Hitachi Energy Investor Day 2026

HITACHI

# Powering growth: Strategic outlook


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Hitachi Ltd.
CEO of Hitachi Energy Ltd.


**Date**
November 3, 2026

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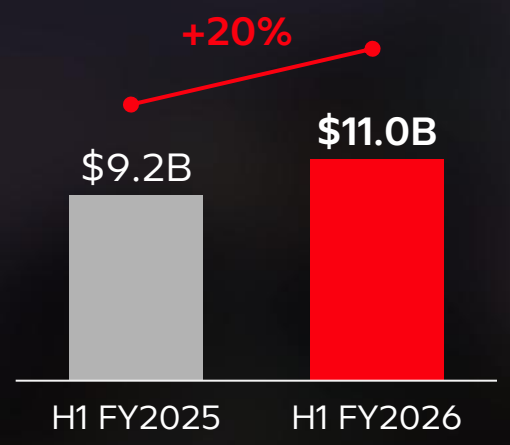



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# Continued profitable growth and accelerated cash conversion in H1

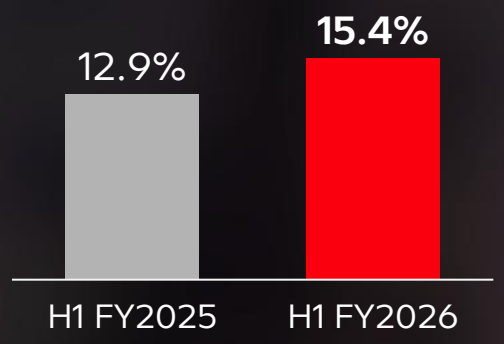
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## Revenue[1] (B USD)



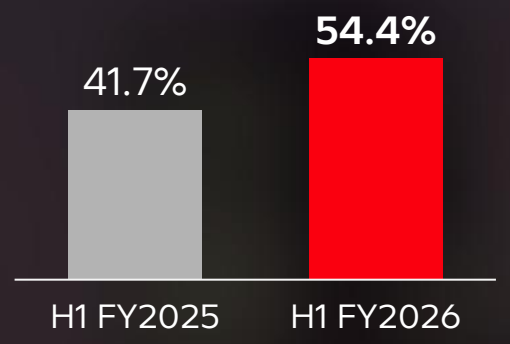

**High growth across our portfolio and geographies**

## Adj. EBITA[2] (%)




**Margin accretion through disciplined execution**

## ROIC[3] (%)




**Record high returns on capital**

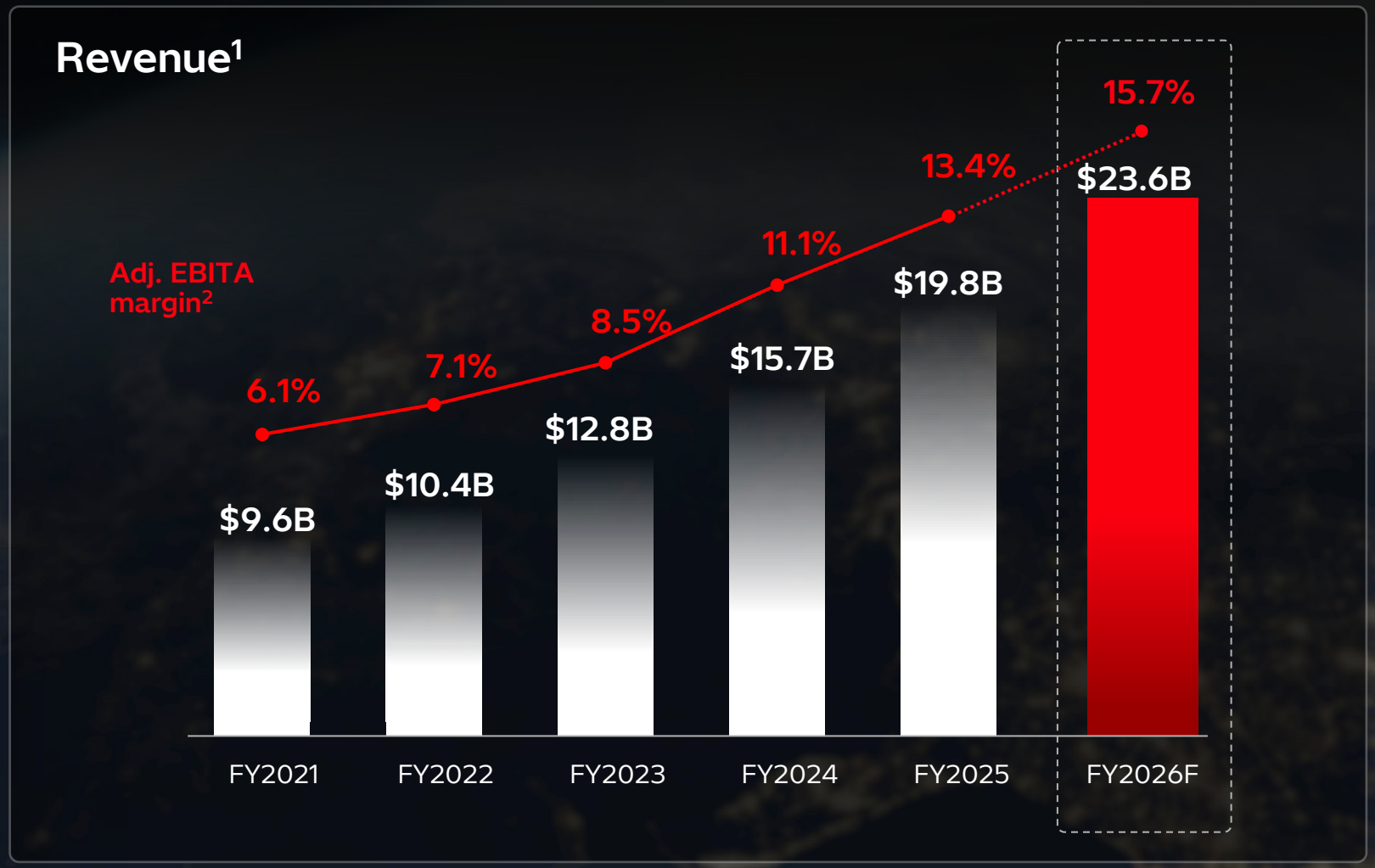
[1] In nominal rate; [2] Adj. EBITA: adjusted operating income plus acquisition-related amortization; [3] Hitachi Energy standalone Return on Invested Capital (ROIC)



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# Strong financial performance at the start of Inspire 2027

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## Achievements

Continuous significant revenue growth

De-risked strategy, leading to better margin and risk profile in order backlog

Operational excellence

[1] In nominal rate; [2] Hitachi Energy Adj. EBITA – excluding structural reform expenses (FY2021-FY2024) including equity in earnings (losses) of affiliates; Adj. EBITA (FY2025-FY2026): Adj. operating income plus acquisition-related amortization



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# Hitachi Energy leads across electrification sectors and technologies

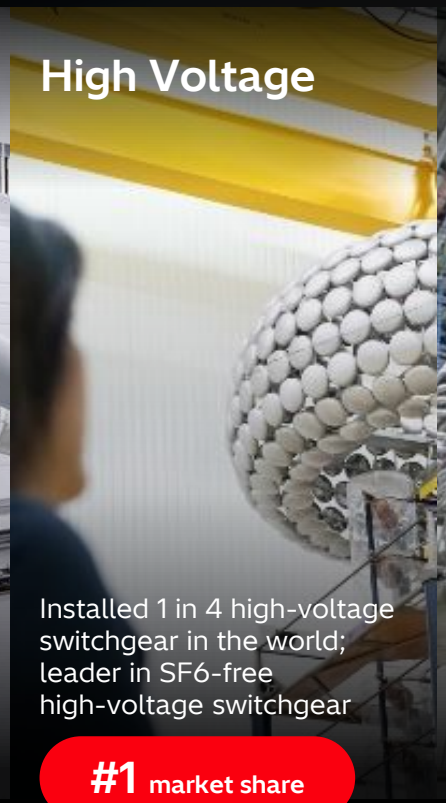
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## Transformers

