

Notice Concerning Delay Exceeding 50 Days for Disclosure of Consolidated Earnings Report for the Year Ended March 31, 2019

Tokyo, July 25, 2019 - Hitachi Capital Corporation (TSE:8586, President & CEO: Seiji Kawabe, “the Company”) disclosed today its consolidated earnings report for the year ended March 31, 2019, and hereby gives notice concerning the reasons for the delay in such disclosure exceeding 50 days following fiscal-year end, and provides remarks concerning disclosure of earnings reports going forward as follows.

- Description -

1. Reasons for the delay exceeding 50 days in disclosure of the Consolidated Earnings Report for the year ended March 31, 2019, following fiscal-year end

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 had been possibilities of inappropriate factoring deals provided by Hitachi Capital Factoring (China) Co., Ltd., a subsidiary of the Company, and the Company had been proceeding with investigation of the cause of inappropriate deals through the Internal Investigation Committee as well as continuing discussion regarding allowance, etc. with accounting auditing firm. Subsequently, as announced in “Notice Regarding Progress of Internal Investigation Committee for Inappropriate Deals” on June 6, 2019, the Company expanded the scope of such investigation.

Moreover, in the process of the investigation, it was additionally found that in relation to possible inappropriate deals, there were 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 investigation committee and established 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 it highly effective measures to prevent recurrence should be developed. Thus, the 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 was established to carry out an investigation concerning the facts regarding this matter, including existence of receivables at the subsidiary in China, as well as whether any officers and employees of the Company and its subsidiary in China had been involved in fraudulent behaviors.

Due to the fact that a considerable amount of time to conduct these investigations was needed, it took longer than expected to carry out the series of financial reporting procedures, and as a result, there was a delay exceeding 50 days following fiscal-year end for disclosure of the Company's consolidated earnings report for the year ended March 31, 2019.

2. Disclosure of Earnings Reports going forward

The Company takes this delay in disclosure of earnings reports seriously, and in striving to prevent such a recurrence, the Company will take appropriate measures to avoid such situations occurring with respect to disclosure of earnings reports in the future.

The Company expresses its sincerest apologies to its shareholders, investors and all other stakeholders for any concern or inconvenience caused.

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