

**Notification regarding the disclosure of materials for Hitachi Energy Investor Day  
(CEO presentation)**

**Tokyo, October 30, 2025**, Hitachi, Ltd. (TSE:6501) today announced the disclosure of the presentation materials for “Hitachi Energy Investor Day,” which will be held on Thursday, October 30, 2025, from 5:00 p.m. GMT (Friday, October 31, 2025 from 2:00 a.m. JST).

Attached materials: CEO presentation “Leading in the Electricity Era: Our Strategic Outlook”

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# Leading in the Electricity Era: Our Strategic Outlook

**Andreas Schierenbeck**

Senior VP, Executive Officer, Hitachi, Ltd.  
CEO, Hitachi Energy

Date

October 30, 2025

# Contents

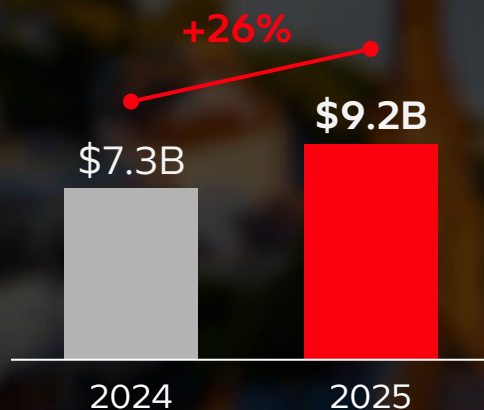
- 1. Current Position & Recap Inspire 2027**
2. Market Development & Outlook
3. Profitable and Sustainable Growth Strategy – Inspire 2027
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# Hitachi Energy H1 Results:

## Strong revenue and profitability growth, accelerated cash conversion

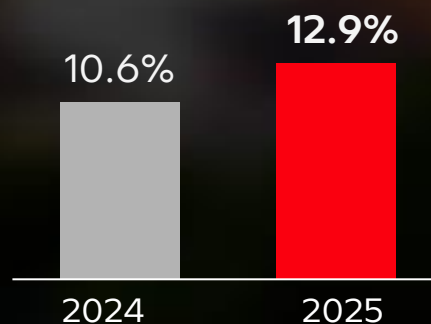
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### Revenue



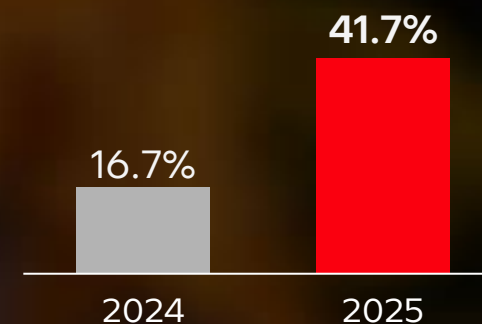
**We delivered higher growth across our portfolio**

### Adjusted EBITA<sup>1</sup>



**We continuously improve our operations**

### ROIC<sup>2</sup>



**We accelerated cash conversion**

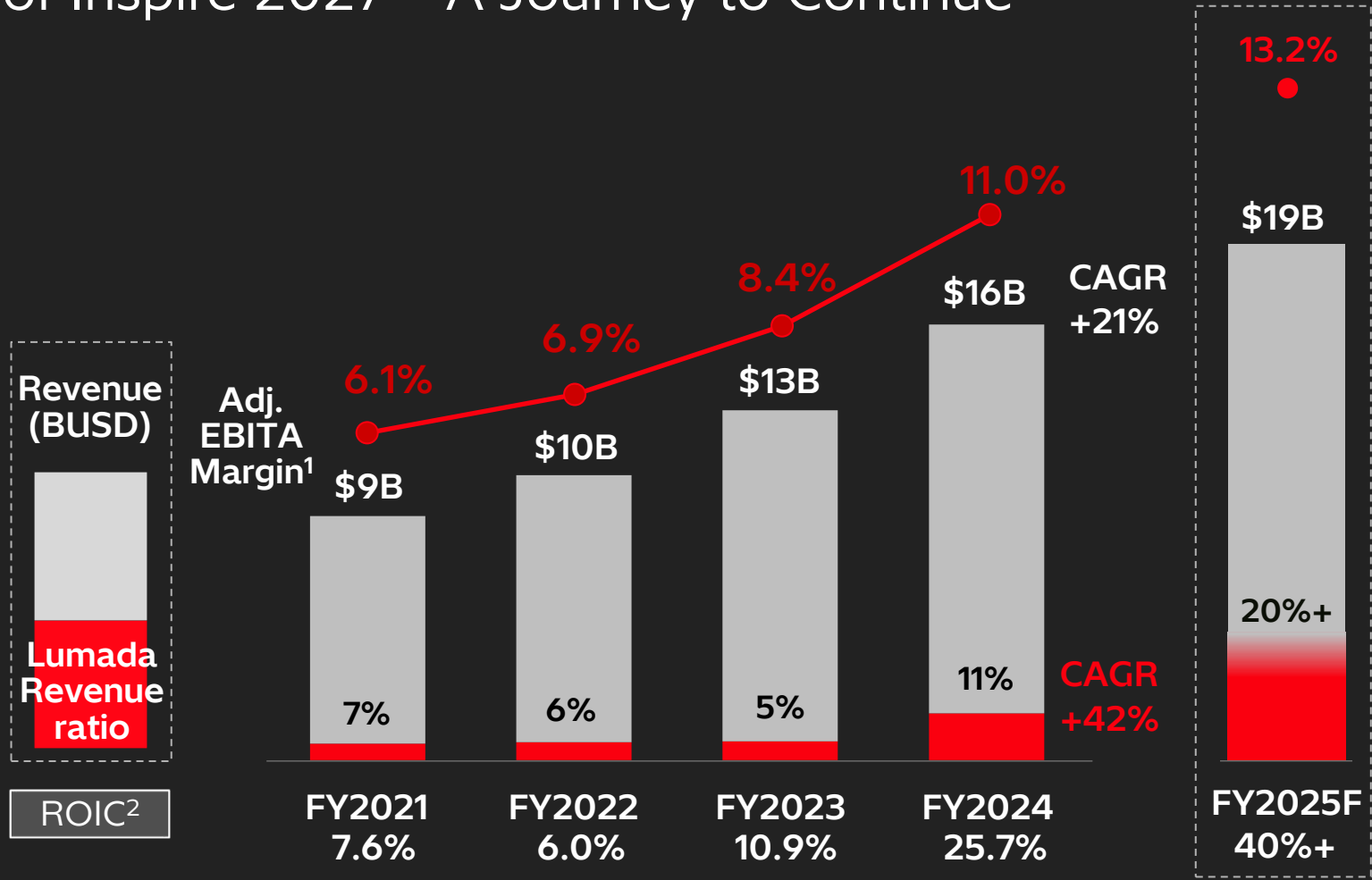
<sup>3</sup> In nominal rate.

<sup>1</sup>Adj. EBITA adjusted operating income plus acquisition-related amortization and excludes structural reform and related costs for H1 2024

<sup>2</sup> Hitachi Energy standalone Return on Invested Capital (ROIC).

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# Strong Financial Performance at the start of Inspire 2027 – 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

Historic periods in constant currency. H1 2025 actuals in nominal rate.

