

News Release

Hitachi Rail to acquire railway technology firm Perpetuum to accelerate UK digitisation strategy

- Japanese mobility firm to purchase UK technology company in move to advance and digitise its global train maintenance programme
- Perpetuum's technology could cut delays and improve reliability of thousands of passenger services across the world
- Southampton-based firm, including all 73 staff, to be integrated within Hitachi's railway business of more than 12,000 employees across 38 countries

Hitachi Rail Ltd has announced today that it has agreed to acquire Perpetuum, a technology firm that is pioneering digital technology to optimise railway operations, offering improved efficiency, safety and quality of service.

The move supports Hitachi Rail's vision to provide superior transport solutions by using digital technology designed to improve the reliability of thousands of passenger services across the globe, including the 276 Hitachi-built trains running across the UK network today.

Perpetuum's product utilises wireless condition monitoring to spot faults and have them fixed before they delay passengers' journeys. In fact, none of the 3,000 carriages that are fitted with Perpetuum sensors have ever had critical components fail in service.

Once they are installed on trains, Perpetuum's self-powering digital sensors detect on-board vibrations and send back real-time data about the performance of critical train parts – e.g. wheel sets, gearboxes, motors or bogies – faster and more accurately than traditional condition-monitoring approaches.

Combining this information with artificial intelligence-led analytical tools means that:

- potential faults are identified and fixed before they impact services – meaning passengers enjoy more reliable and punctual journeys;
- critical parts on trains are replaced exactly when they need to be, which increases their lifespan by more than 25%, cuts costs and protects the environment;
- maintenance needed by the trains can be reduced, increasing availability to provide reliable and efficient passenger services

The Southampton-based business already has blue-chip customers across three continents including a number of UK train operating companies.

Its future inclusion as a Hitachi group company will create new opportunities to fit self-powered sensors to the hundreds of trains already serviced around the world by the wider mobility business. Hitachi's global transportation portfolio is unique in offering full service solutions for passenger and freight operators globally; from driverless metros, to high-speed bullet trains and signalling solutions – all to ensure

an integrated and optimised railway operation. Service and maintenance is key to this fully integrated offering and will complement and develop solutions already in place for customers.

The acquisition will further support Hitachi, Ltd.'s strategy of investing in digital and data-driven ways solve complex customer challenges – in line with Hitachi's Lumada platform. There is also the potential for Perpetuum's products to go beyond wheelsets and bogies to provide actionable information wherever it is generated on the train.

Andrew Barr, Group CEO, Hitachi Rail said: "The inclusion of one of the most exciting, pioneering companies in digital asset management is an exciting development for our global mobility business.

"Perpetuum's data-driven insights will offer further improvements to the service we provide to our customers – leading to better journeys for passengers. It also supports Hitachi's growth in the digital technologies space, which is becoming increasingly key to our offering – adding value to support our global customer base."

Steve Turley, CEO, Perpetuum said: "We are very excited to launch this next stage for Perpetuum after the success it has had since entering the railway market less than ten years ago.

"Being part of Hitachi will present vital opportunities that only a global transport giant can offer. We look forward to better supporting our existing and new customers in the future."

Hitachi's moves marks further direct investment into the UK – at time when the British and Japanese governments are negotiating a free trade agreement. It also follows an £8.5m investment into constructing a new welding and painting facility at its Newton Aycliffe train manufacturing facility.

The transaction will be subject to relevant anti-trust clearance being obtained. Closing is expected in the autumn of 2020.

About Hitachi Rail

Hitachi Rail is a fully integrated, global provider of rail solutions across rolling stock, signalling, service & maintenance, digital technology and turnkey. With a presence in 38 countries, across six continents and over 12,000 employees, our mission is to contribute to society through the continuous development of superior rail transport solutions. We are proud of our global achievements, from our world famous 'bullet trains', to our signalling solutions and turnkey projects, state of the-art traffic management and digital solutions. Drawing on the wider Hitachi Group's market-leading technology and research-and-development capabilities, we strive for industry leading innovations and solutions that can deliver value for customers and sustainable railway systems that benefit wider society. For information about Hitachi Rail, visit www.hitachirail.com.

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