

# News Release

December 27, 2018

Hitachi Transport System, Ltd.

Hitachi Capital Corporation

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

Hitachi Transport System, Ltd. (TSE: 9086) (President and CEO: Yasuo Nakatani; “Hitachi Transport System”) and Hitachi Capital Corporation (TSE: 8586) (President & CEO: Seiji Kawabe; “Hitachi Capital”) 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 Transport System and Hitachi Capital 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 Transport System and Hitachi Capital Auto Lease Corporation, a member of the Hitachi Capital Group, 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 Transport System: 200,000 shares (Ownership ratio: 100%) Hitachi Capital: 0 share (Ownership ratio: 0%)
(ii)	Number of shares to be transferred	80,000 shares
(iii)	Number of shares to be held after transfer	Hitachi Transport System: 120,000 shares (Ownership ratio: 60%) Hitachi Capital: 80,000 shares (Ownership ratio: 40%)

\* 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 Transport System, Ltd.	Hitachi Capital Corporation
(2) Location	2-9-2, Kyobashi, Chuo-ku, Tokyo, Japan	3-1, Nishi Shimbashi 1-chome, Minato-ku, Tokyo, Japan
(3) Representative	Yasuo Nakatani, President & CEO	Seiji Kawabe, President & CEO
(4) Business description	Comprehensive logistics service business	Leasing services
(5) Capital	16,802 million yen	9,983 million yen
(6) Establishment	August 7, 1959	September 10, 1957
(7) Major shareholders and shareholdings (As of September 30, 2018)	Hitachi, Ltd. 30.01% SG Holdings Co., Ltd. 29.00% Japan Trustee Services Bank, Ltd. (Trust Account) 5.13%	Hitachi, Ltd. 33.39% Mitsubishi UFJ Financial Group, Inc. 23.00% Mitsubishi UFJ Lease & Finance Company Limited 4.20%
(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	215,090 million yen	378,855 million yen
Total assets	564,903 million yen	3,468,756 million yen
Revenues	700,391 million yen	404,124 million yen
Income before income taxes	32,262 million yen	44,295 million yen
Net income attributable to stockholders of the parent company	20,916 million yen	32,057 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 Transport System: Public Relations Department, Corporate Strategy Office  
TEL: +81-3-6263-2803

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