

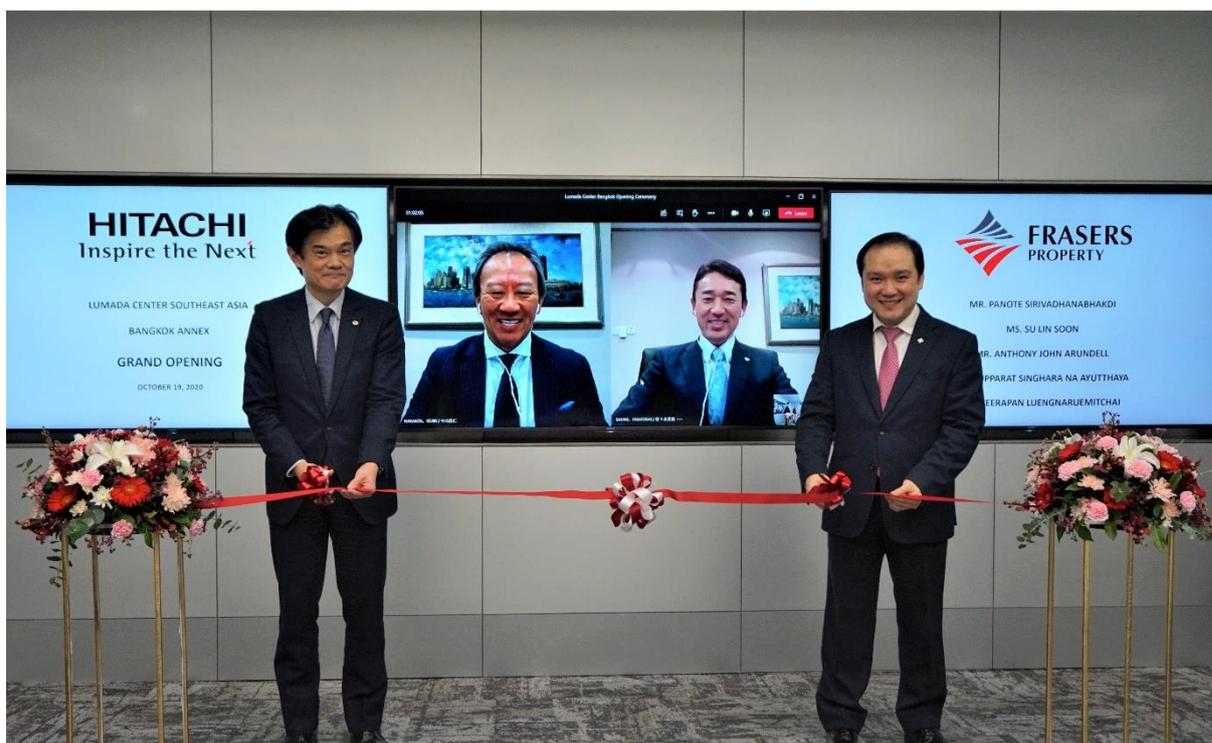
News Release

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Hitachi launches Lumada Center Southeast Asia Bangkok Annex

*To expand Social Innovation Business through digital transformation
in Southeast Asia*



The opening ceremony was held in the morning at the new Lumada Center Southeast Asia Bangkok Annex ⁽¹⁾.

Bangkok, 19 October, 2020 – Hitachi, Ltd. (TSE: 6501, “Hitachi”) and Hitachi Asia (Thailand) Co., Ltd. today announced the launch of “Lumada Center Southeast Asia Bangkok Annex” (hereinafter, “Lumada Center Bangkok Annex”) at Hitachi Asia’s Thailand regional office in Bangkok, as part of its continuous effort in contributing to “Thailand 4.0” and digital transformation of other Southeast Asia countries, especially in Smart Manufacturing and Smart City.

(1) From right to left, Mr. Panote Sirivadhanabhakdi, Group CEO of Frasers Property Limited, who was Guest of Honor, Mr. Takatoshi Sasaki, Managing Director of Hitachi Asia Ltd., Mr. Kojin Nakakita, Chairman of Hitachi Asia Ltd., and Mr. Yoshihiro Sugeta, Managing Director of Hitachi Asia (Thailand) Co., Ltd.

Following the launch of Hitachi's first Lumada Center in Chonburi ⁽²⁾ in 2018, Hitachi has embarked on several co-creation projects with various customers mainly in the manufacturing and logistics sector. With the addition of the Lumada Center Bangkok Annex, Hitachi expands its avenues in providing customized digital solutions for business partners in Thailand and in Southeast Asia.

Both the Lumada Center facilities in Thailand will act as springboards for Hitachi Asia's regional offices to connect and reach out to customers in Southeast Asia.

The main feature of the Lumada Center Bangkok Annex is its co-creation room, a space where ideation takes place and where collaboration is achieved through in-depth analysis of the needs of each client. Through NEXPERIENCE ⁽³⁾, a methodology for collaborative creation with customers advocated by Hitachi, insights from multiple perspectives and discussions are gained through workshops with customers.

Mr. Yoshihiro Sugeta, Managing Director of Hitachi Asia (Thailand) Co., Ltd., said, "With the addition of the Lumada Center Bangkok Annex, we now have more avenues to promote the use of digital technologies and support the further advancement towards a value-based economy in Thailand and in the Southeast Asia region."

