

HITACHI

Hitachi Investor Day 2025 Mobility Business Strategy

June 11, 2025

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Hitachi, Ltd.

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1. Mid-term Management Plan 2024 Actuals

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FY2024 Highlights



Thessaloniki Metro
Started commercial operations for Greece's first driverless metro



Green CBTC*1 in service in Singapore
Target of 15% energy savings (8% already achieved)



Digital Framework in Germany
For the supply of digital Interlocking, ETCS*3, integrated control and operating system



Alexandria Abu-Qir
Conversion of current diesel-fuelled rail line into a high-capacity electric metro system



Milan Line 4
New CBTC driverless metro in Milan to connect the airport with the city centre



Sydney Metro Southwest
Delivery of OCC*2 and communication systems for the Metro line



Major S&M on high speed
Long term maintenance framework agreement on 103 high speed vehicles



Montreal Blue line extension
CBTC installation on the existing 9.7 km Blue Line and its 6 km extension

Solid Delivery

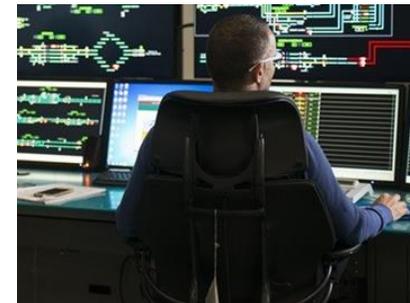
Strong Order Intake

HMAX Launched

Successful Integration of Thales GTS



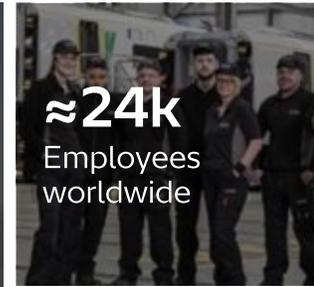
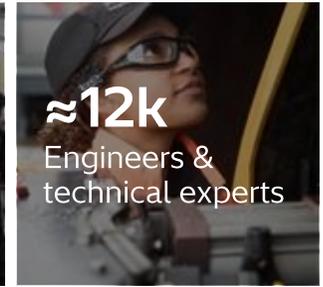
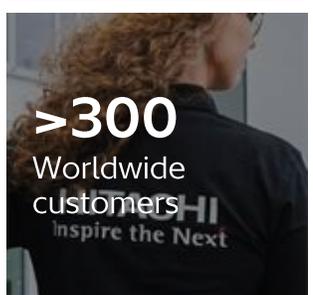
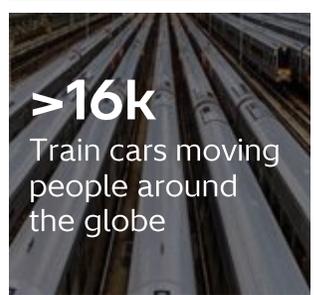
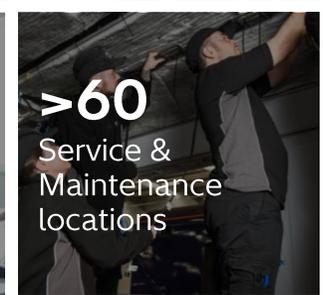
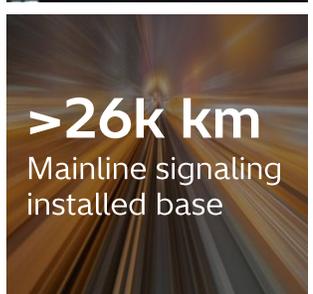
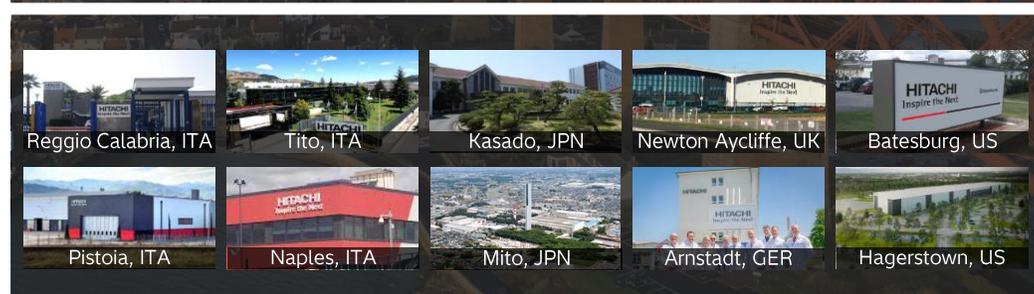
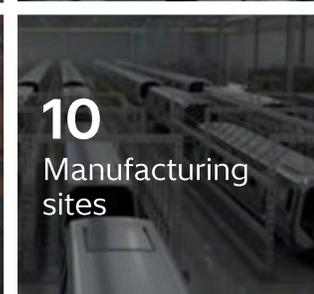
In partnership with NVIDIA
2000+ trains fitted with HMAX solutions, also covering thousands of miles of signaling systems and rail infrastructure
Global customer base in urban, mainline, and freight railways



€1.66B strategic acquisition
Combined entity from 1st June 2024
Seamless integration from Day 1 throughout the process
Key business process already aligned

