

# News Release

FOR IMMEDIATE RELEASE

## **Reorganization of North American Group Companies for Expanding Global Managed Services**

*Accelerating the Provision of Security Services with High Added Value and Expanding Our Business in North America, Europe, and India*

**TOKYO, Japan --- September 1, 2022 ---** Hitachi Systems, Ltd. ("Hitachi Systems"), a wholly owned subsidiary of Hitachi, Ltd. (TSE: 6501), today announced that Cumulus Systems Inc. ("Cumulus Systems") and Hitachi Systems Security Inc. ("Hitachi Systems Security"), its group companies in North America, will be reorganized in order to strengthen managed services (superior security services, advanced performance analytics services, etc.) for global markets, with the objective of further expanding global businesses.

### ■ **Reorganization of North American Group Companies**

Effective October 1, Cumulus Systems will change its corporate name to Hitachi Systems Trusted Cyber Management Inc. ("Hitachi Systems TCM") and will take Hitachi Systems Security as its subsidiary. Furthermore, Hitachi Systems TCM will acquire Hitachi Systems Security USA, Inc. through an absorption-type merger.

As a result, Hitachi Systems TCM will take Hitachi Systems Security, a security service company in Canada, and Cumulus Systems Private Ltd., a development company in India, as its subsidiaries, promoting a managed security service business strategy that utilizes the experience and technology of both companies.

### ■ **Executive Structure for Hitachi Systems TCM**

With this reorganization, the group companies responsible for the security business will participate in the management of Hitachi Systems TCM to strengthen its executive structure and globally expand our managed security service business.

Hitachi Systems TCM will appoint Scott Wiebe as CEO. Scott Wiebe is the current CEO and CFO of Cumulus Systems, a world-class engineering company that has evolved performance analytics technology since 2006. In addition, Anthony Subero, current CEO of Hitachi Systems Security, which has been providing security and privacy services in North America and Europe since 1999, will be concurrently appointed as COO. Also, Motoaki Yamamura, current Vice President of Secure Brain Corporation, a Japanese company which has been providing cutting-edge technology specializing in cyber security since 2004, will be concurrently appointed as CSO.

### ■ **Goal of the Reorganization and Future Direction**

On April 1 of this year, Hitachi, Ltd. established Hitachi Digital LLC ("Hitachi Digital")<sup>\*1</sup> based in North America, an area where the digital market is growing rapidly. Hitachi

Digital will take the lead in establishing and executing a digital strategy across the Hitachi Group and aims to maximize synergy with other sectors in Hitachi to accelerate the expansion of the Lumada<sup>\*2</sup> business for the entire Hitachi Group.

Under Hitachi's digital strategies, Hitachi Systems TCM will combine the technical skills of Cumulus Systems with the security technology and experience of Hitachi Systems Security to enhance the security service platform. With this enhancement, we will:

- develop pro-active security monitoring services which detect and report cyber risks before they become threats,
- pursue more sophisticated threat intelligence, and
- continue conventional security monitoring services which detect threats.

By doing so, we will create new security services that can increase the value for customers and expand our business into North America and Europe. Furthermore, Hitachi Systems TCM will improve its SOC (Security Operations Center) in India as well as its ability to provide security professional services to aim to establish its status as a top global security vendor.

In addition, Hitachi Systems considers India to be a strategic area for expanding global business. Hitachi Systems TCM will work in collaboration with Hitachi Systems India Pvt Ltd ("Hitachi Systems India"), utilizing their vast experience in the Indian market, their advanced technological expertise, and the comprehensive strength of the Hitachi Group, the global technology leader, in order to deliver the expertise required to manage a range of digital ecosystems from cable to cloud and deliver advanced security services.

\*1 Hitachi Digital LLC was renamed from Hitachi Global Digital Holdings LLC, expanding the role and functions of Hitachi Global Digital Holdings, a corporate organization that had previously overseen the digital business of the IT sector.

\*2 Lumada is the name of Hitachi's advanced digital solutions and services for turning data into insights that drive digital transformation of social infrastructure.

