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Hitachi, Ltd.
Microsoft Japan

Hitachi and Microsoft form a strategic alliance to advance next-generation digital solutions for manufacturing and logistics across Southeast Asia, North America and Japan

Tokyo, June 26, 2020 — Hitachi, Ltd. and Microsoft Corp. today announced a multiyear strategic alliance to accelerate the digital transformation of the manufacturing and logistics industries across Southeast Asia, North America and Japan. The first solutions will be available in Thailand in July, 2020.

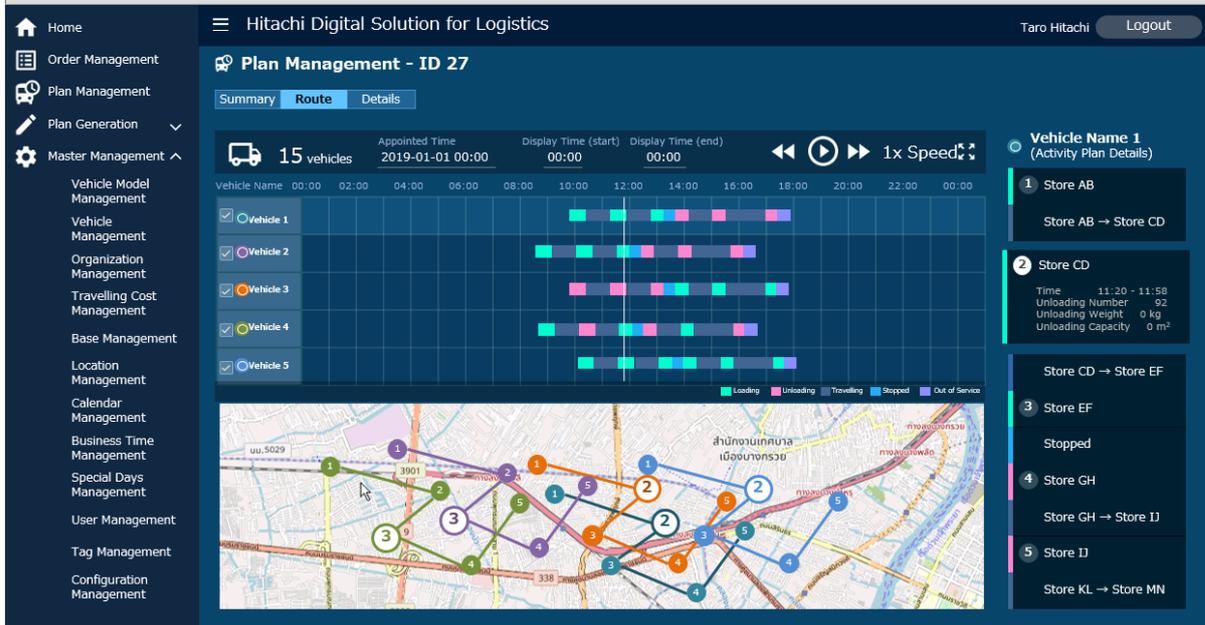
The two companies will work together to meet the growing demand for predictive maintenance and process automation in remote areas and support enterprises as they tackle the challenges infused by the COVID-19 pandemic. Hitachi will integrate its industry leading solutions, such as Lumada⁽¹⁾, and its IoT-ready industrial controllers HX Series⁽²⁾, with the Microsoft cloud platform, leveraging Azure⁽³⁾, Dynamics 365, and Microsoft 365 to help businesses increase their workforce productivity and operational efficiency. Lumada provides advanced digital solutions, services and technologies to turn data into insights to drive digital innovation.

Hitachi and Microsoft will also work together to support skilling initiatives that empower businesses to grow their digital capabilities and unlock new business opportunities.

