



Hitachi Rail Investor Days

Company & Strategy Presentation

18 November 2024

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; *(There are legal restrictions which would prevent certain information being disclosed in connection with the acquisition of the Ground Transportation Systems business from Thales SA as provided for in the sale and purchase agreement)*
- 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.

Company and Strategy Presentation

- » Rail at the center of the evolving Mobility space
 - » The new Hitachi Rail
 - » GTS acquisition and integration
 - » Focus on 2024 Financials
 - » Our vision & key strategic priorities
-
- » Sustainability
-
- » People



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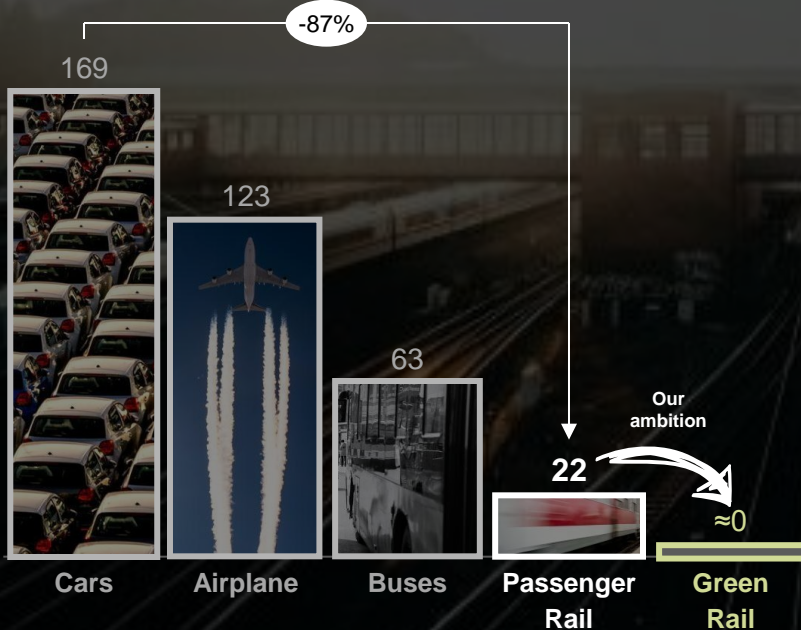
Giuseppe Marino

Senior VP and Executive Officer, Director of Hitachi Rail Ltd, CEO of Railway Systems BU

Rail will grow further as the backbone of future transportation

Rail most sustainable transportation with up to 87% less CO₂ emissions vs cars...

Well-to-Wheel CO₂ emissions by mode (2022, gCO₂-eq/passenger km)



...with adoption planned to grow, becoming mass transportation pillar

Rail modal share (2020-2050, % passenger km by route type)

Route type	2020	2035	2050
International & Intercity	≈1%	≈3%	≈5%
Sub-Urban	≈10%	≈12%	≈15%
Urban	≈20%	≈22%	≈25%

Note: Rounded numbers; New Mobility includes Scooter Sharing, Bike Sharing, Car Sharing, Ride Hailing, AV Ride Hailing, Ride Pooling, AV Ride Pooling; PKM mode share reflects ITF high-ambition scenario for decarbonizing transport. International + Intercity considers long distance (>3000km); Sub-Urban: medium distance (500-3000km); Urban: short (<500km).
Source: International Transportation Forum, International Energy Agency

Mobility moving towards Intermodality, Green & Digital



More **people to move...**

Increasing population and economic development will scale-up transportation volumes, both in urban context and long-distance routes

2x

Global passengers-km by 2050 vs 2015

...in a **more sustainable way...**

As transport is the second largest contributor to CO₂ emissions, governments are increasingly incentivizing the adoption of greener transport modes such as Rail

8x

Private cars CO₂ emissions vs Rail

...with **new digitalised & interconnected means**

Mobility will be increasingly intermodal and digital, combining traditional and emerging modes to ensure a seamless, door-to-door experience for passengers

30%

Intermodality penetration by 2035 (vs 3% as of today)

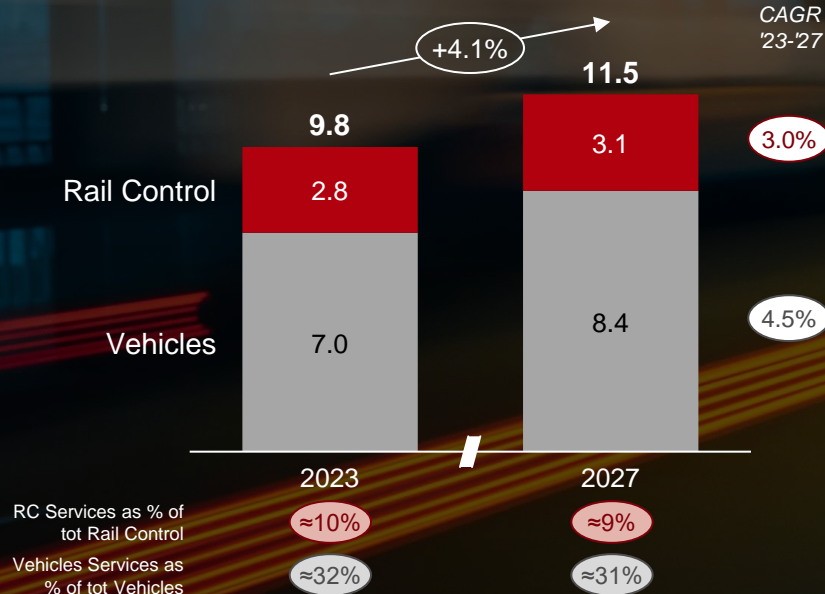
Rail business at the center of the evolving Mobility scenario

Sustainability imperatives are creating a **favorable outlook for rail investments**; while growing intermodal solutions are restating the role of **rail as the backbone** of transport networks and **increasing its exposure to servitization models**

Rail investments will keep growing mid-long term

Large and growing Hitachi Rail reference market... ...solidly backed by global large-scale investments

'23-'27 Hitachi Rail reference market (T¥)



Note: market size calculated on order intake, rounded figures
Source: UNIFE (2024)

- UK:** Government announces £3.9bn for rail upgrades in northern England
- USA:** SEPTA Receives \$317 Million to Buy Up to 200 New Rail Cars
- France:** France plans to invest 100 billion euros in rail infrastructure by 2040
- Oman:** Oman - UAE Hafeet Rail secures 1,5 billion dollars in funding
- Italy:** Trenitalia signs €861m contract for 30 high-speed trains
- Germany:** Deutsche Bahn invests a record EUR 7.6 bn in Strong Rail in Germany in 2023
- Czech Republic:** Czech trains to be upgraded with €300 million EIB loan to national railway operator
- Japan:** Japan willing to fund trans-Vietnam high-speed railway: minister
- India:** India is investing an ambitious \$12 billion in upgrading its railway rolling stock

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Sustainability

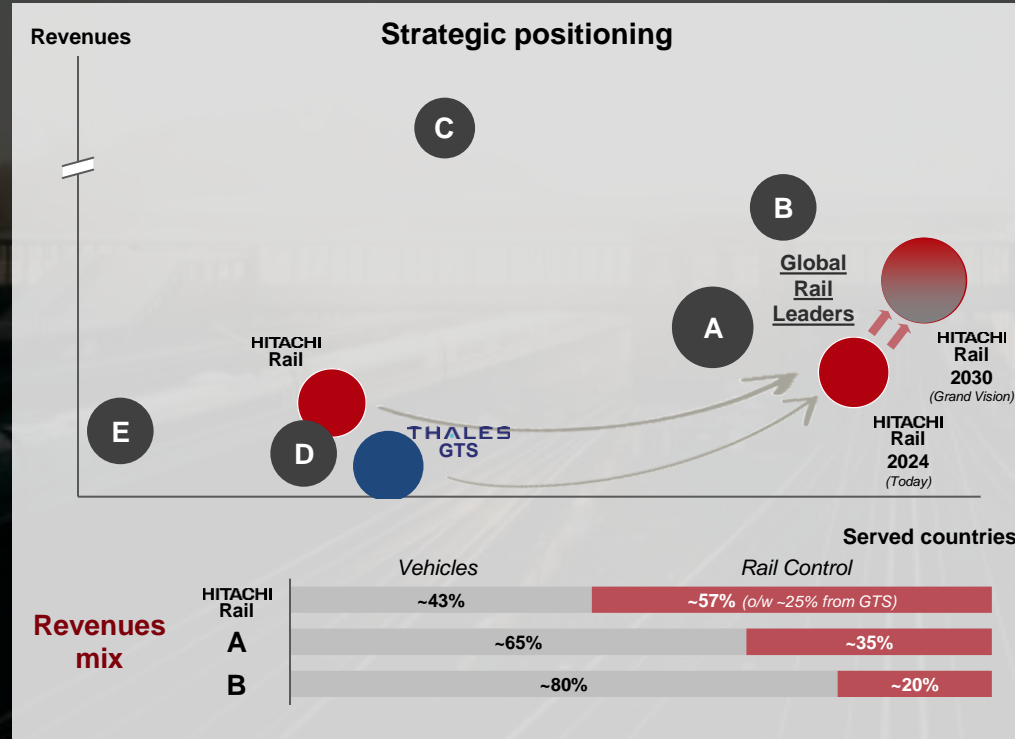
People

HITACHI
Inspire the Next



New Hitachi Rail plays among the Global Rail Leaders

Hitachi Rail having the highest exposure to Rail Control, a software-based business...