<sup>1</sup>Hitachi Energy Adj. EBITA – excluding structural reform expenses (FY2021-FY2024)

Adj. EBITA (Old Definition): Adj. operating income plus acquisition-related amortization and equity in earnings (losses) of affiliates

<sup>2</sup>Hitachi Energy Standalone ROIC



# Hitachi Energy Leads Across Electrification Sectors and Technologies



## Transformers

>420 GVA<sup>1</sup> capacity, nearly double our closest competitor, with complete range of transformers, components & service



Market share



## High Voltage

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



Market share



## Grid Integration (HVDC & Power Quality)

>150 GW<sup>2</sup> of HVDC<sup>3</sup> links integrated into power system



Market share



## Grid Automation

Supporting 50% of the top 250 global electric utilities



Market share



## Service

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



Installed base

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

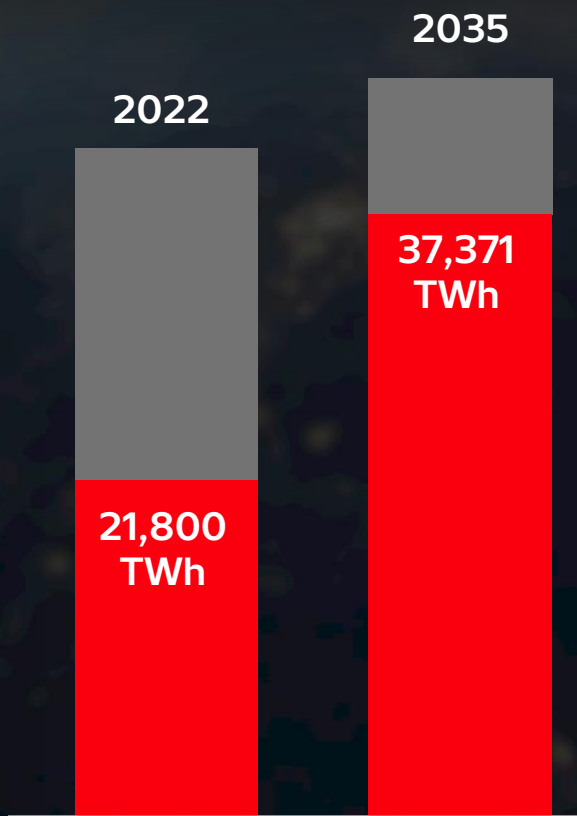
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# Electrons are Replacing Molecules

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Electricity



## Increase of electricity share

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

Global **electricity** demand is projected to increase over **70%**

iea

**“The ‘Age of Electricity’ has officially started”**

IEA, October 2024



# Electrification is accelerating across sectors

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Steel Industry



Industrial Heat



EVs



Buildings



Data Centers



Sustainable  
Fuels

AI-enabled data centers:  
**3x** Expected growth by 2030 → **+125 GW\*** power demand → **>750** large transformers needed



More Power is Needed

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What's Faster, Easier, and Cheaper to Deploy?



Coal-fired  
power stations

**~10-12**  
years



Hydro  
power

**~10-15**  
years



Large nuclear  
reactors (LNRs)

**~15**  
years



Gas  
power plants

**~5-10**  
years



Small modular  
reactors (SMRs)

**~5-10**  
years



Solar, onshore  
& offshore wind

**~1-7**  
years

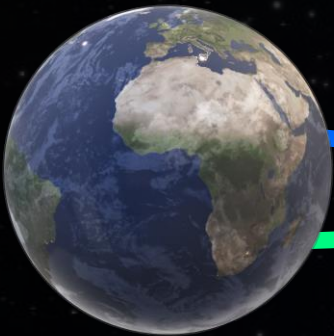
# Renewable Energy Sources: Security of Supply, Affordability and Sustainability

By 2030, renewables will represent **50%** of the global installed power generation capacity, up from 28% today.

**+585 GW**  
in 2024

Renewables

Conventional



2004

2008

2012

2020

2024

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



**20%** (2022)  
**30%** (2035)



**23%** (2022)  
**55%** (2035)



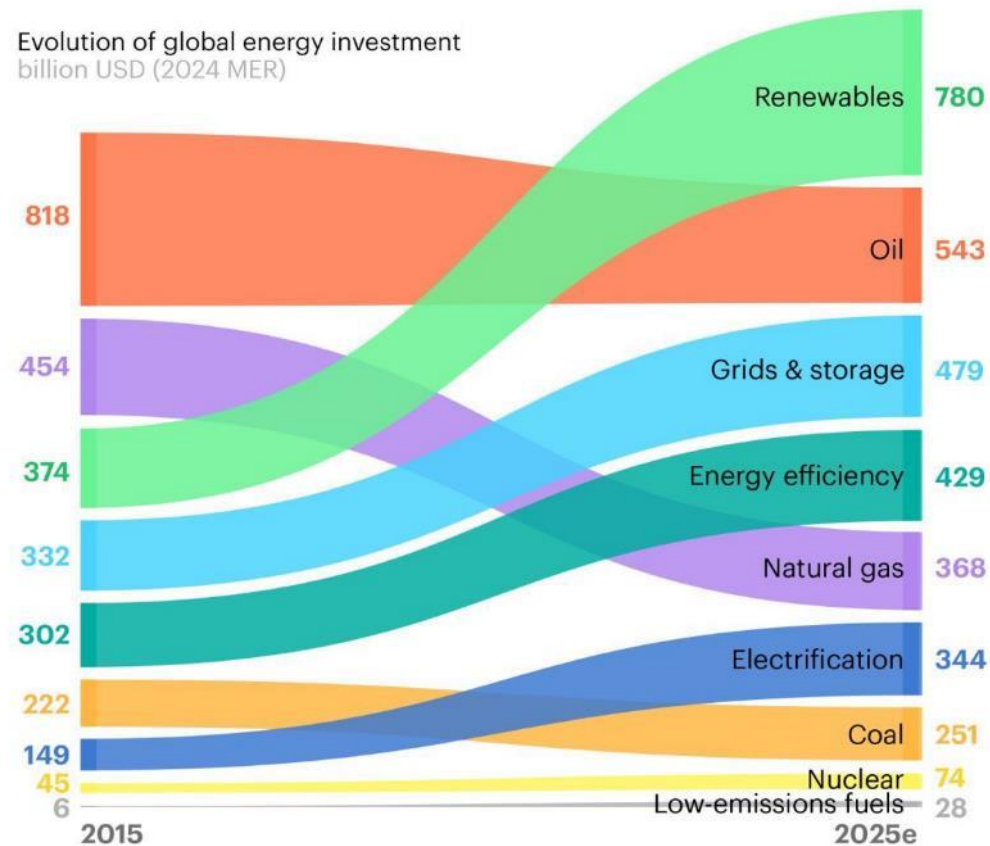
**22%** (2022)  
**50%** (2035)



