

May 12, 2021  
Hitachi, Ltd.

## **Remarks from Mr. Higashihara, Chairman and Dr. Kojima, the next President at the web conference on top management changes**

### **1. Mr. Higashihara, Executive Chairman, President & CEO**

I would like to thank you all for attending this conference today despite the short notice. I wanted to hold a conference in front of you all and explain in person instead of online, but since the state of emergency was extended in Japan, due to COVID-19, I decided to hold the conference online.

As described in the press release, the Board of Directors has resolved to make changes to the management structure of the Company at a meeting held today. First of all, Mr. Nakanishi resigned from Director and Executive Officer today to focus on his medical treatment and the Board of Directors has appointed him to Chairman Emeritus as of today, May 12.

It is with great regret that Mr. Nakanishi had to step down midway through his term due to illness, and we wish him a speedy recovery.

It was resolved at the Board of Directors meeting that I will succeed Mr. Nakanishi as Chairman, President & CEO as of today, May 12.

Furthermore, on June 23, Dr. Kojima, who is currently Executive Vice President, will be promoted to President & COO, and I will continue to serve as Chairman and CEO.

As I mentioned in my recent presentation on the progress of the mid-term management plan, the future growth of Hitachi will be driven by the Social Innovation Business using digital technology, centered on Lumada.

Dr. Kojima joined Hitachi in 1982 as a researcher in the information field and has been engaged in the world-class research and development of digital technologies. In 2016, he launched Lumada as the head of the Services & Platforms Business Unit together with the members of Hitachi Vantara, building the foundation for Hitachi's current Lumada business. In addition to his four years in the U.S. as a researcher, he has also had a global career, having launched Lumada with Hitachi Vantara's global colleagues. He is ideally suited to accelerate Lumada's global expansion.

In recent years, as a leader in the Smart Life Sector, Dr. Kojima has strengthened the business by steadily promoting structural reforms in a wide range of areas, including making Hitachi High-Tech a wholly owned subsidiary, transferring the diagnostic imaging related business, establishing a joint venture in the home appliance business outside Japan, and establishing Hitachi Astemo.

The Board of Directors highly evaluated Dr. Kojima's deep knowledge of digital technology and the Lumada business, as well as his ability to carry out structural reforms, and decided that he would be the best suited for the President & COO of Hitachi, which will grow through digital technology.

I am also convinced that he is the best person for the position of President & COO as we accelerate Lumada's further global expansion.

It should be noted that the Nominating Committee regularly discusses the "Succession Plan," which is a plan for the selection and development of the next management leaders, and the new structure announced today was smoothly decided by the Board of Directors based on the discussions at the Nominating Committee.

I look forward to working together with Dr. Kojima to make Hitachi a global leader in the Social Innovation Business, and I ask for your continued support.

## **2. Dr. Keiji Kojima, the next President (currently Executive Vice President)**

First of all, I am very sorry to hear that Mr. Nakanishi is stepping down. I wish him a speedy recovery.

My name is Kojima, and I will be assuming the role of President and COO as of June 23, following a resolution by the Board of Directors. Frankly speaking, I am surprised by this sudden appointment, but together with Mr. Higashihara, I will do my utmost to make Hitachi a global leader in Social Innovation Business.

As Mr. Higashihara just introduced, I joined the Central Research Laboratory of Hitachi in 1982. Since then, there has been one theme that I have consistently worked on, and that is "creating value from data". I started my career with the research of "acceleration of database," including its manufacturing and commercialization at Kanagawa Works. After that, I was stationed in the U.S. for four years and had various experiences. And then after 2000, I was engaged in the development of a "data storage system" for storing and utilizing data at high speed, which is now the main product of Hitachi Vantara. Furthermore, in 2016, as CEO of the Services & Platforms Business Unit, I

was engaged in launching Lumada as a " platform for creating new value from data." Since 2019, as the head of the Smart Life Sector, I have been leading structural reforms to improve the profitability of businesses such as automotive systems, home appliances and medical systems. In parallel, I have been focusing on establishing Lumada business model in this sector.

Even after assuming the position of President and COO, I will consistently pursue to create new value from data and to deliver it to our customers and society.

In this business of turning data into value, I believe Hitachi's strength is possessing information technology (IT), operational technology (OT), and products at one company. Because we provide a variety of products, we are able to understand the data and operational technologies that are actually used in the field. Hitachi's strength lies in its ability to provide total solutions to solve the problems for customers and society through the use of IT based on the understanding of actual data and operational technologies.

Since the financial crisis, Hitachi has been working to transform itself into a company that specializes in Social Innovation Businesses by leveraging its strengths of IT, OT, and products. In particular, in the 2021 Mid-term Management Plan, we have made major changes to our business portfolio, and we believe that the necessary assets for further global expansion of the Social Innovation Business are largely in place.

Hitachi has set "environment, resilience, and security & safety" as business areas where we create value. Going forward, we will boldly take on the challenge of solving various social issues in these domains and aim to become a global leader in the Social Innovation Business.

At last, I would like to share with you my thoughts on what kind of company Hitachi should be. We are now in an era where digital technology, which I have been working on since I joined the company, is rapidly and drastically changing the world.

In this era, I think Hitachi's mission is to support people's happiness in life by innovating social infrastructure by fully using data and technology.

We want to become a company that is more open and dynamic than ever before, where people from all over the world who resonate with our mission can come together and make what they want to do a reality.

In my work, my creed is "walk the talk", and together with Mr. Higashihara, I am determined to do my utmost to create such a company by doing exactly as I say. I look forward to your continued support.

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