and products”. With this in mind, we have tackled the challenges of each era, striving to promote social advancement and enrich people’s lives.

With our expertise in IT, OT, and products gained from supporting social infrastructure in various fields such as rail, energy, finance, public services, manufacturing, and distribution, we are now focusing on digital transformation (DX) for our customers and society, based on Hitachi’s unique approach of integrating IT, OT, and products.

Our goal is to deliver the value generated through digital technologies to all people and contribute to the achievement of a sustainable society. Moving forward, we envision the future with our customers around the world as their DX partner, addressing their diverse challenges with both human capital and technology, the sources of digital innovation.

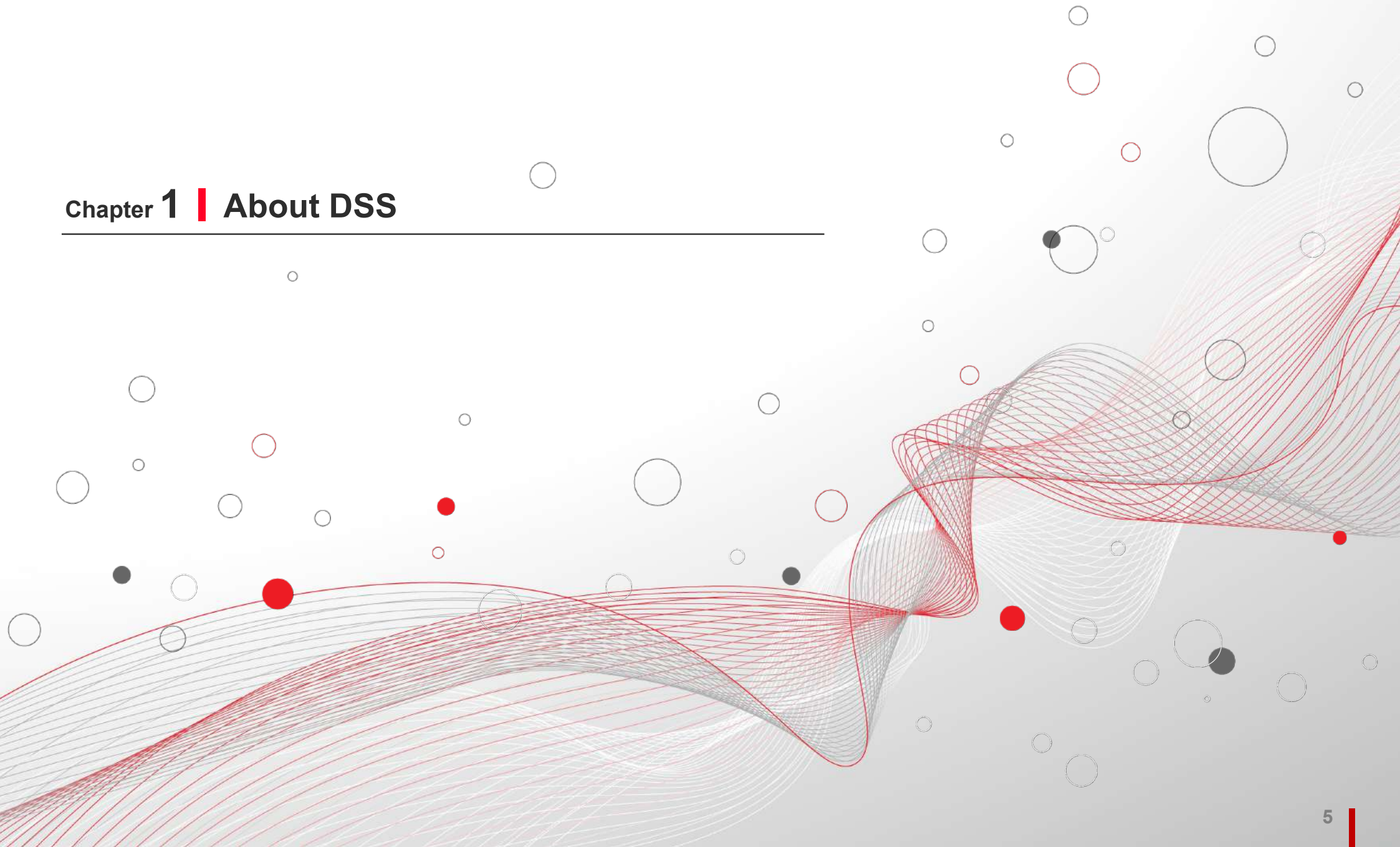
“Digital for all.”

Digital is at its most powerful when it’s Digital for all.

Executive Vice President and Executive Officer,
General Manager of Digital Systems & Services Division,
Hitachi, Ltd.

Toshiaki Tokunaga

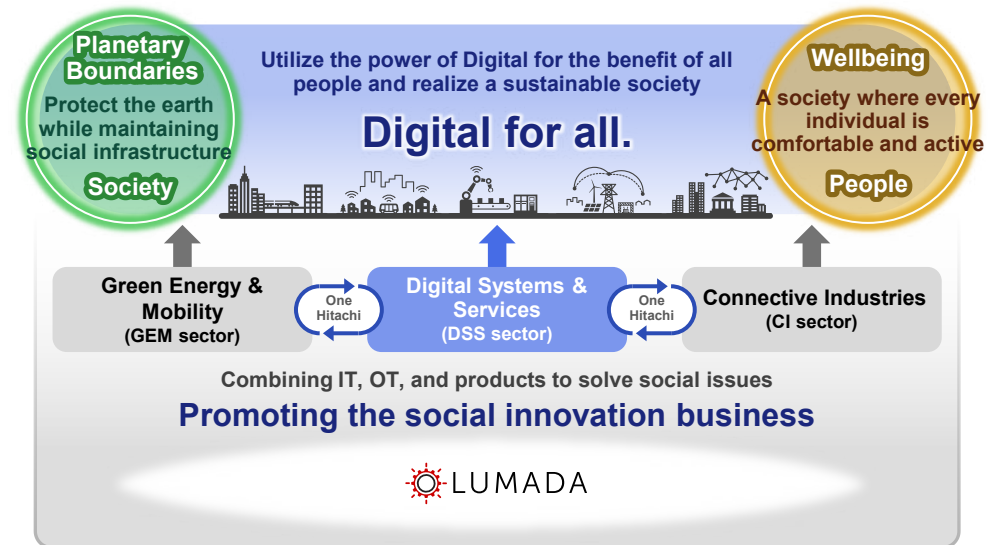
Chapter 1 | About DSS



Our Vision

Our vision for the future

We envision a future that offers “digital for all” - Utilizing the power of Digital for the benefit of all people and realizing a sustainable society. In our minds, a sustainable society is a society that both protects the safety of our environment by staying within the “planetary boundaries” necessary for human survival, and facilitates “wellbeing”, allowing every individual to experience happiness. We are pursuing this goal through our “social innovation business”, which combines IT, OT, and products to solve social issues. The keys to promoting the social innovation business as One Hitachi are data and technology; in other words, the application of digital technologies. To that end, we leverage the power of digital technologies through "Lumada" to realize a sustainable society.



Materiality

We are pursuing our vision for the future by engaging in co-creation with stakeholders to achieve a sustainable society, and conducting sustainable management to promote our own growth. Through our business activities, we are working on Hitachi's six material topics and 15 sub-material topics identified based on an analysis of risks and opportunities from a sustainability perspectives as well as feedback from stakeholders.

Through co-creation with our customers, we will continue to create the value demanded of a sustainable society such as Environment, Resilience, Safety & Security, and Quality of Life, while strengthening social governance and promoting Diversity, Equity, and Inclusion (DEI).

Six material topics and 15 sub-material topics



Our Strategy

Leading Hitachi's digital strategy

Hitachi aims to implement its "Mid-term Management Plan 2024" while focusing on "Digital", "Green", and "Innovation", to achieve further evolution and growth of the social innovation business on a global scale. Amongst these activities, we, the DSS sector, will lead the implementation of digital strategy. For years, we have been building and operating mission-critical IT and digital systems, such as in finance and public services. We have also been promoting digitalization in the OT domain, where we can leverage our unique advantages, such as in the energy, transport, and manufacturing fields. We are also expanding our business globally by supporting our worldwide customers with digital technologies.

Our growth drivers are "Lumada" and "Generative AI", as well as the "Digital Talent" that supports them. By strengthening, enriching, and organically linking these three growth drivers, we will create new value and accelerate DX for our customers and society.

Growth drivers

Lumada

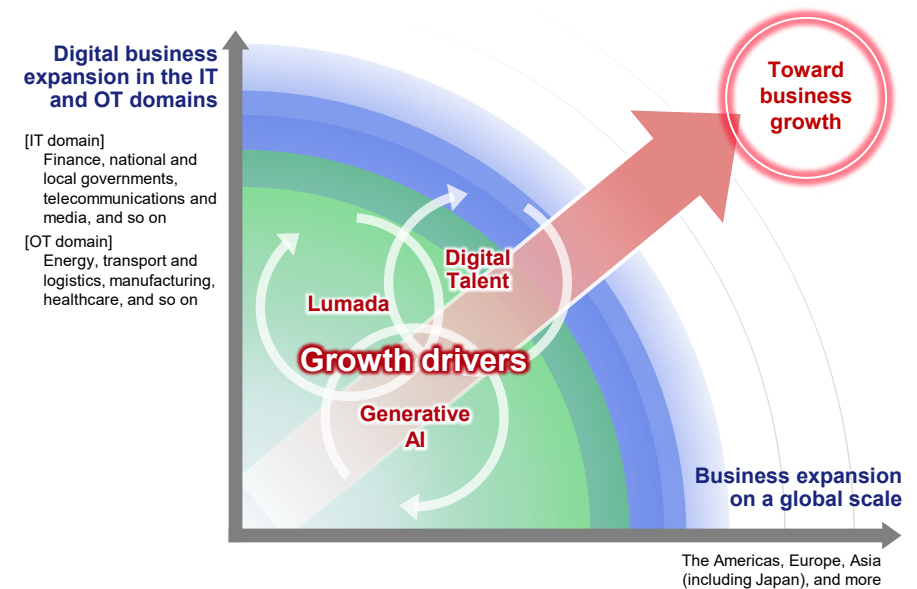
Lumada is the mechanism that brings together digital technology, knowledge, and business models. It forms the foundation to drive our Social Innovation Business which solves social challenges together with customers by leveraging IT, OT and products.