...strengthening traits shared by Global Rail Leaders

1 Global footprint

2 Full product portfolio

3 Scale advantage

4 Focus on Digital & Innovation

Note: 2023 revenues mix for companies A and B, considering only Vehicles and Rail Control, excluding other business; 2024F for Hitachi Rail
Source: experts' interviews, publicly available documents

New Hitachi Rail at a glance

Our business in numbers

≈1.1 T¥
≈7.3 B€

Revenues
(2024F)

>50

Country coverage
(o/w 5 domestic
markets)

>300

Worldwide
customers

>26k km

Mainline signalling
installed base

>4k km

Urban signalling
installed base

>16k

Train cars moving
people around the
globe

Our team & global presence

≈24k

Employees worldwide

≈12k

Engineers & technical
experts

25

R&D centers

10

Manufacturing sites

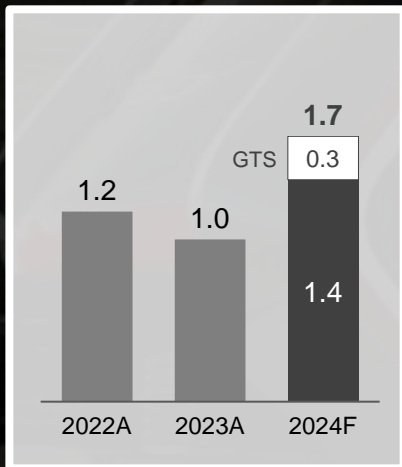
Hitachi Rail improving on all KPIs in 2024

Overall figures including GTS from June '24

FX rates as per relevant FY reporting

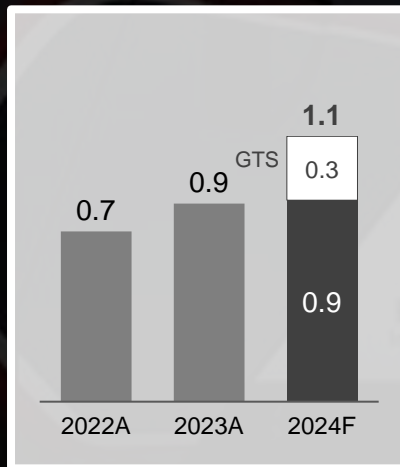
Charts not in scale

Order intake (T¥)



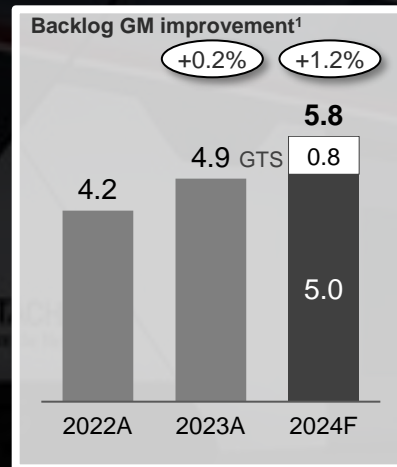
Growth primarily boosted by **positive contribution of Service & Maintenance contracts in Italy**

Revenues (T¥)



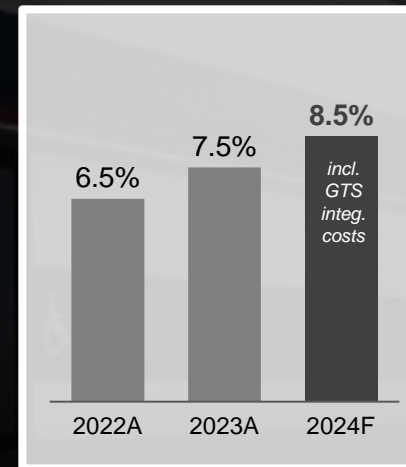
Projecting 1+T¥ revenues, primarily due to **GTS contribution & favorable FX rates**

Backlog (T¥)



Growth largely attributed to **GTS opening balance & strong Service & Maintenance orders in Italy**

Adj. EBITA (%)

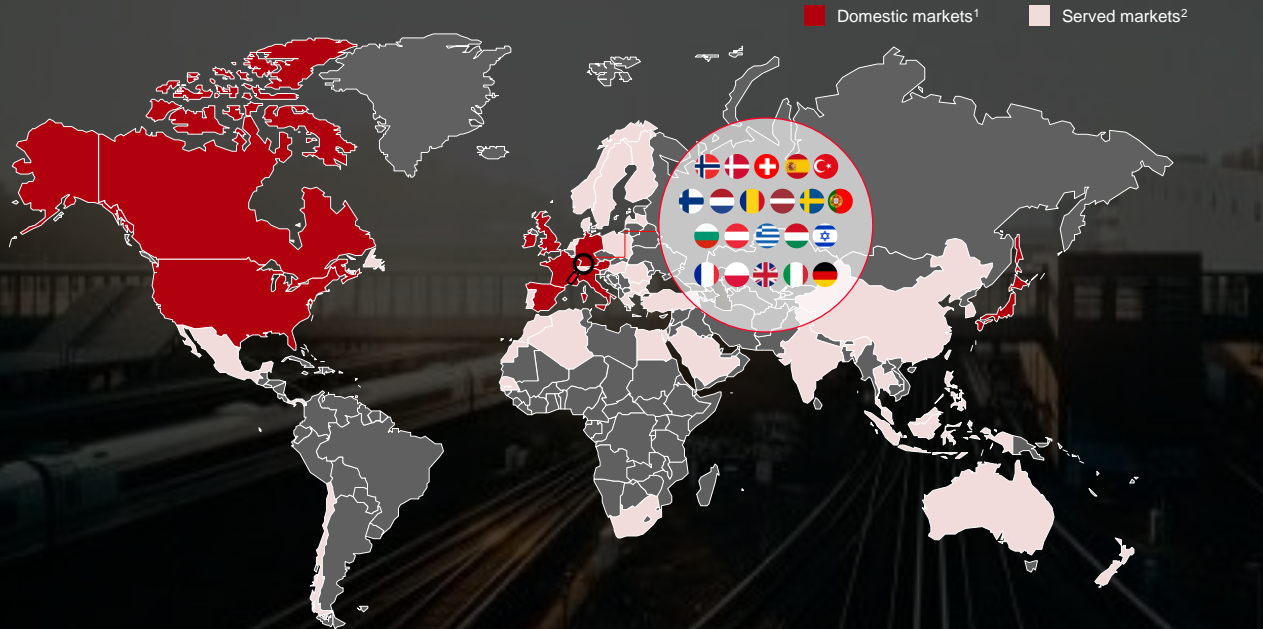


Projected solid 8.5%, with positive impact of **organic growth and GTS margin contribution**

1. Backlog GM for the budget has been restated, using the forecast GM for the GTS backlog, as the original budget was based on preliminary assumptions made before day-1
 EUR/JPY FX rates Order Intake and Revenue: 2023 ACT 156.80; 2024 BDG 150.00; 2024 FCT 157.97
 EUR/JPY FX rates Backlog: 2023 ACT 163.24; 2024 BDG 150.00; 2024 FCT 150.00

We are close to our customers thanks to a global footprint

Hitachi Rail Global Footprint



100+

Offices and laboratories

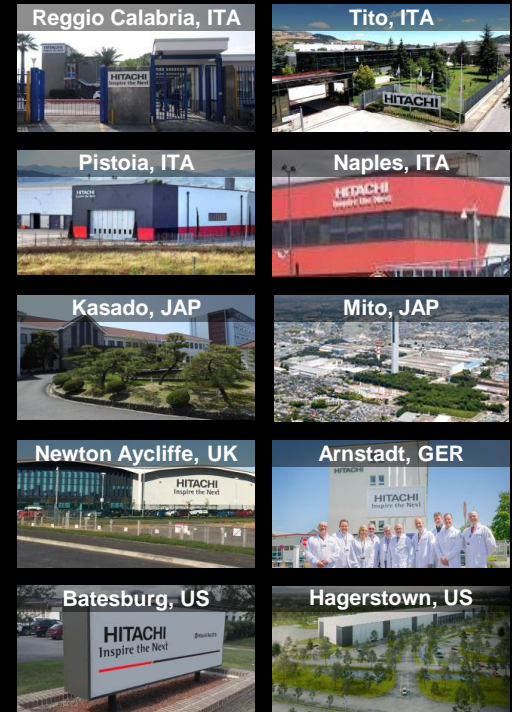
60+

Service & Maintenance locations

10

Manufacturing sites

Our manufacturing sites



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

We have a full product portfolio focused on high value segments

xx% Revenue mix 2024

Rail control





40-45%






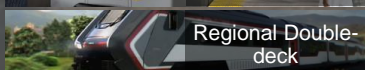
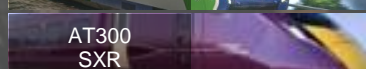



Vehicles

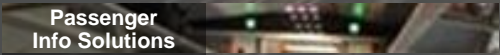
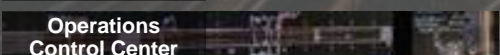
30-35%



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


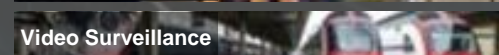
Key solutions

Digital & Service¹

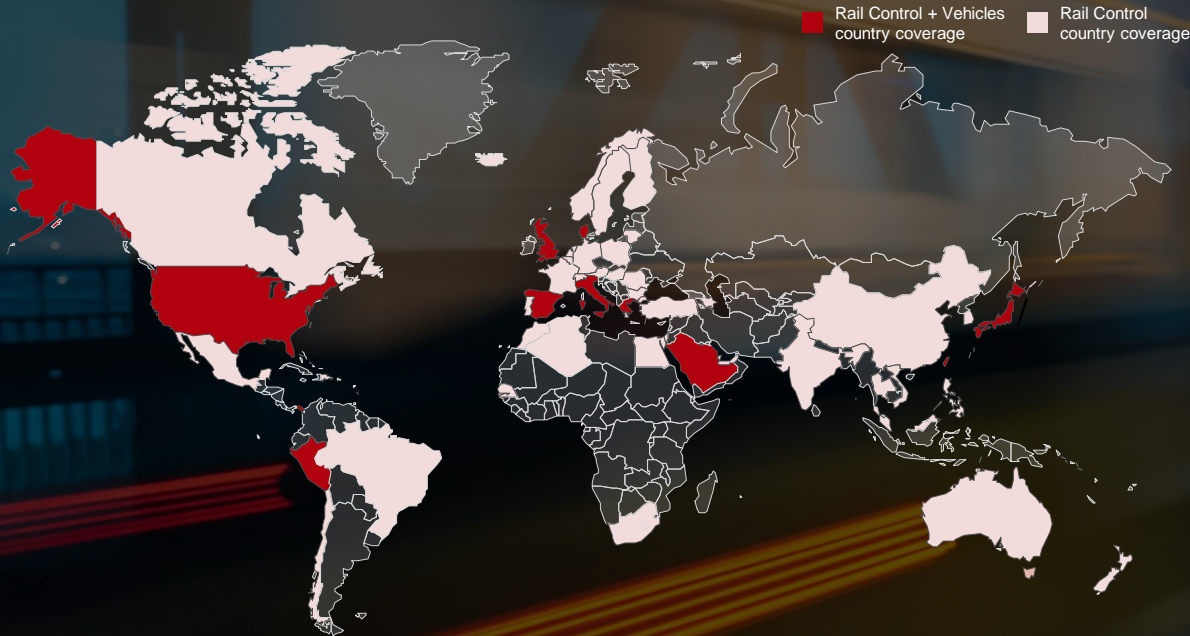
25-30%

Traffic Management System
Video Surveillance
Operations Control Center
Passenger Info Solutions
Telco
Smart ticketing/parking
Digital Asset Mgmt (HMAX)
Service & Maintenance

