

FOR IMMEDIATE RELEASE

Hitachi Launches “Hitachi AI Technology/Business Improvement Service” that Supports to Resolve Corporate Management Issues through Artificial Intelligence

Full-scale Rollout of Solutions Business Using Advanced AI Technologies

Tokyo, Japan, October 26, 2015 --- Hitachi, Ltd. (TSE:6501) today announced that on November 2, it will begin sales of “Hitachi AI Technology/Business Improvement Service,” which uses artificial intelligence (AI) technologies to support the resolution of corporate management issues such as increasing sales or reducing costs. The service uses “Hitachi AI Technology/H,” a technology developed by Hitachi, to search huge volumes of complex, business related data for elements with strong correlations to the organization’s Key Performance Indicators (KPIs), thus enabling the creation of innovative business improvement measures.

Hitachi uses the umbrella name “Hitachi AI Technology” to refer to advanced AI technologies, as well as solutions that incorporate those technologies. “Hitachi AI Technology/Business Improvement Service” is the first example of efforts to promote AI related business aimed at providing support in resolving social issues and in achieving business growth.

In recent years, a growing volume of increasingly diverse data is being generated throughout the world, as a result of the rapid proliferation of the cloud, mobile devices, and social media, as well as the evolution of sensor technologies. In this backdrop, in order to resolve social issues and achieve business growth, it will be essential to perceive a wide range of phenomena throughout the world as “data,” and to use the IoT (Internet of Things) and Big Data technologies to create even greater value.

In the past, the most common way of creating measures for improving an organization’s business performance was to have hypotheses examined by experts with a detailed knowledge of a specified industry or business, and then draw out effective measures through a repeated process of analyzing and testing related data. Recently, however, the social and economic environment has been changing quickly and continuously, and the data being used is growing in terms of both volume and complexity. As a result, it has become more difficult to quickly establish countermeasures using those conventional methods. There has thus been an increasing demand for technologies that efficiently support the creation of measures that tie into data analysis and innovative business improvements.

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Using “Hitachi AI Technology/H,” this new service creates business improvement measures for companies, and supports the resolution of management issues. “Hitachi AI Technology/H” identifies elements with a strong correlation to the organization’s KPIs (e.g., sales, maintenance costs, and production efficiency) from among huge volumes of complex business related data, and then efficiently draws out hypotheses for the necessary improvement measures. This technology can discover important elements that even experts might have considered unrelated to KPIs, and so would not have been used for analyses or to create hypotheses. In this way, it can create innovative improvement measures that are not bound by the limitations of human thought processes. By reflecting measures based on tested hypotheses in the customer’s day-to-day operations, it will be possible to achieve steady progress in advanced business reforms.

Hitachi has been involved in R&D and Proof of Concept (PoC) activities targeting “Hitachi AI Technology/H” for about 10 years, and has established an extensive track record of business reforms in a variety of fields, including finance, transportation, distribution, logistics, plants, manufacturing, and healthcare. In 2012, it began sales of the “Data Analytics Meister Service,” a Big Data analysis service, and has gained experience in providing a broad range of services related to the use of data.

Hitachi will continue to undertake R&D and PoC activities targeting a variety of AI technologies comprising “Hitachi AI Technology,” and to roll out diverse solutions, so that it can contribute to business growth and the resolution of issues related to society and corporate management.

Tested Cases of Business Improvement Using “Hitachi AI Technology/H”

(1) Marketing

In the retail industry, Hitachi drew measures for increasing average sales per customer based on purchase behavior data related to customer behavior from arrival at the store up to the time of purchase and sales data.

(2) Facilities maintenance

In the maintenance of large-scale facilities in the transport industry, Hitachi identified new factors affecting the deterioration of facilities from among many elements related to the facilities environment and usage conditions, and proposed unprecedented methods for controlling maintenance costs.

Pricing and Availability

Name	Price	Startup of service
Hitachi AI Technology/Business Improvement Service	Case-by-case quotations	February 2016

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, delivers innovations that answer society's challenges with our talented team and proven experience in global markets. The company's consolidated revenues for fiscal 2014 (ended March 31, 2015) totaled 9,761 billion yen (\$81.3 billion). Hitachi is focusing more than ever on the Social Innovation Business, which includes power & infrastructure systems, information & telecommunication systems, construction machinery, high functional materials & components, automotive systems, healthcare and others. 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.