Installed 1 out of 6 transformers in the world

**#1** market share



## High Voltage

Installed 1 in 4 high-voltage switchgear in the world; leader in SF6-free high-voltage switchgear

**#1** market share



## Grid Integration
(HVDC & Power Quality)

>175 GW[1] of HVDC[2] links integrated into power system

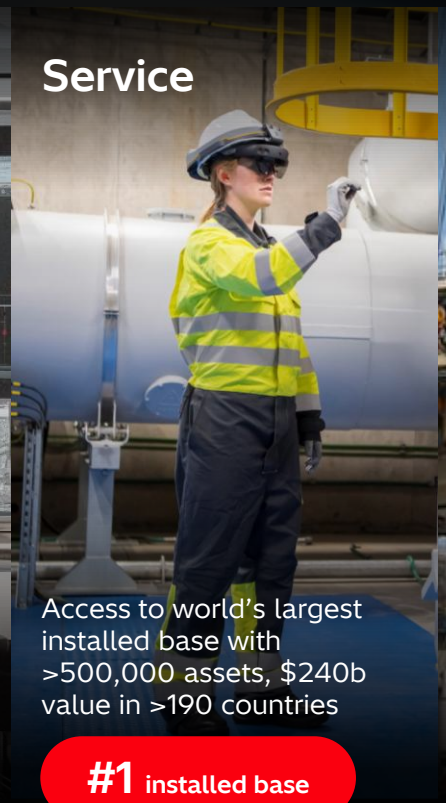
**#1** market share



## Grid Automation

Supporting 50% of the top 250 global electric utilities

**#1** market share



## Service

Access to world's largest installed base with >500,000 assets, $240b value in >190 countries

**#1** installed base



## Nuclear

Supporting 2/3 of BWR[3] units in Japan, involved in all ABWR (Gen III+)[4] constructions

**#2** market share in Japan

**Continue investing for innovation, 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 III+; BU market share based on internal estimates on unconsolidated market

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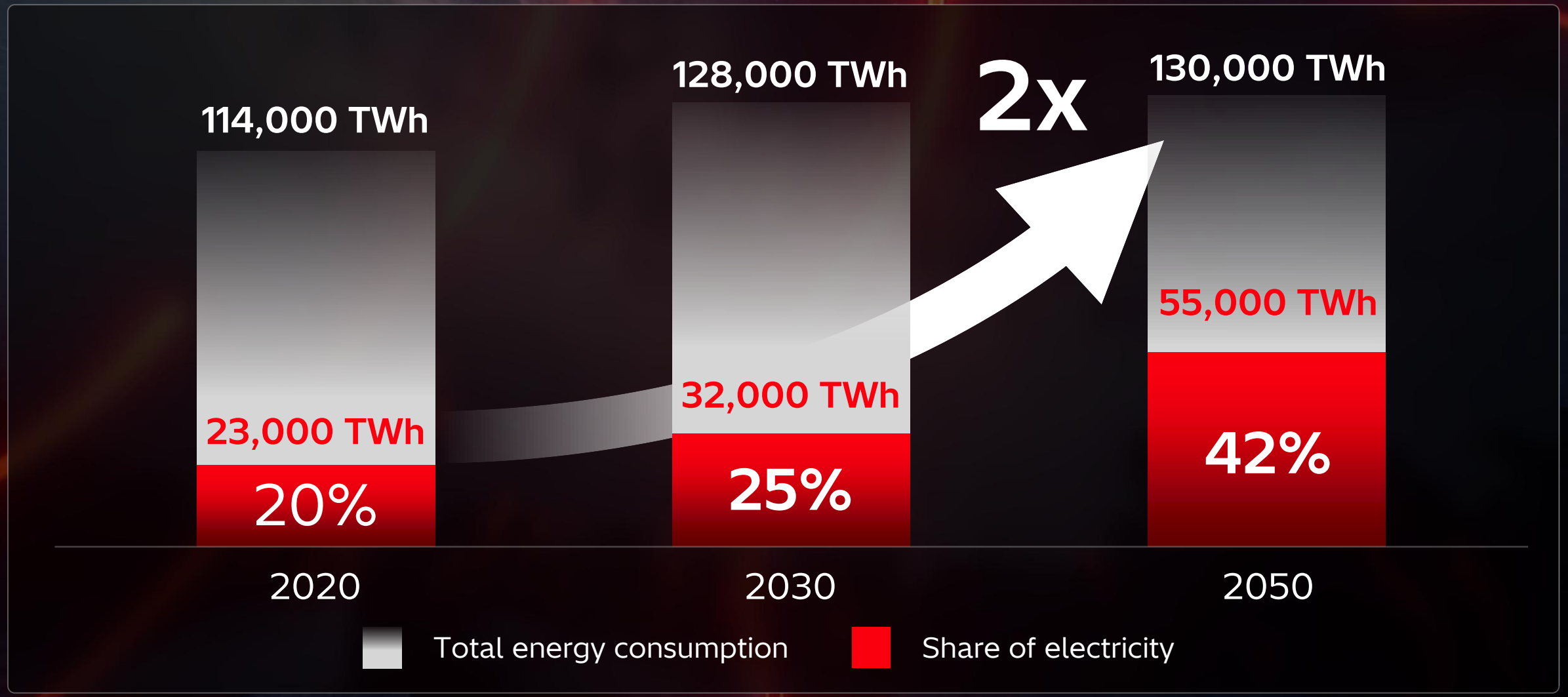
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# From molecules to electrons – the ‘Age of Electricity’ is here

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

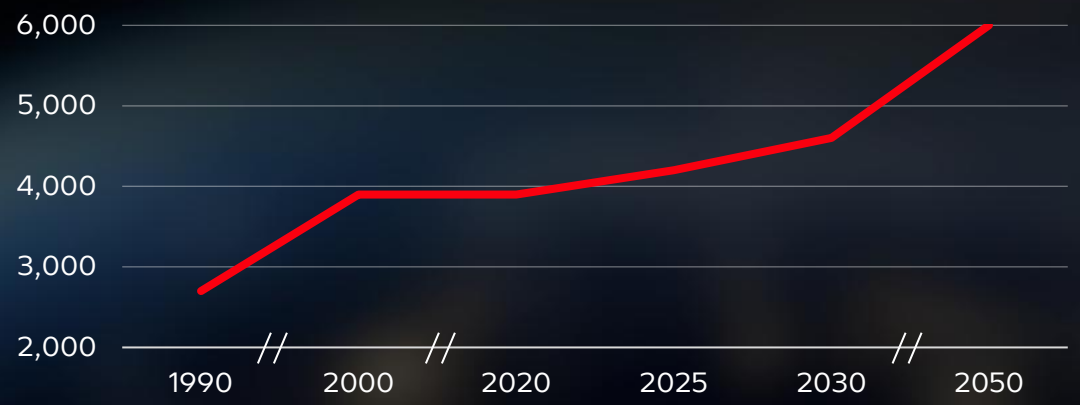


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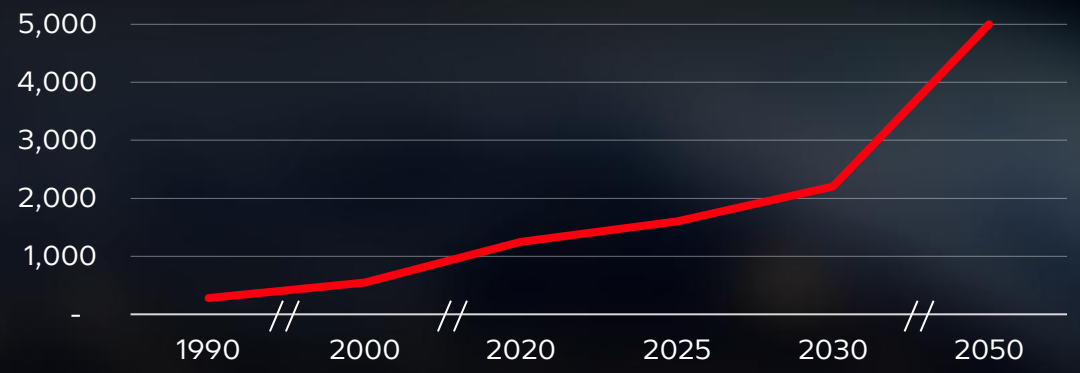
# Electricity demand across regions is surging

