

News Release

FOR IMMEDIATE RELEASE

Hitachi Capital Plans to Start Strawberry Production and Sales Business in Yomitan Village, Okinawa

—Contribute to local revitalization and agricultural competitiveness of Japan—



Summer and autumn strawberry (sample image)

Tokyo, May 17, 2016 – Hitachi Capital Corporation (TSE: 8586) (President & CEO: Seiji Kawabe, “Hitachi Capital”) decided to start strawberry production and sales business as the Group. The pre-construction activities of the farm will begin in June 2016 in Yomitan Village, Okinawa, and the business is scheduled to start in FY2017. Our current target is to harvest 4.5 ton of strawberries per year in the third year of production.

Going forward, we will strive to establish the business model which includes outward development by accumulating the business know-how such as stabilization of strawberry production techniques, process management (acquisition of GAP certification), export, and establishment of sales channels.

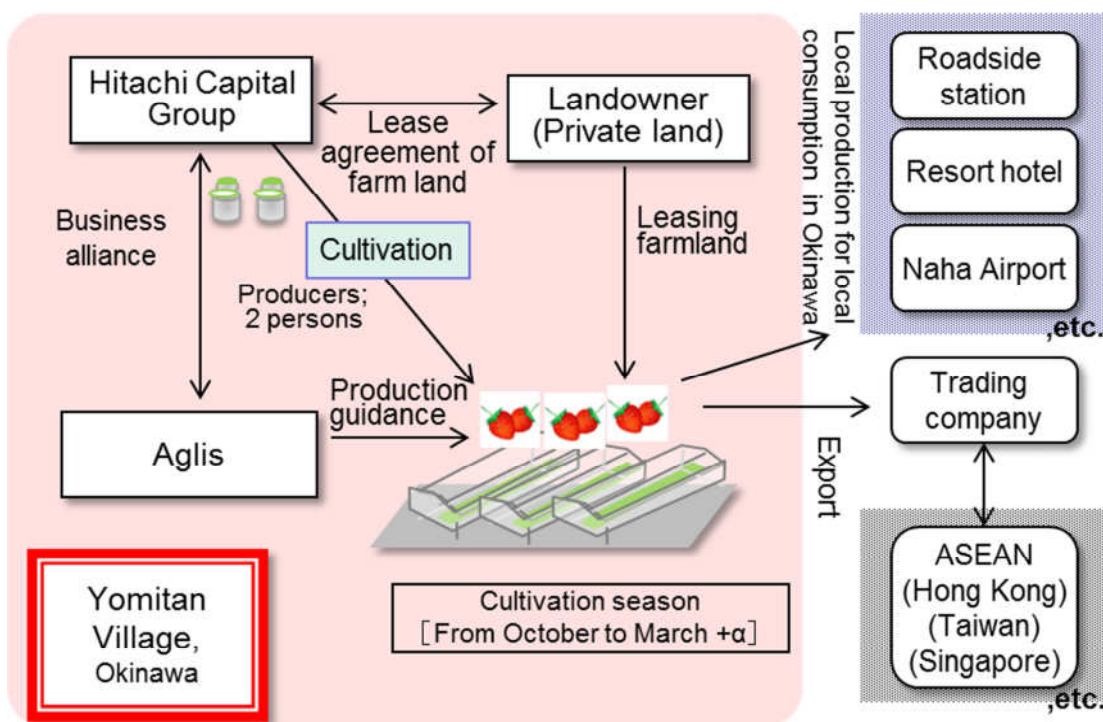
As the Japanese farmers are aging and declining and the Trans-Pacific Partnership (TPP) agreement negotiations have reached agreement in principle among 12 participating countries in October 2015, the Japanese agriculture is expected to accommodate to trade liberalization and strengthen international competitiveness of agricultural products. Local revitalization such as producing agricultural brand products based on the local characteristics and creating innovations is also expected.

Under such market environment, Hitachi Capital Group has positioned “Food” as a sector to develop, and aims to start strawberry production and sales business as part

of creating new business models. In terms of production techniques, we have entered into a business alliance with Aglis Co.,Ltd. (Representative Director: Hiroyuki Nakamura), which has a proven track record in strawberry cultivation techniques, in order to accumulate cultivation know-how. Also, by growing heat-tolerant strawberry breed, we intend to establish stable production in Okinawa so as to achieve local production for local consumption and export to Asian region from Naha Airport.

In the future, through alliances with partner companies in various fields, we will engage in reducing energy cost and verifying advanced system toward optimized production and sales using ICT. Our future aim is to contribute to strengthen competitiveness of Japanese agriculture with a franchising (FC) plan to support new farmers and companies entering the business in Japan and exporting a package of hardware and IT system which enables year-round cultivation to ASEAN region where the climate is similar to Okinawa.

■ Business scheme in Yomitan Village, Okinawa



■ Outline of strawberry cultivation in Yomitan Village, Okinawa

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|------------------------|---|
| (1) Production item | Strawberry |
| (2) Production method | Solar light plant factory utilizing bench culture system for strawberry |
| (3) Harvest target | 4.5 ton per year (expected in the third year into the production) |
| (4) Cultivation season | From October to March + α |
| (5) Business land | Yomitan Village, Okinawa Prefecture |
| (6) Total area | Approx. 2,644 m ² |
| (7) Facility | Weather-resistant steel-frame agricultural greenhouse of 991 m ² |

■ Outline of Aglis Co., Ltd.

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|--------------------------|--|
| (1) Headquarters | 477-1, Unoike, Yame, Fukuoka prefecture, Japan |
| (2) Capital | 88 million yen |
| (3) Representative | Hiroyuki Nakamura, Representative Director |
| (4) Established | September 1, 1990 |
| (5) Business description | 1. Development, manufacture, and sales of agricultural production material
2. Development, manufacture, and sales of medical equipment, instruments and spare parts |
| (6) Net sales | 7,015 million yen (Year ended March 31, 2015) |