

News Release

FOR IMMEDIATE RELEASE

Hitachi Acquires Key Industry 4.0 Systems Integrator – Flexware Innovation

With this acquisition, Hitachi will accelerate its offerings between shop floor operations and enterprise systems particularly in North America.



Business strategy in the industry field centered on North America, including Flexware Innovation, Inc.

New York and Tokyo, September 6, 2022 – Hitachi, Ltd. (TSE: 6501, “Hitachi”) today announced that on August 31, 2022 it acquired Flexware Innovation, Inc. (“Flexware Innovation”) which has been a leading manufacturing Systems Integrator (SI) since 1996. Flexware Innovation was a strategic acquisition for Hitachi due to its focus on the TOTAL SEAMLESS SOLUTION*¹ that links “shop floor” and “top floor” with data and digital technology.

With this acquisition of Flexware Innovation, Hitachi will strengthen and enhance its business in the domain of MES (Manufacturing Execution Systems), SCADA (Supervisory Control and Data Acquisition), Software Development, Business Intelligence (BI), and ERP (Enterprise Resource Planning) implementation capabilities in North America, and accelerate the digitalization with JR Automation*² which engages in the robotic SI & automation. Further, through cooperation with Hitachi Vantara which has expertise in building and deploying Enterprise and Cloud applications*⁵, Hitachi will be able to provide TOTAL SEAMLESS SOLUTION from robotic SI & automation, MES, SCADA, BI, and ERP and help manufacturing leaders increase corporate value.

*1 TOTAL SEAMLESS SOLUTION is a registered trademark of Hitachi, Ltd. in Japan and US.

*2 Hitachi, Ltd. news release titled “Hitachi Agrees to Acquire JR Automation, a Robotic System Integrator in the U.S.” announced on April 24, 2019. <https://www.hitachi.com/New/cnews/month/2019/04/190424.pdf>

Background & Business Strategy

Hitachi's basic approach for the industry field is to globally develop TOTAL SEAMLESS SOLUTION that solves issues existing in the boundaries between shop floor, top floor and supply chain to create new business value, by taking advantage of having offerings ranging from products, OT (Operational Technology) and IT (Information Technology) systems integration capabilities.

Above all, it is expected that North America will continue to experience high growth and North America will continue to adopt advanced digital technologies, so Hitachi has positioned North America as a key market. In 2017, Hitachi acquired Sullair^{*3}, which engages in the air compressor business, and it acquired JR Automation in 2019. Further, Hitachi formed Hitachi Industrial Holdings Americas^{*4} in 2020 to strengthen integrated business operations of industry field in the region. Under the Hitachi Industrial Holdings Americas leadership are Sullair, JR Automation, and Flexware Innovation, the newly acquired company. The global pandemic and resulting supply-chain challenges have caused a continued need for quality and productivity improvements across all industry sectors. Hitachi is uniquely positioned to provide TOTAL SEAMLESS SOLUTION by taking advantage of their global platforms such as Lumada^{*5} coupled with the strength of JR Automation and Flexware Innovation in the IT/OT space.

*3 Hitachi, Ltd. news release titled "Notice of Determination of Transfer Execution Date Associated with Acquisition of U.S.-based Air Compressor Manufacturer, announced on July 6, 2017.

<https://www.hitachi.com/New/cnews/month/2017/07/170706a.html>

*4 Hitachi, Ltd. news release titled "Hitachi Announces Establishment of Hitachi Industrial Holdings Americas, Inc. to Strengthen the Industry Business in North America" announced on April 1, 2020

<https://www.hitachi.com/New/cnews/month/2020/04/200401a.html>

*5 Lumada: A collective term for solutions, services and technologies using Hitachi's advanced digital technologies to generate value from customer data and accelerate digital innovation

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

The Strategy Behind the Flexware Innovation Acquisition

Many technical firms focused on the manufacturing and industrial sectors are solely focused on a particular industry or are limited to the controls or machinery layer. Flexware Innovation is unique because they focused on the Manufacturing Execution Systems space beginning in 1996 and have proven that they can add value to their enterprise clients in many vertical industries such as Life Sciences, Food & Beverage, Utilities, Metal and Steel, and Automotive and Discrete manufacturing. Their capabilities range from controls engineering and safety assessments all the way up to ERP implementation. Having developed or implemented many complex enterprise MES solutions, Hitachi plans to leverage Flexware Innovation's expertise to compliment the capabilities of JR Automation, and Hitachi Vantara. Hitachi realizes that the North American market is a prime area for growth and is passionate about adding business value to its clients. This synergy with Flexware Innovation's history made this partnership an obvious choice. It is important to note that Hitachi plans to support and grow Flexware Innovation's current customer base which includes notable global brands.

"I am very happy to have Flexware Innovation as a new family member of the Hitachi Group. Moving forward, we will strive to solve customers' challenges and maximize their corporate value in North America through the combination of Hitachi's products, OT, IT, and Lumada which utilizes advanced digital technologies, the SI technologies and development capabilities of Flexware Innovation, the robotic SI & automation of JR Automation, and other resources." said *Kazunobu Morita, Vice President and Executive Officer, CEO of the Industrial Digital Business Unit, Hitachi, Ltd.*

"Our people are passionate about solving problems for our customers. This new partnership with Hitachi will allow us to do that on a larger stage, with strong vision and backing from a respected global technology company. We have developed a [unique culture](#) at Flexware Innovation that merges perfectly with [Hitachi's Founding Spirit](#). I am genuinely excited for our future together." - *Scott Whitlock, Founder and President & CEO of Flexware Innovation.*

Whitlock will remain as President & CEO of Flexware Innovation in partnership with the leaders of Hitachi Industrial Holdings Americas.

Outline of Flexware Innovation, Inc.

Company Name	Flexware Innovation, Inc.
Head Office	Fishers and Valparaiso, IN (USA)
Representative	President & CEO, Scott Whitlock
Outline of Business	System integration, consulting, and services for manufacturers
Founded	1996
Website	https://www.flexwareinnovation.com/

- End -

About Hitachi, Ltd.

Hitachi drives Social Innovation Business, creating a sustainable society with data and technology. We will solve customers' and society's challenges with Lumada solutions leveraging IT, OT (Operational Technology) and products, under the business structure of Digital Systems & Services, Green Energy & Mobility, Connective Industries and Automotive Systems. Driven by green, digital, and innovation, we aim for growth through collaboration with our customers. The company's consolidated revenues for fiscal year 2021 (ended March 31, 2022) totaled 10,264.6 billion yen (\$84,136 million USD), with 853 consolidated subsidiaries and approximately 370,000 employees worldwide. For more information on Hitachi, please visit the company's website at <https://www.hitachi.com>.

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.
