



FOR IMMEDIATE RELEASE

Notification of Company Split related to the transfer of the radiation measurement device business and the industrial X-ray CT device business

Tokyo, Japan, October 13, 2021 --- Hitachi, Ltd. (TSE:6501, "Hitachi") announced today that it has decided to implement a Company Split and transfer the radiation measurement device business and the industrial X-ray CT device business (the "Businesses") to Nippon Mirai Capital Co., Ltd. ("Nippon Mirai").

Specifically, after the succession of the Businesses to the newly established successor company (the "New Company") is complete through an absorption-type split (the "Company Split"), all shares in the New Company will be transferred to X Holdings Co., Ltd., a special purpose company in which the NMC No. 4 Investment Business Limited Liability Partnership, with Nippon Mirai acting as the investment support service provider, will invest the full amount (the "Share Transfer").

Because the Company Split involves the handover of the Businesses from Hitachi to a 100%-owned subsidiary (the New Company), this notice omits specified disclosure items and details.

1. Purpose of the Company Split and the Share Transfer

In the radiation measurement device business, for more than 60 years starting in the 1950s, Hitachi has provided environmental radiation monitoring systems, comprehensive radiation management systems, survey meters, and related products to a wide range of customers, including national government, local governments, power companies, universities, research laboratories, and hospitals, contributing to the management of radiation safety. Meanwhile, in the industrial x-ray CT device business, since the first x-ray CT device using electron linear accelerators was introduced at the facilities of an outer space research agency in 1991, Hitachi has delivered many products with outstanding imaging capabilities to the automotive industry, research institutions, and other users.

Hitachi made the judgment that in order to develop and grow the Businesses in the medium and long-term future as well, and to meet customers' expectations, the optimal approach would be to transfer the Businesses to Nippon Mirai, an independent and domestic investment fund management company which has an extensive track record in supporting the creation and execution of growth strategies at midsize companies and supporting the construction of structures in keeping with the independence of business divisions of large companies. This led to the company's decision to undertake the Company Split and the Share Transfer.

The new company will strive to expand the business by leveraging the customer base that

Hitachi has established through advanced engineering capabilities and trust, maintaining competitive superiority in technology development capabilities, and investing management resources.

2. Outline of the Company Split and the Share Transfer

(1) Schedule of the Company Split and the Share Transfer

Signing of the share purchase agreement	October 13, 2021
Signing of the Company Split Agreement	February 2022 (Tentative)
Effective date for Companies Split and closing date of Share Transfer	April 1, 2022 (Tentative)

*The transaction is subject to customary closing conditions and regulatory approvals. Hitachi will perform the Company Split without holding general meetings of shareholders to obtain approval for the absorption-type split agreement since the Company Split falls under "abbreviated split" as set forth in Paragraph 2, Article 784, of the Company Act with respect to Hitachi.

(2) Company Split Method

The split is an absorption-type split under which Hitachi will be the splitting company and the new company will be the succeeding company.

(3) Details of allotments related to the Company Split

When the absorption-type split is executed, the New Company will issue 99 shares of common stock, and all of those shares shall be transferred to Hitachi.

(4) Handling of stock acquisition rights and bonds with stock acquisition rights accompanying the Company Split

There will be no changes in the handling of stock acquisition rights issued by Hitachi due to the Company Split.

Hitachi has no bonds with stock acquisition rights.

(5) Capitalization changes accompanying the Company Split

There will be no changes in Hitachi's capitalization as a result of the Company Split.

(6) Others

Other details related to the Company Split will be disclosed once determined.

3. Profiles of the Parties to the Company Split

	Splitting Company	New Company (Schedule)										
(1) Name	Hitachi, Ltd.	To be determined										
(2) Head Office	6-6 Marunouchi 1-chome, Chiyoda-ku, Tokyo	To be determined										
(3) Representative	President & COO Keiji Kojima	To be determined										
(4) Outline of business	Development, manufacture, and sales of products, and provision of services, across nine segments: IT, Energy, Industry, Mobility, Smart Life, Automotive Systems, Hitachi Construction Machinery, Hitachi Metals, and Other	Design, manufacture, sales, and maintenance services for radiation measurement devices, and design, manufacture, sales, maintenance, and imaging services for industrial x-ray CT devices										
(5) Capital	461,731 million yen (as of June 30, 2021)	To be determined										
(6) Established	February 1, 1920	To be determined										
(7) Number of issued shares	968,234,877 shares (as of June 30, 2021)	1 share										
(8) Fiscal year-end	March 31	To be determined										
(9) Main shareholders and shareholding ratios (As of March 31, 2021)	<table border="0"> <tr> <td>The Master Trust Bank of Japan, Ltd. (trust account)</td> <td>9.43%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (trust account)</td> <td>6.15%</td> </tr> <tr> <td>Hitachi Employees' Shareholding Association</td> <td>2.13%</td> </tr> <tr> <td>State Street Bank and Trust Company 505223 (standing proxy: Mizuho Bank, Ltd.)</td> <td>2.13%</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td>2.07%</td> </tr> </table>	The Master Trust Bank of Japan, Ltd. (trust account)	9.43%	Custody Bank of Japan, Ltd. (trust account)	6.15%	Hitachi Employees' Shareholding Association	2.13%	State Street Bank and Trust Company 505223 (standing proxy: Mizuho Bank, Ltd.)	2.13%	Nippon Life Insurance Company	2.07%	Hitachi, Ltd. 100.0%
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(10) Financial conditions and business results for the most recent fiscal year (ended March 2021) (Consolidated/IFRS) (Millions of yen unless otherwise specified)												
Total Hitachi, Ltd. stockholders' equity	3,525,502	—										
Total assets	11,852,853	—										
Total Hitachi, Ltd. stockholders' equity per share (JPY)	3,646.46	—										
Revenues	8,729,196	—										
Income from continuing operations, before income taxes	844,443	—										
Net income attributable to Hitachi, Ltd. stockholders	501,613	—										
Earnings per share attributable to Hitachi, Ltd. stockholders (Basic) (JPY)	519.29	—										

4. Overview of business to be split

(1) Description of business to be split

Design, manufacture, sales, and maintenance services for radiation measurement devices (e.g., environmental radiation monitoring systems, comprehensive radiation management systems), and design, manufacture, sales, maintenance, and imaging services for industrial x-ray CT devices

(2) Business performance in divisions to be split

Revenues:8.0 billion yen (fiscal year ended March 2021)

(3) Others

Other details of business to be split will be disclosed once determined.

5. Hitachi's profile after the Company Split

No changes in the company name, head office, representative, outline of business, capital, and fiscal year-end are expected after the Company Split.

Profile of the New Company is as described in "3. Profiles of the Parties to the Company Split" above.

6. Outlook

This Share Transfer will not have a significant effect on Hitachi's consolidated business performance.

(Reference) Consolidated business forecasts for the year ending March 31, 2022 (announced on July 30, 2021), and consolidated operating results for the previous fiscal year

(millions of yen)

	Revenues	Adjusted operating income*	Income from continuing operations, before income taxes	Net income	Net income attributable to Hitachi, Ltd. stockholders
Consolidated Business Forecasts for Fiscal 2021 (Year Ending March 31, 2022)	9,500,000	740,000	800,000	620,000	550,000
Consolidated Operating Results for Fiscal 2020 (Year Ending March 31, 2021)	8,729,196	495,180	844,443	518,510	501,613

* "Adjusted operating income" is presented as revenues less cost of sales as well as selling, general and administrative expenses.

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.
