

Message from Mr Kojin Nakakita



Chairman, Hitachi Asia Ltd.

Dear Colleagues,

As Kami ends and Shimo begins, let us look at how we can focus more on Hitachi's Social Innovation Business and use it as the main driving force to further Hitachi's growth globally.

In the global arena, ASEAN remains one of the most anticipated regions for Hitachi's growth. With all eyes on ASEAN, President Higashihara made a special visit to Thailand and Vietnam earlier in August. His main intention was to promote Hitachi's Social Innovation Business.

At his visit to Thailand, President Higashihara completed a Memorandum of Understanding (MoU) with the Thai government on the use of Lumada. This is a huge stepping stone for Hitachi as the MoU is aimed at promoting the Eastern Economic Corridor (EEC) development plan, an important economic measure by the Thai government.

President Higashihara also took the opportunity to meet with the management of the second largest family-owned conglomerate in Thailand, the Thai Charoen Corporation (TCC).

In his recent presentation at the One Hitachi meeting, President Higashihara talked about Hitachi's global policy. He gave his expectations for each region and when it came to the ASEAN region, he touched on the collaboration with Asian conglomerates. Specifically in Thailand, the focus is to digitalise manufacturing. If all business units collaborate, Hitachi can be the ideal innovation partner for the IoT Era.

As "One Hitachi", whether within business units of a single company or together with other Hitachi Group of Companies, we can achieve so much more with customers when we share our visions with them, conceptualise and customise the solution, and finally realising the final product. This type of "co-creation" will truly drive Hitachi's Advanced Social Innovation Business.

As many of you may have heard, Singapore will host the Hitachi, Ltd.'s Board of Directors' meeting in December. The main agenda of this meeting is on ASEAN's growth strategy. From this, it is evident that Hitachi, Ltd. is expecting Singapore to lead ASEAN in this growth. Therefore, the pressure on us will increase and we must work hard to achieve the goals set before us. Do not underestimate the importance of strong trusting relationships with stakeholders, partners, suppliers and customers as these are the very people whom we will work together with to "co-create" new and customisable solutions.

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Reiterating the words of President Higashihara, let us be determined to build stronger trust and broader networks. Let us work together to achieve the goals of the 2018 Mid-term Management Plan. Beyond that, in the 2021 Mid-term Management Plan, let us aim to accelerate cash generation for the investment of Hitachi's future growth by achieving over 10% of operation income ratio and improve return on investment.

"Let's Lumada!"

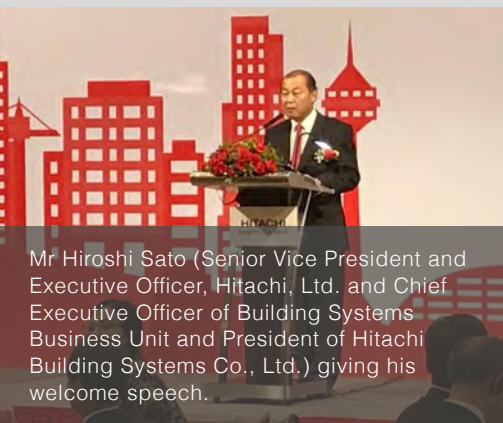
Hitachi Elevator Vietnam Co., Ltd. established Hanoi Representative Office

Hitachi Elevator Vietnam Co., Ltd. established a Hanoi representative office and an opening ceremony was held on 14 August to commemorate this event. With the new office, Hitachi will cooperate closely with distributors and provide better service to customers in the north of Vietnam.

Hitachi Elevator Vietnam imports elevators and escalators from Japan, Thailand and China to meet various requests from customers, such as high-speed and ultra-speed elevators for high-rise buildings and machine room-less elevators for medium and low-rise buildings.

In the near future, Hitachi Elevator Vietnam aims to expand more service areas in Vietnam to satisfy customers.

