

# **HITACHI**

## **Inspire the Next**

**“Hitachi’s Technology  
– Leading the Way to Preserving the Environment”**

**Shozo Saito**

**President & CEO  
Power & Industrial Systems  
Hitachi, Ltd.  
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**Good Morning, Ladies & Gentlemen.**

**Thank you all for taking time out of your very busy schedules to be with us here this morning at PowerGen 2003 in Las Vegas, Nevada. I truly appreciate your participation.**

**My name is Shozo Saito and I am the President & CEO of Power & Industrial Systems of Hitachi Ltd. It is my privilege to share time with you today and discuss Hitachi’s vision and goals for the North American Power Market.**

**Since the mid 90’s Hitachi has been capitalizing on their corporate strength, experience, and industry leading technology to find its proper place in the American power market. Using our global credentials and proven installed base in Canada, Central and South America, Hitachi turned its focus to the American power market and has successfully established itself as a major presence. Indeed, for the first time in our history, the North American market has become a larger market for us than Asia, not counting Japan, of course. (Part of me is very proud of that, but to be honest, the other part is sorry that the Asian market is so poor at the moment!)**

**It is strength through diversity that makes Hitachi so well suited to “weather out storms” as you say in the US. Our size and broad product range gives us this capability, which is so valuable in this present uncertain economic climate. Many of our competitors are specialists - they manufacture one product, perhaps Gas Turbines, or HRSGs, and are therefore very dependant on the success of the combined cycle market.**

**The collapse of the building boom caused great suffering in our industry especially in the US Combined Cycle power market, but Hitachi reacted quickly to these changes by redirecting their attention to the coal fired power market. As many of you know, Japanese power utilities continue to build large pulverized coal plants. Hitachi has been the leading supplier of these large pulverized coal plants building twelve supercritical plants over 500MW unit capacity range in the last 12 years, with several being 1000MW in size or larger. Hitachi has also been at the forefront of many of the latest developments, particularly with our high efficiency, Supercritical power plant technology. Our world leading sliding pressure boiler technology offers unrivalled flexibility and performance down to 15% load levels, less fuel consumption per KW produced. Our patented low emission combustor design and Hitachi’s proven expertise in air quality management to provide end users with environmentally responsible, solutions.**

**In the past several years, Hitachi has successfully introduced supercritical coal-fired technology into the North American market with the EPCOR/Genesee Phase 3 495MW Supercritical Power Station project in Edmonton, Canada and MidAmerican Energy’s Council Bluffs unit 4 in Iowa in addition to other selected large projects currently under development. It is Hitachi’s belief that the best way to meet the requirements of the US coal fired power market is to cooperate with, not compete with US Engineering companies by sharing our experiences in building supercritical power plants in Japan, South America and Canada. We believe this will provide the optimized combination of Supercritical coal fired Boiler, Steam Turbine and Air Quality Control System (AQCS) thereby furnishing our clients with fully packaged solutions. Hitachi is convinced that supercritical plants**

**provide the mechanism for the Americas to improve its energy independence while preserving the environment.**

**Currently, US generators appear to be more focused on consolidating and normalizing their assets to improve the financial performance and strength of their balance sheets. Although there is a surplus of peaking power in many North American markets, many utilities have concluded that it would be in their clients' best interest to add low cost, base load capacity. At the same time, these companies are faced with the challenge of preserving the environment.**

**Because coal fired electric generation continues to be the cornerstone of America's installed foundation, Hitachi offers products and services to upgrade existing plants for clients who are not focused on installing new generation facilities. Hitachi's installed asset improvement programs range from boiler and turbine efficiency upgrades that improve fuel utilization, thereby reducing emissions, to multi-pollutant control technologies that further supplement furnace combustion improvements.**

**Hitachi leads the industry in the development of low NOx burners its NR3 design as well as parallel plate SCR catalyst. As the original developer of SCR catalyst, Hitachi has over 500 units total units and over 180 coal fired units in service. Hitachi's current catalyst dramatically reduces mercury and sulfur trioxide emissions.**

**Hitachi will soon be introducing a fuel gas desulphurization technology with many advantages – including high sustainable SO2 removal levels. Hitachi's environmental mission is driven by our unyielding moral code in matters pertaining to environmental preservation. The Kyoto Protocol formed the base for our corporate environmental goals and our unrelenting research and product improvement commitments afford us the claim of industry leader in the power generation market.**

**In America, Hitachi is driven by the requirements of the latest US Energy Bill and all of its individual initiatives. Hitachi is well equipped to**

**manufacture, erect, and build facilities fully compliant with federal, state, regional and local environmental regulations.**

**Hitachi's service organization is available to help our customers with any of these products individually or, more ideally, develop a program that includes a number of the products. This provides an optimal, integrated solution including turbine uprates that will quickly provide a return for the investment.**

**Although our diversity gives us the capability to redirect our efforts to compensate for changing markets, it is, as I'm sure you will all understand, no easy task. Our success falls on the shoulders of the strong core of experienced personnel, both in Japan and in North America that comprise our organization. These individuals are constantly educating themselves on our core products and remain devoted to better understanding market drivers and insuring our continued success. In addition, strong regional teams have been put in place who better understand the local cultures and perception. On our exhibition stand here in Las Vegas, which I encourage you to visit if you have not already done so, you will meet many Hitachi North American sales and engineering personnel with considerable experience in the US power market. Hitachi Ltd. is strongly committed to supporting and maintaining a strong local base in North America.**

**In closing, Hitachi intends to use its considerable assets to collaborate with Developers, Utilities and Engineering companies to find solutions to the present, and to help turn the power business around for the benefit of us all. Major international corporations must take on this responsibility and I am pleased to announce that Hitachi is already doing their part by aggressively promoting those power solutions previously described and backing its commitment with its global strength and local presence.**