

Hitachi Energy Investor Days 2023

Supply chain and footprint – Expanding our capacity for growth



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Hitachi Energy



Hitachi Energy –
Advancing a sustainable
energy future for all



120+ factories

across 6 continents



○ Manufacturing sites approximate location

Serve the market nearest to our end customer

Build resilience in supply chain with ability to serve customers from different factories

Address local customer needs / local regulation

We are leveraging our strengths and proactively taking actions to capture the growth opportunity

Production

Leverage and expand global manufacturing capacity (own and partners footprint)

Focus on operational excellence, productivity and working capital

Leverage IT & digital transformation

Supply Chain

Integrated global supply chain structure (e.g., Feeder Factory)

Manage demand and supply proactively with partners

Innovate in collaboration with supply chain partners

Business model

Build partnership ecosystems across the value chain

Improve supply chain planning (e.g., FA¹ & CRA²)

Collaborate to increase modularization and standardization

R&D and engineering

Build capacity in developing pioneering technologies

Set strong focus on customer needs

Talent

Secure talent globally – leveraging our local presence and our purposeful value proposition

We are further expanding our manufacturing capacities & global footprint

Transformers



New factory: Bac Ninh, Vietnam



Expansion: Dosquebradas, Colombia



New factory: Chongqing, China



Expansion: Bland and Jefferson City in the US

High Voltage Products



New factory: Bangalore, India



New factory: Xi'An, China

Grid Integration



New valve and C&P¹ factory: Chennai, India



Feeder Factory Concept allows us to produce close to customers using common components from global manufacturing centers



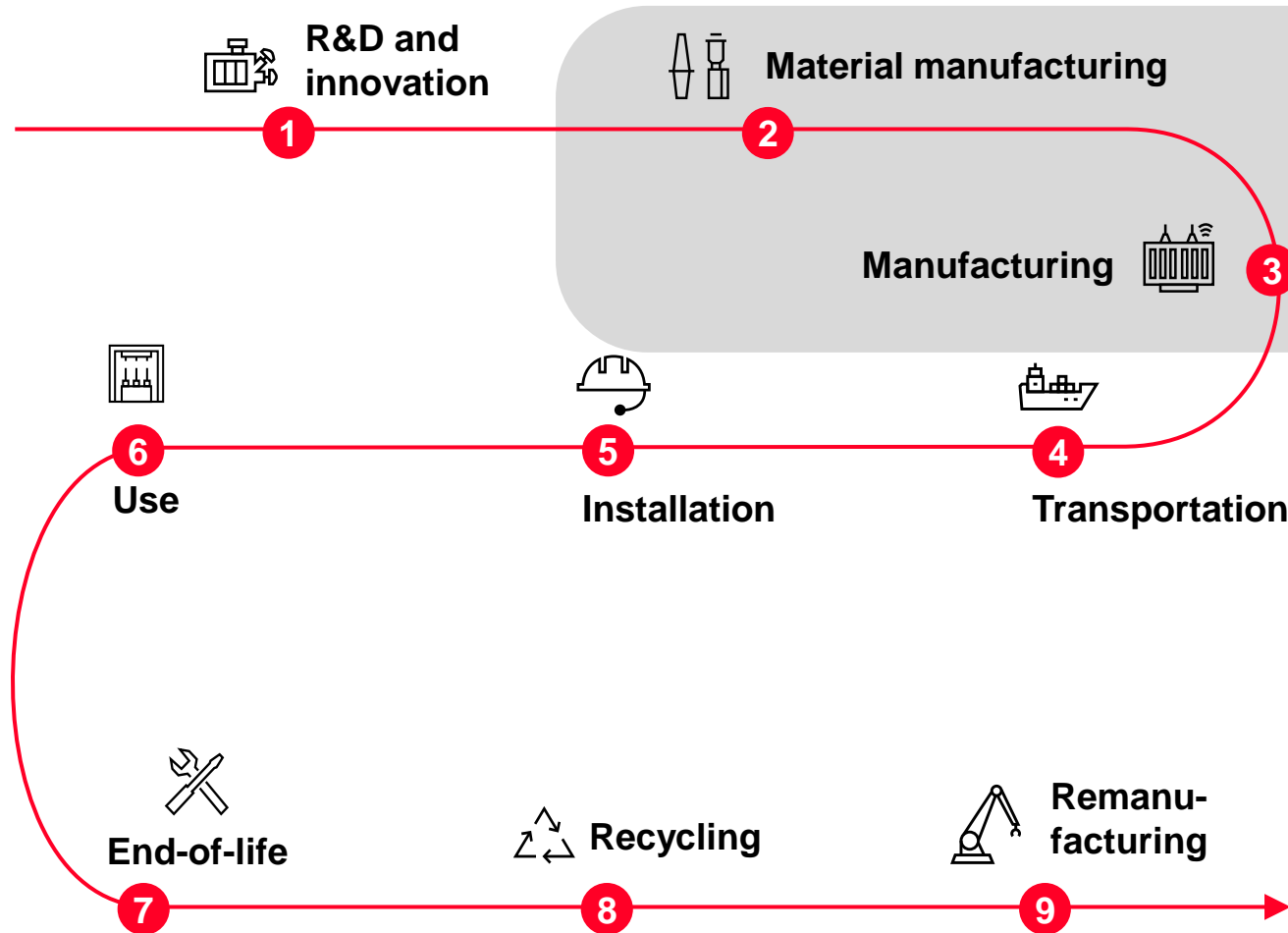
Benefits

- Standardization of parts and components
- Modularization of products and systems
- Economies of scale in global Feeder Factories
- Local added value close to customers