1. Financial reporting embeds Digital & Service figures within Rail Control and Vehicles Lines of Business

We deliver Rail Control & Vehicles projects worldwide

Not exhaustive



50+

Countries covered

300+

Clients worldwide

Hitachi advances global mobility by delivering pioneering rail signalling solutions, and providing state-of-the-art rolling stock for both urban and mainline transit

Italy High-Speed Train

Fastest mass-produced high-speed in Europe, with >95% of recyclability and recoverability

Flagship projects

Singapore Green CBTC

Innovative brownfield re-signalling targeting up to 15% energy saving (8% already achieved)

Digital Rail Germany

Initiative to implement advanced digital signalling and ETCS¹ technology across Germany

1. European Train Control System

We have a global and diverse organisation and human capital

Hitachi Rail workforce distribution by Region (HC, %)

N. AMERICA

HC	2,368
% of total	≈10%

EUROPE

HC	14,491
% of total	≈61%

Total HC **23,661**

>50 Country coverage
10 domestic markets

JAPAN

HC	3,172
% of total	≈13%

LATAM

HC	435
% of total	≈2%

MEA

HC	1,065
% of total	≈5%

APAC

HC	2,130
% of total	≈9%

Diversity, Equity & Inclusion

≈19% % of female representation in total workforce

Technical Human Capital

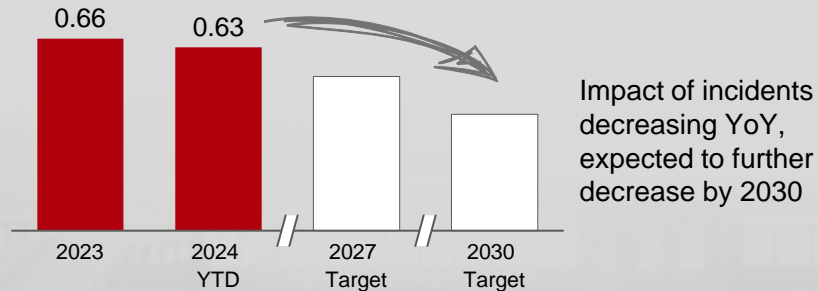
≈80% Eng. & production HC of total workforce

Employee Engagement

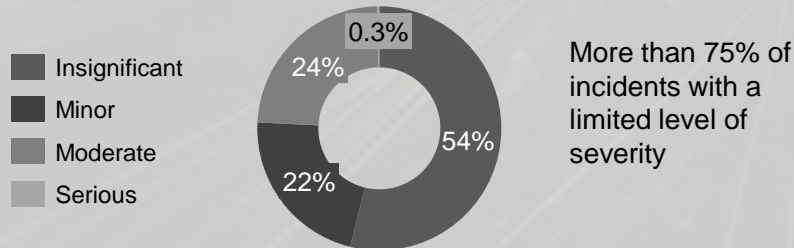
75.3 Engagement rate score on 2024 employee survey

Total Recordable Injury Rate (2023-2030)

Annual average trend, Hitachi Rail employees and contractors¹



Recordable Injury Severity Breakdown (2023, %)



Strategic actions to further improve HSE

Risk Management & Injury Prevention

We are applying a systematic approach to proactively prevent incidents by promoting safety culture, behaviours and processes (e.g. increase of our Life Saving Rules awareness, extend HSE leadership workshop)

Safety along the Supply Chain

We are committed in fostering Safety culture along the value chain, with specific initiatives also involving our suppliers and contractors (e.g. new Contractor Management Project just launched)

Workforce Psychological Safety

We work to build and promote a strong wellbeing culture across the organisation to support and engage our workforce (e.g. BeWell Global Program)

1. # Recordable work-related injuries/h. worked x 200,000

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Giuseppe Marino

Senior VP and Executive Officer, Director of Hitachi Rail Ltd, CEO of Railway Systems BU

GTS acquisition focused on 4 strategic objectives



Gain global scale advantage

Hitachi Rail is now a major Rail Signalling player in Western Europe, North America and Middle East¹

2x

Rail Control
business

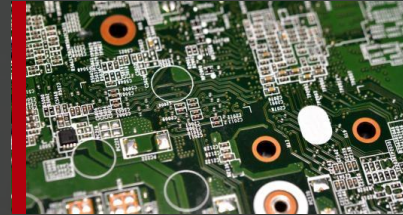


Get access to new attractive geographies

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 on GTS capabilities to become a digital business with double digit profitability

32% to 57%

shift in revenue mix
towards Rail Control



Build on GTS to expand competences

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

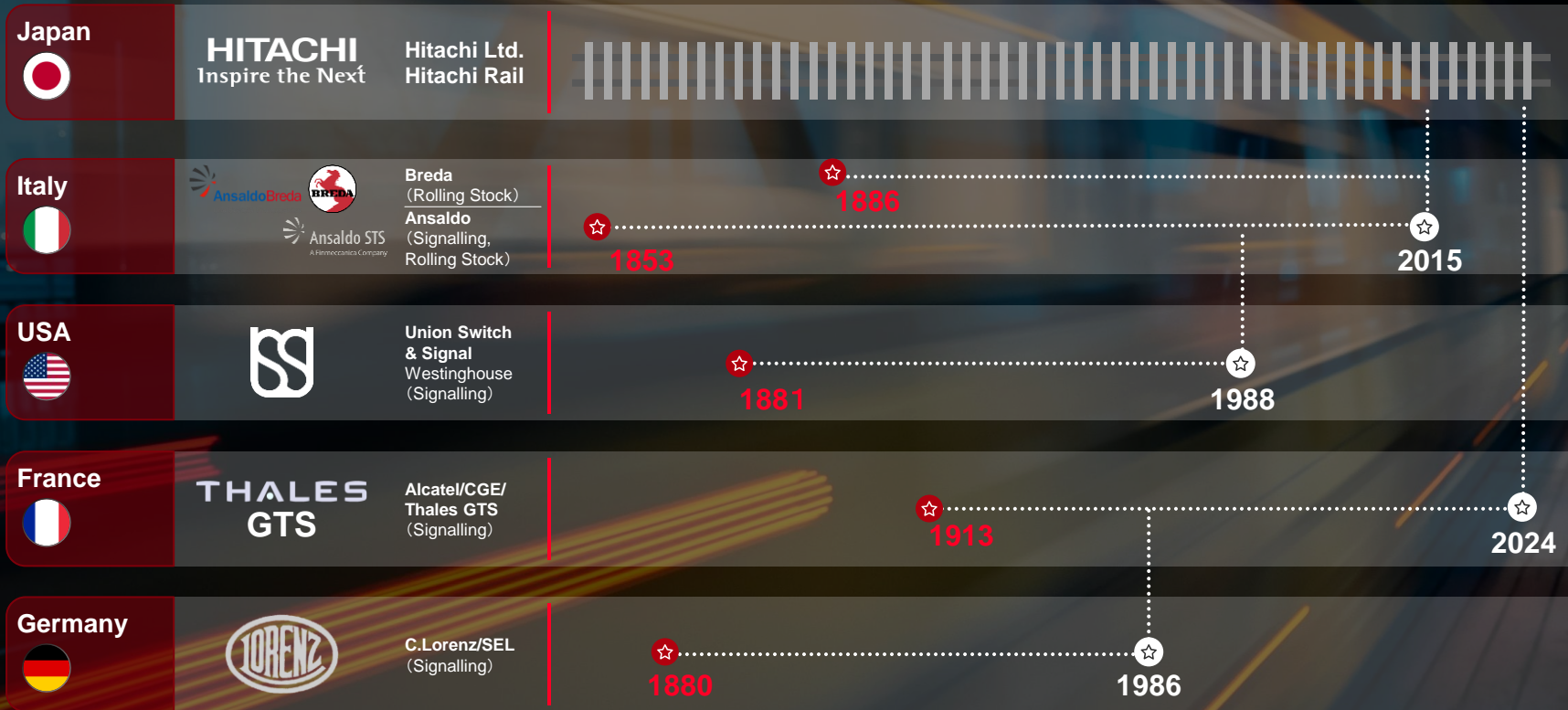
>6,000

GTS Engineers

Note: RCS = Revenue Collection Systems; ICS = Integrated Communication Systems
1. For Signalling and ICS

We have a proven track record in transformational M&A

1853 1880 1881 1886 1913 1920 1986 1988 2012 2015 2024



☆ Foundation year

☆ Transaction year

Integration is on track: completed first two phases

Confirmed synergy potential of 14 B¥/year in adj. EBITA¹



Strategic objectives

- Ensure **GTS' flawless transition** from Thales to Hitachi
- **Day 1 readiness on all critical topics** (e.g. reporting, cash management, IT adoption, HR processes, etc.)
- **Design synergy initiatives** and implementation **roadmap**
- Work as **'One Company'** on **sales development** and **product convergence**
- Design new **organisational structure and operating model**
- Deliver the **next generation of integrated products and solutions** leveraging **joint competences**
- **Untap full synergy potential**, ensuring full implementation of identified actions

1. At run rate

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Antonio Coluccia

Chief Financial Officer, Hitachi Rail

Exchange Rates

- EUR/JPY exchange rates fluctuate yearly
- Order Intake, Revenues, and EBITA, are reported applying the average FX rate for the year
- Backlog is reported applying the FX rate at the end of the year

2024 Budget

- Budget figures were developed pre-closing based on preliminary information available and without direct access to GTS data
- Such limitation led to minor inaccuracies in figure breakdowns (main impact on geo distributions)

Solid topline growth from organic expansion & GTS

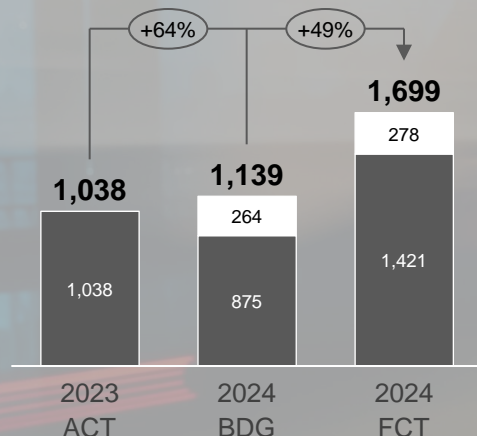
Overall figures including GTS from June '24