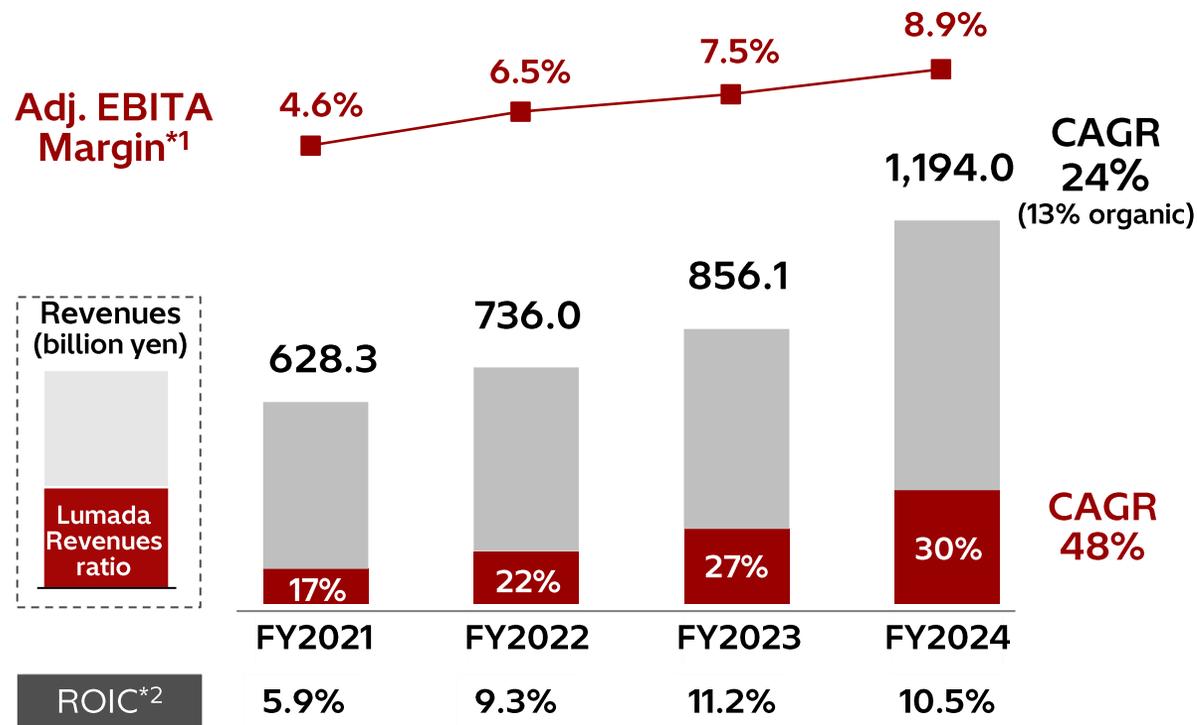
*1 Communications-based train control *2 Operation Control Centre *3 European Train Control System

Global presence with footprint in **50+ countries**

<p>Our New Business in Numbers</p>	<p>>50 Country coverage</p> 	<p>Our Global Footprint</p> <p>■ Domestic markets*1 ■ Served markets*2</p> 	<p>≈24k Employees worldwide</p> 	<p>≈12k Engineers & technical experts</p> 
<p>>300 Worldwide customers</p> 	<p>>16k Train cars moving people around the globe</p> 		<p>>100 Offices and laboratories</p> 	<p>>60 Service & Maintenance locations</p> 
<p>>26k km Mainline signaling installed base</p> 	<p>>4k km Urban signaling installed base</p> 			<p>10 Manufacturing sites</p> 

*1 Markets where Hitachi Rail has either a manufacturing facility and/or a main office *2 Countries mainly served with project offices

Our Business in transformation



Achievements

Steady growth in revenues and profitability

- Double digit growth in revenues (13% CAGR organic)
- Progressive margin growth in almost all lines of business

Strengthened Portfolio

- Revenue mix shift from Vehicles (43%) to Rail Control (57%) in FY2024

Successful Integration of GTS

- Integrated Hitachi Rail since June 2024
- PMI programme to plan

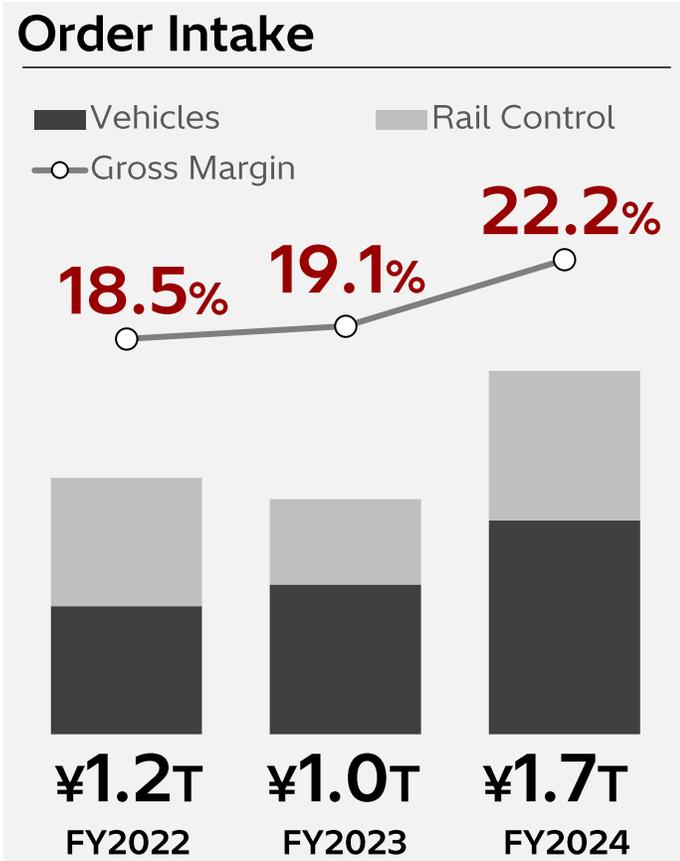
Priorities for further growth/transformation

FY2025 key priorities include

- Solid Backlog execution
- Drive synergies with GTS
- Further acceleration on Digital

*1 Adj. EBITA (Old Definition) : Adj. operating income plus acquisition-related amortization and equity in earnings (losses) of affiliates *2 Excludes PPA and integration cost

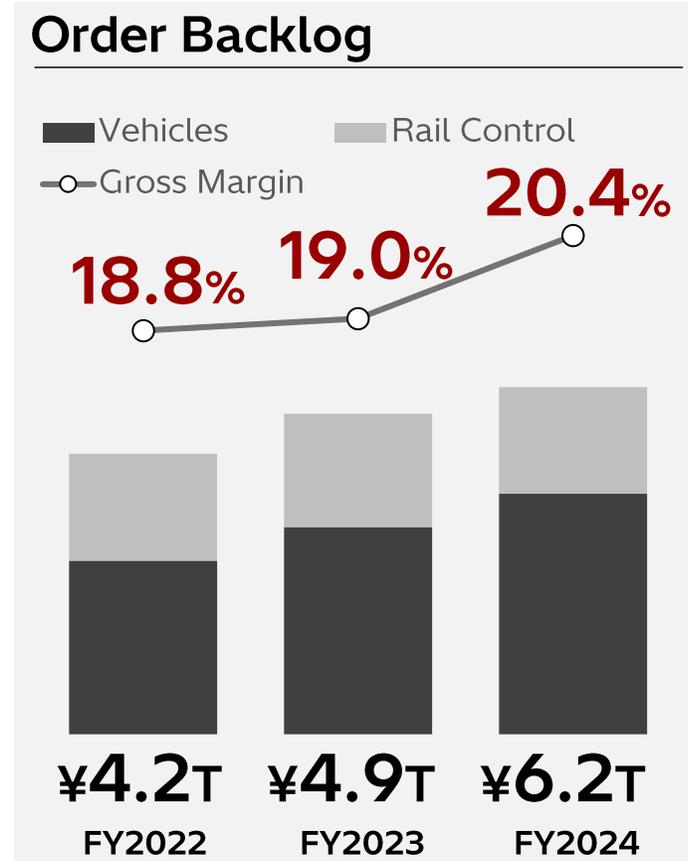
New orders margin increasing and Strong Backlog



