

News Release

FOR IMMEDIATE RELEASE

Establishment of a Joint Venture to Provide Shared Factory (Smart Factory) Service in Thailand

TOKYO, Japan, July 13, 2018 — Hitachi High-Technologies Corporation (TSE: 8036, Hitachi High-Tech) announced that its wholly owned subsidiary, Hitachi High-Technologies (Singapore) Pte. Ltd. (HTS) and Thailand's largest industrial cities and smart cities developer Amata Corporation Public Company Limited (Amata) have jointly established Hitachi High-Tech Amata Smart Services Co., Ltd. (HTAS) and launched a full-line of shared factory services leveraging smart factory technology.

With rapid globalization and trend on Industrial 4.0, many companies are expanding their businesses overseas, which requires them to procure high quality material overseas and build competitive supply chains. Hitachi High-Tech has verified the viability of a new business model of supporting overseas expansion of Japanese small and medium-sized enterprises through the "Field Trial of Shared Factory in Thailand Project" selected in October 2017 under the "Project for Nurturing New Industries in ASEAN and Japan" supported by the Japan External Trade Organization (JETRO).

Based on the verification result of the trial project, Hitachi High-Tech has jointly established HTAS with Amata to conduct shared factory operations such as factory infrastructure preparation, materials procurement, personnel recruitment, and administration operations. This will enable Japanese companies to minimize the resources required for overseas expansion by making use of shared factories.

Amata has a customer network extending to over 1,300 international customers with 60% majority Japanese companies, to whom it provides industrial land and full suite of industrial value-added services and solutions. Meanwhile, as an industrial materials specialist, Hitachi High-Tech will provide a full value chain (FVC) that spans from planning and development through to procurement, manufacturing, sales, and service, as well as business operation expertise. The collaboration between the two companies is expected to generate significant synergies for expanding the Service. Looking ahead, the two companies will develop the Service globally, starting in Asian countries, and will expand collaboration with customers and local partners to promote the creation of new business models for near market production.

Hitachi High-Tech engages strategically in the provision of FVC that leverage its accumulated sales and procurement capabilities and will continue to focus on collaboration with public organizations and local business partners with a view to developing the FVC business in every field. Hitachi High-Tech will contribute to economic exchange and development.

【Overview of the Shared Factory (Smart Factory) Business】

In the shared factory business, the Hitachi High-Tech Group prepares factories with the necessary environment for overseas production, including infrastructure, material procurement, and personnel recruitment and training. These factories are then shared among multiple Japanese small and medium-sized enterprises, minimizing the resources required for their overseas expansion and thereby supporting their expansion.

The introduction of advanced IoT technologies, such as the latest multi-perspective cameras and high-resolution image compression systems, enables remote monitoring from Japan, so that client companies can view production status and test data for production and quality management, and provide guidance to people in charge in real time. This opens the way for local production of products at Japanese quality levels, which enables local production of cost-competitive products. Moreover, in addition to support for local materials procurement, Hitachi High-Tech will provide peripheral services for manufacturing such as sales and back-office operations.

【Overview of HTAS】

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| Name | Hitachi High-Tech Amata Smart Services Co., Ltd. |
| Location | Amata City Chonburi Province, Thailand |
| Representative | Shigeaki Kikuchi |
| Business | Provision of various services for manufacturing operations and related businesses |
| No. of employees | 5 |
| Establishment | June 11, 2018 |
| Paid-in capital | 40 million Baht |
| Shareholding ratio | Hitachi High-Tech Group:75% Amata Corporation Public Company Limited:25% |

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