

The Hitachi logo is displayed in white, bold, uppercase letters in the top right corner of the slide. The background features a red-to-dark-red gradient with a large, curved, dark-red shape on the left side.

Hitachi Investor Day 2025

Energy Business Strategy

June 11, 2025

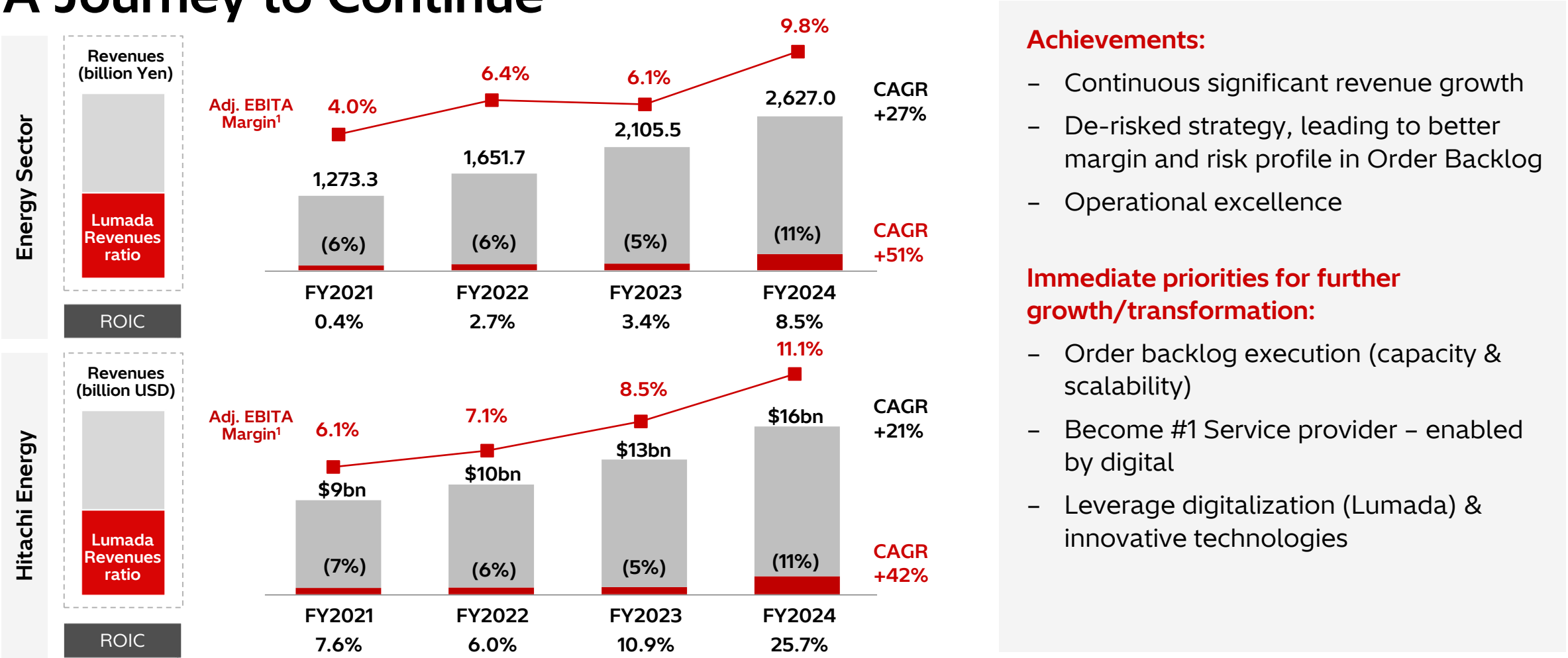
Andreas Schierenbeck

Senior Vice President and Executive Officer,
Head of Energy Business,
Hitachi, Ltd.

Contents

- 1. Current Position & Recap Mid-term Management Plan 2024**
 - 2. Market Development & Outlook**
 - 3. Profitable and Sustainable Growth Strategy – Inspire 2027**
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- Appendix**

Strong Financial Performance in MMP 2024 – A Journey to Continue



Achievements:

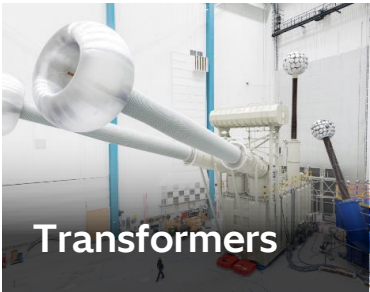
- Continuous significant revenue growth
- De-risked strategy, leading to better margin and risk profile in Order Backlog
- Operational excellence

Immediate priorities for further growth/transformation:

- Order backlog execution (capacity & scalability)
- Become #1 Service provider – enabled by digital
- Leverage digitalization (Lumada) & innovative technologies

Energy Sector Nominal bn Yen – Hitachi Energy bn USD 2024 budget rate
1. Hitachi Energy Adj. EBITA – excluding structural reform expenses
Adj. EBITA (Old Definition): Adj. operating income plus acquisition-related amortization and equity in earnings (losses) of affiliates

Solid Market & Technology Leadership Across All Businesses



Transformers

Global leader across complete range of transformers, components & services

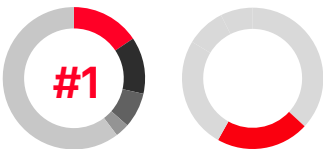


Market share Revenues

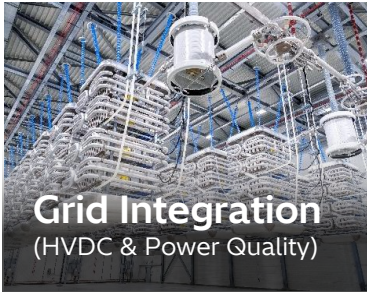


High Voltage Products

Installed 1 out of 4 high-voltage switchgear in the world



Market share Revenues



Grid Integration
(HVDC & Power Quality)

>150 GW¹ of HVDC² links integrated into power system

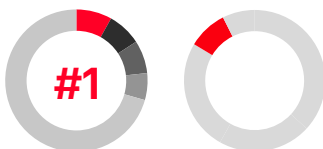


Market share Revenues



Grid Automation

Supporting 50% of the top 250 global electric utilities



Market share Revenues



Service

Access to world's largest installed base with >500,000 assets, \$230bn value in 140+ countries

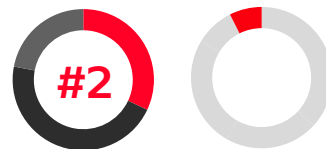


Installed base



Nuclear

Supporting 2/3 of BWR³ units in Japan, involved in all ABWR (Gen III)⁴ constructions



Market share in Japan Revenues

Driving innovation, pioneering technologies, and solutions while maintaining and modernizing the world's largest installed base

1. Gigawatt
2. High-Voltage Direct Current
3. Boiling Water Reactor, including under construction and decommissioning

4. Advanced Boiling Water Reactor, Generation 3
BU market share based on internal estimates on unconsolidated market - indicative; BU FY2024 revenues

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2-1. Renewables Becoming the Most Relevant Form of Power Generation

Challenge – Deal with the volatility and dispersion

By 2050, renewables will represent 50% of the global installed power generation capacity, up from 28% today.

