

IMPORTANT DISCLAIMER

April 18, 2007

Acquisition by Hitachi Capital Corporation (“HCC”) of the entire issued and to be issued share capital of Hitachi Capital (UK) plc (“HCUK”) not already owned by HCC by way of a Scheme of Arrangement pursuant to section 425 of the UK Companies Act 1985 (the “Acquisition”).

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By proceeding to the statements below, you will be deemed to have read and understood the above disclaimer and to agree to be bound thereby.

Agreement to commence the procedure to make Hitachi Capital (UK) plc a wholly-owned subsidiary

This is to report that we have resolved at a board meeting today to commence a procedure to make Hitachi Capital (UK) plc, our UK subsidiary listed on the London Stock Exchange, in which we held 64.8% of the shares as of 17 April 2007 (on a voting right basis), our wholly-owned subsidiary by acquiring all of its issued and to be issued shares for cash (the "Acquisition").

It is intended that the Acquisition will be effected by means of a court-sanctioned scheme of arrangement under English law.

The Acquisition has been approved by an Independent Committee of Hitachi Capital (UK) plc Directors.

Announcement of this Acquisition is also being made in the UK as required by the English Takeover Code.

1. Background to the transaction

Hitachi Capital (UK) plc was established as our wholly-owned subsidiary in 1982. Since its listing in 1997 on the London Stock Exchange, Hitachi Capital Corporation has maintained its interest of around 65% in the issued share capital of Hitachi Capital (UK) plc. It is believed that the close relationship between Hitachi Capital (UK) plc and us and ultimately Hitachi Limited has provided significant commercial and financial benefits to the business of Hitachi Capital (UK) plc.

It is believed that the Acquisition will enhance these benefits and furthermore is critical to the future success of Hitachi Capital (UK) plc in view of the expectation that it will encounter challenging trading conditions.

It is believed that, following completion of the Acquisition, there is scope to improve group efficiency and create financial benefits to us through greater collaboration, both in terms of cost savings and revenue opportunities.

Our financial services business in Japan and the financial services business of Hitachi Capital (UK) plc in the UK are highly complementary. Through working together to address the needs of each business's customers in a systematic and targeted manner that combines finance solutions for the consumer, commercial and vehicle finance markets, it is believed that there are opportunities to increase sales to Hitachi Capital (UK) plc's marketable customer base.

Following completion of the Acquisition, we will be able to maximise the synergy benefits from closer collaboration between Hitachi Capital (UK) plc and us, whilst still retaining each business as a distinct unit. Cost savings across the businesses are expected to result from:

- Co-ordination of treasury activities to reduce overall funding costs of our group;
- Co-ordination of selected activities across customer service, IT, administration and marketing to deliver greater effectiveness and benefit from improved scale efficiencies; and

- Elimination of Hitachi Capital (UK) plc's separate listing costs.

2. Acquisition price

Under the terms of the Acquisition, the shareholders of Hitachi Capital (UK) plc to whom the Acquisition relates will be entitled to receive, for each Hitachi Capital (UK) plc share held, £2.65 in cash (approximately ¥623)¹

Shareholders of Hitachi Capital (UK) plc whose names appear on the register on 4 May 2007 will also receive a final dividend for the year ending 31 March 2007. We understand that the unaudited results are in line with market expectations with profit after tax of £10.5 million (approximately ¥2.4 billion). Hitachi Capital (UK) plc board plans to recommend a final dividend of 8.0 pence per share to be paid on 6 July 2007. Hitachi Capital (UK) plc will be announcing its provisional results for the year ended 31 March 2007 on 23 April 2007.

Accordingly, under the terms of the Acquisition and including the final dividend, the shareholders of Hitachi Capital (UK) plc to whom the Acquisition relates will receive a total of £2.73 in cash per share (approximately ¥641).

The terms of the Acquisition (including the final dividend of 8.0 pence per share) value the entire issued ordinary share capital of Hitachi Capital (UK) plc at approximately £117 million (approximately ¥27.5 billion).

Having conducted due diligence investigations and considered the state of business, share price, expected future earnings and assets and liabilities of Hitachi Capital (UK) plc as a whole, and also taking into account advice from the Nomura Group, our financial advisers, we have concluded that the above acquisition price is fair and reasonable.

3. Method and procedure

It is currently intended that the Acquisition will be effected by means of a scheme of arrangement between Hitachi Capital (UK) plc and its shareholders under section 425 of the English Companies Act.

As part of the scheme of arrangement, Hitachi Capital (UK) plc will hold a meeting of shareholders who hold shares to which the Acquisition relates as directed by the court and seek a resolution for approval of the scheme of arrangement. This resolution must be approved by a majority in number of the holders of Hitachi Capital (UK) plc shares present and voting, either in person or by proxy, at the meeting representing not less than three-fourths in value of shares held by those who are present and vote. The procedure also involves an application by Hitachi Capital (UK) plc to the court to sanction the scheme of arrangement and confirm the cancellation of all the existing Hitachi Capital (UK) plc shares to which the Acquisition relates. In addition, the implementation of the scheme of arrangement will require separate approval by the passing of a special resolution at an extraordinary general meeting, amongst other things, to approve the scheme of arrangement and to authorise the Directors of Hitachi Capital (UK) plc to take such action as they consider necessary or appropriate to effect the scheme of arrangement.

If the scheme of arrangement becomes effective, it will be binding on all Hitachi Capital (UK) plc shareholders to which the Acquisition relates irrespective of whether or not they attend or vote in favour of the scheme of arrangement at the court meeting or in favour of the special resolution to be proposed at the extraordinary general meeting.

¹ Exchange rate of £1=¥235.05 is used throughout this document for convenience

It is intended that, prior to the scheme of arrangement becoming effective, applications will be made to the UK Listing Authority for the listing of the shares of Hitachi Capital (UK) plc on the Official List to be cancelled and to the London Stock Exchange for the cancellation of trading of such shares, in each case to take effect on the date on which the scheme of arrangement takes effect.

The anticipated timetable for implementing the scheme of arrangement will be announced in due course.

4. Funding

Hitachi Capital Corporation will finance the Acquisition entirely out of its own existing cash resources.

5. Effect on our performance

The effect of this transaction on our performance will be small.

Information on Hitachi Capital (UK) plc

Name	:	Hitachi Capital (UK) plc
Representative	:	David Anthony (Chief Executive)
Address	:	Wallbrook Business Centre, Green Lane, Hounslow, Middlesex TW4 6NW, UK
Date of establishment	:	21 April 1982
Business	:	Hitachi Capital (UK) plc and its subsidiaries conduct financial services business in the UK, including financial services for businesses and consumers, private and commercial vehicle leasing and fleet management, insurance business (such as income insurance and reinsurance), debt management and servicing
Account date	:	31 March
Number of employees	:	484 (as of 31 March 2007)
Results for period ended 31 March 2006 ²	:	Consolidated net assets: £60.8 million (previous year: £54.9 million) Consolidated total assets: £1,066.3 million (previous year: £997.3 million) Consolidated sales: £195.2 million (previous year: £180.4 million) Consolidated net profit: £10.6 million (previous year: £11.3 million)

² No adjustment with respect to the discrepancies in accounting principles in United Kingdom and Japan.