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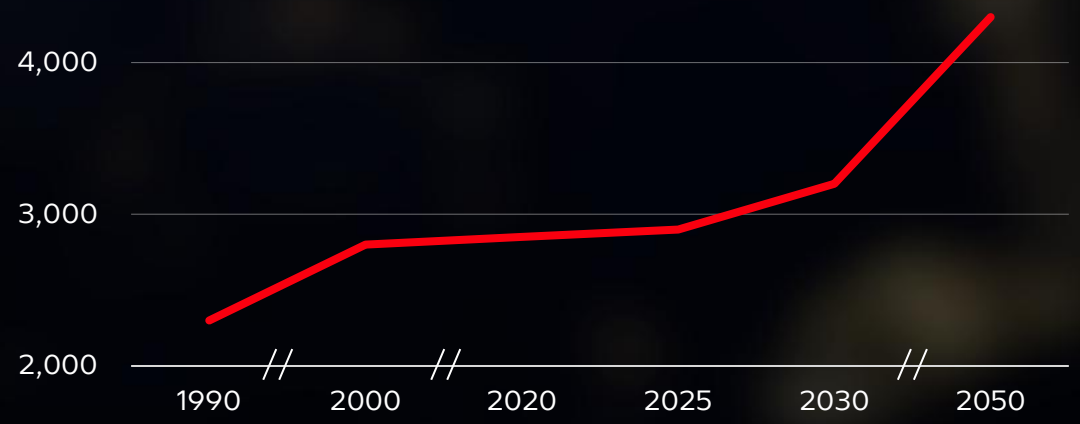
**U.S** (in TWh)



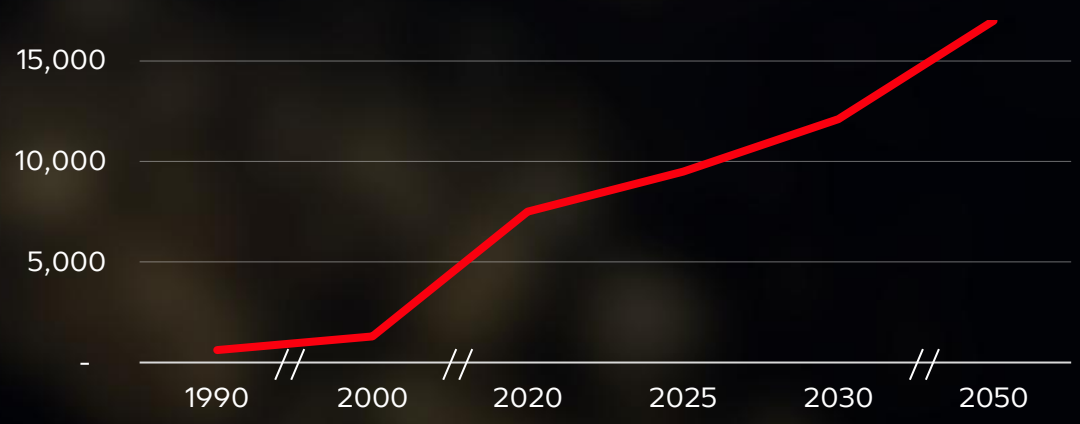

**India** (in TWh)




**EU27+UK** (in TWh)




**China** (in TWh)



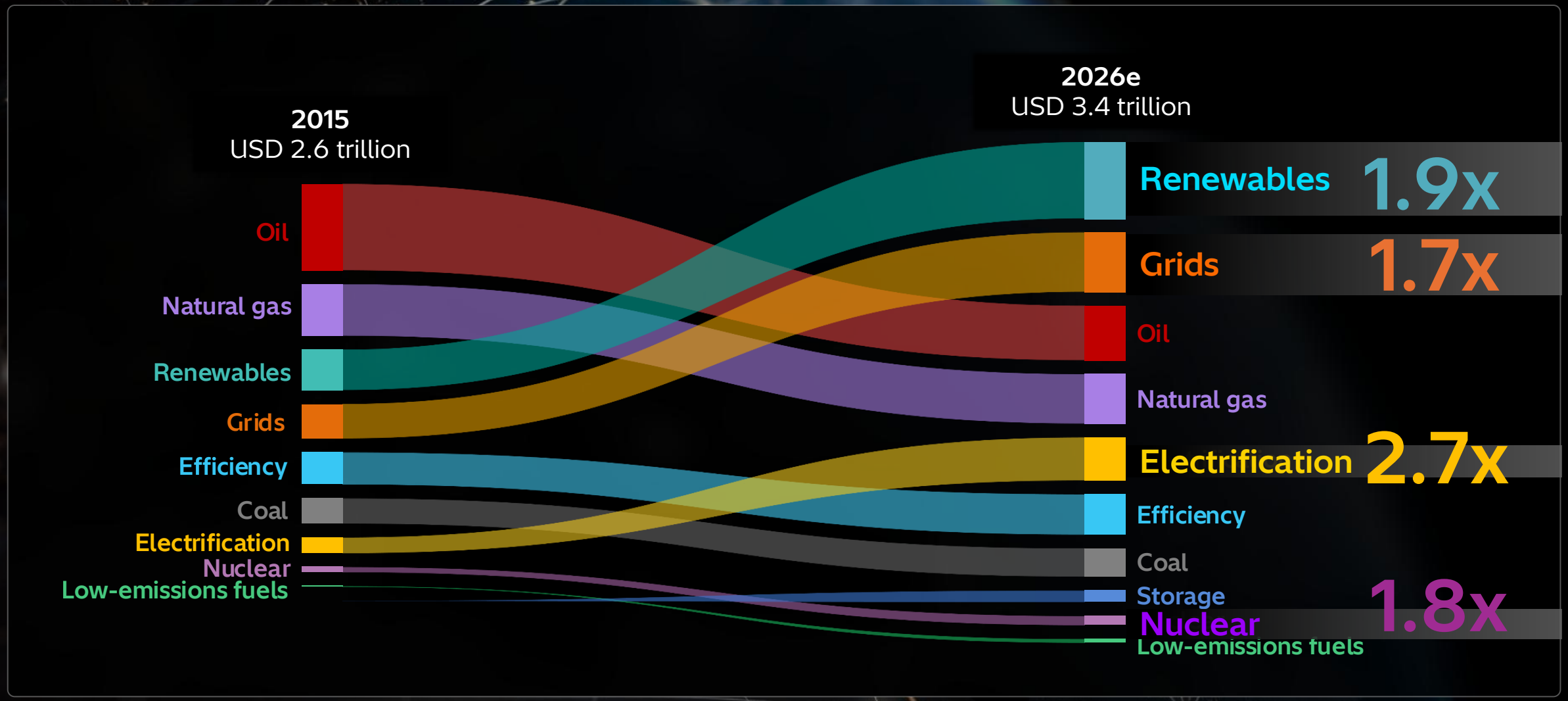



Source: Historical values, approximate projections based on forecasts of the International Energy Agency (IEA)

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# Global capital is shifting toward electrification

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Source: International Energy Agency (IEA)