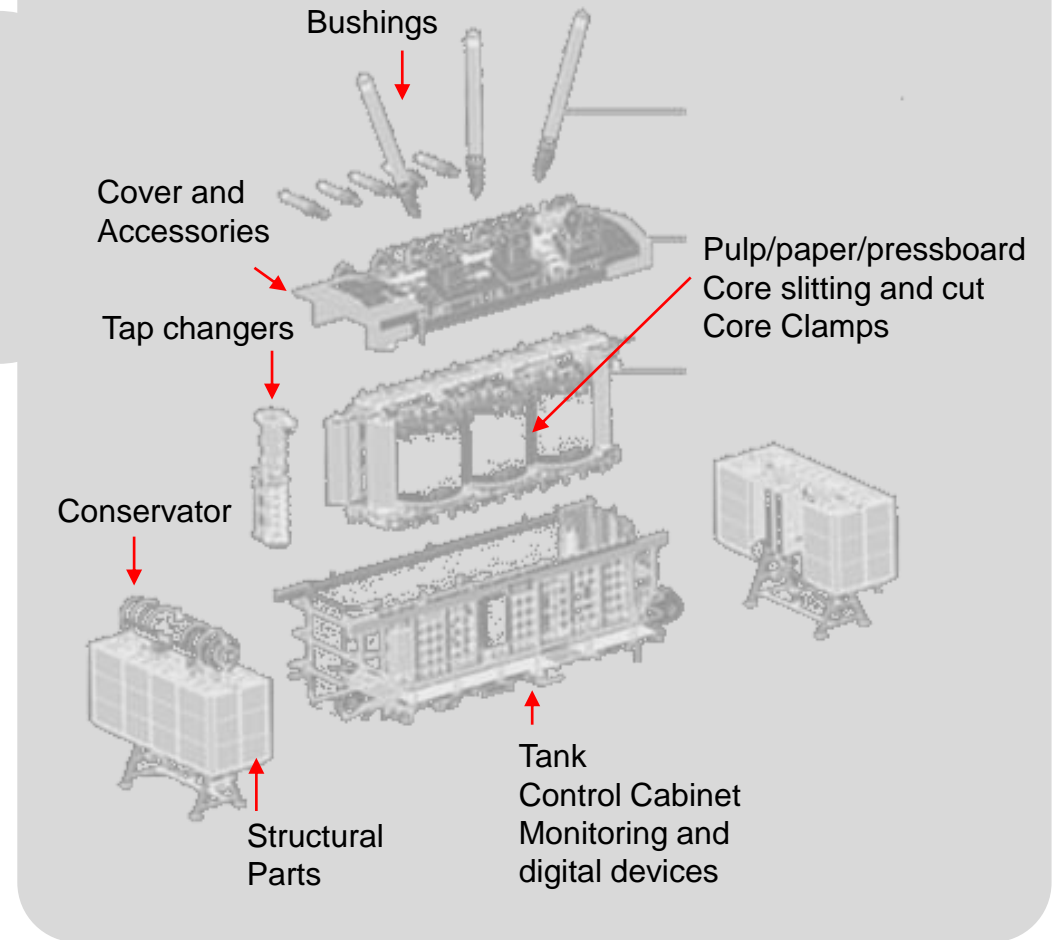
Unique global operating model enables scalability and flexibility of the value chain in manufacturing and engineering

We are vertically integrated across the entire life-cycle

In-house activities across the entire life-cycle



In-house design and manufacturing of all key components



We have a market leading supply chain



Global scale across business



Long-standing relationships with suppliers



Feeder Factory concept and synergies

We proactively equip our supply chain to meet future demands

Reserving capacity with suppliers/logistics partners

Expanding supply base & partnering with suppliers

Engaging tier 2 and tier 3 suppliers

New Global Technology and Innovation Center in Chennai, India



Front-end local engineering close to customers in all main markets

Global engineering in centralized technology & innovation center, with 15 years experience



- 2,500+ technologists across business and functions in one campus
- Extensive capabilities from hardware to software, from HVDC to microgrids
- Over 1,000 engineering projects across 40+ countries executed every year

A collaborative model enables the use of recycled oil in the distribution transformers for E.ON in Sweden