Through generative AI and capturing new business opportunities within growth investments, we will expand the Lumada business globally and continuously support our customers' business growth.

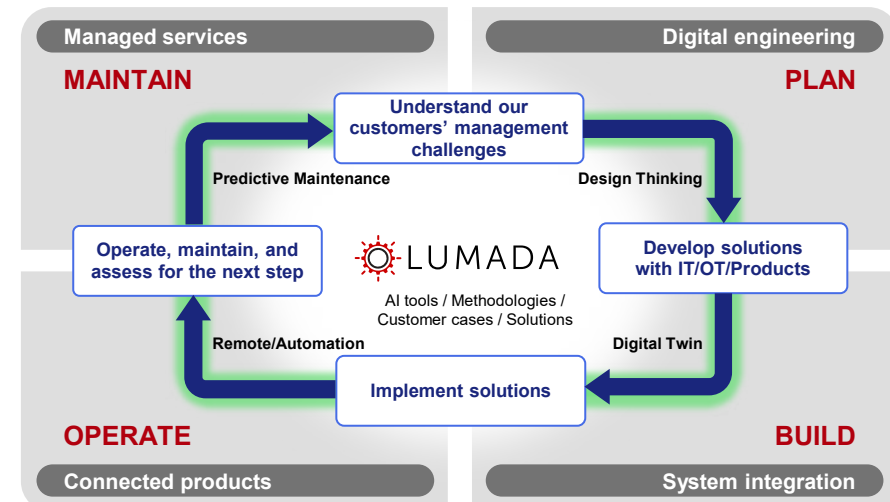
Lumada's customer-co-creation framework

Lumada's customer co-creation framework is a method for realizing circular businesses that increase the value delivered to customers while continuously executing a four-part cycle that starts with understanding our customer management challenges (PLAN: upper right quadrant), developing and implementing solutions with IT, OT and products (BUILD: lower right quadrant), operating (OPERATE: lower left quadrant), and maintaining (MAINTAIN: upper left quadrant) by using data and technology.

The end-to-end value co-creation cycle can be initiated in any quadrant, and new value can be created quickly by leveraging the wealth of accumulated assets such as AI tools, methodologies, use cases, and solutions according to customer challenges.



Applying data and technology to sustainably grow customer businesses



Our Strategy

Growth drivers

Generative AI

We have identified and capitalized cutting-edge technologies to continue transforming with a view toward the next major turning points.

Hitachi is utilizing generative AI to pursue initiatives to improve business productivity exponentially and capture new growth opportunities across the entire Hitachi Group. In Japan, we set up the “Generative AI Center” to promote the safe and effective use of generative AI in May 2023, and through this we have accumulated plentiful knowledge and application technologies. We are expanding our internal and external initiatives globally by making use of GlobalLogic’s advanced knowledge of generative AI, our domain knowledge in IT/OT, and a common platform for generative AI so that we comprehensively support the use of generative AI among our customers.

We will also refine these capabilities through an ecosystem with global partners to accelerate innovation through generative AI.

Knowledge and technology in the utilization of generative AI

Creating value through the utilization of accumulated knowledge and technology in generative AI across the entire Hitachi Group, combined with over 10 years of experience in advanced AI technology at GlobalLogic.

Digitalization of the OT domain

Leveraging domain knowledge and on-site expertise in the OT domain, we support the improvement of front-line worker operations and the transfer of technology and knowledge using generative AI.

Global partnering to accelerate AI innovation

We actively foster ecosystem development through strategic alliances with leading technology partners such as NVIDIA, AWS, Google Cloud, and Microsoft. These partnerships enable us to collaboratively develop innovative AI solutions, and cultivate highly skilled professionals proficient in generative AI and cloud technologies, accelerating innovation through generative AI.

Google Cloud and related services are trademarks of Google LLC.

Expansion of co-creation in the mission-critical domain

Leveraging our expertise cultivated in mission-critical domains to improve productivity in large-scale system development and transforming customer operations using generative AI.

Development of a common platform for generative AI

Supporting to implement safe and secure generative AI utilization by providing an innovative common platform for generative AI using advanced GPUs, next-generation storage, and hybrid clouds.

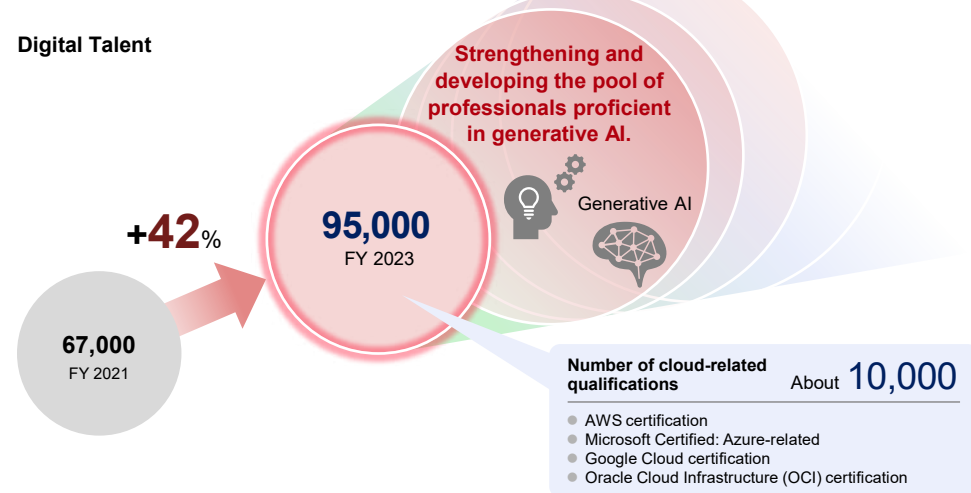
GPU: Graphics processing unit

Growth drivers

Digital Talent

We have been acquiring diverse and advanced digital talents such as engineers proficient in cloud computing and security, and OT domain experts, through the recruitment and M&As. We have also been developing our digital talents through our unique DX training systems and practical experience to support our customer and society in solving their challenges. Going forward, we will further upskill and expand our workforce through global training programs. This will enable us to continue strengthening and developing our human capital such as data scientists and AI researchers knowledgeable and technically capable in the generative AI field.

Digital Talent



Hot Topic



Training over 50,000 generative AI specialists

We are promoting the development of highly skilled professionals who contribute to the expansion of generative AI business and the transformation of operations utilizing generative AI through unique training programs and OJT for acquiring the necessary skills and experience.

Business Units and Group Companies

We have organized our Business Units (BUs) and Group companies into three groups to conduct our business activities. Hitachi Digital will accelerate the formulation and execution of our digital strategy across the Hitachi Group.

Front Business Group

Building and operating mission-critical IT and digital systems

Financial Institutions BU

Development and operation of mission-critical systems and provision of digital solutions and services for banks, insurance companies, and securities companies



Social Infrastructure Systems BU

Development and operation of mission-critical systems and provision of digital solutions and services for public fields such as government agencies, local governments and social infrastructure fields such as electric power, transportation, and telecommunications



IT Services Group

Development and operation of IT and digital solutions

Hitachi Solutions

Providing solutions for productivity improvement and new business creation through the combination of packages and services



Hitachi Systems

Providing one-stop services that cover all IT life cycles with the advantage of system operation, monitoring, and maintenance



Services & Platforms Group

Providing digital engineering and cloud-related services that drives Lumada
Development of digital technologies such as AI and analytics

Digital Engineering BU

Providing comprehensive services from identification of customer issues to system development by applying advanced design methods, data analysis, and generative AI

GlobalLogic

Providing DX services while capitalizing on strengths in experience design and digital engineering



Cloud Services Platform BU

Providing a data infrastructure platform that accelerates DX by leveraging cloud services, security solutions, and IT products (storage, servers)

Hitachi Vantara

Providing cutting-edge data infrastructure platforms for safely accumulating and applying data, such as storage and hybrid cloud platforms

Hitachi Digital Services

Globally deploying integrations implementing OT and IT, and managed services, based on capabilities such as cloud computing and IoT



