

News Release

FOR IMMEDIATE RELEASE

Contacts:

Malaysia: Jasmine Tham
Hitachi Sunway Information Systems Sdn. Bhd.
+60-3-56398549
jasminet@hitachi-sunway-is.com

Japan: Osamu Sugiyama
Hitachi Systems, Ltd.
+81-3-5435-5002
press.we@ml.hitachi-systems.com

Hitachi Systems and Sunway Technology to Acquire Malaysia's IT companies for Further Business Expansion

Bolstering DC-Related Business in Southeast Asia

Tokyo, Japan and Petaling Jaya, Malaysia – July 30, 2014 – Hitachi Systems, Ltd. (“Hitachi Systems”), a wholly owned subsidiary of Hitachi, Ltd. (TSE: 6501), and Sunway Technology Sdn Bhd (“Sunway Technology”), a Malaysia-based IT solution provider, today announced that their joint venture, Hitachi Sunway Information Systems Sdn. Bhd. (“Hitachi Sunway”) will acquire equity stakes in two Malaysian IT companies to bolster the IT services business in Malaysia and other parts of Southeast Asia. Hitachi Sunway will acquire Free Net Business Solutions Sdn Bhd (“FREENET”), a Malaysian IT services company, making it a consolidated subsidiary, and will also acquire a 30% stake in Powerware Systems Sdn Bhd (“PWS”). To facilitate these acquisitions, Hitachi Systems and Sunway Technology will increase their investment in Hitachi Sunway.

Demand for IT services, not only for local enterprises but also for Japanese and other foreign companies that have launched operations in the region, is growing rapidly in step with Southeast Asian significant economic growth. Particularly in Malaysia, since electric power, water supply and other social infrastructure are being developed, a large number of manufacturing companies have already developed local operations. The country is also considered a promising data center location, given its proximity to Singapore, home to a large number of global financial institutions. For those reasons, demand for data center (DC) services in this region is growing very rapidly.

Hitachi Sunway is the first joint venture set up in Southeast Asia by Hitachi Systems, as part of its business development in the ASEAN region. Headquartered in Malaysia, with subsidiaries in Singapore, Thailand, the Philippines, Indonesia and Vietnam, Hitachi Sunway has achieved steady growth since its launch, and has aspired to strengthen its DC services business as a means to expand its IT services business.

Given these circumstances, Hitachi Systems and Sunway Technology have decided to make an additional investment in Hitachi Sunway to execute acquisition and business collaboration, accelerating its expansion with a full-scale DC services business in Southeast Asia. Specifically, Hitachi Sunway will acquire FREENET, a Malaysia-based company that provides data center managed services, as its consolidated group company. It will also invest in Malaysia's PWS, which focuses on data center consultancy, design and construction, participating in its business and management.

After its acquisition and investment and business partnerships, Hitachi Sunway will be able to provide one-stop data center services from consultancy, design and construction, project and operation to management and maintenance. In addition, Hitachi Sunway is planning to open a new data center in Malaysia this autumn. The data center is being designed and constructed by PWS and will be operated by Hitachi Sunway.

The Hitachi Systems Group is pursuing a number of measures with a view to achieving a net sales target of 500 billion yen and an overseas sales ratio target of 10% for fiscal 2015, as set out in its medium-term management plan. The acquisition and the investment and business partnership strengthen and expand its global business and will help it attain its targets.

■Comment from Cheah Kok Hoong,

Group CEO / Director of Hitachi Sunway Information Systems

Hitachi Sunway intends to be the next powerhouse player in SEA's data center sector. The two strategic acquisitions will allow us to fulfill the strong demands for regional data center services as the Cloud Computing trend experiences continued growth throughout the IT markets. By offering comprehensive data center services, Cloud infrastructures and solutions, Hitachi Sunway is set to support multinational customers, especially Japanese-oriented businesses looking to expand their businesses in SEA.

■ **Comment from Satoshi Okuide,**

Vice President and Executive Officer / Director of Hitachi Systems

Since its establishment in April 2013, Hitachi Sunway has been steadily expanding its business as Hitachi Systems' subsidiary in Southeast Asia. I am delighted that FREENET will join the Hitachi Sunway group, and that we will invest in PWS and partner for the further expansion of DC businesses.

Southeast Asian economics have been growing impressively. Accordingly, needs for IT services, especially demands for reliable DC services, are increasing among local firms and Japanese and other foreign companies. Hitachi Systems, through Hitachi Sunway group, will provide one-stop IT solutions and services including DC services to contribute the further development of ASEAN countries.

■ **Comment from Tan Sri Dr Jeffrey Cheah, AO**

the main shareholder of Sunway Technology

We are pleased to see the joint venture between Sunway Technology and Hitachi Systems is expanding rapidly in the SEA markets. Today, this collaboration has moved to the next level, whereby we can extend our system integration (SI) expertise to support customer demand for large IT infrastructure developments.

