

News Release

For Immediate Release

HITACHI ASTEMO SEES SWEEPING CHANGES IN MANUFACTURING ON HORIZON

- *Covid pandemic, work-habit changes and supply-chain problems are accelerating a global move to more data-driven production processes.*
- *Hitachi Astemo's Sudhanshu Gaur predicts a major move to fully data-driven production processes in keynote speech at The Assembly Show.*

ROSEMONT, III. – Robotics, artificial intelligence and other data-driven technologies are bringing sweeping changes to manufacturing plants around the world.

Sudhanshu Gaur, Hitachi America vice president and chief architect – Smart Manufacturing at Hitachi Astemo, said the global pandemic, changes in work habits and recent supply chain problems are speeding a move to data-driven production processes supported by machine learning, artificial intelligence, time-sensitive networking and collaborative robotics.

“We are standing at the cusp of a fourth industrial revolution driven by exponential growth in IT technologies,” Gaur said. “There is a great opportunity for manufacturers to embrace these changes and unlock greater business value while bringing more flexibility and resiliency into their operations.”

Gaur is responsible for the digital transformation of Hitachi Astemo's global manufacturing operations to improve overall productivity and ensure the company's continued leadership in the pursuit of an Industry 4.0 vision. He recently was named one of the top 25 leaders in the transformation of manufacturing by the Society of Manufacturing Engineers.

The keynote speaker this week at The Assembly Show at the Donald E. Stephens Convention Center in the Chicago suburb of Rosemont, Gaur predicted that manufacturing operations at Hitachi Astemo's nearly 140 manufacturing plants around the world would benefit from access to Astemo's Global IoT (Internet of Things) platform and services within the next four years.

During his keynote address on “Smart Manufacturing – Today and Tomorrow” on Wednesday, Oct. 27, Gaur said Hitachi Astemo envisions digital platforms that connect all aspects of manufacturing operations, including production, engineering, quality, inventory and supply-chain management.

He noted that digital platforms introduce additional flexibility into the production process and allow companies to more quickly deal with disruptions due to VUCA – volatility, uncertainty, complexity and ambiguity.

“Fully automated plants are more efficient, but they also pose risks since tightly linked systems generally aren’t designed to handle unpredictability, complex situations and rare events,” he explained. “We think a gradual adoption of advanced digital technologies is the best way forward, bringing necessary automation where needed, while ‘upskilling’ the workforce to manage and leverage these complex systems.”

The changeover to a digital platform will come with a price tag, although future savings will be substantial. Although costs will vary depending on location and a variety of other factors, Gaur estimated that the cost for a data-driven system at a medium-size U.S. manufacturing plant with 1,000 employees and annual sales of 200 million dollars might total \$20,000 in one-time implementation charges with annual running costs of \$60,000 or more.

The Hitachi executive added that the cost for a much larger global enterprise with about 100 plants, 60,000 employees and annual sales of 10 billion dollars to implement a fully digital platform could total one million dollars or more in one-time charges with more than three million dollars in annual running costs.

He noted that the successful implementation of smart manufacturing strategies will involve different layers of the Industrial Internet of Things (IIoT), including fog computing and edge intelligence, as well as 5G and cloud computing.

Hitachi Astemo is a global automotive technology company formed by the recent merger of Hitachi Automotive Systems with Honda’s Keihin, Showa and Nissin groups. Hitachi holds a 66.6 share of voting rights in the company with Honda holding the remaining 33.4 percent. The newly created company has 90,000 employees and leadership positions in a wide range of product areas including AD/ADAS, software, powertrain systems, chassis systems and motorcycle systems.

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About Hitachi Astemo Americas, Inc.

Hitachi Astemo Americas, Inc. manufactures and markets engine management, electric powertrain and integrated vehicle controls for major automotive manufacturers worldwide, adhering to ISO/TS:16949:2009 industry standards. For more Hitachi Astemo corporate information, please visit www.hitachiastemo.com. Additional product information is available at www.hitachiastemo.com/en/products/.

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