

News Release

FOR IMMEDIATE RELEASE
Hitachi Capital Corporation
Mitsubishi UFJ Lease & Finance Company Limited

Announcement Regarding Establishment of Renewable Energy-Related Investment Fund

Tokyo, February 28, 2017 -Hitachi Capital Corporation (TSE: 8586) (President & CEO: Seiji Kawabe, “Hitachi Capital”) and Mitsubishi UFJ Lease & Finance Company Limited (TSE: 8593) (President & CEO: Tadashi Shiraishi, “Mitsubishi UFJ Lease”) announced that, under the business alliance announced on August 3, 2016 (“Business alliance”)*¹, the two companies established an investment fund “Renewable Energy Partners LLC Silent Partnership” to invest in solar, wind, and biomass power in the Eco- and energy-related sector which is one of the domestic collaborative fields, and completed the payment of capital contribution to the silent partnership today.

In Japan, Feed-in Tariff (FIT) scheme started in July 2012 with an aim to realize a low-carbon society, and renewable energy such as solar/wind power has become widespread. On the other hand, with “the Partial Revision of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities (“FIT Act”)” to be put into force in April 2017, a pressing issue for power producers is funding for large-scale solar power projects and wind/biomass power projects that received certification for FIT facility but are still not in operation, and financial support to start up those projects is required.

Under those circumstances, Hitachi Capital and Mitsubishi UFJ Lease have constructed an investment scheme primarily for large-scale and difficult power generation projects under development through “Renewable Energy Partners LLC Silent Partnership.” The policy of the investment fund is to construct an origination & distribution business model by investing mainly in large-scale solar power projects that received certification for FIT facility but still not in operation in the short-term, and wind power projects including offshore and biomass projects in the mid- to long-term. And both companies are already considering investments in large-scale solar, wind, and biomass power projects with a total capacity of over 400 MW.

This is the first project under the business alliance in the Eco- and energy-related sector, and will be tangible results of our aim to expand revenues with a new business model through mutual usage of functions and networks and risk sharing. We will strive to contribute to expand renewal energy in Japan through these efforts.

Hitachi Capital has contributed to expand eco-friendly renewable energy such as wind and solar power since it started financial services in the wind power generation sector in 2003 ahead of the competitors. Hitachi Capital positions the Eco- and energy-related business as a growing sector in the “FY2016-FY2018 Mid-Term Management Plan” and provides comprehensive solutions combining high performance power generation system with the know-how of leasing and power generation business through alliance with partners including Hitachi Group, and also

supports energy cost reduction efforts by introducing highly-efficient energy saving equipment.

Mitsubishi UFJ Lease positions the Eco- and energy-related business as its priority strategy, and has expanded its business domains to investments in power generation business in addition to leasing of environment-related equipment as well as high value-added services such as ESCO business to realize energy saving. Also, with a view to future expansion of a secondary market for solar power generation, Mitsubishi UFJ Lease established an entity in 2015 engaging in development, acquisition, management, and intermediary in the energy business and also started asset management service related to solar power generation, as its proactive efforts to meet various customers' needs in the Eco- and energy-related sector.

Both companies will accelerate their efforts to create synergies early by combining their strengths and know-how in the collaborative fields under the alliance other than the Eco- and energy-related sector as well as urban infrastructure and public facilities, real estate, and overseas business.

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

http://www.hitachi-capital.co.jp/hcc/english/ir_english/pdf/20160803english.pdf

■ Outline of the investment fund

Name	Renewable Energy Partners LLC Silent Partnership
Location	3-1, Nishi Shimbashi 1-chome, Minato-ku, Tokyo, Japan
Investors of silent partnership	Hitachi Capital Corporation (investment ratio: 50%) Mitsubishi UFJ Lease & Finance Company Limited (50%)
Investment target	Solar power, wind power, and biomass power generation covered by FIT scheme
Investment amount by silent partnership	Up to 30 billion yen (planned)
Capital	500 thousand yen (contributed by general incorporated associations)

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