**15%** (2022)  
**39%** (2035)



# Where Global Capital is Flowing



iea

## Investment (2025e vs. 2015)

2x

Renewables

1.4x

Grids and Storage

2.4x

Electrification

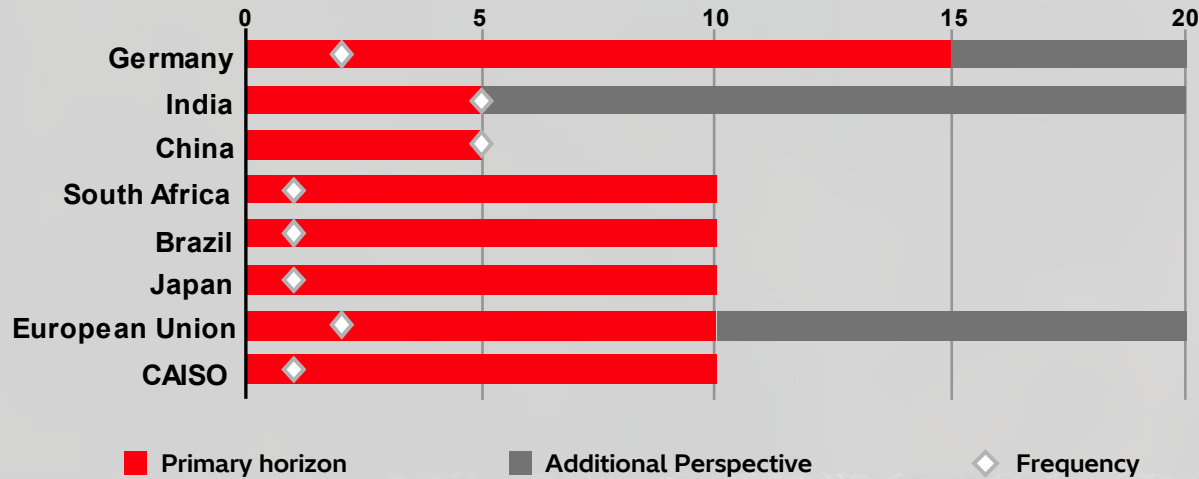
1.6x

Nuclear

# Planning Horizon Extended

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## IEA Report: Length of planning horizons<sup>1</sup>



The **power grid** is much more important than ever before.

## CAPEX Increase 3x to 4x

Major Utilities and TSOs are deploying large expansion programs

**\$174B**

U.S. during 2024

**€44B**

Germany during 2024

**£60B**

National Grid  
FY2025-2029

**£22B**

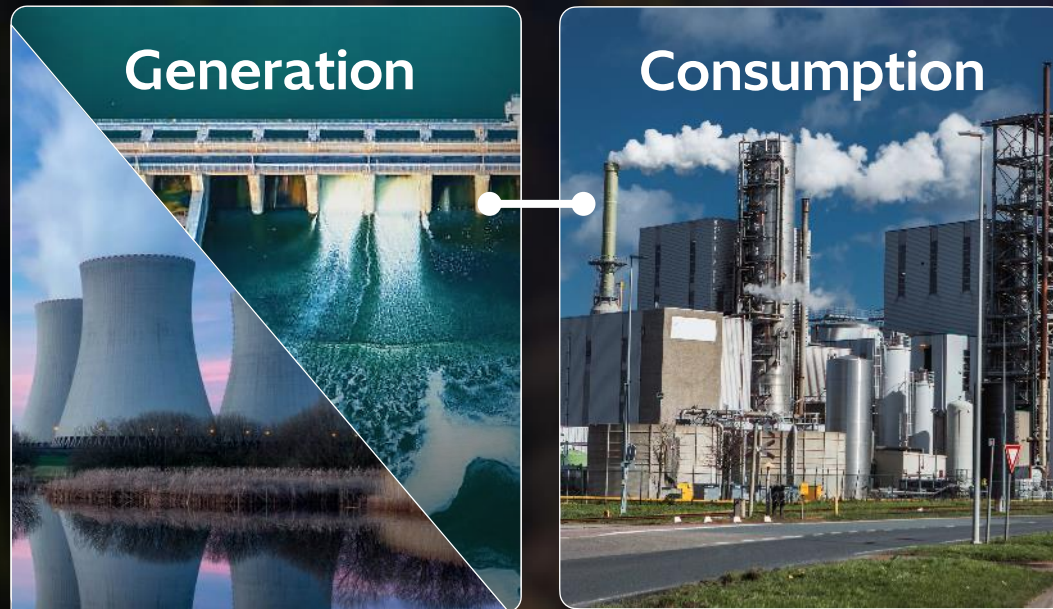
SEN FY2026-2031

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



## The Classic Power Grid

Short distances. High inertia.

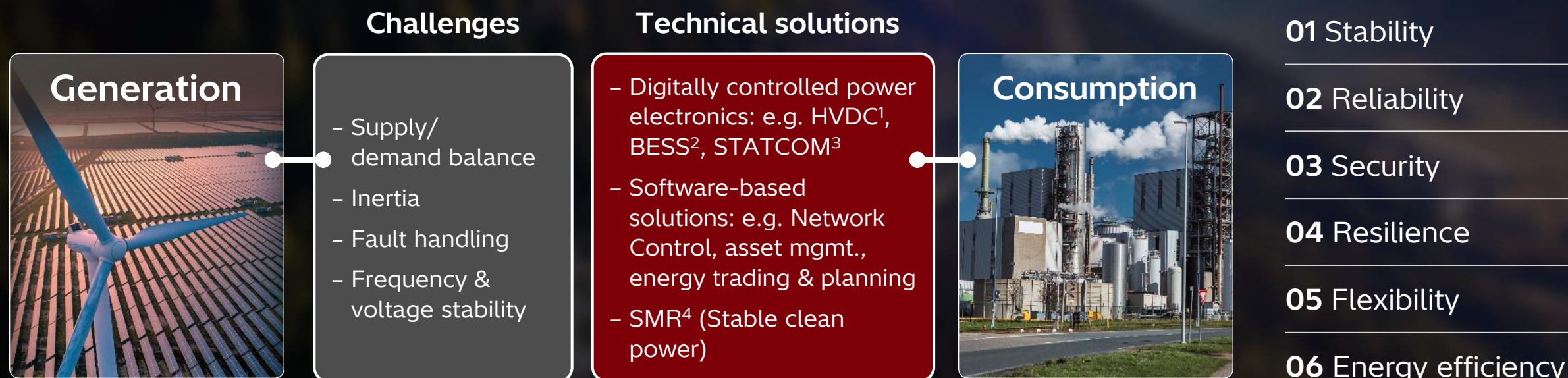


- 01 Stability
- 02 Reliability
- 03 Security
- 04 Resilience
- 05 Flexibility
- 06 Energy efficiency