+585 GW
in 2024
Renewables



2004

2008

2012

2020

2024

Conventional

In the electricity sector, the share of renewables is estimated to expand across regions



20% (2022)
30% (2035)



23% (2022)
55% (2035)



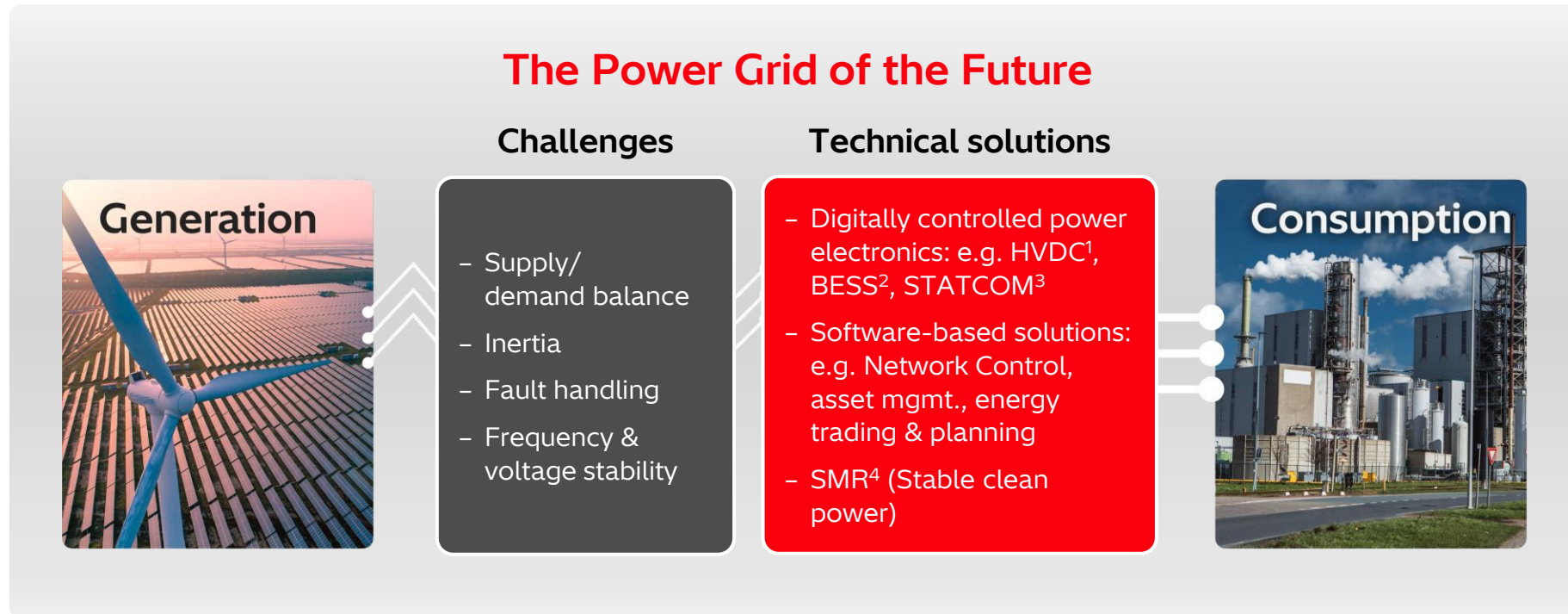
22% (2022)
50% (2035)



15% (2022)
39% (2035)

Sources: IEA, IRENA ([Record-Breaking Annual Growth in Renewable Power Capacity](#))

Hitachi's Technology: Essential to Grid Modernization



Main Drivers

- 01** Stability
- 02** Reliability
- 03** Security
- 04** Resilience
- 05** Flexibility
- 06** Energy efficiency

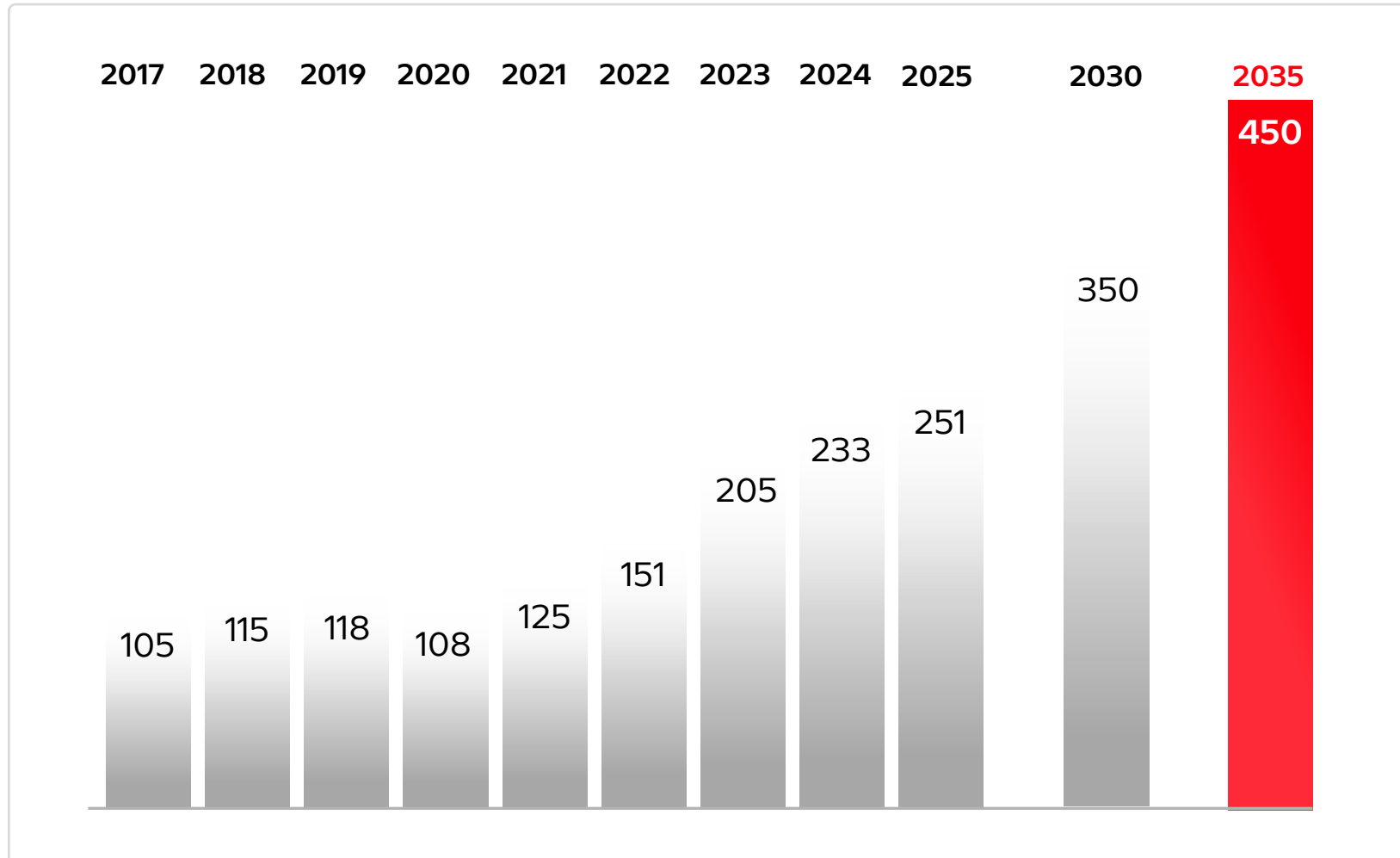
Hitachi is a leader in key technologies enabling the power grid of the future, including digital, power electronics and sustainable products & solutions

1. High Voltage Direct Current
2. Battery Energy Storage System

3. Static synchronous compensator
4. Small Modular Reactor

2-3. Market Size Estimated to Increase at 6% CAGR until 2035

Estimated Market Size for Hitachi Energy



CAGR 2024-2035

~6%

By 2035

\$450bn

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Scaling Strategically for Sustainable Growth

