HITACHI

Chairman's Speech

7th Annual General Meeting,
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Ismo Haka
Chairman
Hitachi Energy India Limited

Ladies & gentlemen,
It gives me immense pleasure to welcome you all to the **7th Annual General Meeting (AGM) of Hitachi Energy India Limited.** It is your constant support, encouragement, and the confidence you put in us that has powered our growth journey over the years.

The year FY26 is a key year for the Indian energy sector. Many milestones were crossed as the country moved towards achieving big national energy goals. First, in June 2025, 50% of the country's installed electricity capacity came from non-fossil fuel sources. Secondly, in September 2025, the nation crossed the 500 GW installed capacity mark, reaching 500.89 GW.

This double critical achievement, reiterates India's commitment to a clean, secure, and self-reliant energy future. It also indicates the massive infrastructure development capability which India can create to deliver on its energy commitments. The recent geopolitical dynamics and the evolving situation in the Middle East have forced policymakers worldwide to re-look at their energy policies. Primarily focusing on energy security and self-reliance in meeting energy requirements.

The same applies to India, especially at a critical juncture in its journey towards energy transition. The recent geopolitical developments have helped bring the focus even more sharply on energy security, an area that has been in focus for India for a while now.

Throughout the financial year, despite some headwinds, the country's economic growth has remained more stable and positive than that of other economies. Even amid the ongoing volatile geopolitical landscape, the country’s GDP grew by 7.6% vis-à- vis 7.1% in FY25. This feat is also recognized by the International Monetary Fund (IMF), which has positioned India among the few resilient economies globally.

Strong internal demand, a strategic and accommodative monetary policy, and structural tax reforms, both direct & indirect, played a critical role in India’s sustainable economic growth. But with the country’s sustained growth cycle, there has also been an equal need to support rapid urbanization, expanding infrastructure development, and domestic and industrial electrification.

To support this growth momentum across the spectrum, a reliable, efficient, and sustainable energy infrastructure is a requirement for long-term economic development. This phenomenon will have a positive impact on the investments across the power value chain.

In the next 30-35 minutes, I will share with you a bigger picture of the last financial year, from April 2025 to March 2026, covering an overview of the year's key developments, a summary of our operating environment, and an outlook on India's power and energy markets.

Following this, N Venu, MD and CEO, will share his insights on our India strategy, performance, and key highlights.

Flashback:
How the year was

As briefly mentioned earlier, the outlook for the Indian economy remains positive and stable, with a GDP growth of 7.6% in FY26 vis-à-vis 7.1% in FY25. The growth momentum highlights the strong fundamentals of India's economy and the timely, strategic reforms that help it achieve sustainable development today and for years ahead.

The Economic Survey for FY26 also reiterated the continued economic growth, stronger balance sheets for households, firms, and banks, increased public investment, resilient consumption demand, and improving private investment intentions.

The year also marked a perceptible inflection point in the Indian economy. A dynamic geopolitical environment, exponential growth in the country's energy requirements, and a supportive regulatory and policy ecosystem made energy security central to economic growth.

Despite the positive sentiment, ongoing geopolitical issues have kept policymakers somewhat cautious. But it didn’t deter the government's efforts to integrate renewables, to promote the growth of data centers and AI, and to build the infrastructure needed for industry and transport electrification. The result was clearly visible in the first half of 2025 alone, the renewable energy sector attracted investments of nearly INR 1 lakh crore.

The rising manufacturing capabilities, digitalization, electrification of transport, infrastructure expansion, and urbanization are shaping investments across the power value chain. But the focus and efforts to diversify energy sources and strengthen domestic potential, continue to support the country's broader objective of enhancing energy security and reducing exposure to external disruptions.

As the geopolitical dimension of energy is now intersecting with another defining force of this time, technology. India's digital economy is scaling rapidly. Artificial intelligence, cloud computing, and data centers are fueling electricity demand. It clearly shows that India is already on the path to emerging as an 'electrostate'.

It showcases the government's continued focus on strengthening the power sector through policy support, infrastructure development, and measures to accelerate the country's energy transition. Trade and economic cooperation agreements with global partners also support access to technology, investment flows, and the development of a more integrated energy ecosystem.

Understanding the Indian power sector

India's power sector is undergoing a once-in-a-generation transformation, driven by structural demand growth, policy acceleration, and a decisive shift toward electrification and decarbonization.

The country's energy transition agenda remains centered on expanding the share of cleaner energy sources while ensuring a reliable and affordable power supply. As the energy mix evolves, greater emphasis is being placed on transmission infrastructure, grid modernization, energy storage, and digital technologies to support system flexibility and maintain grid stability.

FY 26 marked a defining year for the sector, reflecting both resilience and rapid structural progress

India successfully met a peak power demand of 242 GW, while energy shortages declined to 0.03%, indicating strong supply reliability. Power availability has improved significantly across the country—rural supply increased from 12.5 hours in 2014 to 22.6 hours in 2025, while urban areas now enjoy over 23 hours of daily supply, highlighting near-universal access and enhanced service quality.