FX rate as per
specific FY

Charts not in scale

█ Vehicles and Rail Control █ GTS

Order Intake (B¥)



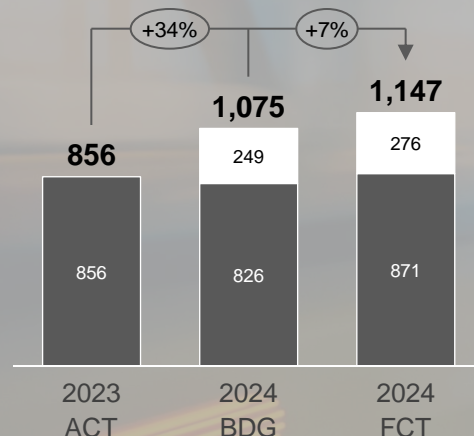
2023 ACT
156.8

2024 BDG
150.0

2024 FCT
158.0

Order intake growth vs BDG primarily boosted by the **positive contribution of Service & Maintenance in Italy**

Revenues (B¥)



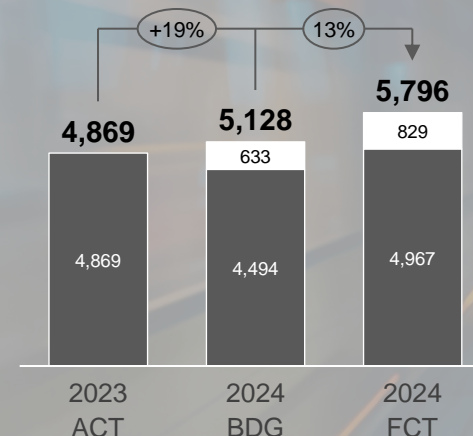
2023 ACT
156.8

2024 BDG
150.0

2024 FCT
158.0

FY24 target confirmed, projecting 1+T¥ revenues. Slight growth vs BDG, primarily due to **GTS contribution & favorable FX rates**

Backlog (B¥)



2023 ACT
163.2

2024 BDG
150.0

2024 FCT
150.0

Significant backlog increase vs BDG, largely attributed to **higher-than-expected GTS opening balance & strong S&M orders in Italy**

FX rate
EUR/JPY

Positive industrial performance vs BDG and 2023

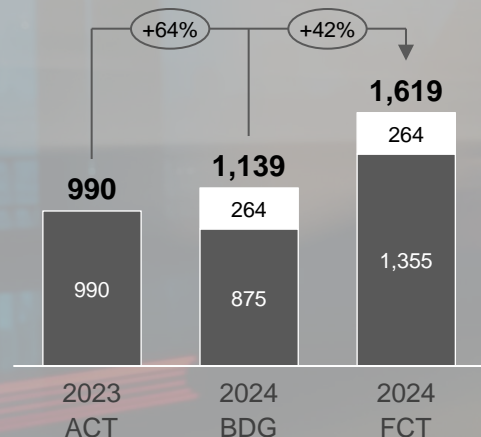
Overall figures including GTS from June '24

Excluding FX Impact

Vehicles and Rail Control
 GTS

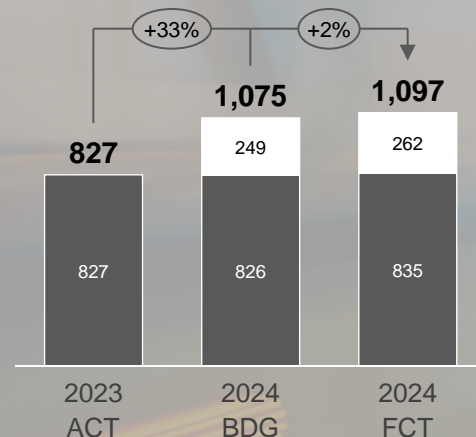
Charts not in scale

Order Intake (B¥)



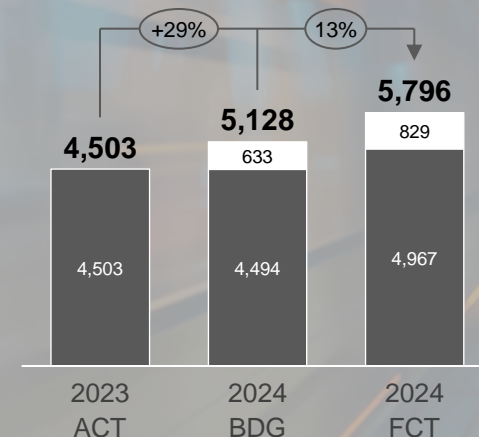
Order intake growth vs BDG driven by organic growth (S&M in Italy) while GTS expected in line with BDG

Revenues (B¥)



FY24 1+T¥ target remains confirmed without favorable FX impact, with modest growth over BDG primarily due to GTS

Backlog (B¥)



Significant backlog increase vs BDG, largely attributed to higher-than-expected GTS opening balance & strong S&M orders in Italy

FX rate
EUR/JPY

150.0

150.0

150.0

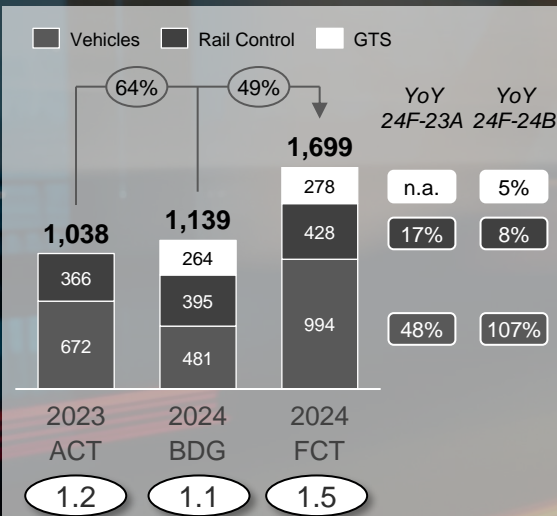
+50% orders vs BDG from S&M, leading to 1.5 book-to-bill

Overall figures including GTS from June '24

FX rate as per specific FY

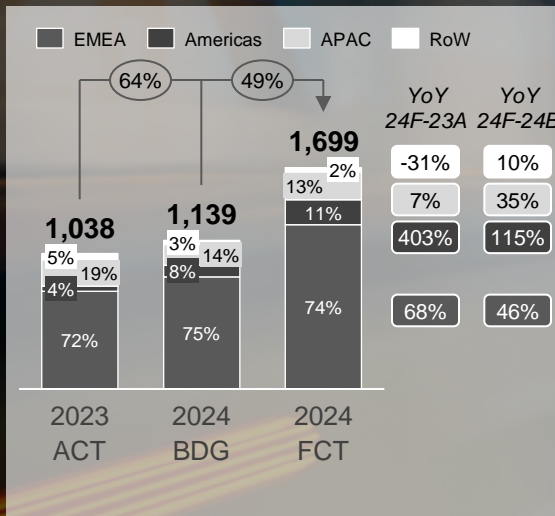
Order Intake Breakdowns (B¥)

Breakdown by Line of Business



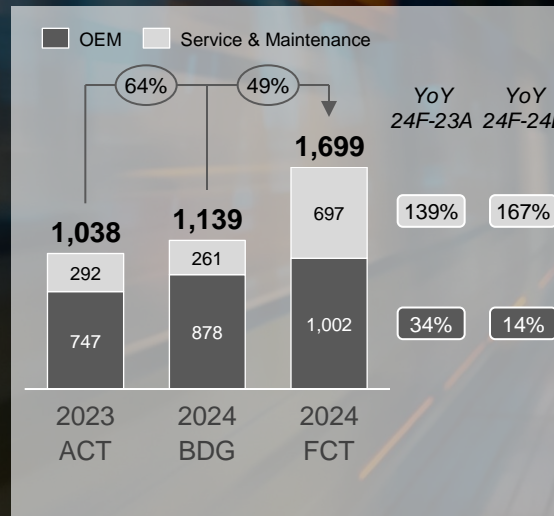
Favorable FY24 Book-to-Bill ratio driven by major new S&M contracts (1.1 Book-to-Bill excluding S&M)

Breakdown by Geography



EMEA remains the largest region, led by contributions from Italy & Germany. Strong business increase in NAM

Breakdown by Business Type



Significant growth in Service & Maintenance, reinforcing a stable base for recurring revenue

EUR/JPY FX rates Order Intake and Revenue: 2023 ACT 156.80; 2024 BDG 150.00; 2024 FCT 157.97
EUR/JPY FX rates Backlog: 2023 ACT 163.24; 2024 BDG 150.00; 2024 FCT 150.00

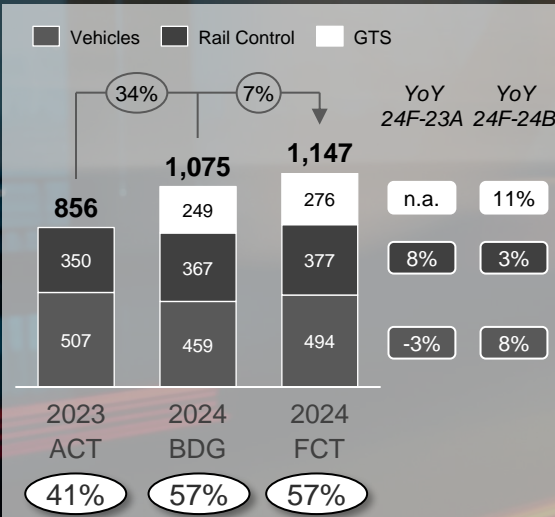
Revenue shift toward Rail Control with GTS acquisition

Overall figures including GTS from June '24

FX rate as per specific FY

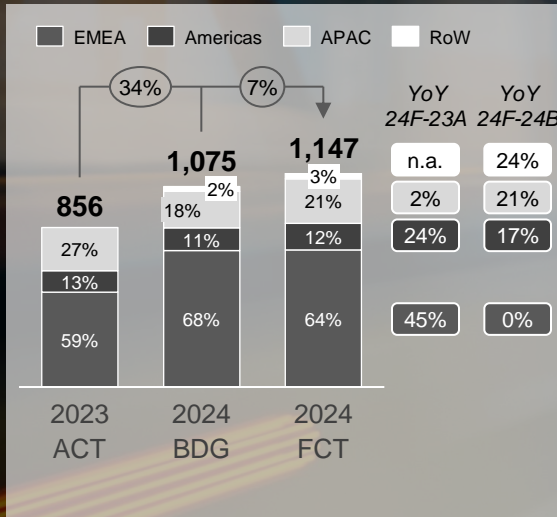
Revenues Breakdowns (B¥)

