

**Hitachi to Establish Hitachi Automation  
to Reinforce Robotic SI Business in Japan and ASEAN Countries**  
*Aiming to Become Global Leader through the Provision of Full Turnkey Solutions  
in Line Building and Fusion with Digital Solutions*



Assembly line using robots

**Tokyo, January 27, 2022** – Hitachi, Ltd. (TSE: 6501, “Hitachi”) and Hitachi Industrial Equipment Systems Co., Ltd. (“Hitachi Industrial Equipment Systems”) today announced that they have been accelerating the global development of the line building business leveraging industrial robots (“the robotic SI”<sup>\*1</sup> business”) and will establish Hitachi Automation, Ltd. (“Hitachi Automation”) on April 1, 2022, by reorganizing and integrating the operations and resources within group companies, with the aim of reinforcing the robotic SI business in Japan and ASEAN countries.

Specifically, the robotic SI business involving assembly and conveyor lines for all kinds of manufacturers will be transferred from Hitachi Industrial Equipment Systems, a Hitachi subsidiary to KEC Corporation (“KEC”), a Hitachi Industrial Equipment Systems subsidiary handling robotic SI business mainly in the automobile industry through a company split, while transferring shares of KEC’s stock from Hitachi Industrial Equipment Systems to Hitachi’s Industry & Distribution Business Unit and changing the tradename at the same time.

For the past few years, Hitachi’s Industry Sector has been reinforcing the robotic SI business through Hitachi Industrial Equipment Systems’ acquisition of KEC<sup>\*2</sup> and Hitachi’s Industry & Distribution Business Unit’s acquisition of JR Automation<sup>\*3</sup> and Kyoto Robotics Corporation (“Kyoto Robotics”).<sup>\*4</sup> Now by integrating the robotic SI business into Hitachi’s Industry & Distribution Business Unit through this reorganization, Hitachi will provide solutions fused with digital technologies while expanding its ability to provide full turnkey solutions in collaboration with JR Automation. Under the new structure, it will contribute to increasing the value of the customer’s business by providing one-stop solution with OT<sup>\*5</sup> centered on robotic SI and IT.

Moreover, the Hitachi Group aims to be a global leader in the robotic SI business based on JR Automation which is developing business mainly in North America and Europe, Hitachi Automation and Kyoto Robotics which will be developing business in Japan and ASEAN countries.

\*1 SI: Systems Integration

\*2 Hitachi Industrial Equipment Systems Co., Ltd. news release titled “Hitachi Industrial Equipment Systems Entered into Agreement to Acquire KEC, Robotic System Integrator” announced on March 22, 2019.  
<https://www.hitachi.com/New/cnews/month/2019/03/190322.html>

\*3 Hitachi, Ltd. news release titled "Hitachi Agrees to Acquire JR Automation, a Robotic System Integrator in the US" announced on April 24, 2019.

<https://www.hitachi.com/New/cnews/month/2019/04/190424.pdf>

\*4 Hitachi, Ltd. news release titled "Hitachi Acquires Kyoto Robotics, a Start-up Developing Intelligent Robotic Systems" announced on April 8, 2021.

<https://www.hitachi.com/New/cnews/month/2021/04/210408.html>

\*5 OT: Operational Technologies

## **Background**

In manufacturing fields in recent years, there has been rapidly growing demand for the automation of workplaces using robots reflecting labor shortage due to the declining birthrate, the aging population, the decrease of the working-age population, and the COVID-19 pandemic. In response to the rapidly changing markets, there has also been an acceleration of digital transformation (DX) leveraging advanced technologies with the goal of creating new value.

## **Business strategies of the Hitachi's Industry Sector**

The basic policy of the Hitachi's Industry Sector is to globally develop "Total Seamless Solutions" that solve "boundary" issues that exist between management, workplaces and supply chain to create new value for businesses leveraging Lumada<sup>\*6</sup> and Hitachi's combination of OT, IT and products.

At the same time, the need for automation using robots in workplaces is increasing. The field of robotic SI, which involves a massive amount of data, is playing a central role in connecting management and workplaces to achieve overall optimization. In this environment, through the acquisition of KEC and U.S.-based JR Automation in 2019, and the acquisition of Kyoto Robotics in 2021, Hitachi is globally expanding and strengthening its capabilities in the robotic SI field.