Strong Order growth

Book to Bill ratio of 1.4x underpins revenue growth in the new Mid-term

Solid margin improvement in new orders



Strong Backlog at 6.2T JPY

Healthy margin underpinned by strong new orders, phase out of low margin initiatives and positive mix effects

Strong **Cash Conversion** improvement

Cash Conversion Cycle

○-CCC

65Days

56Days

37Days

FY2022

FY2023

FY2024

Cash Conversion Cycle (CCC) improved by 28 Days (from 65 Days to **37 Days**) over Mid-term Management Plan 2024 through strong working capital management

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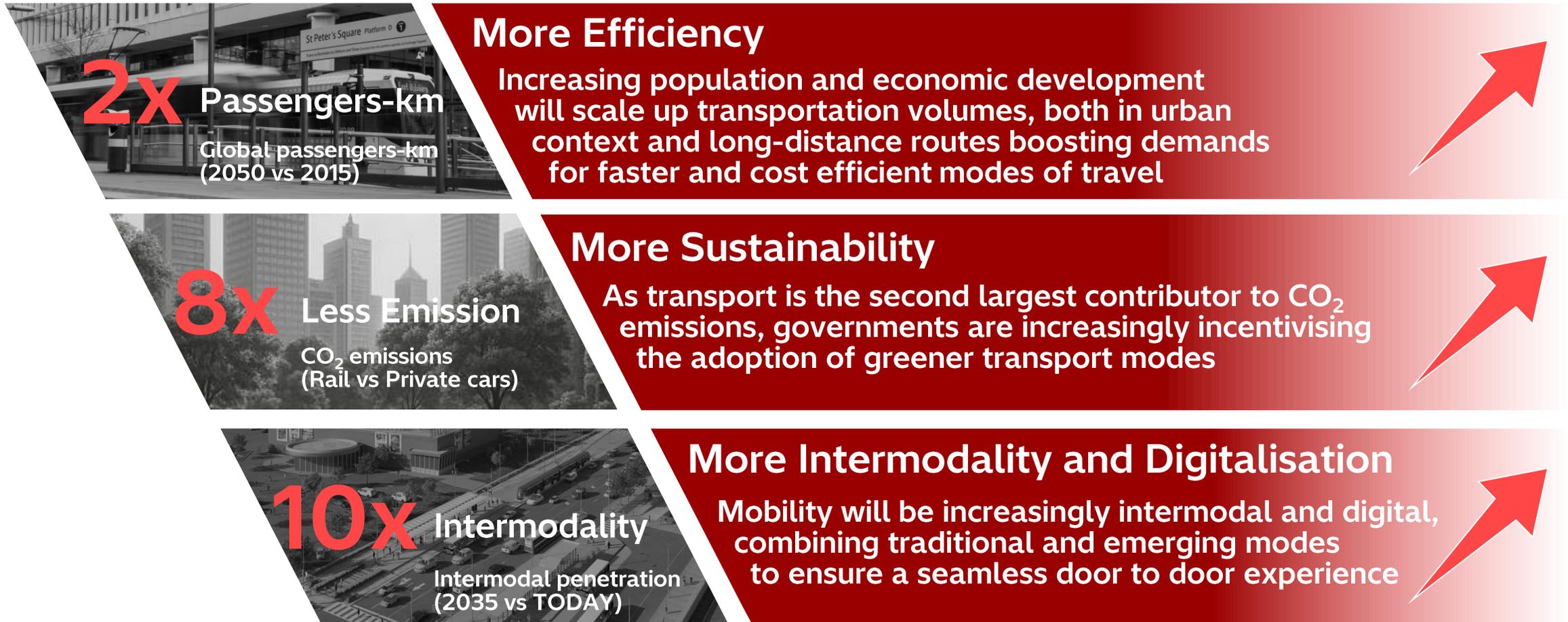
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3. Inspire 2027

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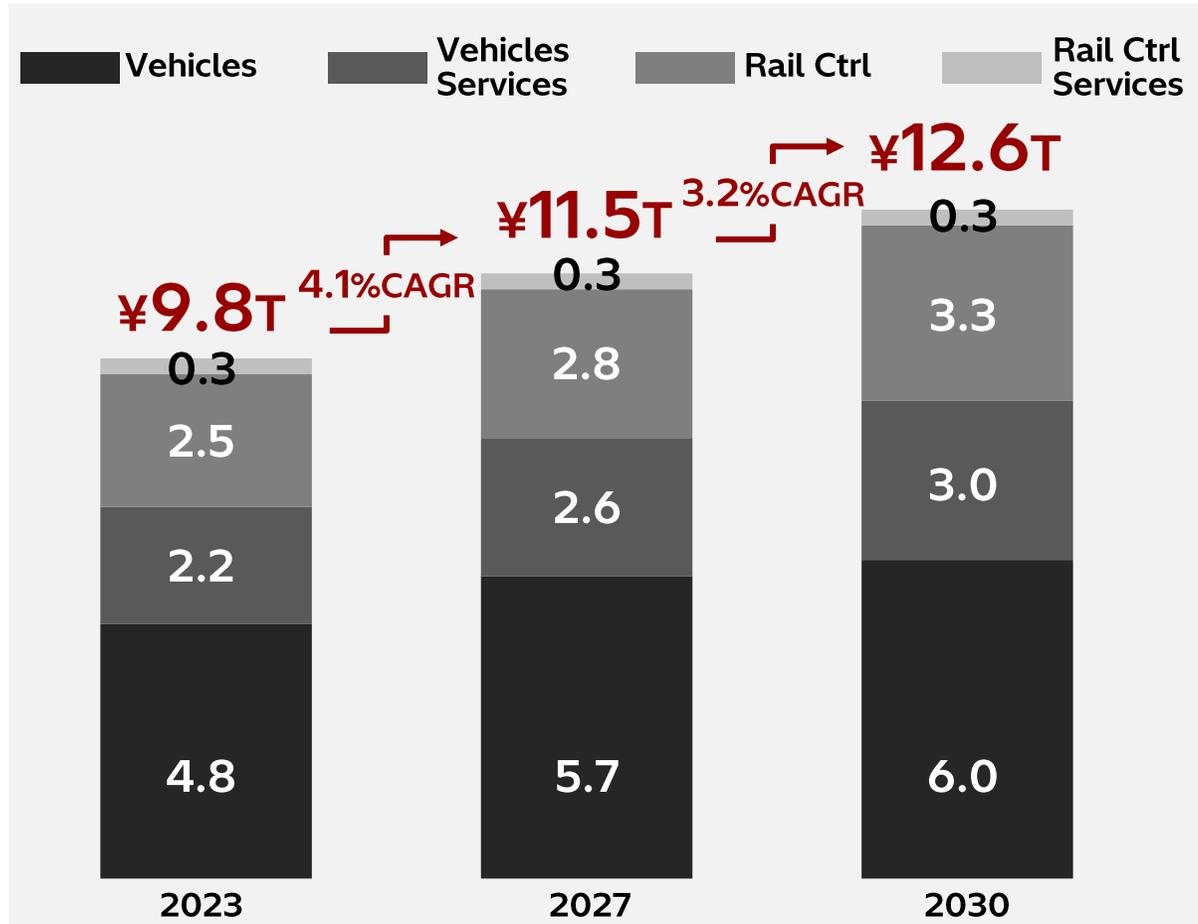
Appendix

