

**MUFG Bank, Ltd.**  
**Hitachi Zerocarbon Limited**

## **MUFG's Business Co-Creation & Investment into UK Battery as a Service project by Hitachi ZeroCarbon**

**Tokyo, May 10, 2024** --- MUFG Bank, Ltd. (Junichi Hanzawa, President & CEO; hereinafter MUFG Bank) has concluded a Business Co-Creation Agreement with Hitachi ZeroCarbon Limited (Ram Ramachander, CEO; hereinafter Hitachi ZeroCarbon) on Hitachi ZeroCarbon's global Battery as a Service business. MUFG Bank has decided to make a strategic investment into Hitachi ZeroCarbon's Next Gen project<sup>1</sup>, which introduced 1,000 new e-buses in UK.

The strategic alignment between Hitachi ZeroCarbon and MUFG was established by a Business Co-Creation Agreement signed on 22nd December 2023. Hitachi ZeroCarbon aims to develop and expand its business in the UK, Europe and globally, by leveraging its advanced skills and expertise in the operation and management of batteries, supported by its parent company, Hitachi Ltd. MUFG will contribute to Hitachi ZeroCarbon's business opportunities through its expertise in financial services and its international presence, as well as its broad and various client network.

As a first step of the Business Co-Creation, MUFG commits to invest up to GBP 7.4m into the Next Gen project following Hitachi ZeroCarbon's investment in November 2023. This new and epoch-making collaboration of Hitachi ZeroCarbon's technology and MUFG's finance intelligence leads to the decarbonization of the mobility sector globally through establishing well-built business models and structures that ensure fleet operators receive funding for EV assets enabling them to accelerate their EV transition.

This is an investment by a Japanese financial institution's strategic involvement into the energy transition program in the UK, based on its firm relationship with Hitachi. It also represents the important role of the global banking industry to contribute to financial challenges of commercial fleets operators' transition to electric vehicles at scale.

The collaboration of Hitachi ZeroCarbon and MUFG is based on the concept of MUFG's "Business Co-Creation and Investment", which pursues the creation of value through strategic partnerships to improve society and the environment. For this announced transaction for the global EV market, Hitachi ZeroCarbon and MUFG aim not only to develop Hitachi ZeroCarbon's strong position in the global Battery as a Service market, but also in the acceleration of electric mobility and 2050 net zero targets.

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<sup>1</sup> Please see Hitachi's press release for detail of Next Gen project. <https://www.hitachizerocarbon.com/news-insights/hitachi-and-firstgroup-accelerate-the-uks-push-to-electric-mobility-delivering-1000-new-bus-batteries/>

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### **About NextGen**

NextGen offers affordable financing for EVs and batteries to its customers through a shared ownership approach. This not only reduces the upfront costs of electrification, but enables fleet operators to benefit from improved battery performance and lifetime, increased asset residual value and new revenue streams without responsibility for ongoing management. Hitachi ZeroCarbon's leading EV charging and battery management services assure optimal battery health and NextGen provides an opportunity for fleet operators to capitalise on this and unlock revenue gains from fleet electrification.

### **About Hitachi ZeroCarbon**

Hitachi ZeroCarbon's mission is to provide end-to-end solutions to decarbonize commercial vehicle fleets globally, helping them to accelerate electrification and sustainability, reduce battery risk and total cost of ownership, and generate new revenues. Deploying data analytics and digital optimization technologies, we provide the platform to optimize battery performance and life, charge EV fleets and decarbonize sites and depots through a battery charging and management service model. Through digital optimization, our solutions are designed to meet the unique needs of commercial vehicle fleets, offering a range of charging options that maximizes fleet efficiency and minimizes costs. These solutions are built on the foundation of leading the innovation programme Optimise Prime, the world's largest commercial EV trial of more than 8,000 vehicles. Leveraging Hitachi's global reach and industry experience, we offer battery financing solutions to help accelerate electric fleet transition, reduce capital expenditure, and maximise the residual value of assets.

<https://www.hitachizerocarbon.com/>

### **About MUFG Bank**

MUFG Bank, Ltd. is Japan's premier bank, with a global network spanning around 40 countries. Outside of Japan, the bank offers an extensive scope of commercial and investment banking products and services to businesses, governments and individuals worldwide. MUFG Bank's parent, Mitsubishi UFJ Financial Group, Inc. (MUFG) is one of the world's leading financial groups. Headquartered in Tokyo and with over 360 years of history, MUFG has a global network with approximately 2,000 locations in more than 40 countries. The Group has about 120,000 employees and offers services including commercial banking, trust banking, securities, credit cards, consumer finance, asset management, and leasing. The Group aims to "be the world's most trusted financial group" through close collaboration among our operating companies and flexibly respond to all of the financial needs of our customers, serving society, and fostering shared and sustainable growth for a better world. MUFG's shares trade on the Tokyo, Nagoya, and New York stock exchanges. For more information, visit <https://www.mufig.jp/english>.