Breakdown by Line of Business



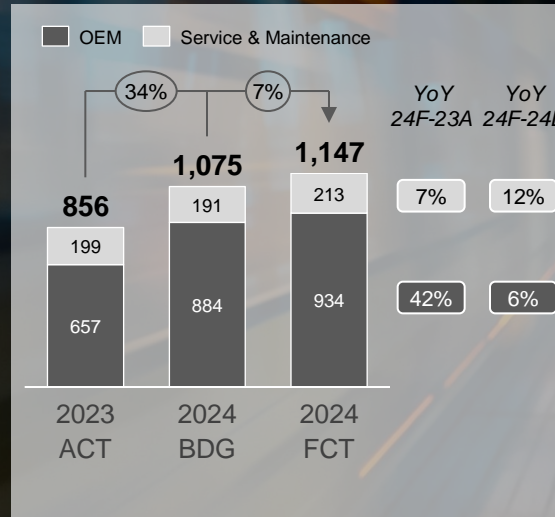
With GTS acquisition, the **share of signalling expanded from 41% to 57%**, while **Vehicles remain a consistent foundation** supporting Service growth

Breakdown by Geography



Strong revenue contributions from the **EMEA and US vs 2023**

Breakdown by Business Type



Service & Maintenance is increasing in volume, with still a substantial backlog yet to be delivered

1. Share of Rail Control business (Hitachi Rail Control and GTS)
 EUR/JPY FX rates Order Intake and Revenue: 2023 ACT 156.80; 2024 BDG 150.00; 2024 FCT 157.97
 EUR/JPY FX rates Backlog: 2023 ACT 163.24; 2024 BDG 150.00; 2024 FCT 150.00

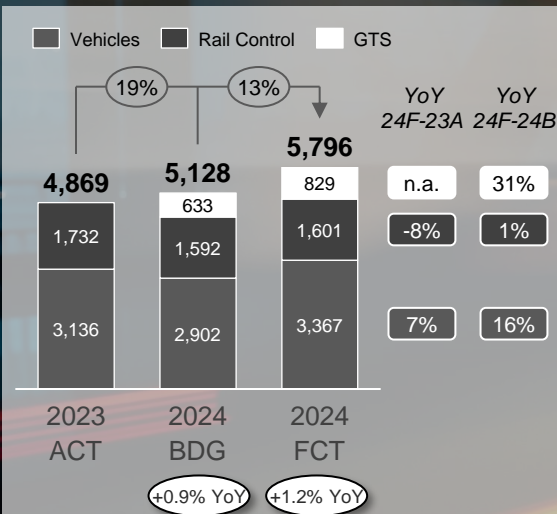
Solid and growing backlog, driven by Service business

Overall figures including GTS from June '24

FX rate as per specific FY

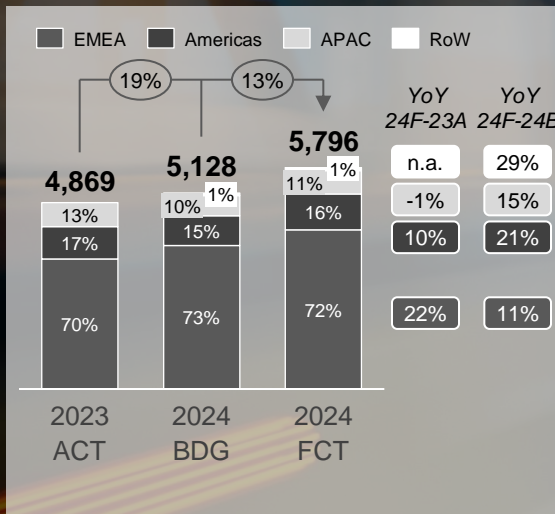
Backlog Breakdowns (B¥)

Breakdown by Line of Business



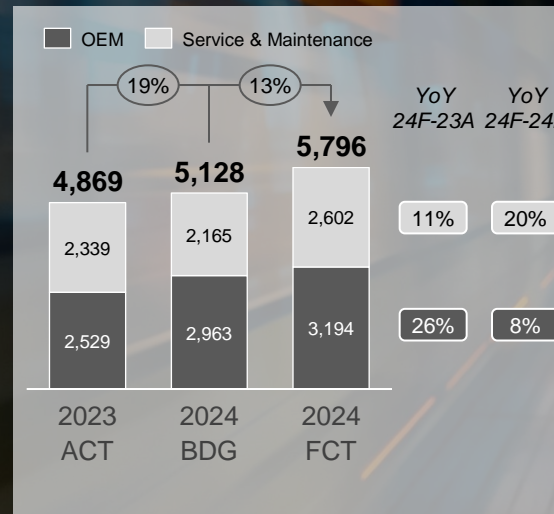
Backlog remains robust, with substantial growth vs BDG in Vehicles and GTS, while signalling remain stable

Breakdown by Geography



EMEA continues to account for over 70%. Projected growth vs BDG in the Americas and APAC

Breakdown by Business Type



Service & Maintenance is expected to grow substantially vs BDG, approaching 50% of total backlog and supporting recurring revenue

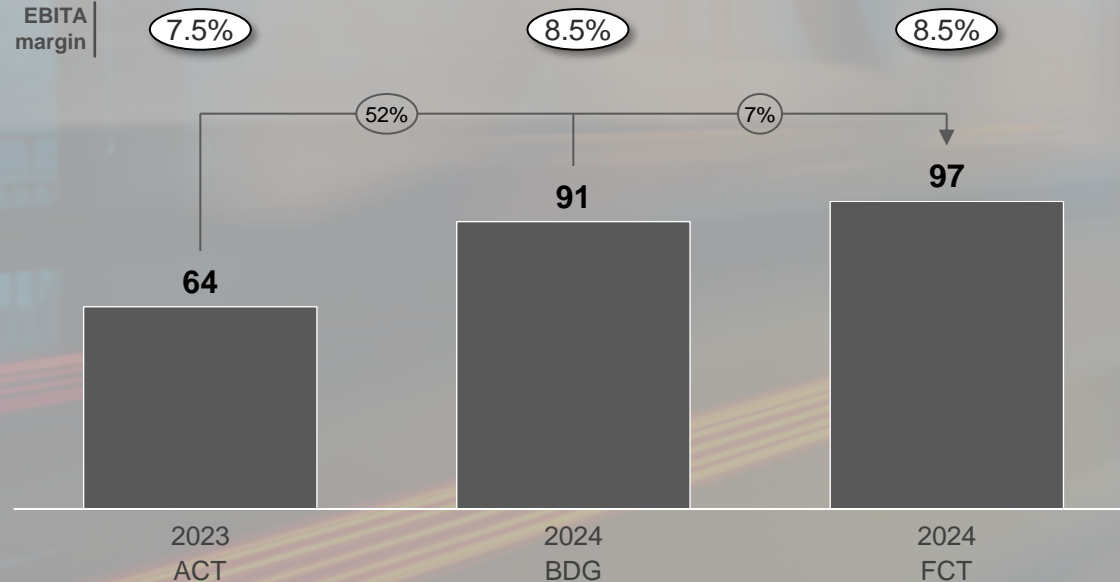
1. Backlog GM for the budget has been restated, using the forecast GM for the GTS backlog, as the original budget was based on preliminary assumptions made before day-1
 EUR/JPY FX rates Order Intake and Revenue: 2023 ACT 156.80; 2024 BDG 150.00; 2024 FCT 157.97
 EUR/JPY FX rates Backlog: 2023 ACT 163.24; 2024 BDG 150.00; 2024 FCT 150.00

EBITA Margin confirmed at 8.5%, +1 pp vs 2023

Overall figures including GTS from June '24

FX rate as per
specific FY

EBITA Adjusted (B¥)



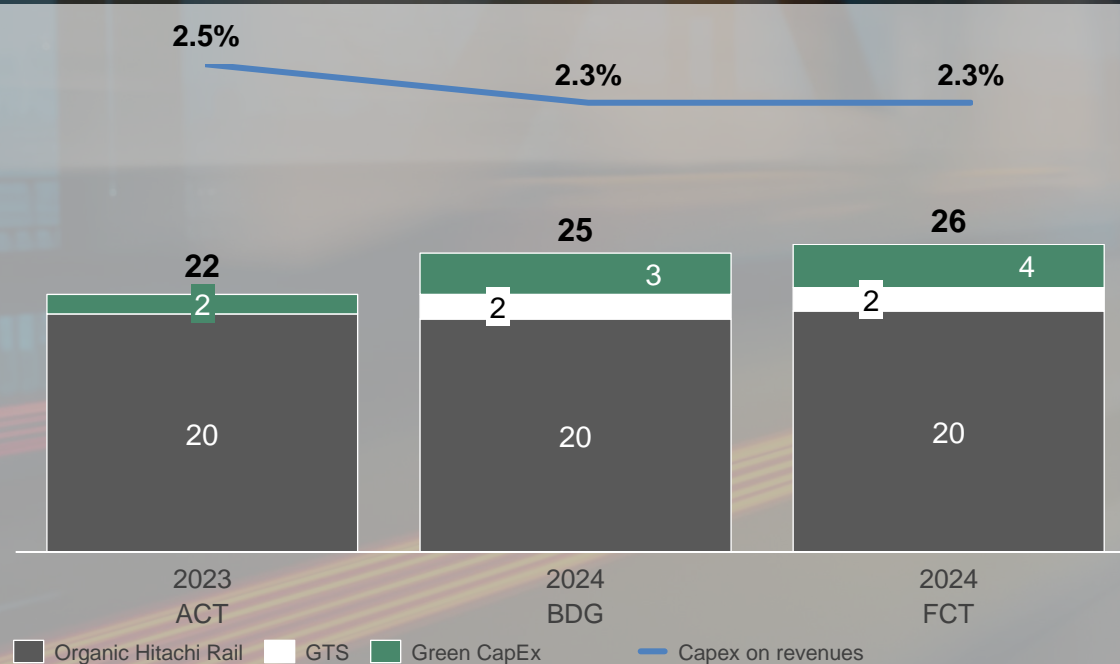
- **Margin Improvement:** EBITA margin rises from 7.5% in 2023 to 8.5% in 2024, reflecting stronger profitability through organic growth & GTS acquisition
- **EBITA Increase:** +6.4B¥ driven by FX impact and GTS integration
- **Core Stability in Organic Business:** Vehicles & Rail Control grow steadily, underscoring core business stability as EBITA improves

