



Notice Regarding Establishment of the Special Investigation Committee

Hitachi Capital Corporation (President & CEO: Seiji Kawabe, “the Company”) announced that the meeting of the board of Directors held today decided to establish a special investigation committee which consists of the Independent Outside Director as the Chairman and other external experts who have no special interest in the Company, as follows.

1. The process of setting up a special investigation committee

As announced in “Notice Regarding Postponement of the Announcement for Consolidated Earnings Report for the Year Ended March 31, 2019” on May 10, 2019, the Company postponed the announcement for Consolidated Earnings Report for the Year Ended March 31, 2019 since there might be possibilities of inappropriate deals in factoring deals provided by Hitachi Capital Factoring (China) Co., Ltd., a subsidiary of the Company, and the Company has proceeded with investigation of the cause at the Internal Investigation Committee as well as continued discussion regarding allowance for doubtful accounts, etc. with auditing firm. Moreover, as announced in “Notice Regarding Progress of Internal Investigation Committee for Inappropriate Deals” on June 6, 2019, the Company has conducted the investigation by expanding its scope.

This time, in the process of the investigation, it was additionally found that in relation to possible inappropriate deals, there are matters to be ascertained. In order to ascertain the whole picture including targeted cases and their root causes, the Company reached to a conclusion that it should reorganize the current investigation committee and establish the organization with higher specialty along with independence, objectivity and reliability of the investigation. Furthermore, based on its result of the investigation, the Company also concluded that the highly effective measures to prevent recurrence should be developed. Therefore, the meeting of the board of Directors held today decided to establish a special investigation committee which consists of the Independent Outside Director as the Chairman and other external experts who have no special interest in the Company.

2. Composition of the Special Investigation Committee

Chairman Koichiro Hiraiwa (Independent Outside Director of the Company)

Member Takuei Maruyama (Chief Executive Officer of PwC Business Assurance LLC, CPA)

Member Kaku Hirao (Partner of Nishimura & Asahi, Lawyer)

Additionally, at the Special Investigation Committee, the Company appoints PwC Business Assurance LLC and Nishimura & Asahi as assistant firms of the investigation.

3. Investigation period

The period of the investigation by the Special Investigation Committee will be approximately one month.

4. Purpose of the investigation

To understand the impact on performances, the Company proceeds with investigation with enhanced objectivity and reliability as to the existence of receivables at the subsidiary in China as well as the objectivity and reliability as to whether officers and employees of the Company and its subsidiary in China have been involved in fraudulent behaviors or have any conflict of interest in the scoped-in cases.

5. Schedule

The Company shall be fully cooperative with the investigation by the Special Investigation Committee.

In addition, if any matters are found in the investigation by the Special Investigation Committee, the Company will make an announcement promptly.

The Company will also announce the date of announcement for consolidated earnings for the year ended March 31, 2019 as soon as it is decided.

We deeply apologize for causing a great deal of inconvenience and concern to our stakeholders including shareholders and investors.

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