FOR IMMEDIATE RELEASE

Notification of Company Split related to Diagnostic Imaging-related Business and Transfer of Shares of a New Company, and Recognition of Extraordinary Gain on an Unconsolidated Basis and Other Income on a Consolidated Basis for Fiscal Year Ending March 31, 2021

Tokyo, December 18, 2019 – Hitachi, Ltd. (TSE: 6501, "Hitachi") today announced that it has decided to execute an absorption-type split (the "Company Split") involving the diagnostic imaging-related business (the "Business"), currently undertaken by Hitachi and its consolidated subsidiaries and affiliate companies, through which the Business will be transferred to a newly established company serving as a successor company (the "New Company"), and transfer all shares in the New Company to FUJIFILM Corporation (TSE: 4901, "Fujifilm") (such share transfer, the "Share Transfer") after the Company Split.

Hitachi and Fujifilm agreed to the enterprise value of the Business as 179 billion yen. The final purchase price will be determined after customary adjustments for net working capital and net debt based on actual amounts at the closing date. The Company Split and the Share Transfer are subject to customary closing conditions and regulatory approvals. Disclosure regarding the Company Split in this announcement is simplified since the Company Split is an absorption-type split in which the Business is transferred from Hitachi to the New Company, a wholly-owned subsidiary of Hitachi.

1. Purpose of the Company Split and the Share Transfer

Hitachi operates diagnostic imaging-related businesses, such as diagnostic imaging equipment and electronic medical record businesses globally. Hitachi has made efforts in strengthening the Business and establishing an efficient management structure, including the reorganization of Hitachi Medical Corp. and Hitachi Aloka Medical, Ltd. in 2016.

The diagnostic imaging-related business is expected to see steady growth due to aging populations and increase in chronic diseases in developed markets, as well as demand for improved levels of healthcare alongside economic growth in emerging countries. At the same time, scale expansion is becoming increasingly critical for the Business in the face of advances in industrial consolidation and intensifying global competition. With this in mind, Hitachi decided on the Share Transfer to Fujifilm on concluding that the Share Transfer is optimal in strengthening competitiveness of and achieving further growth in the Business given Fujifilm's highly complementary sales channels and outstanding technological capabilities in fields such as image processing.

Hitachi, in its healthcare business, will accelerate global rollout of its particle therapy treatment systems, a highly reliable system with outstanding track record of treating over 60,000 patients, strengthen its in-vitro diagnostic systems business that enables early detection of diseases, and for the future, Hitachi will expand its cell manufacturing solutions deploying its expertise in regenerative medicine. Hitachi will also continue to offer high value-added services in the IT field, such as medical and nursing data linkage platform and new services utilizing AI and analytics. Furthermore, Hitachi will broaden its healthcare business into group-wide efforts by leveraging its strengths in digital technologies to create social, environmental, and economic values and contribute to the realization of a sustainable society.

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	December 18, 2019
Signing of the company split agreement	To be determined
Effective date for Company Split and closing date of Share Transfer	July 1, 2020 (Tentative)

(*) The transaction is subject to customary closing conditions and regulatory approvals. Hitachi will perform the Company Split without holding general meetings of shareholder to obtain approval for the absorption-type split agreement since the Company Split falls under an “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) Handling of stock acquisition rights and bonds with stock acquisition rights accompanying 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.

(4) Capitalization changes accompanying Company Split

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

(5) Others

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

3. Profiles of the Parties of the Company Split

	Splitting Company	New Company (Schedule)
(1) Name	Hitachi, Ltd.	FUJIFILM Healthcare Corporation
(2) Head office	6-6 Marunouchi 1-chome, Chiyoda-ku, Tokyo	2-1 Shintoyofuta, Kashiwa, Chiba
(3) Representative	President & CEO Toshiaki Higashihara	To be determined
(4) Outline of business	Development, manufacture and sales of products and provision of service across ten segments: IT, Energy, Industry, Mobility, Smart Life, Hitachi High-Technologies, Hitachi Construction Machinery, Hitachi Metals, Hitachi Chemical, Others	Research and development, manufacturing, sales and maintenance service of diagnostics imaging systems (CT, MRI, X-ray systems, Ultrasound) and electronic health records
(5) Capital	459,862 million yen (As of September 30, 2019)	45 million yen
(6) Established	February 1, 1920	To be determined
(7) Number of issued shares	967,280,477 shares (As of September 30, 2019)	To be determined
(8) Fiscal year-end	March 31	March 31
(9) Main shareholders and shareholding ratios (As of September 30, 2019)	The Master Trust Bank of Japan, Ltd. (Trust Account) 7.61% Japan Trustee Services Bank, Ltd. (Trust Account) 6.26% Hitachi Employees' Shareholding Association 2.13% Nippon Life Insurance Company 1.96% Japan Trustee Services Bank, Ltd. (Trust Account 5) 1.95%	Hitachi, Ltd. 100.0%
(10) Financial conditions and business results for the most recent fiscal year (ended March 2019) (consolidated/IFRS) (millions of yen unless otherwise specified)		
Total Hitachi, Ltd. stockholders' equity	3,262,603	—
Total assets	9,626,592	—
Total Hitachi, Ltd. stockholders' equity per share (JPY)	3,378.81	—
Revenues	9,480,619	—
Income from continuing operations, before income taxes	516,502	—
Net income attributable to Hitachi, Ltd. stockholders	222,546	—
Earnings per share attributable to Hitachi, Ltd. stockholders (basic) (yen)	230.47	—

4. Overview of the Business to Be Split

(1) Description of business to be split

Research and development, manufacturing, sales and maintenance service of diagnostics imaging systems (CT, MRI, X-ray systems, Ultrasound) and electronic health records

(2) Business performance of the Business

Revenues: 143.2 billion yen (fiscal year ended March 2019)

(3) Others

Other details concerning the Business to be split will be disclosed once determined.

5. Hitachi's Profile after the Company Split

No changes to Hitachi's 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 of the Company Split."

6. Outlook

As a result of the Company Split and Share Transfer, Hitachi plans to post an extraordinary gain of approximately 107.0 billion yen in gains on sale of affiliated companies' common shares in its unconsolidated statements of operations for the fiscal year ending March 31, 2021. In addition, Hitachi plans to record a gain on business reorganization and others in the amount of approximately 111.0 billion yen in its consolidated accounts as other income for the same fiscal year.

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.

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