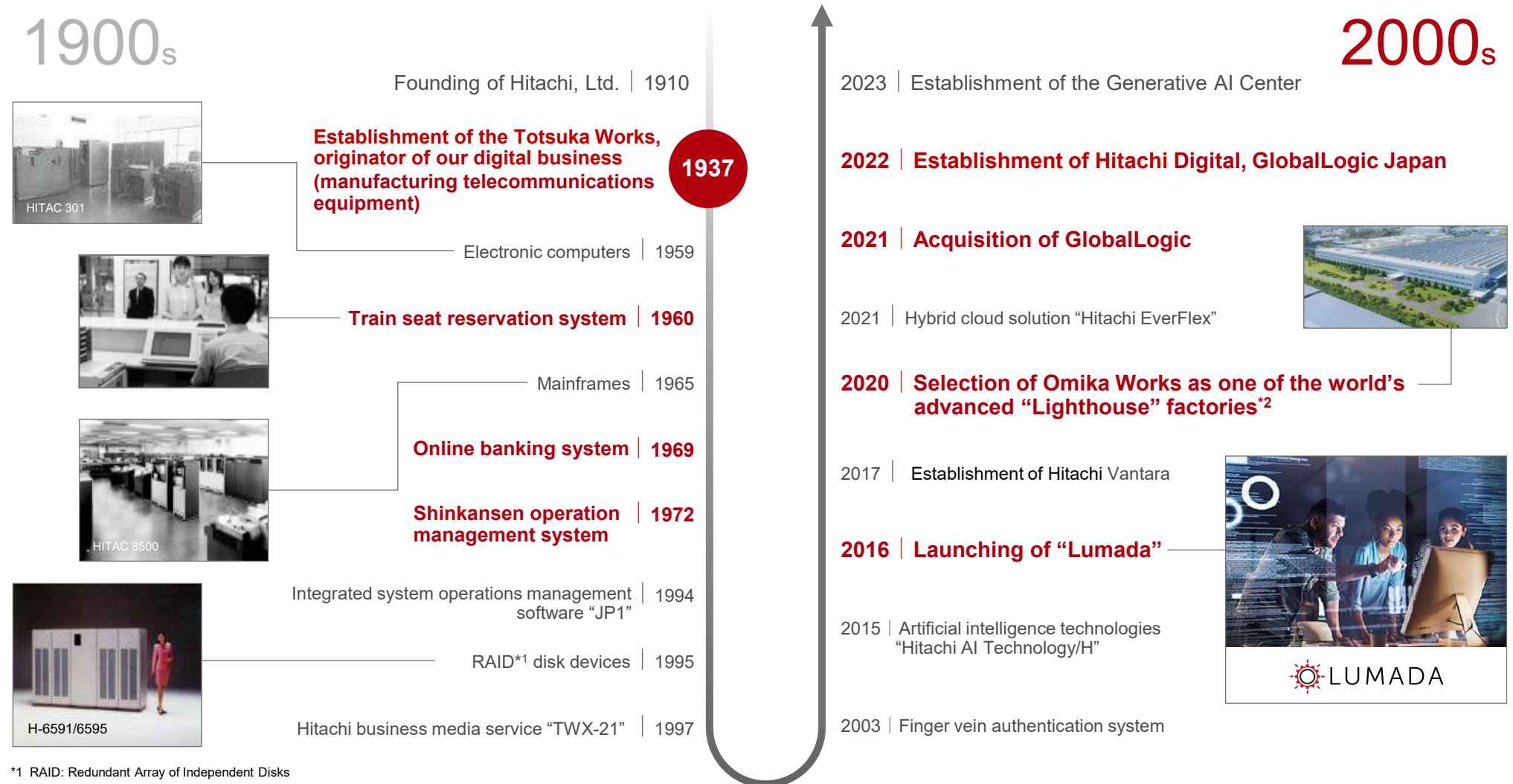
Hitachi Digital | Leading the formulation and execution of a digital strategy across the Hitachi Group

Chapter 2 | Our Business



The History of Our Digital Business

For 87 years, we have supported social infrastructure to meet the needs of the changing times.
Going forward, we will continue to lead future developments using the power of digital technologies.



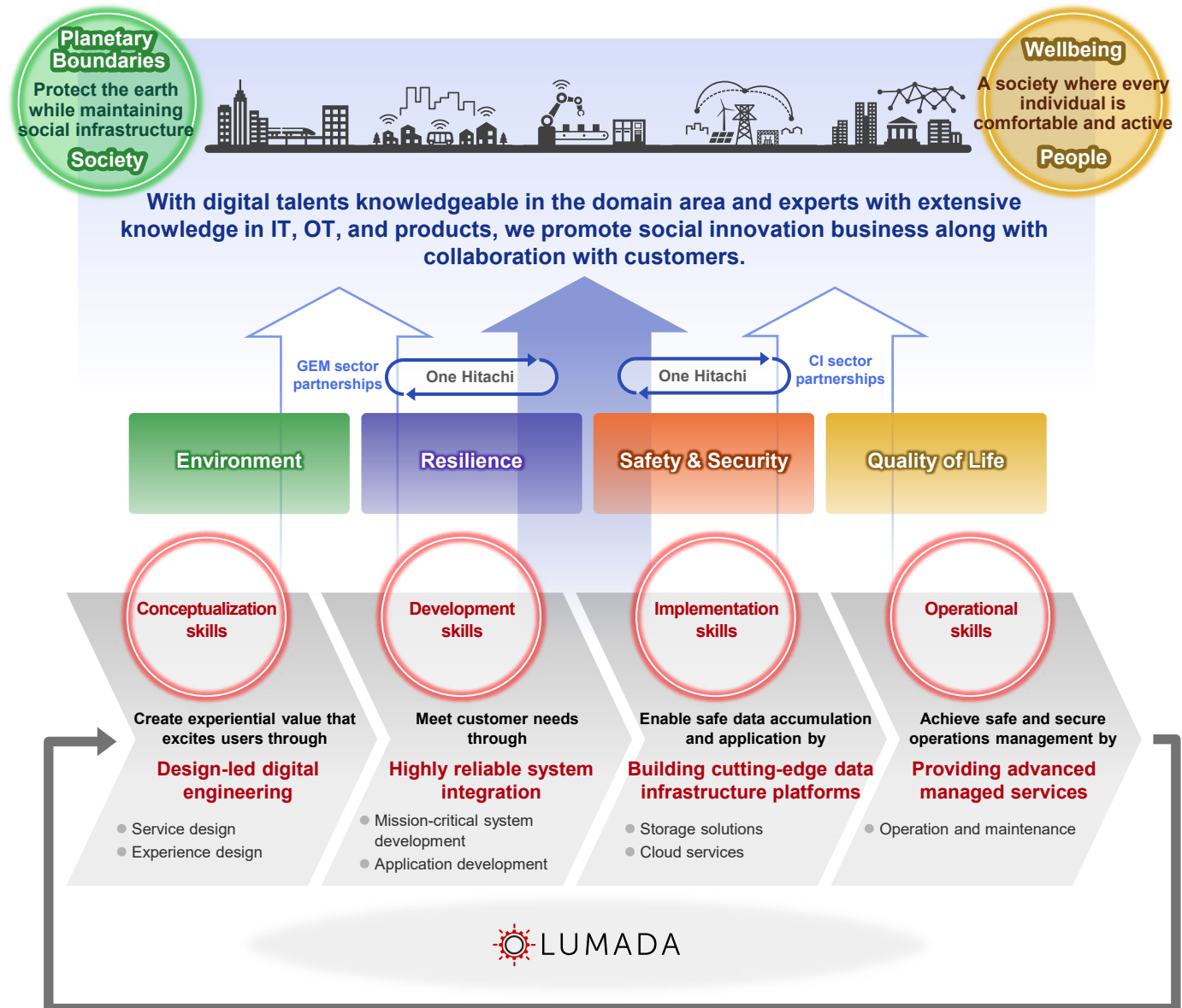
*1 RAID: Redundant Array of Independent Disks

*2 Initiative to help promote DX in specified advanced factories leading the fourth Industrial Revolution, promoted by the World Economic Forum since 2018

Providing Social Value Through Business

We provide value to society through business that leverage the DSS sector's capabilities which is based on Hitachi's materiality. As society is rapidly evolving, we remain committed to meeting the needs of our customers and society. By backcasting from our envisioned future, we identified areas of innovation and are developing our businesses that support social infrastructure.

We possess the conceptualization skills to create new value through design-led digital engineering, advanced development skills cultivated over numerous system-development projects, implementation skills utilizing expertise in cloud for stable operations, and operational and project-management skills to ensure that systems can continue to be used safely and securely. By enhancing these capabilities and collaborating with customers using Lumada at our core, we address challenges in a wide range of business areas, including finance, public services, energy, transportation and logistics, manufacturing, and healthcare.



CASE

Providing value through business initiatives that leverage the DSS sector's capabilities based on Hitachi's materiality

CASE 1 Materiality Environment

► Promoting stable energy supply and renewable energy applications

Accelerating the introduction of renewable energy by building grid-scale battery systems

With a battery system at its core, we build power storage plant to connect to power grids. By efficiently controlling the battery according to the balance of power supply and demand, the plant helps to effectively utilize renewable energy, whose generation fluctuates significantly, and to stabilize local power supply.

► Promoting decarbonization across all regions

Building a social-infrastructure ecosystem using the “Omika Green Network,” which supports decarbonization initiatives

We will conduct a variety of GX* field verifications at Hitachi's Omika Works in partnership with regions and supply chain stakeholders to build a social infrastructure ecosystem, while accumulating techniques and expertise to achieve decarbonization.

* GX: Green Transformation

Related topics

Co-creation with Joyo Bank: Supporting decarbonization management in small and medium-sized companies

Joyo Bank began using the CO₂ emissions calculation and management service based on Hitachi's “EcoAssist-Enterprise”, as well as the energy visualization and optimization support service. Through our support for decarbonization management, we have contributed to sustainable growth in the local community.

► Promoting supply chains decarbonization

Turning in-house life-cycle assessment (LCA) expertise into solutions to help customers achieve carbon neutrality

LCA initiatives and expertise in the Kanagawa office were turned into solutions as part of the “EcoAssist-Pro/LCA” system. We help achieve carbon neutrality by precise automatic calculations and visualizations of CO₂ emissions for each product throughout the supply chain, from raw-materials procurement to fuel and power use in manufacturing processes, and the use and disposal of products.



► Promoting sustainable finance

Providing a sustainable finance platform to accelerate ESG*1 investments

We have partnered with multiple financial institutions to provide a sustainable finance platform applying a variety of digital technologies such as IoT, blockchain, and AI.

Green Tracking Hub

Visualizes energy and CO₂ reductions to help promote environmental investment using MRV*2 to assess the mitigation effects of environmental measures

ESG Management Support Service

Streamlines the collection, visualization, and analysis of ESG data in the company to help strengthen sustainable management

Engagement Support Service

Directly connects investment-management institutions and listed companies and supports efficient information disclosure and dialogue to promote deep mutual understanding

*1: ESG: Environment, Social, and Governance

*2: MRV: Monitoring, Reporting, and Verification

► Accelerating the use of recycled materials and contribute to a circular economy

Helping to achieve a recycling-based society by applying advanced digital technologies to promote the use of recycled materials

The “marketplace for recycled materials” system is groundbreaking mechanism for matching recycled material buyers and sellers. By providing information on quality risk, quantity fluctuations, as well as contamination with impurities, it gives transparency to recycled material markets. We are now promoting initiatives, aiming for commercialization in FY 2025.

