

Japan's Hitachi acquires GlobalLogic for \$9.6 billion

March 31 2021, by Yuri Kageyama



In this Dec. 11, 2008 file photo, visitors crowd at a booth of Japanese electronics maker Hitachi Ltd. at an ecology fair in Tokyo, Japan. Hitachi Ltd. is buying U.S. digital engineering services company GlobalLogic Inc. for \$9.6 billion, the Japanese industrial, electronic and construction conglomerate said Wednesday, March 31, 2021. (AP Photo/Katsumi Kasahara, File)

Hitachi Ltd. is buying U.S. digital engineering services company GlobalLogic Inc. for \$9.6 billion, the Japanese industrial, electronic and construction conglomerate said Wednesday.

Tokyo-based Hitachi said the acquisition of the Silicon Valley [company](#) will strengthen Hitachi's digital operations in a wide range of businesses, including IT, energy, industry and mobility. It will speed up efforts in the "digital transformation" of railways, energy and health care systems that are core Hitachi businesses, it said.

GlobalLogic has more than 20,000 professionals in 14 countries, operating design studios and software product engineering centers, with revenue expected to reach about \$1.2 billion for fiscal 2021.

"Together we will create new social, environmental and [economic value](#) for our globally expanding client companies and elevate QoL, or [quality of life](#), for people through contributions to realize sustainable society," said Hitachi Chief Executive Toshiaki Higashihara.

Hitachi shares plunged 7.3% in Tokyo trading.

The deal was expected to close by the end of July, subject to regulatory approval.

Companies around the world are working to adapt to the rapidly digital changes going on in various industries.

The acquisition of GlobalLogic is part of Hitachi's 2021 mid-term plan, which includes a commitment to invest 1 trillion yen (\$9 billion) to strengthen the digital capabilities of the company's sprawling businesses.

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