Focus areas to **UNLOCK** Potential

Backlog

Largest OBL¹ in the industry
with \$43bn in FY2024

Manufacturing

Expanding existing,
building new

Operational efficiency

Targeting >98% contractual
on time delivery level

People

Expanding workforce with
15,000 people by 2027

Service

500,000 power grid
installed assets, ~\$230bn,
Only <1% with Service
agreements

New business models

Standardization &
frame agreements

Nuclear energy

Hitachi's unique expertise
makes SMRs possible

Pioneering spirit

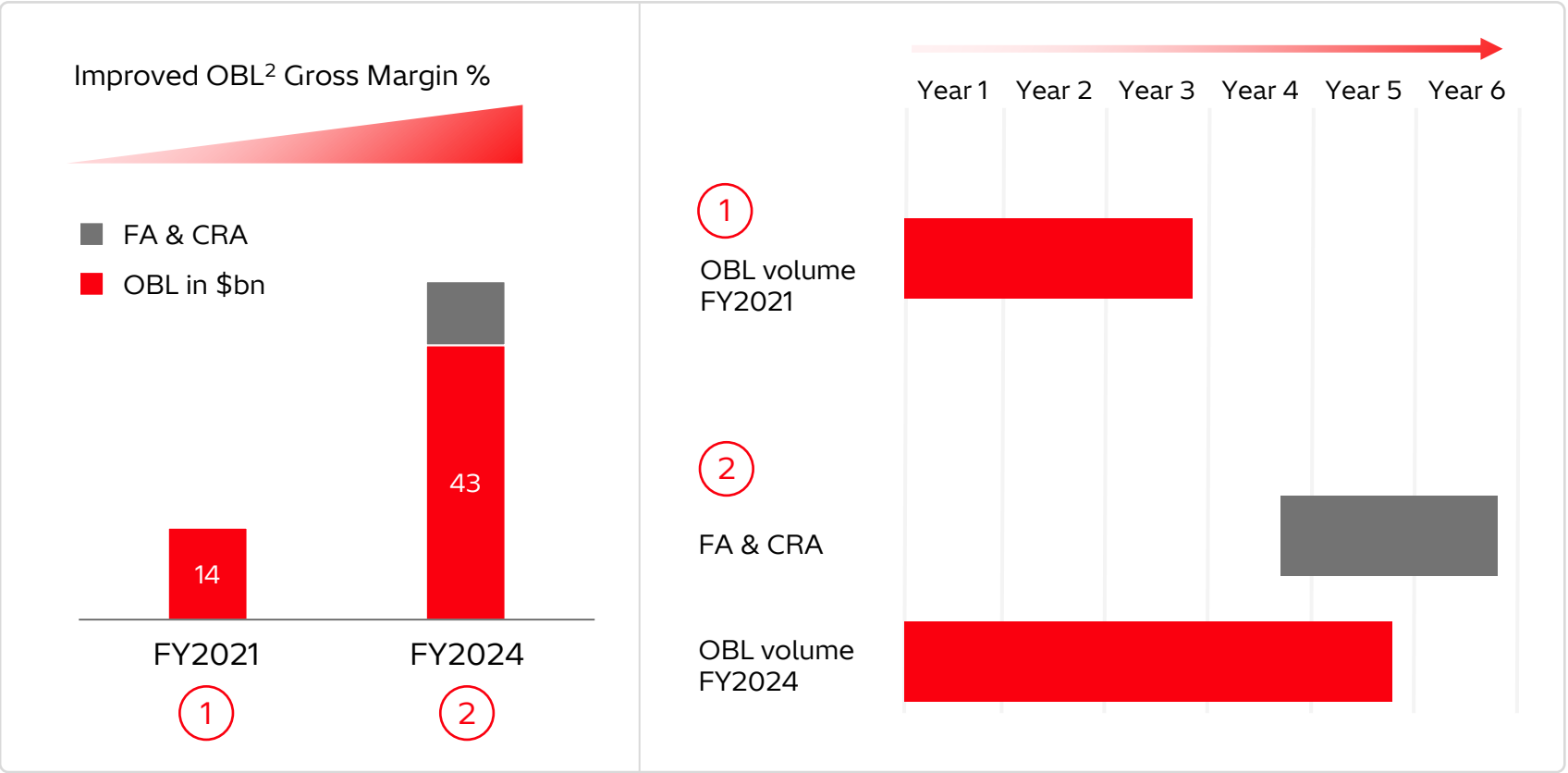
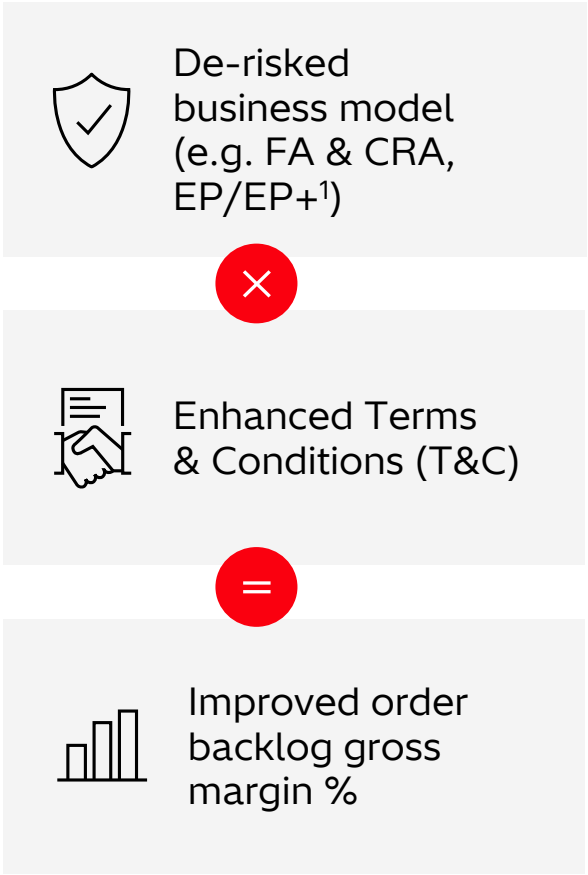
Continuing with R&D
investments to keep
technology leadership

Digital is the foundational enabler of growth for the Energy Sector
Building up on Hitachi Group’s digital technologies, LUMADA

1. Order Backlog

Securing Continued Revenue & Profitability growth

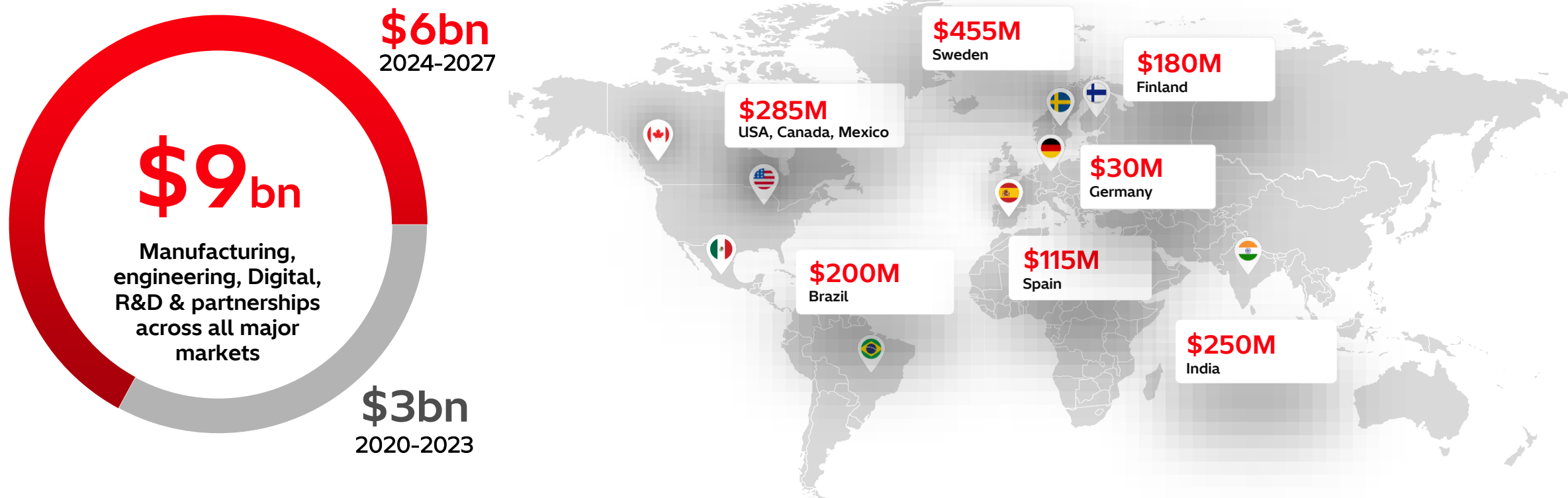
Growing backlog with higher margin & increased visibility



Nominal rate

- 1. Framework Agreement (Long-Term) and Capacity Reservation Agreement, Engineering & Procurement / Engineering & Procurement Plus (i.e. not EPC, excluding Construction)
- 2. Order Backlog

