

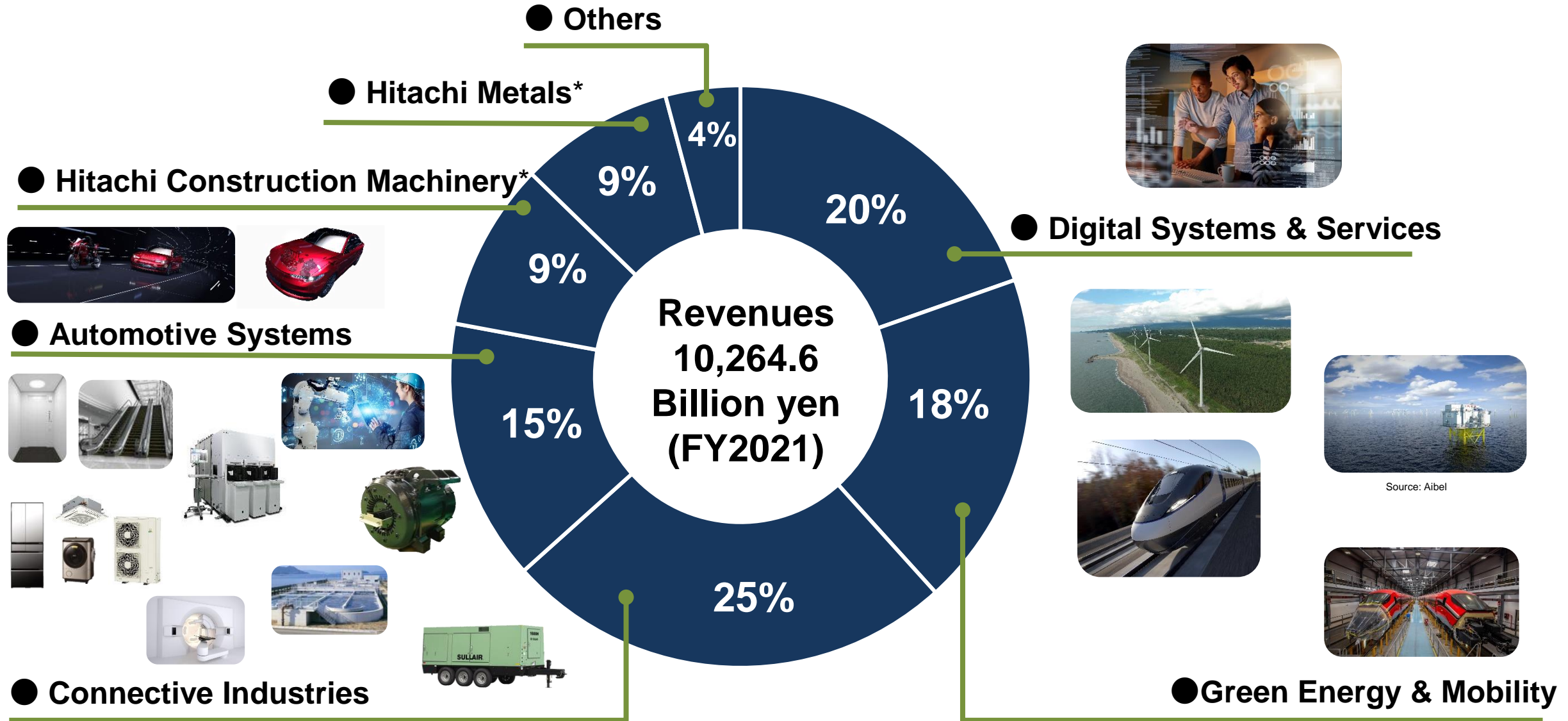
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# The Hitachi Group's Initiatives for Carbon Neutrality

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Hitachi, Ltd.

# 1 Hitachi's Business



The figures are based on the new segment classifications effective from FY2022.

\* Hitachi Construction Machinery was deconsolidated on August 23, 2022. Hitachi Metals are scheduled to be deconsolidated in FY2022.

Support people's quality of life with data and technology that fosters a sustainable society



Revenues growth

**5%-7%**

FY2021-FY2024 CAGR

Adjusted EBITA Margin

**12%**

ROIC 10%

EPS<sup>\*1</sup> growth

**10%-14%**

FY2021-FY2024 CAGR

Core FCF<sup>\*2</sup> (3-year cumulative)

