

News Release

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Hitachi to establish “Lumada Data Science Lab.” bringing together top data scientists

Promoting the growth of Lumada business by combining technologies and expertise in data applications, and by building a positive spiral of R&D and business

Tokyo, Japan, March 30, 2020 --- Hitachi, Ltd. (TSE:6501, “Hitachi”) today announced that on April 1, it will establish the “Lumada^{*1} Data Science Lab. (“Data Science Lab.”)” within the Kyōsō-no-Mori^{*2} facilities at the Central Research Laboratory. This new organization will promote collaborations by bringing together about 100 of the top data scientists – including researchers in the fields of AI and data analytics, and engineers and consultants with a deep knowledge of OT (Operational Technology), which is essential to the application of advanced data science and technologies in work processes – and leveraging their individual skills and expertise. At the Data Science Lab., these data scientists will use flexible ideas to match technologies with work processes and quickly conduct verification tests, to create new services and technologies that respond to even more complex and advanced customer needs. Also, by incorporating diverse outside knowledge from the world’s most advanced customers, partners, and universities, which gather at Kyōsō-no-Mori, Hitachi will strive to further improve the value of services through open innovations. By establishing the Data Science Lab., Hitachi will build a positive spiral of R&D and business in the fields of AI and data analytics, and will foster top data scientists through practical activities involving data applications, expanding the facility’s staff to around 200 by FY2021.

*1 “Lumada” refers to solutions, services, and technologies that apply Hitachi’s cutting-edge digital technologies, to create value from the customers’ data and drive digital innovations.

*2 “Kyōsō-no-Mori,” a base for the collaborative creation of innovations, is located within Hitachi’s Central Research Laboratory in Kokubunji, Tokyo.

With the evolution of IoT (Internet of Things) technologies, data is being generated by businesses and society at an accelerating pace. Hitachi sees this data as a source of new value for business. Working together with customers in a variety of business fields, it undertakes the Social Innovation Business, striving to improve people’s QoL (Quality of Life) and increase corporate value. To achieve this goal, based on the concept of CPS (Cyber Physical Systems), Hitachi combines the technologies and expertise that it has cultivated through OT, IT (Information Technology), and products in a wide range of fields, and provides the results in the form of Lumada solutions. For example, using data from the front lines of manufacturing makes it possible to quantify and pass on

expert skills, and also contributes to improvements in quality and work efficiency, the optimization of production plans, and ensuring safety for workers. Hitachi creates those solutions based on a unique approach to data in the manufacturing industry and a deep understanding of the customers' business. In order to further expand the Lumada business in the future, it will be important to constantly monitor the latest trends in rapidly evolving digital technologies in the AI and data analytics fields, and find ways of applying those technologies in customers' business and in resolving social issues. As such, it has become necessary to further promote collaborations among advanced data scientists both in R&D and business.

Now, by establishing the Data Science Lab. and increasing the individual skills of researchers and engineers in the fields of AI and data analytics, and by promoting collaborations throughout the Group on a global scale, Hitachi will share those technologies and expertise, quickly providing solutions to the front lines of business and society.

The mission of the Data Science Lab. is as follows:

1. Strengthen collaborations among advanced and diverse data scientists

The top data scientists will be gathered in the Data Science Lab, including researchers with advanced skills in AI and data analytics, as well as Hitachi's outstanding engineers and consultants, who demonstrate not only expertise in data applications, but also knowledge and skills in OT and data analytics for quality management, which have been cultivated by Hitachi through extensive activities in supporting social infrastructures. These data scientists leverage their unique skills and expertise in seamlessly linking technologies from the R&D stage through to applications in business and society, thereby contributing to resolving advanced and complex issues. For example, by combining advanced AI and data analytics technologies with Hitachi's knowledge of OT and practical expertise in a broad range of fields, including railway systems, power plants, elevators and escalators, and construction machinery, it becomes possible to create services that reduce failure rates and improve operating efficiency, and to resolve social issues – including the maintenance of social infrastructures – while at the same time contributing to improving people's quality of life.

2. Accelerate open innovations

Since opening in April 2019, Kyōsō-no-Mori has initiated a variety of collaborative creation projects with customers and partners around the world. By establishing the Data Science Lab. within Kyōsō-no-Mori, Hitachi will actively accept interns and joint researchers from universities, advanced start-up companies, and partner companies

throughout the world, and will incorporate diverse knowledge in an open format, to create innovations and further increase the value of services.

3. Strengthen manpower hiring and training in the AI and analytics fields

As part of efforts to further expand the Lumada business, Hitachi is planning to increase the number of data scientists on staff to 3,000 by the end of FY2021, and also to strengthen training in these fields*³. Among those 3,000 data scientists, it will gather top specialists with a high level of knowledge not only in advanced data science, but also in OT, positioning the Data Science Lab. as a core organization in the fields of AI and analytics. Hitachi will further strengthen these top data scientists by providing the Data Science Lab. as a venue where diverse manpower can interact and challenge one another, promoting a positive spiral of R&D and business.

Furthermore, by joining the Data Science Lab. for a specified period of time, people wishing to become data scientists in the future – including Hitachi employees and those planning to join Hitachi – can acquire knowledge, skills and knowhow of OT as cutting-edge data scientists through collaborative creations in the Lumada business.

*3 Ref: News Release; June 21, 2018: "Accelerating the Development of Data Scientists for Further Expansion of Digital Solutions"
<https://www.hitachi.com/New/cnews/month/2018/06/180621.html>

Outline of the Lumada Data Science Lab

Location	Kyōsō-no-Mori, Central Research Laboratory, Hitachi, Ltd. (1-280 Higashi-Koigakubo, Kokubunji, Tokyo)
Director	Tatsuhiko Kagehiro, currently belongs to Media Intelligent Processing Research Department, Center for Technology Innovation - Digital Technology, Research & Development Group, Hitachi, Ltd.
Deputy Director	Kazuaki Tokunaga, currently belongs to AI Business Division, Services & Platforms Business Unit, Hitachi, Ltd.
Staff	About 100 members in FY2020. Total staff of 200 members in FY2021.
Missions	1. Accumulate and use expertise in advanced technologies and data applications, and knowledge of OT 2. Accelerate open innovations 3. Strengthen manpower training in the AI and analytics fields

About Kyōsō-no-Mori

Hitachi opened Kyōsō-no-Mori, an R&D base for accelerating the creation of innovations, within the Central Research Laboratory in Kokubunji City, Tokyo. Using open interactions and a “Collaborative Creation” approach, Kyōsō-no-Mori provides innovations by combining expertise and technologies to contribute to the realization of Society 5.0 and Sustainable Development Goals (SDGs).

Concept Movie of Kyōsō-no-Mori– On the Front Lines -

<https://www.youtube.com/watch?v=hyRWdlxouK4>

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>.

Inquiries:

Hitachi, Ltd. Lumada Data Science Lab Secretariat

Inquiry form (in Japanese): <https://www8.hitachi.co.jp/inquiry/hqrd/news/jp/form.jsp>

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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.