For more information, click [here](#) to visit Hitachi Elevator Vietnam Co., Ltd. website.



Mr Hiroshi Sato (Senior Vice President and Executive Officer, Hitachi, Ltd. and Chief Executive Officer of Building Systems Business Unit and President of Hitachi Building Systems Co., Ltd.) giving his welcome speech.



- 1 A tradition of Sake Barrel Breaking ceremony to commemorate the new office.
- 2 Group photo of Building Systems Business Unit and Hitachi Elevator Vietnam.



Hexindo Launches Three New Excavators in Six Indonesian Cities

In August – September 2017, PT. Hexindo Adiperkasa Tbk held a launch ceremony of the ZX110MF-5G, ZX130-5G, ZX138MF-5G in six cities namely Surabaya, Pekanbaru, Balikpapan, Palembang, Makassar and Jakarta. These three new medium-class excavators are the next generation models that have been widely used all over Indonesia.

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These three products are expected to exceed customers' expectations by offering more benefits in terms of low fuel consumption, high quality and high durability. Most of Hexindo customers are amazed by the unique and sole technology of hydraulic system named HIOS (Human & Intelligent Operation System) III.

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Product Launch in Balikpapan.

Around 550 of Hexindo loyal customers* were invited to the launch ceremony. Hexindo introduced the latest products and strengthened relationship with their customers. Besides being treated to various gifts and entertainment appearances, customers also

had the chance to view and witness the excellence of Hitachi products personally.

**Due to confidentiality reasons, customers' names are not mentioned.*



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- 1 Product presentation by Mr Eldhie in Balikpapan.
- 2 Hexindo together with their Jakarta customer.
- 3 Product Demonstration of the ZX110MF-5G, ZX130-5G, ZX138MF-5G in Pekanbaru.
- 4 Hexindo with customers in Surabaya.
- 5 Sales Director, Mr Djonggi Gultom (left) and loyal customer in Makassar.
- 6 CEO Mr Eiji Fukunishi (left) presenting a token of appreciation to loyal customer in Palembang.
- 7 Hexindo together with customer and the ZX110MF-5G, ZX130-5G, ZX138MF-5G units in Palembang.

MDEC's #mydigitalmaker Programme 2017

Launched in 2016, #mydigitalmaker is a programme run by the Malaysia Digital Economy Corporation (MDEC) to empower Malaysians by enhancing their digital skills to meet industry demands. It is a joint public-private-academia initiative to transform Malaysia youths from digital users to producers in the digital economy. This includes skills such as coding, application development, 3D printing, robotics, embedded programming and data analytics, all of which will ultimately help to strengthen problem solving and creativity in the future generation.

Hitachi Asia (Malaysia) Sdn. Bhd. (HAS-ML) supported this programme by inviting Mr Hidetaka Aoki, Senior Chief Researcher, and Mr Atsufumi Kiyokuni, Social Innovation Business (SIB) Engineer to present a topic on Hitachi Social Innovation Business in the IoT era during the Fireside Chat Session held on 29 August 2017 at the Shaftbury Asteria, Itech Tower in Cyberjaya.

This session was attended by more than 100 students from various schools in Malaysia. Their age group ranged between 13-17 years old. These students were selected based on their participation in state, national or international robotics or programming competition.

During the one hour session, Mr Aoki and Mr Kiyokuni gave a brief introduction of Hitachi and Hitachi's Social Innovation Business followed by sharing a simple energy management example. The students were very intrigued by the topics and many stayed behind to ask further advice related to their projects and even future career paths.

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Through the session, we not only created awareness of Hitachi in the IoT era among these students, but also ignited their digital innovation by thinking further. Who knows, they may become the next SIB Engineer of Hitachi?
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1 Mr Aoki started the presentation with an "ice-breaking" session.

