

News Release

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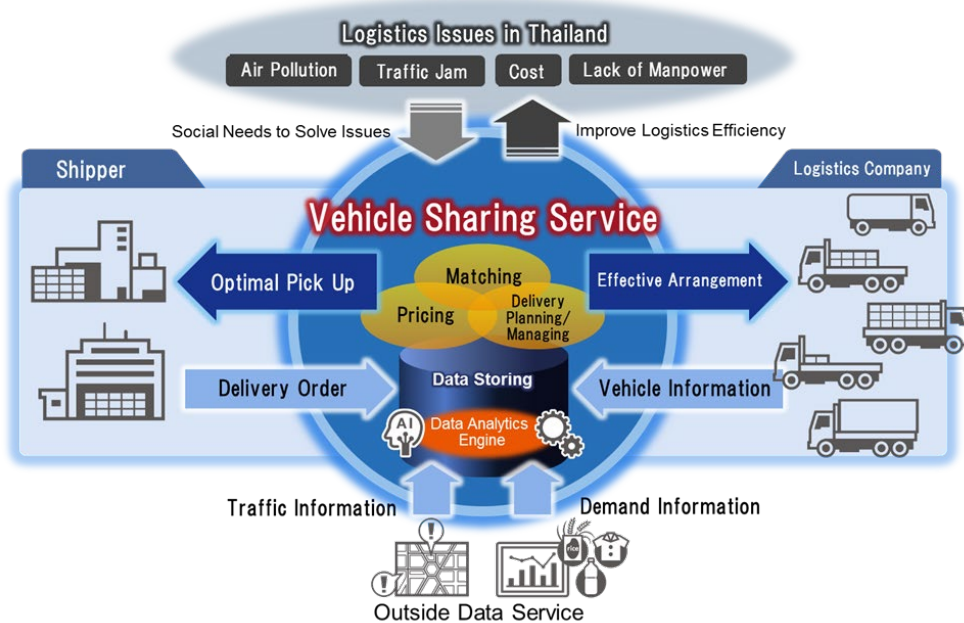
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Hitachi and Hitachi Transport System Roll out Vehicle Sharing Service to Benefit Thailand’s Logistic Sector

Vehicle sharing among multiple shipping companies enables for a reduction in cost and delivery time



Concept image of Hitachi’s vehicle sharing service

Bangkok, May 29, 2019 --- Hitachi, Ltd. (TSE: 6501, “Hitachi”) and Hitachi Transport System, Ltd. (TSE: 9086, “Hitachi Transport System”) today announced that Hitachi Asia (Thailand) Co., Ltd. (“Hitachi Asia (Thailand)”) and Hitachi Transport System Vantec (Thailand), Ltd. (“Hitachi Transport System (Thailand)”) will roll out a vehicle sharing service (“this Service”) from June 2019 in Thailand. This Service is able to efficiently dispatch vehicles upon receiving delivery orders from shippers, thereby contributing to reductions in cost and delivery time.

Hitachi Asia (Thailand) and Hitachi Transport System (Thailand) have tested and validated the results of this Service, which has yielded an improved round use⁽¹⁾ rate

up from 15% to 30% ⁽²⁾. These figures were deduced from a Proof of Concept (PoC) executed jointly with Unicharm Corporation (“Unicharm”), which has applied this Service on container shipping between January to March 2019. During the PoC phase which commenced in April 2019, this Service was extended to Unicharm, Siam-Hitachi Elevator Co., Ltd., and Hitachi Industrial Technology (Thailand), Ltd.

For shipping and logistic companies, Hitachi Asia (Thailand) and Hitachi Transport System (Thailand) will start to provide this Service for container deliveries from June 2019 and expand its application to truck deliveries, with an aim to achieve service usage across 21,000 trucks by Fiscal Year 2023. The joint aim is to achieve annual sales of 8 billion yen, through service provision to manufacturing, distribution, logistic and shipping companies and shippers including Hitachi group companies; Hitachi Consumer Products (Thailand), Ltd., Hitachi Sales (Thailand), Ltd., and Hitachi High-Technologies (Thailand) Ltd. in Thailand. This Service underscores Hitachi’s pursuit of digital innovation in the logistic sector, and its contribution towards reducing traffic congestion across modern Thailand.

Thailand aims to create a value-based economy driven by innovation and technology to achieve its vision of Thailand 4.0. The path towards economic growth fuels an increased need for logistics and transport, which may lead to traffic congestion, air pollution, lack of delivery drivers and a surge in logistic costs across the country. Logistic integration is integral as the Thai government seeks to reduce logistic costs from 14% (2016) to 12 % of GDP by 2021, as outlined in the 12th National Economic and Social Development Plan (2017-2021).

