News Release

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Inspire the Next

Hitachi to Accelerate Global Expansion of Lumada Business Gaining SaaS-based AI and Data Analytics Businesses in Asia
This move will strongly increase, obtain and secure new customer bases, technologies and expertise that Fusionex has cultivated in the Asian region

Tokyo, April 10, 2020 – Hitachi, Ltd. (TSE: 6501, "Hitachi") today announced that it has signed an agreement with Fusionex International Plc ("Fusionex"), a Big Data and AI technology market leader in the Asian region, providing AI and data analytics services, and has acquired the successor company of digital business under the "Fusionex" brand, as a wholly owned subsidiary ("the new company") on April 1, 2020.

Hitachi aims to be a global leader of Social Innovation Business in the 2021 Mid-term Management Plan, and is planning aggressive investment in the IT sector with focus on North America and Asia. By this investment, based on the plan, Hitachi gained skilled data scientists and data professionals as well as other resources in digital domains and obtained customer bases in the Asian region. The new company will closely liaise with Hitachi Group companies including Hitachi Vantara, playing a key role in the expansion of Lumada [1] business worldwide, enabling Hitachi to strengthen front and delivery functions. Hitachi will incorporate Fusionex's AI-enabled data analytics products, services and subscription type SaaS [2] business expertise into Lumada, to strengthen SaaS business, which reduces user specific development, customization, and realizes easy delivery. Hitachi aims to establish an agile and efficient delivery model which is essential to expand global business. Moreover, Hitachi will create new digital solution by integrating both companies' technologies, expertise, and digital ready resources, and combining the services with Hitachi's OT [3] and product businesses for its global customers. This strategic move will enhance Lumada solutions and accelerate their delivery. Hitachi will contribute to improve customers' social values, environmental values, and economic values accelerating global expansion of Lumada business that solves customers' challenges and support customers in achieving digital transformation ("DX").

(1) Hitachi's advanced digital solutions, services, and technologies for turning data into insights to drive digital innovation
(2) SaaS：Software as a Service
(3) OT: Operational Technology

As DX gains momentum worldwide, the application of data analytics and AI is expanding over many different industries. In Asia, digital solutions for businesses are expected to grow in demand very rapidly. To achieve DX, SaaS-type services are becoming increasingly important as they can quickly become available for use while minimizing initial investment. In particular, the subscription market in Asia is rapidly expanding, with its CAGR (compound average growth rate) for the period between

2011 and 2018 reaching 20% [4]

(4) Source: Hitachi Research Institute, July 2019

Fusionex has, for many years, been offering SaaS-based applications utilizing AI and data analytics as well as related services such as consultation, implementation and operations for various customers in manufacturing, distribution, logistics, e-commerce, finance and other domains. To support the company's digital operations, Fusionex has highly skilled data professionals who are knowledgeable in different domains. Fusionex's SaaS-based services have more than 11,000 SMEs [5] in Asia.

(5) SME: Small and Medium Enterprise

Since 2016, Hitachi has been promoting Lumada to help customers accelerate their digital innovation through co-creation efforts with customers. Hitachi has accumulated approximately 750 [6] customer cases through co-creation mainly in Japan, and provided many Lumada solutions that generate value for customers from their data. In Asia, Hitachi opened Lumada Center Southeast Asia [7] in Thailand in September 2018 and accelerated the co-creation activities with customers in Asian countries. In pursuit of continued growth in a global market under the 2021 Mid-term Management Plan, Hitachi integrated Hitachi Vantara and Hitachi Consulting Corporation, two U.S. affiliates of the Hitachi Group, in January 2020 to strengthen its front function and delivery function [8]. During the term of the 2021 Mid-term Management Plan, Hitachi will aggressively make additional investments in the expansion of Lumada. The plan includes acquiring human resources and customer bases in digital domains mainly in North America and Asia.

(6) As of end of December 2019

(7) A facility launched at Amata City Chonburi Industrial Estate in Chonburi, Thailand, in September 2018 as a base that integrates IoT technologies and expertise which have been nurtured in markets including Japan, China, and the United States of America, to provide a range of solutions in Southeast Asia

(8) News Release on September 17, 2019 "Hitachi to Integrate Hitachi Vantara and Hitachi Consulting to Accelerate Global Expansion of Hitachi's Social Innovation Business and Digital Growth"
http://www.hitachi.com/New/cnews/month/2019/09/190918.html

With this strategic move, Hitachi gained digital ready resources including data scientists as well as competitive AI and data analytics applications which have been adopted by many customers, SaaS platform which provides billing and authentication functions, and business know-how which enables to obtain and maintain customers.
Hitachi will incorporate these capabilities into the Lumada Solution Hub which provides customers with various values such as faster verification, easier shift to the production environment and smoother deployments over multiple locations [9]. Together with Hitachi Vantara and all other Hitachi group companies, Hitachi plans to promote its SaaS-based service offerings to the global market.
Furthermore, utilizing SaaS business know-how and collaborating with Hitachi's OT and product businesses, Hitachi will create new digital services, further penetrate into the obtained customer bases in Asia and expand to global customers in other regions.

The combination of both companies' technologies, know-how and human resources and strengthening our global organization should help our customers to achieve DX.

(9) News Release on March 18, 2019 "Hitachi Launches "Lumada Solution Hub" to Advance and Facilitate Introduction of Lumada Solutions"

http://www.hitachi.com/New/cnews/month/2019/03/190318.html

Statement by Toshiaki Tokunaga, Senior Vice President and Executive Officer, CEO of Services & Platforms Business Unit, Hitachi, Ltd.

"We are very pleased to start working with the new company as a Hitachi subsidiary, for new digital business. Going forward, we will facilitate the fusion of the two companies' AI/data analytics technologies, SaaS business expertise and human resources, and seek to acquire a strong customer base in the Asian region. By doing so, we will accelerate the global development of Lumada business and continue to contribute to the enhancement of the social, environmental, and economic value of customers."

Statement by Dato' Seri Ivan Teh,
Group CEO of Fusionex International and CEO of the new company

"We are very pleased to collaborate with Hitachi, a brand of global repute that we believe will bring immense value. We see significant synergies with Hitachi, and the teams are very excited at the prospects of combining our technologies and unique strengths, as we chart our course to bring about a powerful fusion and joint offerings that would allow us to better serve the market together."

About the new company, FusioTech Holdings

FusioTech Holdings was established in February 2020 and joined Hitachi group on April 1, 2020. It is represented by Dato' Seri Ivan Teh and is based in Malaysia. It has a headcount of 330 headcount and will focuses on SaaS type applications that utilize AI and data analytics, along with consulting on their introduction and services for their integration and operation mainly in the Asian region.

About Fusionex

Fusionex is an established multi-award winning data technology provider specializing in Analytics, Big Data, IR 4.0, Machine Learning, and Artificial Intelligence. Its offerings are focused on helping clients unlock value and derive insights from data. Featured on Forbes, Bloomberg, Gartner, IDC, Forrester, Edison, and Huffington Post, Fusionex is the largest Big Data Analytics company and market leader in ASEAN, bringing state-of-the-art, innovative, and breakthrough data-driven platforms to its stable of clientele (including Fortune 500, FTSE companies, large conglomerates, as well as a wide array of SMEs). To learn more about Fusionex, visit www.fusionex-international.com

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.

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