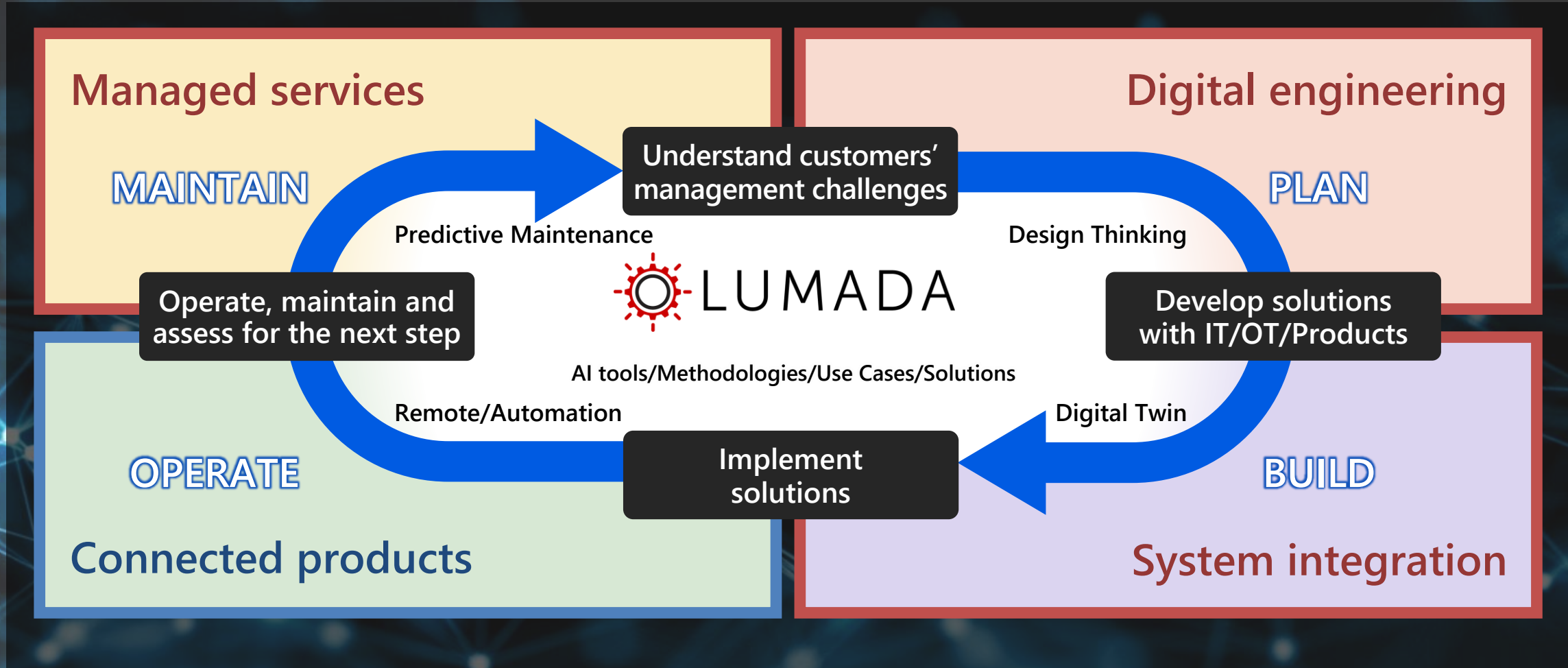
**1.4 trillion yen**

Approx. 50% of this returned to shareholders

\*1 Share buybacks included \*2 Core FCF = Cash flows from operating activities – CAPEX



# 3 What is Lumada ?



## Gx for core

Decarbonize Hitachi activities through Scope 1 & 2 net zero commitment by 2030 and Scope 3 by 2050

- Invest in energy saving and renewable energy generation projects
- Accelerate scope 3 reduction, through supplier management, product redesign and engagement targets with key clients

## Hitachi Gx Strategy

## Gx for growth

Enable other companies to reduce CO2 emissions through enhanced product offering

- Shift toward a greener product portfolio (to reduce emissions during product operation)
- Offer E2E solutions (e.g., carbon management platform, XaaS services)
- Invest in new green technologies to extend current product portfolio

## Lead decarbonization globally with Hitachi Energy to foster a sustainable society

FY2024 Target Contribution to CO2 reduction: Approx. 100 million tons/year (Equivalent monetary value\*2: Approx. 1.1 trillion yen)

