

HITACHI

Hitachi Investor Day 2025

CEO Remarks

June 11, 2025

Toshiaki Tokunaga
President & CEO
Hitachi, Ltd.

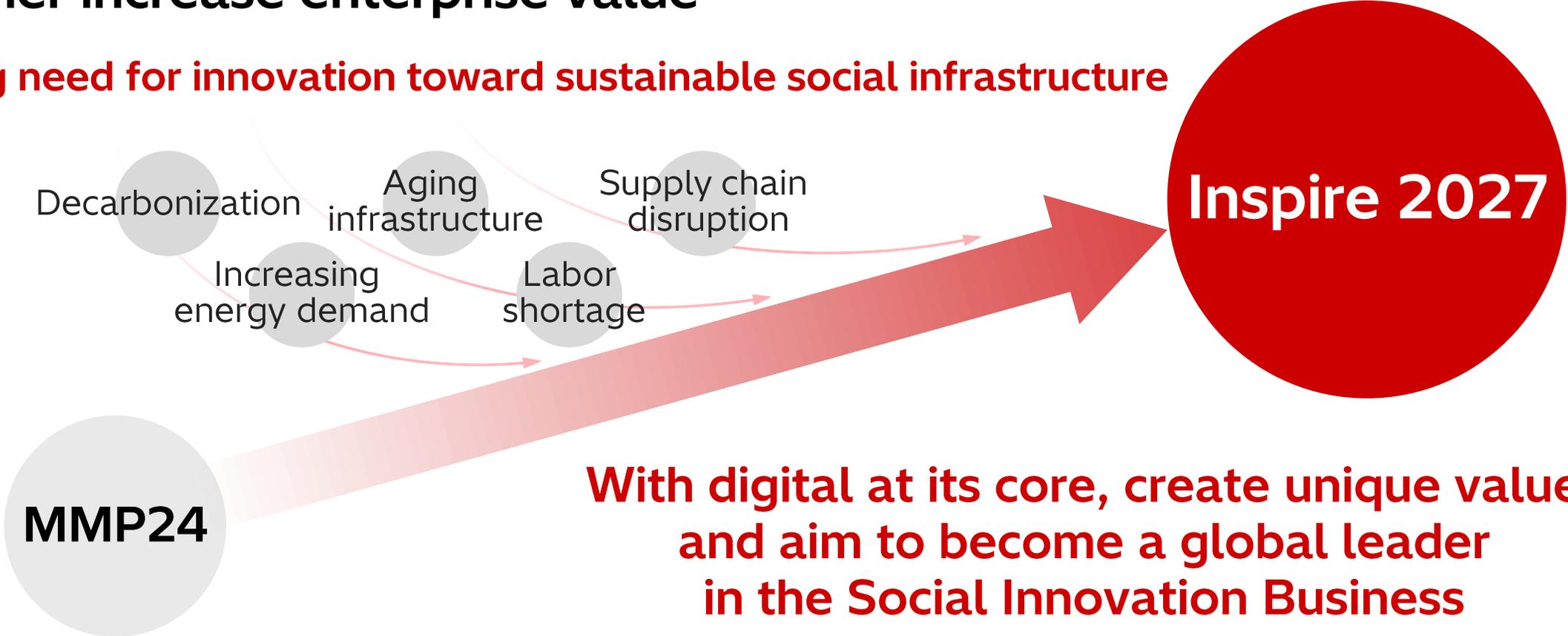
Contents

- 1. Vision of Inspire 2027**
- 2. CEO priorities**
- 3. Expand the Lumada business**
- 4. Capital allocation**
- 5. Deepen governance**

1. Vision of Inspire 2027

Accelerate transformation into a digital-centric company to further increase enterprise value