In view of this, Hitachi Asia (Thailand) and Hitachi Transport System (Thailand) have jointly developed this Service to benefit Thailand’s logistic sector, leveraging each group’s technology and knowledge expertise. This Service is capable of integrating data such as the operational status of vehicles and cargo availability across multiple touchpoints, displaying these data sets on a single dashboard, and applying the use of a data analytics engine to dispatch an appropriate vehicle for each delivery order. This Service is able to select an appropriate vehicle based on real-time data, by matching attributes such as automobile type, temperature, delivery driver’s reputational score, traffic information, based on the delivery order.

With the roll out of this Service, business owners in the logistic sector can benefit from the efficient use of out-of-service vehicles across their transport fleet, and perform joint

deliveries for cargos with close-proximity end destinations. This Service also contributes towards a reduction in man hours and fuel costs for transport operators, as it facilitates optimal resource allocation.

Mr. Kosuke Horiuchi, Managing Director of Hitachi Asia Ltd., said: “We are happy to contribute to improving the efficiency of the logistic sector through the provision of our digital service. We will accelerate social innovation businesses that support the sustainable growth of Thailand economy through collaborative creation with our customers and partners, leveraging on the technologies of Lumada Center Southeast Asia.”

Mr. Mitushika Nagano, Managing Director of Hitachi Transport System (Thailand), Ltd., said: “Hitachi Transport System Group strives to contribute towards an efficient, safe and reliable logistic supply chain across Thailand by taking full advantage of the knowledge we have accumulated globally and locally. Moving forward, we will accelerate collaborative creation with other logistic companies in Thailand to expand and strengthen this Service.”

Dr. Somchint Pilouk, Governor of the Industrial Estate Authority of Thailand (IEAT) said: “IEAT has engaged in great collaborations with corporate organisations to initiate new modern technologies that have benefited the country in building a value-based economy. Furthermore, technologies and digital innovations function as tools in driving sustainable economic growth and Industrial 4.0 development, especially across industrial estates in the EEC, which is a main hub of regional trade and investment. Hitachi has engaged in good collaborations with IEAT in supporting and providing smart manufacturing, logistic and supply chain solutions. Hitachi has supported smart manufacturing in the EEC and provided smart logistic solutions which would contribute to the balance between economy and environment as part of the sustainable industrial estate development in Thailand.”

(1) Container round use: Reuse containers used once for importing, which are usually to be returned on empty, for exporting.

(2) By visualising the delivery plans of containers, the application rate of container round use was improved from 15 % to 30 % compared to past results.

About Hitachi Asia Ltd.

Hitachi Asia Ltd., a subsidiary of Hitachi, Ltd., is headquartered in Singapore. With offices across seven ASEAN countries Indonesia, Malaysia, Myanmar, Philippines,

Singapore, Thailand and Vietnam - the company is focused on its Social Innovation Business to answer society's challenges. Hitachi Asia and its subsidiary companies offer a broad range of information & telecommunication systems, power systems, social infrastructure & industrial systems, electronic systems and equipment, construction machinery, high functional materials and components, automotive systems, home appliances and others. For more information on Hitachi Asia, please visit the company's website at <https://www.hitachi.com.sg>.

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>.

About Hitachi Transport System Vantec (Thailand), Ltd.

Hitachi Transport System Vantec (Thailand), Ltd., subsidiary of Hitachi Transport System, Ltd., headquartered in Samutprakan, Thailand. The company is total logistics service provider which specializes on 3PL/contract logistics, freight forwarding, heavy transportation, warehouse and distribution as well as logistics consultancy. The company has 10 offices and warehouses in Thailand. For more information, please visit the company's website at <http://www.hitachi-tstv.com/>.

About Hitachi Transport System, Ltd.

Hitachi Transport System, Ltd. (TSE: 9086) headquartered in Tokyo, Japan, is total logistics solution provider. The company's consolidated revenues for fiscal 2018 (ended March 31, 2019) totaled 708.8 billion yen, and the company has approximately 46,300 employees worldwide. Under our brand slogan "Taking on the Future" and our business concept "LOGISTEED," the Hitachi Transport System Group is committed to expand collaborative areas across businesses and industries and create new innovation exceeding the domain of logistics with enhancement of logistics (Smart Logistics) as a function as our core target. For more information, please visit the company's website at <http://www.hitachi-transportssystem.com/en/>.