Today, several industries are facing the pressure of increased competition and digitalization is one of the most effective ways for companies to sharpen their competitive edge. This is especially important for the manufacturing and logistics sector as it is traditionally heavily reliant on manual labor. Through data analytics and artificial intelligence (AI) tools, optimal results can be achieved in the manufacturing process and efficiency throughout supply chains can be improved.

Such digital transformation is made possible through the Internet of Things (IoT) technology, where tools like AI analytics and capabilities such as remote monitoring can help increase overall operational efficiency and productivity.

Mr. Akihiro Ohashi, Executive Director of Hitachi Asia (Thailand) Co., Ltd., said, "The

(2) News release dated September 17, 2018 titled "Hitachi Launches Lumada Center Southeast Asia" https://www.hitachi.com.sg/press/press_2018/20180917.html

(3) News release dated October 15, 2015 titled "Hitachi Establishes NEXPERIENCE for Accelerating Social Innovation Business" <https://www.hitachi.com/New/cnews/month/2015/10/151015.html>

Lumada Center Bangkok Annex is one more touchpoint for Hitachi to accelerate digital transformation through co-creation with customers. We are glad to be able to support various business sectors to achieve greater outcomes driven by digital technology.”

As part of the efforts to accelerate social innovation in Thailand and in Southeast Asia, Hitachi will continue to co-create with customers and partners to establish the best customized digital solutions to suit different business needs in the ‘new normal’.

Welcome Lounge at the Lumada Center Bangkok Annex



Co-creation room at the Lumada Center Bangkok Annex



About Lumada Center Southeast Asia

Lumada Center Southeast Asia is located at Amata City Chonburi Industrial Estate in Chonburi. Lumada refers to Hitachi's advanced digital solutions, services, and technologies for turning data into insights to drive digital innovation.

A key feature of Lumada Center is Hitachi's platform which is poised to deliver Hitachi's advanced technologies by connecting and analyzing customers' data, supporting co-creation and creating new value through the utilization of digital technologies such as big data analytics, artificial intelligence (AI), as well as information and communication technology (ICT).

Customer cases	Solutions and results
Manufacturing and Logistics	
Automatic Delivery Planning	Automated optimization of delivery plan led to 10-15% reduction in number of trucks used for daily operations
Building Trust in Manufacturing	IoT tracking and tracing system with a secured platform for digital evidence resulted in up to 50% reduction of production lead-time and improvement of asset management
Digitalized Maintenance Work	Digitalizing inspection checklist and reporting with mobile device saved more than 850 hours per year and reduced production stoppage by 15%
Energy Saving in Factory	Daily electricity costs reduced through analysis of utility consumption – 20% of total energy cost reduced and 90kWh of energy saved by reducing standby power during non-operation hours
Inventory Visualization	Visualizing production, sales and inventory status of entire supply chain and managing inventory according to buyer needs and trends led to 30% reduction of inactive inventory by second year, enabled management of over 1,000 items in inventory through data visualization and detection of problem inventory
Smart Manufacturing Data Collection	Bottlenecks causing slowdowns in the manufacturing process were identified as the collection of machine data revealed production status and patterns of equipment problems that arose, leading to using specific measures to solve the issues

Visualization of manufacturing status	Quality check and traceability with mobile device and QR code led to 5% improvement in productivity due to reduction of manual operations and real-time monitoring of facility status
IT Management and Services	
IT Asset Management / Security Measures	An IT asset management product was implemented for automated collection of IT asset information to optimize inventory checking and enable remote admin access
Optimization of IT operation and management	Integrated IT support service improved IT environment security and safety by 40% and led to cost savings of up to 30%
Transportation	
Inspection of Railway Vehicles	Fieldwork quality improved through use of digital manuals, real-time visualization of progress and video-sharing, leading to 30% reduction in man-hours through increased efficiency of reporting and communication, real-time checking of progress and remote video-sharing support for troubleshooting

About Hitachi Asia (Thailand) Co., Ltd.

Incorporated in 1992, Hitachi Asia (Thailand) Co., Ltd. (HAS-TH) provides expert solutions in meeting the needs of customers in Thailand, Laos and Cambodia. HAS-TH markets a wide range of products and services for various industry sectors ranging from Power and Infrastructure Systems, Information and Telecommunication Systems to International Procurement services. We provide support to over 13,000 employees across 37 subsidiary companies in Thailand and are committed to contribute to the community as a responsible corporate citizen.

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 focused on its Social Innovation Business that combines information technology (IT), operational technology (OT) and products. The company's consolidated revenues for fiscal year 2019 (ended March 31, 2020) totaled 8,767.2 billion yen (\$80.4 billion), and it employed approximately 301,000 people worldwide. Hitachi drives digital innovation across five sectors – Mobility, Smart Life, Industry, Energy and IT – through Lumada, Hitachi's advanced digital solutions, services, and technologies for turning data into insights to drive digital innovation. Its purpose is to deliver solutions that increase social, environmental and economic value for its customers. For more information on Hitachi, please visit the company's website at <https://www.hitachi.com>.

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