Enhanced Capex efficiency with focus on sustainability

Overall figures including GTS from June '24

FX rate as per
specific FY

Capex Overview (B¥, %)



- **Improved Capex Efficiency:** Capex-to-revenue ratio down from 2.5% to 2.3%, highlighting enhanced capital efficiency
- **Rising focus on Green:** Green Capex doubles from 2B¥ in 2023 to 4B¥ in the 2024, due to strong focus on sustainability, characterised by quick payback time
- **Steady Organic Capex:** Organic Capex remains consistent across 2023, the 2024 budget, and forecast, showing a balanced approach to core investments

Core CF in line with BDG, significantly improving vs '23

Overall figures including GTS from June '24

FX rate as per
specific FY

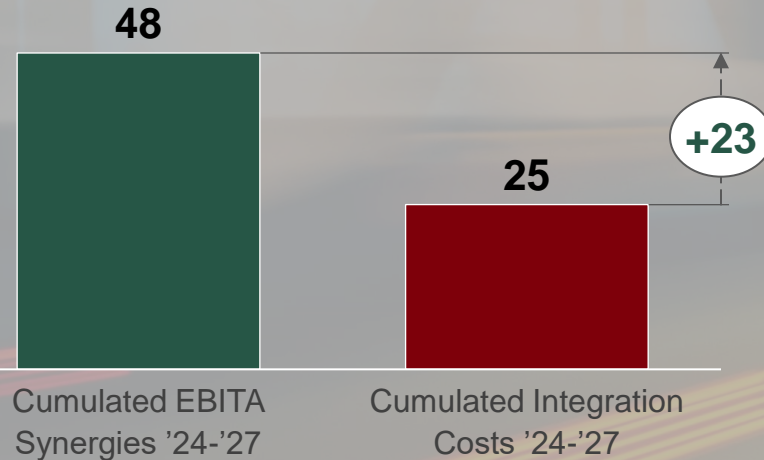
Core Cash Flow (B¥)



- **Core Cash Flow on Budget:** Core CF aligns with FY24 budget expectations, showing a major increase vs 2023
- **Post-FY23 Cash Generation:** Cash generation strengthens after FY23, supported by improved working capital management and supply chain optimisation
- **Core CF/EBITA Efficiency:** Core CF to EBITA ratio improves significantly, from 0.16 to 0.65, indicating stronger cash conversion

48B¥ cumulated synergies by 2027 from GTS integration

GTS Integration Synergies and Costs (B¥)



*≈14B¥ expected run-rate EBITA synergies,
in line with business plan at signing*

Sales & Bids

New pipeline unlocked and margin increment with new capabilities

Products & Technology

Selective portfolio integration and joint R&D roadmap

Procurement

Volumes consolidation, best-price matching, contracts optimisation

Organisation

Integrated operating model combining competences and expertise

Company and Strategy Presentation

- » Rail at the center of the evolving Mobility space
- » The new Hitachi Rail
- » GTS acquisition and integration
- » Focus on 2024 Financials
- » **Our vision & key strategic priorities**
- » Sustainability
- » People



Giuseppe Marino

Senior VP and Executive Officer, Director of Hitachi Rail Ltd, CEO of Railway Systems BU

Hitachi Rail Grand Vision

Becoming a sustainable global mobility player

From...

Traditional provider of original technology and products

To...

Sustainable, digitally enabled and service-oriented player...

Gradually **shifting business model** towards recurring revenues...

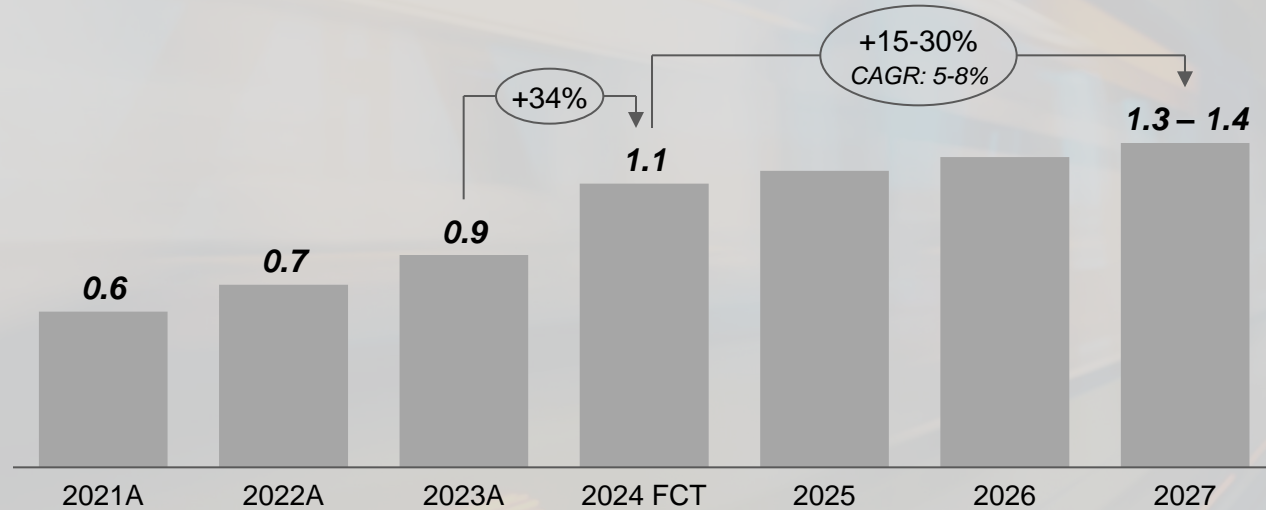
Staying at the **forefront of innovation** underpinning One-Hitachi approach

We aim to grow revenues up to 1.3-1.4 T¥ by 2027...

Rail to be a key pillar in supporting Hitachi Growth

Hitachi Ltd mid-term plan approval process still ongoing

Hitachi Rail ambition
(Revenues in T¥)



Hitachi Rail key growth actions

Capitalise on GTS commercial synergies

Expand footprint into new geographies

Increase commercial focus on Digital & Service (e.g. HMAX)

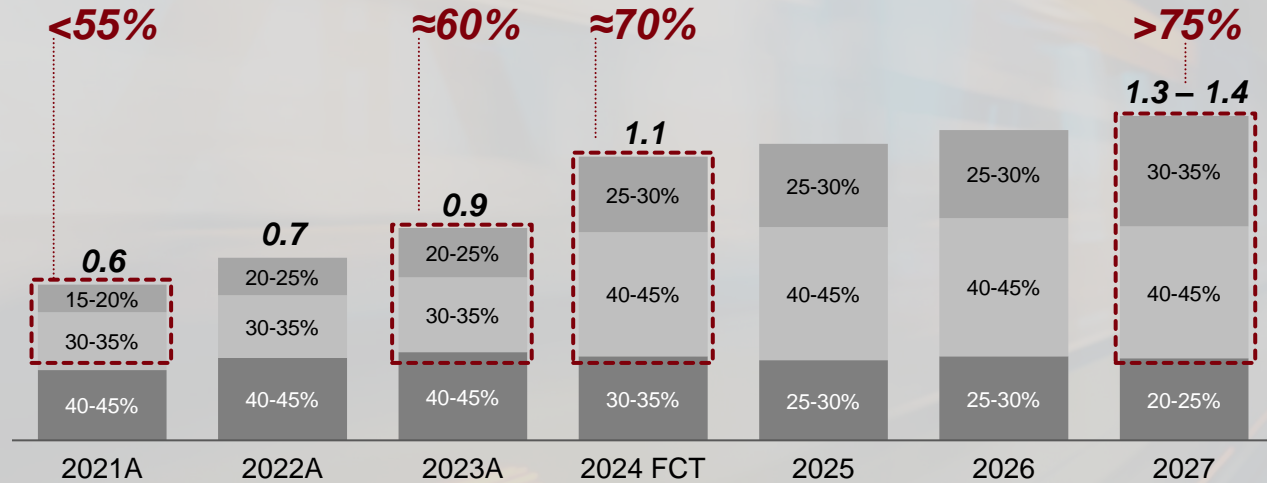
...Increasing recurring and SW-based revenues to >75%...

■ Vehicles ■ Rail Control ■ Service & Digital

Hitachi Ltd. mid-term plan approval process still ongoing

Recurring and SW-based Revenues

Hitachi Rail shifting Revs mix towards Recurring & SW-based
(Revenues in T¥)



Hitachi Rail Revenues mix shift levers

Further expand Rail Control business, leveraging on GTS market presence

Capitalise on installed base to scale up Service business

Leverage Hitachi's digital capabilities to develop new offerings

...and growing our profitability towards 10-13% ambition

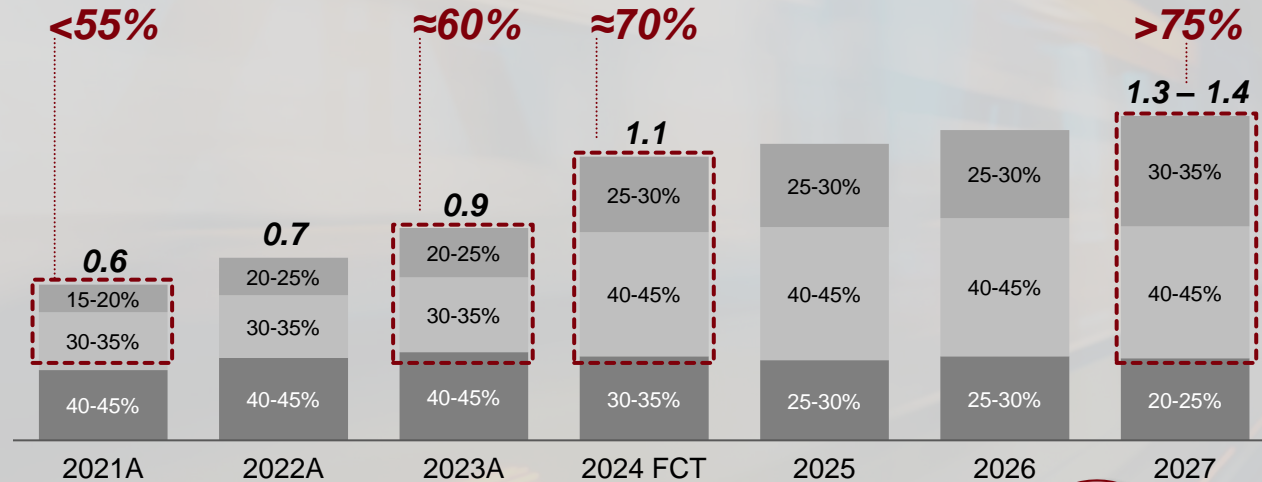
Hitachi Ltd. mid-term plan approval process still ongoing

