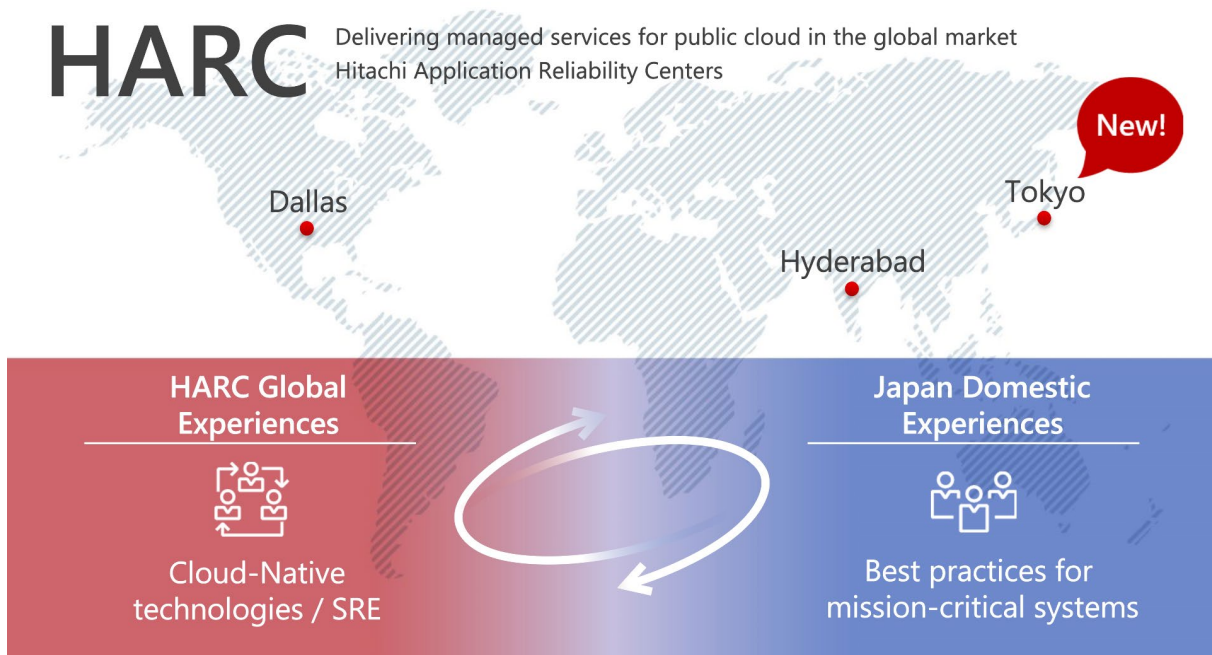


# News Release

FOR IMMEDIATE RELEASE

## Hitachi launches “Hitachi Application Reliability Centers Service” in Japan to enable cloud-native operations to drive both agility and reliability

*Deploy managed services in Japan based on SRE methodologies adopted by many leading global companies*



Features of HARC Service

**Tokyo, Japan, June 8, 2023** – Hitachi, Ltd. (President & CEO: Keiji Kojima, "Hitachi") will launch the Hitachi Application Reliability Centers Service (HARC Service) in Japan on June 30, which supports both agility and reliability, security enhancement, and cloud cost optimization based on the SRE (Site Reliability Engineering)<sup>\*1</sup> methodology, which promotes automation of system operations.

HARC Service is a cloud-based managed service that improves visibility and automation of the entire cloud operating model with ongoing support by software engineers with expertise in SRE using various tools.

Hitachi Vantara, a subsidiary of Hitachi in the United States, has been providing the HARC Service globally and has a proven track record of implementation with customers in the manufacturing industry, including Johnson Controls, as well as financial institutions and retail distribution companies. Hitachi will work with Hitachi Vantara to free customers' operations teams from siloed and complicated cloud workloads, improve overall reliability, and speed up release cycles of their cloud applications.

In addition, the service will incorporate best practices that Hitachi has developed in Japan through multiple experiences in the migration of mission-critical systems to the cloud and operational enhancements. It will also address various needs for cloud utilization, including

modernization and multi-cloud operations. This will fundamentally change cloud operations and contribute to the realization of digital transformation (DX) for customers.

\*1 A methodology for system operations and service management to effectively increase reliability, resilience, and security while leveraging system agility through DevOps practices that collapse silos between development and operations teams and the use of software engineering method.