Expanding the Footprint Across the Globe

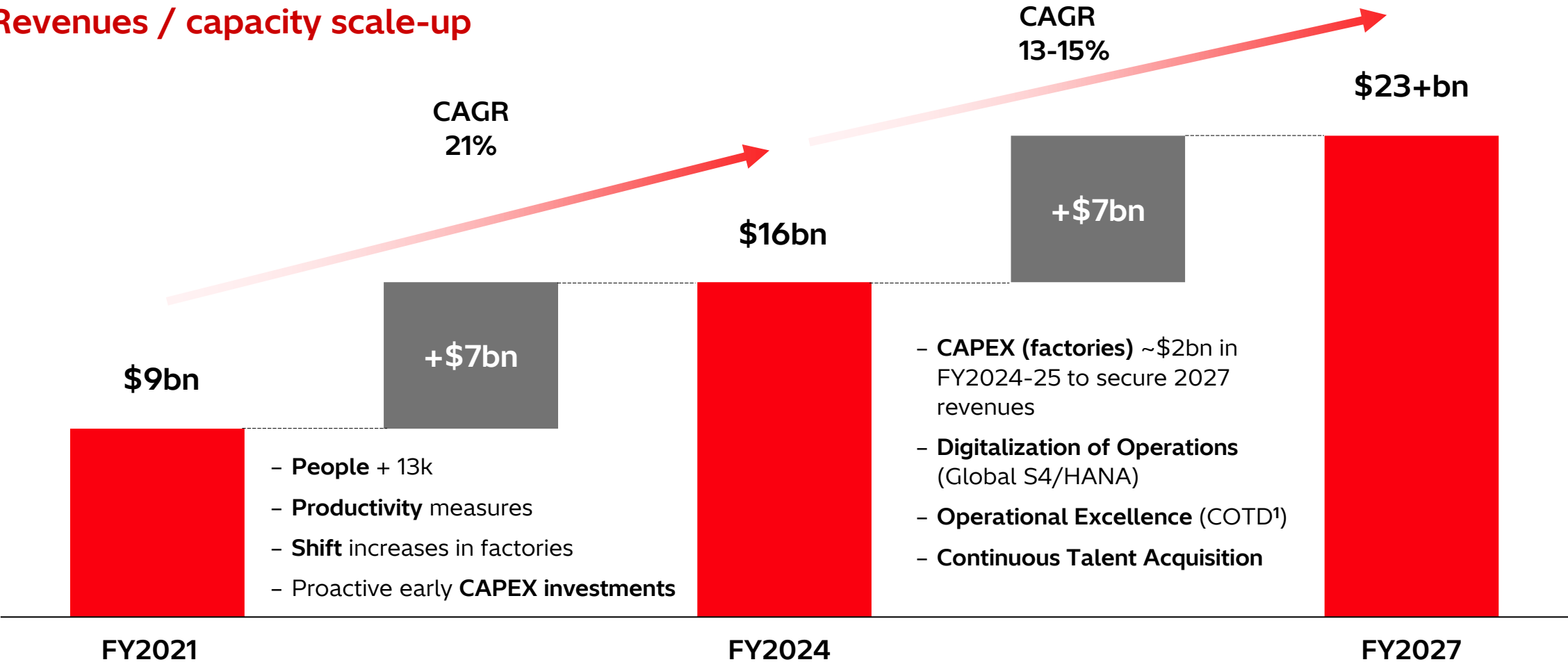


Executing the industry’s **largest investment** today, with top-tier capital efficiency.
Our growth directly answers the power sector’s most urgent challenges.

The investment amounts in the world map are based on FY2024-2025 announcements.
It also includes investments to ramp up Hitachi Energy’s global transformer manufacturing capacity.

Enablers of Revenue Growth to Maintain #1 Position

Revenues / capacity scale-up



1. Contractual On Time Delivery

Advanced Recruitment Strategies



+15k new colleagues 2024-2027!

01 Strategic capability & workforce planning

04 Learning and development

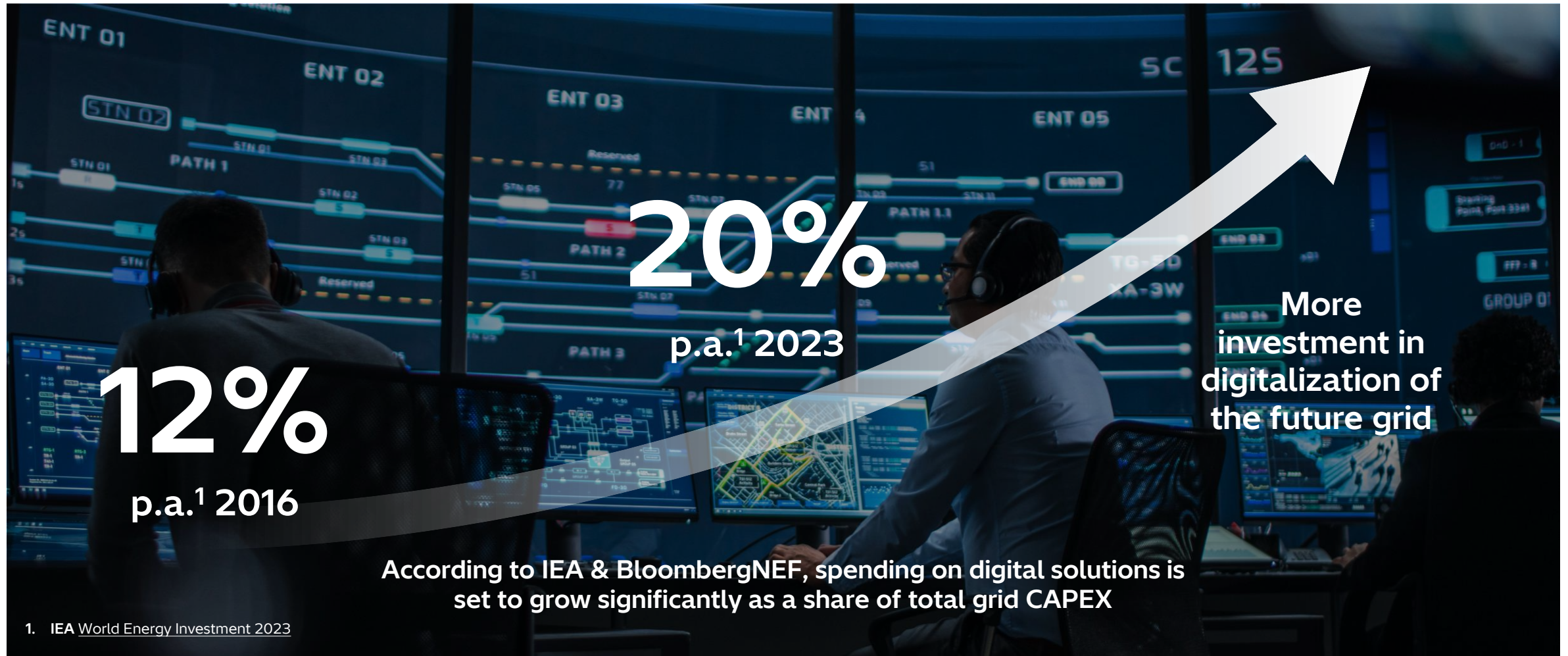
02 Talent acquisition

05 Data, technology and tools

03 Onboarding and induction

06 Efficient HR operating model

Lumada is the Cornerstone of Hitachi's Digitalization Strategy



Unlocking Opportunity and Preparing for the Future

Large installed base:

>500,000 assets, \$230bn value,
<1% existing service agreements

Service BU established April 1:

Global footprint with presence
in 40+ countries

Digital at the Core:

HMAX across Hitachi Group
Digital Passport System

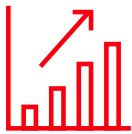
Objectives



#1 Service provider



4-5X Service business¹



Improved margin profile

Roadmap

Horizon X

Capture the Digital &
Service opportunity, extend
lifecycle of existing assets

Horizon Y

Develop fully proficient
digital service business

Horizon Z

Transform to a
service-first company

1. Upgraded from 3x (Q2 FY2024 Investor Call), now including inorganic growth

Establishing a New Service Business Unit

Maintaining and modernizing the world's largest installed base through world-class service solutions enabled by digital technologies.

