

News Release

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Hitachi Capital Corporation
Hitachi Transport System, Ltd.

Announcement of Basic Agreement on Business Alliance to Realize New Innovation through “Finance, Commerce, Logistics, and Information”

Tokyo, March 30, 2018 - Hitachi Capital Corporation (TSE: 8586) (President & CEO: Seiji Kawabe, “Hitachi Capital”) and Hitachi Transport System, Ltd. (TSE: 9086) (President & CEO: Yasuo Nakatani; “Hitachi Transport System”) hereby announce that effective today we have concluded a basic agreement on business alliance to realize new innovation through “Finance, Commerce, Logistics, and Information.”

1. Reasons for the business alliance

The social environment surrounding Hitachi Capital and Hitachi Transport System has been witnessing technological breakthroughs including the Internet of Things, Artificial Intelligence, Robotics and advanced diversification of services, methods and values such as FinTech and Sharing Economy.

With their value chains and supply chains becoming increasingly globalized and complicated, customers are now required to demonstrate their capabilities to quickly adapt to environmental changes with digital technology and respond to expanding Electronic Commerce through internet on-demand technology, as well as to cultivate new domains and expand their businesses with new business models.

These customers’ needs cannot be satisfied only by conventional services on a business/industry basis. We must create new services through collaborative innovation with our customers and business partners.

Hitachi Capital has been striving to enhance corporate value by “Realization of Social Values Creation (ESG),” with its efforts to adapt to changing times, and to constantly provide products and services needed by society through not only finance business but also its core businesses of “Finance,” “Services,” and “Commercialization” and their combinations.

Hitachi Transport System, with the aim of becoming the most preferred solution provider for all of our stakeholders, has been promoting various measures to realize new innovation by expanding collaborative areas across businesses and industries, while focusing on “enhancement of logistics as a function.”

Through this agreement, Hitachi Capital and Hitachi Transport System aim to promote various measures toward realization of new innovations through “Finance, Commerce, Logistics, and Information” by expanding collaborative innovation areas across businesses and industries, while especially focusing on enhancement of finance and logistics as a function.

2. Particulars of the business alliance

The details of the alliance are being discussed and considered by both companies and will be

determined by the conclusion of the business alliance agreement.

As part of the alliance, we are also discussing and considering a partial transfer of shares of Hitachi Auto Service Co., Ltd., a wholly owned subsidiary of Hitachi Transport System, to Hitachi Capital to further expand business by strengthening cooperation between the Vehicle Solution business* promoted globally by Hitachi Capital and vehicle-related business (sales, leasing, maintenance, etc. of vehicles) of Hitachi Transport System.

* A business model that addresses the needs of customers by providing not only vehicle-related finances but comprehensive solutions combining various services including maintenance and insurance, etc.

3. Timeline

(1) Date of basic agreement	March 30, 2018
(2) Date of business alliance agreement	Late June, 2018 (Scheduled)
(3) Date of share transfer agreement	Late June, 2018 (Scheduled)
(4) Date of share transfer	Late July, 2018 (Scheduled)

4. Outlook

Further announcement will be made immediately if it becomes clear that the business alliance will have a material impact on consolidated results for the fiscal year ending March 31, 2019 of each company.

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