■ Vehicles ■ Rail Control ■ Service & Digital

Recurring and SW-based Revenues

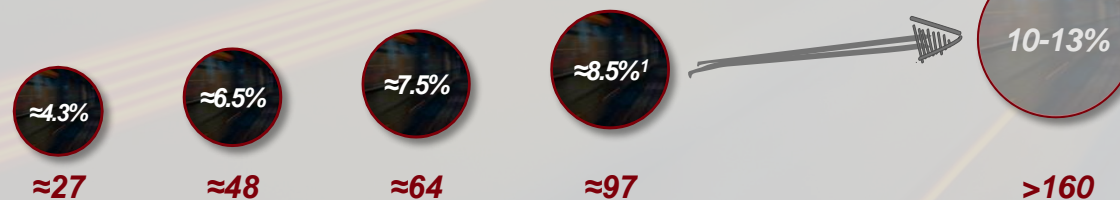
Hitachi Rail shifting Revs mix towards Recurring & SW-based

(Revenues in T¥)



Hitachi Rail reaching 6x profitability in 2027 vs 2021

(Adj. EBITA in T¥%)

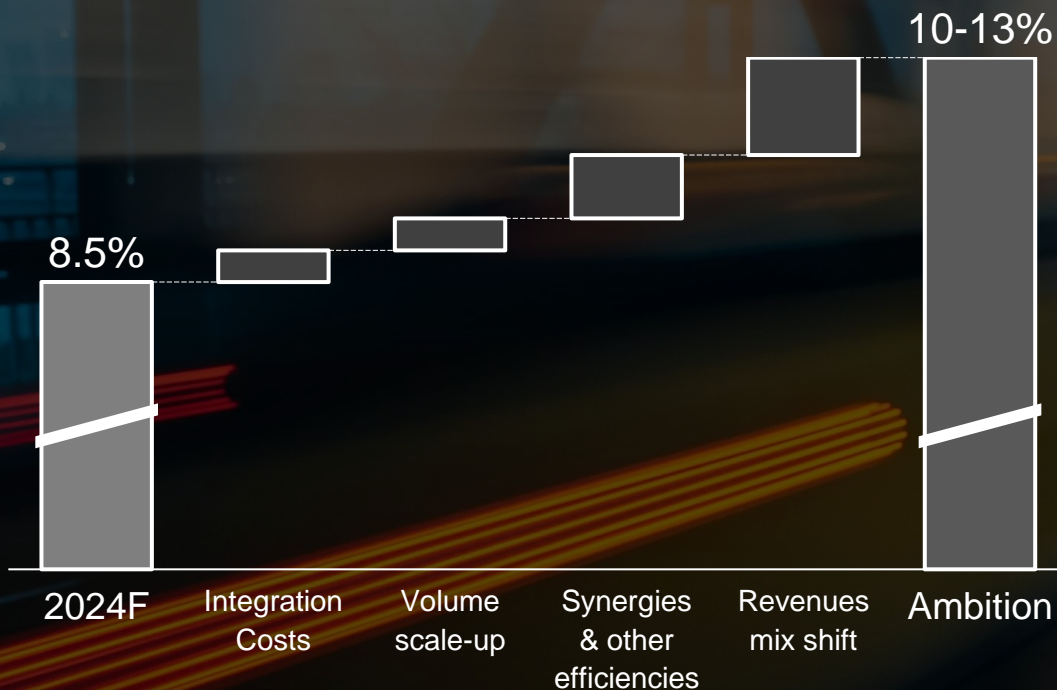


1. Including GTS integration costs

4 drivers supporting our sustainable profitability journey

Illustrative

Adj. EBITA bridge 2024F vs Ambition (%)



Note: including GTS integration costs

Key value drivers

Integration costs

Completion of GTS integration, netting the required integration costs

Volume scale-up

Scale effect with benefits on profitability from SG&A dilution

Synergies & other efficiencies

Full realisation of GTS-Hitachi synergies, coupled with initiatives focusing on internal efficiencies

Revenues mix shift

Increasing exposure towards Software related business, Digital and Service, leveraging installed base, and potentially strategic M&A

Key business and foundational priorities for value creation

A. BUSINESS PRIORITIES

A.1 **Unlock GTS synergy potential**
Successfully deliver GTS integration to capitalise on combined efficiencies

A.2 **Ensure timely backlog conversion**
Capitalise on record-high backlog by (i) Ensuring delivery excellence; (ii) Maximising internal efficiencies

A.3 **Accelerate growth with Digital & Service**
Leverage One Hitachi approach & key strategic partnerships and acquisitions to extend innovation leadership vs competition

B. FOUNDATIONAL PRIORITIES

B.1 **Deliver our Sustainability objectives**
Position as Green and DE&I Champion

B.2 **Focus on our People**
Ensure GTS cultural integration, while investing on attracting best talent and acquire differentiating competences (e.g. digital)

Up to 50%

of Client's TCO spent for Maintenance & Energy

Clients' expenses can be **optimised** with **smart diagnostics** solutions leveraging onboard & wayside sensors to feed decision making (e.g. predictive maintenance)

HMAX is the new edge hypermobility asset expert
unlocking data-driven, scalable, asset management for infra & rolling stock operations optimisation

Up to 15%

lower maintenance costs

Up to 20%

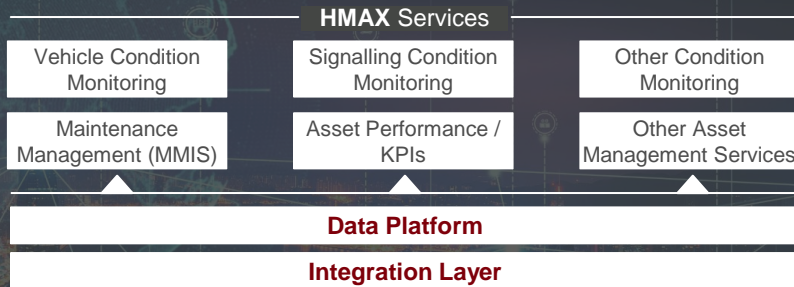
reduction in train delays

01

Integrated operation and maintenance workstation

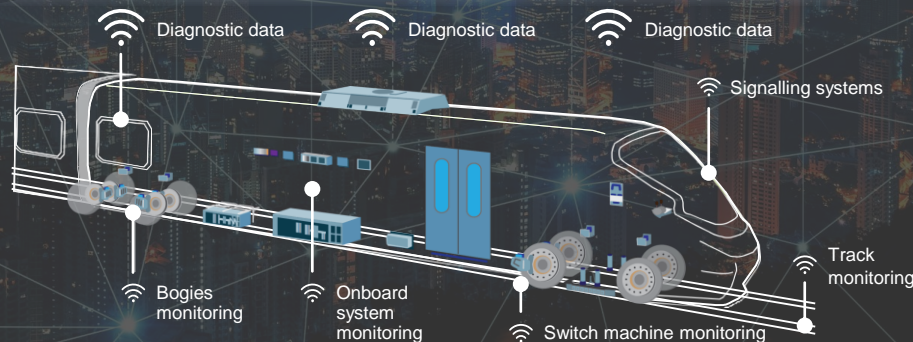
02

Integrated control center system



03

System / asset



Strategic partnerships with **Hitachi Digital and NVIDIA** will provide **HMAX** with **AI capabilities and computing solutions on trains and assets**, enabling extensive use case development

Key benefits

Improved reliability of advanced diagnostics

Cost-efficient predictive maintenance

Edge computing enables real-time data processing, optimising performance of the monitoring activity



AI systems enables predictive maintenance by timely issue detection and reducing unnecessary repairs

Key Use cases

Track health	Forward facing CCTV cameras	Magnetic sensing of rail cracks	Pantograph monitoring	Integrated Ops & Maint. workstation
Integrated Alarm Management	GIS	Decision	Asset Condition Monitoring	Maintenance Auto Work Order
Enterprise Asset Management	Asset Performance Monitoring	Data Science Exec KPI reporting	Real Time fleet health monitoring	Remote Train Controls
Energy Controls (dashboard, alerts)	Asset performance dashboards	Condition-based maintenance	Predictive maintenance	Maintenance Optimization

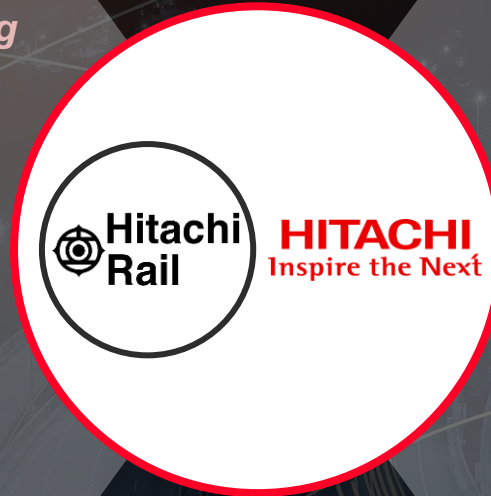
Strong client interest following HMAX coverage at InnoTrans 2024

Hitachi Rail contributes to Group value creation...

Supports Group growth with strong order trend and backlog, capturing market potential in key geographies (e.g. North America, APAC)

Accelerates shift to Service & Digital business in infrastructure, leveraging on large installed base and generating collaboration opportunities for Hitachi Digital

Fosters Group's mission in sustainability and globalisation, leveraging its intrinsically green products and creating collaboration opportunities with Hitachi Energy



...While leveraging on the full Group ecosystem

Digital Excellence


- Cybersecure end-to-end solutions
- Scalable cloud-based systems
- Hyperscaler access

Energy Excellence

- Battery technologies
- Infrastructural grid
- Energy blending

Cross business synergies

- Financial strength
- Global brand awareness



Rail market

Rail market is supported by Green and Digital trends

Mobility is evolving, driven by Sustainability and Digital trends, with Rail playing an increasingly central role as the backbone of mass transportation

Rail investments to keep growing in the mid-long term: 11.6T¥ Hitachi Rail reference market by 2027, growing >4% p.a.