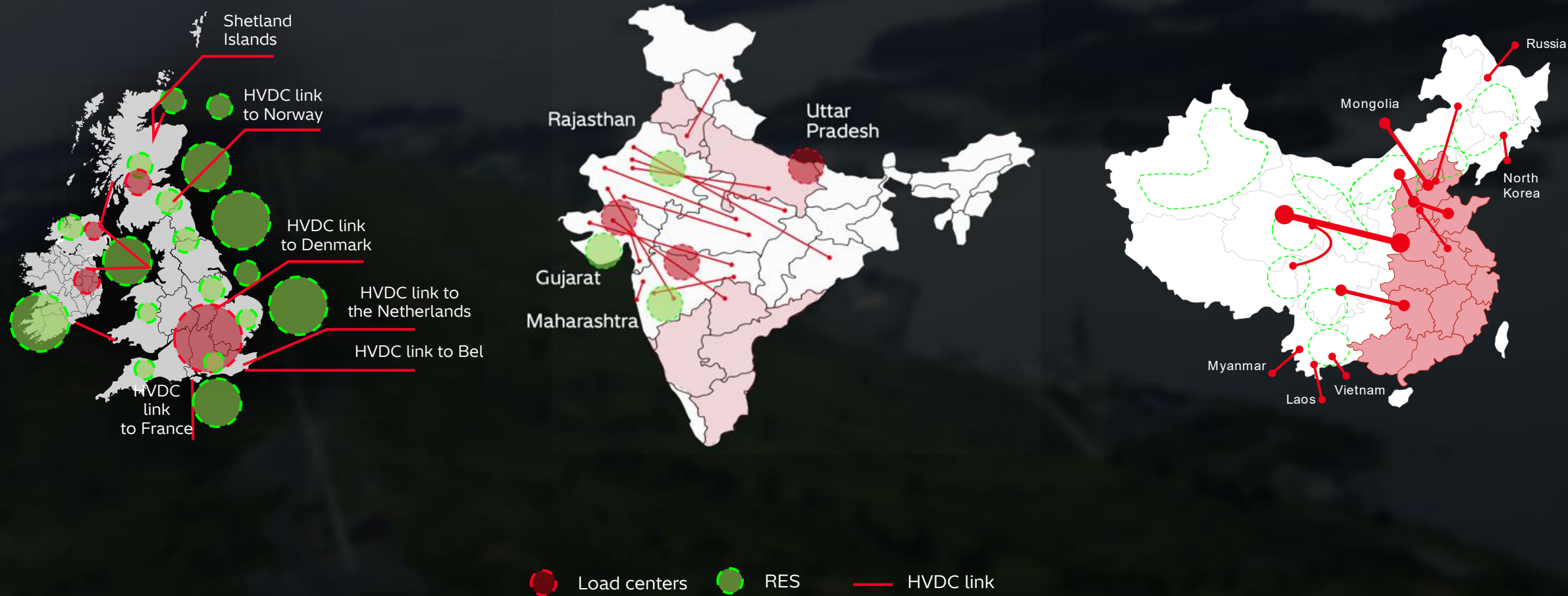
## The Modern Power Grid

Larger distances. Less inertia.



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

# Distance of Renewable Energy Sources: Enabled by Advanced Grid Technologies





# HVDC Technology: The Critical Backbone of Long-Distance Transmission

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## Why better

**50%** less transmission losses than HVAC (over 1,000 km)

Higher power transmission capacity or **>30%** lower footprint than HVAC

**~500 km** economic distance threshold (for overhead lines)

**~90 km** economic distance threshold (for underground cables)

Pioneered by us in the 1950s but rarely deployed until the 2000s

Up from 5 projects/y in 2021 to 23 projects/y in 2024

# HVDC: Hitachi Leads with Over 50% of the Installed Base

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## EMEA

1. HVDC Hubs in Germany (70 GW)
2. RWE HVDC link (2 GW)
3. Amprion Korridor B (4 GW)
4. Centre Manche 1&2 (2.5 GW)
5. Caithness-Moray Shetland (1.8 GW)
6. Sa.Co.I. (300 MW)
7. Integrating ScottishPower  
>1 M UK homes (2.2 GW)

## North America & Latin America

8. Champlain Hudson Power Express >1 M  
NYC homes (1.25 GW)
9. SunZia (3 GW)
10. Rio Madeira (6.3 GW)

## APAC

11. Mumbai (1 GW )
12. Bhadla (6GW)
13. Khavda to Nagpur (6 GW)
14. Marinus Link (750MW)

## Key projects 2024-2025

**>70 years**  
pioneered by  
Hitachi Energy

**175 GW** by  
Hitachi Energy  
equipment,  
corresponding to  
>50% of today's  
total installed  
base

## Outlook (excl. China)

**375 GW**

New projects,  
capacity over  
next 15-20y

**\$25-35B** p.a.

Estimated market  
potential after 2027.  
Approx. \$23B today.





# Modern Power Grid: The Trillion Dollar Imperative Investment of Our Time

## HV infrastructure (>115kV)

**>800,000km**  
**25,000** substations  
**50,000** transformers

**Average age:** >40 years  
Ownership: ~500 utilities;  
**80%** privately owned.

Investment p.a. until 2035:  
**US\$50-120B**



**>350,000km**  
**15,000** substations  
**30,000** transformers

**Average age:** >30 years  
Ownership: Mostly national  
TSOs.

Investment p.a. until 2035:  
**US\$70-90B**



**>1,890,000km**  
**60,000** substations  
**130,000** transformers

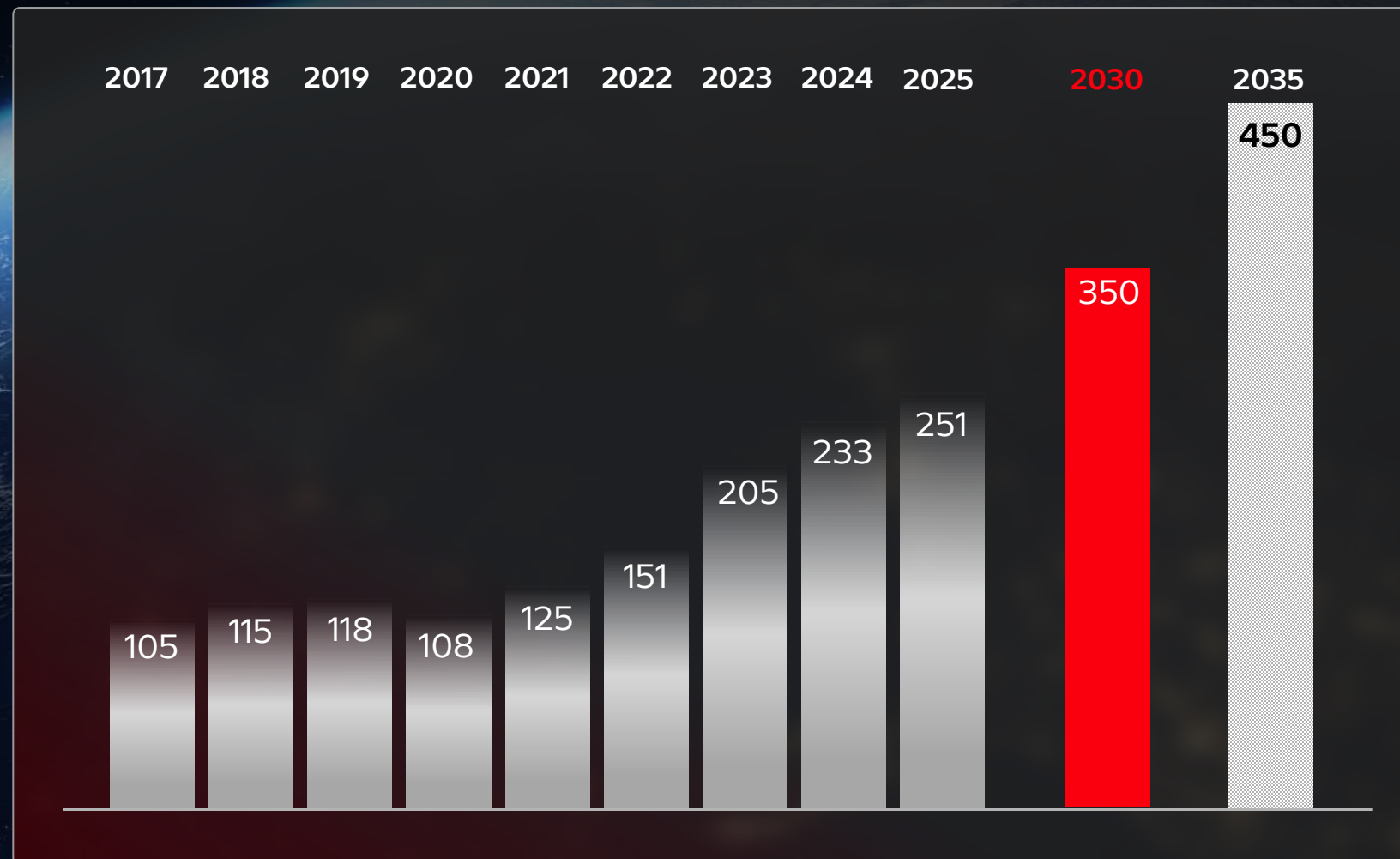
**Average age:** >20 years  
Ownership: Two national  
TSOs.