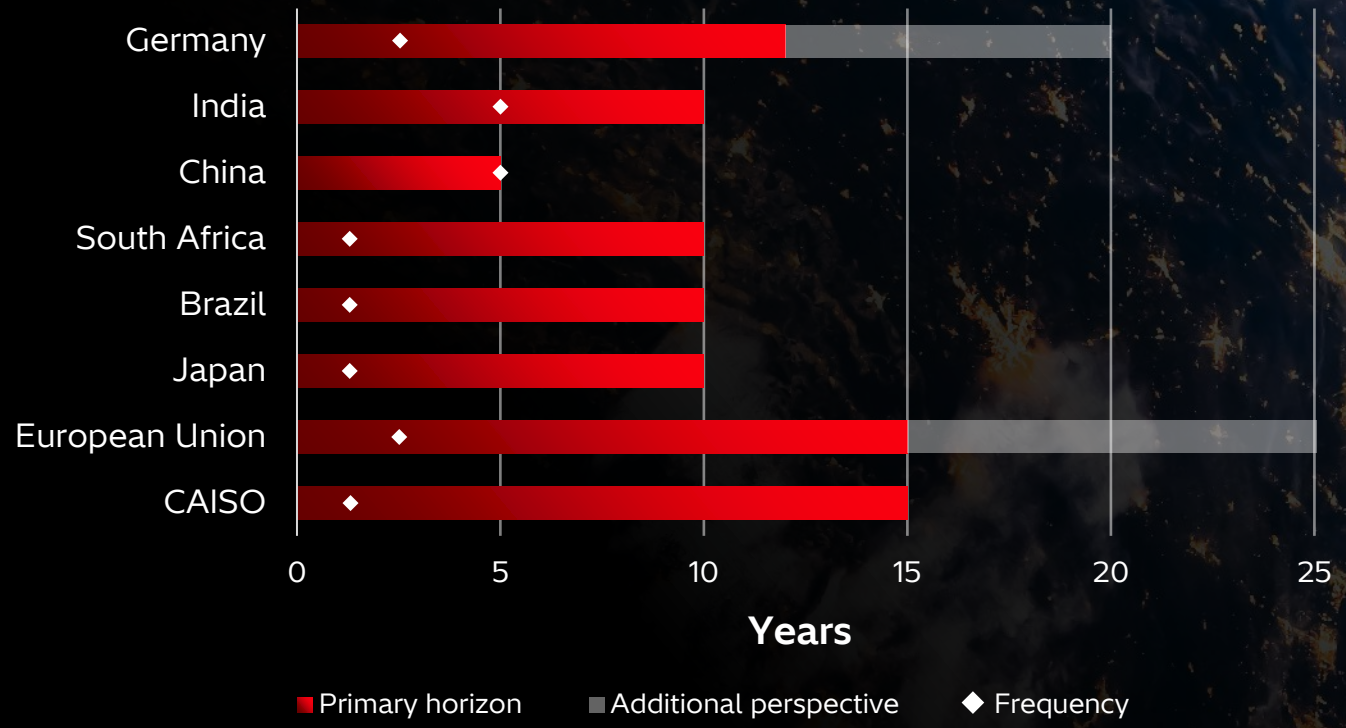


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# Governments extend planning horizons, TSO scale networks

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## IEA Report: Planning horizons significantly extended[1]




## $2.4 trillion TSO capex for 2026-2035[2]

Across regions, leading transmission operators are scaling their networks

**$864B**
APAC

**$840B**
Europe

**$504B**
NAM

**$120B**
Middle East

**The global energy supercycle will continue for ~10-15 years**

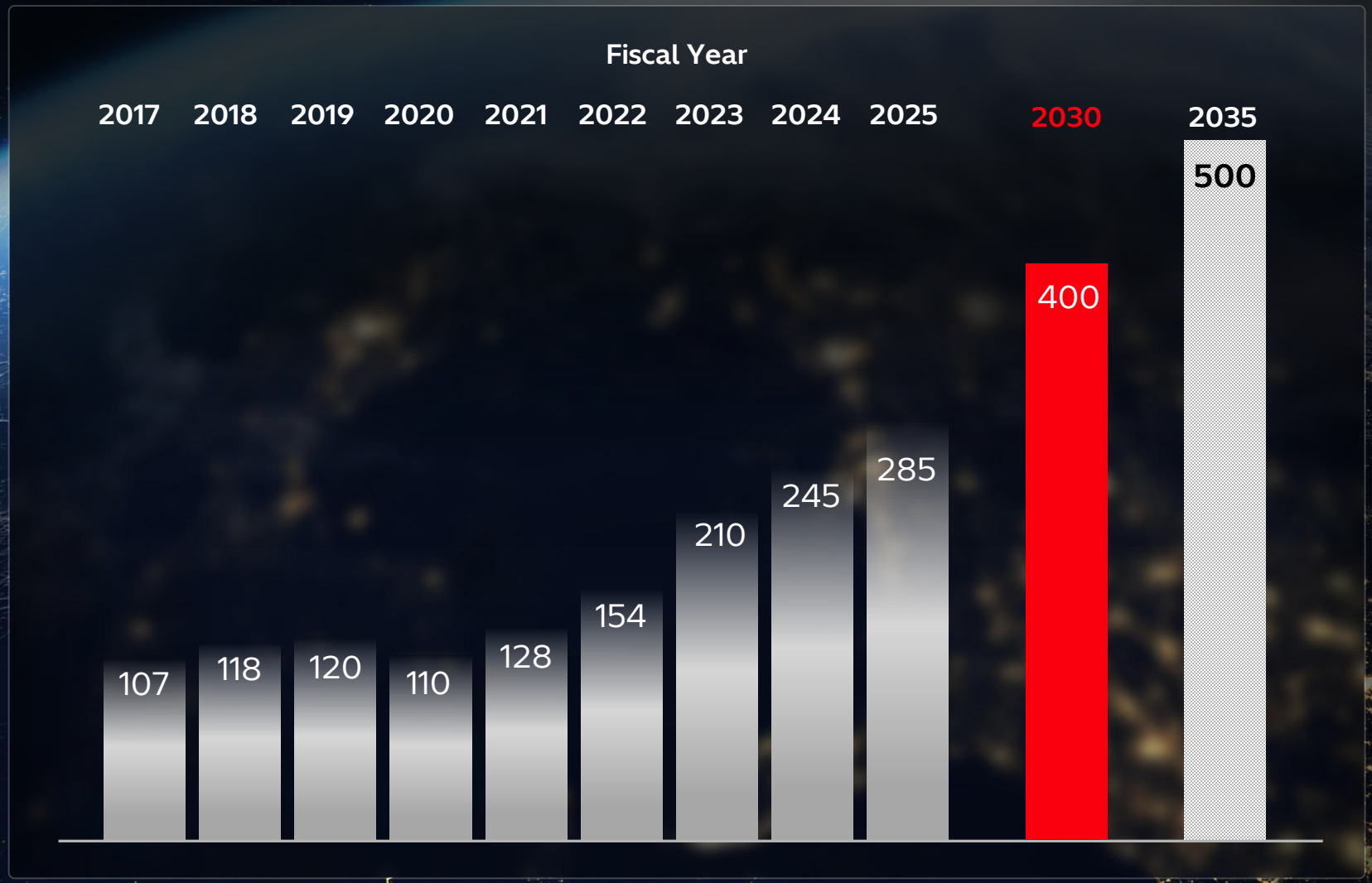


Source: [1] National Electricity Transmission plans (from 2024, 2025, 2026 respectively); [2] Global Transmission (based on 201 TSOs)

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# Market size for Hitachi Energy is expected to nearly double 2025-2035

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**By 2030**

**$400B**

**CAGR 2025-2030**

**~7%**

**CAGR 2030-2035**

**~5%**

Unconsolidated, constant currency, B USD



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# High market growth across key products and solutions, 2020-2050

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| | | | |
|---|---|---|---|
| **Transformers** | **HV Switchgear** | **HVDC** | **BESS** |
| 3x | 3-5x | 4x | >10x |
| **STATCOM** | **Power electronics** | **Software solutions** | **Service** |
| 5-10x | 6-8x | >10x | >6x |



HV: High Voltage; BESS: Battery Energy Storage System; HVDC: High Voltage Direct Current; STATCOM: Static Synchronous Compensator

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# Entering the adjacent “Edge” market, unlocking a $130B market by 2035

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## Utility customers

**~75% of customers** today[1], strong demand due to grid modernization

## Industry customers

Increased electricity demand due to electrification and rise of renewables

## New customers

E.g. data centers with a need for energy hubs

**Edge market in 2035**

**~$130B**

~$60B Core (substations) +
~$70B New offerings[2]

Source: [1] Customer data as of 2025; [2] Internal project with external support



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# Our strategic priorities, enabling profitable growth

HITACHI

**01**

## Deliver backlog

Convert our $65B+ backlog into revenue, reinforcing market leadership

**02**

## Capacity expansion

Scale capacity through Digital Core, AI and targeted investments

**03**

## Operational efficiency

Leverage AI to increase engineering and SG&A productivity

**04**

## Technology-enabled service

Expand service through HMAX, innovation and large installed base

**05**

## New high-growth offerings

Deliver end-to-end edge solutions with partnerships and M&A



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# Our strategic priorities, enabling profitable growth