Structural Transformation of Mobility Market



Source: International Transportation Forum, World Bank, Oxford Economics, UN Database, International Energy Agency

2023-30 Rail market evolution*1



*1 Hitachi accessible market

Source: UNIFE

The market is robust and forecast to grow ca **4%** per annum towards the end of our Mid-term

Vehicles services ranging from \approx **31%** to **33%** of total Vehicles

High demand of **High-Speed Trains** expected in the Vehicles market

Rail Control market growth expected to **outpace Vehicle market growth** in 2027 - 2030 period

Rail Control services ranging from \approx **8%** to **10%** of total Rail Control

Growing demand for upgrades and **modernisation/digitalisation** in Rail Control market

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a Sustainable Global **Mobility** Player

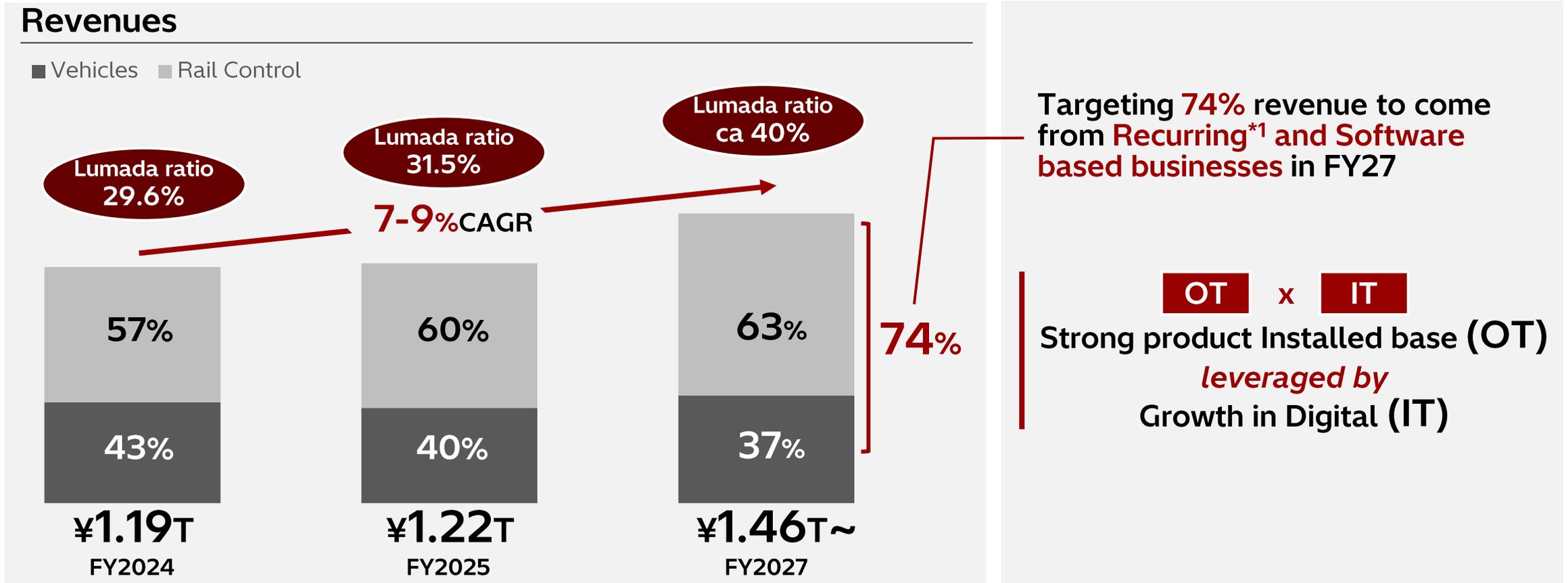
Sustainable
Delivering **Sustainability**
Improving transportation efficiency / Shortening travel times
Solving congestion issues / Reducing carbon footprint

Digital
Innovation
Innovating for the Mobility of the future
Stay at the forefront of innovation through One-Hitachi

Recurring
Shifting towards Recurring and Software-based solutions
Driving Lumada3.0 through mix shift/biz model evolution

