

FOR IMMEDIATE RELEASE

Hitachi Announces Commencement of Tender Offer for Shares of Hitachi High-Tech Corporation (Securities Code 8036) and Partial Amendment of “Hitachi Announces Tender Offer for Shares of Hitachi High-Technologies Corporation (Securities Code 8036)”

As publicly announced in the “Hitachi Announces Tender Offer for Shares of Hitachi High-Technologies Corporation (Securities Code 8036)” dated January 31, 2020 (the “**Press Release of January 31, 2020**”), Hitachi, Ltd. (the “**Offeror**”) decided at the meeting of its board of directors on January 31, 2020 to implement a tender offer for the common shares of Hitachi High-Tech Corporation (the “**Target**”, its common shares, the “**Target Common Shares**”, and this tender offer, the “**Tender Offer**”; the Target changed its trade name from “Hitachi High-Technologies Corporation” to “Hitachi High-Tech Corporation” on February 12, 2020) as part of the transaction for the purpose of acquiring all of the Target Common Shares (excluding the Target Common Shares owned by the Offeror and the Target’s own shares that are owned by the Target) and making the Target a wholly-owned subsidiary of the Offeror and intended to commence the Tender Offer on February 17, 2020 on the condition that Conditions Precedent for the Tender Offer (defined in “(1) Overview of the Tender Offer” in “1. Purpose of the Purchase” in the Press Release of January 31, 2020; hereinafter the same) have been satisfied (however, even if some or all of the Conditions Precedent for the Tender Offer have not been satisfied, that does not restrict the Offeror from choosing at its discretion to waive those conditions and implement the Tender Offer).

Since it has been confirmed that the Conditions Precedent for the Tender Offer have been satisfied, the Offeror hereby announces that is has decided to commence the Tender Offer as planned from February 17, 2020.

According to the “Announcement of Opinion in Support of Tender Offer for Shares in the Company by Hitachi, Ltd., the Controlling Shareholder, and Recommendation for our Shareholders to Tender in Tender Offer, and Partial Amendment to ‘Announcement of Opinion in Support of Tender Offer for Shares in the Company by Hitachi, Ltd., the Controlling Shareholder, and Recommendation for our Shareholders to Tender in Tender Offer’” released by the Target today, the Target resolved by its board of directors’ resolution as of today to again express its opinion in support of the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer. Please note that there has been no change to the Target’s opinion on the Tender Offer expressed as of January 31, 2020 (for details of that opinion, see the “Announcement of Opinion in Support of Tender Offer for Shares in the Company by Hitachi, Ltd., the Controlling Shareholder, and Recommendation for our

Shareholders to Tender in Tender Offer” released by the Target on January 31, 2020).

For details of the Tender Offer, see the Press Release of January 31, 2020.

Partial amendment of the Press Release of January 31, 2020

The Offeror also hereby announces a partial amendment of the Press Release of January 31, 2020. Amended parts are underlined.

Before amendment

1. Purpose of the Purchase

(1) Overview of the Tender Offer

(omitted)

(Note 1) Ownership ratio means the ratio (rounded to two decimal places) of the number of Target Common Shares (137,525,789 shares) as calculated by deducting the number of the Target’s own shares owned by the Target as of September 30, 2019 as stated in the quarterly securities report for the second quarter of the 101st business period submitted by the Target on November 8, 2019 (the “**Target Second Quarter Securities Report for the Business Period Ending March 2020**”) (212,941 shares, including 41 shares not constituting a full share unit owned by the Target, hereinafter the same) from the total number of issued shares of the Target as of that date as stated in the Target Second Quarter Securities Report for the Business Period Ending March 2020 (137,738,730 shares); hereinafter the same.

(omitted)

The Offeror intends to set the minimum number of Share Certificates, Etc. to be purchased in the Tender Offer at 20,548,181 shares (Note 2), and if the total number of Share Certificates, Etc. tendered in the Tender Offer (the “**Tendered Share Certificates, Etc.**”) is less than the minimum number of Share Certificates, Etc. to be purchased, the Offeror does not intend to purchase any of the Tendered Share Certificates, Etc. However, as stated above, the purpose is to make the Target a wholly-owned subsidiary of the Offeror through the Tender Offer, and the Offeror does not intend to set a maximum number of Share Certificates, Etc. to be purchased; therefore, if the total number of Tendered Share Certificates, Etc. is equal to or greater than the minimum number of Share Certificates, Etc. to be purchased, the Offeror intends to purchase all of the Tendered Share Certificates, Etc. Further, if the Offeror is unable to acquire all of the Target Common Shares through the Tender Offer, the Offeror intends to conduct a series of procedures to become the sole shareholder of the Target. For details, see

“(4) Policy of Restructuring, Etc. after the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)” below.

(Note 2) The minimum number of Share Certificates, Etc. to be purchased is planned to be set at 20,548,181 shares, which is calculated by (i) taking the number of voting rights (1,375,257) of the number of Target Common Shares (137,525,789 shares), as calculated by deducting the number of the Target’s own shares owned by the Target as of September 30, 2019 as stated in the Target Second Quarter Securities Report for the Business Period Ending March 2020 (212,941 shares) from the total number of issued shares of the Target as of that date as stated in the Target Second Quarter Securities Report for the Business Period Ending March 2020 (137,738,730 shares), (ii) calculating the number of voting rights equivalent to two-thirds thereof (916,838), (iii) multiplying that number by the number of Target Common Shares in one share unit (100 shares) to calculate a number of shares (91,683,800 shares), and (iv) subtracting the number of Target Common Shares owned by the Offeror (71,135,619 shares). However, if the Target submits the quarterly securities report for the third quarter of the 101st business period (the “**Target Third Quarter Securities Report for the Business Period Ending March 2020**”) before the commencement of the Tender Offer, the minimum number of Share Certificates, Etc. to be purchased is planned to be set at the number of shares calculated by (i) taking the number of voting rights of the number of Target Common Shares, as calculated by deducting the number of the Target’s own shares owned by the Target as stated in the Target Third Quarter Securities Report for the Business Period Ending March 2020 from the total number of issued shares of the Target as stated in the Target Third Quarter Securities Report for the Business Period Ending March 2020, (ii) calculating the number of voting rights equivalent to two-thirds thereof, (iii) multiplying that number by the number of Target Common Shares in one share unit to calculate a number of shares, and (iv) subtracting the number of Target Common Shares owned by the Offeror. The Offeror will amend, if necessary, the minimum number of Share Certificates, Etc. to be purchased at the commencement of the Tender Offer and disclose the amended number.