#1
installed base

140+
countries with
installed base

500,000+
transmission assets
installed globally

40+
countries with service
presence

6,300+
Service employees
across the company

24/7
Customer Connect Centers
& Collaborative Operation
Centers

Legend:

- Service BU Hub NAM
- Service BU Hub LATAM
- Service BU Hub Europe
- Service BU Hub APAC
- Service BU Hub MEA
- Hitachi Energy Installed Base

Providing lifecycle services for the breadth of the transmission and distribution (T&D) value-chain with segment and application specific solutions

- Utility	- Industry	- Renewables
- Data centers	- Microgrids	- Rail
- HVDC	- Power quality	- EV charging
- Software and automation		

Driving Service Leadership Through What Makes Us Unique

- World’s largest T&D¹ Installed Base
- World leading OEM² expertise
- Dedicated global Business Unit
- Global Service footprint in >40 countries
- IT x OT x Product competence
- World leading upgrades & retrofit technology



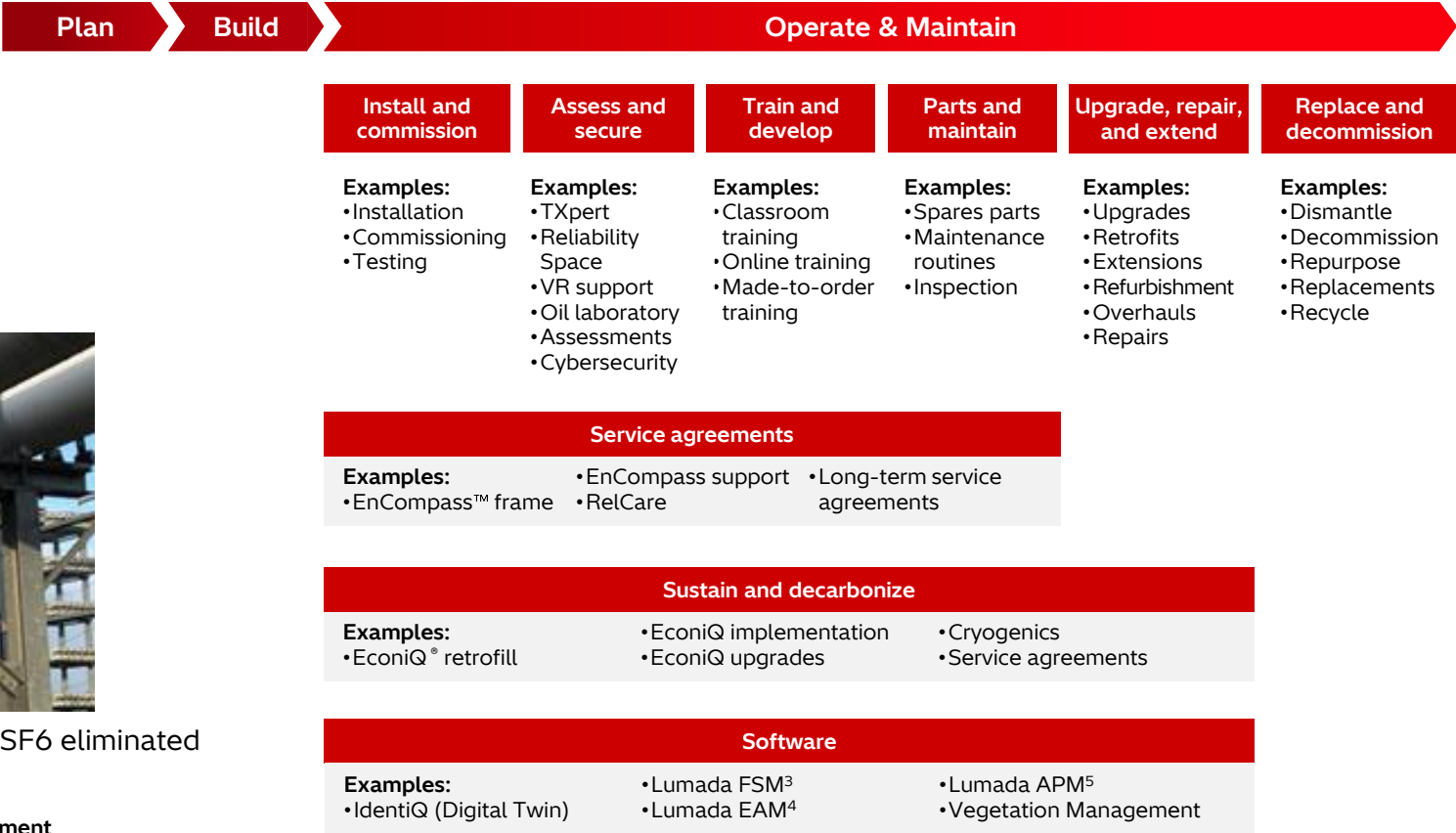
National Grid, UK ELK-3 / 420 kV GI, installed 2016, 755 kg SF6 eliminated

1. Transmission & Distribution

2. Original Equipment Manufacturer

3. Field Service Management
4. Enterprise Asset Management

5. Asset Performance Management



An enabler of HMAX – The Digital Passport



VIDEO

Ameren Illinois US: >1,200 substations



Challenge

Challenge to effectively plan and prioritize maintenance and replacement projects.

Solution

Enable fleet-wide visibility, predictive analytics, and clear, actionable information with Lumada Asset Performance Management.

Impact

Expected results from digitalization:

- +15% improvement in asset availability
- 30% reduction in unplanned downtime
- 30% reduction in resource & inventory costs

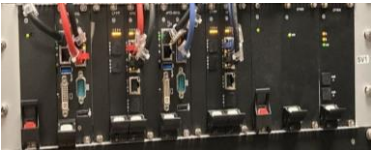
One Hitachi: Predictive Capabilities on Electrical Substations for Rail Service



CBM¹ and Predictive for Switch, Track circuit, Signal



CBM, Critical Event identification and correlation with onboard systems



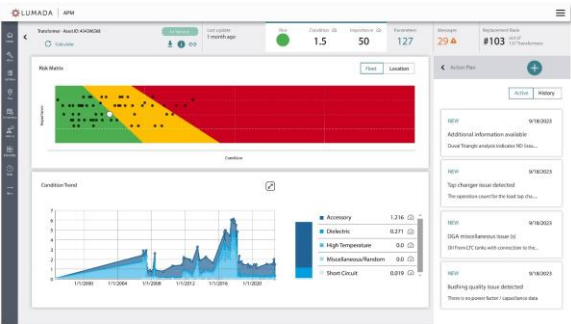
CBM, Critical Event identification and correlation with wayside systems



Catenary Inspection System, Track Inspection



Electrical substation for traction



Health

Visualize **asset health** through modeling and prognostication



Reliability

Implement system **reliability methodologies**



Optimization

Balance performance based on cost and risk by optimizing **portfolio resources**

1. CBM: Condition Based Maintenance

Digital at the Core – Lumada

Hitachi Energy Levers



Interconnected Operations & Financial Transparency



People



Future Grid

- Grid Automation
- Grid Integration
- AI
- Power Electronics

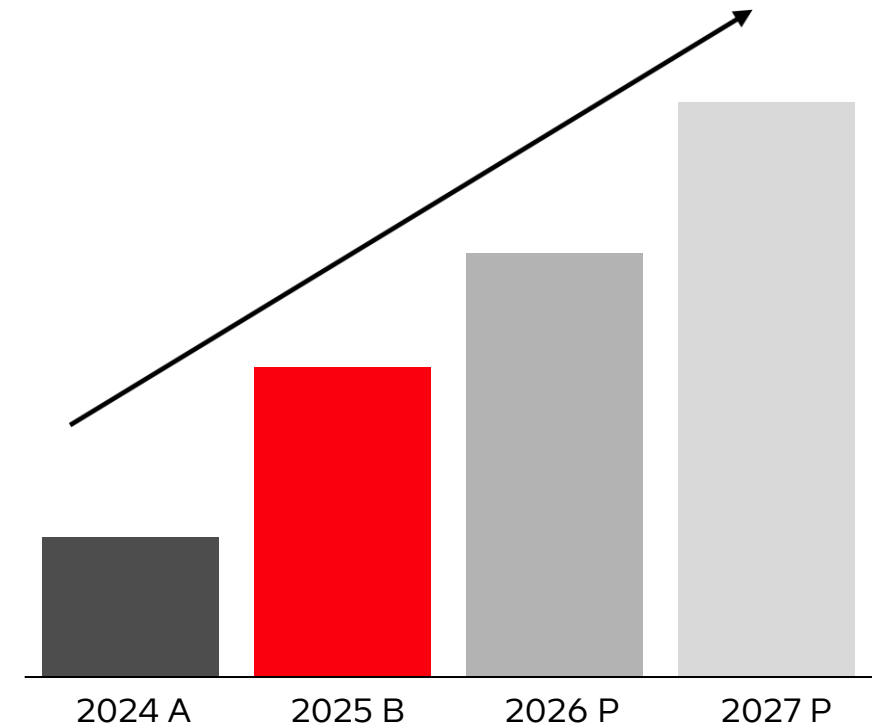


Digitally-enabled Services with HMAX

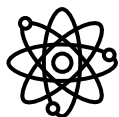
- Connected assets (Digital Passport)
- Cloud-based Platforms & Analytics
- Predictive maintenance enabled
- HMAX as enabler for efficiency increase