Sustainable Global Mobility Player

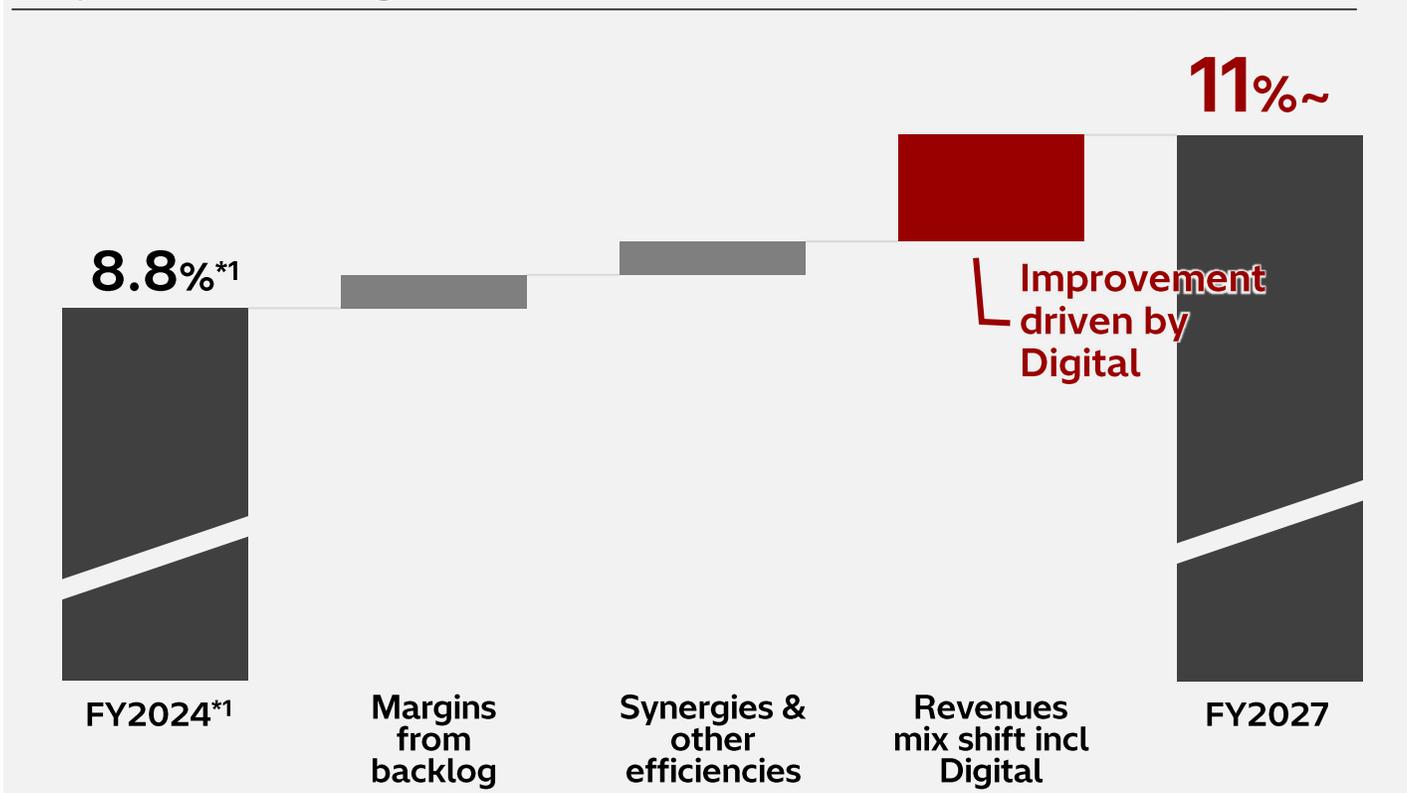
Continued Revenue growth and shift to Recurring & Software based businesses



*1 Including services

Driving profitability growth

Adj. EBITA bridge FY2024 vs FY2027 (%)



- Margins from backlog:** increased backlog profitability
- Synergies & other efficiencies** Full realisation of GTS-Hitachi synergies, coupled with initiatives focusing on internal efficiencies. Scale effect with benefits from SG&A dilution
- Revenues mix shift** Increasing exposure towards Software related business, Digital and Service. Leverage of installed base, and potentially strategic M&A

*1 Adj. operating income plus acquisition-related amortization excluding integration cost and intra company adjustment

Key Action Pillars for the Mid-term

Business growth

Accelerate growth in key geographies (eg Germany) and growing markets (eg ME*1, India, Asia Pacific)

- Leverage GTS footprint
- Extend footprint in India
- Strategic focus on key Asia Pacific geographies

Backlog Execution

Capitalise on OBL*2 by ensuring delivery excellence, maximising internal efficiencies and improving risk management

- ¥6.2T Backlog(FY24)
- Rail Control: 36%
- Vehicles: 21%
- Services: 43%

Cost Containment

Reduce cost by improving planning and manufacturing processes with management system integration

- Increase focus on Productivity
- Leverage AI in the process
- PLM*3 across the organisation

M&A

Expansion into data driven areas leveraging our expertise in OT and IT (eg Data management)

- Innovating across adjacencies
- Potential in digitalisation and future smart cities which could be realised as One Hitachi

Manage Geopolitical Impact

Manage impact through diversified global footprint

- Strong base in US for both Rolling stock (New plant in MD*4) and Rail control (PA*5 and SC*6)
- All major contracts under Buy America Act (70% by America)

People

Leverage new large pool of diversified competences to lead the technological challenges of the future

- Continuous learning, structured career paths and acceleration of digital and AI skills
- Cross-fertilisation of best practices

*1 Middle East *2 Order Backlog *3 Product Life-cycle management

*4 Maryland *5 Pennsylvania *6 South Carolina

Expanding into **Strategic Markets** -> **Germany**



Digital Framework Agreement

A Major Digital multi year Framework agreement

in **Germany** (Deutsche Bahn)
¥240B+ over the next 4 years*¹

Digital Interlocking
ETCS*²

Integrated Control &
Operating system

*1 Exact volume will depend on specific project-related orders

*2 European Train Control System

Shifting towards **Recurring and Software based** businesses



A Major Service & Maintenance Framework agreement

in **Italy** (Trenitalia)

for **103** Very High-Speed trains
15+ years contract covering:

- Preventive maintenance
- Corrective maintenance
- Aesthetic renewal
- Rehabilitation/Overhauls

Driving **Sustainability** as a competitive advantage

On **Trains**



Tri-mode hybrid train

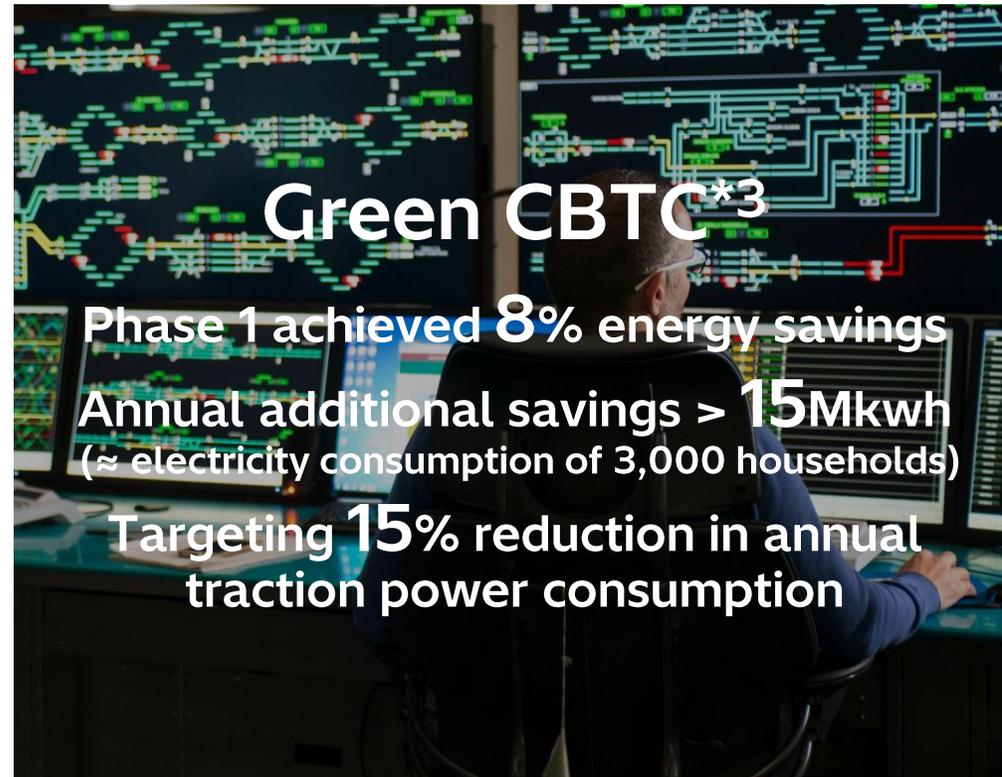
Europe's first tri-mode hybrid train (Electric, Battery or Diesel propulsion)



