

18 JUNE 2007

RECOMMENDED UNCONDITIONAL FINAL CASH OFFER

by

HITACHI CAPITAL CORPORATION

for

THE SHARES OF HITACHI CAPITAL (UK) PLC NOT ALREADY OWNED BY HITACHI CAPITAL CORPORATION

Introduction

On 18 April 2007, a recommended proposal was announced for HCC to acquire the whole of the issued and to be issued share capital of HCUK not already owned by HCC, representing approximately 35 per cent. of the existing issued share capital of HCUK, by way of a scheme of arrangement. A circular containing details of the proposal and the Scheme was posted to HCUK Shareholders on 16 May 2007.

At the Court Meeting held on 12 June 2007 to approve the Scheme, 13 shareholders (representing 6.53 per cent. by number and 33.44 per cent. by value of shareholders present and voting in person or by proxy) voted against the Scheme and as a result the resolution was not passed and the Scheme lapsed. Notwithstanding these votes against the Scheme, a clear majority of the voting shareholders (representing approximately 94 per cent. by number and approximately 67 per cent. by value) voted in favour of the Scheme.

The Offer

The Boards of HCC and HCUK are pleased to announce a recommended offer by HCC to acquire the entire issued and to be issued share capital of HCUK not already owned by HCC at £2.65 per HCUK Share (the same price per HCUK Share as would have been paid by HCC had the Scheme become effective). The Offer, when formally made, will be unconditional from the outset and will be final and will not in any circumstances be increased. (1)

(1)HCC reserves the right to set aside the no increase statement where a firm intention to make a competing offer or tender offer is announced or where the announcement of a possible competing offer or tender offer is made

Background to the HCUK Independent Committee's recommendation

In reaching its decision to recommend a final unconditional cash offer by HCC of £2.65 per HCUK Share, the HCUK Independent Committee took into account the following matters in particular:

- the Offer represents an opportunity for HCUK Shareholders to realise their investment in HCUK in cash, at a premium of approximately 18 per cent. to £2.25 being the Closing Price on 17 April 2007, which was the last Business Day prior to the announcement of the Scheme;
- a clear majority of the shareholders who voted (representing approximately 94 per cent. by number and approximately 67 per cent. by value), voted in favour of the Scheme;

- HCUK's reliance upon the support of HCC;
- recent trading conditions for HCUK have continued to be challenging and the members of the HCUK Independent Committee believe that these trading conditions are likely to continue;
- potential divergent interests between HCC and the other HCUK Shareholders;
- the relatively illiquid nature of the HCUK Shares;
- the recent performance of HCUK's share price;
- the fact that HCC is already the majority shareholder in HCUK; and
- the fact that HCC had indicated that it was not willing to consider disposing of or reducing its current majority interest in HCUK.

When the Scheme was announced on 18 April 2007, the HCUK Independent Committee believed that it provided an attractive opportunity for HCUK Shareholders to realise their investment for cash at a significant premium to the then share price. The HCUK Independent Committee believes that the Offer similarly provides an attractive exit opportunity for HCUK Shareholders.

As previously announced, HCUK Shareholders whose names appeared on the register on 4 May 2007 will also receive the final dividend of 8.0 pence for the year ended 31 March 2007 to be paid on 6 July 2007. HCUK has advised HCUK Shareholders previously of its intention to review its dividend policy in view of the need to grow shareholders' equity to support the expansion of the business. HCC is supportive of this proposal to review the dividend policy.

Management and employees

The HCC Board recognises the importance of the skills and experience of the existing employees of HCUK and believes that the opportunities for them will be enhanced following the Offer. The HCC Board has also confirmed that the existing employment rights, including pension rights, of all employees of HCUK will be fully safeguarded. In particular, the intention of the HCC Board is that the Executive Directors of HCUK will continue in their current roles following the Offer.

As stated in the Notice of the Annual General Meeting posted to HCUK Shareholders on 17 May 2007, Anthony Jukes and Simon Stubbings will be retiring as Non-Executive Directors of HCUK at the Annual General Meeting to be held on 20 June 2007.

De-Listing

If sufficient acceptances under the Offer are received, HCC intends to procure that HCUK make applications to cancel the listing of HCUK Shares from the UKLA's Official List and to cancel admission to trading in HCUK Shares on the London Stock Exchange's market for listed securities. De-listing would significantly reduce the liquidity and marketability of any HCUK Shares not assented to the Offer at that time.

