

To whom it may concern:

 **Hitachi Capital Corporation**

Announcement regarding Hitachi Capital's business in the UK

Hitachi Capital Corporation (President & CEO: Seiji Kawabe, "the Company") announces the business of Hitachi Capital (UK) PLC (Chief Executive Officer: Robert Gordon, "HCUK"), which makes majority of our business in Europe, as follows.

HCUK, since established in 1982, has been conducting consumer finance business which mainly provide Point of Sales finance for retailers i.e. furniture and Home improvement, vehicle solutions business providing fleet contract hire and related services and business finance providing facilities for corporate customers. In our "Mid-Term Management Plan for FY2013 to FY2015", HCUK has achieved average year on year PBT growth of 19% (local currency base, annual average from FY2012 to FY2015) and has been the strong driver for our group's business growth and achieving our targets.

UK referendum resulted the exit from EU on 23rd June 2016, however our UK business has established stable business foundation that would not be significantly impacted by economic downturns; 1. The business is localized and respond to the UK's domestic needs. 2. Thorough financial risk management (duration and currency of assets and liabilities) 3. Portfolio is built with high quality customers and partners, in addition, strong credit risk management, diverse business and dispersion of assets into small tickets. HCUK performed strongly during the last recession as it does not speculate on assets, currency or interest rates.

In the Company's UK business in the "Mid-Term Management Plan for FY2016 to FY2018" announced in June 6, 2016, any impacts of Brexit are not incorporated, however, we have still planned the UK business as a "stable growth" phase. Because we consider the gradual increase in interest rates and worsened business confidence and thus incorporated increases in fundraising cost and credit cost, and also reflected a plan to expand new business areas in cooperation with partner companies, etc. In addition, the UK business performance is going well for the year ending March 2017.

■HCUK performance

Unit: £m

	Mar 2013	Mar 2014	Mar 2015	Mar 2016	CAGR ⁽⁵⁾
Volume of Business	1,944	2,502	2,778	2,921	15%
Revenues	380	524	529	539	12%
Profit before tax (PBT)	57	69	84	96	19%
Operating assets ⁽¹⁾	2,321	2,695	3,302	3,791	18%
ROA ⁽²⁾	2.7%	2.6%	2.8%	2.7%	Average 2.7%

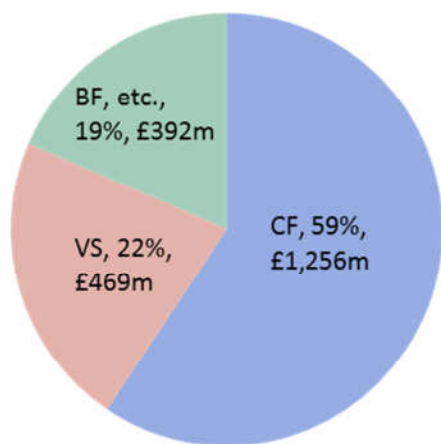
	131 yen	159 yen	176 yen	181 yen	Exchange sensitivity Approx. 90m yen ⁽⁶⁾
Exchange Rates ⁽³⁾					
PBT in Yen ⁽⁴⁾	7.4 bn yen	11 bn yen	14.8 bn yen	17.3bn yen	—

*1 Year Ended, March 2013 Total accounts receivable *2 Calculated based on Total accounts receivable in Year Ended, March 2013

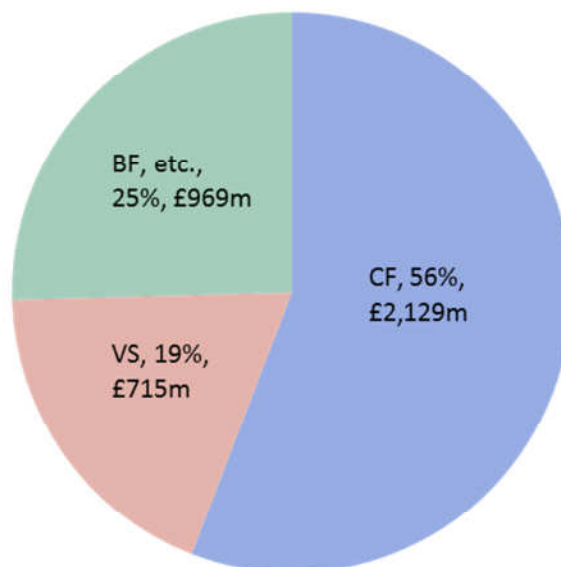
*3 Average of the period used for P/L. *4 the figure for Mar 2013 and Mar 2014 is Segment Income (Japan GAAP)

*5 Average growth/year between Mar 2013 to 2016. *6 the impact on PBT in case JPY vs £ changed 1 yen (Mar 2016)

■ HCUK Assets^(*) by Business Sectors
Mar 2013: £2,116m



Mar 2016: £3,812m



*7 Assets pre adjustment

Sectors	Business	Main countries
Consumer Finance (CF)	• POS finance for retailers (i.e. Furniture, home improvement and motor) and personal loan.	•UK
Vehicle Solutions (VS)	• Total vehicle services, adding services i.e. Maintenance and insurance etc. responding to customers' needs.	•UK •Poland ^(*)
Business Finance (BF) etc.	• Asset finance, Invoice finance for UK corporates i.e. farming sector. • Sales finance for Hitachi Group companies (Construction machinery and medical equipment etc.)	•UK

*7 Hitachi Capital Polska Sp. z o.o.(previously called :Corpo Flota Sp. z o.o.) became a subsidiary in April 2014.

<Risk information in relation to future outlook>

The forecast explained in this document is based on the information we could have received at this point and our own anticipated forecast, therefore there are some potential risks and uncertainty. Therefore, the result could be different from the future forecast explained in this document.