CASE

Providing value through business initiatives that leverage the DSS sector's capabilities based on materiality presented by Hitachi

CASE 2

Materiality
Resilience

► Improving the resilience of power infrastructure

Contributing to stable, future-proof power supply in Japan

We contribute to ensuring a stable power supply by building a nationwide load dispatching system to be standardized nationwide, both improving resilience and reducing the social costs of power-supply networks in all areas of Japan (excluding the Okinawa area).

► Helping to build national resilience by providing a social infrastructure maintenance platform

Converting on-site data on social infrastructure into value data to promote DX of maintenance and management

We conducted sensing of on-site data in social infrastructure maintenance and analysis using original in-house techniques based on veteran employees' expertise and knowledge to visualize things that previously been invisible. By providing a social infrastructure platform for converting tacit knowledge into formal knowledge, we contributed to solving social issues such as shortages of maintenance personnel and over-dependence on individual personnel. These personnel are needed to maintain aging ground-based infrastructure such as roads, bridges, and tunnels and underground infrastructure such as water supply and sewerage pipes, gas pipes, and power networks. We also help building national resilience by adapting infrastructure even in emergency circumstances such as large-scale disasters.

► Supporting social infrastructure by developing large-scale mission-critical systems

Contributing to stable train operation through highly reliable train operation management systems and seat reservation systems

Related topics

Predicting train delays by using mathematical optimization techniques:

Train delay times are calculated by collecting and using information in operation management systems in real time, enabling operation to be adjusted and customers to be notified based on predictions of future train operation. We help planning operation by providing a plan optimization service leveraging our original in-house plan-proposal engine, which combines mathematical optimization techniques with AI.



► Achieving resilient cloud operation

Continuously helping to mitigate issues in customer cloud systems

We provide the support service "Hitachi Application Reliability Centers (HARC)", which incorporates the Site Reliability Engineering (SRE) methodology, to continuously mitigate issues in cloud operation. We identified, extracted, and analyzed issues in customer systems from the five perspectives: observability, resilience, release management, incident management, scalability, and executed solutions while providing ongoing customer support. We meet the diverse needs of customers by combining the expertise Hitachi Digital Services has provided to Western markets in a competitive position, with best practices drawn from a rapidly growing track record in Japan.

► Contributing to digital shifts in financial institutions caused by DX

Helping to accelerate digital shifts in financial institutions by digitalizing lending operations

Through our DX promotion service, we provided a series of lending operations not only for financial institutions and their transactions, but also for a variety of private stakeholders involved in lending transactions. Operations ranged from filing applications to screening and partnering with insurance companies, signing contracts, and conducting post-lending management. We also helped to accelerate digital shifts in financial-institution transactions for both personal and corporate lending. Examples include facilitating remote interaction online, and integration with trust services.

CASE

Providing value through business initiatives that leverage the DSS sector's capabilities based on materiality presented by Hitachi

CASE 3 Materiality Safety & Security

► Supporting safe and secure living

Aiming to achieve "Smart City" using digital technologies

We have been working toward a sustainable society offering both urban and industrial growth as well as the wellbeing of citizens, while utilizing diverse operational expertise cultivated in the industrial domain and the latest, rapidly evolving digital technologies such as generative AI.

Related topics

Co-creation with Hitachi City:

To revitalize Hitachi City and ensure that its citizens can live safe and secure lives, we are conducting a co-creation project to build a model case as a step toward achieving Society 5.0. The project utilizes digital technologies, focusing on "Green Industrial City", "Digital Healthcare and Nursing" and "Smart Public Transportation".

► Supporting safe, secure, and convenient living using biometrics

Our unique technology enables safe, secure, and convenient personal authentication

We are providing the "Biometrics Integrated Infrastructure Service" that uses a variety of biometrics such as finger-vein, face, and iris biometrics to authenticate users safely and easily. This biometrics cloud service uses the proprietary technology PBI* to enable authentication without storing the biometric information itself.

* PBI: Public Biometric Infrastructure (a new public-key authentication infrastructure that combines biometric authentication and PKI digital signature technologies)

► Improving supply chain resilience using cybersecurity measures

Supporting measures against cyberattacks targeting vulnerabilities in open-source software

We are providing a platform that visualizes security risks in software supply chains, applies best practices, and analyzes and applies information using a centrally managed SBOM*. We are helping to improve the level of knowledge on SBOMs within the organization, not only by building an environment for SBOM-management tools and offering operational support, but also through basic training and other measures.

* SBOM: Software Bill of Materials



► Supporting the safe and secure transport of all passengers

Digitalizing guidance operations of train-station personnel helping passengers using wheelchairs or white canes

We are providing system which enables improved efficiency in customer service and prevention of human errors among station attendants who supports the safe and secure transportation to all passengers including people who need assistance.

► Supporting business continuity through advanced security measures

Security measures to protect information assets and businesses from evolving and diversifying cyberattacks

Information security threats are evolving and diversifying by the day. In response, we provide a cybersecurity solution "SHIELD" that bolsters defensive technologies, operational monitoring, and countermeasure frameworks. We offer comprehensive support to customers' security operations at all times, from normal circumstances to emergencies.

CASE

Providing value through business initiatives that leverage the DSS sector's capabilities based on materiality topics presented by Hitachi

CASE 4 Materiality Quality of Life

► Improving wellbeing through comprehensive support for employees diagnosed with cancer and their families

Building a “cancer ecosystem” for employees in the workplace to help solve social issues surrounding cancer

In collaboration with the insurance company, we are co-creating a workplace cancer ecosystem utilizing GlobalLogic Japan's digital engineering skill and design thinking approach. With a focus on a perspective of employees diagnosed with cancer, we are actively working towards addressing societal challenges surrounding cancer and driving initiatives for their solutions

► Achieving an engaging ordering experience used by 68 million people worldwide

End-to-end support for each individual customer's digital journey

We have designed a new ordering system for the global hamburger chain McDonald's Corporation, utilizing user-centered design thinking. By establishing global ordering standards, we have ensured a consistent experience for customers at all locations worldwide.

► Contributing to QoL improvements for Indian citizens by building financial infrastructure

Contributing to "Digital India," led by the Indian government through financial inclusion

Hitachi Payment Services provides a variety of safe, secure, and convenient payment services in “finance”, which is one of the focus fields of “Digital India” aiming to transform the entire nation to a knowledge-economy society through digitalization. These services work in close contact with Indian society and everyday life, promoting the provision of diverse solutions to meet the needs (cash and digital) of every segment of the Indian economy through digital technologies.



► Contributing to healthy urban planning starting from PHR*1 services

Supporting the improvement of citizens' health by building incentivization systems utilizing regional tourism and local economies

Iizuka City in Fukuoka Prefecture, envisions itself as a “Smart Wellness City” where “everyone can live healthy and vibrant lives”. The city partnered with the founding companies of the Japan Wellbeing Consortium*2 to validate the effectiveness of a service for promoting activity and activity and behavioral changes among “health-indifferent” population, an issue faced by the city. This project is now being modeled for deployment in other municipalities and corporations.

*1: PHR: Personal Health Record (health and medical information such as individuals' health-examination results, medication histories, and vital data from everyday life)

*2: A consortium founded on July 27, 2023 by Hitachi Systems, Integrity Healthcare, ANA X, and Sawai Group Holdings to promote wellbeing in the health, medical support, and wellness tourism fields

► Building lifelong, multi-generational preventive medicine and health

Helping to promote the healthcare services by laterally consolidating and utilizing health and medical information

To prolong healthy lifespans and moderate healthcare costs, we are building a health and medical information-analysis platform for municipalities that laterally consolidates data from multiple insurance systems. We are helping to promote municipal healthcare services by effectively and efficiently analyzing regional health issues.

Initiatives Supporting Our Business

As a company responsible for social infrastructure around the world, we will manage our business with honesty and integrity, earn the trust of society, respect human rights and provide a safe workplace. We will reflect a system of ethical and responsible business conduct in our business activities and decision-making standards, working together with our employees, collaborative partners and communities throughout the supply chain.



Corporate Governance

We recognize that good relationships with a wide range of stakeholders make up an important portion of our overall corporate value. Thus, we incorporate sustainability perspectives in our business activities and decision-making standards. We strive to develop systems to maintain good relationships with stakeholders and enhance our corporate value, including measures to encourage constructive dialogue.



Business Ethics and Compliance

We believe that business ethics and compliance are the foundation of our company, and we engage in fair, transparent, and honest management. We are committed to creating an open environment in which employees perform at their best and in which every employee feels safe in acting ethically. We conduct independent compliance program to strengthen business ethics and compliance throughout the Group.



Human Rights

We believe that respect for human rights is our responsibility as a global company and essential to our business activities. We emphasize engagement with stakeholders to understand and respond to human rights impacts effectively. We are making continuous efforts not to engage in any acts that may impair individual dignity or discriminate.



Occupational Health and Safety

We communicate the Hitachi Group Health and Safety Policy to all Hitachi Group companies worldwide. This policy is based on our philosophy that Health and Safety Always Comes First. We coordinate with all related companies, including contractors and procurement partners, to ensure the Group works together to create safe, secure, comfortable, and healthy workplaces for all.



Quality Assurance

We ensure product quality and safety, along with the basics and ethics, by putting right and wrong before profit and loss. We engage in quality assurance activities through our unique practice of OCHIBO-HIROI, which means “gleaning” in English and involves analyzing and learning from failure to further develop our technologies.