2 Mr Kiyokuni gave a presentation of Hitachi's Social Innovation Business.

3 Many students stayed after the session to ask more questions.

Hitachi Completes Security Solution Proof of Concept to Singapore Institute of Technology

Hitachi recently completed a three-month proof of concept (PoC) at the Singapore Institute of Technology (SIT)'s Dover campus in August 2017.

For three months, Hitachi Asia Ltd. Social Innovation Business Unit (HAS-SIBU) provided Hitachi's Total Security Solutions namely the Hitachi Finger Vein Biometric Access Control, Hitachi Visualisation Suite, and Video Analytics Software which includes Intrusion/Object Detection, Vehicle Counter, and Human Counting to the campus. SIT is one of Hitachi's key customers and completing this PoC was a big step towards Hitachi receiving actual orders for SIT's upcoming tenders.



SINGAPORE INSTITUTE OF TECHNOLOGY

PoC:

- 1) Hitachi's unique technology, **Finger Vein Biometric Access Control** was used to limit access to selected personnel at restricted/secured areas such as the examination hall.
- 2) One of the key objectives of the PoC was to enhance the campus by implementing the **Hitachi Visualisation Suite** with the use of a single platform and integrating real-time video and internet of things (IoT) sensor data from disparate sources on a single pane of glass. This enables public and private organisations to gain situational awareness and intelligence insights to run more efficient, smarter and safer operations.
- 3) The advanced **Video Analytics Software** detects intruders and reports them to the security in the campus. Of the technologies provided, the Video Analytics achieved a high accuracy rate of over 90% by using a single platform. For instance, an automatic and immediate alert will be sent to the command centre and security guards will verify the threat by minimising the response time and the reduction in manual surveillance monitoring. By integrating the technology of video analytics in the campus, the data collected can support security personnel to increase their productivity and efficiency. Video Analytics also reduces human error and improves incident and response resolution time with enhanced information sharing and reporting capabilities.

Objectives Achieved

Through the PoC, Hitachi was able to identify issues in SIT's security system and streamlined their campus' security system. Hitachi was also able to demonstrate its range of total security solutions, apply smart and innovative integrated security and technologies in the campus which is the core of Hitachi's Social Innovation Business.

Additionally, Hitachi has proven to SIT that Hitachi's solutions will be able to reduce security manpower cost and level up the security operation in their existing campus by applying advanced technology and analytics. This PoC has given SIT insights to plan for their future security operation in the upcoming new campus located in Punggol.

Using analytics to sort big data helps to bring out the most important information and enables users to view only the insights and alerts needed. This saves them from having to sort through hours of video or trust someone is watching the right screen at the right moment.

Feedback from SIT

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Overall, SIT feedback that the PoC provided was impressive, reliable, optimistic and most importantly, flexible and customisable. They noted that the systems are applicable to implement on their existing campus as well as their new campus.

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Hitachi Social Innovation Forum 2017 MANILA



The Hitachi Social Innovation Forum 2017 MANILA was held at Makati Shangri-La Manila, on 29 September for the third time this year. Guests found out more about the latest trends in the global railway industry including future technologies on asset monitoring, IOT/analytics, and maintenance optimisation that Hitachi is spearheading. Beyond that, guests also learnt about Hitachi's railway's contribution to social innovation, operations, maintenance solutions, and international footprint. Ansaldo STS, a Hitachi Group Company's "full system approach" and "turnkey capability" were also explored.



Mr Joel R. Magbanua, Chief, Rail Transport Planning Division, Department of Transportation, represented Secretary Arthur P. Tugade, Department of Transportation, Republic of the Philippines as Guest-of-Honour. Mr Joel talked about various infrastructure projects such as Public-Private Partnerships (PPP), Official Development Assistance (ODA) and the General Appropriations Act (GAA).



Mr Makoto Iyori, Minister for Economic Affairs, Embassy of Japan, also gave a speech on behalf of H.E. Kazuhide Ishikawa, Ambassador Extraordinary and Plenipotentiary to the Republic of the Philippines.



