

FOR IMMEDIATE RELEASE

Hitachi and FirstGroup accelerate the UK's push to electric mobility, delivering 1,000 new bus batteries



- *Hitachi ZeroCarbon will deliver world-leading battery charging and management services for 1,500 buses*
- *Hitachi and FirstGroup plc to purchase up to 1,000 electric bus batteries through new joint venture for FirstGroup's First Bus division*
- *It is anticipated taking 1,500 diesel buses off the road will save 84,675 tCO_{2e} per year – 677,400 tCO_{2e} over the eight year period*

London, 17 November 2023 – Hitachi ZeroCarbon Ltd. has partnered with FirstGroup plc to lead the UK's shift to electric buses. The collaboration, which is part of FirstGroup's bus fleet and infrastructure decarbonisation programme, will provide batteries for First Bus's expanding electric bus fleet, helping to make a positive impact on air quality, tackle congestion and improve customer experience.

The partnership will see up to £10m cash investment each from Hitachi and FirstGroup, supporting the acquisition of 1,000 batteries.

In addition, under the agreement, Hitachi ZeroCarbon will provide its world-leading Battery Charging and Management Services (BCMS) for 1,000 buses powered by the new batteries as well as a further commitment of 500 vehicles beyond FY 2026. This will allow FirstGroup to optimise bus battery efficiency and cost, likely resulting in materially lower future capital deployment by extending the batteries' useful bus life beyond their initial eight-year OEM warranty periods, at zero lease cost. Through smart charging, effective battery management and dynamic energy management, First Bus, one of the UK's largest bus operators, is also likely to see improved energy utilisation.

The partnership further cements both parties' commitment to reducing emissions. FirstGroup's ambition is to be the partner of choice for innovative and sustainable transport, accelerating the transition to a zero-carbon world, and has pledged to operate a zero-emission First Bus fleet by 2035. Hitachi is a climate change innovator, using technology to help governments, businesses and cities cut carbon around the world.

The new venture will build on the two companies' existing strong relationship, which has already seen Hitachi Europe [selected as the prime strategic partner](#) for First Bus's

decarbonisation programme at its flagship Caledonia bus depot in Glasgow during the UN's COP26 summit.

Alistair Dormer, Executive Vice President and Executive Officer, General Manager of Green Energy & Mobility Strategy Planning Division, Hitachi Ltd. said: "Hitachi is committed to becoming a climate change innovator. We continuously strive for growth through collaboration and co-creation with our partners and customers, and this specific partnership enables us to use our innovative technologies and global expertise to help decarbonise fleets efficiently, discover untapped revenue streams, and maximise the residual value of assets. I'm delighted we've successfully grown our existing relationship with FirstGroup, which will further add to our decarbonisation experience and combined learnings, in developing solutions for transport operators globally."

Graham Sutherland, FirstGroup Chief Executive Officer said: "The pioneering alliance with Hitachi is a major strategic partnership for the Group as we progress towards our ambitious 2035 decarbonisation target for our bus fleet. It will allow us to continue the electrification of

our fleet and depots with increased efficiency and greater visibility of our financial commitment, and unlike other possible arrangements, we will retain much of the residual value in the batteries as they are taken off our buses. Looking ahead, we are also excited about the possibilities for future value creation as Hitachi ZeroCarbon delivers market leading decarbonisation solutions to transport operators worldwide, leveraging our joint experience."

To find out more about Hitachi's ZeroCarbon's mission to deliver end-to-end decarbonisation solutions visit: <https://zerocarbon.hitachi.com/>

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About Hitachi ZeroCarbon:

Hitachi ZeroCarbon's mission is to provide end-to-end solutions to decarbonise 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 optimisation technologies, we provide the platform to optimise battery performance and life, charge EV fleets and decarbonise sites and depots through a Battery Charging and Management Services (BCMS) model. Through digital optimisation, our solutions are designed to meet the unique needs of commercial vehicle fleets, offering a range of charging options that maximises fleet efficiency and minimises 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.

About FirstGroup

FirstGroup plc (LSE: FGP.L) is a leading private sector provider of public transport services. With £4.8 billion in revenue and around 30,000 employees, we transported more than 1.8m passengers a day in 2022/23. We create solutions that reduce complexity, making travel smoother and life easier. Our businesses are at the heart of our communities and the essential services we provide are critical to delivering wider economic, social and environmental goals. Each of our divisions is a leader in its field: First Bus is the second largest regional bus operator in the UK, serving two-thirds of the country's 15 largest

conurbations with a fleet of more than 4,500 buses, and carrying more than a million passengers a day. First Rail is the UK's largest rail operator, with many years of experience running long-distance, commuter, regional and sleeper rail services. We operate a fleet of more than 3,500 locomotives and rail carriages through three management fee-based train operating companies (Avanti West Coast, GWR, SWR) and two open access routes (Hull Trains and Lumo). We are formally committed to operating a zero-emission First Bus fleet by 2035, and First Rail will help support the UK Government's goal to remove all diesel-only trains from service by 2040. In February 2023 FirstGroup was named as one of the world's cleanest 200 public companies for the fourth consecutive year by sustainable business media group Corporate Knights in partnership with US not-for-profit organisation, As You Sow. We provide easy and convenient mobility, improving quality of life by connecting people and communities. Visit our website at www.firstgroupplc.com and follow us @firstgroupplc on X.

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.