Information Security

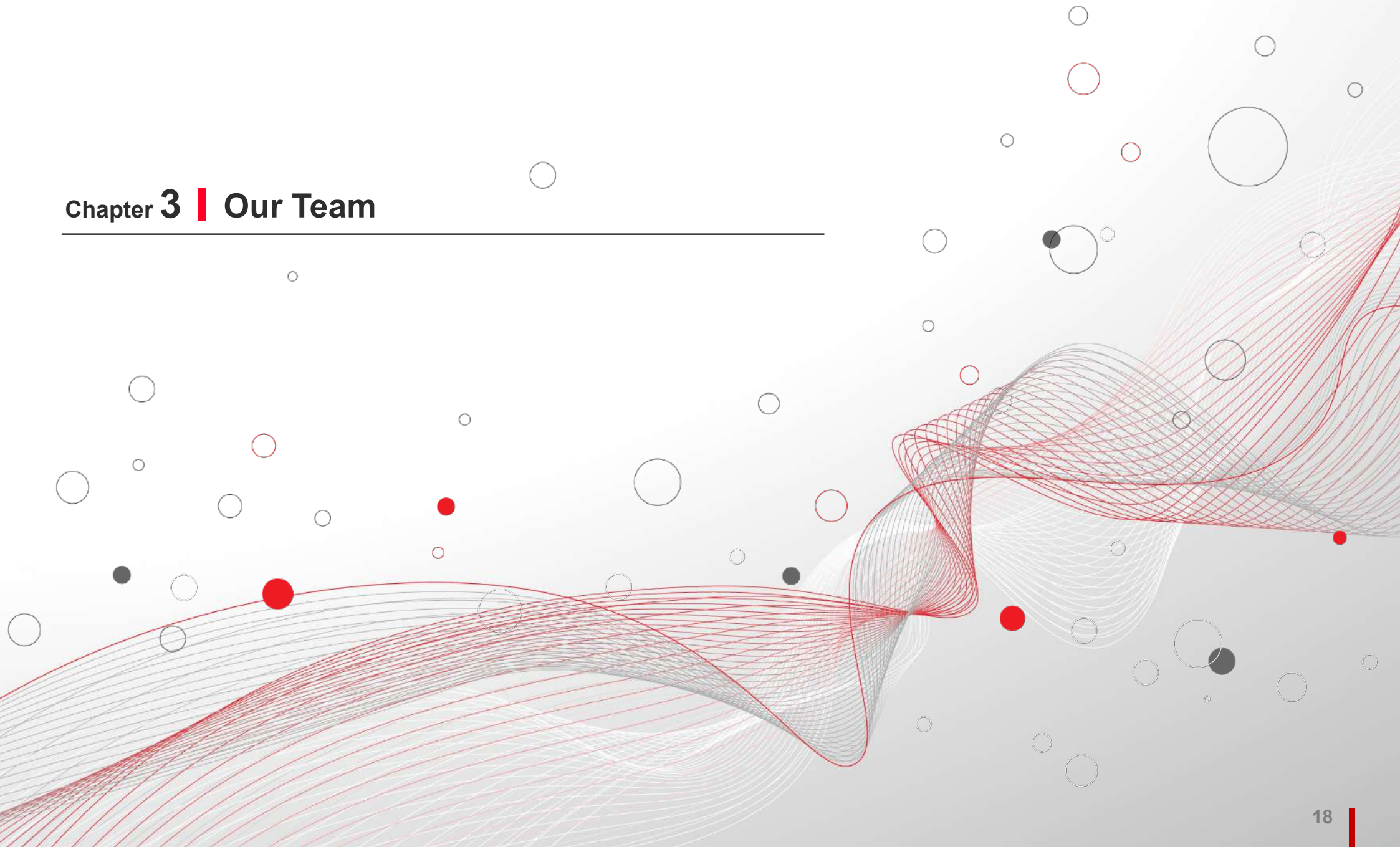
While advancements in digital technologies create new value, there is a growing risk of cyberattacks that interferes with business continuity. Risk management related to information security has become one of the most important issues for corporate entities. In response, We emphasize cyber security measures from the perspectives of value creation and risk management.



Responsible Procurement

We pursue sustainable procurement by identifying and mitigating procurement risks associated with the globalization of our business as far in advance as possible. These risks include human rights violations and greenhouse gas emissions by procurement partners in the supply chain.

Chapter 3 | Our Team

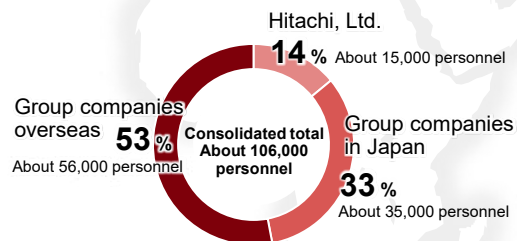


Leadership Team

With approximately 110,000 employees, the DSS sector is conducting business in over 50 countries and regions. To realize our desired future, our leadership team is rapidly expanding our digital businesses on a global scale.

Number of employees in the DSS sector

Business countries and locations in over 50 regions*



* Number of countries and regions (including Japan) where consolidated subsidiaries classified under the DSS sector are located. Personnel counts are calculated as of the end of March 2024.



General Manager of Digital Systems & Services Division
Toshiaki Tokunaga

Head of Digital Systems & Services Japan Business
Katsuya Nagano

Head of Digital Systems & Services APAC Business
Yasuki Imai



CMO for Digital Systems & Services
General Manager of Social Innovation Business Division,
Digital Systems & Services Division
Chie Mashima

Hitachi Digital



CEO
Jun Taniguchi
(Hitachi America CEO)



Executive Chairman
Shashank Samant
(in charge of Regional Strategies [Americas] of Hitachi)
(Executive Chairman of Hitachi America)

BUs and major Group companies

Financial Institutions BU



CEO
Yasuki Imai

Social Infrastructure Systems BU



CEO
Katsuya Nagano

Hitachi Systems



President
Setsuo Shibahara

Hitachi Solutions



President
Tsugio Yamamoto

Cloud Services Platform BU



CEO
Yoshinori Hosoya

Hitachi Vantara



CEO
Sheila Rohra

Hitachi Digital Services



CEO
Roger Lvin

Digital Engineering BU



CEO
Jun Taniguchi

GlobalLogic



President & CEO
Srinivas (Srini) Shankar

Chapter 3 | Our Team | The People of DSS

The People of DSS

Talent resources are the key to the value of DSS. Diverse individuals with expertise and skills in various domains collaborate with customers to provide value to society.

Pursuing a “Triple Win” scenario for society, customers, and Hitachi through DX consulting

Digital Business Producer

Naoki Mori [Digital Engineering BU]



■ **My Work** I specialize in DX consulting for the OT domain in the power, manufacturing, and logistics markets, providing DX solutions to solve our customers' management challenges. Leveraging my experience in manufacturing design, my domain knowledge, and my technical skills in AI and data science, along with joint research and other collaborative effort with our customers, I drive and accelerate DX initiatives.

■ **Social Value** I design feasible maintenance and renewal plans to support customer deal with aging facilities, which are both a social issue and a management challenge in the field of power, water, and rail. I also contribute to address labor shortages caused by the aging workforce in the logistics industry. Through DX consulting, I promote the resilience of social infrastructure and strive to pursue a "Triple Win" scenario for society, customers, and Hitachi.

Designing exciting experiential value as an on-site spokesperson

Design Researcher

Miki Shinokura [Digital Engineering BU]



■ **My Work** My role as a design researcher is to get involved in customer workplaces, understand user operations, and discover customers' challenges and needs through various survey methodologies such as interviews and observations. Based on the insights gained through these surveys, I collaborate with designers to derive design concepts that enhance the experiential value of our customers and the people beyond them.

■ **Social Value** I believe in the importance of being an “on-site spokesperson” with a deep understanding of the customer's workplace and operations. By designing solutions and services that create valuable experiences while addressing essential issues, we can promote a rich and emotional customer experience. Cultivating such experiences plays a crucial role in promoting the overall wellbeing of society.

Bridging the gap between business and technology to achieve optimal solutions

Data Scientist

Sayuri Ishida [Digital Engineering BU]



■ **My Work** By applying data science methodologies and techniques, I support customers in addressing challenges related to business efficiency, customer satisfaction, and social issues such as the maintenance of social infrastructure. I consider myself as a bridge between business and technology, engaging in close communication with customers to gain a deep understanding of their operations, and selecting suitable technologies that provide value from a customer perspective.

■ **Social Value** I believe that the essence of a data scientist's value and mission lies in identifying intrinsic value from the vast amounts of data and deriving optimal solutions for customer and societal challenges. By leveraging insights and knowledge gained from data, we contribute to expanding our customers' businesses and driving social innovation.

Verbalizing customer issues and co-creating optimal solutions through the power of design

Design Strategist

Yasuyuki Kowata [Digital Engineering BU]



■ **My Work** As a design strategist, my main job is to identify issues faced by customers whose design goals and methodologies are unclear, working with customers and relevant teams to define “what to design”. My role is to guide customers toward success in later stages such as experience and user interface design, development, and implementation.

■ **Social Value** When considering new services for customers, I strive to take the broadest possible perspective to include the end users, the customer's employees, and relevant stakeholders. We explore how we can provide them with figuring out what kinds of experiential value I can provide to everyone involved. I aim to make a positive impact on society, rather than focusing on partial optimizations.

Promoting the use of AI services under a highly reliable generative AI strategy

Generative AI Design Engineer

Maria Aretoulaki [GlobalLogic]



■ **My Work** I have been working on AI technologies for many years. For example, I have been designing conversational AI services such as voicebots and chatbots in multiple languages for enterprise and government clients. I play a leading role in executing highly transparent, safe, and reliable generative AI strategy focusing on prompt engineering, knowledge engineering, AI ethics, and AI policy.

■ **Social Value** In the current environment where the accuracy of AI is being questioned, it is crucial to integrate linguistics with computer science and digital engineering. I strive to enhance AI transparency through responsible use cases and effective prompt design to keep the human in the loop. Additionally, by actively engaging with AI policy within corporations and government, I eliminate potential risk and promote the safe use of AI.