<h3>Customers</h3> <p>lifecycle CO2 avoided emission in annual products shipped *1 (equivalent monetary value breakdown)*2</p>	<p>T&amp;D Non-fossil energy</p>		<p>Oil Gas</p>		<p>Transport Automobile (car/motorcycle)</p>		<p>Building Industry Logistics</p>			
	<p>Approx. 89 million tons (Approx. 980 billion yen)</p>		<p>Approx. 6.5 million tons (Approx. 72 billion yen)</p>		<p>Approx. 7.2 million tons (Approx. 80 billion yen)</p>					
<h3>Value provided</h3>	<h3>Energy Transition</h3>				<h3>Electrification</h3>		<h3>Energy Savings</h3>			
<h3>Sector focus business</h3>	<h3>Green Energy &amp; Mobility</h3> <div style="display: flex; justify-content: space-around;"> <div data-bbox="568 1039 861 1203"> <p>Carbon-free solution (HVDC systems)</p> </div> <div data-bbox="970 1039 1263 1203"> <p>Carbon-free mobility (Battery-powered tram)</p> </div> </div> <p>R&amp;D investment 200 billion yen</p>				<h3>Hitachi Astemo</h3> <p>xEV components (EV motor)(EV inverter) R&amp;D investment 300 billion yen</p>		<h3>Connective Industries</h3> <p>Logistics (Ecosystem services connected by CPS)</p>		<h3>Digital Systems &amp; Services</h3> <p>Visualization of energy management (EcoAssist)</p>	

\*1 Base year FY2013

\*2 Estimate carbon price as 11,000 yen per ton-CO2 and convert CO2 avoided emission by decarbonization solution into monetary value



