

January 18, 2019
Hitachi Capital Corporation
President & CEO Seiji Kawabe
(Securities Code: 8586)
(Listed Exchange: Tokyo Stock Exchange)

Announcement of Commencement of Tender Offer for Shares of a Polish Company Prime Car Management S.A.

Tokyo, January 18, 2019 - Hitachi Capital Corporation (TSE: 8586) (President & CEO: Seiji Kawabe, "Hitachi Capital") today announced that its wholly-owned subsidiary Hitachi Capital Polska Sp. z o.o. ("Hitachi Capital Poland") commenced a tender offer (the "Tender Offer") for all outstanding shares of common stock of Prime Car Management S.A. ("PCM"), engaging in auto leasing business in Poland, on January 18, Polish time.

Hitachi Capital has given a public notice regarding the Tender Offer in Poland in accordance with the Polish tender offer rules. The Tender Offer does not fall under the tender offer defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan.

1. Purpose of the Tender Offer

Hitachi Capital positions Vehicle Solution*1 as a group common strategy under the "FY2016-FY2018 Mid-Term Management Plan" and operates the business globally. With the use of the highly appreciated business model adopted in the U.K., the Vehicle Solution business has been expanding its business area aggressively in the Netherlands and other countries in continental Europe. In Poland, we have operated auto leasing business since the establishment of Warsaw office in 2013 as the second base in continental Europe.

PCM, the target company of the Tender Offer, is an auto leasing company with the number of vehicles in Poland of approx. 36,000 and has business bases which do not overlap with Hitachi Capital Poland.

As a result of the Tender Offer, Hitachi Capital Poland will become one of the leading auto leasing companies in Poland to operate the business throughout the country and be able to provide high quality services to more customers with the combination of Hitachi Capital Group's successful model and PCM's business assets. As the Group also acquired fleet management companies operating in Germany, bordering Poland, and Austria in December 2018, the Tender Offer will further strengthen the business base with a view to further promote business in continental Europe. In addition, we believe that lower funding costs based on the Group's creditworthiness and lower vehicle-related costs with the business size of PCM will achieve higher profitability.

We will continue our efforts to evolve into a company that provides mobility services*², which offer higher added value than Vehicle Solution, by expanding the business area and increasing the number of vehicles through collaboration with partners including M&As.

*1 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.

*2 Offers mobility services to transport people and products using innovative technology such as automated driving and car sharing, etc.

2. Outline of the Tender Offer

(1) Tender offeror	Hitachi Capital Polska Sp. z o.o.
(2) Target company	Prime Car Management S.A.
(3) Tender offer period	January 18, 2019 through February 18, 2019 Hitachi Capital Poland may extend the tender offer period pursuant to the conditions provided in the public notice, etc. in accordance with the tender offer rules.
(4) Class of shares for tender offer	Common stock
(5) Tender offer price	PLN12.09 per share
(6) Tender offer funds	Approx. PLN144 million (approx. 4,320 million yen) (Amount required to purchase 100% of the total outstanding shares of PCM)
(7) Minimum number of shares to be purchased	The Tender Offer will be executed if 7,859,834 shares of PCM (66% of total outstanding shares) are tendered.
(8) Maximum number of shares to be purchased	The maximum number of shares to be purchased is set at 11,908,840 shares (100% of the total outstanding shares).
(9) Terms of the tender offer	The Tender Offer shall be executed provided that the following conditions are met: <ul style="list-style-type: none"> - 7,859,834 shares of PCM (66% of the total outstanding shares) are tendered; - approvals from Polish relevant authorities are obtained; and - other conditions provided in the public notice in accordance with the Polish tender offer rules are met.

3. Outline of PCM and Hitachi Capital Poland

	Target Company	Tender Offeror
(1) Name	Prime Car Management S.A.	Hitachi Capital Polska Sp. z o.o.
(2) Address	Polanki street 4, 80-308 Gdansk, Poland	Franciszka Klimczaka street 1, 02-797 Warsaw, Poland
(3) Representatives	<ul style="list-style-type: none"> • Jakub Kizielewicz, President of the Management Board • Konrad Karpowicz, Vice-President of the Management Board 	<ul style="list-style-type: none"> • Eric van Vliet, President of the Management Board • Toru Tanigami, Member of the Management Board
(4) Business description	Auto leasing business	Auto leasing business

(5) Capital	PLN23,817,680 (715 million yen)	PLN15,000,000 (450 million yen)
(6) Number of outstanding shares	11,908,840	30,000
(7) Fiscal years end	December 31	March 31
(8) Major shareholders and shareholdings	Aviva Powszechne Towarzystwo Emerytalne Aviva BZ WBK S.A. 15% Powszechne Towarzystwo Emerytalne PZU S.A. 11.79% ^{*3}	Hitachi Capital Corporation 100%
(9) Relationship between PCM and Hitachi Capital Poland		
Capital relationship	N/A	
Personnel relationship	N/A	
Transactional relationship	N/A	
Related party or not	PCM is not a related party of Hitachi Capital Poland.	

*3 Based on "Quarterly Financial Report for Q3 2018" of Prime Car Management S.A.

4. Consolidated Financial Results and Consolidated Financial Conditions for Past Three Years of the Target Company (Millions of yen)^{*4}

Fiscal years ended December 31,	2015	2016	2017
Net assets (consolidated)	14,242	13,370	13,617
Total assets (consolidated)	42,512	51,901	59,923
Revenues (consolidated)	15,676	17,198	17,977
Profit before tax (consolidated)	1,469	1,377	1,379
Net income attributable to the shareholders of the parent company	1,160	1,087	1,073
Net income per share attributable to owners of the parent (consolidated) (Yen)	98	91	90
Dividend per share (Yen)	165	71	0

*4 1PLN=30 yen

5. Number of Shares to be Acquired, Acquisition Price, and Status of Share Ownership prior to and after the Transfer^{*5}

(1) Number of shares owned prior to the transfer	0 share (Number of voting rights: 0) (Ratio of voting rights: 0%)
(2) Number of shares to be acquired	11,908,840 shares (Number of voting rights: 11,908,840)
(3) Acquisition price	Approx. PLN144 million
(4) Number of shares owned after the transfer	11,908,840 shares (Number of voting rights: 11,908,840) (Ratio of voting rights: 100%)

*5 Assuming that 100% of PCM shares are purchased in the Tender Offer

6. Schedule

Commencement of tender offer period	January 18, 2019
Expiration of tender offer period	February 18, 2019 (planned)
Date of stock transfer	February 21, 2019 (planned)

7. Outlook

The result of the Tender Offer will be announced promptly as soon as it becomes available. The impact of the Tender Offer on the consolidated financial results for the year ending March 31, 2019 is insignificant. The impact on the financial results forecast will be announced appropriately, if any, in accordance with the timely disclosure rules established by Tokyo Stock Exchange as soon as the details are determined.

• Note:

This document does not constitute or form a part of any offer or solicitation to make investments in any securities and in any jurisdiction. This document has been prepared for the sole purpose of publicly announcing a tender offer by Hitachi Capital Poland, and not for the purpose of soliciting investments both in Japan and abroad. Please refer to the documents regarding the tender offer for the shares of PCM in accordance with Polish laws released by Hitachi Capital Poland before commencing the tender offer. The forward-looking statements contained in this document were prepared based on the information available to the Company and parties concerned at the time of its disclosure, and actual results may differ from the outlook herein.

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