## Background

Many companies, both Japan domestic and international, are actively promoting the use of public cloud as part of their DX efforts, but the burden of cloud operations continues to increase since many organizations are siloed and each department or each operations team has their own cloud services. Also, operations teams are busy troubleshooting, and the traditional way of operating is reaching its limit, which is leading to an increased number of issues regarding system reliability and security. Additionally, the lack of visibility into cloud usage is contributing more than expected to growing cloud costs. To combat this trend, Hitachi Vantara has opened two locations for dedicated teams in Hyderabad, India in June 2022 and Dallas, Texas, US in September 2022<sup>\*2</sup>, to provide the HARC Service that supports cloud migration, modernization, and cloud application operations for customers' systems around the world on all cloud platforms, including Amazon Web Services, Microsoft Azure, and Google Cloud.

Today, Hitachi announces the launch of the HARC Service in Japan. This will be a combination of advanced technology in global and Japan's experiences and best practices in the Japan market.

\*2 September 12, 2022 news release, "Hitachi Vantara Opens Application Reliability Center in Dallas".

<https://www.hitachivantara.com/en-us/news/in-the-press/2022/gl220912.html>

## Features of the Service

### 1. A dedicated team of SRE experts to support cloud application operations

The HARC Service brings together domain knowledge, technology, and experiences for SRE, which we have built up through advanced global case studies and initiatives to support customers in transforming their cloud application operations. Specifically, Hitachi will score the current state of cloud operations in terms of reliability and security using Hitachi's unique evaluation index based on SRE, using it to identify gaps between the current state and the desired state, and to propose a roadmap for improvement. In addition to system design and operational support, the company also provides ongoing support from various perspectives including the development of guidelines for cloud-based operations and security, the development of human resources, and support building organizations for SRE within customers. For example, we will promote the following operational improvements in stages to achieve both agility and reliability.

- Automation of toil work<sup>\*3</sup> by software engineering
- Real-time monitoring of system/service status by introducing observability
- Prediction/prevention of incidents using AIOps<sup>\*4</sup>
- Continuous operational improvement loop through backlog<sup>\*5</sup> sharing, including development teams
- Building a SRE system to support DevSecOps<sup>\*6</sup>

\*3 Routine operational work by repetitive manual work

\*4 An approach that applies AI (Artificial Intelligence) to IT operations. It aims to make IT operations more autonomous by applying the analysis results of machine learning and analysis algorithms to IT operations.

\*5 A list of items to be addressed by the development team to improve reliability

\*6 A method to implement system development quickly and stably while ensuring security by adding security efforts to DevOps, a method of software development and system operation that improves system development speed and stability of operation through close collaboration between system development and operation teams.

## 2. End-to-end continuous cloud cost management and optimization

HARC Service supports customers in optimizing cloud cost in their multi-cloud environments through three phases: analysis of current cloud cost, proposal/implementation of measures, and continuous cost monitoring/management utilizing FinOps<sup>\*7</sup>. Specifically, the company reviews the current situation by understanding the total cost and benchmarking with other companies in the same industry, and then promote specific actions to optimize cost, such as optimizing resource size and changing instance types. In addition, we realize continuous cloud cost management in collaboration not only with the customers' IT system department, but also with the customers' finance department and service delivery department. This can reduce total cloud operating cost by an average of 20%<sup>\*8</sup>.

\*7 A compilation of standards and best practices developed to support manage and optimize fluctuating cloud economics

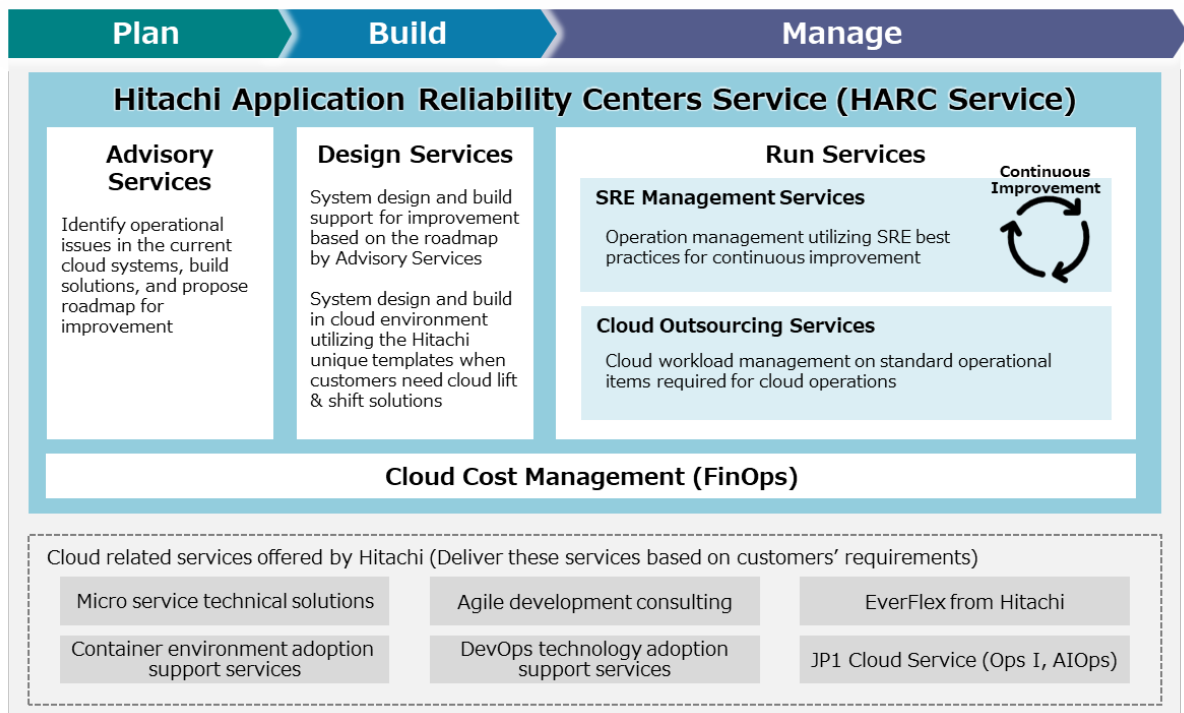
\*8 Effects based on actual operations at Hitachi Vantara