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New high-growth offerings

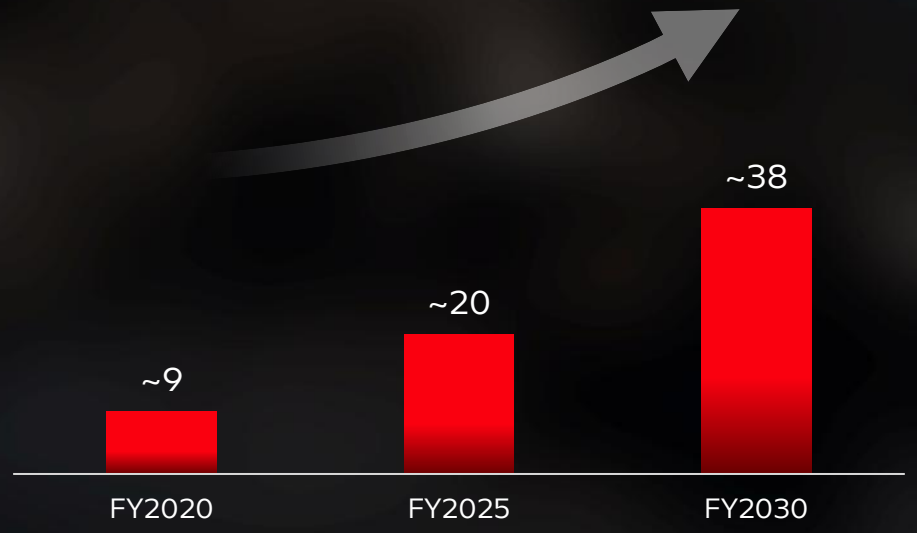


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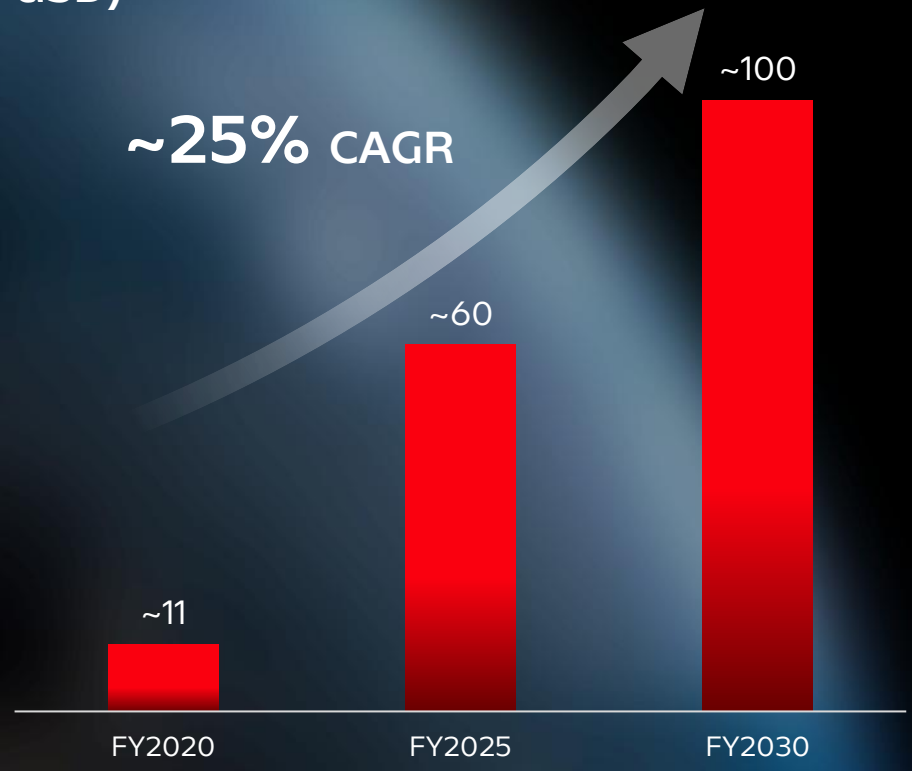
# Revenue is increasing strongly – and our backlog even more

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## Revenue growth driven by capacity expansion (B USD)[1]




## Backlog evolution up to 2030 (B USD)[1]




[1] In constant currency



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# Securing continued revenue and profitability growth

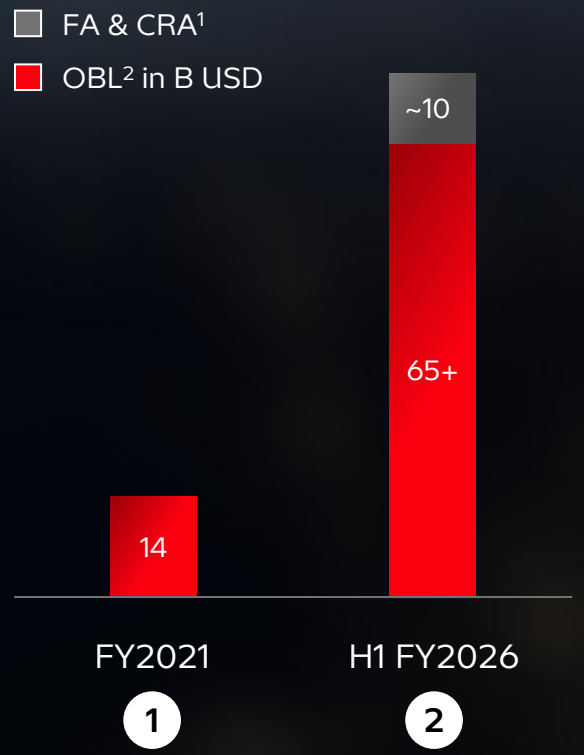
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Evolving customer behavior **provides longer-term visibility**

**De-risked business model** and **enhanced contractual terms**

Disciplined investments in capacity **drive revenue conversion**

## Growing backlog with higher margin and increased visibility







Nominal rate; [1] Frame Agreement (Long-Term) and Capacity Reservation Agreement; [2] Order Backlog

