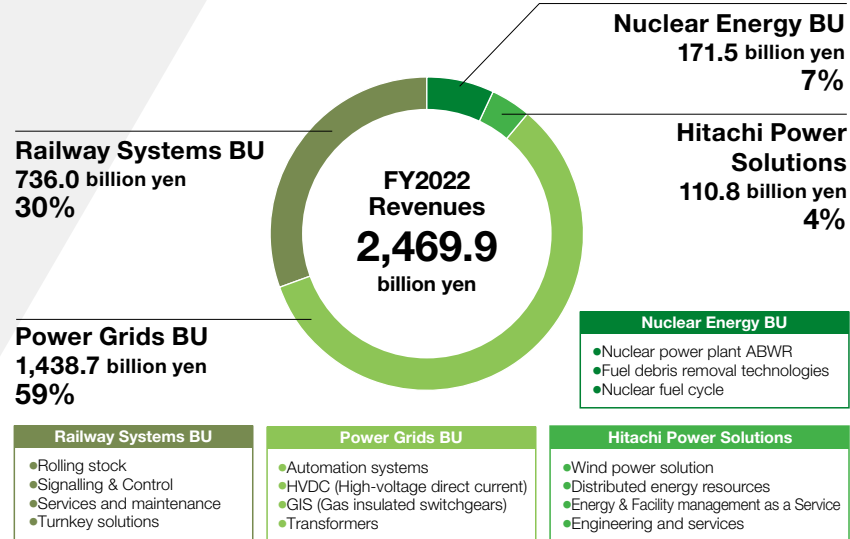


## Sector Strategies

## Green Energy &amp; Mobility

## Business Structure



## Market Environment

Net zero remains a critical global challenge with the drive for clean energy and mobility. Over the last two years, demand was strong with several key drivers, for example, recovery from COVID-19 and energy independence from geopolitical issues. In addition, the business model is now shifting toward long-term engagement. For instance, Hitachi Energy was awarded a long-term framework contract with its partner to enable the customer's long-term capacity expansion to accelerate the energy transition. It will also allow Hitachi to make a timely decision on capital allocation. In the green mobility market, rethinking how conventional transportation systems transform, the rise of DX and GX is generating and expanding new markets that is driven by data. In particular, cutting-edge and demand-side markets including smart mobility, energy management services and energy storage solutions are expected to grow rapidly.

In terms of economic forecast, the conversion to green energy is expected to expand by up to 1.5 trillion U.S.\$, while the conversion to green mobility will increase by up to 2.7 trillion U.S.\$ by 2030.

By continuing to invest in the "Green Energy and Mobility", Hitachi is making major strides in a fluid and dynamic market environment.

## Strengths

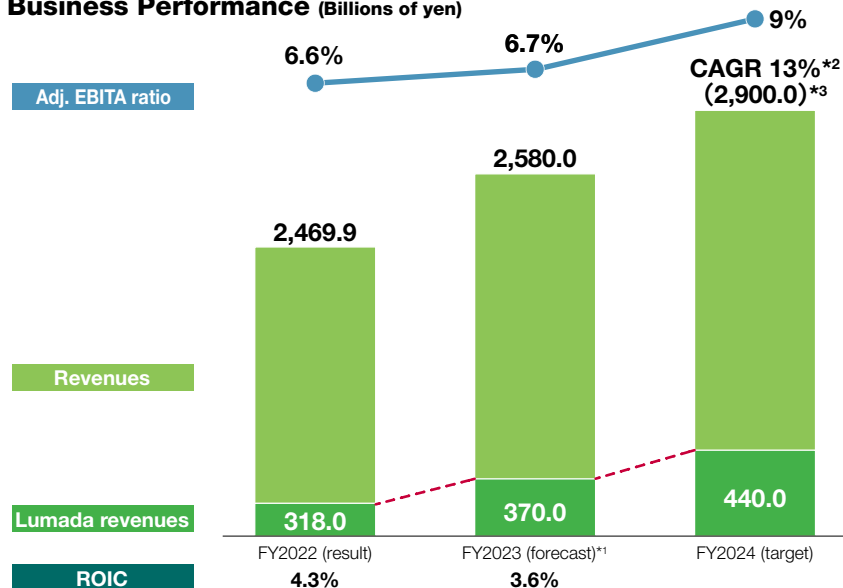
Through divestment and investment, Hitachi has been transforming its portfolio that is competitive in a targeted market and has a global footprint. Especially, rail systems and power grids are in a global leading position in terms of technology and footprint. By leveraging such a huge global footprint, Hitachi aims to be a lifetime partner with our customers to address their issues and pain points throughout the product/system life cycle. We believe that digitalization by using Lumada is a key for the success, and we have the greatest partner within Hitachi, that is, the DSS sector. Combining domain knowledge, experiences and expertise with IT capability, driven by data, we believe that we can create business cases for our customers that resolve customers' challenges.

## Growth Strategies

The basis of our strategy is transformation and sustainability. With strong demand, we developed record high order backlog. Although our main focus in the next couple of years will be delivering such orders, we will start transformation of our business model to achieve sustainable growth. Key areas for transformation are our services as well as digitally enabled solutions together with Hitachi Digital.

Internally, we will pursue green transformation in the Hitachi Group supported by the DSS sector. That will enable the best use of energy, assets and resources. The internal effort will be our offerings for our customers. Our "sell together" approach with GlobalLogic differentiates us from peers and that is our value proposition. We can collaborate and create synergy within Hitachi and minimize interfaces for co-creation. None of our peers can provide such a seamless approach and our strategic structure can deliver solutions for customers.

## Business Performance (Billions of yen)



\*1 Announced on July 28, 2023 \*2 FY2021-FY2024 CAGR \*3 In parentheses, revenues are calculated from CAGR.