Lumada

4X Lumada Revenues



Staying #1: Technology and Global Reach Also Set Us Apart



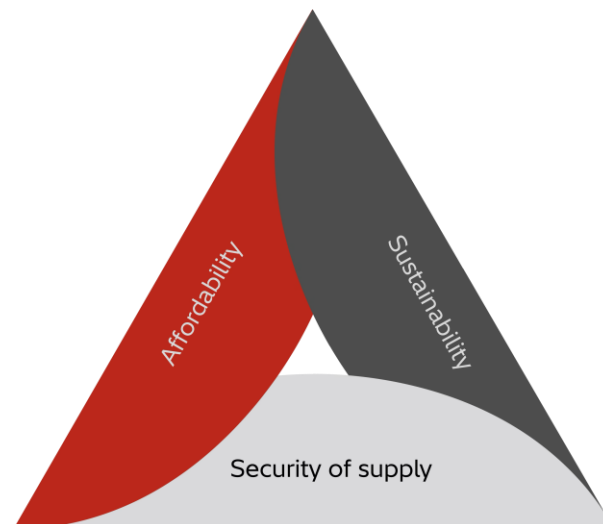
TXellence

Portfolio of transformers specially **engineered** for the evolving needs of **nuclear power generation**



Hitachi Vegetation Manager

- **AI-driven solution** to predict, prevent vegetation threats for greater grid resiliency and reliability
- Hitachi Energy and **Amazon Web Services (AWS)** agreement
- Improves vegetation management planning & field productivity **up to 60%**, while helping to prevent power outages



EconIQ

SF6 Free!

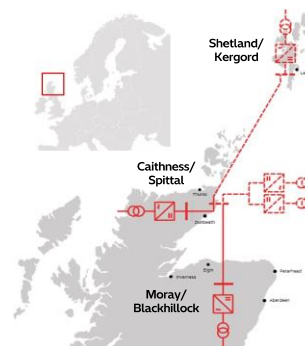


EconIQ

Delivering the **world's first SF6-free 550 kV gas-insulated switchgear** to the State Grid Corporation of China

Example: **20,000 tons of CO2** equivalent **saved** by installing 10 bays of EconIQ 420 kV circuit breakers

Scotland

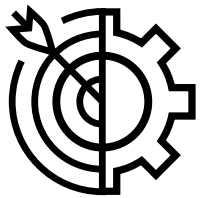


Caithness Moray Shetland

- Europe's first **multi-terminal HVDC VSC¹ interconnection**
- **Connecting** Shetland Islands to mainland Scotland

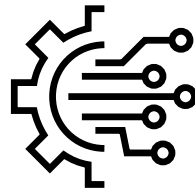
Staying #1: Inorganic Growth and Strategic Alliances

M&A and Partnership Priorities



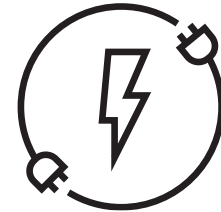
Strengthen the Core

(Capacity, Technology...)



Accelerate Digital and Services

(Digital Grid, Services...)



Expand at the “edge” of the energy system

(Distribution, EV...)

100 GW of SMRs planned in North America and Europe by 2050



EU

Several EU governments already announced the cancellation of phase-out plans and/or expansion of nuclear power generation



USA

Executive orders signed to jumpstart the nuclear energy industry

The first SMR construction permit application submitted in May 2025



Canada

1st SMR FIDed, construction started in May 2025



Proven technology based on existing BWRs in operation with advanced passive safety systems. Hitachi and GE Vernova Joint Ventures will provide the SMR technology for utility market, and emerging segments.

Hitachi Nuclear Capabilities, Enhanced Through Digital



Hitachi nuclear business achievements:

Contributing to the restart of all BWRs and construction projects in Japan.

- Supported the restart of Shimane Unit 2 (December 2024)¹, expanding the expertise to other plants
- Maintaining capabilities to support multiple constructions



Nuclear business Digital Transformation:

Converging new technologies with knowledge and expertise by leveraging in-house digital capabilities



Hitachi Lumada digital solutions enhance plant safety and operational efficiency

1. THE CHUGOKU ELECTRIC POWER CO., INC., Shimane Nuclear Power Station Unit 2

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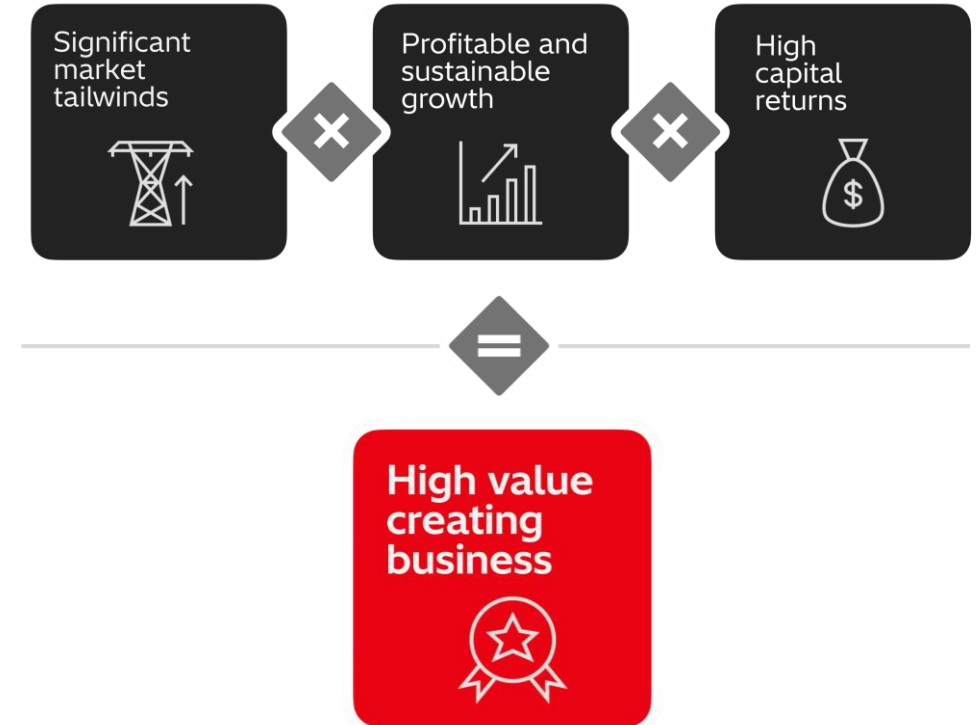
Appendix