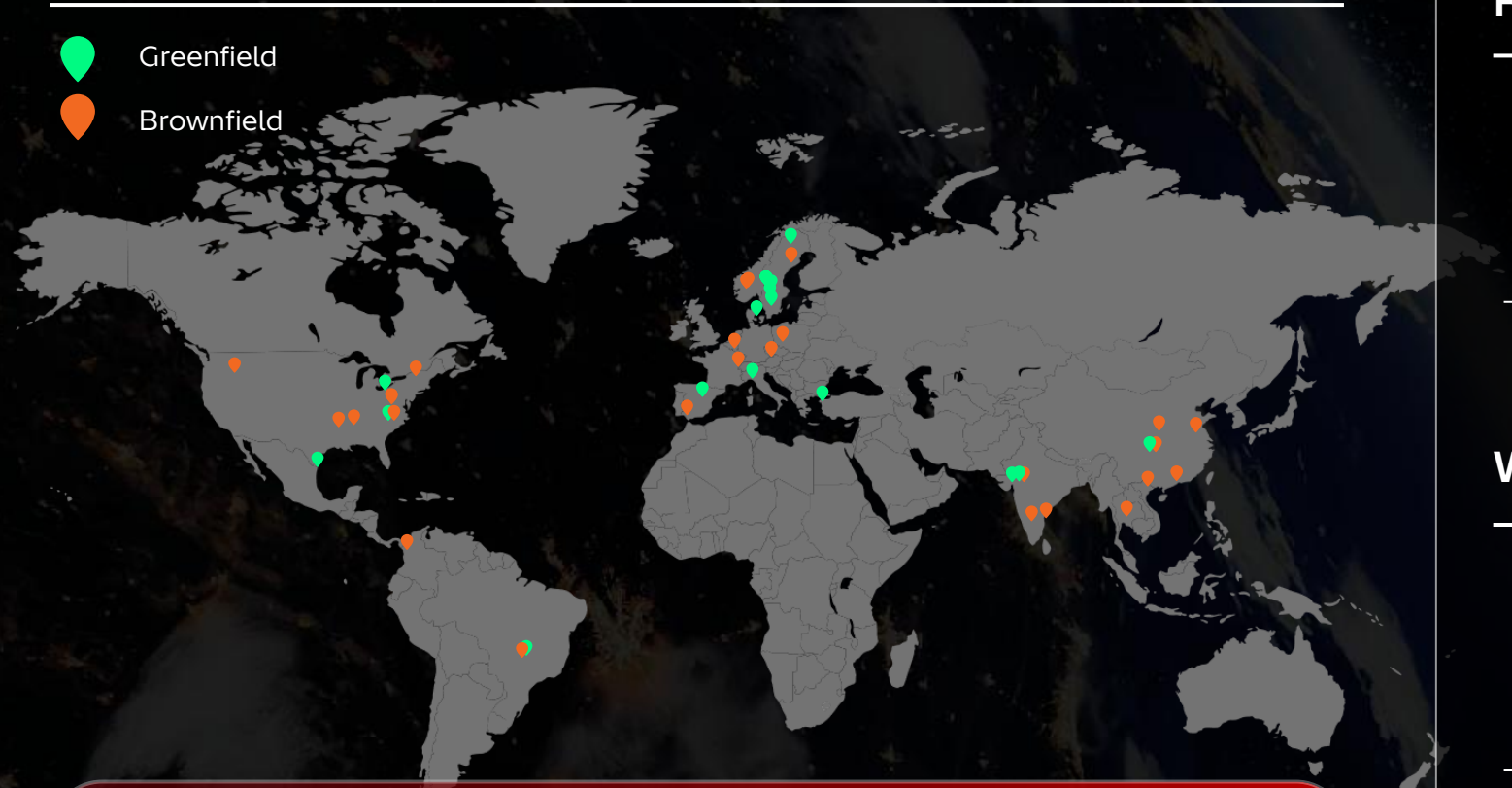


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# Capacity expansion for growth through bankable business cases

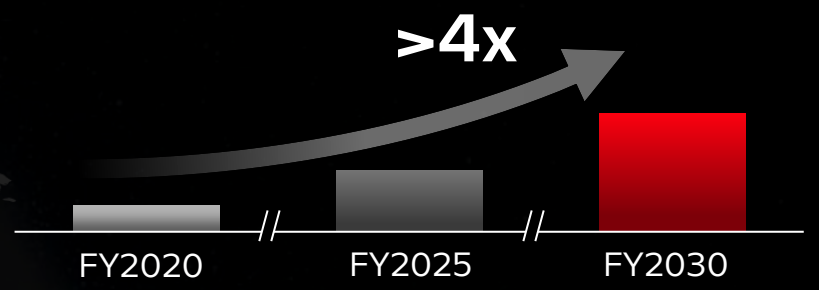
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## 40+ capacity expansion projects ongoing

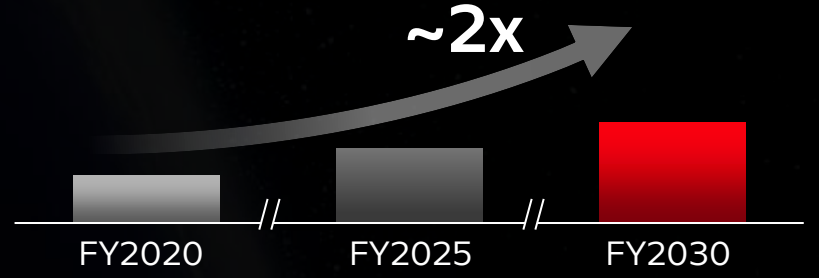



Investment: **$9B**[1] | Employees: **+5,000/y**[2]

### Revenue




### Workforce




[1] FY2020-2027 Investments in manufacturing, M&A and partnerships across all major markets. This includes investments to ramp up Hitachi Energy's global transformer manufacturing capacity; [2] FY2025-FY2027



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# Our strategic priorities, enabling profitable growth

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**Operational efficiency**

04
Technology-enabled service

05
New high-growth offerings



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# Faster backlog delivery enabled by AI

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## One Digital Core

Implementing one single ERP following the carve-out

**$150M p.a.**
Adjusted EBITA uplift by FY2023

## Automation & Analytics

Unlocking resilience and productivity in our supply chain

**$200M p.a.**
Adjusted EBITA uplift by FY2025

## Digital & Physical AI

Executing faster, safer and better, enabled by AI

**$350M+ p.a.**
Adjusted EBITA uplift by FY2030

## Value pools

- Improved utilization & throughput
- Accelerated engineering
- Flat G&A[1] structures

**Raising our Adjusted EBITA ambition for FY2030 to $350M+ p.a.**



[1] General & Administrative

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# Our strategic priorities, enabling profitable growth

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04 **Technology-enabled service**

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# Service business expansion and performance in line with plan

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Strong revenue growth, building the pipeline for future years

HITACHI Blackstone

SHERMCO

Service innovation and Shermco synergies contributing to partnership-led expansion in North America

HMAX

Expansion of HMAX Energy portfolio and R&D investments to advance digitally enabled service, leveraging Hitachi Digital resources

**15-20% CAGR** **On track to deliver revenue growth through FY2030[1]**



[1]CAGR FY2024-FY2030

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# HMAX Energy expands our customer reach and impact

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HYPERSCALER

## HMAX Energy delivers resilience for hyperscalers in Thailand

**Top 3 hyperscalers**

- Resident engineers 24/7 in 3 sites
- Complete O&M coverage
- **<15min** emergency expert response

STORAGE

## HMAX Energy guarantees performance for Akaysha in Australia

akaysha

- Predictive maintenance
- Availability commitments
- **98%** availability over 20 years

POWER PLANT

## HMAX Energy reduced operational risk for Generadora Metropolitana in Chile

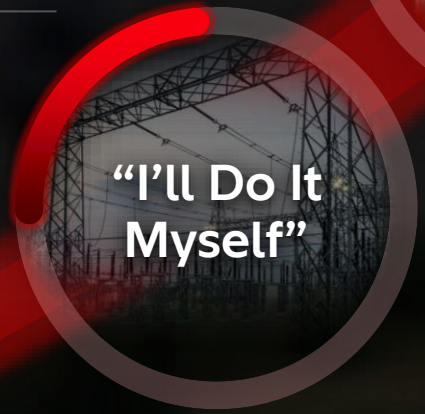
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- Real-time asset monitoring
- Predictive analytics
- **24/7** asset visibility and support












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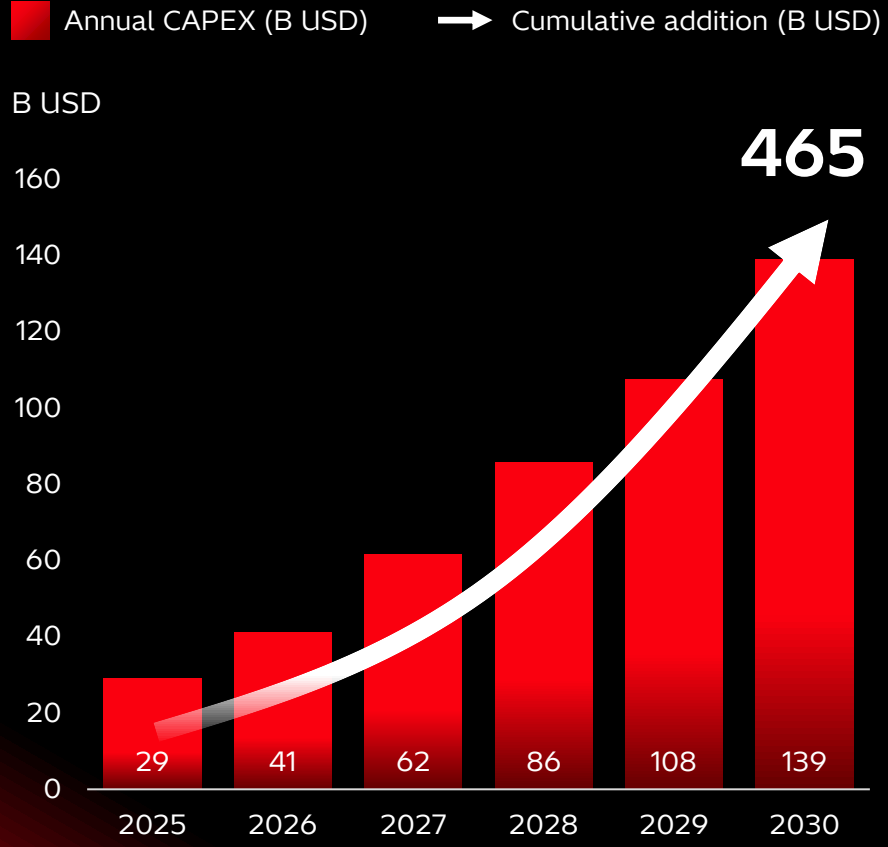


