

Disciplinary Action Against Executives following Outcome of Investigation into Inappropriate Conduct

Tokyo, August 4, 2023 – Hitachi Astemo, Ltd. (“Hitachi Astemo”) announced its decision to take disciplinary action against executives following the May 19, 2023 announcement^{*1} of the findings of our own independent investigation concurrent with investigations by a special investigation committee focused on a fact-finding and cause analysis relating to the inappropriate conduct in the regular tests of brake components and suspension components manufactured at our Yamanashi Plant (Minami-Alps City, Yamanashi Prefecture) and Fukushima Plant (Koori Town, Date District, Fukushima Prefecture) announced on December 22, 2021^{*2}.

We deeply apologize for the inconvenience and concern caused to our customers and related parties due to our inappropriate conduct.

^{*1} News Release dated May 19, 2023: “Outcome of Investigation into Inappropriate Conduct Relating to Certain Products and Measures to Prevent Recurrence” <https://www.hitachi.com/New/cnews/month/2023/05/230519a.html>

^{*2} News Release dated December 22, 2021: “Notice of Inappropriate Conduct for Certain Products, including Unperformed Periodic Tests” <https://www.hitachi.com/New/cnews/month/2021/12/211222.html>

1. Disciplinary action against executives

(1) Responsibility for failing to resolve the issue despite being in a position to control quality:

Former Executive Vice President: Yuzo Kadomukai 10% reduced compensation for two months

Former Corporate Officer: Hideo Takahashi 10% reduced compensation for one month

Executive Vice President: Toru Kamioke 10% reduced compensation for one month

(2) Responsibility for failing to manage and supervise as a business head:

Former Executive Officer: Yoshikazu Gamo 10% reduced compensation for two months

In addition, 15 directors will be given a strict warning.

2. Disciplinary action against employees

Employees involved in the inappropriate conduct will be treated in accordance with our company regulations.

We are committed to further developing and embedding a strong compliance culture throughout our operations to prevent recurrence of inappropriate conduct. We have launched and continue to create initiatives to prevent recurrence. We intend to sustain these initiatives and work diligently to restore trust in our relationships with customers and society.

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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.