(omitted)

After amendment

1. Purpose of the Purchase

(1) Overview of the Tender Offer

(omitted)

(Note 1) Ownership ratio means the ratio (rounded to two decimal places) of the number of Target Common Shares (137,525,356 shares) as calculated by deducting the number of the Target's own shares owned by the Target as of December 31, 2019 as stated in the quarterly securities report for the third quarter of the 101st business period submitted by the Target on February 6, 2020 (the "**Target Third Quarter Securities Report for the Business Period Ending March 2020**") (213,374 shares, including 74 shares not constituting a full share unit owned by the Target, hereinafter the same) from the total number of issued shares of the Target as of that date as stated in the Target Third Quarter Securities Report for the Business Period Ending March 2020 (137,738,730 shares); hereinafter the same.

(omitted)

The Offeror has set the minimum number of Share Certificates, Etc. to be purchased in the Tender Offer at 20,547,981 shares (Note 2), and if the total number of Share Certificates, Etc. tendered in the Tender Offer (the "**Tendered Share Certificates, Etc.**") is less than the minimum number of Share Certificates, Etc. to be purchased, the Offeror will not purchase any of the Tendered Share Certificates, Etc. However, as stated above, the purpose is to make the Target a wholly-owned subsidiary of the Offeror through the Tender Offer, and the Offeror has not set a maximum number of Share Certificates, Etc. to be purchased; therefore, if the total number of Tendered Share Certificates, Etc. is equal to or greater than the minimum number of Share Certificates, Etc. to be purchased, the Offeror will purchase all of the Tendered Share Certificates, Etc. Further, if the Offeror is unable to acquire all of the Target Common Shares through the Tender Offer, the Offeror intends to conduct a series of procedures to become the sole shareholder of the Target. For details, see "(4) Policy of Restructuring, Etc. after the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)" below.

(Note 2) The minimum number of Share Certificates, Etc. to be purchased is set at 20,547,981 shares, which is calculated by (i) taking the number of voting rights (1,375,253) of the number of Target Common Shares (137,525,356 shares), as calculated by deducting the number of the Target's own shares owned by the Target as of December 31, 2019 as stated in the Target Third Quarter Securities Report for the Business Period Ending March 2020 (213,374 shares) from the total number of issued shares of the Target as of that date as stated in the Target Third Quarter

Securities Report for the Business Period Ending March 2020 (137,738,730 shares), (ii) calculating the number of voting rights equivalent to two-thirds thereof (916,836), (iii) multiplying that number by the number of Target Common Shares in one share unit (100 shares) to calculate a number of shares (91,683,600 shares), and (iv) subtracting the number of Target Common Shares owned by the Offeror (71,135,619 shares).

(omitted)

Before amendment

1. Purpose of the Purchase

(2) Background Leading to the Decision to Implement the Tender Offer, Purpose and Decision-Making Process of the Tender Offer, and Management Policy After the Tender Offer

- (i) Background Leading to the Decision to Implement the Tender Offer and Purpose and Decision-Making Process of the Tender Offer

(omitted)

Additionally, through the closer business cooperation, the Offeror and the Target will promote to streamline management operations and optimize cost structures, and will make efforts to increase the corporate value in terms of both business income and expenditures.

(omitted)

After amendment

1. Purpose of the Purchase

(2) Background Leading to the Decision to Implement the Tender Offer, Purpose and Decision-Making Process of the Tender Offer, and Management Policy After the Tender Offer

- (i) Background Leading to the Decision to Implement the Tender Offer and Purpose and Decision-Making Process of the Tender Offer

(omitted)

Additionally, through the closer business cooperation with the Target, the Offeror will promote to streamline management operations and optimize cost structures, and will make efforts to increase the corporate value in terms of both business income and expenditures.

(omitted)

(Note) This amendment has already been reflected to the English translation of the Press Release of January 31, 2020 disclosed on the Offeror's website.

Before amendment

1. Purpose of the Purchase

(2) Background Leading to the Decision to Implement the Tender Offer, Purpose and Decision-Making Process of the Tender Offer, and Management Policy After the Tender Offer

(ii) Decision-Making Process and Reasons of the Target

(omitted)

As a result, the Target concluded at its board of directors meeting held on January 31, 2020 that becoming a wholly-owned subsidiary of the Offeror through the Transaction and further strengthening the ties with the Hitachi Group through their mutual utilization of management resources such as human resources, financial, business, and customer resources, which were restricted because the Offeror and the Target are independent listed companies, would improve the efficiency of management operations including procurement, risk management, human resources, and system management, and improve profitability through the optimization of cost structure, contributing not only to the future development of the Target Group and further improvement of corporate value, but also to the enhancement of the ties between the Target Group's measurement and analysis technologies platform and the Lumada business of the Offeror, as well as the expansion of the scope of utilization of its business structuring capabilities and business finding capabilities so that the Target can more promptly respond to diversified customer needs than the Company does alone, and create solutions that enhance customer value, thereby contributing to solving social issues.

In addition, as stated in "(b) Obtainment of a share valuation report from an independent third-party valuation agent by the Target" in "Measures to Ensure Fairness in the Tender Offer Such as Measures to Ensure Fairness in the Tender Offer Price and Measures to Avoid Conflicts of Interest" in "(ii) Background of the Calculation" in "(4) Basis of Valuation of Tender Offer Price" in "2. Overview of the Tender Offer" below, (i) the Tender Offer Price exceeds the scope of the calculation results according to the average market price method, from among the calculation results of the share value of the Target provided by Nomura, and also falls within the scope of the calculation results according to the discounted cash flow method (the "**DCF Method**"); (ii) the Tender Offer Price includes a 3.36% premium (rounded off to two decimal places; the same shall apply hereinafter to the calculations of premiums) over the closing price, JPY 7,740, of the Target Common Shares on the First Section of the TSE on January 30, 2020, which is the day immediately preceding the announcement date of the implementation of the Tender Offer, a 1.98% premium over the simple average of the closing prices, JPY 7,845 (rounded off to the closest whole number; the same shall apply hereinafter to the calculations of simple averages of closing prices), for the one month prior to the same date (from January 6, 2020 to January 30, 2020), a 8.42% premium over the simple

average of the closing prices, JPY 7,379, for the three months prior to the same date (from October 31, 2019 to January 30, 2020), a 19.44% premium over the simple average of the closing prices, JPY 6,698, for the six months prior to the same date (from July 31, 2019 to January 30, 2020), and also includes a 68.42% premium over the closing price, JPY 4,750, of the Target Common Share on June 6, 2019, which is the day immediately preceding June 7, 2019, on which some press made speculative reports on the Transaction, a 69.60% premium over the simple average of the closing prices, JPY 4,717, for the one month prior to the same date (from May 7, 2019 to June 6, 2019), a 71.93% premium over the simple average of the closing prices, JPY 4,653, for the three months prior to the same date (from March 7, 2019 to June 6, 2019), a 87.31% premium over the simple average of the closing prices, JPY 4,271, for the six months prior to the same date (from December 7, 2018 to June 6, 2019), and is considered to include reasonable premiums as compared to the standards of premiums in other cases of tender offers in order for parent companies to cause their consolidated subsidiaries to be their wholly-owned subsidiaries; (iii) upon determining the Tender Offer Price the Target adopted measures to ensure fairness of the Tender Offer Price, and measures to avoid conflicts of interest as stated in “Measures to Ensure Fairness in the Tender Offer Such as Measures to Ensure Fairness in the Tender Offer Price and Measures to Avoid Conflicts of Interest” in “(ii) Background of the Calculation” in “(4) Basis of Valuation of Tender Offer Price” in “2. Overview of the Tender Offer” below, and the interests of minority shareholders were taken into account; and (iv) the Tender Offer Price is a price that was proposed after measures to avoid conflicts of interests were taken, and the Target and the Offeror engaged in discussions and negotiations comparable to discussions and negotiations in arm’s-length transactions, more specifically, faithful and continuous discussions and negotiations based on Nomura’s calculation results regarding the share value of the Target, and discussions with the special committee. Considering these facts, at the board of directors meeting held on January 31, 2020, the Tender Offer was determined to provide the shareholders of the Target with the reasonable opportunity to sell the Target Common Shares at a price with a substantial premium.