# World-class integrated system factory

## Selected as a Lighthouse of the World Economic Forum



Ibaraki  
Prefecture

**Established**

**1969**

**Location**

**Omika-cho, Hitachi City, Ibaraki Prefecture**

**Site area**

**200,000 m<sup>2</sup> (the area of about four Tokyo Domes)**

**On-site workers**

**About 4,000 (including Hitachi employees and staff from associated companies)**

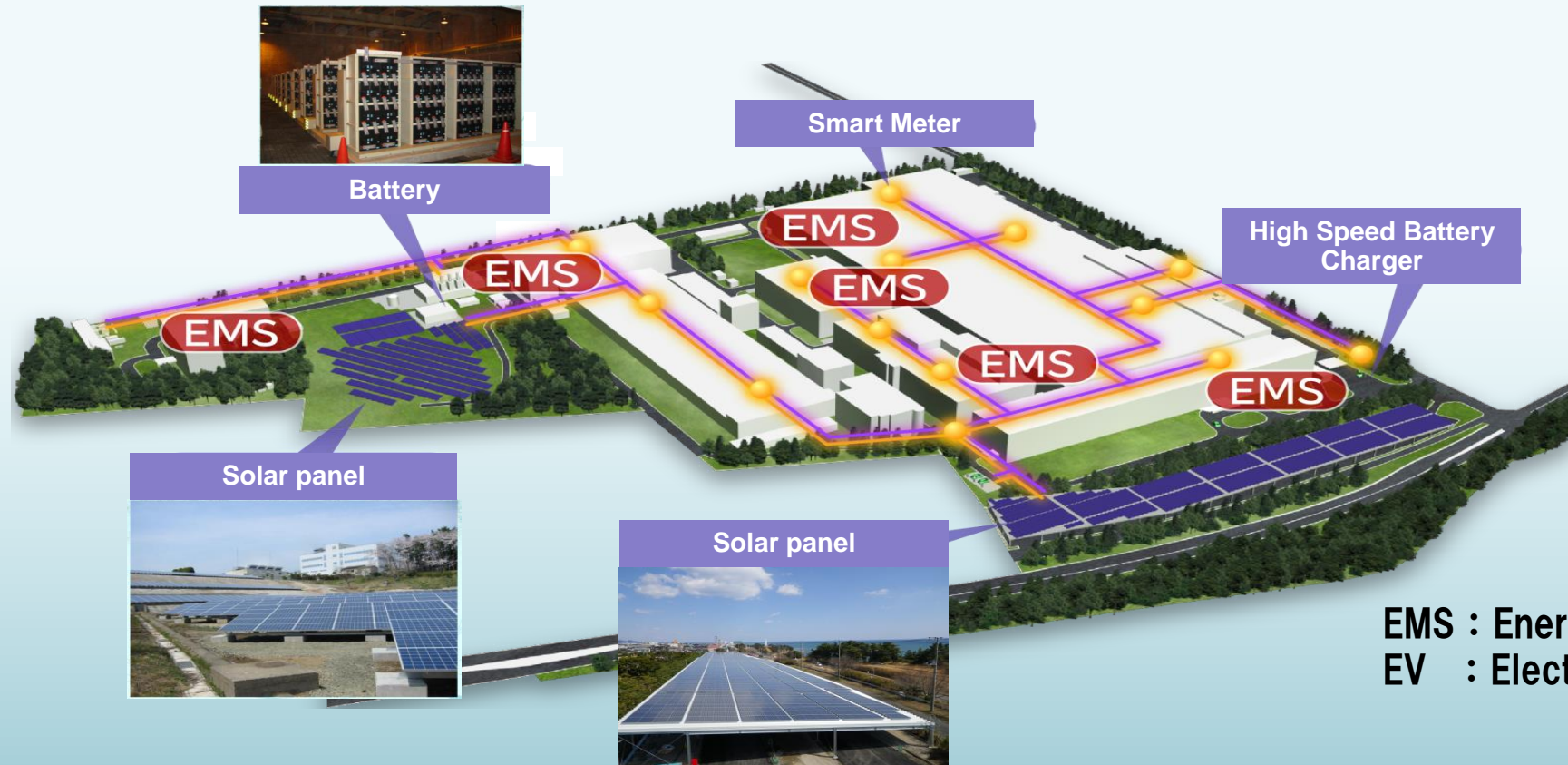
**Business overview**

**Manufacturing, operation, and maintenance of information control systems focusing on social infrastructure**



# 7 CO2 emission reduction at Omika Works

- Data visualization and prediction of electricity demand
- Utilization of renewable energy from solar power and storage batteries.
- Suppression of peak demand by linking EMS with the production plan

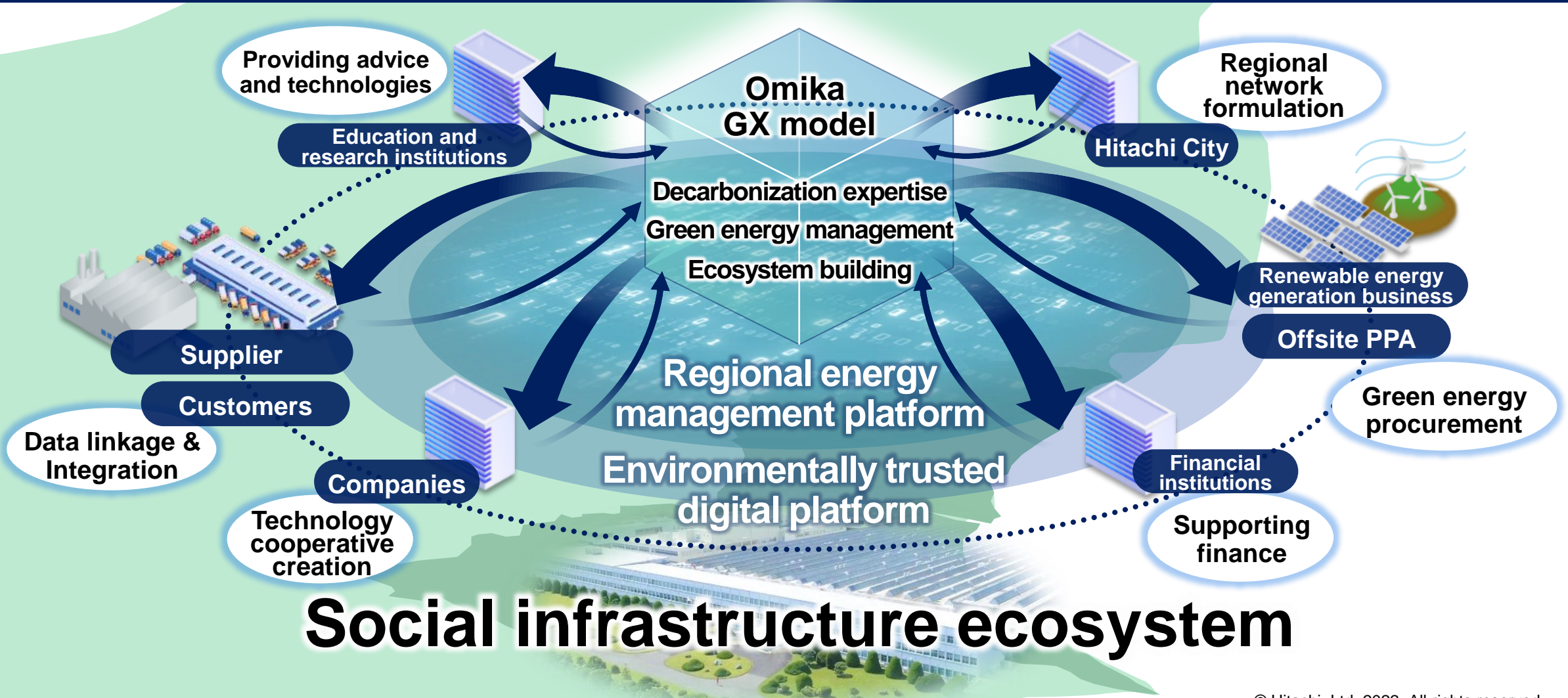


EMS : Energy Management System  
EV : Electric Vehicle



# 8 The Omika Green Network

Co-create with stakeholders for realizing a decarbonized society  
with making growth possible







Hitachi Social Innovation is  
**POWERING GOOD**