■ **Comment from BILLY LEE KOK CHI,**

CEO of Free Net Business Solutions Sdn Bhd

FREENET has accumulated a track record of DC-related services such as IT outsourcing services, a network service and managed services in Malaysia.

By becoming a member of the Hitachi Sunway group, we believe our service and know-how will create new value in Hitachi Sunway's IT services, and we expect the new value to be widely deployed in Malaysia and throughout Southeast Asia.

■ **Comment from Ong Chin Seong, Chairman of Powerware Systems Sdn Bhd**

We are excited with Hitachi Sunway's investment in PWS. By fusing our strength and capabilities in DC consultancy, design, construction, project management and migration services and our state-of-the-art technology with Hitachi Sunway's extensive range of IT services, technologies and business networks, we will be able to reach out to more businesses in Malaysia and all over ASEAN countries and the Middle East. Furthermore, we would like to contribute positively in the provision of services to Japanese companies including the Hitachi Group, when they expand their businesses.

FREENET Overview (As of July 30, 2014)

Company Name	Free Net Business Solutions Sdn Bhd
Headquarters	Unit 15-4, Block F1, Jalan PJU 1/42, Dataran Prima 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia
URL	http://www.fnbs.net
Representative	BILLY LEE KOK CHI (CEO)
Capital	RM2,333,250
Business lines	<ul style="list-style-type: none">• Data Center Services• Service Desk Services• Managed Services• Network Services• Business Continuity Services• IT Solutions Services
Employees	37

PWS Overview (As of July 30, 2014)

Company Name	Powerware Systems Sdn Bhd
Headquarters	12J, Jalan Tandang, Seksyen 51, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia
URL	http://www.pws.my/
Representative	Mr. Ong Chin Seong (Chairman)
Capital	RM800,000
Business lines	Data Centre Consultancy, Design & Construction, Project Management & Professional Services
Employees	62

About Hitachi Sunway Information Systems Sdn. Bhd.

Established in April 2013, Hitachi Sunway Information Systems is a joint venture (JV) company of Hitachi Systems, Ltd. and Sunway Technology - to provide IT services in Malaysia and Southeast Asia. Its core offerings include applications (ERP, Cloud ERP & CRM), engineering solutions (PLM) and infrastructure & managed services (Systems & Storage, End-to-End Virtualization Solutions, Data Management/Storage, High Availability/Disaster Recovery, ITO Managed Services, Infra/Cloud Security, Data Center Outsourcing & Cloud Services). The company has established

partnerships with leading global technologies provider such as Siemens, Spring Technologies, Oracle, Netsuite, VMware, Trend Micro, NetApp, Symantec, Dell, Commvault and Citrix. Our list of clientele come from various industries, namely Insurance & Financial Services, Automotive, Manufacturing & Distribution, and Construction & Engineering. Headquartered in Malaysia, we also have offices in Singapore, Thailand, Indonesia, the Philippines & Vietnam.

For details: <http://www.hitachi-sunway-is.com/>

About Hitachi Systems, Ltd.

Hitachi Systems, Ltd. is an IT services company with strengths in high-quality operations and maintenance services. Hitachi Systems works closely with customers through a network of roughly 300 service sites and contact centers across Japan, through which it offers a wide range of business system design and integration services, as well as outsourcing services that take advantage of its robust data center infrastructure. A leader since the dawn of the IT era in Japan, Hitachi Systems leverages a track record and expertise in IT services to offer one-stop services covering the entire IT life cycle—from system consulting to integration, installation, operation and maintenance. Hitachi Systems also pushes beyond the boundaries of IT to create new value for customers, with the aim of becoming a global service company to which customers can entrust any operation.

For details: <http://www.hitachi-systems.com/eng/>

About Sunway Technology Sdn Bhd

Established in 1984, Sunway Technology encompasses a group of IT companies in Malaysia and Southeast Asia, each with its specific competencies and focus. Together, the group is recognized as the preferred end-to-end IT solutions provider. Sunway Technology is proud to be among the 3 recipients from Malaysia to receive MIS Asia's Strategic 100 IT Vendors of Asia – Regional 20 award. Leveraging each company's specific competencies, Sunway Technology has close to 3 decades of experience implementing and supporting global technologies and is currently operating in Malaysia, Singapore, Thailand, Indonesia and the Philippines. The group is committed to helping customers create value through proven and innovative IT solutions.

For details: <http://www.sunway.com.my/sunwaytech>

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, delivers innovations that answer society's challenges with our talented team and proven experience in global markets. The company's consolidated revenues for fiscal 2013 (ended March 31, 2014) totaled 9,616 billion yen (\$93.4 billion). Hitachi is focusing more than ever on the Social Innovation Business, which includes infrastructure systems, information & telecommunication systems, power systems, construction machinery, high functional materials & components, automotive systems, healthcare and others. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

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