

# News Release

**FOR IMMEDIATE RELEASE**

## **Hitachi Industrial Equipment Systems Entered into Agreement to Acquire KEC, Robotic System Integrator**

*Enhancing the Robotics Solutions Business in the Factory Automation Field Including Automation of Production Lines*

**Tokyo, March 22, 2019** --- Hitachi Industrial Equipment Systems Co., Ltd. (Hitachi Industrial Equipment Systems) today announced that it entered into agreement for acquiring 100% of the shares of KEC Corporation (KEC), the company of business for constructing production lines using industrial robots in diverse industries, mainly in the automobile industry, from Tokio Marine Capital Co., Ltd. (Tokio Marine Capital) on March 20, 2019. Hitachi Industrial Equipment Systems and Tokio Marine Capital will proceed with the contracting process based on the Agreement to complete the acquisition by the end of April 2019.

Since its establishment in 1981, KEC has developed the robotic SI<sup>(1)</sup> business, which consists of automation production lines in diverse manufacturing fields, mainly in the automobile manufacturing field, and thereby supported an increase in the operating efficiency of its customers. Having engaged in the construction of production line systems and equipment from the planning stage and offered consistent solutions including design, production, installation and maintenance, KEC has considerable experience in solving problems related to the automation of production processes for the customers. KEC has the unique knowhow and strengths in robotic SI technologies applied in welding processes using industrial robots.

Hitachi Group is planning to globally expand its digital solutions business by incorporating a combination of products, OT (Operational Technology) and IT with the intention of becoming the best solutions partner for the customers in the Industry Sector<sup>(2)</sup>. Among Hitachi Group, Hitachi Industrial Equipment Systems, running the industrial equipment business such as air compressors and motors, has been developing the robotics solutions business focusing on the conveyance and assembling processes based on its strengths for accumulated knowhow in manufacturing and controlling technology for IoT-based connected products. It has contributed to automation and the improvement of its customers' business operation efficiency using industrial robots at related manufacturing workplaces.

Hitachi Industrial Equipment Systems will increase its competitive edge in the robotics solutions business by fusing Hitachi Group's strengths in products, OT and IT, and KEC's robotic SI technologies and abundant knowhow on welding processes obtained

thanks to this acquisition, with high added value solutions incorporating robot control technologies, analysis technologies of data from manufacturing workplaces, and predictive maintenance technologies utilizing Hitachi Group's Lumada solutions that drives digital innovation. It will seek a further expansion of its solutions business in the factory automation market, which is expected to achieve strong growth given the likely future reduction in the working-age population.

### Overview of KEC

Name	KEC Corporation
Head Office	2-15 Techno Plaza, Kakamigahara-shi, Gifu, Japan
Representative	CEO Hiroshi Ichiki
Description of business	Designing and manufacturing of automation equipment for the automobile industry and other industries
Establishment date	March 1981
Capital (as of March 2018)	JPY 15 million
Shareholder	Tokio Marine Capital Co., Ltd. (100%)
Number of employees (as of October 2018)	Approx. 80 (Consolidated: Approx. 110)
Consolidated revenue (result of FY2017)	Approx. JPY5,813 million
URL	<a href="http://www.kec-corp.jp/">http://www.kec-corp.jp/</a>

(1) SI: Systems Integration

(2) One of five growth sectors in Hitachi, Ltd.'s 2021 Mid-term Management Plan

Hitachi to Strengthen Business Structures for a Transformation into a Global Leader, as Laid Out in the 2021 Mid-term Management Plan

<http://www.hitachi.com/New/cnews/month/2019/02/190201b.html>

### About Hitachi Industrial Equipment Systems Co., Ltd.

Hitachi Industrial Equipment Systems Co.,Ltd. headquartered in Tokyo, Japan, is a subsidiary of Hitachi, Ltd., and is engaged in the manufacturing, sales and services of industrial components and equipments. The company offers various industrial products including motors, factory automation/control systems, wind/water systems, pneumatic systems, power distribution, environmental systems and labor-saving systems. For more information, visit <http://www.hitachi-ies.co.jp/english>.

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