



August 3, 2016

To whom it may concern,

Company Name: Hitachi Capital Corporation  
Representative: Seiji Kawabe, President & CEO  
(Securities Code: 8586)

Company Name: Mitsubishi UFJ Lease & Finance Company Limited  
Representative: Tadashi Shiraishi, President & CEO  
(Securities Code: 8593)

**Announcement of Business Alliance between Hitachi Capital Corporation and  
Mitsubishi UFJ Lease & Finance Company Limited**

Hitachi Capital Corporation (“Hitachi Capital”) and Mitsubishi UFJ Lease & Finance Company Limited (“Mitsubishi UFJ Lease”) hereby announce that the two companies have executed a definitive agreement on business alliance based on the Memorandum of Understanding regarding the business alliance, etc. announced on May 13, 2016 (the “Business Alliance”).

Also, discussions towards the business alliance for establishing an open financial platform are under way among five companies, Hitachi Capital, Mitsubishi UFJ Lease, Mitsubishi UFJ Financial Group, Inc., The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Hitachi Ltd., with the aim of maximizing alliance synergies, and such alliance will be announced once a definitive agreement is executed.

**1. Purpose of the Business Alliance**

The Business Alliance is intended to expand business domains and strengthen financial services functions including solutions by integrating advantages and know-how of a manufacturer-affiliated leasing company and a financial institution/trading company-affiliated leasing company with versatile functions. To be specific, the Business Alliance aims to (i) further reinforce existing business by leveraging each party’s business franchise, (ii) create new business opportunities by applying both know-how and networks, and (iii) develop new solutions by combining both strengths, etc.

In addition, both parties will make efforts to achieve business growth and improve enterprise value by pursuing both offensive and defensive synergies through reducing risks and costs.

**2. Particulars of the Business Alliance**

**A) Domestic Business**

In the Japanese market, relevant businesses are to be jointly conducted as the Business Alliance in the domains of (i) environment and energy, (ii) urban infrastructure and public facilities and (iii) real estate, as follows, while a joint study on IoT across various fields will be

conducted in a cross-sectorial manner to enhance innovation creating ability.

Further, discussions about additional business domains and themes between both parties will be conducted continuously, and might be adopted as a Business Alliance target if appropriate.

Business Collaborative Field	Key Measures
Environment and Energy	<p><b><u>To jointly establish a development fund in the renewable energy field, which covers solar power generation projects as well as projects regarding wind power, biomass and other power sources</u></b></p> <ul style="list-style-type: none"> <li>◆ To capture a wide variety of projects, which could not be addressed otherwise on a stand-alone basis, by mutually leveraging trust capabilities of the Hitachi Capital Group and fund asset management functions of the Mitsubishi UFJ Lease Group</li> <li>◆ To establish an O&amp;D (Origination &amp; Distribution) business model in the future by selling projects acquired by the fund above to other funds or business entities</li> </ul>
Urban Infrastructure and Public Facilities	<p><b><u>To support efficient asset management and value improvement by promoting intensification and consolidation of existing public facilities with one-stop services regarding ownership, financing and operations; To support projects related to newly-built public facilities for the purpose of regional revitalization and establishment of compact cities, from the perspective of handling traditional PFI projects and utilizing public land</u></b></p> <ul style="list-style-type: none"> <li>◆ To expand business with speedy movement by leveraging Hitachi Capital's access to governmental agencies, access of Mitsubishi UFJ Lease to specific financial institutions, and the strong track record in PPP projects of both</li> </ul>
Real Estate	<p><b><u>To commercialize large-scale projects and create new business opportunities in association with revitalization plans for inactive and low-performing assets</u></b></p> <ul style="list-style-type: none"> <li>◆ To create business opportunities by integrating real estate services functions for commercial and logistics sectors, in which both parties have strengths, and leveraging each group's property and channels</li> <li>◆ To engage in large-scale projects by approaching potential CRE* clients through "diversification and multiple-tracking of channels" and "reinforcement of risk-taking and risk-controlling capabilities"</li> </ul>

\*Corporate Real Estate

## B) Overseas Business

In overseas markets, business scope and financial support based on the business franchises will be expanded.

Further, as with domestic business, discussions about additional business domains and themes between both parties will be conducted continuously, and might be adopted as a Business Alliance target if appropriate.

<b>Business Collaborative Field</b>	<b>Key Measures</b>
Collaborative Advancement into New Markets	<p><b><u>Acceleration of advancement into Latin American and Asian markets in which neither of both parties have any business franchise</u></b></p> <ul style="list-style-type: none"> <li>◆ To accelerate a focused strategy, an advancement into countries in which neither of both parties have any business franchise, by combining strengths of the two companies</li> <li>◆ To enter into new markets by seizing wide-ranging business franchises and earnings opportunities, especially from Japanese manufacturers' infrastructure development projects, while reducing risks and costs</li> </ul>
Mutual Use of Business Franchises and Functions	<p><b><u>Reinforcement of existing businesses by leveraging mutual business franchises and functions (Vendor Finance, Factoring and Asset Management Services, etc.)</u></b></p> <ul style="list-style-type: none"> <li>◆ To strengthen sales capabilities, reduce costs and achieve more efficient administration by mutually leveraging business franchises and functions (Vendor Finance, Factoring and Asset Management Services, etc.), which are regarded as strengths of both parties</li> <li>◆ To address large-sized projects in a concerted manner</li> </ul>
Other	<p><b><u>Consideration of acquisitions and alliances, etc. collectively</u></b></p> <ul style="list-style-type: none"> <li>◆ To jointly execute non-organic strategies and market development projects</li> </ul>

### 3. Framework of Collaboration and Alliance Synergies

Both parties have agreed to target achievement of alliance synergies at an early stage by setting up a consultative organization for each business collaborative field with personnel dispatched by both parties immediately after the execution of the definitive agreement.

Under the Business Alliance, both parties will be engaged in various projects at home and abroad, the sum total of which will amount to 400 billion Japanese yen, consisting of 200 billion Japanese yen for projects in Japan and 200 billion Japanese yen for financial support in overseas markets.

This announcement is the first step of the collaboration under the Business Alliance, and both parties are determined to examine a wider range of potential business fields, and then create further synergies.