Investment p.a. until 2035:  
**US\$80-100B**



# Estimated Market Size for Hitachi Energy

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By 2030

**\$350B**

CAGR 2024-2030

**~7%**

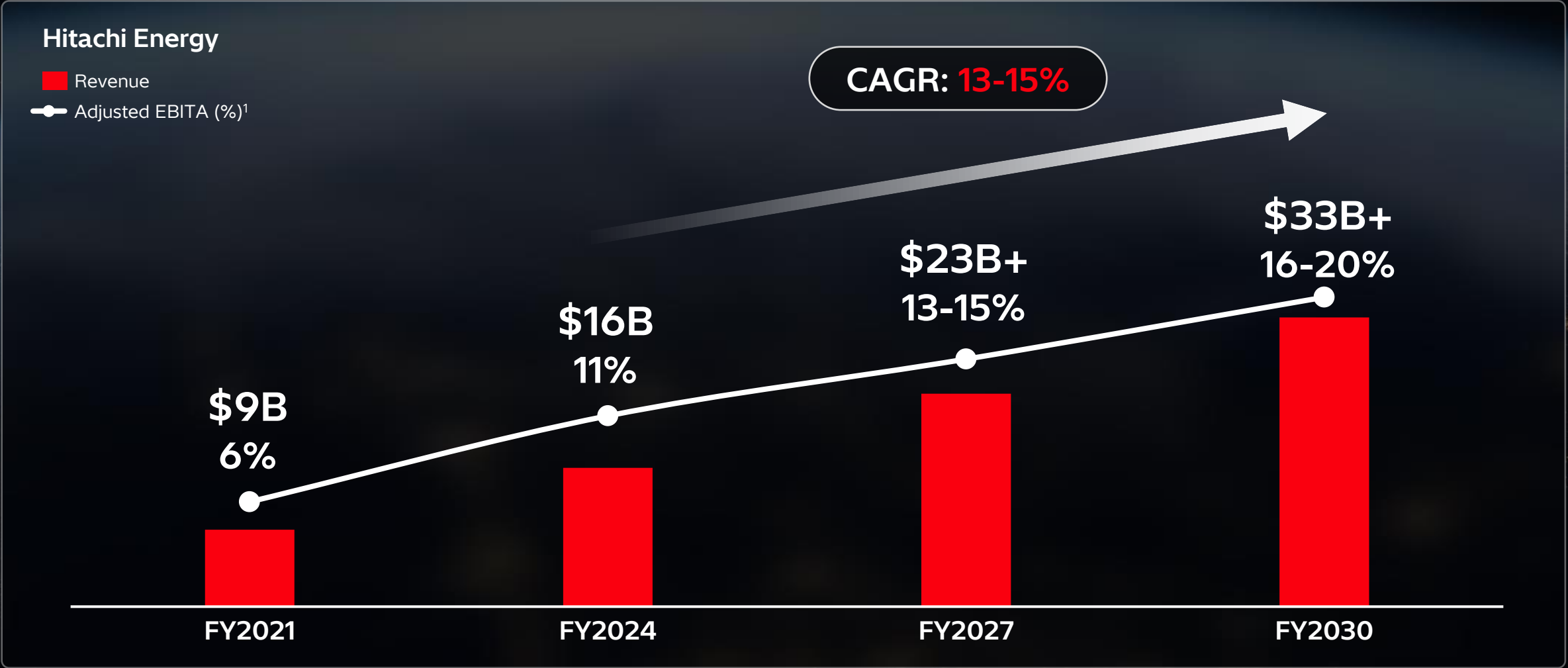
CAGR 2030-2035

**~5%**

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# Outperforming Market Growth and Reinforcing our #1 Position



# Sharpening our Focus on Execution

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## Backlog

\$50B in FY2025, the industry's largest, reflecting strong market demand



## New business models

Standardization & frame agreements



## Operational efficiency

Maximizing factory utilization and productivity with standardization through our Digital Core



## Capacity expansion

Expand existing manufacturing sites and build new ones to address market demand



## People

Growing workforce by 15,000 people through 2027



## Service

Digital as an enabler to address our market-leading installed base



## Volume leverage

Optimizing and harmonizing our operations through our Digital Core



## Innovation

Cementing our technology leadership with increasing R&D investments

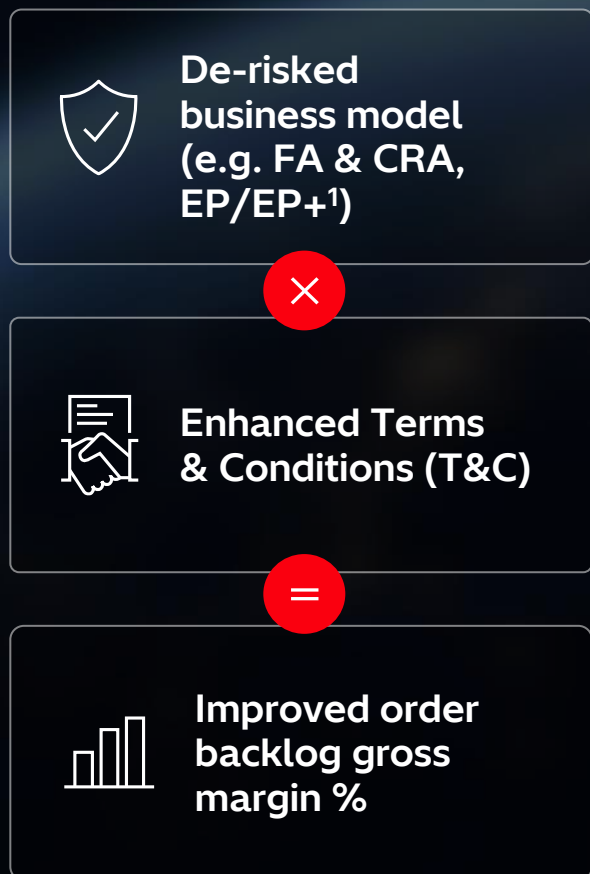


Growth

Productivity



## Growing backlog with higher margin & increased visibility



# De-risked Business Model: Moving from Projects to Programs for Visibility and Security to Invest

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**3.6 GW**  
**3 projects**

Dogger Bank  
A, B, C

**12 GW**  
**6 projects**

TenneT 2GW  
program

**10 GW**  
**5 projects**

SSEN  
Transmission

**20,000+**  
**Transformers**  
**\$700Mn / 8y**

E.ON

## From Transactional to Strategic Partnerships

- Standardization
- Capacity reservation
- Frame agreements
- De-risking (EP/EP+)

# Deploying the Largest Investment Program in the Industry: Capacity Expansion



Deliver our backlog: Invest in **bankable Business Cases**

## One Single ERP System

- Across all countries and factories
- Integrating suppliers and customers



## Diversified Supply Chain

- Flexible rerouting or supply from a different factory in case of any challenges



## Process Optimization

- Process Automation leveraging AI & process mining via Celonis
- Operational efficiency programs to optimize use of materials & delivery time (critical path)

Contributing to our profit ambition with **+\$150-250M** p.a. by 2030



# Service: Large Installed Base. Low Service Penetration. Huge Growth Opportunity.

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## Large installed base:

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

## Service BU established April 1:

Global footprint with presence  
in >60 countries

## Digital at the Core:

HMAX across Hitachi Group  
Digital Passport System

## Objectives



#1 Service provider



4-5x Service business



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



# Service Business Unit established this year: Consolidate, Develop, Expand

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**#1**

Installed base, with 500k+ assets

**>60**

Countries with local Service units

**>6,500**

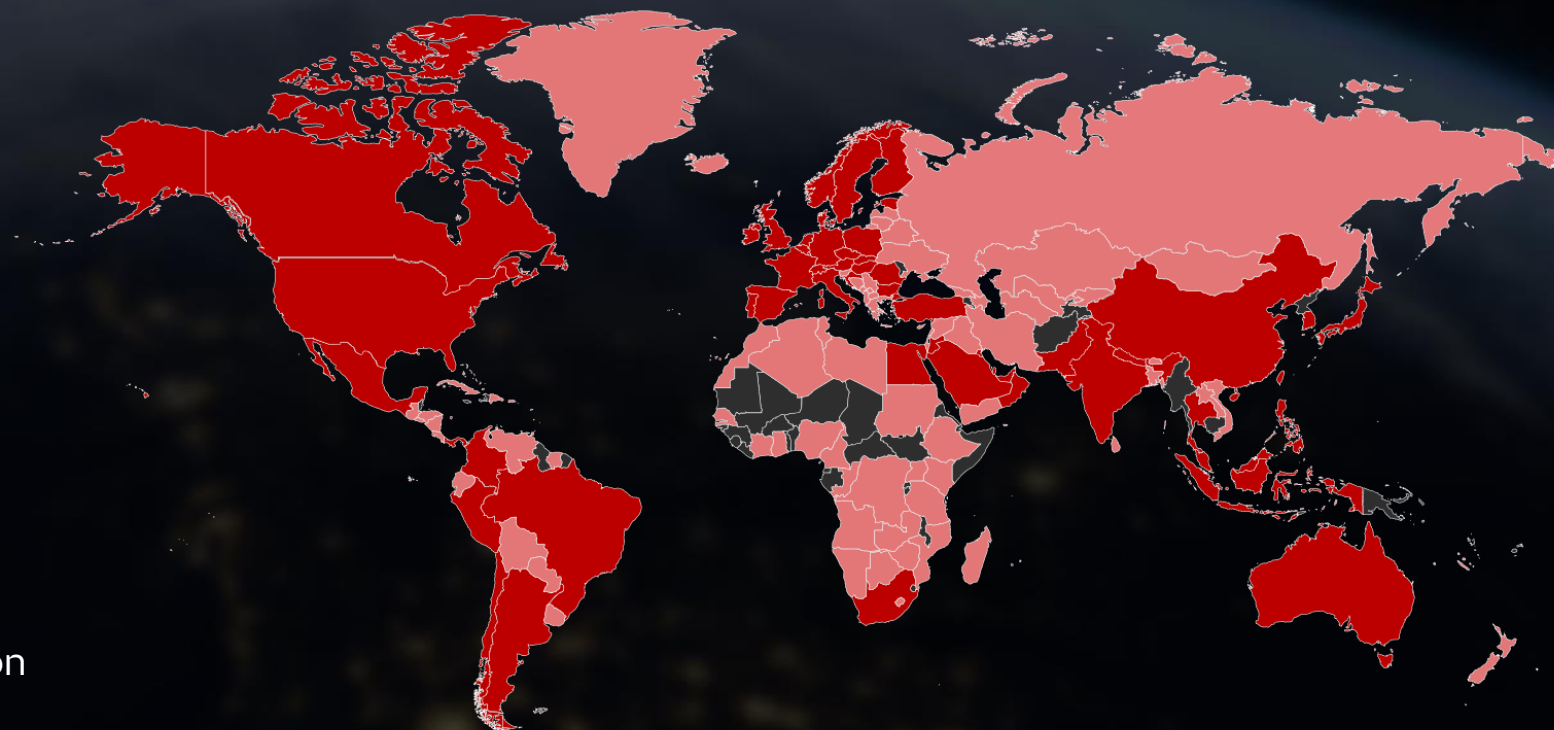
Service employees, leveraging an ecosystem of >50,000

**\$1B** by 2030

Investment in workforce expansion/qualification and digital service solutions, like HMAX

■ Hitachi Energy Service Business

■ Hitachi Energy Installed Base



**Strategic business  
growth & resilience**

**Accretive &  
recurrent profile**

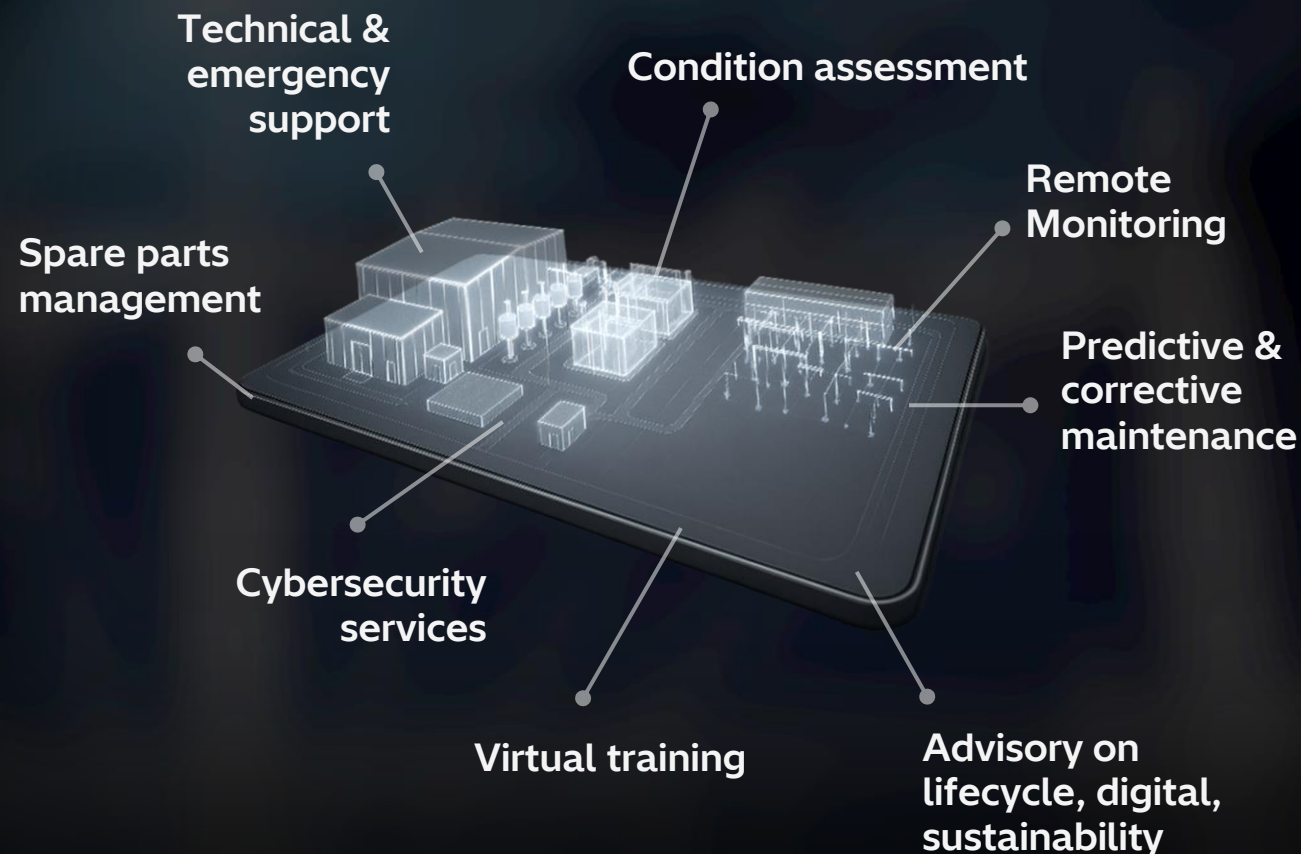
**Trusted long-term  
partnership**

Service enabled by digital and  
powered by AI:

## HMAX to Predict instead of React

- Connected assets
- Cloud-based Platforms & Analytics
- Predictive maintenance
- HMAX as enabler for efficiency increase

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HMAX drives **value** for our customers

Uptime & availability

Safety & Security

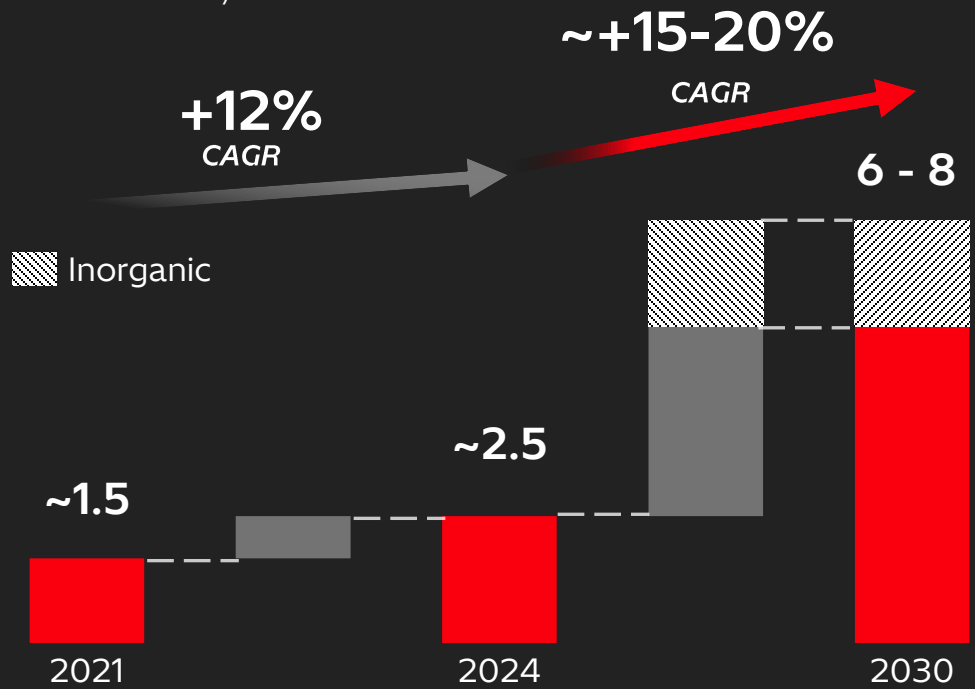
Efficiency increase

Lifetime extension

# Ambition to become #1 in Service

Sustain high double-digit growth through 2030, organically & inorganically

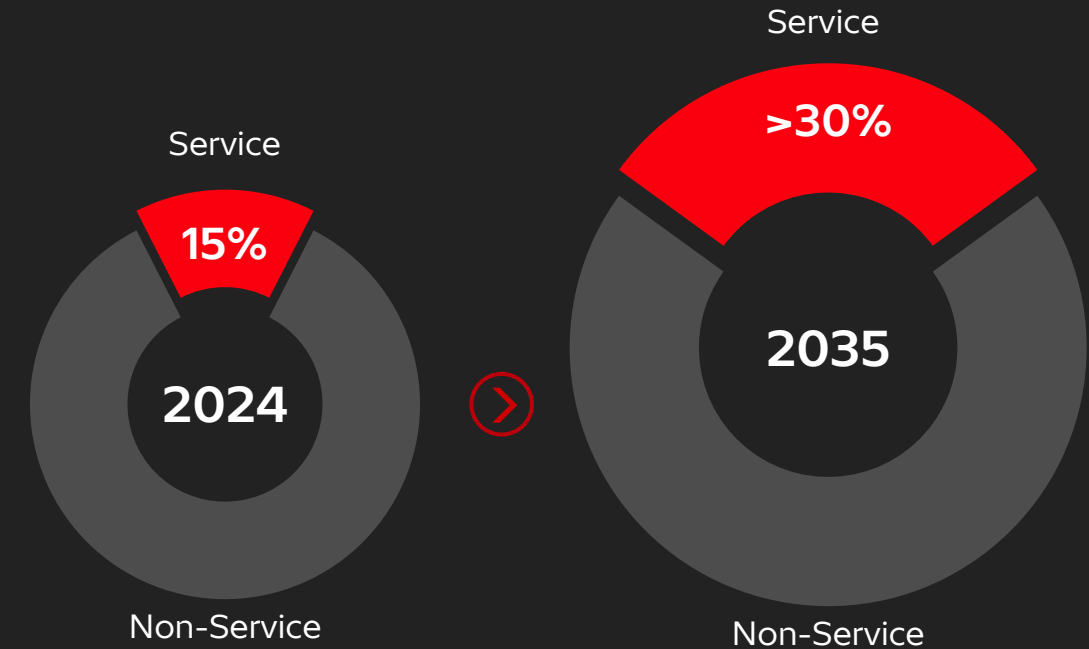
Service revenues, BUSD



Profitable & accretive margins from recurring business

Serving as a downward protection lever post-super cycle

Revenues, Hitachi Energy

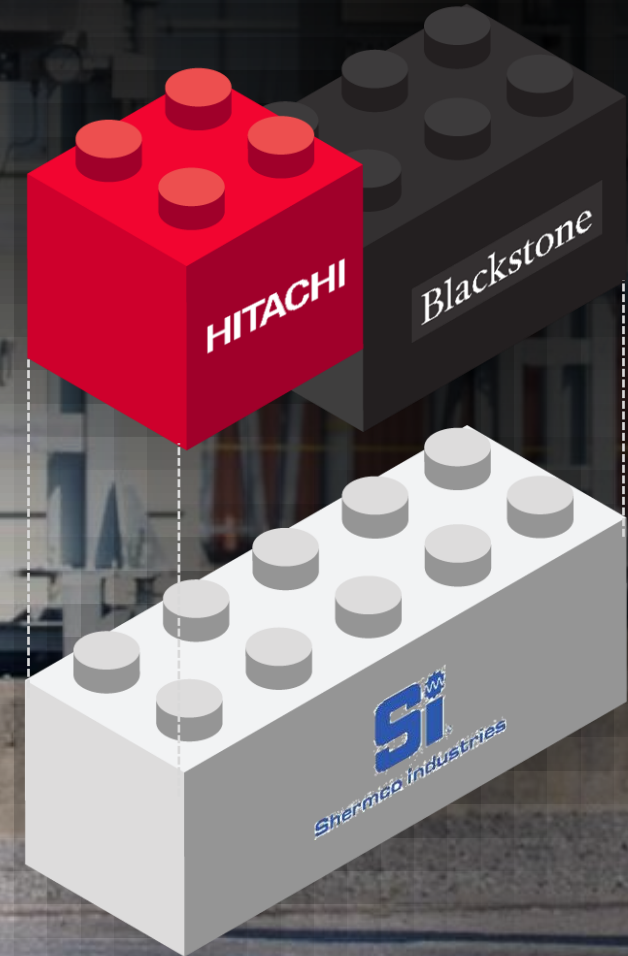


Strategically driving service in company portfolio-mix



## ✓ First large Service Investment accomplished

- Strategic partnership with Blackstone to create a Service champion in North America
- First step: Taking a stake in Shermco



