

News Release

December 27, 2018

Hitachi Capital Corporation
Hitachi Transport System, Ltd.

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

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

1. Particulars of the business alliance

Hitachi Capital and Hitachi Transport System will 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. We will jointly pursue various measures, including an effort to offer a total solution package that incorporates vehicle leasing with insurance, maintenance, and joint procurement function in a management system of “Smart & Safety Connected Vehicle (SSCV)” which Hitachi Capital Auto Lease Corporation, a member of the Hitachi Capital Group, and Hitachi Transport System are working on with collaborative innovation partners.

As part of the business alliance, we plan to transfer 40% 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.

(1) Outline of the company to be transferred

(i) Name	Hitachi Auto Service Co., Ltd.		
(ii) Location	1-3-5, Matsugaya, Taito-ku, Tokyo, Japan		
(iii) Representative	President and CEO: Toshimi Tokieda		
(iv) Business description	Vehicle-related business (Sales, leasing, maintenance, etc. of vehicles)		
(v) Capital	100 million yen		
(vi) Establishment	March 4, 1980 (Operation commenced on April 1, 1980)		
(vii) Major shareholders and shareholdings	Hitachi Transport System: 100%		
(viii) Financial results and financial position for the past 3 years (JGAAP)			
Fiscal year	Ended March 31, 2016	Ended March 31, 2017	Ended March 31, 2018
Net assets	6,721 million yen	5,753 million yen	5,957 million yen
Total assets	24,757 million yen	25,933 million yen	24,898 million yen
Sales revenues	14,415 million yen	13,911 million yen	14,228 million yen
Income before income taxes	2,832 million yen	615 million yen	370 million yen
Net profit	1,829 million yen	376 million yen	261 million yen

(2) Number of shares to be transferred

(i)	Number of shares held before transfer	Hitachi Capital: 0 share (Ownership ratio: 0%) Hitachi Transport System: 200,000 shares (Ownership ratio: 100%)
(ii)	Number of shares to be transferred	80,000 shares
(iii)	Number of shares to be held after transfer	Hitachi Capital: 80,000 shares (Ownership ratio: 40%) Hitachi Transport System: 120,000 shares (Ownership ratio: 60%)

* The transfer price is not be disclosed due to the agreement of both companies.

2. Outline of the companies in the business alliance

(1)	Name	Hitachi Capital Corporation	Hitachi Transport System, Ltd.
(2)	Location	3-1, Nishi Shimbashi 1-chome, Minato-ku, Tokyo, Japan	2-9-2, Kyobashi, Chuo-ku, Tokyo, Japan
(3)	Representative	Seiji Kawabe, President & CEO	Yasuo Nakatani, President & CEO
(4)	Business description	Leasing services	Comprehensive logistics service business
(5)	Capital	9,983 million yen	16,802 million yen
(6)	Establishment	September 10, 1957	August 7, 1959
(7)	Major shareholders and shareholdings (As of September 30, 2018)	Hitachi, Ltd. 33.39% Mitsubishi UFJ Financial Group, Inc. 23.00% Mitsubishi UFJ Lease & Finance Company Limited 4.20%	Hitachi, Ltd. 30.01% SG Holdings Co., Ltd. 29.00% Japan Trustee Services Bank, Ltd. (Trust Account) 5.13%
(8) Consolidated financial results and consolidated financial position for the most recent fiscal year (IFRS)			
	Fiscal year	Ended March 31, 2018	Ended March 31, 2018
	Equity attributable to stockholders of the parent company	378,855 million yen	215,090 million yen
	Total assets	3,468,756 million yen	564,903 million yen
	Revenues	404,124 million yen	700,391 million yen
	Income before income taxes	44,295 million yen	32,262 million yen
	Net income attributable to stockholders of the parent company	32,057 million yen	20,916 million yen

3. Timeline

(1)	Date of business alliance agreement	December 27, 2018
(2)	Date of share transfer agreement	December 27, 2018
(3)	Date of share transfer	February 1, 2019 (Scheduled)

* We announced change in timeline for the business alliance agreement in the news release on June 29, 2018, but we have changed as above.

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.

■ Contact Information

Hitachi Capital: Corporate Planning Dept., Strategic Management Office
TEL: +81-3-3503-2118

Hitachi Transport System: Public Relations Department, Corporate Strategy Office
TEL: +81-3-6263-2803