Offering a distinctive problem-solving approach through advanced AI solutions

AI Expert

Igor Manzhos [GlobalLogic]



■ **My Work** I specialize in developing AI solutions across a wide range of industries. As a solutions architect and a technical lead, I am dedicated to designing highly reliable and scalable systems utilizing generative AI, machine learning, cloud architecture, and competitive problem-solving.

■ **Social Value** My work drives innovation and efficiency, ultimately improving decision-making and operational effectiveness for organizations. By addressing critical business challenges and sharing the lessons we learn, I contribute to making cutting-edge technologies accessible for all and promoting continuous learning which will lead to developing advanced AI solutions.

Chapter 3 | Our Team | The People of DSS

The People of DSS

Talent resources are the key to the value of DSS. Diverse individuals with expertise and skills in various domains collaborate with customers to provide value to society.

Providing comprehensive support for cloud adoption, from architecture design to operation

Senior Cloud Architect

Hiroshi Hayakawa [Cloud Services Platform BU]



■ **My Work** As a cloud specialist, I engage in proposal development and technical consulting. My responsibilities encompass providing holistic support to our clients, guiding them from architecture design to system implementation and operation while ensuring alignment with their business objectives and security considerations. Furthermore, I actively participate in external technical events and involved in promoting our company's technological profile and nurturing skilled engineers.

■ **Social Value** While cloud technology offers numerous benefits such as enhanced business agility and resilience when leveraged effectively, specialized knowledge and skills are essential for its successful implementation. I am committed to maximize and deliver the benefits of cloud to all by addressing the challenges and driving digital transformation of our clients providing social infrastructure in Japan and overseas.

Realizing a bright future by enhancing cloud operation through Site Reliability Engineering(SRE)

SRE Engineer

Haruna Kochiyama [Cloud Services Platform BU]



■ **My Work** I provide a wide range of services relating Hitachi Application Reliability Centers (HARC) from customer proposals to delivery, as well as promotional activities. HARC supports the continuous improvement and maturation of cloud operations using SRE methodology, which promotes the automation of system operations. We are engaged in providing support to solve customers' operational issues.

■ **Social Value** With the full-scale adoption of cloud technologies, there has been increase in issues related to reliability, stability, and security, which leads to an increase in operational burden. By supporting customers transform their operational models, and alleviate operators' workloads through SRE, we enable customers to focus on their businesses. I believe the purpose of SRE is to create a bright future.

Accelerating social innovation in manufacturing by combining IT and OT as One Hitachi

IT x OT Strategist

Anitha Rao Gadiyar [Hitachi Digital Services]



■ **My Work** My work involves supporting our customers with their IT x OT integration needs. I work closely with our manufacturing customers, helping them define and plan the execution of their IT x OT integration strategies. Additionally, I play a key role in the "One Hitachi" collaboration initiative, working with diverse divisions and regions to bring the best of what Hitachi has to offer to our customers in Western markets.

■ **Social Value** I strive to optimize and improve customer operations, leading to a better work environments. By leveraging cutting-edge technologies such as automation, cloud computing, AI, and machine learning, my work makes a significant contribution to sustainability initiatives and the health and safety of our customers. Through these initiatives, we strive to improve the environment and enhance quality of life, promoting a social innovation business.

Implementing security measures employing advanced technology based on a wealth of experience and 40 types of certifications

Master Security Specialist

Masashi Fujiwara [Cloud Services Platform BU]



■ **My Work** In addition to implementing measures to address vulnerabilities in products and services for customers and respond to security incidents, I work on security monitoring within the Hitachi Group, detecting and responding to risks at an early stage. To counter the advancing threat of cyberattacks, I have been continuously honing my technical skills by participating in security contests and obtaining global certifications. I am also part of the committees of external organizations, and hold lectures at universities and other venues.

■ **Social Value** I am helping to build a safe and secure society by preventing security incidents across the entire Hitachi Group, and responding swiftly to any incidents that arise. I also leverage my own knowledge to help train security specialist inside and outside the company.

Expanding the potential of AI and solving social issues using "Hitachi iQ"

VP&CTO, Client Strategy and Artificial Intelligence

Jason Hardy [Hitachi Vantara]



■ **My Work** I have dedicated myself to developing our AI portfolio, "Hitachi iQ". Previously, I played a key role in creating and launching the next-generation entertainment platform "Sphere" in Las Vegas, as well as expanding our file storage technology globally. In the future, I will continue to drive the growth of "Hitachi iQ", which has emerged as a result of our efforts to solve our customers' AI challenges.

■ **Social Value** By ensuring that our goals for "Hitachi iQ" and its outcomes align with our Social Innovation Business and the improvement of society, our work contributes to creating a better world. This is achieved through the direct impact of our projects, as well as the ripple effect of our advancements.

Contributing to the resilience of software supply chains

Senior OSS Specialist

Ayumi Watanabe [Hitachi Solutions]



■ **My Work** I provide consulting services for companies to establish a reliable software supply chains using Software Bill of Materials (SBOM) and support the development of process definitions and operational structures. Additionally, we engage in evangelist activities to promote the safe utilization of open-source software (OSS) and the widespread adoption of SBOM.

■ **Social Value** Enabling the safe utilization of open-source software (OSS) and establishing robust software supply chains is one way to enhance the resilience of society and address social issues such as cybersecurity. I believe that increasing the security of the software which supports our society is crucial in making our lives more convenient and prosperous.

Chapter 3 | Our Team | The People of DSS

The People of DSS

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Supporting customers who promote sustainable management

Domain Expert

Kotone Yamaguchi [Financial Institutions BU]



■ **My Work** I am involved in proposing and helping to deploy the “ESG Management Support Service”, which provides support for sustainable management and ESG information disclosure. I familiarize myself with the customer’s issues and goals, and assist with everything from proposing service application methods to deployment and operation. I also implement customer feedback in the service-development process, using what I learn to plan further improvements to services.

■ **Social Value** To enhance sustainable management, it is important to perform repeated cycles of strategizing, collecting and disclosing ESG data, and implementing improvement measures. I provide support at all stages from drafting strategies to assisting with implementation, aiming to help enhance the customer’s sustainable management.

Supporting customers’ rapid decision-making with mathematical optimization techniques

Senior Data Science Expert

Tatsuhiro Satou [Digital Engineering BU]



■ **My Work** Ever since I joined the company, I have been working on mathematical optimization techniques in the research department. I am now assisting with the digitalization of customer planning operations in business departments, bringing my many years of experience and technical capabilities to the table. I aim to optimize all kinds of decision-making relating to customers’ businesses in a wide range of fields such as industry, logistics, transport, infrastructure, and telecommunications.

■ **Social Value** In the railway field, for example, my work allows train schedules to be corrected soon after operations are disrupted, enabling more efficient use of train cars and personnel, and ensuring passenger convenience. I apply mathematical optimization techniques to streamline the use of resources, including people and things. Eliminating “unreasonableness, inconsistencies, and waste” from society leads to the provision of better services.

Contributing to efficient maintenance and management of social infrastructure

Domain Expert

Masahiro Takeshima

[Social Infrastructure Systems BU]



■ **My Work** Ever since I joined the company, I have been consistently engaged in new business creation. In recent years, social infrastructure such as roads, bridges, and plumbing systems has been aging while veteran workers age out of the workforce, creating a major social problem. In response, I have been developing systems to efficiently and effectively maintain and manage social infrastructure, using technology such as sensors to collect and analyze the status of work sites

■ **Social Value** I provide a safe and comfortable living environment by utilizing IoT and AI to prevent problems from occurring in social infrastructure. In the event of large-scale disasters such as major earthquakes, we also support early recovery by quickly understanding the on-site damage situation and providing necessary information.

Providing a sense of security through proven quality assurance technical capabilities

QA Engineer

Hitoshi Manabe

[Digital Systems & Services Division]



■ **My Work** I am in charge of quality assurance in factory inspections and on-site trial runs of water supply and sewerage monitoring and control systems for domestic use in Japan. From July 2019, I was seconded to the National Institute of Polar Research, and participated in the 61st Japanese Antarctic Research Expedition (wintering party: February 2020 to January 2021), where I was responsible for generator control panels.

■ **Social Value** I offer peace of mind through our technical and management capabilities to conduct on-site trial runs tailored to each customer. During my time at Syowa Station in Antarctica, I worked closely with a diesel-generator engine operator to ensure a stable power supply which is vital for the base’s operation. Power outage can result in the loss of valuable observation data and have a significant impact on the lives there. I will keep contributing to society by applying the knowledge and experience gained from these expeditions.

Contributing to society by building mission-critical systems

Server Engineer

Yuki Fukai [Social Infrastructure Systems BU]



■ **My Work** I am involved in the server setup for a train seat reservation system. For mission-critical systems, high availability and stability are essential. We conduct thorough risk assessments and testing from the design stage, considering all possible risks. Additionally, we have prepared a system to respond quickly in case of emergencies and are always ready to handle any unforeseen circumstances.

■ **Social Value** I aim to ensure stable operation without system downtime. Through continuous improvement aligned with the changing times and customer needs, we support a society where everyone can travel comfortably, providing convenient and stress-free services for passengers.

Helping to build healthy cities, starting from Personal Health Record (PHR) services

Domain Expert

Kumiko Kojima [Hitachi Systems]



■ **My Work** In the industry and distribution fields, I am involved in the lateral, company-wide promotion of business planning, collaboration, and sales expansion in the pharmaceutical and healthcare businesses. Meanwhile, I work to promote employee health as a member of my company’s health-management-promotion project. I have also served as Secretariat of the Japan Wellbeing Consortium.

