

News Release

FOR IMMEDIATE RELEASE

Notice on Acquisition of Shares of Techcomp Scientific Limited (Consolidating the Company into a Subsidiary)

TOKYO, Japan, May 12, 2020 – Hitachi High-Tech Corporation (TSE: 8036, Hitachi High-Tech) announced that at the meeting of the Executive Committee held on May 12, 2020, a resolution was passed to acquire the shares of Techcomp Scientific Limited (Headquarters: Hong Kong, hereinafter "TSL"), and consolidate said company into a subsidiary, as detailed below.

1. Reason for the Share Acquisition

Hitachi High-Tech aims to resolve social issues by promoting our businesses as part of our Corporate Vision to "Simplify our customers' high-tech processes" and our Mission to "help our customers be fast-moving, successful, cutting-edge businesses." We provide solutions through our technologies, products and services founded on our strengths of "Observation, Measurement and Analysis". Furthermore, we provide Focused Solutions that incorporate dedicated systems, services and business models that target specific problems facing our ever individualizing and advancing customers, in order to expand globally while creating rare and specialized markets.

TSL has a strong presence in the market, and was founded with the goal of expanding the sales and service applications of analytical systems, such as spectrophotometers and liquid chromatographs in the China-ASEAN region, and electron microscopes in the China region — business areas which handle Hitachi High-Tech products. In order to further strengthen our sales support system for analytical systems and electron microscopes in these regions, and to enable us to provide solutions more quickly, Hitachi High-Tech has passed a resolution to acquire all the issued shares of TSL, an equity-method affiliated company.

2. Share Acquisition Method

Hitachi High-Tech plans to acquire all issued shares of TSL under the Agreement regarding Share Transfer and Shareholders Agreement.

3. Outline of the Company to Become a Subsidiary (as of May 12, 2020)

(1) Name	Techcomp Scientific Limited
(2) Location	6/F, Mita Centre, 552-566 Castle Peak Road, Kwai Chung, Kowloon, Hong Kong
(3) Name and Title of Representative	Paul Tse, President and CEO
(4) Description of Business	Sales and provision of services related to Hitachi High-Tech Group electron microscopes, spectrophotometers and liquid chromatographs, etc.

(5) Paid-in Capital	HKD 41 million	
(6) Establishment	January 2018	
(7) Major Shareholders and Shareholding Ratio	Individual shareholder: 66.6%, Hitachi High-Tech: 33.4% *In order to honor our confidentiality agreements, we have refrained from disclosing information on the individual shareholder.	
(8) The Company's Relationship with Hitachi High-Tech	Capital Relationship	Hitachi High-Tech owns 3,340 units of common shares in TSL, with TSL being an equity-method affiliated company.
	Personal Relationship	Two of the five TSL board directors were recruited from Hitachi High-Tech.
	Business Relationship	There is a business relationship in trade of electron microscopes and analytical systems.
(9) Business Performance and Financial Position of the Acquired Company *1		
	Fiscal Year	Fiscal year Ended December 2019
	Total Assets	JPY 3,131 million
	Net Assets	JPY 639 million
	Net Asset Value Per Share	JPY 63,888
	Revenue	JPY 3,602 million
	Income before Income Taxes	JPY 88 million

*1 As we have not acquired the consent of the other parties concerned, we have refrained from disclosing the company's business performance and financial position for the fiscal year ended December 2018, or its operating income, ordinary income, current net income and dividends per share for the fiscal year ended December 2019. Figures have been converted using the exchange rate as at March 31, 2020 (HKD 1 = JPY 14, USD 1 = JPY 109). The content of "Business Performance and Financial Position of the Acquired Company" has not been audited.

4. Outline of the Parties Whose Stock Is Being Acquired

In order to honor our confidentiality agreements, we have refrained from disclosing information about the other party involved in the acquisition, who is an individual shareholder. There is no capital, personal or business relationship between Hitachi High-Tech and the other party.

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5. Number of Shares to Be Acquired and Acquisition Value

(1) Number of Shares Held before the Acquisition	3,340 shares (Number of voting rights: 3,340) (Percentage of voting rights owned: 33.4 %)
(2) Number of Shares to Be Acquired	6,660 shares (Number of voting rights: 6,660)
(3) Acquisition Value	Acquisition Value is non-disclosure as we have not acquired the consent of the other party concerned. However, our decision of the consideration is fair and appropriate, based on the results of business performance and financial position, future outlook, and financial due diligence of the company to be acquired.
(4) Number of Shares Held after the Acquisition	10,000 shares (Number of voting rights: 10,000) (Percentage of voting rights owned: 100.0%)

6. Schedule

(1) Date of Executive Committee Resolution	May 12, 2020
(2) Effective Date of Acquisition of Shares*2	July 31, 2020 (planned)

*2 The acquisition of shares is expected to complete after the completion of the filing of notifications and the acquisition of the necessary approvals from the government authorities pertaining to the anti-trust laws and investment control laws of each country.

7. Future Outlook

The impact of this acquisition on our consolidated results will be minor.

For Further Information

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