The country's electricity generation has increased substantially, reaching 1,846 billion units in FY26. This represents a significant rise from 1,739 billion units (BU) in FY25, reflecting strong growth in electricity demand observed across industrial, commercial, and residential sectors.

At the same time, the country's installed power capacity increased from 305 GW to 532.74 GW over the same period, highlighting the scale of infrastructure development and investment across the generation value chain. Also, on July 29, 2025, renewables met a record 51. 5% of India's electricity demand.

It is also worth noting that the country achieved a significant increase of 54.6 GW in renewable energy capacity during FY26, highlighting the rapid transition to clean energy and elevating the role of renewables. This achievement represents significant progress toward a cleaner, more resilient energy system and emphasizes that renewable energy is now central to transforming the national power sector.

The surge of renewable energy in India's power mix signifies a substantial structural transformation. This development reflects the country's ability to align economic

growth with sustainability objectives, accelerate clean energy deployment, and establish a resilient, future-oriented energy ecosystem.

This growth is underpinned by rising peak power demand, rapid additions of renewable energy, and the targets outlined in the National Electricity Plan (NEP) 2022–32. As renewable capacity expands, it also drives the need for substantial investments in high-capacity, long and short-distance transmission corridors. This makes integrating renewables into the grid critical as industries, transportation, and data centers increasingly electrify.

Thus, addressing key sectoral challenges, including renewable intermittency, transmission losses, and grid inefficiencies, is critical for the growth of renewable energy in India. But these challenges drive stronger technological innovation, from digitalized grid solutions and storage technologies to advanced energy management systems.

Your Company, being the technological leader in electrification, understands the gravity of these ongoing changes in the energy sector. Hence, we have been investing in all spheres of our work to address the growing demand for electricity through our comprehensive offerings across sectors and segments.

Your company's operating strategy

Hitachi Energy India Ltd. stands at the forefront of the electricity era, to meet the energy demands of today and the years to come. We are committed to making the world's energy system more sustainable, secure, resilient, and affordable, thereby enabling greater access to electricity and empowering societies to thrive.

Our strategic focus remains profitable growth by continuously upgrading existing offerings and introducing new products aligned with evolving market needs.

Enhancing our core capabilities

Your Company operates through five business units: Grid Automation, Grid Integration, Transformers, High Voltage Products, and Service. It serves a diverse customer base across renewables, transmission, industry, utilities, data centers, and railways. The Company leverages Service, Exports, and Digitalization as key growth drivers while maintaining a strong focus on operational efficiency. The Company continues to enhance productivity, strengthen quality standards, and expand its presence in high-growth segments.

Putting customers first

Customer centricity remains a cornerstone at Hitachi Energy India Limited. Guided by collaboration and co-creation, the Company works closely with its valued customers and partners to advance sustainable energy solutions across the value chain.

Operational reliability and performance

Your company continued to prioritize improving its overall efficiency. This commitment extended across all operational domains. At Hitachi Energy India Ltd., we also maintain a strong emphasis on improving the customer experience through robust project implementation.

The commissioning of India's first HVDC city center infeed in Mumbai serves as a testimony to the Company's strong on-time execution capabilities.

Capturing high-growth opportunities

Our focus on high-growth segments that demonstrate substantial business potential and align closely with both national and global sustainability objectives:

- **Renewables:** Facilitating the integration of solar, wind, and hybrid assets into the power grid
- **High Voltage Direct Current (HVDC):** Enabling efficient, long-distance power transmission
- **Data Centers:** Providing reliable and scalable power solutions to support the digital economy
- **Electrification:** Advancing the electrification of railways, metro systems, and electric vehicle (EV) infrastructure
- **Industry:** Offering mission-critical power transformers, high-voltage switchgear, and digital grid integration products and solutions for industries

Strategic growth levers

By leveraging services, exports, and digitalization as growth drivers, while maintaining a strong focus on operational efficiency, we aim to achieve sustainable growth. And we always strive toward enhancing productivity and strengthening quality standards, while expanding our presence in high-growth segments.

Co-creating the future

We accelerate sustainable growth by prioritizing innovation, partnerships, and mergers and acquisitions. Recognizing that climate change requires collective action, collaborating with other Hitachi organizations to maximize impact through digital capabilities. Our research and development focus on clean technologies, circularity, and energy efficiency. The Company also invests in industry partnerships, talent development, safety, and community engagement to ensure inclusive and responsible growth.

Sustainability, safety, integrity, and quality are central to our business and underpin our approach to creating long-term value for all stakeholders. As a leader in technology and innovation supporting the clean energy transition, Hitachi Energy India Limited advances its sustainability agenda through targeted initiatives across People, Planet, Peace, and Partnerships.