■ **Social Value** Health issues cannot be solved by IT vendors alone. I will continue to expand partnerships with companies and municipalities that aim to build healthy cities, using PHR services as a launchpad to provide models enabling the “health-indifferent” population to enjoy life while naturally improving their health. I will continue to take on challenges, helping to moderate medical costs while working toward a society that provides a healthy life and peace of mind to all.

Chapter 3 | Our Team | The People of DSS

The People of DSS

Together with our diverse team members worldwide, we are committed to transforming the business of our customers and society, using the power of digital technology.



Lead Digital Transformation, together with us



Diversity, Equity, and Inclusion Initiatives

We are embarking on a transformative journey in Diversity, Equity, and Inclusion (DEI) with the appointment of a Chief DEI Officer under the powerful slogan “Together, we are stronger.” We view DEI as a wellspring of innovation and a catalyst for sustainable growth, and are reshaping our corporate culture to be more open and inclusive. Through a combination of top-down leadership and bottom-up initiatives, we aim to empower our diverse workforce and unleash individual potential.

Hitachi’s DEI slogan: “Together, we are stronger”

Defining DEI goals

Mandatory DEI / culture goals in individual performance objectives with weight of 5%

In order to make every employee accountable for taking actions towards fostering DEI and inclusive organizational culture, non-financial objectives related to DEI or culture categories were made mandatory in the DSS sector in FY 2023. This policy was extended to all employees in Hitachi Group from FY 2024.



Promoting ERG

Bottom-up DEI invigoration activities

An ERG (Employee Resource Group) is a group of employees and allies who voluntarily engage in activities based on shared characteristics, values, and goals. ERG activities were officially endorsed in the DSS sector in FY 2023 and have expanded to the Hitachi Group (in Japan) since FY 2024. There are currently six active ERGs (as of August 2024).



DEI employee engagement

DEI Café / Seminar / DEI Month

A monthly "DEI Cafe" is offered to all DSS employees as a program designed to provide opportunities to broaden one's perspectives and build networks. We also designate one month of the year as "DEI Month", with numerous events and programs to promote DEI and foster a more open and inclusive corporate culture, providing opportunities for employees to reflect on their mindsets and behaviours.



DEI ambassador community

We have set up a DEI Ambassador self-registration system to encourage collaboration and networking around the topics of DEI and culture, with the aim of developing activities across different departments and teams.

Our goal is to create a workplace

- where everyone can bring their true self to work
- with open, inclusive and collaborative communication
- with a culture that strengthens our people and the organization

This ambassador network provides a platform for open, flat, and cross-border connections.

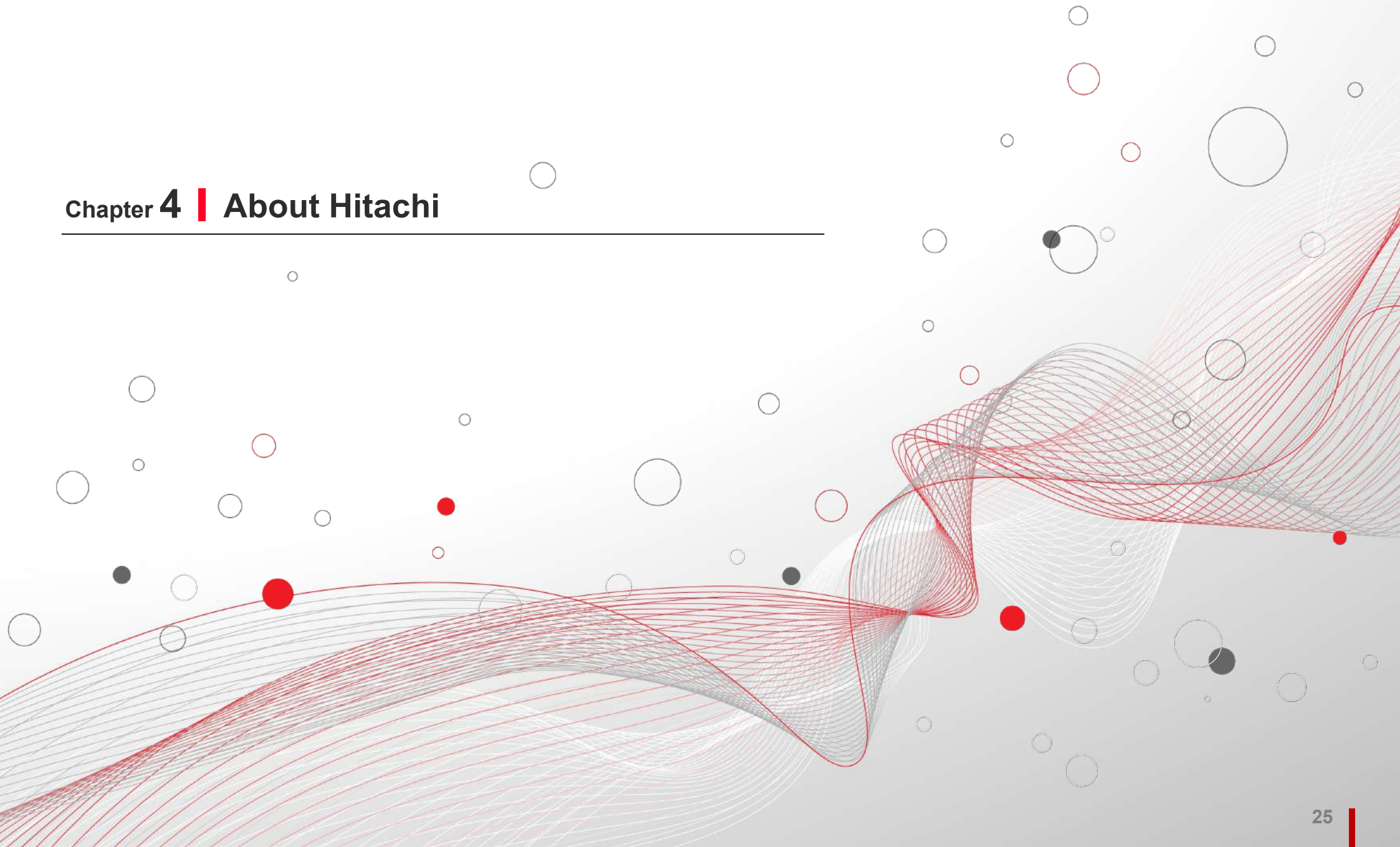


Chief DEI Officer
Yayoi Nakada

We are embarking on a bold transformation to become a global leader in social innovation business. At the heart of this change lies a crucial cultural shift driven by Diversity, Equity, and Inclusion (DEI). Innovation flourishes when we empower employees to work authentically, maintain high engagement, and unleash their individual full potential. And only in an open, inclusive, and trusted work environment, this can be possible. Diversity celebrates the unique thoughts, values, and experiences each employee brings to the table. Equity ensures equal opportunities for all,

regardless of background. Inclusion fosters an environment where every individual's voice is heard and actions can drive innovation and growth. Together, these principles form the cornerstone of our organizational culture. Our DEI journey is ongoing, shaping an ever-evolving future. I am passionate about being part of this transformative process alongside our colleagues, as we collectively create a future beyond our current imagination. This journey is not just about change; it's about embracing the excitement of building a more innovative, inclusive, and powerful Hitachi.

Chapter 4 | About Hitachi



Overview of the Hitachi Group

Overview of Hitachi

Hitachi, Ltd. was born in 1910, founded by Namihei Odaira as a repair shop for mining machinery. Since its founding, Hitachi, Ltd. has contributed to the development of its customers and society through its business activities, under its corporate philosophy of “contributing to society by developing our own superior technologies and products”. Over more than 100 years, Hitachi itself has developed into a corporate group serving customers and societies in numerous regions around the world.



Executive Chairman and
Representative Executive Officer
Toshiaki Higashihara



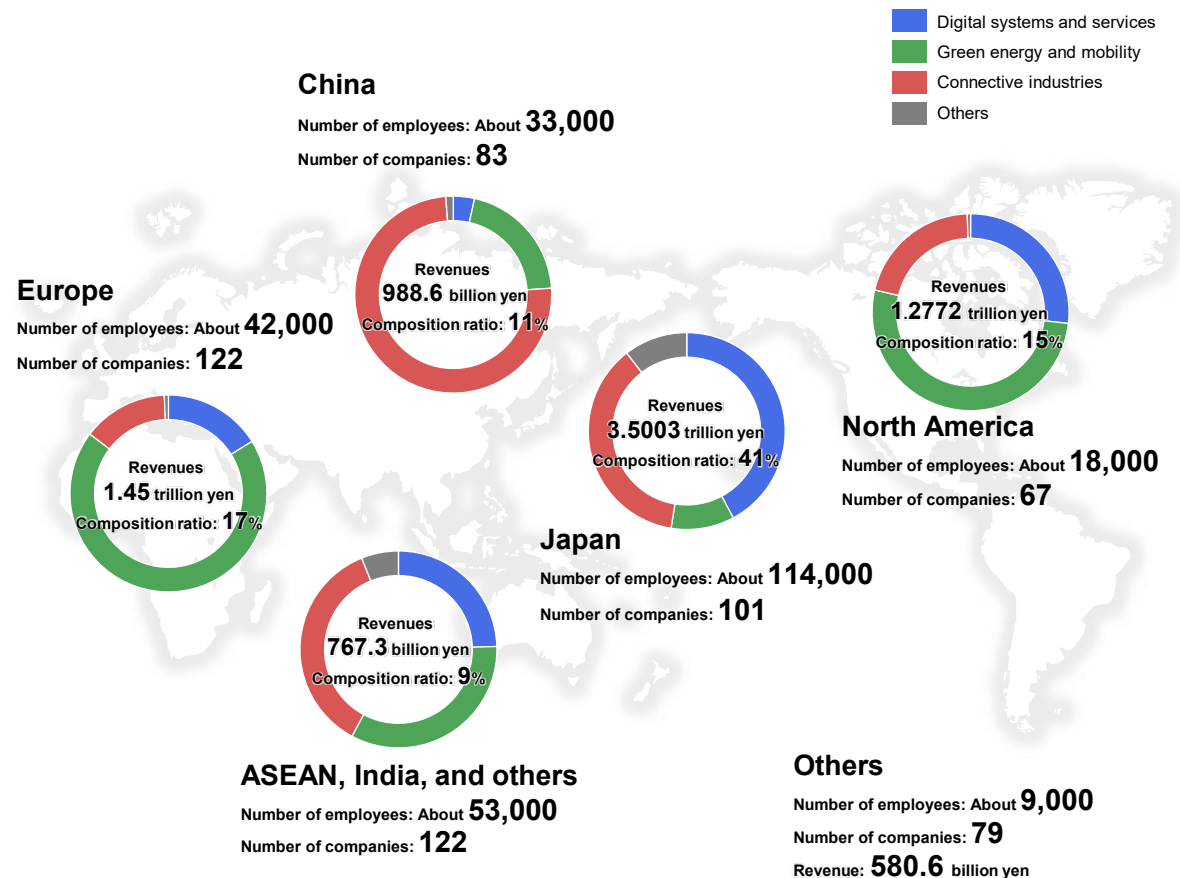
Representative Executive Officer,
President & CEO
Keiji Kojima