(omitted)

After amendment

1. Purpose of the Purchase

(2) Background Leading to the Decision to Implement the Tender Offer, Purpose and Decision-Making Process of the Tender Offer, and Management Policy After the Tender Offer

(ii) Decision-Making Process and Reasons of the Target

(omitted)

As a result, the Target concluded at its board of directors meeting held on January 31, 2020 that becoming a wholly-owned subsidiary of the Offeror through the Transaction and further strengthening the ties with the Hitachi Group through their mutual utilization of management resources such as human resources, financial, business, and customer resources, which were restricted because the Offeror and the Target are independent listed companies, would improve the efficiency of management operations including procurement, risk management, human resources, and system management, and improve profitability through the optimization of cost structure, contributing not only to the future development of the Target Group and further improvement of corporate value, but also to the enhancement of the ties between the Target Group's measurement and analysis technologies platform and the Lumada business of the Offeror, as well as the expansion of the scope of utilization of its business structuring capabilities and business finding capabilities so that the Target can more promptly respond to diversified customer needs than the Target does alone, and create solutions that enhance customer value, thereby contributing to solving social issues.

In addition, as stated in "(b) Obtainment of a share valuation report from an independent third-party valuation agent by the Target" in "Measures to Ensure Fairness in the Tender Offer Such as Measures to Ensure Fairness in the Tender Offer Price and Measures to Avoid Conflicts of Interest" in "(ii) Background of the Calculation" in "(4) Basis of Valuation of Tender Offer Price" in "2. Overview of the Tender Offer" below, (i) the Tender Offer Price exceeds the scope of the calculation results according to the average market price method, from among the calculation results of the share value of the Target provided by Nomura, and also falls within the scope of the calculation results according to the comparable companies method and the discounted cash flow method (the "DCF Method"); (ii) the Tender Offer Price includes a 3.36% premium (rounded off to two decimal places; the same shall apply hereinafter to the calculations of premiums) over the closing price, JPY 7,740, of the Target Common Shares on the First Section of the TSE on January 30, 2020, which is the day immediately preceding the announcement date of the implementation of the Tender Offer, a 1.98% premium over the simple average of the closing prices, JPY 7,845 (rounded off to the closest whole number; the same shall apply hereinafter to the calculations of simple averages of closing prices), for the one month prior to the same date (from January 6, 2020 to January 30, 2020), a 8.42%

premium over the simple average of the closing prices, JPY 7,379, for the three months prior to the same date (from October 31, 2019 to January 30, 2020), a 19.44% premium over the simple average of the closing prices, JPY 6,698, for the six months prior to the same date (from July 31, 2019 to January 30, 2020), and also includes a 68.42% premium over the closing price, JPY 4,750, of the Target Common Share on June 6, 2019, which is the day immediately preceding June 7, 2019, on which some press made speculative reports on the Transaction, a 69.60% premium over the simple average of the closing prices, JPY 4,717, for the one month prior to the same date (from May 7, 2019 to June 6, 2019), a 71.93% premium over the simple average of the closing prices, JPY 4,653, for the three months prior to the same date (from March 7, 2019 to June 6, 2019), a 87.31% premium over the simple average of the closing prices, JPY 4,271, for the six months prior to the same date (from December 7, 2018 to June 6, 2019), and is considered to include reasonable premiums as compared to the standards of premiums in other cases of tender offers in order for parent companies to cause their consolidated subsidiaries to be their wholly-owned subsidiaries; (iii) upon determining the Tender Offer Price the Target adopted measures to ensure fairness of the Tender Offer Price, and measures to avoid conflicts of interest as stated in “Measures to Ensure Fairness in the Tender Offer Such as Measures to Ensure Fairness in the Tender Offer Price and Measures to Avoid Conflicts of Interest” in “(ii) Background of the Calculation” in “(4) Basis of Valuation of Tender Offer Price” in “2. Overview of the Tender Offer” below, and the interests of minority shareholders were taken into account; and (iv) the Tender Offer Price is a price that was proposed after measures to avoid conflicts of interests were taken, and the Target and the Offeror engaged in discussions and negotiations comparable to discussions and negotiations in arm’s-length transactions, more specifically, faithful and continuous discussions and negotiations based on Nomura’s calculation results regarding the share value of the Target, and discussions with the special committee. Considering these facts, at the board of directors meeting held on January 31, 2020, the Tender Offer was determined to provide the shareholders of the Target with the reasonable opportunity to sell the Target Common Shares at a price with a substantial premium.

(omitted)

(Note) This amendment has already been reflected to the English translation of the Press Release of January 31, 2020 disclosed on the Offeror’s website.

Before amendment

1. Purpose of the Purchase

(5) Likelihood of Delisting and Reasons for that Delisting

Although the Target Common Shares are listed on the First Section of the TSE as of today, the Offeror does not intend to set a maximum number of Share Certificates, Etc. to be purchased in the Tender Offer, so the Target

Common Shares might be delisted through prescribed procedures in accordance with delisting criteria of the TSE depending on the result of the Tender Offer. Even if the Target Common Shares do not fall under those criteria at the time of the successful completion of the Tender Offer, the Offeror intends to take procedures to acquire all of the Target Common Shares after the successful completion of the Tender Offer as explained in “(4) Policy of Restructuring, Etc. after the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)” above, in which case the Target Common Shares will be delisted through prescribed procedures in accordance with the delisting criteria of the TSE. After the Target Common Shares are delisted, the Target Common Shares will not be able to be traded on the First Section of the TSE.

After amendment

1. Purpose of the Purchase

(5) Likelihood of Delisting and Reasons for that Delisting

Although the Target Common Shares are listed on the First Section of the TSE as of today, the Offeror has not set a maximum number of Share Certificates, Etc. to be purchased in the Tender Offer, so the Target Common Shares might be delisted through prescribed procedures in accordance with delisting criteria of the TSE depending on the result of the Tender Offer. Even if the Target Common Shares do not fall under those criteria at the time of the successful completion of the Tender Offer, the Offeror intends to take procedures to acquire all of the Target Common Shares after the successful completion of the Tender Offer as explained in “(4) Policy of Restructuring, Etc. after the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)” above, in which case the Target Common Shares will be delisted through prescribed procedures in accordance with the delisting criteria of the TSE. After the Target Common Shares are delisted, the Target Common Shares will not be able to be traded on the First Section of the TSE.

