

Kurita Water Industries and Hitachi Launch a Co-creation to Implement Solution in Society and Build an Ecosystem for a Sustainable Society with “Zero Environmental Impact”



Concept of co-creation between Kurita Water Industries and Hitachi

Tokyo, January 26, 2023 – Kurita Water Industries Ltd. (Head office: Nakano-ku, Tokyo; President: Michiya Kadota; "Kurita" below) and Hitachi, Ltd. (Head office: Chiyoda-ku, Tokyo; President & CEO: Keiji Kojima; "Hitachi" below) recently concluded a memorandum of understanding (MOU) after reaching an agreement on launching a co-creation to implement solution in society and build an ecosystem with a focus on manufacturing industry and with a view to a sustainable society. The two companies will accelerate efforts to implement solutions in society for realizing “zero environmental impact” in the supply chain by combining solutions and technologies and partnering other companies and organizations that sympathize with the vision.

■ **Details of the co-creation**

The two companies will define social value with a focus on the manufacturing industry, and provide solutions to customers by creating a value creation model that combines Kurita's diverse points of contact with customer sites in a wide range of industries, water treatment and waste reduction technologies, and digital solutions with Hitachi's technologies and expertise, including Lumada*1 solutions such as environmental data visualization, analysis, and environmental impact reduction technologies (ex. energy circulation using hydrogen).

For example, the two companies aim to build a supply chain that maximizes the value of resources by considering organic waste from manufacturing process of food factories etc. as resources and combining the two companies' upcycling/energy recovery technologies and the

Lumada Solution as a mechanism for verifying the circulation of resources.

The two companies will continue to discuss a variety of themes for the co-creation, and will also actively work to build an ecosystem with companies who agree with their vision by utilizing Hitachi's Lumada Alliance Program^{*2}. Through these activities, Kurita and Hitachi will address challenges such as the preservation and improvement of water resources and sustainable energy use and will contribute to achieving a sustainable society.

*1 Lumada: A collective term for solutions, services and technologies based on Hitachi's advanced digital technologies for creating value from customers' data accelerating digital innovation

<https://www.hitachi.com/products/it/lumada/global/en/index.html>

*2 Lumada Alliance Program: A program for building an ecosystem through a community of open innovation characterized by matching with many different partners, with the aim of accelerating social innovation to solve the social issues that would be hard for a single company alone to solve and thereby create value

<https://www.hitachi.com/products/it/lumada/global/en/alliance/index.html>

■ Background

The United Nations adopted the SDGs in 2015. The Paris Agreement is a new international framework for causes such as a reduction of greenhouse gas emissions. The Japanese government advocates Society 5.0. These initiatives, among many others aimed at making society sustainable and enhancing people's Quality of Life, have accelerated in recent years. Social issues have grown more extensive and require more advanced action. In addition to advances in the digitalized society, these changes will increasingly gain momentum after the COVID pandemic and other catalysts.

■ Initiatives leading to co-creation

Kurita is committed to solving social issues through its business activities in the areas of water and the environment by means of many different solutions created from the "water knowledge" which the Company has accumulated for many years. The Company creates social value by focusing on the development of products, technologies and business models that are significantly effective in saving water and reduction of CO₂ emissions and waste and contribute to achieving SDGs and their specific targets.

Hitachi combines product/OT^{*3}, which it has accumulated for many years as a manufacturer, with IT and offers Lumada solutions that accelerate DX (digital transformation) through co-creation with customers. By doing so, the Company develops a social innovation business to maintain society within the planetary boundary and help each individual to achieve wellbeing while contributing to solving ever-complex social issues.

Kurita and Hitachi, with an eye toward a sustainable society in response to the changing society, concluded that both of their technologies and expertise would contribute to increasing value for customers and society. Since March 2021, the two companies have been discussing the possibility of co-creation by using Hitachi's unique Lumada co-creation approach that generates new value and ideas not seen before. This led to the recent conclusion of MOU after the both companies reached an agreement on accelerating the efforts to implement in society the solutions for achieving "zero environmental impact" in the supply chain through the combining of the two companies' solutions and technologies and gaining partners in pursuit of creating businesses to build an ecosystem.

The two companies have already started working on co-creation in DX for the management of steel mill raw material yards^{*4}. After the recent conclusion of the MOU, the scope of discussion for realization of sustainable society will be expanded and the co-creation will be accelerated.

*3 OT: Operational Technology

*4 A news release published by Kurita Water Industries and Hitachi on September 27, 2022 "Kurita Water Industries and Hitachi Launch DX Co-creation for Managing Steel Mill Raw Material Yards"

<https://www.kurita.co.jp/english/aboutus/press220927.html>

■ About Kurita Water Industries Ltd.

Based on our corporate philosophy to "study the properties of water, master them, and create an environment in which nature and humanity are in harmony," Kurita provides customers with value to realize a sustainable society through our business activities in water and the environment. Seeing CSR as central to our business management, we operate under the four themes of "Solve issues related to water resources," "Realize sustainable energy use," "Reduce waste," and "Advance industrial production technologies" to create value throughout society and provide customers with products, technologies, and a business model making major contributions to water conservation, reducing carbon emissions, and reducing waste.

In fiscal 2021 (the year ended March 2022), Kurita had consolidated sales revenue of 288.2 billion yen. As of March 2022, the Company has 70 consolidated subsidiaries employing 7,661 people worldwide.

Visit the Kurita website for more information (<https://www.kurita.co.jp/english/index.html>).

■ About Hitachi, Ltd.

Hitachi drives Social Innovation Business, creating a sustainable society with data and technology. We will solve customers' and society's challenges with Lumada solutions leveraging IT, OT (Operational Technology) and products, under the business structure of Digital Systems & Services, Green Energy & Mobility, Connective Industries and Automotive Systems. Driven by green, digital, and innovation, we aim for growth through collaboration with our customers. The company's consolidated revenues for fiscal year 2021 (ended March 31, 2022) totaled 10,264.6 billion yen (\$84,136 million USD), with 853 consolidated subsidiaries and approximately 370,000 employees worldwide. For more information on Hitachi, please visit the company's website at <https://www.hitachi.com>.

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Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.
