

# News Release

FOR IMMEDIATE RELEASE

## **Hitachi to Strengthen Business Structures by Integrating Five Group Companies in the Information and Telecommunication Systems Field in China for Expansion of Digital Solution Business**

**Tokyo, March 4, 2019** --- Hitachi, Ltd. (TSE: 6501, “Hitachi”) today announced that it will strengthen its business structures to enhance its digital solution business as a strategy to further expand business in the People’s Republic of China (“China”). Specifically, Hitachi will merge the business of five companies, including Hitachi Solutions(China)Co.,Ltd., Hitachi Beijing Tech Information Systems Co.,Ltd., Hitachi Systems(Guangzhou)Co.,Ltd., Hitachi Consulting(China)Co.,Ltd. and Hitachi Consulting Information Technology Delivery (Guangzhou) Co., Ltd., into Hitachi Solutions(China)Co.,Ltd. after April 2019 to combine and further develop its technology and knowhow to support solutions for challenges faced by society and corporations in China. By providing a capital increase to Hitachi Solutions(China)Co.,Ltd. from Hitachi, Hitachi Solutions(China)Co.,Ltd. will become one of Hitachi’s subsidiaries, instead of a subsidiary of Hitachi Solutions, Ltd., to drive the expansion of the Social Innovation Business in China.

Currently, the Hitachi Group has been accelerating the global development of its social innovation business and China is one of its most important markets. While the Hitachi Group has been aiming to further develop its business in fields of focus such as industry, urban, energy, and elder and nursing care, the importance of digital solutions using Hitachi Group’s accomplishments in the OT\*<sup>1</sup> and IT business as well as its diverse accumulated knowledge and expertise has been growing.

\*1 OT: Operational Technology

Through the business restructuring, the knowledge ,knowhow ,resources and solutions in the IoT and data analytics fields accumulated by each of the above five companies are merged to achieve greater efficiency in the development of digital solutions and accelerate the creation of new values in the fields of the Hitachi Group’s focus. Hitachi Group will also improve its productivity and enhance its sales capabilities, thus further accelerating collaborative creation with the partners in China, and will respond diversely to customer needs centered on digital solutions that support the Social Innovation Business.

The Hitachi Group will continue to offer digital solutions globally for the social infrastructure with higher added values. Through this effort, the Hitachi Group will continue to contribute to improving people's QoL\*<sup>2</sup> and building a sustainable society.

\*2 QoL: Quality of Life

### Profile of the Companies Involved in the Merger [as of February 28, 2019]

[Hitachi Solutions(China)Co.,Ltd.]

Business Name	Hitachi Solutions(China)Co.,Ltd.
Location of Head Office	Beijing, China
Business	Provision of system integration/solution services, software development, etc.
Establishment Date	October 1, 2011
Title and Name of Representative	Chairman of the board: Kenji Kubota
Capital Amount	CNY 50 million
Number of Employees	117 (including employees of the subsidiary) (as of December 31, 2018)
Major Shareholders and Ratio of Shareholding	Hitachi Solutions, Ltd. (90%), Hitachi (China) Ltd. (10%)

[Hitachi Beijing Tech Information Systems Co.,Ltd.]

Business Name	Hitachi Beijing Tech Information Systems Co.,Ltd.
Location of Head Office	Beijing, China
Business	Provision of system integration/solution services, software development, etc.
Establishment Date	September 10, 2003
Title and Name of Representative	Chairman of the board: Yoshinori Hosoya
Capital Amount	USD 833,000
Number of Employees	94 (as of December 31, 2018)
Major Shareholders and Ratio of Shareholding	Hitachi, Ltd. (90%), Hitachi (China) Ltd. (10%)

[Hitachi Systems(Guangzhou)Co.,Ltd.]

Business Name	Hitachi Systems(Guangzhou)Co.,Ltd.
Location of Head Office	Guangzhou, China
Business	Provision of system integration/solution services, etc.
Establishment Date	April 28, 2011
Title and Name of Representative	Chairman of the board: Tatsumi Kenji
Capital Amount	JPY 187 million
Number of Employees	42 (as of December 31, 2018)
Major Shareholders and Ratio of Shareholding	Hitachi Systems, Ltd. (100%)

[Hitachi Consulting(China)Co.,Ltd.]

Business Name	Hitachi Consulting(China)Co.,Ltd.
Location of Head Office	Shanghai, China
Business	Provision of IT consulting, solution services, etc.
Establishment Date	June 17, 2010
Title and Name of Representative	Chairman of the board: Steven Goodman General Manager: Justin Winter
Capital Amount	CNY 318.1288 million
Number of Employees	105 (as of December 31, 2018)
Major Shareholders and Ratio of Shareholding	Hitachi Consulting Corporation (90%), Hitachi (China) Ltd. (10%)

[Hitachi Consulting Information Technology Delivery (Guangzhou) Co., Ltd.]

Business Name	Hitachi Consulting Information Technology Delivery (Guangzhou) Co., Ltd.
Location of Head Office	Guangzhou, China
Business	Software development, etc.
Establishment Date	June 6, 2005
Title and Name of Representative	Chairman of the board: Steven Goodman General Manager: Justin Winter
Capital Amount	USD 3.253 million
Number of Employees	102 (as of December 31, 2018)
Major Shareholders and Ratio of Shareholding	Hitachi Consulting Software Services Inc. (100%)

**Status after Merger**

[After April, 2019 (scheduled)]

Business Name	Hitachi Solutions(China)Co.,Ltd.
Location of Head Office	Beijing, China
Business	Provision of system integration/solution services, software development, IT consulting, etc.

**About Hitachi, Ltd.**

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, delivers innovations that answer society's challenges, combining its operational technology, information technology, and products/systems. The company's consolidated revenues for fiscal 2017 (ended March 31, 2018) totaled 9,368.6 billion yen (\$88.4 billion). The Hitachi Group is an innovation partner for the IoT era, and it has approximately 307,000 employees worldwide. Through collaborative creation with customers, Hitachi is deploying Social Innovation Business using digital technologies in a broad range of sectors, including Power/Energy, Industry/Distribution/Water, Urban Development, and Finance/Social Infrastructure/Healthcare. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

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Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.

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