Before amendment

2. Overview of the Tender Offer

(1) Outline of the Target

(i) Company name	<u>Hitachi High-Technologies Corporation</u> <u>(The company name will be changed to Hitachi High-Tech Corporation on February 12, 2020)</u>
(ii) Address	<u>24-14 Nishi-Shimbashi 1-chome, Minato-ku, Tokyo</u> <u>(The address will be changed to 17-1, Toranomon 1-chome, Minato-ku, Tokyo on February 12, 2020)</u>

(iii) Name and title of representative	Masahiro Miyazaki, Representative Executive Officer and President	
(iv) Description of business	Manufacturing and sale of medical analyzers, biotechnology-related products, analytical instruments, semiconductor manufacturing equipment, and analyzing equipment; offering high-value-added solutions in the fields of industrial and social infrastructure and mobility	
(v) Capital	JPY 7,938 million (as of <u>September 30</u> , 2019)	
(vi) Date of incorporation	April 12, 1947	
(vii) Major shareholders and their shareholding ratios (as of September 30, 2019) (Note)	Hitachi, Ltd.	51.73%
	Goldman Sachs & Co. Regular Account (Standing proxy: Goldman Sachs Japan Co., Ltd.)	3.57%
	The Master Trust Bank of Japan, Ltd. (Trust Account)	3.17%
	Japan Trustee Services Bank, Ltd. (Trust Account)	2.90%
	SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch, Custody Department)	1.70%
	Hitachi High-Technologies Corp.'s Shareholding Association	1.04%
	Japan Trustee Services Bank, Ltd. (Trust Account 7)	1.03%
	State Street Bank and Trust Company 505001 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	0.98%
	Japan Trustee Services Bank, Ltd. (Trust Account 5)	0.95%
	J.P. MORGAN BANK LUXEMBOURG S.A. 1300000 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	0.92%
(viii) Relationship between the Offeror and the Target	Capital relationship	As of today, the Offeror owns 71,135,619 Target Common Shares (ownership ratio: 51.73%), and the Target is a consolidated subsidiary of the Offeror.

	Personnel relationship	As of today, one of the Target's seven directors previously worked at the Offeror. Also, as of today, 10 of the Target's 17 executive officers previously worked at the Offeror. In addition to above, 73 employees of the Target Group are seconded to the Hitachi Group, and 225 employees of the Hitachi Group are seconded to the Target Group.
	Business relationship	The Offeror and the Target have a business relationship in which they conduct transactions such as sales and purchases of railroad-vehicle-related components, various information equipment, and power-generation-related components, etc., as well as providing and borrowing loans under the Hitachi Group Pooling Scheme. Also, the Target outsources research to the Offeror.
	Status as related party	The Target is a consolidated subsidiary of the Offeror; therefore, the Offeror and the Target constitute related parties with respect to each other.

(omitted)

After amendment

2. Overview of the Tender Offer

(1) Outline of the Target

(i) Company name	Hitachi High-Tech Corporation	
(ii) Address	17-1, Toranomom 1-chome, Minato-ku, Tokyo	
(iii) Name and title of representative	Masahiro Miyazaki, Representative Executive Officer and President	
(iv) Description of business	Manufacturing and sale of medical analyzers, biotechnology-related products, analytical instruments, semiconductor manufacturing equipment, and analyzing equipment; offering high-value-added solutions in the fields of industrial and social infrastructure and mobility	
(v) Capital	JPY 7,938 million (as of <u>December 31</u> , 2019)	
(vi) Date of incorporation	April 12, 1947	
(vii) Major	Hitachi, Ltd.	51.73%

shareholders and their shareholding ratios (as of September 30, 2019) (Note)	Goldman Sachs & Co. Regular Account (Standing proxy: Goldman Sachs Japan Co., Ltd.)		3.57%
	The Master Trust Bank of Japan, Ltd. (Trust Account)		3.17%
	Japan Trustee Services Bank, Ltd. (Trust Account)		2.90%
	SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch, Custody Department)		1.70%
	Hitachi High-Technologies Corp.'s Shareholding Association		1.04%
	Japan Trustee Services Bank, Ltd. (Trust Account 7)		1.03%
	State Street Bank and Trust Company 505001 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)		0.98%
	Japan Trustee Services Bank, Ltd. (Trust Account 5)		0.95%
	J.P. MORGAN BANK LUXEMBOURG S.A. 1300000 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)		0.92%
(viii) Relationship between the Offeror and the Target	Capital relationship	As of today, the Offeror owns 71,135,619 Target Common Shares (ownership ratio: 51.73%), and the Target is a consolidated subsidiary of the Offeror.	
	Personnel relationship	As of today, one of the Target's seven directors previously worked at the Offeror. Also, as of today, 10 of the Target's 17 executive officers previously worked at the Offeror. In addition to above, 73 employees of the Target Group are seconded to the Hitachi Group, and 225 employees of the Hitachi Group are seconded to the Target Group.	
	Business relationship	The Offeror and the Target have a business relationship in which they conduct transactions such as sales and purchases of railroad-vehicle-related components, various information equipment, and power-generation-related components, etc., as	

		well as providing and borrowing loans under the Hitachi Group Pooling Scheme. Also, the Target outsources research to the Offeror.
	Status as related party	The Target is a consolidated subsidiary of the Offeror; therefore, the Offeror and the Target constitute related parties with respect to each other.

(omitted)

Before amendment

2. Overview of the Tender Offer

(4) Basis of Valuation of Tender Offer Price

(ii) Background of the Calculation

(Measures to Ensure Fairness in the Tender Offer Such as Measures to Ensure Fairness in the Tender Offer Price and Measures to Avoid Conflicts of Interest)

(f) Approval of all disinterested directors of the Target

(omitted)

According to the Target, the above-mentioned resolution of the board of directors of the Target was adopted unanimously by six (of which four were outside directors) out of the seven directors of the Target who participated in the deliberations.

According to the Target, with the view to enhancing fairness, transparency, and objectivity of the decision-making process and eliminating the possibility of conflicts of interest, Ryuichi Kitayama (Note 5), a director of the Target, did not participate in the deliberations and resolution of the board of directors regarding the Transaction, including those at the above-mentioned board of directors meeting, nor did he participate in the discussions and negotiations with respect to the Transaction as an officer of the Target. He was previously associated with the Offeror, although he does not concurrently hold a position as an officer or an employee at the Offeror, and is not in a position to receive any instruction from the Offeror.