Through this collaboration, Hitachi will provide solutions in the following three areas:

- **Increase manufacturing productivity:** Using Hitachi Digital Supply Chain as well as Azure IoT to analyze 4M⁽⁴⁾ data collected from manufacturing sites for the visualization and analysis of production processes to optimize factory operations and increase productivity
- **Optimize logistics with data analytics:** Increasing the logistics efficiency and reducing operational costs by analyzing traffic congestion, storage locations and delivery locations and enabling smart routing to save miles and deliver faster through advanced digital technologies such as Azure Maps and Hitachi Digital

Solution for Logistics/Delivery Optimization Service⁽⁵⁾.



*An image of a logistics optimization and operational efficiency tool built with Hitachi Digital Solution for Logistics/Delivery Optimization Service

- Predictive maintenance and remote assist: Enabling predictive maintenance, real-time remote assistance, and remote training scenarios for first-line workers leveraging, HoloLens 2⁽⁶⁾ and Dynamics 365 Remote Assist⁽⁷⁾ as well as other smart devices.



* Simulated image of a field maintenance technician wearing HoloLens 2 and communicating with a remote expert via Dynamics 365 Remote Assist

Going forward, Hitachi intends to extend the rollout to North America and Japan. Microsoft and Hitachi plan to expand the scope of the collaboration to additional industries. Hitachi and Microsoft will also explore options to integrate Lumada and Azure into an industry data platform to deliver added value to mutual customers.

“We are delighted to expand our partnership with Microsoft and combine our OT, IT and products excellence to provide manufacturing and logistics companies with digital solutions. We use Lumada to provide total seamless solutions to solve challenges by connecting cyberspaces with physical spaces. Through this collaboration with Microsoft, we will be able to accelerate our customer’s digital transformation, and continue to deliver social, environmental, and economic value,” said Jun Abe, Vice President and Executive Officer, CEO of Industry & Distribution Business Unit, Hitachi, Ltd.

“Building resilient and flexible digital supply chains is critical to grow a business and meet customer needs in today’s fast-changing environments. By expanding our collaboration with Hitachi, we’ll unlock new opportunities for manufacturing and logistics companies as they strive to lead in their industries and pioneer with a data-driven mindset and digital capabilities,” said Çağlayan Arkan, Vice President Manufacturing at Microsoft.

- (1) Lumada: A collective name for the solutions, services, and technologies that Hitachi has developed utilizing its advanced digital technologies to create value from customers’ data and accelerate digital innovation.
<http://www.hitachi.com/products/it/lumada/global/en/index.html>
- (2) HX Series: Next-generation IoT-ready industrial controllers that enable real-time control and information processing.
<https://www.hitachi.com.sg/ice/products/controller/hx-series/index.html>
- (3) Azure: Microsoft cloud platform with more than 60 Azure regions worldwide.
- (4) 4M: huMan, Machine, Material, Method
- (5) Hitachi News Release on February 28, 2019, "Hitachi Launches "Hitachi Digital Solution for Logistics/Delivery Optimization Service" that Creates Highly Effective Delivery Plans Utilizing AI and IoT"
<http://www.hitachi.com/New/cnews/month/2019/02/190228.html>
- (6) HoloLens 2 : Microsoft’s sensor-packed holographic computing headset leveraging AI and a mixed reality.
- (7) Dynamics 365 Remote Assist: Microsoft’s remote support solution for first line workers.

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, is focused on its Social Innovation Business that combines information technology (IT), operational technology (OT) and products. The company's consolidated revenues for fiscal year 2019 (ended March 31, 2020) totaled 8,767.2 billion yen (\$80.4 billion), and it employed approximately 301,000 people worldwide. Hitachi drives digital innovation across five sectors – Mobility, Smart Life, Industry, Energy and IT – through Lumada, Hitachi's advanced digital solutions, services, and technologies for turning data into insights to drive digital innovation. Its purpose is to deliver solutions that increase social, environmental and economic value for its customers. For more information on Hitachi, please visit the company's website at <https://www.hitachi.com>.

About Microsoft

Microsoft (Nasdaq "MSFT" @microsoft) enables digital transformation for the era of an intelligent cloud and an intelligent edge. Its mission is to empower every person and every organization on the planet to achieve more.

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