Guests listening attentively to Mr Shinya Mitsudomi, Corporate Officer, Group Head of Sales and MD, Japan/Asia Pacific, Hitachi, Ltd., Railway Systems Business Unit, who talked about how to improve the Philippines' railway systems.



Mr Gabriel Koe, Head of Sales & Delivery (South East Asia and Taiwan region), Ansaldo STS, presented on "Hitachi And Ansaldo STS, Your Partners In Rail Infrastructure Development".



"Introduction to Hitachi's IoT Platform, Lumada" by Dr Yoichi Sugita, Chief Lumada Officer, Hitachi, Ltd., Railway Systems Business Unit.



Panelists discussing about transportation issues during the stage interview, moderated by Mr David Celdran, News Anchor, ABS-CBN Corporation.



Guest posing a question to the panelists during the question and answer session after the stage interview.



The event concluded with a cocktail reception to provide ample opportunity for mingling and to facilitate the sharing of ideas amongst key stakeholders in the Philippine market.



Click [here](#) for the full happenings at the forum.

Safety and Security Asia 2017

Hitachi Asia Ltd. (HAS) participated in the Safety and Security Asia (SSA) 2017 held from 4-6 October at the Marina Bay Sands Convention Hall and Expo. The Safety and Security Asia 2017 exhibition was held in conjunction with five other exhibitions and collectively, these six exhibitions are known as the Architecture and Building Services 2017, which is a comprehensive and integrated platform for all building needs under one roof.

The main objective for participating in the SSA 2017 was to create market awareness for the new Social Innovation Business Unit (SIBU) which focuses on Security, Energy and Facility Management.

Of the many solutions that were on display at the SSA, SIBU showcased Hitachi's Total Security Solution where the Hitachi Visualisation Suite was heavily promoted. Hitachi Visualisation Suite is designed for larger scale surveillance system such as city surveillance and centralised command centre.

It is an open platform which can be integrated to multiple areas such as Video Management System with Video Analytics Application, Finger Vein Access Control System, Fire Alarm etc. A concept video on the *Kashiwa-no-ha* Smart City Energy Use was also screened to give visitors a better idea of Hitachi's Area Energy Management System (AEMS).

SIBU was joined by HAS' Info-Communication Technology (ICT) team and the Research and Development (R&D) team as well. ICT showcased their Smart Energy Management IoT Solution, which controls increasing energy costs while reducing the environmental footprint at the same time. While R&D exhibited the Multi Perspective Search (MPS AI) – a video analytics software that detects intruders as well as unattended items at crowded places.

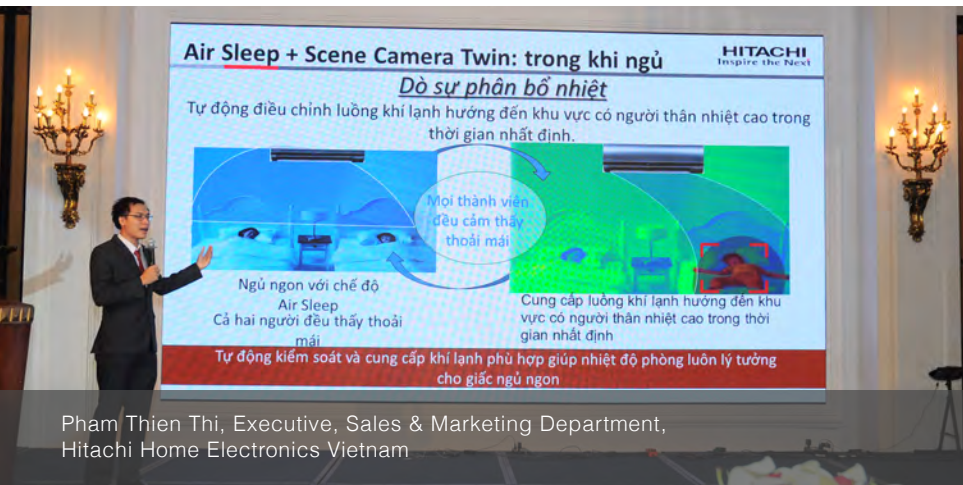
In all, Hitachi welcomed over 80 visitors at its booth with many potential customers asking for more details.