(omitted)

(Note 4) According to the Target, in expressing the opinions contained in the Fairness Opinion, Deloitte Tohmatsu Financial Advisory assumed and relied on the truthfulness, accuracy, and completeness of all the financial information to which it referred, the publicly available information, and any other information provided by the Target. Deloitte Tohmatsu Financial Advisory did not independently verify, and assumes no responsibility for the

truthfulness, accuracy, and completeness of, such information. In the preparation and submission of the Fairness Opinion, Deloitte Tohmatsu Financial Advisory has not provided any auditing or any other guarantee services in relation to any assets or liabilities (including derivatives, off-balance sheet assets and liabilities, and other contingent liabilities), nor has any third party requested that it provide auditing or any other guarantee services. Deloitte Tohmatsu Financial Advisory has not assessed the creditworthiness of the Target under applicable laws relating to bankruptcy, suspension of payments, or similar matters. In expressing the opinions contained in the Fairness Opinion, Deloitte Tohmatsu Financial Advisory assumed that the Target's business plans that Deloitte Tohmatsu Financial Advisory used with the Target's consent had been reasonably prepared incorporating the best projections and judgment available to the management of the Target. Furthermore, in expressing the opinions contained in the Fairness Opinion, Deloitte Tohmatsu Financial Advisory relied on the Target's business plans and related materials that it used without conducting any independent investigation into them.

In rendering the fairness opinion, Deloitte Tohmatsu Financial Advisory relied on representations of the Target's management with regard to the fact that no material events with respect to the Target occurred that were not disclosed to Deloitte Tohmatsu Financial Advisory, and on matters represented as of the date of the fairness opinion.

The Fairness Opinion rendered by Deloitte Tohmatsu Financial Advisory is based on the precondition that all consents and approvals from the government and supervisory authorities that are necessary for establishment of the Transaction were obtained by the Target or the Offeror without affecting in any manner the anticipated benefits of the Transaction. Furthermore, the Fairness Opinion is based on the precondition that for the accounting purposes of the Transaction, the tax effect is the same as that anticipated in the information presented to, and relied upon as a premise for the opinion by, Deloitte Tohmatsu Financial Advisory.

Deloitte Tohmatsu Financial Advisory assumes no obligations towards the Target, the Target's board of directors, or the special committee to solicit a decision of a third party concerning the Transaction, and has not solicited such in the past and shall solicit this in the future.

The Fairness Opinion is based on business, economy, market, and other situations existing as of January 30, 2020 or the date this information were provided to Deloitte Tohmatsu Financial

Advisory. In rendering the Fairness Opinion, Deloitte Tohmatsu Financial Advisory has not analyzed or reviewed whether the business decision that is the basis for implementing the Transaction or the terms of transactions scheduled for the Transaction constitute the best realizable price, and it shall not be obligated to conduct such analysis or review. The Fairness Opinion does not represent any views concerning the Target's solvency before or after the Transaction.

The purpose of the Fairness Opinion is to provide to the Target's board of directors and the Special Committee with reference information for making managerial decisions and is not intended to contain any recommendation to the Target's shareholders to exercise their voting rights concerning the Transaction. The Fairness Opinion is not addressed to any third party other than the Target and no third party may trust or rely on the opinion for any purpose. Accordingly, Deloitte Tohmatsu Financial Advisory does not assume any responsibility for any reason toward any third party (including the Target's shareholders) other than the Target.

The Target acknowledges that even if there is any change in circumstances on and after January 30, 2020 that would affect Deloitte Tohmatsu Financial Advisory's Fairness Opinion, Deloitte Tohmatsu Financial Advisory assumes no obligation or responsibility to renew, amend, supplement, or reconfirm the Fairness Opinion.

(Note 5) As stated in "Hitachi Announces Executive Changes" released by the Offeror on January 31, 2020, Ryuichi Kitayama, a director of the Target, will assume the office of Representative Executive Officer, Executive Vice President and Executive Officer of the Offeror on April 1, 2020.

After amendment

2. Overview of the Tender Offer

(4) Basis of Valuation of Tender Offer Price

(ii) Background of the Calculation

(Measures to Ensure Fairness in the Tender Offer Such as Measures to Ensure Fairness in the Tender Offer Price and Measures to Avoid Conflicts of Interest)

(f) Approval of all disinterested directors of the Target

(omitted)

According to the Target, the above-mentioned resolution of the board of directors of the Target held on January 31, 2020 was adopted unanimously

by six (of which four were outside directors) out of the seven directors of the Target who participated in the deliberations.

According to the Target, with the view to enhancing fairness, transparency, and objectivity of the decision-making process and eliminating the possibility of conflicts of interest, Ryuichi Kitayama, a director of the Target, did not participate in the deliberations and resolution of the board of directors regarding the Transaction, including those at the above-mentioned board of directors meeting of the Target held on January 31, 2020, nor did he participate in the discussions and negotiations with respect to the Transaction as an officer of the Target. He was previously associated with the Offeror, although he does not concurrently hold a position as an officer or an employee at the Offeror, and is not in a position to receive any instruction from the Offeror.

In addition, in response to the fact that the Tender Offer was going to be commenced as scheduled on February 17, 2020, the Target resolved by its board of directors' resolution on February 14, 2020 to again express its opinion in support of the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer. Please note that there has been no change to the Target's opinion on the Tender Offer expressed as of January 31, 2020.

The above-mentioned resolution of the board of directors of the Target on February 14, 2020 was adopted unanimously by six (of which four were outside directors) out of the seven directors of the Target.

Since Mr. Ryuichi Kitayama, a director of the Target, will assume the office of Representative Executive Officer, Executive Vice President and Executive Officer of the Offeror on April 1, 2020 as stated in "Hitachi Announces Executive Changes" released by the Offeror on January 31, 2020, he has special interests in the Tender Offer; therefore, he did not participate in the above-mentioned resolution of the board of directors of the Target on February 14, 2020.

(omitted)

(Note 4) According to the Target, in expressing the opinions contained in the Fairness Opinion, Deloitte Tohmatsu Financial Advisory assumed and relied on the truthfulness, accuracy, and completeness of all the financial information to which it referred, the publicly available information, and any other information provided by the Target. Deloitte Tohmatsu Financial Advisory did not independently verify, and assumes no responsibility for the truthfulness, accuracy, and completeness of, such information. In the preparation and submission of the Fairness Opinion, Deloitte Tohmatsu Financial Advisory has not provided any auditing or any other guarantee services in relation to any assets or liabilities (including derivatives, off-balance sheet assets and liabilities, and other contingent liabilities), nor has any third party requested that it provide auditing or any other guarantee services. Deloitte

Tohmatsu Financial Advisory has not assessed the creditworthiness of the Target under applicable laws relating to bankruptcy, suspension of payments, or similar matters. In expressing the opinions contained in the Fairness Opinion, Deloitte Tohmatsu Financial Advisory assumed that the Target's business plans that Deloitte Tohmatsu Financial Advisory used with the Target's consent had been reasonably prepared incorporating the best projections and judgment available to the management of the Target. Furthermore, in expressing the opinions contained in the Fairness Opinion, Deloitte Tohmatsu Financial Advisory relied on the Target's business plans and related materials that it used without conducting any independent investigation into them.

