

# News Release

FOR IMMEDIATE RELEASE

## **Transition to a new structure for the domestic power grids business toward the early realization of a carbon-neutral society and resilient electricity network in Japan, co-creating with customers new values**

*Providing new values to Japanese customers by leveraging Hitachi Energy's leading technologies with local expertise in the power grids business*

**Tokyo, May 23, 2023** – Hitachi, Ltd. (TSE: 6501, "Hitachi") today announced that Hitachi will transition its domestic power grids business\* to a new structure with Hitachi Energy to provide strong support for the early realization of a carbon-neutral society and the enhancement of resilient electricity network in Japan. Hitachi will make the most of its expertise in the domestic market, as well as leading technologies and solutions based on Hitachi Energy's knowledge and experience in global market, to contribute to Japan's Green Transformation (GX) by providing new values, such as improving the asset life cycle with the maintenance and services of existing electricity network, and supporting flexibility, stability and security of the power grids.

\* The businesses and solutions covered by this transition are mainly GIS (gas insulated switchgear), transformers and HVDC (High Voltage Direct Current) businesses for utility companies and their maintenance businesses, excluding grid protection and control businesses.

### **Overview**

#### **1. New values to contribute to the customers and market for early realization of a carbon-neutral society**

Through the integration of the domestic power grids business and Hitachi Energy, Hitachi will provide customer with new values to realize a carbon-neutral society by leveraging Hitachi Energy's world-class technologies with Hitachi's digital technology including Lumada and the extensive experience from our domestic track record.

- (1) World-recognized value in power grids equipment such as high-voltage products including gas-insulated switchgear (GIS) portfolio and transformers, all supporting low environmental impact, optimization of maintenance cycles and digitalization.
- (2) The value that directly contributes to minimizing power supply shortages and accelerating GX through solutions used in global markets, such as high-voltage direct current (HVDC) technology and EconiQ (product, service and solution package that helps achieve carbon neutrality).

#### **2. Maximize values by co-creating with customers**

- (1) Continue to provide high-quality services including front-end engineering, quality control, and maintenance backed by years of experience in Japan together with new digital solutions. Contributing to the enhancement of the value of investment in the power grids in Japan, aiming to maintain and improve services for existing facilities and equipment in the Japanese market along with supporting the realization of customer's technology succession.
- (2) Aiming to realize the globalization of our business platform having aligned with customers in Japan and providing them with the value created in the global market.
- (3) The target periods for transition to a new structure of each business together with Hitachi Energy are as follows: HVDC business, which has world's leading technologies and market shares and a proven track record in Japan since the establishment of a joint venture for Japan's HVDC business in 2015, will be from latter half of Fiscal Year (FY) 2023; the service business, which is another core business, will be from FY2024; and the equipment business including GIS and transformers will be by end of FY2024.
- (4) Products such as GIS and transformers will transition to those produced at Hitachi Energy's manufacturing sites, and the manufacturing base in Hitachi City, Ibaraki Prefecture will become an important base function providing advanced engineering and services from

FY2025.

- (5) We will also provide strong support for strengthening the power grids and support collaboration efforts for the development of a nation-wide next-generation electricity network, which is being considered with a perspective on future energy sources and demand as a result of changes in social structures, such as the expansion of non-fossil based generation sources and the progress of electrification, by utilizing Lumada and other digital technologies, as well as experience, know-how, technology and human resources on a global basis.

- End -

### **About Hitachi Energy**

Hitachi Energy is a global technology leader that is advancing a sustainable energy future for all. We serve customers in the utility, industry and infrastructure sectors with innovative solutions and services across the value chain. Together with customers and partners, we pioneer technologies and enable the digital transformation required to accelerate the energy transition towards a carbon-neutral future. We are advancing the world's energy system to become more sustainable, flexible and secure whilst balancing social, environmental and economic value. Hitachi Energy has a proven track record and unparalleled installed base in more than 140 countries. Headquartered in Switzerland, we employ around 42,000 people in 90 countries and generate business volumes of more than \$10 billion USD.

<https://www.hitachienergy.com>

### **About Hitachi, Ltd.**

Hitachi drives Social Innovation Business, creating a sustainable society through the use of data and technology. We solve customers' and society's challenges with Lumada solutions leveraging IT, OT (Operational Technology) and products. Hitachi operates under the business structure of "Digital Systems & Services" - supporting our customers' digital transformation; "Green Energy & Mobility" - contributing to a decarbonized society through energy and railway systems, and "Connective Industries" - connecting products through digital technology to provide solutions in various industries. Driven by Digital, Green, and Innovation, we aim for growth through co-creation with our customers. The company's consolidated revenues for fiscal year 2022 (ended March 31, 2023) totaled 10,881.1 billion yen, with 696 consolidated subsidiaries and approximately 320,000 employees worldwide. For more information on Hitachi, please visit the company's website at <https://www.hitachi.com>.

### **Hitachi Group Power Grids Portal**

<https://www.hitachi.com/products/energy/pg/>

---

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.

---