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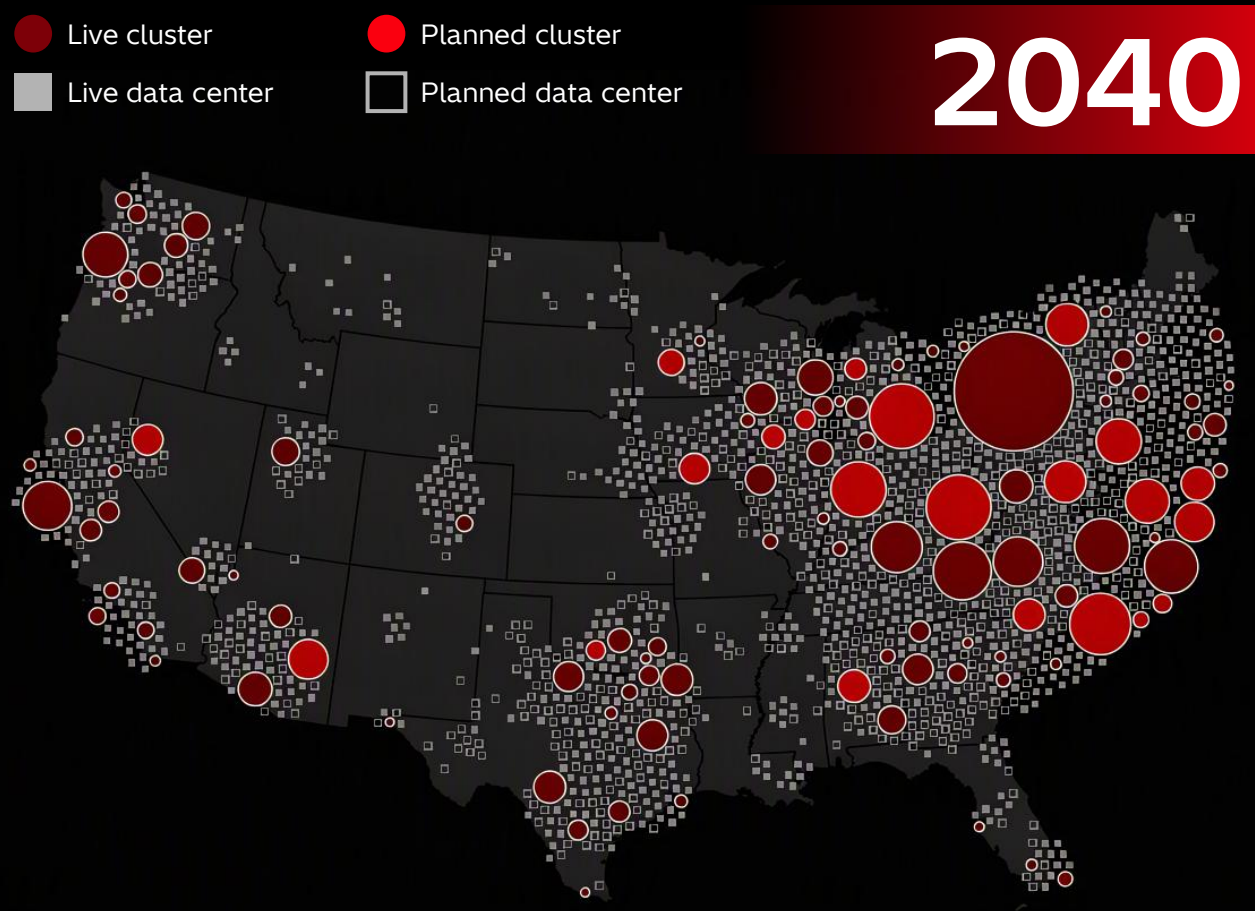
# Data center buildout by 2040

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## Annual U.S. CAPEX spending in power equipment and cumulative addition[1]




## Projected in 2040[2]






Source: [1] Internal U.S. Data Center Market Model | 80 GW Incremental Capacity, 2026-2030, cumulative addition by McKinsey analysis; [2] Bloomberg, September 2026

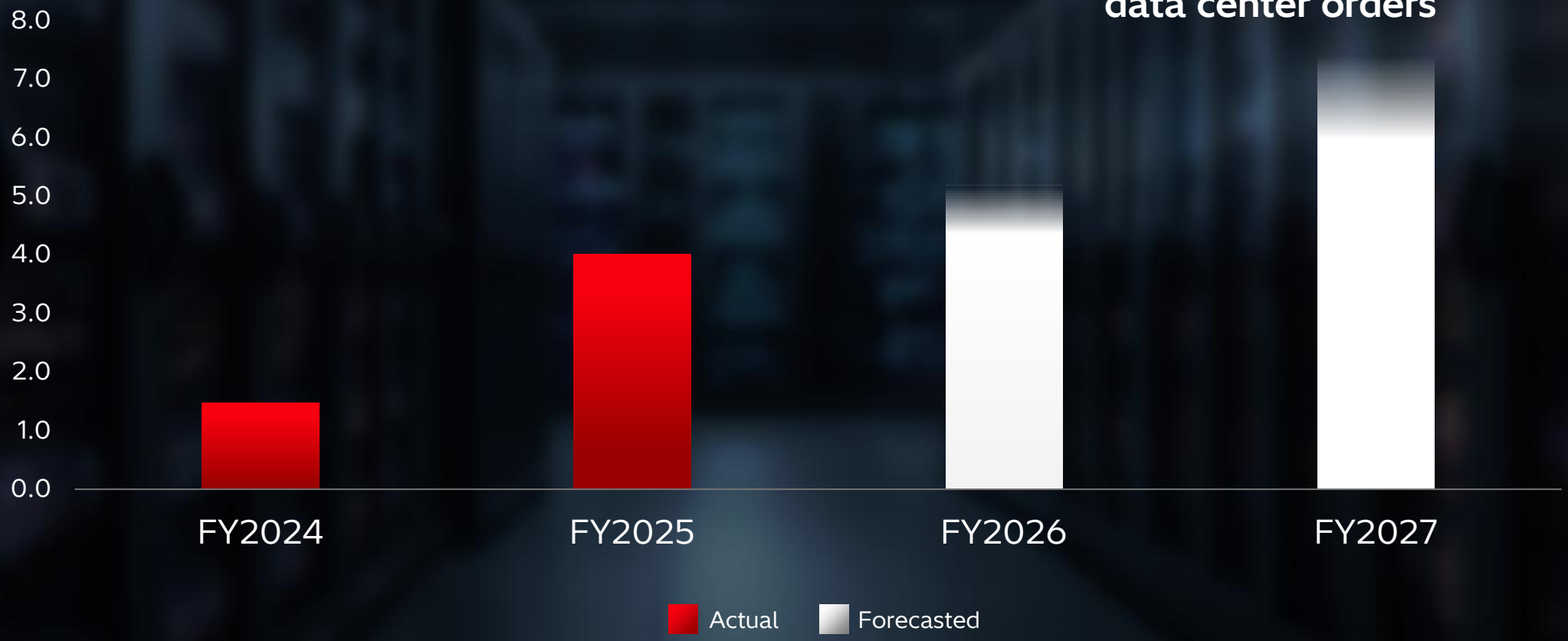
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# Data center customers are a key growth driver

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**Hitachi Energy data center orders** (B USD)[1]

Targeting **5x growth in data center orders**




[1] In constant currency



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# Power infrastructure is a critical bottleneck for data center growth