In rendering the fairness opinion, Deloitte Tohmatsu Financial Advisory relied on representations of the Target's management with regard to the fact that no material events with respect to the Target occurred that were not disclosed to Deloitte Tohmatsu Financial Advisory, and on matters represented as of the date of the fairness opinion.

The Fairness Opinion rendered by Deloitte Tohmatsu Financial Advisory is based on the precondition that all consents and approvals from the government and supervisory authorities that are necessary for establishment of the Transaction were obtained by the Target or the Offeror without affecting in any manner the anticipated benefits of the Transaction. Furthermore, the Fairness Opinion is based on the precondition that for the accounting purposes of the Transaction, the tax effect is the same as that anticipated in the information presented to, and relied upon as a premise for the opinion by, Deloitte Tohmatsu Financial Advisory.

Deloitte Tohmatsu Financial Advisory assumes no obligations towards the Target, the Target's board of directors, or the special committee to solicit a decision of a third party concerning the Transaction, and has not solicited such in the past and shall solicit this in the future.

The Fairness Opinion is based on business, economy, market, and other situations existing as of January 30, 2020 or the date this information were provided to Deloitte Tohmatsu Financial Advisory. In rendering the Fairness Opinion, Deloitte Tohmatsu Financial Advisory has not analyzed or reviewed whether the business decision that is the basis for implementing the Transaction or the terms of transactions scheduled for the Transaction constitute the best realizable price, and it shall not be obligated to conduct such analysis or review. The Fairness

Opinion does not represent any views concerning the Target's solvency before or after the Transaction.

The purpose of the Fairness Opinion is to provide to the Target's board of directors and the Special Committee with reference information for making managerial decisions and is not intended to contain any recommendation to the Target's shareholders to exercise their voting rights concerning the Transaction. The Fairness Opinion is not addressed to any third party other than the Target and no third party may trust or rely on the opinion for any purpose. Accordingly, Deloitte Tohmatsu Financial Advisory does not assume any responsibility for any reason toward any third party (including the Target's shareholders) other than the Target.

The Target acknowledges that even if there is any change in circumstances on and after January 30, 2020 that would affect Deloitte Tohmatsu Financial Advisory's Fairness Opinion, Deloitte Tohmatsu Financial Advisory assumes no obligation or responsibility to renew, amend, supplement, or reconfirm the Fairness Opinion.

Before amendment

2. Overview of the Tender Offer

(5) Number of Share Certificates, Etc. to Be Purchased

Number of Share Certificates, Etc. to be Purchased	Minimum Number of Share Certificates, Etc. to be Purchased	Maximum Number of Share Certificates, Etc. to be Purchased
66,390,170 shares	20,548,181 shares	- shares

(Note 1) If the total number of the Tendered Share Certificates, Etc. is less than the minimum number of Share Certificates, Etc. to be purchased (20,548,181 shares), the Offeror will not purchase any of the Tendered Share Certificates, Etc. If the total number of the Tendered Share Certificates, Etc. is equal to or exceeds the minimum number of Share Certificates, Etc. to be purchased, the Offeror will purchase all of the Tendered Share Certificates, Etc. As stated in "(1) Overview of the Tender Offer" in "1. Purpose of the Purchase" above, if the Target submits the Target Third Quarter Securities Report for the Business Period Ending March 2020 before the commencement of the Tender Offer, the minimum number of Share Certificates, Etc. to be purchased is planned to be set at the number of shares calculated by (i) taking the number of voting rights of the number of Target Common Shares, as calculated by deducting the number of the Target's

own shares owned by the Target as stated in the Target Third Quarter Securities Report for the Business Period Ending March 2020 from the total number of issued shares of the Target as stated in the Target Third Quarter Securities Report for the Business Period Ending March 2020, (ii) calculating the number of voting rights equivalent to two-thirds thereof, (iii) multiplying that number by the number of Target Common Shares in one share unit to calculate a number of shares, and (iv) subtracting the number of Target Common Shares owned by the Offeror. The Offeror will amend, if necessary, the minimum number of Share Certificates, Etc. to be purchased at the commencement of the Tender Offer and disclose the amended number.

- (Note 2) The number of Share Certificates, Etc. to be purchased sets out the maximum number of Share Certificates, Etc. of the Target to be acquired by the Offeror in the Tender Offer (66,390,170 shares). That maximum number of Share Certificates, Etc. is the number of shares obtained by deducting the number of Target Common Shares owned by the Target as of September 30, 2019 set out in the Target Second Quarter Securities Report for the Business Period Ending March 2020 (212,941 shares) and the number of the Target Common Shares held by the Offeror (71,135,619 shares) from the total number of issued shares as of September 30, 2019 set out in the Target Second Quarter Securities Report for the Business Period Ending March 2020 (137,738,730 shares). However, if the Target submits the Target Third Quarter Securities Report for the Business Period Ending March 2020 before the commencement of the Tender Offer, the maximum number of Share Certificates, Etc. is planned to be the number of shares obtained by deducting the number of Target Common Shares owned by the Target set out in the Target Third Quarter Securities Report for the Business Period Ending March 2020 and the number of the Target Common Shares held by the Offeror from the total number of issued shares set out in the Target Third Quarter Securities Report for the Business Period Ending March 2020. The Offeror will amend, if necessary, the number of Share Certificates, Etc. to be purchased at the commencement of the Tender Offer and will disclose the amended number.

(omitted)

After amendment

2. Overview of the Tender Offer

(5) Number of Share Certificates, Etc. to Be Purchased

Number of Share Certificates, Etc. to be Purchased	Minimum Number of Share Certificates, Etc. to be Purchased	Maximum Number of Share Certificates, Etc. to be Purchased
<u>66,389,737</u> shares	<u>20,547,981</u> shares	– shares

(Note 1) If the total number of the Tendered Share Certificates, Etc. is less than the minimum number of Share Certificates, Etc. to be purchased (20,547,981 shares), the Offeror will not purchase any of the Tendered Share Certificates, Etc. If the total number of the Tendered Share Certificates, Etc. is equal to or exceeds the minimum number of Share Certificates, Etc. to be purchased, the Offeror will purchase all of the Tendered Share Certificates, Etc.

(Note 2) The number of Share Certificates, Etc. to be purchased sets out the maximum number of Share Certificates, Etc. of the Target to be acquired by the Offeror in the Tender Offer (66,389,737 shares). That maximum number of Share Certificates, Etc. is the number of shares obtained by deducting the number of Target Common Shares owned by the Target as of December 31, 2019 set out in the Target Third Quarter Securities Report for the Business Period Ending March 2020 (213,374 shares) and the number of the Target Common Shares held by the Offeror (71,135,619 shares) from the total number of issued shares as of December 31, 2019 set out in the Target Third Quarter Securities Report for the Business Period Ending March 2020 (137,738,730 shares).