In FY 26, your company made substantial progress toward our 2030 sustainability goals, achieving a 74% reduction in Scope 1 and Scope2 GHG emissions and an 82% reduction in waste sent to landfill or incineration compared to our 2019 baseline.

Additionally, we recycled 99% of the waste generated during the year. Our Halol facility received Water Positive certification, and both Halol and Mysore facilities attained Platinum-level certification for Zero Waste to Landfill, demonstrating our commitment to resource efficiency and environmental stewardship.

We also maintained the highest standards of safety, integrity, and quality by further strengthening our Health, Safety, and Environment framework, achieving 100% on-time closure of high-risk hazards, and recording a Total Recordable Injury Frequency Rate of 0.11.

Beyond our operations, we engaged with policymakers, industry bodies, and customers to contribute to discussions on energy transition, grid modernization, and sustainable infrastructure. Collectively, these achievements reinforce our commitment to building a safer, more sustainable, and resilient energy future for India.

Corporate social responsibility

Your Company is deeply committed to driving social impact and actively engages with multiple stakeholders through targeted Corporate Social Responsibility (CSR) initiatives that drive inclusive growth and equitable development.

One of your company's flagship initiatives is the **'Women in Engineering'** multi-year program, which focuses on promoting quality education and enhancing employability for girls from underprivileged backgrounds.

- The programme supports approximately 250 girl students from economically disadvantaged families, primarily in Tier 2 and Tier 3 towns. This year we are working on extending this program to 500 girl students.

The Company has also contributed to enhancing **educational infrastructure** and sustainability:

- Developed 21 smart classrooms, along with 51 kW of solar. power installations, benefiting over 5,400 students.
- In all, we have planted 66 thousand saplings across various locations and continue to maintain them.
- In Bengaluru, we have planted over 18000 saplings along the National Highway median for about 1.3 km and continue to maintain them.
- Similarly, we have developed greenery at Fire Station in Bengaluru by planting over 6200 saplings and continue to maintain them. Also, we continue to maintain 16900 saplings planted at three locations in Vadodara.
- Similarly, we have developed greenery along the metro median for about 2 km by planting over 18700 saplings.

We believe these initiatives serve as a strategic channel for shaping the future of sustainable energy by fostering sustainable, inclusive development of social capital. Through its CSR initiatives, your Company strengthens communities, builds resilience, and supports long-term progress aligned with broader environmental and social goals.

Outlook

India's economy continues to instill great confidence, well supported by stable macroeconomic fundamentals. Including policy reforms, domestic demand, and positive sectoral performance.

This puts India among the fastest-growing major economies worldwide. India delivered a GDP growth of 7.6% in FY26 and enters FY27 with strong fundamentals, and the country is well-positioned to advance toward its long-term objective of becoming a developed nation by 2047.

The energy sector will certainly play a pivotal role in facilitating this transformation. The anticipated growth will be powered by emerging opportunities in data centers, artificial intelligence, smart grids, battery energy storage systems, electric mobility infrastructure, and the rapid adoption of renewable energy.

Transmission planning is being developed to support integration of over 900 GW of non-fossil, capacity by 2035-36 in India. It will expedite the need for a robust, modern, resilient, and sustainable power infrastructure, while simultaneously enhancing the domestic manufacturing capabilities and strengthening the entire value chain network.

At Hitachi Energy India Ltd, we regard this as an exciting phase in India's energy transition. We remain committed to enabling a more sustainable, flexible, and secure power system through our continuous investment. We announced an investment of **INR 2,000 crores** to set up, in addition to others, a greenfield large power transformer facility in Karjan, Vadodara, Gujarat. This investment is in addition to the planned commitment announced on October 7, 2024, during our 75th anniversary celebration. Thus, bringing the total capital expenditure **commitment to INR 4,000 crores.** For this, the company previously completed a **Qualified Institutional Placement (QIP) in March 2025 raising approximately INR 2,521 crore,** strengthening financial flexibility to support growth and capital requirements.

These investments are designed to address **supply chain shortages, meet India's domestic demand,** and strengthen India's role as a global hub.

Acknowledgement

I must acknowledge the dedication of all our colleagues in advancing our company's vision. Your determination has enabled the company to serve the nation and contribute to key power projects over the years.

I extend my gratitude to our customers, channel partners, shareholders, suppliers, banks, financial institutions, government entities, and other stakeholders for their ongoing support and invaluable contributions to our operations in India. I am especially thankful to our shareholders for their sustained investment in our vision and strategy.

In conclusion, on behalf of the Board and all shareholders, I commend the dedication and commitment of N Venu, MD & CEO, and the management team for upholding the company's guiding principles and purpose.

Dear shareholders, in today's dynamic environment, one's success depends purely on one's ability to provide a solution. At Hitachi Energy India Limited, we not only detect the cause but also provide the resolution. We are committed and actively working toward building the infrastructure today that will power the reality of tomorrow.

Thank you for your continued trust and partnership.