Date of legal establishment	February 1, 1920 [Founded in 1910]
Number of subsidiaries	573 (as of the end of March 2024 / consolidated)
Number of employees	268,655 (as of the end of March 2024 / consolidated)
Revenues	8,564.3 billion yen* (FY 2023 results / consolidated)
Adj. EBITA / Adj. EBITA margin	867.4 billion yen (10.1%)* (FY 2023 results / consolidated)
Business description	Providing social innovation business by combining IT, OT, and products

* Figures shown reflect the three sectors of Hitachi (excluding Hitachi Astemo), derived by deducting the equity method earnings of Hitachi Astemo and pre-equity-method consolidated figures of subsidiaries from the consolidated totals.

Global expansion of the Hitachi Group (FY 2023)

59% of Hitachi's revenues are generated overseas. By combining the power of Lumada with our global business portfolio developed across various geographical regions and businesses, we will further accelerate our global advancement. Through our social innovation business, we will expand the creation and realization of value across the world.

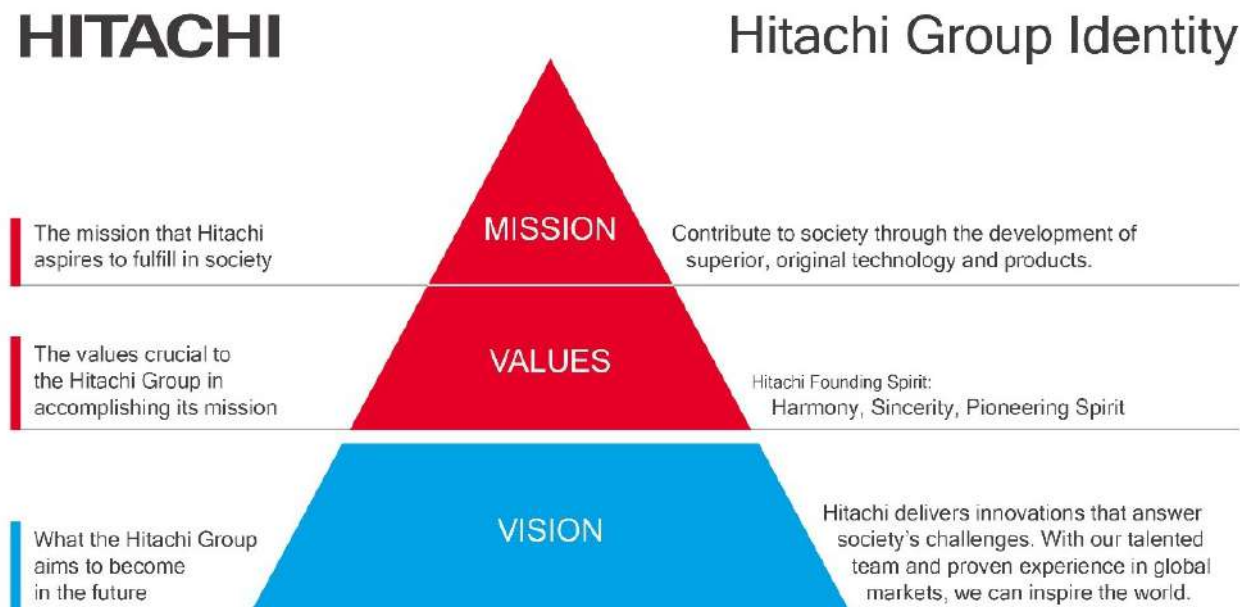


Hitachi Group Identity

Promoting corporate activities based on the Hitachi Group identity

Since our founding, Hitachi has been working to solve the challenges facing society by following our **MISSION**: Contribute to society through the development of superior, original technology and products. Our **VALUES**, present in the Hitachi Founding Spirit and reflecting Harmony, Sincerity, and Pioneering Spirit, guide our mission and inspire our actions. The **MISSION** and **VALUES** are our foundation, and together with the addition of the Hitachi Group Vision of the company's future, we define the Hitachi Group Identity.

With the Hitachi Group Identity as our foundation, we will grow as individuals and as an organization. Together with our colleagues worldwide, we will contribute to society through our Social Innovation Business.



Basic Information on the DSS sector

Business performance (as of the FY 2023 results)

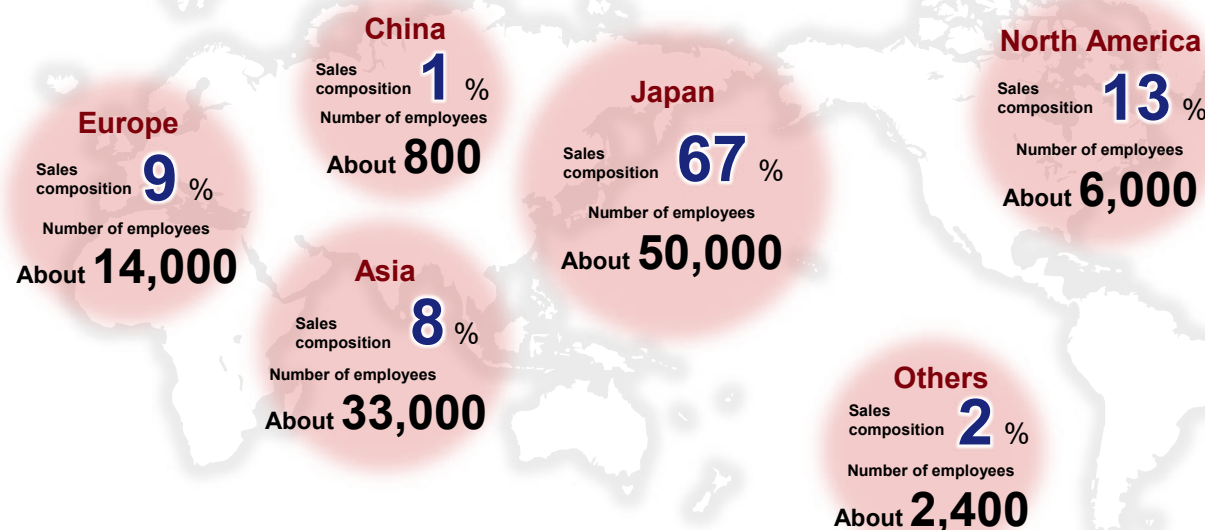
Revenues 2.5986 trillion yen

Adj. EBITA margin 12.8%

Revenues of the Lumada business 1.047 trillion yen

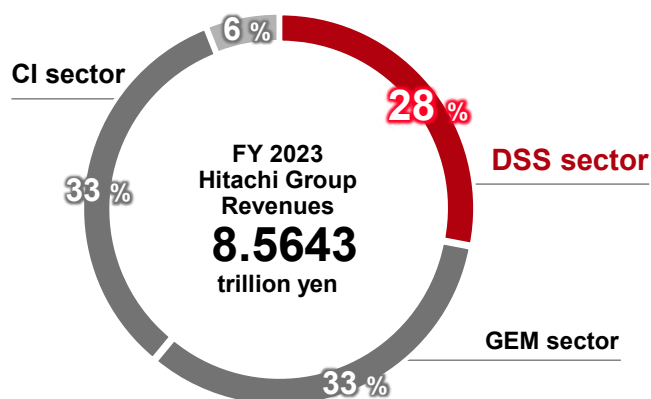
Sales composition and number of employees by region

Number of employees: About **106,000**
Business locations: Over **50** countries and regions



* Sales composition is calculated as of the FY 2023 results, and the number of employees is calculated as of the end of March 2024.

Sales composition of the DSS sector in the Hitachi Group

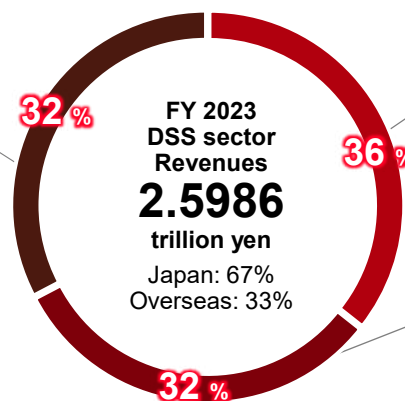


Business composition of the DSS sector

Services & Platforms Group

Providing digital engineering and cloud-related services that drives Lumada
Development of digital technologies such as AI and analytics

- Digital Engineering BU
- GlobalLogic
- Cloud Services Platform BU
- Hitachi Vantara
- Hitachi Digital Services



Front Business Group

Building and operating mission-critical IT and digital systems

- Financial Institutions BU
- Social Infrastructure Systems BU

IT Services Group

Development and operation of IT and digital solutions

- Hitachi Systems
- Hitachi Solutions



Digital Systems & Services sector

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