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**Until now in the U.S.**

**70-80%**

large-scale AI campuses

**New phase**

**Less**

large-scale AI campuses

**Higher number**

of smaller data center locations

**1-3** years setup time

**Grid connection and power equipment**



**Power generation and storage**



**5-15** years setup time



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# With our offering, we enable faster data center deployment

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## Data centers face increasing energy infrastructure challenges

Grid capacity

Reliability and stability

Impact on communities

Uncertain future demand

**Build large, grid dependent**

Location constraints

Slow



**Build a hybrid and flexible solution**

Easier and faster deployment & grid connection

Buy power / sell power to energy market

Location optionality

**Build off-grid**

Higher costs

Higher technical complexity



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# Grid-to-Rack power chain: We are closing the gaps

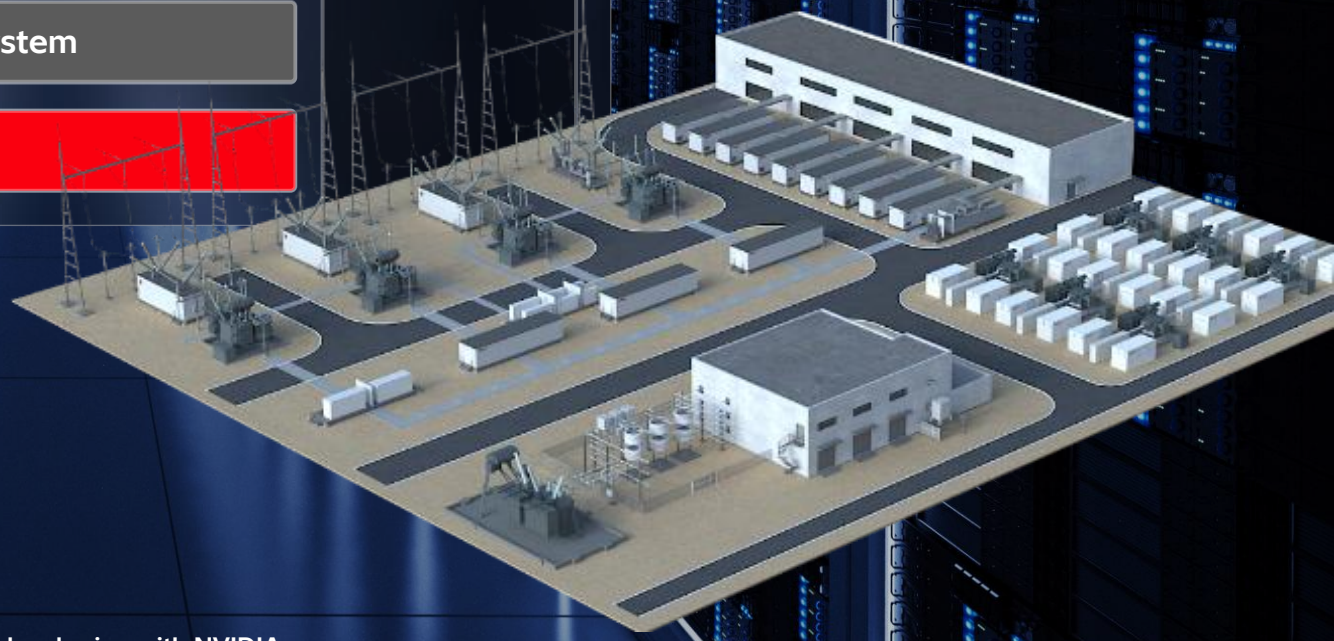
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Covered | Partially covered | White spots

| HV Grid Connection | HV Substation[1] | Power Generation | BESS and e-STATCOM | MV to LV Distribution | Rack |
|---|---|---|---|---|---|
| | | | | LV AC or 800V DC[2] | |

Energy Management System / Power Management System

Service (incl. HMAX Energy)



[1] Incl. Automation, Protection & Control; [2] Includes solid-state transformer technology; developing with NVIDIA new 800V DC architectures for next-gen AI factories; HV, MV, LV: High, medium, low voltage, BESS: Battery energy storage system, AC: Alternating current, DC: Direct current



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# Offering integrated power solutions with Ansaldo, focusing on DTC

Power Generation

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## Strategic partnership:

- Ansaldo Energia heavy duty gas turbines (50 Hz)
- Hitachi Energy static frequency converter and grid technology

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Addressing the US market needs (60 Hz) and beyond (50 Hz)

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Strengthening the positions of both companies in the data center market, including Service offering, leveraging on Shermco

**Extends Hitachi's data center value proposition to end-to-end solutions**



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# Connecting electricity systems operating at different frequencies for years

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**Generation:**
**50 Hz**

Datteln 4 Power Station
1,100 MW | Operating since 2020




**Digital gearbox:**
**50 Hz → 16 ⅔ Hz**

Static Frequency Converter
413 MW

**Consumption: 16 ⅔ Hz Railway Network, Deutsche Bahn**

110 kV | Converter system supplies ~25% of peak traction-power demand | Operating since 2014

**With our proven power electronics, we can convert frequency between generation and consumption**



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# Proven concept applied to connect generation with data centers in the US

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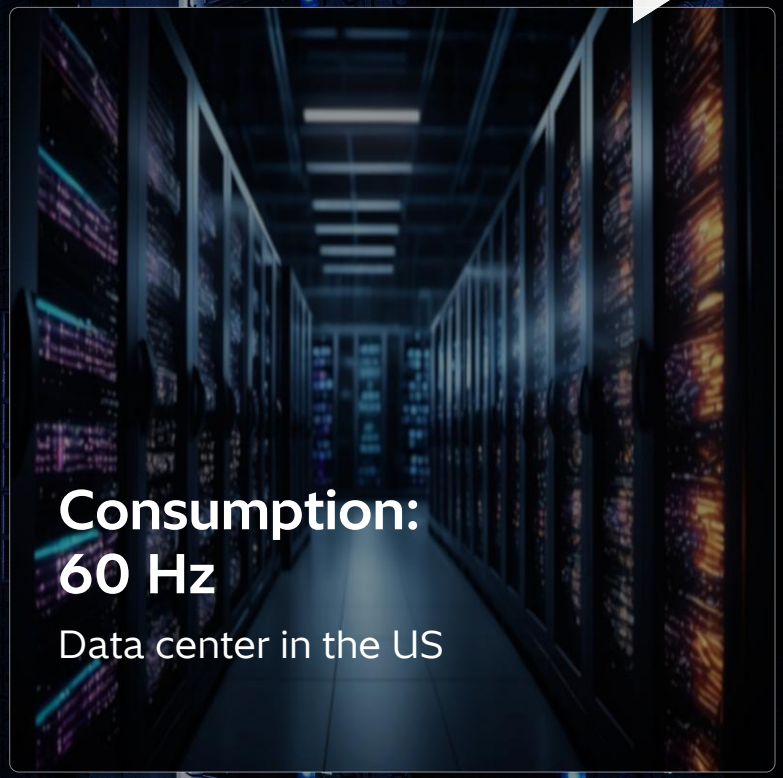
**Generation:**
**50 Hz**

Ansaldo Energia heavy duty gas turbines




**Digital gearbox:**
**50 Hz → 60 Hz**

Static Frequency Converter



**Consumption:**
**60 Hz**

Data center in the US

**Extending our offering for data centers to end-to-end solutions through our digital gearbox**



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# Integrated power solutions for data centers’ challenges

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Combine grid and on-site generation for faster time-to-power

Provide additional capacity to the 60 Hz market, benefitting the grid and the community

Decouple the gas turbine from the grid to mitigate volatility and protect the turbine

Bring costs down and expand power capacity progressively, according to demand

**Turning data centers into grid contributors, speeding up deployment and return on investment**



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# Our 2030 ambition

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| Revenue CAGR FY2024-FY2030 | Adjusted EBITA[1] FY2030 | ROIC[2] FY2030 |
|---|---|---|
| Mid-teens | 19-21% | 30-40% |

**Sustain profitable growth. Strengthen market leadership.**

[1] Adj. EBITA: adjusted operating income plus acquisition-related amortization
[2] Hitachi Energy standalone ROIC



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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;
- 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 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 document 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.



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