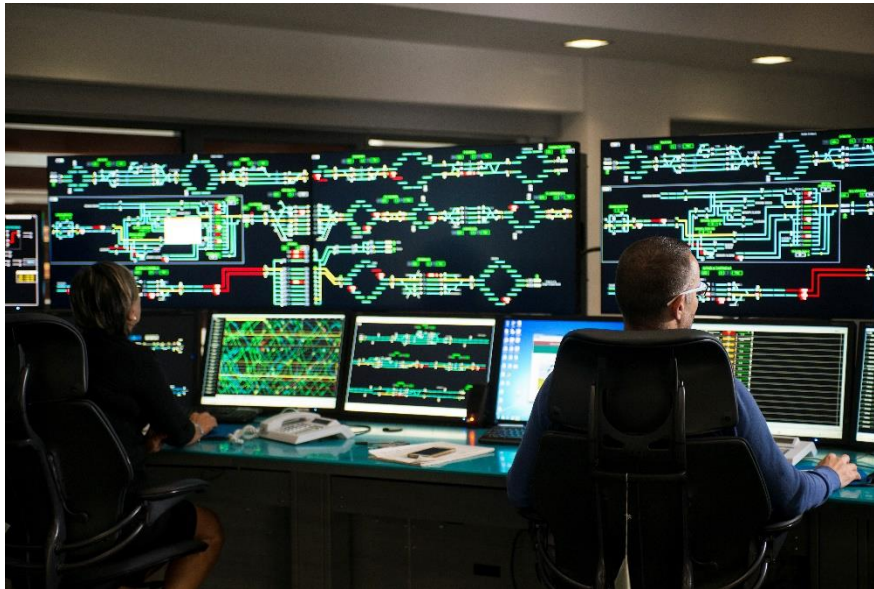


FOR IMMEDIATE RELEASE

Hitachi Rail acquires Thales' Ground Transportation Systems for €1,660m

Business stands ready to drive sustainable global mobility transition



- Acquisition, completed 31 May, sees Hitachi Rail expand its global presence to 51 countries with the majority of its revenues now coming from signalling and systems
- Combined business' revenues €7.3bn in FY23 (pro-forma) achieve Hitachi Rail's longstanding target to surpass ¥1 trillion annually
- Deal aligns with Hitachi Group's sustainable growth strategy with focus on mega trends of digitalisation and sustainability transformation.

London, May 31, 2024 – Hitachi Rail announced today the completion of its €1,660m acquisition of Thales' Ground Transportation Systems (GTS) business, expanding its global presence to 51 countries with the majority of its revenues now coming from higher-return signalling and systems.

Hitachi Rail is right at the forefront of the global mobility sector following the acquisition. The closing strengthens the company's strategic focus on helping current and potential Hitachi Rail and GTS customers through the sustainable mobility transition – the shift of people from private to sustainable public transport, driven by digitalisation.

The deal advances a cycle of organic growth and acquisitions that sees Hitachi Rail achieve its annual revenue goal of more than ¥1 trillion with the business' combined revenues growing to €7.3 billion (¥1.1 trillion; USD \$7.9 billion) FY23 pro-forma. It also supports the company's profit growth by continuing the shift in its revenue profile, with the majority now coming from its higher-return signalling and systems division post-transaction (around 60%). The business' signalling will operate over 26,000km of mainline railway and 4,600km of urban metros around the world.

Hitachi Rail's key locations in Japan, Italy, the UK and the US are strategically complemented by GTS' large centres in Germany, France, Spain and Canada – with both businesses having an established reputation in the wider European market, the Middle East and Asia-Pacific.

The closing sees 9,000 highly skilled colleagues join the business taking Hitachi Rail to 24,000 employees worldwide. It enhances the company's full portfolio of transport solutions with expertise in rolling stock, urban turnkey railways, mainline digital signalling, freight signalling, and communication and supervision systems.

The transaction almost doubles Hitachi Rail's engineering capability and increases investment in innovation to provide an enhanced digital product offer, spanning signalling, ticketing, operations and cyber security solutions. The company has established a new Agile Innovation team and will combine the expertise from GTS' five global Digital Hubs & Competence Centres^{LI} and the digital strength of Hitachi's Group companies. The new business is also poised to achieve greater cost competitiveness, including improving the effectiveness of procurement, optimising engineering capabilities and investment in R&D.

Hitachi President and CEO Keiji Kojima said:

"Hitachi continues its transformation to become a global leader in Social Innovation Business and is undergoing a mode change to achieve growth under the Mid-term Management Plan 2024. The acquisition of the Thales GTS business represents a significant milestone, and we are pleased to have achieved it in the final year of the plan. "By welcoming new Hitachi Rail colleagues, Hitachi's Railway systems business has strengthened its presence in the global market. Hitachi will enhance its digital services by leveraging IT, OT, and products on an expanded installed base in the mobility arena, and solve global social challenges through co-creation with customers. Through this acquisition and Hitachi's overall growth, we will continue to support our customers' digital and green transformations and contribute to the realisation of a sustainable society."

Giuseppe Marino, Group CEO of Hitachi Rail said:

"Completing this transaction is a historic moment for our business, as we expand to 51 countries and increase our revenues to €7.3bn globally [FY23 pro forma]. Hitachi Rail's greater global reach and accelerated innovation is the start of an exciting new chapter that will deliver enhanced value and growth in new markets. "With Thales' Ground Transportation Systems team on board, we can better deliver the sustainable mobility transition for the world's best transport companies. Bringing our teams together sees our engineering capacity nearly double and means faster innovation and more advanced technology-led solutions for our customers."

The deal marks a major step in Hitachi Rail's parent company, Hitachi, Ltd.'s, long-running strategy to transform its businesses around the concept of "Social Innovation". The Group has led a strategic programme to reshape its portfolio of companies around essential sectors delivering the infrastructure and technology that underpins the progress of sustainable societies. It focuses Hitachi, Ltd. companies on the key industries at the crossroads of the major trends shaping today's world: the energy transition, the digital and AI revolution, and the sustainable mobility transition.

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For images and video related to the story, please find them [here](#).

The headline image can be found [here](#) – it is of an employee at Hitachi Rail's new site in Ditzingen, Germany, formerly Thales Ground Transportation Systems. The site is home to around 1,200 new colleagues and focused on the development and delivery of control-command and signalling systems for local and long-distance rail transport for both Germany and around the world.

About Hitachi Rail

Hitachi Rail is committed to driving the sustainable mobility transition and has a clear focus on partnering with customers to rethink mobility. Its mission is to help every passenger, customer and community enjoy the benefits of more connected, seamless and sustainable transport.

With revenues of over €7bn and 24,000 employees across more than 50 countries, Hitachi Rail is a trusted partner to the world's best transport organisations. The company's reach is global, but the business is local - with success built on developing local talent and investing in people and communities.

Its international capabilities and expertise span every part of the urban, mainline and freight rail ecosystems – from high quality manufacturing and maintenance of rolling stock to secure digital signalling, smart operations and payment systems.

Hitachi Rail, famous for Japan's iconic high speed bullet train, draws on the digital and AI expertise of Hitachi Group companies to accelerate innovation and develop new technologies. Hitachi Group is present in 140 countries with over 270,000 employees and global revenues of €54.55bn / ¥8,564 bn.

For more information, visit [hitachirail.com](https://www.hitachirail.com)

Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.