(omitted)

Before amendment

2. Overview of the Tender Offer

(6) Changes in Ownership Ratio of Share Certificates, Etc. due to the Tender Offer

Number of voting rights represented by Share Certificates, Etc. held by the Offeror before the Tender Offer	711,356 voting rights	(Ownership Ratio of Share Certificates, Etc. before the Tender Offer: 51.73%)
Number of voting rights represented by Share Certificates, Etc. held by special related	0 voting rights	(Ownership Ratio of Share Certificates, Etc. before the Tender Offer: 0%)

parties before the Tender Offer		
Number of voting rights represented by Share Certificates, Etc. held by the Offeror after the Tender Offer	<u>1,375,257</u> voting rights	(Ownership Ratio of Share Certificates, Etc. after the Tender Offer: 100%)
Number of voting rights represented by Share Certificates, Etc. held by special related parties after the Tender Offer	0 voting rights	(Ownership Ratio of Share Certificates, Etc. after the Tender Offer: 0%)
Number of voting rights of all of the shareholders of the Target	<u>1,374,443</u> voting rights	

(Note 1) “Number of voting rights represented by Share Certificates, Etc. held by the Offeror after the Tender Offer” is the sum of the number of voting rights (663,901 voting rights) represented by the number of Share Certificates, Etc. to be purchased in the Tender Offer (66,390,170 shares) plus the “Number of voting rights represented by Share Certificates, Etc. held by the Offeror before the Tender Offer” (711,356 voting rights).

(Note 2) “Number of voting rights represented by Share Certificates, Etc. held by special related parties before the Tender Offer” is the total number of voting rights represented by Share Certificates, Etc. held by each special related party (other than special related parties who are not considered special related parties pursuant to Article 3, paragraph (2), item (i), of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Persons Other Than Issuers (Ordinance of the Ministry of Finance No. 38 of 1990, as amended; hereinafter referred to as the “**Cabinet Office Ordinance**”) for the purpose of calculating the ownership ratio of Share Certificates, Etc. set out in each item under Article 27-2, paragraph (1) of the Act). Since Share Certificates, Etc. held by the special related parties (excluding Target’s own shares that are owned by the Target) are subject to the Tender Offer, “Number of voting rights represented by Share Certificates, Etc. held by special related parties after the Tender Offer” is 0. Also, the Offeror intends to confirm the number of Share Certificates, Etc. of the Target held by special related parties by the commencement of the Tender Offer and will amend, if necessary, the above “Number of voting rights represented by Share Certificates, Etc. held by special related parties before the Tender Offer” and “Number of voting rights represented by Share Certificates, Etc. held by special related parties after the Tender Offer” at the commencement of the Tender Offer and disclose the amended numbers.

(Note 3) “Number of voting rights of all of the shareholders of the Target”

is the number of voting rights of all shareholders as of September 30, 2019 set out in the Target Second Quarter Securities Report for the Business Period Ending March 2020. However, given that shares less than one unit are also to be purchased in the Tender Offer, in the calculation of the “Ownership Ratio of Share Certificates, Etc. before the Tender Offer” and the “Ownership Ratio of Share Certificates, Etc. after the Tender Offer,” the number of voting rights (1,375,257 voting rights) pertaining to the number of shares (137,525,789 shares) obtained by deducting the number of shares owned by the Target as of September 30, 2019 (212,941 shares) set out in the Target Second Quarter Securities Report for the Business Period Ending March 2020 from the total number of issued shares as of September 30, 2019 (137,738,730 shares) set out in the Target Second Quarter Securities Report for the Business Period Ending March 2020 is used as the denominator.

(omitted)

After amendment

2. Overview of the Tender Offer

(6) Changes in Ownership Ratio of Share Certificates, Etc. due to the Tender Offer

Number of voting rights represented by Share Certificates, Etc. held by the Offeror before the Tender Offer	711,356 voting rights	(Ownership Ratio of Share Certificates, Etc. before the Tender Offer: 51.73%)
Number of voting rights represented by Share Certificates, Etc. held by special related parties before the Tender Offer	0 voting rights	(Ownership Ratio of Share Certificates, Etc. before the Tender Offer: 0%)
Number of voting rights represented by Share Certificates, Etc. held by the Offeror after the Tender Offer	<u>1,375,253</u> voting rights	(Ownership Ratio of Share Certificates, Etc. after the Tender Offer: 100%)
Number of voting rights represented by Share Certificates, Etc. held by special related parties after the Tender Offer	0 voting rights	(Ownership Ratio of Share Certificates, Etc. after the Tender Offer: 0%)
Number of voting rights of all of the shareholders of the Target	<u>1,374,442</u> voting rights	

(Note 1) “Number of voting rights represented by Share Certificates, Etc. held by the Offeror after the Tender Offer” is the sum of the

number of voting rights (663,897 voting rights) represented by the number of Share Certificates, Etc. to be purchased in the Tender Offer (66,389,737 shares) plus the “Number of voting rights represented by Share Certificates, Etc. held by the Offeror before the Tender Offer” (711,356 voting rights).

(Note 2) “Number of voting rights represented by Share Certificates, Etc. held by special related parties before the Tender Offer” is the total number of voting rights represented by Share Certificates, Etc. held by each special related party (other than special related parties who are not considered special related parties pursuant to Article 3, paragraph (2), item (i), of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Persons Other Than Issuers (Ordinance of the Ministry of Finance No. 38 of 1990, as amended; hereinafter referred to as the “**Cabinet Office Ordinance**”) for the purpose of calculating the ownership ratio of Share Certificates, Etc. set out in each item under Article 27-2, paragraph (1) of the Act). Since Share Certificates, Etc. held by the special related parties (excluding Target’s own shares that are owned by the Target) are subject to the Tender Offer, “Number of voting rights represented by Share Certificates, Etc. held by special related parties after the Tender Offer” is 0.

(Note 3) “Number of voting rights of all of the shareholders of the Target” is the number of voting rights of all shareholders as of December 31, 2019 set out in the Target Third Quarter Securities Report for the Business Period Ending March 2020. However, given that shares less than one unit are also to be purchased in the Tender Offer, in the calculation of the “Ownership Ratio of Share Certificates, Etc. before the Tender Offer” and the “Ownership Ratio of Share Certificates, Etc. after the Tender Offer,” the number of voting rights (1,375,253 voting rights) pertaining to the number of shares (137,525,356 shares) obtained by deducting the number of shares owned by the Target as of December 31, 2019 (213,374 shares) set out in the Target Third Quarter Securities Report for the Business Period Ending March 2020 from the total number of issued shares as of December 31, 2019 (137,738,730 shares) set out in the Target Third Quarter Securities Report for the Business Period Ending March 2020 is used as the denominator.