Growing need for innovation toward sustainable social infrastructure



Shifted to organic growth and increased enterprise value

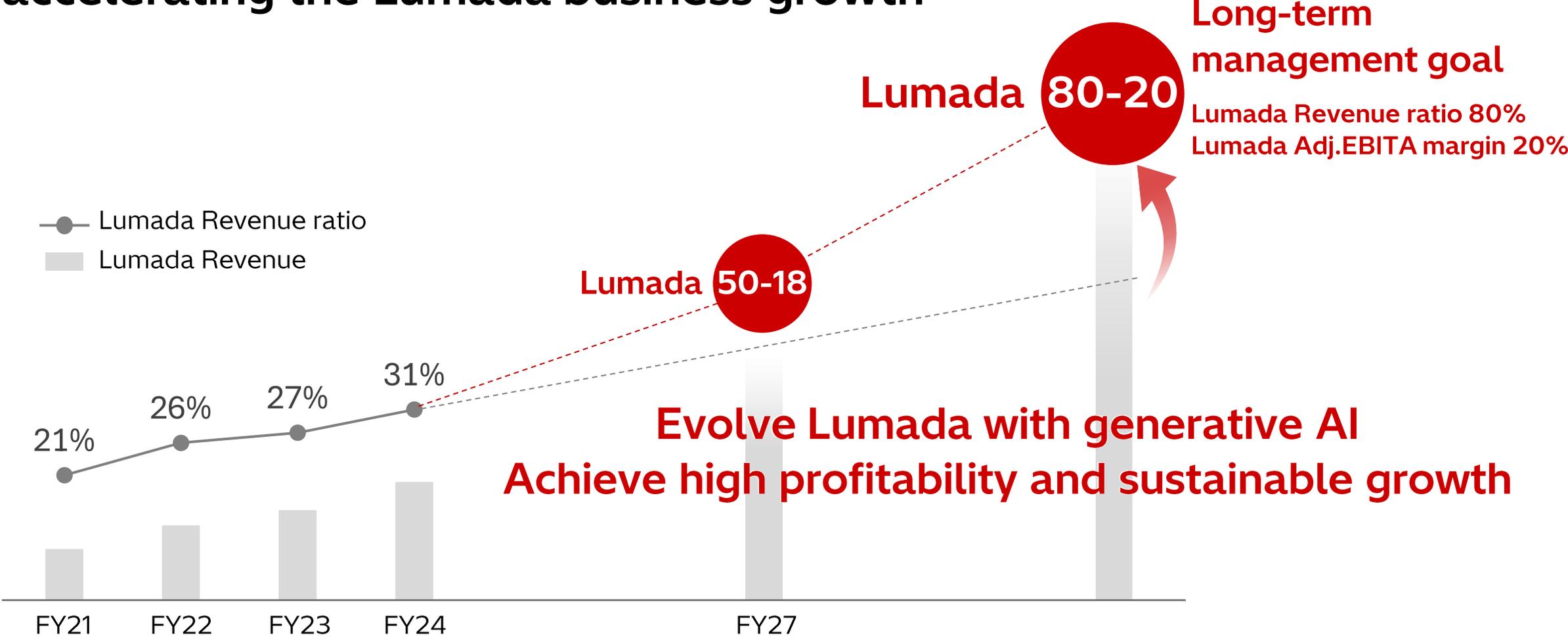
Priorities to accelerate transformation into a digital-centric company



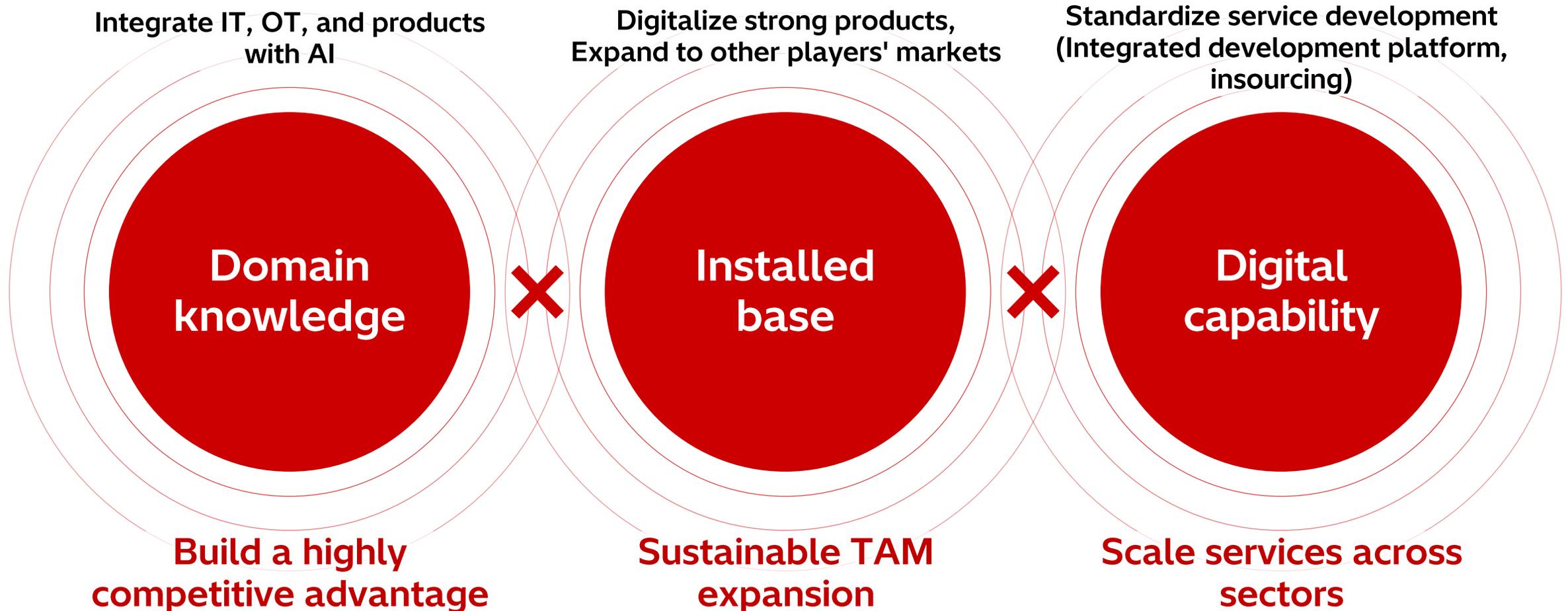
Inspire 2027 targets	Revenues	Adj. EBITA margin	CF conversion ^{*2}	ROIC
	CAGR ^{*1} 7-9%	13-15%	Over 90%	12-13%

