

News Release

FOR IMMEDIATE RELEASE
Hitachi Capital Corporation

Acquisition of Franchise Advisory Company to Provide services to Franchise Market in the UK

Tokyo, June 28, 2018 – Hitachi Capital Corporation (TSE:8586) (President & CEO: Seiji Kawabe, “Hitachi Capital”) today announced that its subsidiary, Hitachi Capital (UK) PLC (CEO: Robert Gordon, “HCUK”), had made an entire share transfer agreement with the shareholders of Franchise Finance Limited (“Franchise Finance”) in order to expand the services into the Franchise market. HCUK has acquired 100% ownership of Franchise Finance in June 26, 2018 (in the UK local time).

Since its foundation in 1982, HCUK has provided innovative finance solutions to consumers and small to medium enterprises (SMEs) as well as corporate multinationals in the UK and mainland Europe.

HCUK is now a trusted financial services company in the UK, delivering a wide range of products, this includes consumer finance to UK retailers and consumers, vehicle solutions^{*1} and business solution for corporation.

HCUK acquired 100% ownership of Franchise Finance as a base where HCUK can expand its services to the franchise market. Currently, there are approx. 1,000 franchisors and 40,000 franchisees in the UK. In the last decade alone, the average annual growth rate of the market is 19%^{*2}, which continues to increase. Franchise Finance is a specialist organization which provides services to more than 140 franchisors and franchisees, with particular strength in the hotel, leisure, transport and business services sectors. They also provide support to SMEs through training and workshop delivered through its Business Training Academy. The acquisition will help Hitachi Capital group accelerate its business transformation, to a business that provides more added value services, enhancing our offering to both existing and new customers.

HCUK will take this opportunity, to create a new product offering for UK businesses, entering into new markets and continuing to develop the business by combining consultancy and advisory services with traditional finance businesses.

For the sustainable global growth of Hitachi Capital group, HCUK will not only expand its market presence in the UK, but will continue to look for opportunities to expand into markets in the European continent through its Netherland branch which opened in September 2017.

^{*1} Comprehensive vehicle-related services combining auto leasing with maintenance, insurance and other services

^{*2}The average annual growth rate of UK franchise market was 19% from 2005 to 2015.

■ Overview of Franchise Finance*³

Company Name	Franchise Finance Limited
Address	Beacon House, Ibstone Road, Stokenchurch, High Wycombe HP14 3WN
Representative	Managing Director: Stuart Walsh
Business description	Arranging finance, business planning, training and business consultancy
Capital	£30k (approx. JPY4.2m)
Establishment	1979
Number of employees	16 (incl. 6 contract workers) (as of the end of March 2018)
Total assets	£305k (approx. JPY42.7m)
Sales revenues	£1,006k (approx. JPY140.8m)
Profit before tax	£219k (approx. JPY30.6m)

*³ Based on the financial figures as of the end of March 2018. £1=JPY140

■ Overview of HCUK

Company Name	Hitachi Capital (UK) PLC
Address	Hitachi Capital House, Thorpe Road, Staines-upon-Thames, Surrey TW18 3HP, UK (Surrey, in the UK)
Representative	CEO: Robert D. Gordon
Business description	<ul style="list-style-type: none"> • Provide Instalment finance for purchasing goods, provide finance for hire purchase sales or lease • Provide unsecured consumer finance loans • Fleet contract hire • Factoring and invoice discounting and purchasing receivables • Lease of movables, immovable assets • Provide asset management and credit analysis service business
Capital	£110,668k
Number of employees	1,214 (as of the end of May, 2018)
Principal shareholder	Hitachi Capital Corporation (100%)

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