90%

Lower carbon footprint of the recycled oil compared to new mineral oil

18%

Increase of total recycled content of the transformer

“We are proud of this pioneering partnership model. Collaborations like these are crucial to enable a sustainable and electrified future”

Peter Hjalmar, Regional Manager South at E.ON



Accelerating the energy transition in Australia

Significant investments in critical transmission projects

Enhanced Sustainability and System reliability

Important role of shunt reactors

4 Projects

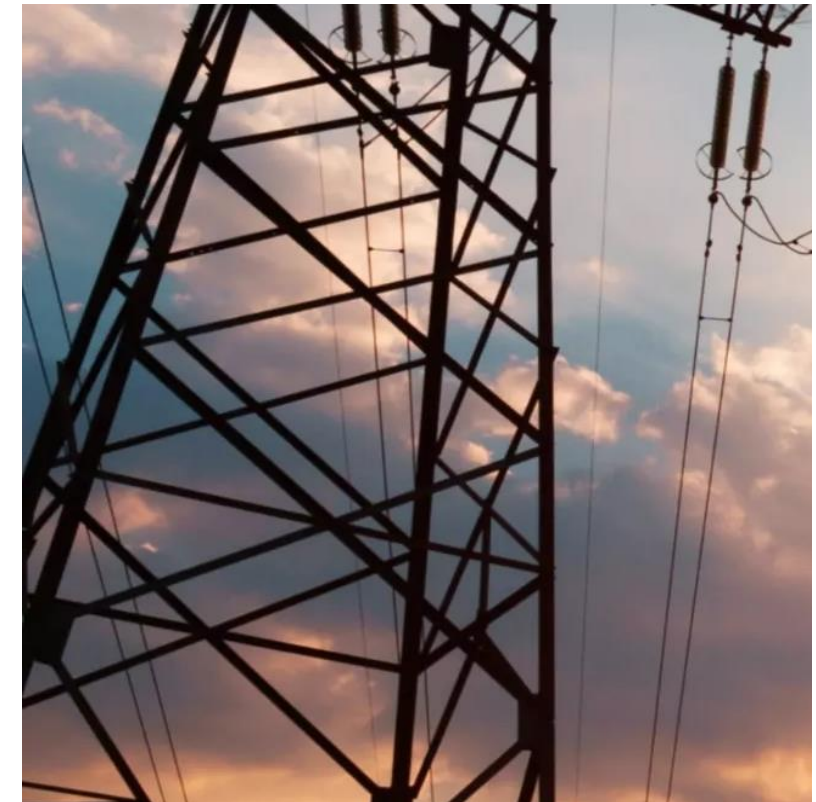
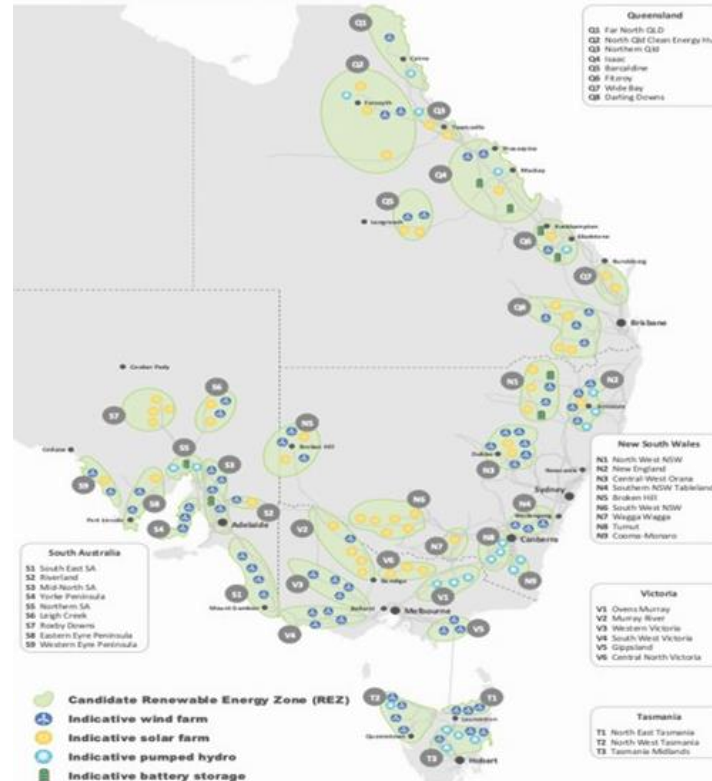
Long term partnership

TransGrid

Reinforcing the 500kV transmission network

Hitachi Energy

Shunt reactors
Leading technology
Footprint (delivery from China)
Supply flexibility
Robust supply chain
Commitment on production slots



Our leading supply chain and global footprint enable our profitable and sustainable growth journey

Key takeaways

- 01** The energy transition growth opportunity requires scaling and flexibility
- 02** Feeder Factory concept allows scaling and agile production and supply chain
- 03** Key success factors: footprint and investment capacity, innovation in business models and supply chain management, and talent management
- 04** Collaboration with customers, partners across the value chain is essential



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