

News Release

FOR IMMEDIATE RELEASE

Yungtay Becomes a Wholly Owned Subsidiary, to Be Renamed Hitachi Yungtay Elevator

Strengthening Elevators and Escalators Business Base in China and Asia

Taipei, April 21, 2022 – Hitachi, Ltd. (TSE: 6501, "Hitachi") today announced that the acquisition of all the outstanding shares of Yungtay Engineering Co., Ltd. ("Yungtay"), a Taiwan-based subsidiary engaged in the manufacture, sale, and service of elevators and escalators, with a view to strengthening its elevator and escalator business base in the People's Republic of China ("China") and other parts of Asia. The acquisition has been implemented through a share exchange ("the share exchange") at TWD65.1 per share (approximately 285 yen^{*1}), making Yungtay a wholly owned subsidiary of Hitachi.

Prior to the share exchange, Hitachi held 71.1% of the total number of outstanding shares in Yungtay, including those held by its wholly owned subsidiaries. The acquisition cost for shares acquired through the share exchange will be approximately TWD7.6 billion (approximately 33.3 billion yen^{*1}). Yungtay's shares had been listed on the Taiwan Stock Exchange, and were delisted at the time of the share exchange.

Moreover, at the Board of Directors meeting of Yungtay held today, Yungtay passed a resolution to change its company name to Hitachi Yungtay Elevator Co., Ltd. ("Hitachi Yungtay Elevator"). We are proceeding with the formalities to effect the company name change in June 2022.

^{*1} Calculation based on 1 TWD = 4.38 JPY

Yungtay was founded in 1966 and is the largest company in the elevator and escalator business in the Taiwan region. It is also one of the major suppliers of elevators and escalators in mainland China, mainly for apartment complexes. Yungtay has been a business partner of Hitachi for over 50 years since right after its foundation, with Hitachi's capital participation in 1968. In 2019, Hitachi made a tender offer for shares of Yungtay, acquiring shares equivalent to 28.0% of the total number of outstanding shares (excluding treasury shares), increasing its share ownership to 39.7%^{*2}. Hitachi continued to acquire additional shares and made Yungtay a consolidated subsidiary in October 2020^{*3}.

^{*2} News release dated April 23, 2019 titled "Results of Public Tender Offer for Shares of Yungtay, Elevator Company Based in Taiwan"

<http://www.hitachi.com/New/cnews/month/2019/04/190423a.html>

^{*3} News release dated October 15, 2020 titled "Hitachi Acquired Additional Shares to Hold Majority of Shares of Yungtay, Elevator Company Based in Taiwan"

<https://www.hitachi.com/New/cnews/month/2020/10/201015.html>

The share exchange and delisting were approved at an extraordinary meeting of the shareholders of Yungtay held on November 16, 2021, and were implemented by Yungtay today after obtaining approval from the relevant Taiwanese authorities.

Hitachi will accelerate its collaboration with Hitachi Yungtay Elevator, strengthening Hitachi Yungtay Elevator's product competitiveness and enhancing its preventive maintenance services by introducing digital technologies such as IoT, which is one of Hitachi's strengths, as well as environmental technologies. By maximizing the synergy of the two companies, Hitachi aims to become a global leader in the building solutions field, increasing the number of new elevator and escalator installations in China and other parts of Asia, and expanding the scale of preventive maintenance volume to improve profitability.

Overview of Yungtay

Corporate name	Yungtay Engineering Co., Ltd.
Headquarters	Taipei, Taiwan
Representative	Chairman: Koji Ide
Business overview	- Design, manufacture, sales, installation, repair, maintenance of elevators & escalators, and elevator & escalator motors - Sales & maintenance of construction machinery, cranes, components etc.
Year of foundation	1966
Capital (As of December 31, 2021)	4,108.20 million TWD (Approx. 18.0 billion JPY*1)
Consolidated revenue	17,709.24 million TWD (Approx. 77.6 billion JPY*1) (CY2021)
Consolidated operating income	1,074.52 million TWD (Approx. 4.7 billion JPY*1) (CY2021)

- End -

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, contributes to a sustainable society with a higher quality of life by driving innovation through data and technology as the Social Innovation Business. Hitachi is focused on strengthening its contribution to the Environment, the Resilience of business and social infrastructure as well as comprehensive programs to enhance Security & Safety. Hitachi resolves the issues faced by customers and society across six domains: IT, Energy, Mobility, Industry, Smart Life and Automotive Systems through its proprietary Lumada solutions. The company's consolidated revenues for fiscal year 2020 (ended March 31, 2021) totaled 8,729.1 billion yen (\$78.6 billion), with 871 consolidated subsidiaries and approximately 350,000 employees worldwide. For more information on Hitachi, please visit the company's website at <https://www.hitachi.com>.

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.
