

News Release

FOR IMMEDIATE RELEASE

Investment in a Company in Hong Kong to Pursue New Environmental Business

Tokyo, February 10, 2021 --- Hitachi Capital Corporation (TSE:8586, President & CEO: Seiji Kawabe, "Hitachi Capital") announced that its group company, Hitachi Capital Management (China) Limited (Managing Director: Keiichi Sato, "HCMC"), has acquired 35% of the shares of Bloom Profit Investment Limited (Managing Director: Lui Feng, "Bloom Profit") and executed a shareholder loan agreement. Bloom Profit is a group company of China Water Industry Group Limited (CEO: Lin Yue Hui, "China Water") and operates the recycling business in Hong Kong.

In October 2018, the Hitachi Capital group and New China Water (Nanjing) Renewable Resources Investment Company Limited, a China Water group, agreed on collaboration in order to promote business in sectors including energy saving, environmental protection, public projects, clean energy, and water treatment⁽¹⁾, also have held many discussions ever since.

As the first collaboration project with China Water group, HCMC invested in Bloom Profit to pursue the glass bottle recycling business in Hong Kong.

Bloom Profit's glass bottle recycling business is one of the recycling businesses that the Government of the Hong Kong Special Administrative Region ("HKSAR Government") considers as key issue. The HKSAR Government has been actively engaged in waste reduction and recycling with an aim to develop Hong Kong into a smart city. In 2014, it issued "A Food Waste & Yard Waste Plan for Hong Kong 2014-2022" targeting to reduce wastes by 40% by 2022. The HKSAR Government has promoted a full-scale shift of disposal method of glass bottles, etc. from landfill to collection and recycling since 2018 and set forth a policy for FY2019-FY2020 to make intensive investment of approximately HKD400 million to address waste reduction and recycling.

HCMC takes this collaboration through an investment in Bloom Profit as an opportunity to proactively work in the environment and recycling fields and contributes to solve issues faced by Hong Kong SAR. HCMC also plans to extend new businesses in the environment and recycling sectors such as food residue recycling business.

In its "FY2019-FY2021 Mid-Term Management Plan", Hitachi Capital Group positions Environment and Energy as a key business, and pursue its development of new businesses to solve issues faced by companies and local communities while expanding its environmental business. In addition, we will continue to create and offer new values based on the SDGs to meet the ever changing needs of society and customers as a "Social Values Creating Company."

(1) News Release:

Hitachi Capital Agreed on Collaboration with a Chinese Company in the "First Japan-China Forum on Third Country Business Cooperation"

https://www.hitachi-capital.co.jp/hcc/english/newsrelease/2018/20181029_english.pdf

■ About Hitachi Capital Management (China) Limited

Name	Hitachi Capital Management (China) Limited
Representative	Keiichi Sato, Managing Director
Location	Hong Kong Special Administrative Region of People's Republic of China
Establishment	June, 2016
Business description	Financial holding company
Capital	HKD2,165,479 thousand

■ About Bloom Profit Investment Limited

Name	Bloom Profit Investment Limited
Representative	Lui Feng, Managing Director
Location	Hong Kong Special Administrative Region of People's Republic of China
Establishment	August, 2009
Business description	Glass bottles recycling, waste collection & recycling business, etc.
Capital	HKD100 (As of the end of December, 2019)

■ About China Water Industry Group Limited

Name	China Water Industry Group Limited
Representative	Lin Yue Hui, CEO
Location	Hong Kong Special Administrative Region of People's Republic of China
Establishment	January 2002
Business description	Waste biomass power generation, water treatment, glass bottles recycling business, etc.
Capital	HKD798,270 thousand (As of the end of June, 2019)

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