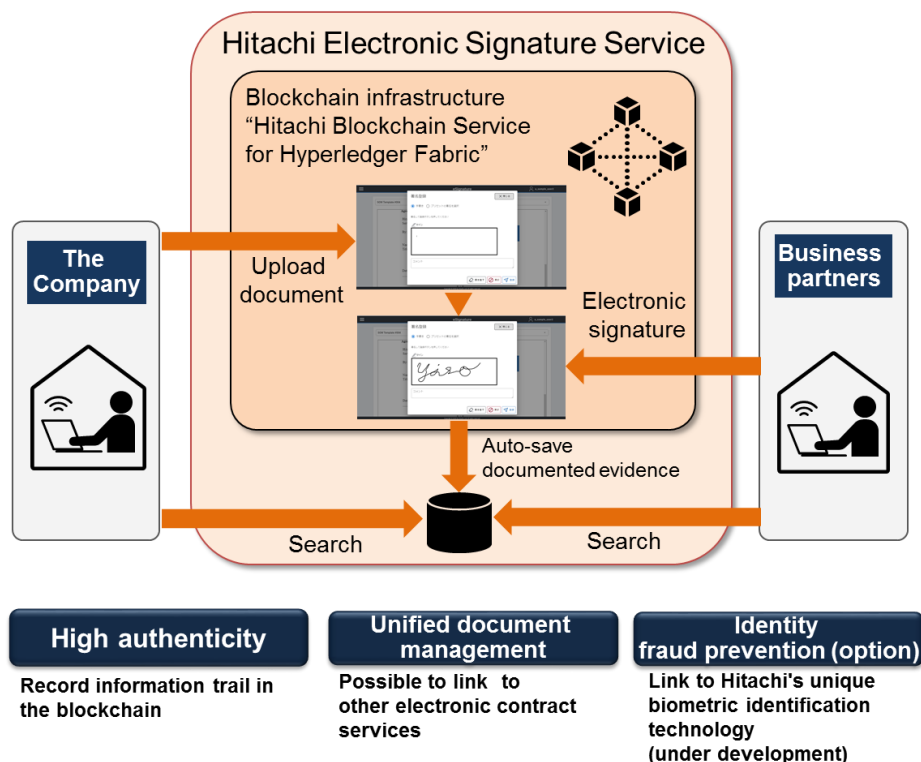


News Release

Hitachi Developed the Hitachi Electronic Signature Service that Promotes to Eliminate Personal Seals with High Authenticity of Information by Blockchain Technology, and Starts Internal Operations

Go on sale after July as the service that contributes to new workstyle in the New Normal with supporting remote working, operational efficiency and cost reduction



Conceptual Diagram of the Hitachi Electronic Signature Service

Tokyo, March 3, 2021 – Hitachi, Ltd. (TSE: 6501, "Hitachi") today announced that it has developed the Hitachi Electronic Signature Service ("the Service"), which implements secure electronic contracts based on blockchain (distributed ledger) technology. The Service digitizes the signatures and seals of paper documents such as contracts exchanged between companies, and promotes to eliminate personal seals. The use of blockchain guarantees the authenticity of signature information and improves resistance to data tampering. The Service provides stable system operation by using the Hitachi Blockchain Service for Hyperledger Fabric for its blockchain platform. The Hitachi Blockchain Service for Hyperledger Fabric is suitable for transactions between multiple corporations and has also been used for traceability systems in inter-company supply chains. The Service will contribute to the

establishment of a new sustainable way of working in the age of the New Normal with supporting remote working, operational efficiency and cost reduction.

Hitachi started to operate the Service at the Procurement Department at its head office as of March 2021. After reflecting the feedback in the Service, we will launch sales to corporations in Japan after July 2021. In the future, we plan to roll out to global corporations with a focus on North America. Further, the whole Hitachi Group systematizes and sells a wide range of radical know-how and technology as a service to support new workstyle in the New Normal. We also plan to include the Service in this lineup.

At present, the introduction of remote working, including working from home, is expanding rapidly as a measure to control the spread of COVID-19 infections. Many corporations are in the process of setting up the infrastructure environment for flexible working regardless of location. However, at Japanese corporations, in particular, the procedures for affixing signatures and personal seals to paperwork, including contracts exchanged between corporations, have proven to be a major obstacle to remote working. Additionally, binding and mailing original documents, buying and affixing revenue stamps, and storing documents require a lot of time and money. In this situation, there is rising interest in electronic signatures that use digital technologies as an alternative method, but there are issues around security to prevent data tampering by third parties.

