

**(Update) Notice on Establishment of a Subsidiary (Sub-subsidiary) of
a Consolidated Subsidiary**

Tokyo, December 10, 2019 - Hitachi Capital Corporation (TSE:8586, President & CEO: Seiji Kawabe, "Hitachi Capital") announced that it completed the procedure for establishing a sub-subsidiary as announced in "Notice on Establishment of a Subsidiary (Sub-subsidiary) of a Consolidated Subsidiary" on October 28, 2019, as follows:

1. Purpose of establishment

Hitachi Capital has positioned "Life (Infrastructure and Urban Development, Healthcare, Food/Agriculture and Lifestyle)" as one of key business in "FY2019-FY2021 Mid-Term Management Plan", and, Hitachi Capital Group offers the building lease solution to meet customer needs. New company is established to operate a real estate leasing business related to logistics in the Republic of Indonesia by Hitachi Capital Community Corporation, a subsidiary of Hitachi Capital, and, PT Daiwa Manuggal Logistik Properti of Daiwa House Group as our strategic partner. Taking this business opportunity, Hitachi Capital Group will create new business opportunities, accumulate its business know-how, and strengthen business partnership in ASEAN area with mid to long term economic growth expectation.

Hitachi Capital continues to strengthen "Life" business base, as well as, will create and offer new value to meet constantly changing needs of society and customer as "Social Value Creation Company."

2. Outline of the new subsidiary (sub-subsidiary) (Updated categories are underlined)

(1) Name	<u>PT HCD Properti Indonesia</u>
(2) Location	<u>Jakarta Special Province, the Republic of Indonesia</u>
(3) Title and name of the representative	Masaki Kanegawa, President Director
(4) Date of establishment	<u>December 10, 2019</u>
(5) Business	Real estate leasing and its related business in the Republic of Indonesia
(6) Capital	580 billion IDR (Approx. 4.64 billion JPY)
(7) Investment ratio	Hitachi Capital Community Corporation: 63.4% <u>PT Daiwa Manuggal Logistik Properti: 36.6%</u>
(8) Relationship with Hitachi Capital	Consolidated subsidiary

Note: 1 IDR=0.008 JPY

3. Outline of Hitachi Capital Community Corporation

(1) Name	Hitachi Capital Community Corporation
(2) Location	3-1, Nishi-Shimbashi 1-chome, Minato-ku, Tokyo
(3) Title and name of the representative	Masaki Kanegawa, Representative Director
(4) Business	Real estate development, operation and leasing business
(5) Capital	80 million JPY
(6) Date of establishment	October 1, 2004
(7) Investment ratio	Hitachi Capital: 100%

4. Future prospects

Establishment of the new company is expected to have minimal impact on the consolidated financial result.

<Reference>

Current consolidated financial performance forecast (announced on November 6, 2019) and the consolidated financial result last fiscal year (Unit: million JPY)

	Revenues	Profit before tax	Net income	Net income attributable to owners of the parent
Forecast for the fiscal year ending March 31, 2020	459,300	45,000	34,000	32,500
Results for the fiscal year ended March 31, 2019	453,253	32,706	18,161	19,363

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