

News Release

April 1, 2019

Hitachi Industrial Products, Ltd.

President, Keizo Kobayashi

President's Message to Employees toward the Establishment of Hitachi Industrial Products, Ltd. (Summary)

We have made a new start as "Hitachi Industrial Products, Ltd." responsible for the large-sized industrial product businesses in Hitachi Group. I will share my thoughts with you in order to become a strong team, as a professional of manufacturing, that provides products that meet expectation from market and customers.

(1) Strong business entity to compete with specialized companies

By consolidating the Hitachi Group's large-scale industrial equipment businesses in Japan and overseas into Hitachi Industrial Products, the manufacturing, sales, and service units have become one team able to draw a common strategy. As a strong business entity that can rapidly develop and provide strong products that meet the needs of the market and customers, we will expedite business and investment decisions and aim for future growth.

(2) Products that support digital solution

Expectation from market and customers for manufacturing is changing. In order to identify these changes and improve profitability, followings will be our key points.

- Built-in drive (Key product to be incorporated into the main unit)
- Connected products (Connecting field products to other devices, equipment and platforms with digital technology)
- Recurring Business (Maintenance service, etc.)

We have provided rail motors for train system as a "backseat player" so far. From now on, we will deepen our relationship with customers and expand the recurring business by providing operational visualization and predictive maintenance services through connected products that accumulate sensing data from these built-in drive and connect them to customers' equipment. This value creation will be the strength of our business.

(3) Product development capability and global supply chain

The product development capability is most important for product business. While making full use of the Hitachi Group's R&D resource and high technology, we will work to develop new products that meet the needs of our customers. Also, it is expected that manufacturing will change dramatically in the next 10 years. The factory's manufacturing capabilities are already expanding from 3D printers to

large-scale machining equipment. In order to develop strong competitive products, we should optimize global supply chain management (SCM) by identifying the place to manufacture core components and to carry out final test of products.

Let us work together to create a new company, realizing stronger product business.

Company profile

(1) Name	Hitachi Industrial Products, Ltd.
(2) Head Office	3, Kanda Neribeicho, Chiyoda-ku, Tokyo
(3) Representative	President Keizo Kobayashi
(4) Outline of Business	Development, manufacture and sales of products and provision of services in the electrical system business (high pressure motors, inverters, UPS, PCS, industrial computers, etc.) and machinery system business (pumps, blowers, centrifugal compressors, Dynamic simulating systems, compact and low-floor automated guided vehicles, etc.)
(5) Capital	10 billion yen (wholly owned by Hitachi, Ltd.)
(6) Principal affiliated companies	Hitachi IE Systems Co., Ltd. Hitachi Technologies and Services, Ltd. Hitachi Nico Transmission Co., Ltd. Hitachi Plant Mechanics Co., Ltd. Hitachi Pump Manufacture(Wuxi) Co., Ltd. Hitachi Hi-Rel Power Electronics Pvt. Ltd.

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