

News Release

FOR IMMEDIATE RELEASE

**Established a New Company based on "Dejima" approach,
which Aims to Create New Industries with Technology
for Visualizing Happiness**

*Supporting New Organization Management and Work-Style Reform
in COVID-19 Pandemic, and Creating Businesses in New Fields*

Tokyo, Japan, June 29, 2020 --- Hitachi, Ltd. (TSE:6501, "Hitachi") today announced that Hitachi will commercialize its original technology for measuring well-being and utilize it to support new organization management and activation triggered by COVID-19 Pandemic, and will establish Happiness Planet Ltd. on July 20 with the aim of creating new happiness and well-being industries by utilizing quantified levels of well-being in various situations.

In recent years, the evolution of digital technology and the expansion of globalization is continuously changing the business environment. Particularly as more people are working from home and remotely due to COVID-19 pandemic, interest in happiness and health is growing globally, and it has become an important challenge for companies to improve well-being of employees which activates internal communication and becomes a source of productivity and creativity.

In order to contribute to solving this societal issue, Hitachi has developed technology to quantitatively measure people's sense of well-being by smartphones and wearable devices, and has developed a smartphone app called "Happiness Planet" that draws out positivity in employees. Through the open experiments, in which approximate 4,300 people from 83 companies have participated, Hitachi proved effectiveness of this app. Within Hitachi Group, this app is being used to support organization management and activation in working from home due to the spread of COVID-19, and we expect it to become a basic supporting tool for work style reform in the new era.

The new company is expanding its previous initiative, the app business. The app will quantify organizational vitality and help employees take positive actions to achieve companies mission in both office work and work from home. Furthermore, in collaboration with local governments and industries, the new company aims to create unprecedented new happiness and well-being industries, in which measured and visualized well-being levels are used in a variety of situations, including community development, nursing care, medical care, and housing selection.

In 2017, Hitachi established the Future Investment Division to increase its medium- to long-term growth opportunities and business creation activities by Hitachi's digital technologies which captures global and next generation trends. In order to expand these creation activities further and create an innovative happiness and well-being industries, the new company adopts "Dejima" approach advocated by Keidanren, which has both the agility of a venture with the advanced technology, and trust and sales channels of Hitachi. As a "Dejima" style company, with its high degree of independence and openness, the new company is able to quickly create collaborations with various companies. Specifically, Dentsu Inc. is working together as a partner to create a global "Happiness" movement. OTSUKA CORPORATION has already been using the app to energize its own employees and will collaborate in the creation of businesses that activate small and medium-sized businesses in Japan through using its network.

The new company will be managed by Kazuo Yano, Fellow of Hitachi, Ltd., who has driven the research, development and commercialization of AI/data applications and Happiness.

Statement by Kazuo Yano, Chairman of the Board and CEO, Happiness Planet, Ltd.

COVID-19 Pandemic has brought society to a major tipping point, and people around the world are beginning to question the meaning of business and work as they seek their primary purpose in life: happiness. We have moved from an era in which people were satisfied with material wealth to an era in which the importance of empathy and altruism is being reaffirmed, and we are reexamining our own mission and purpose in life. Through the new company, I will contribute to create a new society focusing on human well-being by scientific approaches, working with a wide variety of people.

Statement by Toshiaki Higashihara, Representative Executive Officer, President & CEO, Hitachi, Ltd.

I am very pleased that Hitachi's Happiness technology, which contributes to improving people's well-being, will be commercialized by the new company and will be available to even more customers in the future. I am convinced that this technology visualizing the happiness of users will help enhance organization management. By examining the correlation between team well-being and operational efficiency in work from home, we expect the app to be a powerful management support tool to improve operational efficiency. By fully utilizing Hitachi's expertise and human resources to rapidly create innovative new businesses, we will improve the quality of life for people around the

world and contribute to improving social, environmental, and economic values.

Outline of Happiness Planet, Ltd.

Name	Happiness Planet, Ltd.
Established Date	July 20, 2020
Location	Kyōsō-no-Mori, Central Research Laboratory, Hitachi, Ltd. (1-280 Higashi-Koigakubo, Kokubunji, Tokyo)
CEO	Kazuo Yano
Business	Happiness and well-being service business for supporting organization management including SaaS-type services
Capital	Approximate 1 billion yen
Stockholder	Hitachi, Ltd. etc.

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>.

Inquiries:

Happiness Planet, Ltd..

Inquiry form (in Japanese): <https://happiness-planet.org/contact/>

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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.
