

FOR IMMEDIATE RELEASE

Notification of the Status of Progress in the Tender Offer for Shares of Subsidiary, and Change in the Timing of Recognition of Extraordinary Gain on Unconsolidated Basis and Other Income on Consolidated basis

Tokyo, November 30, 2021 --- As announced in the press release issued on April 28, 2021^{*1}, Hitachi, Ltd. (TSE:6501, "Hitachi") completed a contract in relation to shares in Hitachi Metals, Ltd. ("Hitachi Metals") with K.K. BCJ-52 (the "Tender Offeror"), a wholly owned company of G.K. BCJ-51, which is supposed to be financed by Bain Capital Consortium^{*2}.

As announced in the April 28 press release, the Tender Offeror intended to commence the tender offer for common stocks in Hitachi Metals (the "Tender Offer") around late November 2021. However as Hitachi Metals announced today in the press release entitled "Announcement Concerning Progress of the Tender Offer by K.K. BCJ-52 for the Shares of Hitachi Metals, Ltd. (Securities Code 5486)," not all countries' competition law procedures and measures, conditions for the commencement of the Tender Offer, had not been completed as of today. According to the Tender Offeror, at present, it is not aware of a serious problem in the procedures and responses based on competition laws, and continues efforts to complete these procedures and responses at an early stage.

Consequently, the sale of Hitachi Metals shares held by Hitachi, which had been scheduled to take place in the fiscal year ending March 31, 2022, is scheduled to take place in the fiscal year ending March 31, 2023, and Hitachi plans to post an extraordinary gain in its unconsolidated statements of operations (approximately 328.0 billion yen in gains on sale of affiliated companies' common shares), and other income in its consolidated accounts (approximately 114.0 billion yen in a gain on business reorganization and others) in the fiscal year ending March 31, 2023. In addition, Hitachi also plans to post proceeds from sales of Hitachi Metals' shares (approximately 382.0 billion yen) in consolidated cash flows from investing activities in the fiscal year ending March 31, 2023.

Regarding the full-year consolidated business results of the fiscal year ending March 31, 2022, the forecast of net income attributable to Hitachi, Ltd. stockholders is expected to unchanged from the previous forecast announced on October 27, 2021^{*3} (550.0 billion yen). Should any matters that needs to be disclosed arise, Hitachi will announce them in a timely manner.

*1 News Release dated April 28, 2021: "Notification of Agreement for Shares of Subsidiary, and Recognition of Extraordinary Gain on Unconsolidated Basis and Other Income on Consolidated Basis"

https://www.hitachi.com/New/cnews/month/2021/04/f_210428d.pdf

*2 Bain Capital Consortium is composed of Bain Capital Private Equity, LP and its group, Japan Industrial Partners, Inc. and Japan Industrial Solutions Co., Ltd..

*3 News Release dated October 27, 2021: "Consolidated Financial Results for the Second Quarter Ended September 30, 2021"

<https://www.hitachi.com/New/cnews/month/2021/10/211027.html>

Cautionary Statement

Certain statements found in this document may constitute “forward-looking statements” as defined in the U.S. Private Securities Litigation Reform Act of 1995. Such “forward-looking statements” reflect management’s current views with respect to certain future events and financial performance and include any statement that does not directly relate to any historical or current fact. Words such as “anticipate,” “believe,” “expect,” “estimate,” “forecast,” “intend,” “plan,” “project” and similar expressions which indicate future events and trends may identify “forward-looking statements.” Such statements are based on currently available information and are subject to various risks and uncertainties that could cause actual results to differ materially from those projected or implied in the “forward-looking statements” and from historical trends. Certain “forward-looking statements” are based upon current assumptions of future events which may not prove to be accurate. Undue reliance should not be placed on “forward-looking statements,” as such statements speak only as of the date of this report.

Factors that could cause actual results to differ materially from those projected or implied in any “forward-looking statement” and from historical trends include, but are not limited to:

- exacerbation of social and economic impacts of the spread of COVID-19;
- economic conditions, including consumer spending and plant and equipment investment in Hitachi’s major markets, as well as levels of demand in the major industrial sectors Hitachi serves;
- exchange rate fluctuations of the yen against other currencies in which Hitachi makes significant sales or in which Hitachi’s assets and liabilities are denominated;
- uncertainty as to Hitachi’s ability to access, or access on favorable terms, liquidity or long-term financing;
- uncertainty as to general market price levels for equity securities, declines in which may require Hitachi to write down equity securities that it holds;
- fluctuations in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum, synthetic resins, rare metals and rare-earth minerals, or shortages of materials, parts and components;
- estimates, fluctuations in cost and cancellation of long-term projects for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- increased commoditization of and intensifying price competition for products;
- uncertainty as to Hitachi’s ability to attract and retain skilled personnel;
- uncertainty as to Hitachi’s ability to continue to develop and market products that incorporate new technologies on a timely and cost-effective basis and to achieve market acceptance for such products;
- fluctuations in demand of products, etc. and industry capacity;
- uncertainty as to Hitachi’s ability to implement measures to reduce the potential negative impact of fluctuations in demand of products, etc., exchange rates and/or price of raw materials or shortages of materials, parts and components;
- credit conditions of Hitachi’s customers and suppliers;
- uncertainty as to Hitachi’s ability to achieve the anticipated benefits of its strategy to strengthen its Social Innovation Business;
- uncertainty as to the success of acquisitions of other companies, joint ventures and strategic alliances and the possibility of incurring related expenses;
- uncertainty as to the success of restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness;
- general socioeconomic and political conditions and the regulatory and trade environment of countries where Hitachi conducts business, particularly Japan, Asia, the United States and Europe, including, without limitation, direct or indirect restrictions by other nations on imports and differences in commercial and business customs including, without limitation, contract terms and conditions and labor relations;
- the potential for significant losses on Hitachi’s investments in equity-method associates and joint ventures;
- uncertainty as to the success of cost structure overhaul;
- the possibility of disruption of Hitachi’s operations by natural disasters such as earthquakes and tsunamis, the spread of infectious diseases, and geopolitical and social instability such as terrorism and conflict;
- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity-method associates and joint ventures have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- uncertainty as to Hitachi’s ability to maintain the integrity of its information systems, as well as Hitachi’s ability to protect its confidential information or that of its customers;
- uncertainty as to Hitachi’s access to, or ability to protect, certain intellectual property; and
- uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its employee benefit-related costs.

The factors listed above are not all-inclusive and are in addition to other factors contained elsewhere in this report and in other materials published by Hitachi.

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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.