(omitted)

Before amendment

2. Overview of the Tender Offer

(7) **Purchase Price** JPY 531,121,360,000 (scheduled)

(Note) "Purchase price" is the amount obtained by multiplying the number of shares to be purchased (66,390,170 shares) by the per-share purchase price (JPY 8,000).

After amendment

2. Overview of the Tender Offer

(7) **Purchase Price** JPY 531,117,896,000 (scheduled)

(Note) "Purchase price" is the amount obtained by multiplying the number of shares to be purchased (66,389,737 shares) by the per-share purchase price (JPY 8,000).

Before amendment

2. Overview of the Tender Offer

(9) Other Conditions and Methods of the Tender Offer

(i) Conditions Listed in the Items of Article 27-13, Paragraph (4) of the Act and the Details of Those Conditions

If the total number of Tendered Share Certificates, Etc. is less than the minimum number of the Share Certificates, Etc. to be purchased (20,548,181 shares), the Offeror will not purchase any of the Tendered Share Certificates, Etc. If the total number of Tendered Share Certificates, Etc. is equal to or more than the minimum number of Share Certificates, Etc. to be purchased (20,548,181 shares), the Offeror will purchase all of the Tendered Share Certificates, Etc.

After amendment

2. Overview of the Tender Offer

(9) Other Conditions and Methods of the Tender Offer

(i) Conditions Listed in the Items of Article 27-13, Paragraph (4) of the Act and the Details of Those Conditions

If the total number of Tendered Share Certificates, Etc. is less than the minimum number of the Share Certificates, Etc. to be purchased (20,547,981 shares), the Offeror will not purchase any of the Tendered Share Certificates, Etc. If the total number of Tendered Share Certificates, Etc. is equal to or more than the minimum number of Share Certificates, Etc.

to be purchased (20,547,981 shares), the Offeror will purchase all of the Tendered Share Certificates, Etc.

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 document.

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:

- economic conditions, including consumer spending and plant and equipment investment in Hitachi’s major markets, particularly Japan, Asia, the United States and Europe, 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;
- the possibility of cost fluctuations during the lifetime of, or cancellation of, long-term contracts for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- credit conditions of Hitachi’s customers and suppliers;
- fluctuations in product demand and industry capacity;
- uncertainty as to Hitachi’s ability to implement measures to reduce the potential negative impact of fluctuations in product demand, exchange rates and/or price of raw materials or shortages of materials, parts and components;
- 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;
- uncertainty as to Hitachi’s ability to attract and retain skilled personnel;
- increased commoditization of and intensifying price competition for products;

- 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;
- the potential for significant losses on Hitachi's investments in equity-method associates and joint ventures;
- 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;
- uncertainty as to the success of cost structure overhaul;
- uncertainty as to Hitachi's access to, or ability to protect, certain intellectual property;
- 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;
- 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 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; 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 in other materials published by Hitachi.

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, is focusing on Social Innovation Business combining its operational technology, information technology and products. The company's consolidated revenues for fiscal 2018 (ended March 31, 2019) totaled 9,480.6 billion yen (\$85.4 billion), and the company has approximately 296,000 employees worldwide. Hitachi delivers digital solutions utilizing Lumada in five sectors including Mobility, Smart Life, Industry, Energy and IT, to increase our customer's social, environmental and economic value. For more information on Hitachi, please visit the company's website at <https://www.hitachi.com>.

Restrictions on Solicitation

This press release is to announce the Tender Offer to the public and has not been prepared for the purpose of soliciting an offer to sell shares. If shareholders wish to make an offer to sell their shares, they should first carefully read the Tender Offer Explanatory Statement for the Tender Offer and make their own independent decision. This press release does not constitute, nor form part of, any offer to sell, solicitation of a sale of, or any solicitation of any offer to buy, any securities. In addition, neither this press release (or any part of it) nor the fact of its distribution shall form the basis for any agreement on the Tender Offer or be relied on when executing such an agreement.

Standards and regulations, etc. in the United States

The Tender Offer will be conducted in compliance with the procedures and information disclosure standards set out in the Act, but those procedures and standards are not necessarily the same as the procedures and information disclosure standards in the United States. In particular, the Tender Offer is not subject to Section 13(e) or Section 14(d) of the United States Securities Exchange Act of 1934 (as amended) or the rules set out thereunder, and the Tender Offer will not be conducted in line with those procedures or standards. All of the financial data included or referred to in this press release and the reference documents thereof does not conform to accounting standards in the United States and may not equivalent to the financial statements prepared in accordance with accounting standards in the United States. Further, the Offeror is a company that has been established outside of the United States and some of its directors reside outside of the United States, so it may be difficult to exercise any rights or make any demands under the federal securities laws of the United States. It also may be impossible to take legal proceedings against a company that is based outside of the United States or its directors in a court outside of the United States on the grounds of a violation of the federal securities laws of the United States. Additionally, the jurisdiction of a United States court over a company that is based outside of the United States or its subsidiaries or affiliates may not be recognized.

Unless otherwise provided, all of the procedures concerning the Tender Offer will be conducted in the Japanese language. All or some of the documents related to the Tender Offer are prepared in the English language, and if there is a discrepancy between that English language document and the corresponding Japanese language document, the Japanese language document will prevail.

Statements that constitute “forward-looking statements” as defined in Section 27A of the Securities Act of 1933 of the United States (as amended) and Section 21E of the United States Securities Exchange Act of 1934 are included in statements in this press release and the reference documents thereof. There may be a significant difference between actual results and the express or implied predictions, etc. made as “forward-looking statements” due to known or unknown risks, uncertainties, and other factors. Neither the Offeror nor any of its affiliates guarantees that any express or implied prediction, etc. made as a “forward-looking statements” will ultimately be correct. The “forward-looking statements” in this press release and the reference documents thereof have been prepared based on information that is available to the Offeror as of the date of this press release, and unless required by applicable laws or regulations or the rules of a financial instruments exchange, neither the Offeror nor any of its affiliates has an obligation to update or correct those statements in order to reflect future events or circumstances.

The financial advisors of the Offeror and the Target, the Tender Offer Agent, and persons related thereto might, before the commencement of the Tender Offer or during the Tender Offer Period, purchase by means other than the Tender Offer or conduct an act aimed at

such a purchase of Target Common Shares on its own account or the account of its client to the extent permitted by Japanese laws related to financial instruments transactions in the scope of its ordinary business and in accordance with the requirements of Rule 14e-5(b) of the United States Securities Exchange Act of 1934. If information regarding such a purchase is disclosed in Japan, that information will also be disclosed in the United States in a similar manner.

In other countries

Some countries or regions may impose restrictions on the announcement, issue, or distribution of this press release. In such cases, please take note of such restrictions and comply with them. The announcement, issue, or distribution of this press release shall not constitute a solicitation of an offer to sell or an offer to buy shares relating to the Tender Offer and shall be deemed a distribution of materials for informative purposes only.

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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.