4-1. Future Ambitions for Creating Shareholder Value

Positioned to Outgrow the Market and Keep Leading

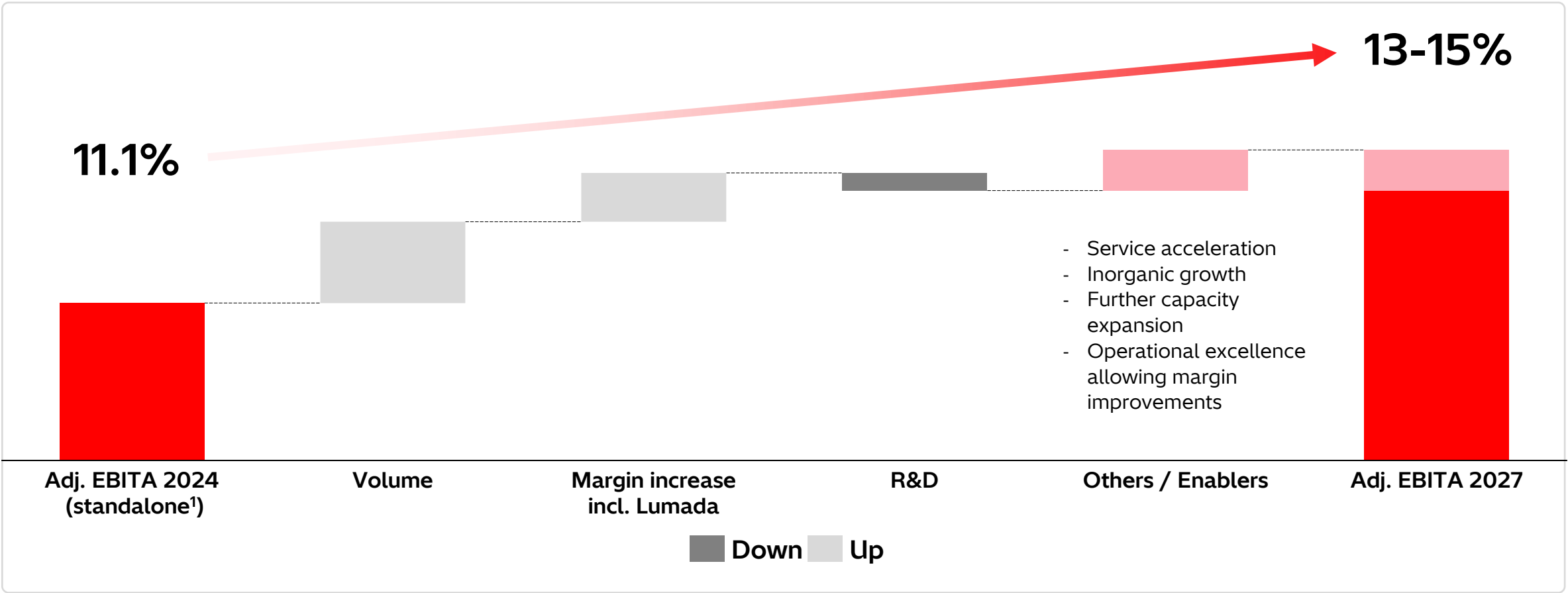
Key Priorities

- Accelerate strategic growth areas
- Become #1 Service Provider – enabled by digital
- Investing in capacity expansions
- Flexible capacity & ability to scale
- Capture the opportunities with nuclear, including SMRs
- Leverage digitalization, innovative technology & sustainability
- Maintain focus on operational excellence



With a strong foothold in attractive markets and a track record of pioneering technology, we're set to outpace market growth and sustain industry leadership.

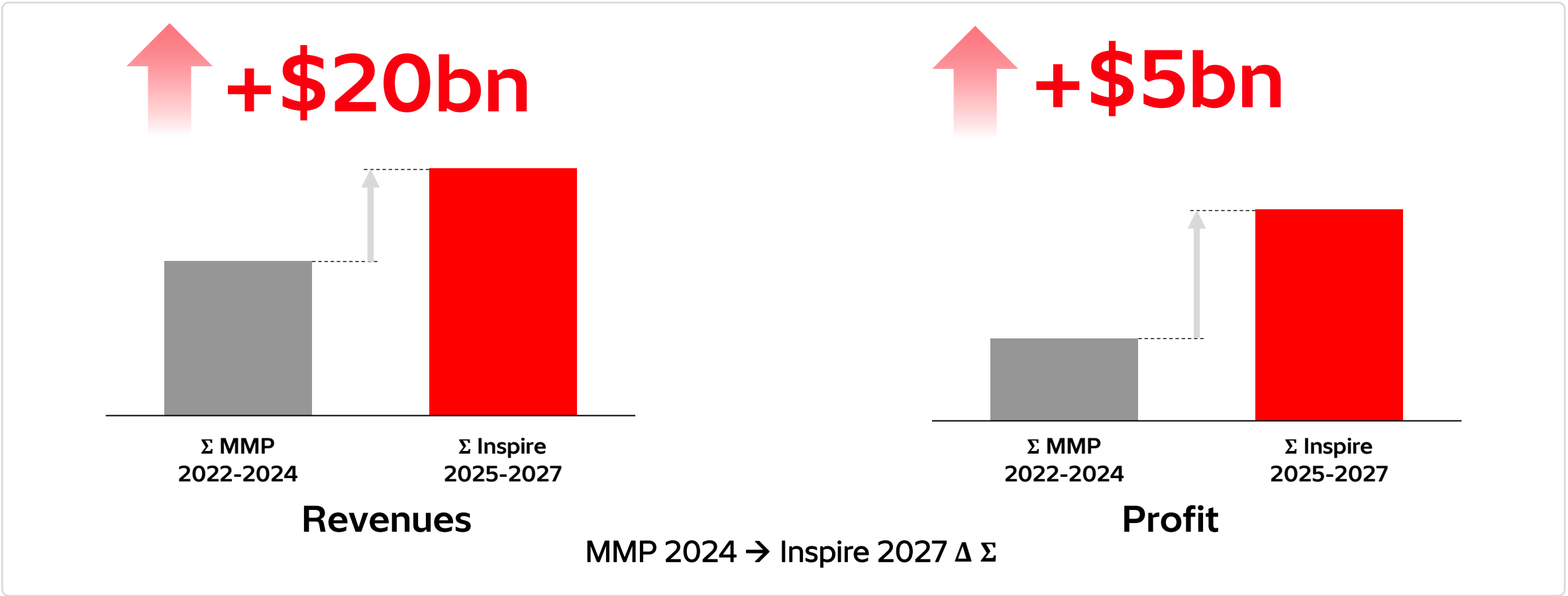
Inspire 2027: Unlocking Profitable Growth with Lumada



Constant currency basis

1. Standalone: Excluding structural reform costs, but including Hitachi internal fees

Inspire 2027: Profitable and Sustainable Growth Path





Constant currency basis

4-4. The Future Ambition in Figures



HITACHI

Inspire 2027: Scaling Hitachi Energy to \$30+bn by 2030

Energy Sector

	FY2024	FY2025	FY2027	FY2030
Revenues Growth ¹	YoY 25%	YoY 7% [12%] 	11-13% (FY2024-FY2027 CAGR)	Revenues Growth 10-12% (FY2024-FY2030 CAGR)
Adj. EBITA Margin ²	9.6%	11.2% 	12%+	
ROIC	8.5%	11.2%	ca. 14%	
Lumada Business Revenues Ratio	11%	ca. 20%	ca. 30%	

Hitachi Energy³

	FY2024	FY2025	FY2027	FY2030
Revenues Growth	YoY 24%	YoY 14% 	13-15% (FY2024-FY2027 CAGR)	Revenues Growth 12-14% (FY2024-FY2030 CAGR)
Adj. EBITA Margin ²	11.1% ⁴	11.9% 	13-15%	

1 [] Growth rate excl. FX impact

2 Adj. EBITA (Updated Definition): Adj. operating income plus acquisition-related amortization

3 Constant currency basis

4 Incl. Equity in earnings (losses) of affiliates, excl. structural reform expenses



: the number with update potential

HITACHI

A Rapid Convergence of Several Disruptive Forces



Liberalization

Separating generation, transmission, and distribution allowed new players (including renewable producers) to access the grid.

Pandemic

Trillions of dollars were mobilized for green recovery programs, including electrification of transport, grid modernization, and renewable energy.

Geopolitical

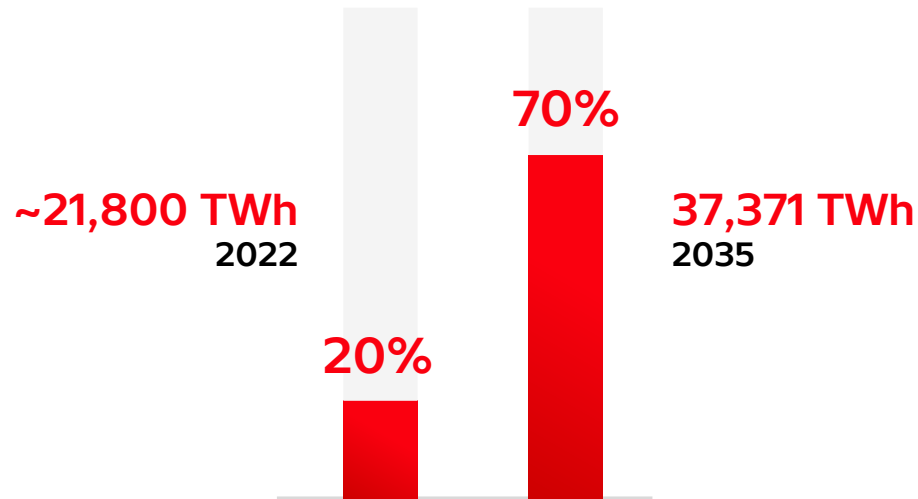
Security of supply made countries fast-track plans to replace fossil-based heating and industry with electrical solutions (e.g., heat pumps, electric arc furnaces).