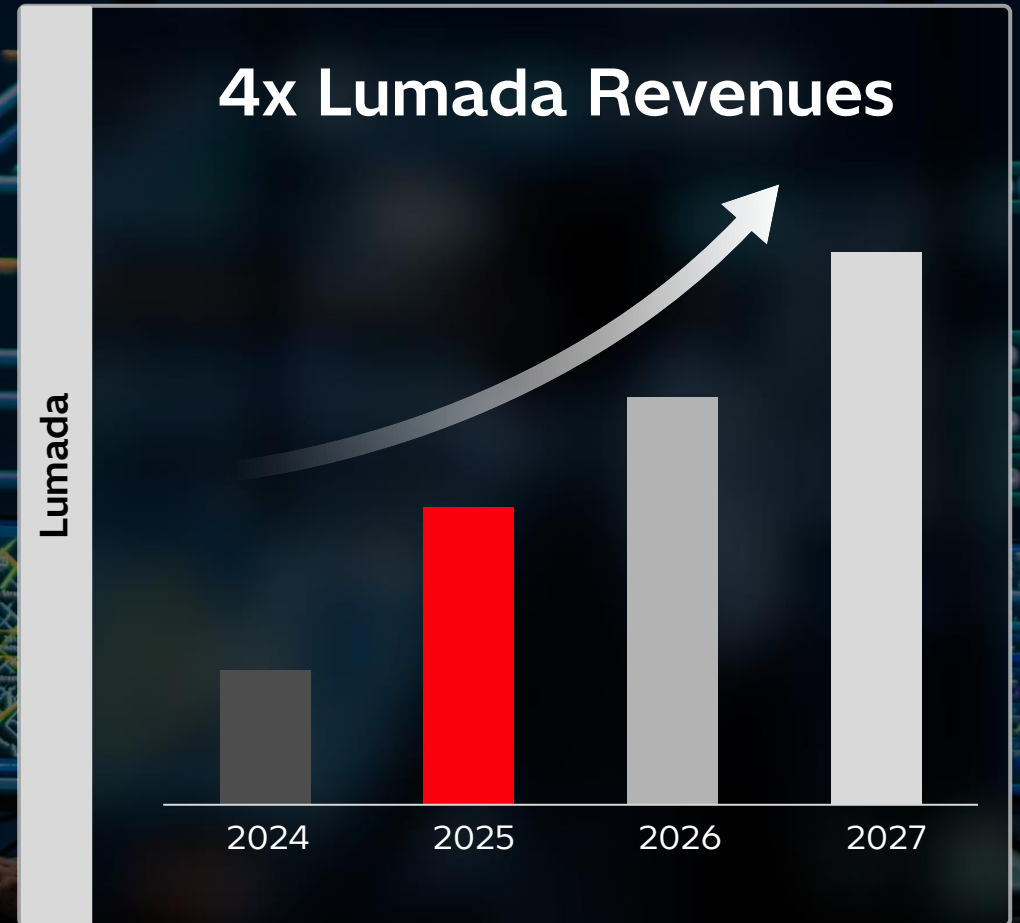
# Grid Digitalization Investments: Boosting Growth in Lumada Revenues

More investment in  
digitalization of the future grid

**20%**  
p.a.<sup>1</sup> 2023

**12%**  
p.a.<sup>1</sup> 2016

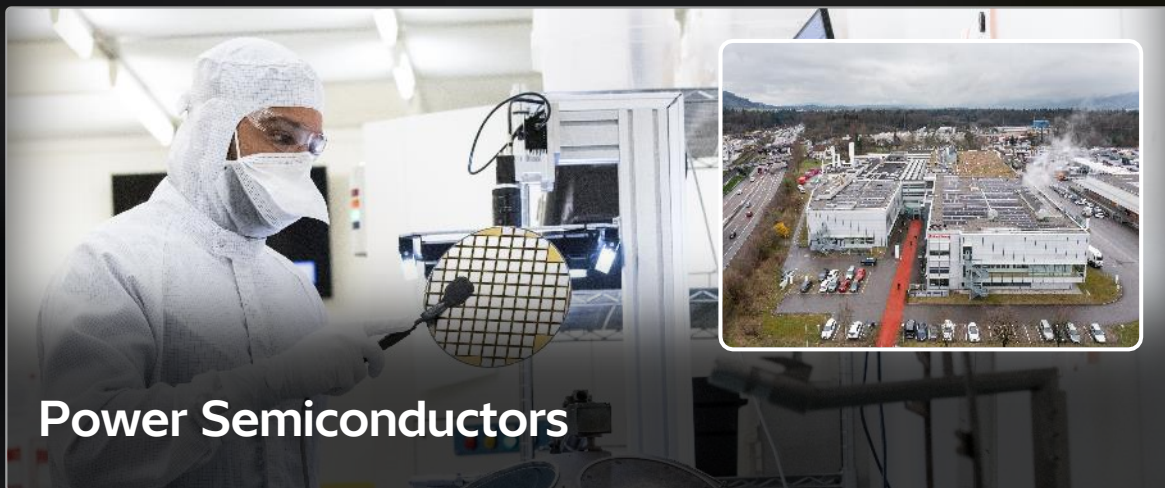
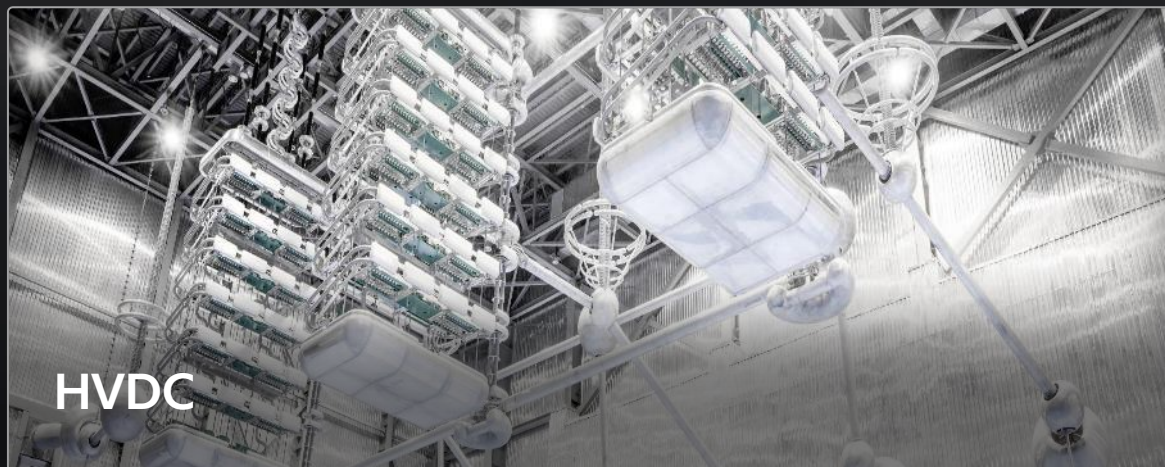
According to IEA & BloombergNEF,  
spending on digital solutions is set to grow  
significantly as a share of total grid CAPEX





# Innovation: Hitachi pioneered modern power transmission

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# Sustaining #1 Leadership: Inorganic Growth and Strategic Partnerships

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## M&A Priorities

**01** Strengthen the Core

**02** Expand Digital & Services

**03** Innovate & Collaborate

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# Creating Shareholder value: Positioned to Outgrow the Market and Keep Leading

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## Key Priorities

**01** Focus on operational excellence

**02** Accelerate strategic growth

- Become #1 Service Provider
- Investing in capacity expansion

**03** Leverage digitalization & innovative technology



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.

# Our 2030 Ambition

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Revenues CAGR  
2024-2030

**13-15%**

Adjusted EBITA<sup>1</sup>  
2030

**16-20%**

ROIC<sup>2</sup>  
2024-2030

**25-30%**

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# Cautionary Statement

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;
- 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.