**Comment by Jun Taniguchi, CEO of Hitachi Digital**

In North America and the rest of the global market, the demand for DX in social infrastructure fields such as energy, transportation, and industrial fields is expected to increase. Security is a very important field for us to commercialize strategic themes across the Hitachi Group and to create and provide customers with innovative value through OT x IT x Products. Hitachi Digital will strongly collaborate with the newly launched Hitachi Systems TCM to globally expand its Lumada business.

**Comment by Scott Wiebe, CEO and CFO of Cumulus Systems**

Cumulus Systems has continuously created value for its customers by building a world-class engineering team with a focus on performance analytics tools, software engineering, and professional services. We have applied this value to Hitachi Systems Security over the past several years by providing security engineering services and security services operation. By combining the two entities into Hitachi Systems TCM, we will continue to capitalize on the convergence of technology, knowledge, and process, and we are looking forward to providing enhanced value to our customers in North America, Europe, India, and Japan.

**Comment by Anthony Subero, CEO of Hitachi Systems Security**

With this reorganization, we will provide our customers high levels of availability and reliability for their critical business systems, through the adoption of proven cybersecurity, privacy, and performance analytics tools/solutions.

The true strength of this merger, however, lies in bringing together a cadre of globally experienced and professional experts, that can bring enhanced value to staff and global clients. I am indeed excited about the future!

**Comment by Anuj Gupta, CEO of Hitachi Systems India**

Hitachi, Ltd. has designated India as an important region in its global strategy owing to the rapid growth of the IT services industry in India. Hitachi Systems, a core company in the Hitachi Group's information and telecommunication systems business, has been actively promoting initiatives centered on Hitachi Systems India to secure its IT service business foundation and expand its business in India. Our key focus is on security and services business domains, in addition to our conventional sales of products and maintenance services. We are excited to welcome Hitachi Systems TCM's advanced security services to our portfolio. Hitachi Systems India will contribute to not only its huge customer base with the best of its services but also to the Indian government and other companies undergoing rapid growth.

**Overview of Hitachi Systems TCM (as of October 1, 2022)**

Corporate Name	Hitachi Systems Trusted Cyber Management Inc.
Established	2006
Head Office	California, USA
Group Companies	Cumulus Systems Private Ltd. (India) Hitachi Systems Security Inc. (Canada)
URL	<a href="https://hitachi-systems-tcm.com">https://hitachi-systems-tcm.com</a> (planned for use starting October 1)
Main Management Executives	Executive Chairman: Shin Kuno (*1), CEO: Scott Wiebe, COO: Anthony Subero (*2), CSO: Motoaki Yamamura (*3), etc.  (*1) Seconded from Business Cloud Services Group, Hitachi Systems, Ltd. (*2) CEO of Hitachi Systems Security. Concurrently serves as the COO of Hitachi Systems TCM (*3) Vice President of SecureBrain Corporation. Concurrently serves as the CSO of Hitachi Systems TCM
Business Description	<ul style="list-style-type: none"> <li>• Managed security service business</li> <li>• Security consulting business</li> <li>• Sale of platform performance analysis tools and provision of analysis services</li> <li>• Commissioned software development</li> </ul>
Number of Employees	Approx. 260 (consolidated)
Capital Structure	Hitachi Systems: 100%

**Overview of Cumulus Systems (as of September 1, 2022)**

Corporate Name	Cumulus Systems Incorporated
Established	2006
Head Office	California, USA
Group Company	Cumulus Systems Private Ltd. (India)
URL	<a href="http://www.cumulus-systems.com">http://www.cumulus-systems.com</a>
Representative	CEO and CFO: Scott Wiebe
Number of Employees	Approx. 160 (consolidated)
Business Description	<ul style="list-style-type: none"> <li>· Sale of platform performance analysis tools and provision of analysis services</li> <li>· Commissioned software development</li> </ul>
Capital Structure	Hitachi Systems: 100%