## 3. Responding to operational modernization of core systems by the templates that bring together Hitachi's best practices

The HARC Service will achieve operational modernization of the entire system by utilizing the templates that bring together the best practices for migration of mission-critical systems to the cloud and operational enhancement that Hitachi has developed in Japan. Specifically, the service will enable Hitachi to quickly build IT infrastructure when needed by accumulating standard designs related to operations and security required for mission-critical systems as templates, and then automating them using the IaC<sup>\*9</sup> mechanism. In addition, Hitachi will expand the scope of automation in stages from the construction of the IT infrastructure to overall system operations, including sophisticated operations for both the mission-critical system and the DX system.

Furthermore, security experts with operational experiences for IT infrastructure that is used by 320,000 employees in the Hitachi Group, major financial institutions, and government will provide safe and secure security operations in a multi-cloud environment.

\*9 IaC: Infrastructure as Code (A method of coding IT infrastructure construction)



Menu structure of HARC services

There are four service menus; "Advisory Services," "Design Services," "Run Services," and "Cloud Cost Management," and it can be combined with service menu of "IT Platforms and Operation Enhancement Offerings" such as the SaaS-type operations integration platform "JP1 Cloud Service/Operations Integration" ("Ops I") according to customers' issues and system conditions.

**Outlook for the Future**

Hitachi will work with Hitachi Vantara to continuously enhance the HARC Service by developing value-added services based on SRE. In addition, we will provide one-stop support for customer needs of both the DX shift and the cloud shift and continue to support sustainable growth by utilizing Lumada Innovation Hub Tokyo<sup>\*10</sup> as a base for providing the HARC Service in Japan.

Specifically, Hitachi will contribute to achieve customers' DX in such a way that GlobalLogic, a group company of Hitachi will lead building a concept and design of business reforms utilizing digital engineering, and the HARC Service will support operational reforms such as sophisticating application development.

\*10 March 22, 2021 News Release: " Hitachi Establishes Lumada Innovation Hub Tokyo to Accelerate the Lumada Movement Through New Collaborative Creation With a View to the Post-COVID-19 World."  
<https://www.hitachi.com/New/cnews/month/2021/03/210322a.html>

**Overview of HARC Service in Japan**

Service Category	Overview	General Availability
Advisory Services	Consulting Services to enable clients towards Cloud Ops transformation	To be available starting from June 30, 2023
Cloud Cost Management	Services to manage cloud cost	
Design Services	Services to ensure reliability of ongoing release and changes to production	
Run Services	Services to enable efficient and effective cloud operations	

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- All other company and product names are trademarks or registered trademarks of their respective owners.

**Additional Resources**

- [Hitachi Application Reliability Centers \(HARC\)](#)

**About Hitachi, Ltd.**

Hitachi drives Social Innovation Business, creating a sustainable society through the use of data and technology. We solve customers' and society's challenges with Lumada solutions leveraging IT, OT (Operational Technology) and products. Hitachi operates under the business structure of "Digital Systems & Services" - supporting our customers' digital transformation; "Green Energy & Mobility" - contributing to a decarbonized society through

energy and railway systems, and “Connective Industries” - connecting products through digital technology to provide solutions in various industries. Driven by Digital, Green, and Innovation, we aim for growth through co-creation with our customers. The company’s consolidated revenues for fiscal year 2022 (ended March 31, 2023) totaled 10,881.1 billion yen, with 696 consolidated subsidiaries and approximately 320,000 employees worldwide. For more information on Hitachi, please visit the company's website at <https://www.hitachi.com>.

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Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.

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