

FOR IMMEDIATE RELEASE
Hitachi Capital Corporation

Supplier's Credit Contract with a Russian Company

Facilitating to export a centrifugal compressor manufactured by Hitachi Industrial Products supported by NEXI's Export Credit Insurance



“Centrifugal compressor and its auxiliary equipment, Hitachi Industrial Products”

Tokyo, September 6, 2019 - Hitachi Capital Corporation (TSE:8586, President & CEO:Seiji Kawabe, “Hitachi Capital”) entered into an agreement with PJSC ACRON (“ACRON”), a leading fertilizer producer, whose shares are on the Level 1 quotation list of the Moscow Exchange and its global depositary receipts are traded at the London Stock Exchange (ticker AKRN), under which Hitachi Capital agreed to export a centrifugal compressor manufactured by Hitachi Industrial Products, Ltd. (President: Keizo Kobayashi, “Hitachi Industrial Products”)*¹ and its auxiliary equipment (“CO₂ Compressor Train”) to be installed at ACRON's Urea shop, based on long-term deferred payment terms (“Supplier's Credit”) through five years.

Shipments will start from May 2020.

Nippon Export and Investment Insurance (Chairman and CEO: Atsuo Kuroda, “NEXI”) provides Export Credit Insurance for such Supplier's Credit (“ECISC”). Since NEXI announced to resume underwriting of ECISC for transactions on deferred payment terms for a period over two years on April 1, 2017*², this ECISC is the first case in Russian business for NEXI.

At its Veliky Novgorod site in Russia Federation, ACRON is planning to expand urea production by using CO₂ gas which is extracted during ammonia production process. This CO₂ gas will be collected and moved to Urea shop for further compression by CO₂ Compressor Train and reuse in urea production process.

This CO₂ Compressor Train will be installed in the down-stream process of the ammonia plant which was supplied by Hitachi, Ltd. (President & CEO: Toshiaki Higashihara) in 2016 when ACRON expanded its capacity at Veliky Novgorod site. ACRON has finally concluded to adopt CO₂ Compressor Train manufactured by Hitachi Industrial Products, appreciating long-term Supplier's Credit provided by Hitachi Capital as well as reliability on the name of Hitachi such as high quality of the products from Hitachi Industrial Products and its certainty for on-time delivery.

This is the second Supplier's Credit transaction for Hitachi Capital, which follows the first transaction in Kazakhstani business^{*3} in 2017.

Hitachi Capital is willingly engaging in Supplier's Credit transactions so that it provides advanced solutions combining flexible and attractive finance and risk management services especially for small and medium sized export transactions. Moreover, Hitachi Capital will also be providing various type of finances for the buyers to purchase the products, in Japan, Europe, the Americas, China, and ASEAN, as well as export credit supported by ECISC, in order to expand to sell the products made by the manufacturers including Hitachi Industrial Products.

*1: "Hitachi Announces the Conclusion of Absorption-type Company Split Agreement Relating to Reorganization of Industrial Equipment Business," News release by Hitachi, Ltd. dated February 6, 2019
http://www.hitachi.com/New/cnews/month/2019/02/f_190206a.pdf

*2: "Handling of Export Credit Insurance (Specific and Comprehensive) for Projects with a Period of over Two Years (Deferred Payment Projects)," NEXI's announcement dated April 1, 2017
<https://www.nexi.go.jp/topics/general/2017032902.html> (in Japanese)

*3: "Conclusion of a Supplier's Credit Contract for Kazakhstan," News release by Hitachi Capital dated August 25, 2017
<https://www.hitachi-capital.co.jp/hcc/newsrelease/2017/20170825a.pdf> (in Japanese)

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