3-1. Expand the Lumada business

Generative AI creates new value from data, accelerating the Lumada business growth



Innovating technologies and business model transform Hitachi's strengths into drivers for accelerated growth



3-3. Expand the Lumada business

Continue strengthening the portfolio centered on Lumada 80-20

Acquire the missing piece to enhance Lumada

- Technologies to differentiates the value of offerings
- Domain knowledge in adjacent areas
- Installed base in growing markets



Shape a portfolio for the next Lumada growth

- Domain knowledge in new growth areas
- Innovative technologies to create new businesses

Business restructuring

- Less strategic alignment with the Lumada business
- Less growth potential and competitive advantage

4. Capital allocation

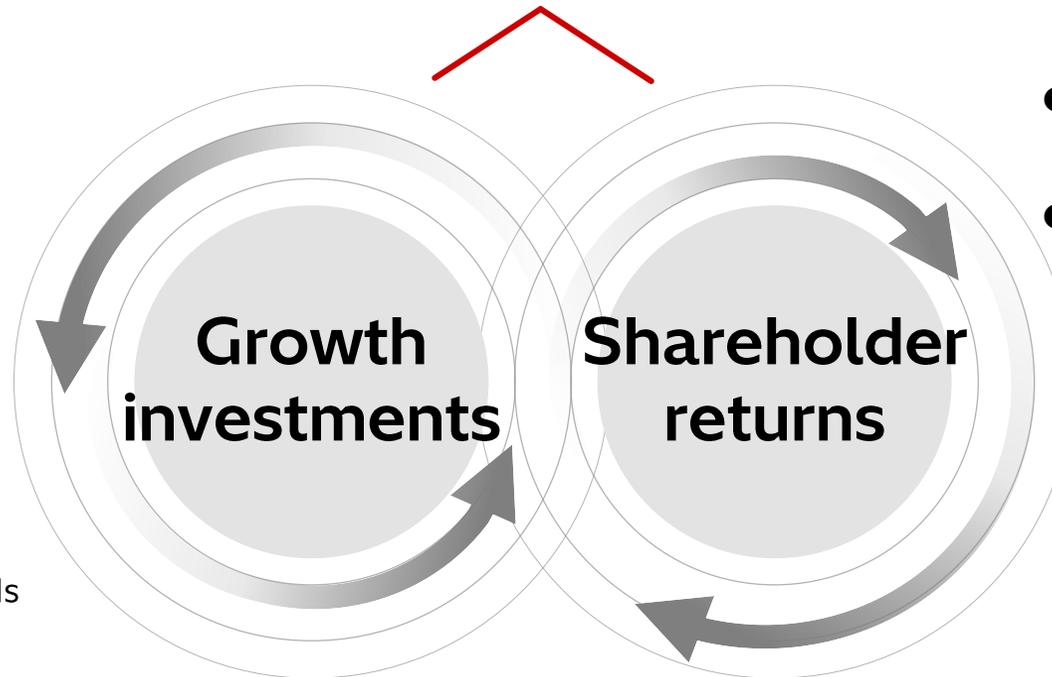
Maximize value creation and returns through growth investments and shareholder returns

Flexible and balanced capital allocation to growth investments and shareholder returns with a focus on returns

Increase enterprise value

- **Strict investment criteria***
- **Bolt-on acquisition-focused**
- **Bold execution of ROIC accretive investments**
- **Use leverage in accordance with financial discipline**

*Hurdle rate: Inspire 2027 financial KPIs (Adjusted EBITA margin, ROIC)



- **Increase returns over mid-to-long term**
- **Return over one-half of core FCF or net income**
 - Stable dividend growth in line with business growth
 - Flexible share buybacks

Management and corporate culture to achieve sustainable growth

Capture risks leading to growth

- Promote autonomous decentralized global management, achieve threat alleviation and opportunity creation

Accelerate growth with high agility

- Accelerate decision-making through discussions among businesses, regions, and corporate functions, and accelerate group-wide synergies

Transform into a higher-growth oriented mindset

- Evolve a compensation system to raise awareness of increasing enterprise value and encourages efforts to achieve growth that exceeds the competitors and market

Improve transparency through enhanced communication with stakeholders

- Deepen dialogue with the capital markets and continue high-quality discussions among the Board of Directors and between directors and executive officers

Present True One Hitachi, accelerating value creation with digital at its core

① CEO Remarks

Toshiaki Tokunaga, President & CEO

Four main businesses

② Mobility

Giuseppe Marino,
Senior Vice President

③ Energy

Andreas Schierenbeck,
Senior Vice President

④ Connective Industries

Brice Koch,
Executive Vice President

⑤ Digital Systems & Services

Jun Abe, Executive Vice President

⑥ Human Capital

Lorena Dellagiovanna, Senior Vice President, CHRO

⑦ CFO Session

Tomomi Kato, Senior Vice President, CFO

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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;
- 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.