1 Hitachi's booth at the SSA 2017.

2 A Hitachi spokesperson explaining Hitachi's solutions to customers.

Interview with Pham Thien Thi, Executive, Sales & Marketing Department, Hitachi Home Electronics Vietnam



Pham Thien Thi, Executive, Sales & Marketing Department, Hitachi Home Electronics Vietnam

1. Why did you first join Hitachi?

Initially, I was attracted by working for a Japanese brand with a good reputable and stable business growth. I really wanted to learn the secret to success and how the Japanese do it. Later on, I found out that Hitachi has a good business strategy and a clear vision which was why I joined Hitachi. I believe this company will have a great future.

2. Please share with us about your role in your company.

I'm in charge of small home appliances products and below the line (BTL) activities such as events, roadshows, brand activations etc. to directly introduce our products to target customers. Besides that, I also manage other activities as product management and product training.

3. Did you have any key mentors or people who deeply influenced who you are, what you believe in and what you're committed to in your work and life? Tell us about them.

There are many people who influenced me such as my parents, managers, colleagues, and other people around me. I've learnt many things from them, through their sharing, how they work, how they treat other people. But the person who influenced me the most was my first manager in my previous company.

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He inspired me with his "Never Give Up" attitude. I always remember this line that he said, "First time you fail, and second time you fail. But when you come to the 10th time, that's when you will succeed!"
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4. What motivates you? What are you most excited or passionate about in life?

Doing a good job and achieving the desired end result is my primary motivation. I'm particularly motivated when working in a team. It's very exciting when you work with people who share the same goals despite the challenges. Life would be boring without challenges like swimming in the sea without waves.

My passion is gaming. I don't game to kill time. I only play challenging games which require me to come up with strategies to win. While gaming, there is hand, eyes, brain coordination. But definitely, I only game in my free time. 😊

5. What are your goals and dreams for the next ten years? What's next for you in your work? What are you looking forward to?

I hope to become the Sales and Marketing Manager in the next ten years as I really hope to contribute more for Hitachi.

6. How do you manage stress?

There are many ways for me to manage stress. Sometimes I listen to music or take a walk during work to refresh me. But the easiest way to manage stress is still to go back to my family at the end of the work day 😊.

7. Tell us about your family.

I have a lovely wife and 2 children – a 4 year-old little girl and a 1 year-old baby boy. Life with two active children is a big challenge! My house looks like a kindergarten that is messy, noisy and requires cleaning all the time. But I am extremely thankful for my kids. With their contagious laughter, they bring much joy and happiness to us.

8. If you have the chance to meet any one person in the world, who would it be?

I would like to meet Arsène Wenger, the football manager of Arsenal. I feel that he is the most successful manager of my favourite football club. I admire him because of his intelligence (he can speak 6 different languages!) and the way he manages his football club like a businessman.

9. What are your favourite movie and/or book?

I love books by Dan Brown, an American author of thriller fiction such as Angels and Demons, The Da Vinci Code etc. These books include many of my favourite subjects like codes, puzzles, treasure hunts, secretive organisations and academic lectures.



Company Feature: PT. Hitachi Power Systems Indonesia

Selected Country: Indonesia

This issue, we bring you on a tour of Hitachi Power Systems Indonesia (HPSI). The company specialises in the manufacturing and sale of High Voltage SF6 Gas Circuit Breaker (GCB) and High Voltage SF6 Gas Insulated Switchgears (GIS) for transmission and distribution systems not just in Indonesia, but also in the United States and the Middle East.