With the goal of increasing its competitiveness in the robotic SI business in Japan and ASEAN countries, Hitachi has decided to integrate its robotic SI business resources into Hitachi Automation.

\*6 Lumada: General name of solution service technology using Hitachi's advanced digital technology to generate value from customer data and accelerate digital innovation

<https://www.hitachi.com/products/it/lumada/global/en/index.html>

## **Objectives of the establishment of Hitachi Automation**

KEC has developed the robotic SI business for automobiles and other manufacturing workplaces mainly for Japanese companies in Japan, South Korea, China, the U.S. and India since its foundation in 1981. It has proprietary knowledge of robotic SI technologies, especially in welding processes. Hitachi Industrial Equipment Systems develops the robotic SI business centering on assembly and conveyor processes in a wide range of business categories leveraging its control technologies, such as connected products.

By achieving the following objectives of this business reorganization and integration, the Hitachi Group aims to be a global leader in the robotic SI business through this reinforcement and expansion of the business:

- (1) Integrate resources including the robotic SI technical capabilities, expertise and customer bases of KEC and Hitachi Industrial Equipment Systems and reinforce the foundation of the business by expanding their front engineering functions.
- (2) Expand Hitachi Automation's capabilities to provide full turnkey solutions in line building in Japan and ASEAN countries through a partnership with JR Automation that has knowledge and advantages in a wide range of industries and line of robotic SI and provides full turnkey

solutions in line building, from upstream proposal, design and manufacturing through to construction in the U.S., Europe and ASEAN countries.

- (3) By placing Hitachi Automation under Hitachi's Industry & Distribution Business Unit, accelerate the fusion between digital solutions analyzing and optimizing data leveraging Lumada handled by the Business Unit and robotic SI which involves a massive amount of data from workplaces. This will enable Hitachi to provide "Total Seamless Solutions" for overall optimization by digitally connecting manufacturing workplaces and management which have become more and more intelligent to contribute to increasing the value of the customer's business.

**Statement by Kazunobu Morita, Vice President and Executive Officer, CEO of the Industry & Distribution Business Unit, Hitachi, Ltd.**

"The needs for automation have been increasing rapidly in the manufacturing industry due to a shortage of labor, the retirement of highly skilled workers and a decrease in production engineers. Against this backdrop, Hitachi has focused on the reinforcement of its robotic SI business through mergers and acquisitions in Japan and in the U.S. over the past few years. I am confident that Hitachi Automation, which will be established by reorganizing and integrating the resources of the group, will contribute to solutions to the problems faced by customers in manufacturing industries in Japan and ASEAN countries. In the future, we will provide "Total Seamless Solutions" that maximize business value from the customer's management perspective by combining robotic SI with Hitachi's products, OT, IT and Lumada which utilizes advanced digital technology, and by realizing cyber-physical system as linking cyberspace and real space, thereby contributing to the improvement of social, environmental and economic value."

**Outline of Hitachi Automation**

Company name	Hitachi Automation, Ltd.
Date of foundation	April 1, 2022
Head office location	1-5-1 Sotokanda, Chiyoda-ku, Tokyo
Representative	President: Hideo Satake
Capital	300 million yen
No. of Employees	Approximately 200 (As of April 1, 2022)
Revenues	Approximately 10 billion yen (FY2022 forecast)
Business description	Robotic SI business for manufacturers

- End -

**About Hitachi, Ltd.**

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, contributes to a sustainable society with a higher quality of life by driving innovation through data and technology as the Social Innovation Business. Hitachi is focused on strengthening its contribution to the Environment, the Resilience of business and social infrastructure as well as comprehensive programs to enhance Security & Safety. Hitachi resolves the issues faced by customers and society across six domains: IT, Energy, Mobility, Industry, Smart Life and Automotive Systems through its proprietary Lumada solutions. The company's consolidated revenues for fiscal year 2020 (ended March 31, 2021) totaled 8,729.1 billion yen (\$78.6 billion), with 871 consolidated subsidiaries and approximately 350,000 employees worldwide. For more information on Hitachi, please visit the company's website at <https://www.hitachi.com>.

**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 equipment. 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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