At this time, Hitachi has used its IT expertise to develop the Service, which digitizes the procedures for affixing signatures and personal seals. It is a solution that makes it possible to carry out these procedures anytime and anywhere, thus it realizes remote working, operational efficiency, and cost reduction. At the same time, the Service maintains a high level of security thanks to the blockchain technology. Hitachi offers the Service as SaaS (Software as a Service) with integrated functions and operational administration.

The features of the Service are outlined below.

1. High authenticity by recording information trails in the blockchain

When users sign a document in the Service, hash information⁽¹⁾ and time stamp information⁽²⁾ for the digital data are recorded in the blockchain. Data stored in the blockchain is highly resistant to tampering, and compared to the use of conventional relational databases⁽³⁾, the authenticity of the data is improved. In addition, the blockchain infrastructure uses Hitachi Blockchain Service for Hyperledger Fabric, the managed cloud service from Hitachi, and provides stable system operation by the experienced Hitachi team. Further, we strive to expedite the development of the Service by using Hitachi's unique Blockchain System Development Support Service, which has a group of functions including operational templates and development frameworks.

2. Facilitates unified management of documents by linking to other electronic contract services

Generally, when corporations use electronic signatures and contracts, it may be necessary to use several different systems dependent on the services used by the business partner. This Service offers a function for centralized document management that imports signed documents into the Service by connecting to other electronic contract services via an API⁽⁴⁾ that facilitates information exchange between different companies. The connected services will be expanded in the future.

3. The ease of use reflects feedback from users

The Service features operations and functions that match commercial practices based on regional characteristics such as sending documents back in case the signature or seal of the other party does not conform to certification, delegate signatures, and customize the approval flow.

4. Prevent identity fraud by linking to Hitachi's unique biometric identification technology which identifies individuals by their biological information (option)

Hitachi is in the process of developing an optional function to strengthen security by combining blockchain technology with Public Biometric Infrastructure (PBI)⁽⁵⁾ that creates private keys using data encryption based on finger veins and other biometric information made available to Hitachi. The technology is expected to apply to areas where strict authentication is necessary such as medical / healthcare /financial fields and public institutions.

Hitachi started to operate the Service at the Procurement Department at its head office as of March 2021. After reflecting the feedback in the Service, we will launch sales to corporations after July 2021. In addition we plan to link the Service with Hitachi's TWX-21⁽⁶⁾ cloud service for transactions between corporations to increase added value, and to provide the Service as a Lumada⁽⁷⁾ solution.

(1) Hash information: A value obtained by processing data through a hash function.

(2) Time stamp information: A digital certificate that ascertains the existence of digital data at a certain time.

(3) Relational database: One of the most widely used databases, the relational database is a model that links sets of tabular data with each other.

(4) Application Programming Interface (API): Specifications for accessing software functions and managed data from external programs.

(5) Public Biometric Infrastructure (PBI): A proprietary Hitachi technology that identifies individuals safely and securely by encrypting, registering and matching biological information such as finger veins, faces, or irises.

(6) TWX-21: A cloud service that provides an online platform for inter-company transactions to approximately 71,000 corporate customers as of October 2020. Provides detailed application services related to corporate activity by business, by role, and by user. <https://www.twx-21.hitachi.ne.jp/en/index.html>

(7) Lumada: General name of solution service technology using Hitachi's advanced digital technology to generate value from customer data and accelerate digital innovation
<https://www.hitachi.com/products/it/lumada/global/en/index.html>

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, is focused on its Social Innovation Business that combines information technology (IT), operational technology (OT) and products. The company's consolidated revenues for fiscal year 2019 (ended March 31, 2020) totaled 8,767.2 billion yen (\$80.4 billion), and it employed approximately 301,000 people worldwide. Hitachi drives digital innovation across five sectors – Mobility, Smart Life, Industry, Energy and IT – through Lumada, Hitachi's advanced digital solutions, services, and technologies for turning data into insights to drive digital innovation. Its purpose is to deliver solutions that increase social, environmental and economic value for its customers. For more information on Hitachi, please visit the company's website at <https://www.hitachi.com>.

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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.