Battery- powered train

UK's first intercity battery-powered train

and on **Operations**



Energy savings
leveraging
advanced
data analytics

Profit sharing
with our
customer
in
Singapore

*1 For Italian lines with the Tri-mode hybrid trains already in service

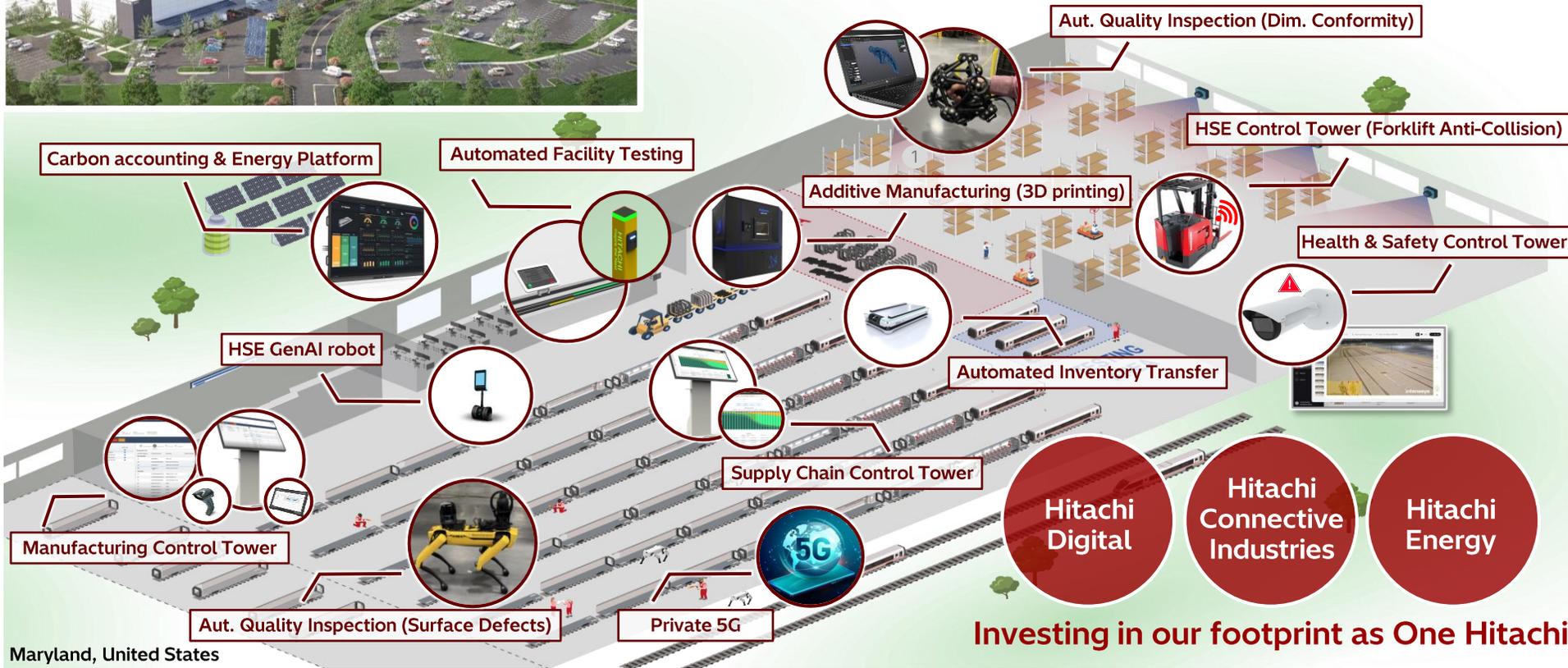
*2 Compared to May 2024 results

*3 Communications-based train control

New Factory in US utilising best digital technologies



With integrated **Customer Experience Center** showcasing One Hitachi Solutions with digitalised contents



Maryland, United States



HIMAX

HMAX Platform



*1 Forward-Facing Closed-Circuit Television

HMAX Key advantages

HMAX

HMAX can...

- | Improve **Reliability**
~20% reduction in service delays
- | Increase **Cost Efficiency**
~15% reduction in maintenance costs and energy consumption

HMAX

Key differentiating features

- | Proprietary **sensor technology** (Perpetuum, Omnicom)
- | Architecture/Software developed with **Hitachi Digital** and **Global Logic**
- | Enhanced by AI evolution
(Generative, Agentic, Physical)
- | Powered by **NVIDIA** edge computing/deep learning
- | Proven **track record**
(2,000+ trains already fitted with HMAX)

HMAX Go to market Business model

HMAX

Value Drivers

Cost Efficiency

Condition based maintenance
Predictive maintenance

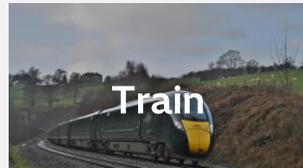
Energy efficiency

Optimisation of traffic planning
Control of traction
(braking, acceleration, coasting)

Reliability

Early detection
(Detecting signs of potential faults through intelligent health check)

Assets



Go to Market Strategy (Value-based model)

Profit Sharing

Profit sharing with our customers on cost saved, potential loss cost prevented

Revenue ↑ Margin ↑

XaaS/Subscription model

Provision of HMAX solutions to our customers in a recurring model

Revenue ↑ Margin ↑

Operational cost optimisation

Optimising cost on our maintenance services through improved efficiency and quality

Margin ↑

Market Potential

Future Potential*1

¥1.8T-2.8T/annum
potential market driven by AI in Railways

¥115B/annum
value for a ¥815B rev.
Rail company(illustrative)

Impact on
Rolling stock maintenance
Impact on
Infrastructure maintenance
Impact on
Traction energy and fuel

*1 Source: McKinsey & Company "The journey toward AI-enabled railway companies, 2024"

HMAX in motion ready to accelerate

HMAX

Awarded

As of 31st May 2025

¥20B^{*1~}

-  Denmark
-  United Kingdom
-  Canada
-  Japan
- ...

within 5 Years

- 
- 
- 

30 Years



Potential Pipeline

As of 31st May 2025

¥200B^{+*1}

-  United Kingdom
-  Singapore
-  Japan
-  Italy
- ...

