

News Release

FOR IMMEDIATE RELEASE

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Hitachi Announces Establishment of Hitachi Industrial Holdings Americas, Inc. to Strengthen the Industry Business in North America

In response to market changes and diversifying needs, Hitachi seeks to build an operation base to provide total seamless solutions that establish a connection between workplaces and management through digital technologies.

Tokyo and Chicago, April 1, 2020 –Hitachi, Ltd. (TSE: 6501, “Hitachi”) today announced that it established Hitachi Industrial Holdings Americas, Inc. (Chairman: Masakazu Aoki ; “Hitachi Industrial Holdings Americas”)⁽¹⁾ on April 1, 2020, to strengthen its industry business in North America. With two U.S. headquartered companies, Sullair, LLC (“Sullair”), which engages in the air compressor business, and JR Technologies Group, LLC (“JR Technology Group”) mainly operated by JR Automation Technologies, LLC (“JR Automation”), which conducts the robotic SI business placed under its umbrella⁽²⁾, Hitachi Industrial Holdings Americas will operate under Hitachi’s Industry sector and undertake integrated business operations in North America.

Through such operations, Hitachi will promptly respond to the dynamic market changes and the diversification in demand that are taking place in the industry and distribution areas in North America, while establishing a business base in collaboration with Hitachi group companies in North America to provide total seamless solutions in which total optimization is achieved through digital technology-based connection between workplaces and management. By doing so, it will contribute to not only improving its customers’ management but enhancing the value of their businesses overall.

As set in the 2021 Mid-term Management Plan, Hitachi aims to transform from a global enterprise into a global leader by accelerating the Social Innovation Business that offers innovative solutions to issues faced by society and customers through digital technologies. Hitachi’s Industry sector, which is one of the five growth business domains and a priority investment area, seeks to globally promote total seamless solutions to the issue of “boundaries”, which exists between workplaces and management or in a supply chain, through digital technologies, and will create new business values according to its basic policy established in the 2021 Mid-term Management Plan.

In order to enter North America, a market in which high growth is expected in the manufacturing and distribution areas and progress is being made in the adoption of advanced technologies,

Hitachi is in the process of accelerating business development through a range of initiatives, such as the acquisition of Sullair in July 2017⁽³⁾, which was followed by the acquisition in December 2019 of JR Automation⁽⁴⁾ that engages in the robotic SI business, a business that not only responds to growing demand for automation, but gathers a large amount of data, which is critical on the manufacturing workplaces from an IoT perspective.

Hitachi Industrial Holdings Americas has been established under such background. With its operations based in Chicago, the center of the Midwest where many US-based manufacturers are concentrated, the company will draft strategies and play the role of a control tower not only for Sullair and JR Automation, but also for the overall industry business in North America, including the industrial product businesses, which handles products such as marking and drive systems. Furthermore, with cooperation with Hitachi Vantara LLC which provides Lumada⁽⁵⁾ Solutions, Hitachi will expand the digital solution business for the industry and distribution areas. Under this scheme, Hitachi seeks to provide total seamless solutions combining digital solution and products through mutual use of the robust customer bases and the abundant resources of Sullair and JR Automaton in North America. It aims to increase the total global revenues of its North American group companies in the Industry sector from approximately 73.0 billion yen in fiscal 2018, to 200 billion yen in fiscal 2021.

(1) Established on April 1, 2020, after changing the company name of Sullair US Purchaser Inc., a holding company of Sullair.

(2) Sullair is wholly owned subsidiaries of Hitachi Industrial Holding Americas from April 1, 2020 and JR Technology Group will be in June 2020 (planned).

(3) Hitachi, Ltd. news release titled "Notice of Determination of Transfer Execution Date Associated with Acquisition of U.S.-based Air Compressor Manufacturer" announced on July 6, 2017.

<http://www.hitachi.com/New/cnews/month/2017/07/170706a.html>

(4) Hitachi, Ltd. news release titled "Hitachi Completes Acquisition of JR Automation" announced on December 27, 2019.

<http://www.hitachi.com/New/cnews/month/2019/12/191227.html>

(5) Lumada : A collective name for the solutions, services, and technologies that Hitachi has developed utilizing its advanced digital technologies, with a view toward creating value from customers' data and accelerating digital innovation.

Comment from Masakazu Aoki, Executive Vice President and Executive Officer, Hitachi, Ltd.

With the foundation of Hitachi Industrial Holdings Americas, following the acquisition of Sullair and JR Automation, I am confident that we have built a base to develop the industry business in North America. Going forward, by combining its products, operational technology (OT), information technology (IT) and cutting-edge digital technologies, Hitachi will realize the creation of "leading-edge industry" for customers in North America, in which analysis of the cyber world and the results thereof are instantly reflected in real workplaces. We will aim to contribute to raising social, environmental and economic values.

Overview of Hitachi Industrial Holdings Americas, Inc.

Name	Hitachi Industrial Holdings Americas, Inc
Head Office	Chicago, Illinois, USA
Description of business	Strategy planning of Hitachi's Industry sector business in North America
Representative	Chairman: Masakazu Aoki

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, is focusing on Social Innovation Business combining its operational technology, information technology and products. The company's consolidated revenues for fiscal 2018 (ended March 31, 2019) totaled 9,480.6 billion yen (\$85.4 billion), and the company has approximately 296,000 employees worldwide. Hitachi delivers digital solutions utilizing Lumada in five sectors including Mobility, Smart Life, Industry, Energy and IT, to increase our customer's social, environmental and economic value. For more information on Hitachi, please visit the company's website at <https://www.hitachi.com>.

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