**Overview of Hitachi Systems Security (as of September 1, 2022)**

Corporate Name	Hitachi Systems Security Inc.
Established	1999
Head Office	Quebec, Canada
Group Companies	Hitachi Systems Security USA, Inc. (USA) Hitachi Systems Security Europe SA (Switzerland)
URL	<a href="https://hitachi-systems-security.com">https://hitachi-systems-security.com</a>
Representative	CEO: Anthony Subero
Number of Employees	Approx. 100 (consolidated)
Business Description	<ul style="list-style-type: none"> <li>· Managed security service business</li> <li>· Security consulting business</li> </ul>
Capital Structure	Hitachi Systems: 100%

### **About Hitachi Systems**

Hitachi Systems is a leading IT service provider specializing in developing and implementing business systems for customers of diverse sectors and sizes. We also operate, monitor, and maintain those systems by using a multi-tiered service infrastructure comprising data centers, network and security operations centers, contact centers, and a nationwide network of around 300 service sites. Hitachi Systems assists customers with their digital transformation needs and works with them in creating new value by delivering unique services that leverage our diverse human capital and advanced IT solutions. We strive to become a global service company that earns the complete trust of customers.

For more details, please refer to <https://www.hitachi-systems.com/eng/>

### **About Cumulus Systems**

Cumulus Systems is a company in the USA specializing in the development and sale of tools for analyzing the performance of platforms including various operating systems, virtual environments, and storage. They became a Hitachi Systems group company in 2012. They have a highly-skilled development subsidiary, Cumulus Systems Private Ltd., in India. Not only are they engaged in the sale of performance analysis tools for hardware manufacturers and system integrators on the global market, they also provide software development services leveraging their technical skills. In recent years, they have also become involved in the security monitoring services provided by Hitachi Systems Security.

For more details, please refer to <http://www.cumulus-systems.com/>

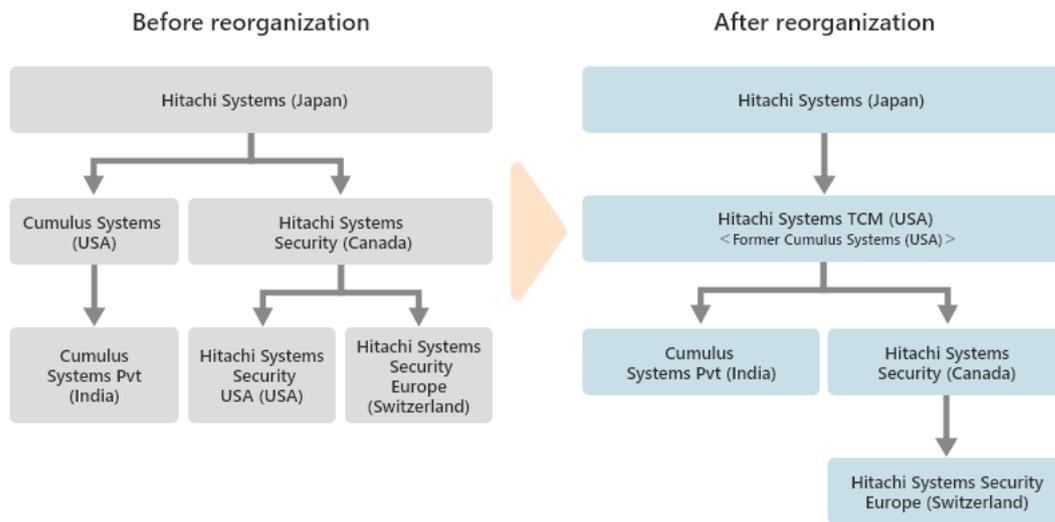
### **About Hitachi Systems Security**

Hitachi Systems Security is a company in Canada specializing in security technology. They became a Hitachi Systems group company in 2015. With SOCs (Security Operations Centers) in Canada and Switzerland, they provide managed security services for monitoring security risks to customer systems as well as security consulting services including security risk vulnerability diagnoses and privacy regulation support, primarily in North America and Europe.

For more details, please refer to <https://hitachi-systems-security.com/>

\* Company names and product names included in this information are the trademarks and registered trademarks of each company.

## Supplementary Information



\* Hitachi Systems Security USA will be acquired by Hitachi Systems TCM through an absorption-type merger.