8 Years



X Years

*1 Accumulated value over the contract period

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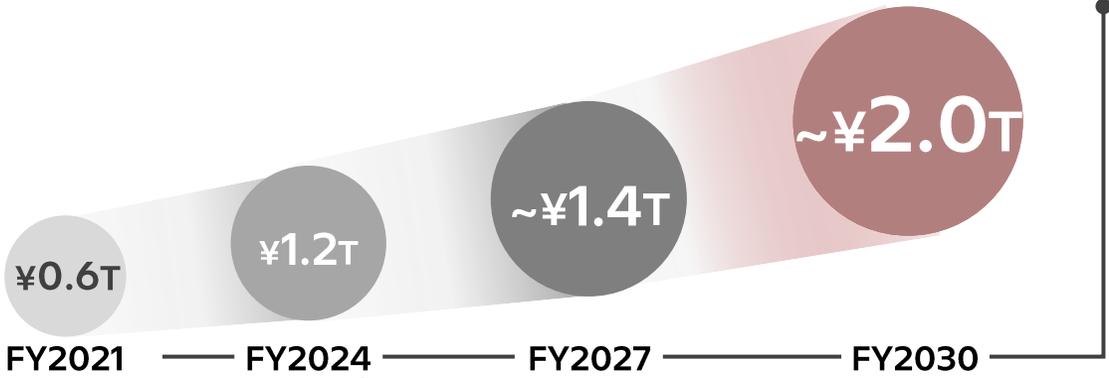
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4-1. Conclusion

Summary

Journey to achieve ¥2T revenue



Solid delivery and strong new orders
 Successful integration of Thales GTS
 Strategic mix shift towards Rail Control
 Steady growth in financial KPIs

Moving towards more efficiency, Sustainability,
 Intermodality and Digitalisation
 Robust growth in global rail sector

Based on solid actuals

in a growing & transforming world of Mobility

Inspire 2027

Further growth and improvement in financial KPIs
 Key action pillars in place for action
 AI evolution accelerating our business
 Accelerate HMAX with the power of One Hitachi

Journey to achieve ¥2T revenue

		FY2024	FY2025	FY2027	FY2030
Revenues Growth Rate	With FX impact	YoY +7%*1	YoY +2%	+7-9% FY2024-FY2027 CAGR	Revenues Growth ≈+9% FY2024-FY2030 CAGR
	Without FX impact	YoY +2%*1	YoY +7%		
Adj. EBITA Margin*2		8.8% (8.9%)*3	9.1%	11%+	
ROIC	With PPA and integration cost	7.0%*4	7.3%	ca. 12%	
	Without PPA and integration cost	10.5%*4	11.1%	ca. 14%	
Lumada Business Revenues Ratio		30%	30-35%	ca. 40%	

*1 Excl. M&A impact. Growth rate incl. M&A is +39% / +34% excl. FX impact

*2 Adj. EBITA : Adj. operating income plus acquisition-related amortization excluding integration cost and intra company adjustment

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

*4 FY24 ROIC restated for GTS opening (ROIC before restatement with PPA and integration cost: 9.0%)

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Rail Control

Vehicles

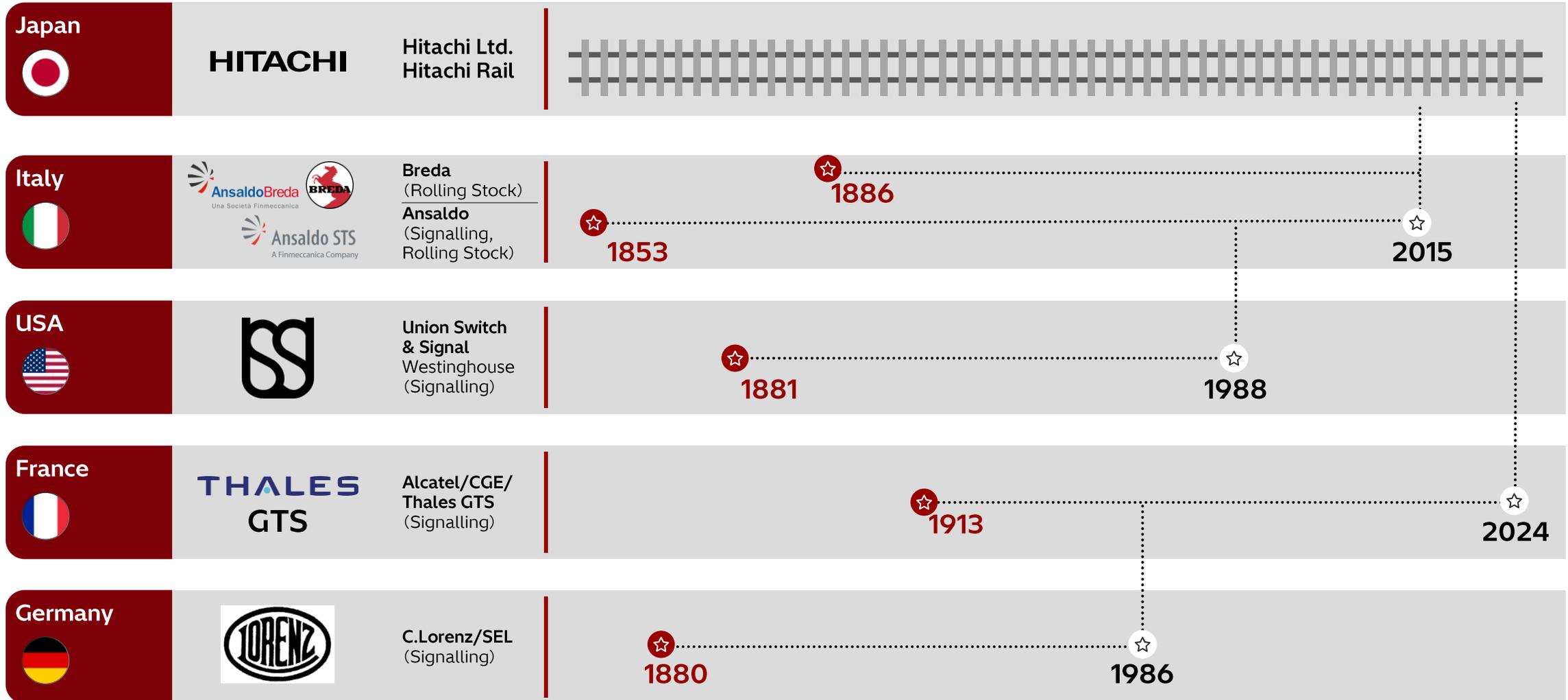
Urban signalling equipment	Light Rail	Light Metro	Heavy Metro
Mainline signaling equipment	Regional / Commuters	Intercity	Very High Speed
Turnkey solutions			