Our strategic positioning

The New Hitachi Rail plays among market leaders

We are close to our customers thanks to global footprint (>50 countries), we have a full product portfolio strongly exposed to Service & Digital (25-30% of total revs), we have a global and diverse organisation, with strong technical know-how (24k employees, of which 80% Engineers)



2024 FY Financials

We expect a strong performance for FY2024

Order Intake overperforming budget by ≈50% and revenues confirmed in line with expectations

Backlog overperforming expectations (+13%) and largely composed by Service (45%)

Profitability confirmed in line with budget at 8.5% Adj. EBITA, including GTS integration costs



Our vision & key priorities

We will further transform our business towards Digital & Service

We aim to reach 1.3-1.4B¥ revenues by 2027, exploiting synergies with GTS and expanding our geo presence

We will strongly increase our share of recurring and software-based revenues, from 60% in 2023 to >75% by 2027

We aim to increase profitability, reaching 10-13% Adj. EBITA

Hitachi Rail will contribute to Hitachi Group's value by capitalising on the growing Mobility market, advancing Digitalisation, expanding Services, and promoting Sustainability and Globalisation

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- » **Sustainability**

- » **People**

HITACHI
Inspire the Next



Maiya Shibasaki

*Chief Sustainability and Diversity, Equity & Inclusion
Officer, Hitachi Rail*

Our holistic approach to sustainability



I

Supply Chain

We collaborate with our suppliers to promote ethical and responsible sourcing practices, monitoring compliance with our social and environmental standards

1,155 Suppliers fully registered to EcoVadis¹



II



Focus next

Engineering

We are committed to develop more sustainable products. We will improve sustainability of our existing products through a holistic approach including Eco-design & LCA²

1st SPD³ certification worldwide for a train



III



Focus next

Facilities

Our facilities prioritize sustainability through energy-saving measures, renewable sources like solar panels, geothermal solutions, and green commuting options

40% Scope 1 & 2 CO₂ emission reduction³ in '24



IV



Focus next

Diversity, Equity & Inclusion

We are committed to fostering an inclusive workplace, focusing on Diversity, Equity, and Inclusion (DE&I) to ensure empower all employees and foster their diversity as a value

11% Female representation in Senior Management in 2024

Our Products & Solutions contribute to reduce GHG emissions, supporting Rail a sustainable transport mode

Sustainability-by-design solutions



Green CBTC



Hybrid train



Battery-powered train



Our commitment to make our existing products greener

Selected examples

We adopt Eco-design principles...

...consistently across our vehicle product portfolio

Efficient power units¹

Improved aerodynamical performance

Weight reduction

Systems' efficiency



Very High-Speed train



Battery train



Regional/Commuter



Light-rail

Our approach to integrating sustainability in product development, including **circular economy** and **eco-design**, alongside partnering with suppliers and customers

1. Considering also related piloting systems HVAC adsorption

Our sustainability-by-design solutions

Battery-powered trains



Europe's first tri-mode hybrid train (Electric, Battery or Diesel propulsion). 1st train ever to be certified for **environmental performance** (EPD¹) and **social performance** (SPD²)

Up to 50%
reduction in carbon
emission³



United Kingdom's first intercity battery-powered train, specifically tailored for UK market, currently in **testing** phase with battery technology leveraging energy-recovery from braking system

≈22% improvement
in energy density
for battery technology⁴



Set of algorithms within our CBTC software that allows operators to **reduce traction power**
Traction power can represent up to 80% of the operations energy

≈8% traction power
reduction achieved⁶
on a **15% target**

1. Environmental Product Declaration 2. Social Product Declaration 3. For Italian lines with Masaccio trains already in service 4. Compared to May 2024 results 5. Communications Based Train Control 6. Singapore Green CBTC



Our commitment & achievements for sustainable facilities

Selected KPIs

Monitored KPIs

Status

Target



Decarbonisation

Scope 1 & 2 CO₂ emissions reduction



Carbon Neutrality
by 2030



Resource protection

Number of main manufacturing sites achieving zero landfill waste

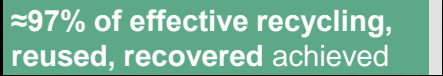


0% landfill
by 2030 in manufacturing sites



Circular economy

Effective recycling, reusing and recover of plastic waste in manufacturing sites



99.5% plastic recycled, reused and recovered by 2030 in manufacturing sites

Note: last official numbers Source: Hitachi Rail 2024 ESG report

Hagerstown: the green factory of the future



0 t CO₂
Emissions also thanks to self produced renewable energy

100%
electric plant equipment

400+
trees, vines, and trellis to absorb 4,000+ kg CO₂ each year

0%
landfill waste certified-servicing

+18%
building's thermal transmittance vs market standard

2,400 m³
of water saved per year due to removal of artificial irrigation

Strategic pillars

Attract diverse talents

Enhance DE&I Hitachi Rail culture

Break barriers for gender-diversity

Inspire future STEM¹ leaders

Selected initiatives

- Increase diverse talent in development program
- Change systems to include diversity in talent pool
- Develop Diverse Talent Acquisition guidelines
- Equip recruiters with Talent Acquisition toolkit
- Deploy targeted Recruitment Campaigns

- Create and support ERGs for women
- Strengthen Employer Branding
- Deliver Unconscious Bias trainings
- Deliver LGBTQAI+ trainings to Directors

- Develop transparent career advancement pathways
- Ensure fair access to promotions
- Develop mentorship and sponsorship Programs

- Promote STEM in universities and high schools
- Deploy Early Careers programs to attain best talent
- Boost women in engineering via sustainable actions (e.g., refugees' inclusion)

Female representation in Senior Management (% of total)

11%

2024 baseline

18%

2027 target

1. Science, Technology, Engineering and Mathematics

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- » Sustainability

- » **People**



Rob Luijten

Chief Human Resources Officer, Hitachi Rail

Our People at the heart of Hitachi Rail



Talent & competences

We focus on continuous learning, structured career paths, and acceleration of digital and AI skills, while fostering on strengthening leadership, and promoting global mobility to adapt to changing business demands

≈12k

Engineers ready to take the challenge

Integrated organisation & processes

We foster integrated organisation and processes, leveraging cross-fertilization of best practices. We aim at streamline core HR processes and support data-driven decision-making through data analytics, AI and Gen AI

>9k

People integrated in 2024

Culture & engagement

We promote a common mission, employee engagement, inclusion, and transparency, with a 'One Hitachi' mindset unifying the organisation around shared values

75.3

Engagement rate score on 2024 employee survey

We have a global and diverse organisation and human capital

Hitachi Rail workforce distribution by Region (HC, %)

N. AMERICA

HC	2,368
% of total	≈10%

EUROPE

HC	14,491
% of total	≈61%

Total HC **23,661**

>50 Country coverage
5 domestic markets

JAPAN

HC	3,172
% of total	≈13%

LATAM

HC	435
% of total	≈2%

MEA

HC	1,065
% of total	≈5%

APAC

HC	2,130
% of total	≈9%

Diversity, Equity & Inclusion

≈19% % of female representation in total workforce

Technical Human capital

≈80% Eng. & production HC of total workforce

Employee Engagement

75.3 Engagement rate score on 2024 employee survey

Hitachi Rail employees satisfied about their workplace

Hitachi Rail employees' engagement survey ('22-'24, score 0-100)

Engagement survey questions

I am proud to work for Hitachi Rail

*I would recommend Hitachi Rail
as a great place to work*

*My work gives me a feeling of
personal accomplishment*

*I intend to stay at Hitachi Rail for
the foreseeable future*

Participation rate 73% 84% 84%



Hitachi Rail - GTS
integration year

Our ongoing commitment

Accelerate capability development

- Technical and digital **competences**
- First line **leadership capability**
- **Talent development, mobility & career mgmt**
- **DE&I and workforce diversity**

Drive continuous improvement

- Improve **internal processes and interfaces**
- System integration and alignment
- **Equity and competitiveness** in compensation
- **Measure and act** on employee feedback

Improve employee experience

- **Internal communication** and global connectivity
- Global and local **employee recognition**
- Employee **wellbeing and work-life balance** focus
- **Technology-enabled** working arrangements

Competency Management Model

- Managing expertise for 12,000 engineers and technical experts
- Accelerating Digital & (Generative) AI competence development
- Driving long-term technical career development
- Linked with digital tools and integration platforms such as Product Lifecycle Management (PLM)

We are building competences for the future...

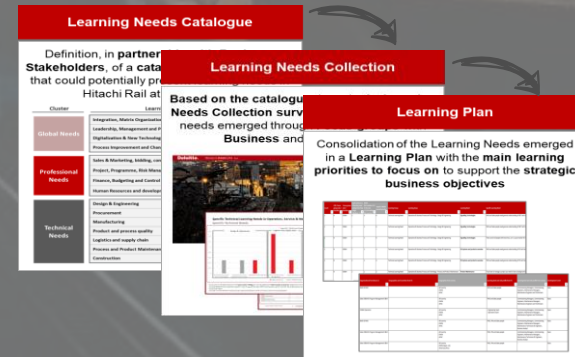
Project Management - Family backbone					
Description	The PM Family provides the "single point of integrative responsibility" needed to ensure that everything on the project is managed effectively to ensure a successful project outcome.				
Program Manager	Project Manager	Contract Manager	Business Management Analyst	Project Management Analyst	Integrated Planning
Principal Program Manager					
Senior Program Manager		Principal Contract Manager			Principal Project Planner
Program Manager	Senior Project Manager	Senior Contract Manager	Senior Business Analyst	Senior Project Analyst	Senior Project Planner
	Project Manager	Contract Manager	Business Analyst	Project Analyst	Project Planner
Associate Project Manager	Associate Project Support	Associate Contract Manager			Associate Project Planner



Learning Management Model

- Combining global and local learning needs
- Personalised learning plans, focus on hard & soft skills
- Integrating on-the-job, classroom and online training
- Enabled by a global learning management platform

...with a structured development program



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