Company Background

HPSI was established in 1995. Prior to that, Hitachi used to supply its products directly from Japan to fulfill the needs of customers in Indonesia. At that time, Indonesia was in dire need to develop electricity to support areas which did not have electricity yet. It was also because of this reason that Indonesia was considered one of the countries with the most potential to develop an electrical infrastructure, hence the birth of HPSI. 22 years later, HPSI still stands strong.

With Indonesia's plans to procure 35,000 MW of electricity by 2019, HPSI hopes to continue contributing to the Indonesian society by further improving the development and reliability of electricity in the country. This is in line with the company's vision to be the leading company of substation business in ASEAN by supplying the overall switchgear equipment in Indonesia and globally.

Product(s) Offering

HPSI offers electric power equipment and systems such as GIS and GCB for ultra-high-voltage and high-voltage power transmission and distribution using Hitachi's original technology from 1975. 40 years on and the design of the GIS has been modified and the technology refined through intense research and development.

- The switchgear is composed of isolators that open/close and cut off circuits of current, disconnectors that electrically isolate circuits and open voltage, and other components.
- GIS is the unit that houses these components and circuits in a single gas tank with a compact footprint.
- Grounding devices that prevent electrical shock and lightning arresters that prevent dielectric breakdowns from lightning strikes are also included to enhance safety.

Amongst the many features of Hitachi's GIS, its compact design, reliability and high quality stand out.

Factory Tour

The 30,000 square-metre factory houses seven different buildings or shops. Due to time constraint, we mainly toured the Fabrication and Machining Shops.



A miniature model of the GIS.



Part of the fabrication shop where the enclosure of the GIS called GIS Tanks and conductors are fabricated.

Company Feature: PT. Hitachi Power Systems Indonesia

In short, upon receipt of an order, there are a few processes to putting together a GIS:

- 1) **Engineering Preparation.** This consists of drawing collection and part-list arrangement.
- 2) **Purchasing Materials and Components**
- 3) **Parts Manufacture:**
 - a. **Fabrication.** Metal fabrication work takes place here where the outer structure of the GIS is formed.
 - b. **Machining**
 - c. **Painting / Surface Treatment**
 - d. **Casting**
- 4) **Quality Control of Parts**
- 5) **Assembly:**
 - a. Unit Assembly.
 - b. Total Assembly where all parts are assembled within the GIS.
- 6) **Final Testing.** Rigorous and multiple testing is done to ensure quality control and quality assurance of the switchgear. Customers are even invited onsite to inspect the products before actual delivery.

Safety:

It is interesting to note the strong emphasis that HPSI places on safety. While touring the factory, we were required to put on safety helmets at all times. There were also many safety bulletins around the factory. Evidently, HPSI prides themselves on zero incidents which is indeed commendable.

Key Challenge:

HPSI has about 395 employees. While this is a reasonable number for a factory size of HPSI, the company faces talent retention issue. As a largely manual-intensive job, where one engineer takes care of 5-7 projects, there is a high turnover of engineers that HPSI hopes to avoid. Measures to retain staff are in place and in recent years, the company has seen a steady reduction in employee turnover.

Where attracting new talents is concerned, HPSI maintains close relationship with vocational schools. Click [here](#) to find out more of HPSI's efforts on recruiting fresh graduates from these schools.



The machining shop produces parts from the raw materials in accordance with the drawings such as Tank Flange flatness, conductors, etc.



Strong teamwork is required when it comes to quality control and testing before the switchgears are delivered to customers.



(Left: Many safety bulletins were found in the factory. Right: An old safety sign that was put up in 1995 still stands prominently as a constant reminder that safety must always come first.)

The Editorial Team: Atsushi Konno, General Manager (Advisor), Clarice Tan, Corporate Communications Manager (Chief Editor), Wyllyn Chia, Corporate Communications Executive (Editor). If you have any feedback or comments that will help us improve on this newsletter, please send them ccg@has.hitachi.com.sg