Data Centers

The rapid growth of AI is driving demand for more powerful data centers, which could consume 4% to 8% of global energy by 2030.

Structural Transformation in the Energy Sector

Increase of electricity share



Total Final Energy (electrons and molecules) Demand Growth by 2035

- Global total final energy demand is projected to increase **only moderately**, by about **15%-20%** from 2022 levels.

Total Electricity Demand Growth by 2035

- Global electricity demand is projected to reach approx. **37,371 TWh** by 2035.
- This represents an increase of over **70%** compared to 2022 levels (~21,800 TWh).

iea

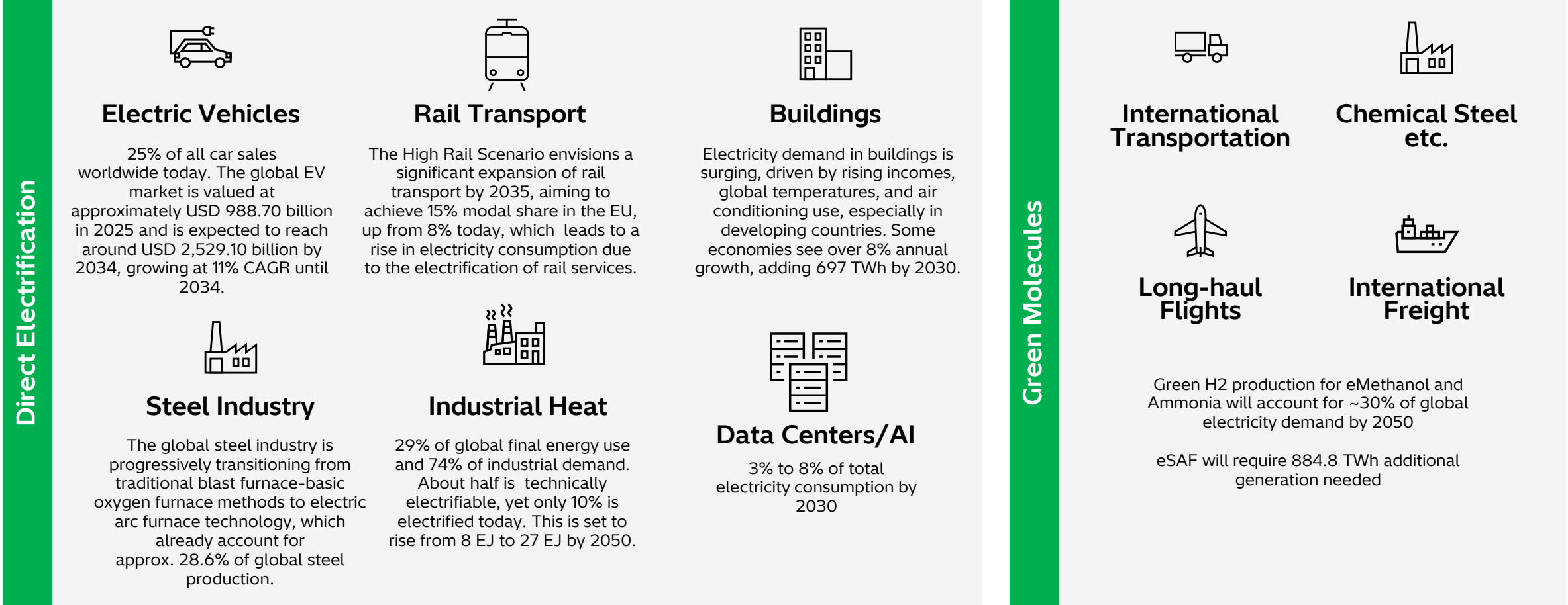
“The ‘Age of Electricity’ has officially started”

IEA, October 2024

Source: World Energy Outlook report by the International Energy Agency (IEA)

Appendix 3: Transformation Occurred Across Industries

Electrification & Demand Increase



Source: IEA

Cautionary Statement

HITACHI

Certain statements found in this document may constitute “forward-looking statements” as defined in the U.S. Private Securities Litigation Reform Act of 1995. Such “forward-looking statements” reflect management’s current views with respect to certain future events and financial performance and include any statement that does not directly relate to any historical or current fact. Words such as “anticipate,” “believe,” “expect,” “estimate,” “forecast,” “intend,” “plan,” “project” and similar expressions which indicate future events and trends may identify “forward-looking statements.” Such statements are based on currently available information and are subject to various risks and uncertainties that could cause actual results to differ materially from those projected or implied in the “forward-looking statements” and from historical trends. Certain “forward-looking statements” are based upon current assumptions of future events which may not prove to be accurate. Undue reliance should not be placed on “forward-looking statements,” as such statements speak only as of the date of this report.

Factors that could cause actual results to differ materially from those projected or implied in any “forward-looking statement” and from historical trends include, but are not limited to:

- economic conditions, including consumer spending and plant and equipment investment in Hitachi’s major markets, as well as levels of demand in the major industrial sectors Hitachi serves;
- exchange rate fluctuations of the yen against other currencies in which Hitachi makes significant sales or in which Hitachi’s assets and liabilities are denominated;
- uncertainty as to Hitachi’s ability to access, or access on favorable terms, liquidity or long-term financing;
- uncertainty as to general market price levels for equity securities, declines in which may require Hitachi to write down equity securities that it holds;
- fluctuations in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum, synthetic resins, rare metals and rare-earth minerals, or shortages of materials, parts and components;
- credit conditions of Hitachi’s customers and suppliers;
- general socioeconomic and political conditions and the regulatory and trade environment of countries where Hitachi conducts business, particularly Japan, Asia, the United States and Europe, including, without limitation, direct or indirect restrictions by other nations on imports and differences in commercial and business customs including, without limitation, contract terms and conditions and labor relations;
- uncertainty as to Hitachi’s ability to respond to tightening of regulations to prevent climate change
- uncertainty as to Hitachi’s ability to maintain the integrity of its information systems, as well as Hitachi’s ability to protect its confidential information or that of its customers;
- uncertainty as to Hitachi’s ability to attract and retain skilled personnel;
- uncertainty as to Hitachi’s ability to continue to develop and market products that incorporate new technologies on a timely and cost-effective basis and to achieve market acceptance for such products;
- exacerbation of social and economic impacts of the spread of COVID-19;
- the possibility of disruption of Hitachi’s operations by natural disasters such as earthquakes and tsunamis, the spread of infectious diseases, and geopolitical and social instability such as terrorism and conflict;
- estimates, fluctuations in cost and cancellation of long-term projects for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- increased commoditization of and intensifying price competition for products;
- fluctuations in demand of products, etc. and industry capacity;
- uncertainty as to Hitachi’s ability to implement measures to reduce the potential negative impact of fluctuations in demand of products, etc., exchange rates and/or price of raw materials or shortages of materials, parts and components;
- uncertainty as to the success of cost structure overhaul;
- uncertainty as to Hitachi’s ability to achieve the anticipated benefits of its strategy to strengthen its Social Innovation Business;
- uncertainty as to the success of acquisitions of other companies, joint ventures and strategic alliances and the possibility of incurring related expenses;
- uncertainty as to the success of restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness;
- the potential for significant losses on Hitachi’s investments in equity-method associates and joint ventures;
- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity-method associates and joint ventures have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- uncertainty as to Hitachi’s access to, or ability to protect, certain intellectual property; and
- uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its employee benefit-related costs.

The factors listed above are not all-inclusive and are in addition to other factors contained elsewhere in this report and in other materials published by Hitachi.

* This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.