Key solutions

	On-board ETCS		Monorail		Light rail
	On-field devices		Metro Europe		Metro US
	Interlocking		Regional Single-deck		Regional Double-deck
	Communication Based Train Control		AT300 SXR		AT300 WCP
	ETR 1000		Japanese High-Speed Train		
	Passenger Info Solutions		Service & Maintenance		Smart ticketing
	Operations Control Center		Digital Asset Mgmt (HMAX)		Video Surveillance
Digital & Service			Traffic Management System		Video Surveillance
			Operations Control Center		Passenger Info Solutions
			Telco		Smart ticketing/parking
			Digital Asset Mgmt (HMAX)		Service & Maintenance

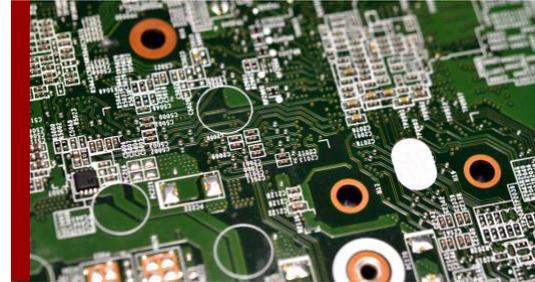
Appendix 2: History of Hitachi rail business

☆ Foundation year ☆ Transaction year 1853 1880 1881 1886 1913 1920 1986 1988 2012 2015 2024



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Appendix 3: Strategic objectives of GTS acquisition



Gain global scale advantage

Hitachi Rail is now a major Rail Signalling player in Western Europe, North America and Middle East

2x
Rail Control
business

Get access to new attractive geographies

Hitachi Rail to build upon GTS' global & complementary footprint (Germany, Spain for Mainline Signalling & NAM for Urban Rail Signalling) to create cross-selling & turnkey opportunities (ME & SEA)



As new markets

Shift revenue mix towards SW-based businesses

Hitachi Rail to build upon GTS capabilities to become a digital business with double digit profitability

54% to >70%
shift in revenue mix
towards SW-based solutions

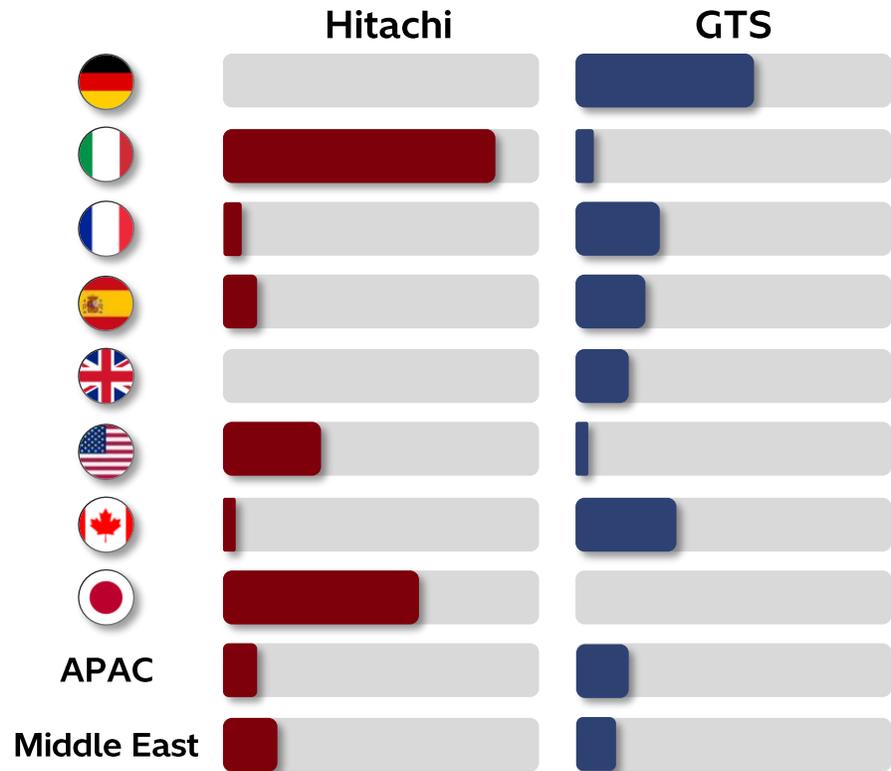
Build on GTS to expand competences

Hitachi Rail will leverage GTS' talent pool and know-how to expand and strengthen its technical core competences

>6,000
GTS Engineers

Appendix 4: Hitachi – GTS complementarity

Geographical presence (Total headcounts)



Product positioning (qualitative view on portfolio coverage and installed base)

Positioning: ++ Strong + Fair

	Hitachi	GTS	Improving position by
ETCS On-board units	++	+	Scaling-up market positioning, pivoting on Rolling Stock presence
ETCS platform	++	++	Shaping the market, capitalizing on established front-runner position
Operations Control Center (OCC)	+	++	Driving Digital & AI transformation, leveraging on Hitachi Digital
Interlocking	++	++	Combining R&D capabilities to speed-up asset-lite solutions
Track-side components	++	++	Expanding portfolio to enhance bid flexibility and provide smarter asset mgmt solutions
CBTC	+	++	Integrating R&D capabilities, to deliver industry-leading solutions with an extensive market footprint
Telecom and Physical Security	+	++	Enhancing competitiveness by deploying solutions powered by AI, 5G, and cybersecurity innovations

With a complementary geographical footprint and R&D capabilities, Hitachi Rail is positioned to significantly enhance its competitiveness and broaden its market reach, driving technological leadership in the industry

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.