Recommendation

Yoshitaka Aritoshi and Akira Tsuda are Directors of both HCUK and HCC and Masahiro Usami is an employee of HCC and is seconded to HCUK. These three persons have not participated in the HCUK Board's deliberations in relation to the Offer. The HCUK Board has established a committee of HCUK Directors who are independent of HCC to consider the terms of the Offer on behalf of the holders of HCUK Shares to which the Offer relates. The HCUK Independent Committee comprises Anthony Jukes, Simon Stubbings, Nicholas Carter, David Anthony, Martin Cutbill and Robert Gordon.

In the absence of a willingness by HCC to contemplate the sale of its interest in HCUK, the HCUK Independent Committee, which has been so advised by Numis Securities, considers the terms of the

Offer to be fair and reasonable. In providing advice to the HCUK Independent Committee, Numis Securities has taken into account a number of factors including the controlling shareholding of HCC and the commercial assessments of the HCUK Board.

The HCUK Directors believe that the terms of the Offer are in the best interests of HCUK Shareholders as a whole and unanimously recommend that HCUK Shareholders accept the Offer.

The members of the HCUK Independent Committee have also given irrevocable undertakings to HCC to accept the Offer in respect of each of their own personal shareholding of HCUK Shares, which in aggregate represent approximately 0.2 per cent. of HCUK's existing issued share capital.

Commenting on today's Announcement, Kazuo Takano, President and Chief Executive Officer of HCC, said: "HCC was disappointed that the Scheme was not approved but is pleased to provide HCUK minority shareholders with an exit at the same price of £2.65 per share through an offer which has been recommended by the Independent Committee of HCUK Directors. Particularly in view of the continuing difficult trading conditions for HCUK, we are looking forward to working with HCUK management and employees to further strengthen and develop the HCUK business."

Commenting on today's Announcement, Anthony Jukes, Chairman of HCUK, said: "Notwithstanding the Scheme being unsuccessful, I and the other independent directors of HCUK recommend the acquisition by HCC of the minority shareholding of HCUK by way of a takeover offer at the same price per share as under the Scheme. These terms still represent a premium to the share price available in the market and a fair and reasonable price for HCUK shareholders. The HCUK Board believes that HCUK will continue to experience challenging trading conditions in a number of its markets and the acquisition should significantly improve HCUK's growth prospects."

This summary should be read in conjunction with the full text of the attached Announcement. The Offer will be subject to the full terms to be set out in the Offer Document and Form of Acceptance.

The sources and bases of information contained in this Announcement are set out in Appendix I and the definitions of certain expressions used in this Announcement are set out in Appendix III.

ENQUIRIES

For further information, contact:

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Nomura International, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for HCC and no-one else in connection with the Offer and will not regard any other person as its client or be responsible to any person other than HCC for providing the protections afforded to clients of Nomura International nor for providing advice in relation to the Offer, the contents of this Announcement, or any matter referred to herein.

Numis Securities, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for HCUK and no-one else in connection with the Offer and will not regard any other person as its client or be responsible to any person other than HCUK for providing the protections afforded to clients of Numis Securities nor for providing advice in relation to the Offer, the contents of this Announcement, or any matter referred to herein.

This Announcement is not intended to, and does not, constitute or form part of any offer to sell or an invitation to purchase any securities, pursuant to the Offer or otherwise, or the solicitation of any vote or approval in any jurisdiction. The Offer will be made solely by the Offer Document and Form of Acceptance (which will contain the full terms of the Offer including details as to how it may be accepted). Any acceptance or other response to the Offer should be made only on the basis of the information in the Offer Document and Form of Acceptance.

The distribution of this Announcement and the availability of the Offer in jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the UK should inform themselves about, and observe, any applicable requirements. This Announcement has been prepared for the purpose of complying with English law and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside England. Further details in relation to overseas HCUK Shareholders will be contained in the Offer Document.

Unless otherwise determined by HCUK or required by the Code, and permitted by applicable law and regulation, the Offer will not be made, directly or indirectly, in, into or from, and will not be capable of acceptance in or from any jurisdiction, where to do so would constitute a breach of securities laws in that jurisdiction.

Copies of this Announcement are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving this Announcement (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in, into or from any such jurisdiction.

The Offer will be subject to the applicable rules and regulations of the UKLA, the London Stock Exchange and the Takeover Code.

Dealing Disclosure Requirements

Under the provisions of Rule 8.3 of the City Code on Takeovers and Mergers, if any person is, or becomes, 'interested' (directly or indirectly) in 1 per cent. or more of any class of 'relevant securities' of HCUK all 'dealings' in any 'relevant securities' of HCUK (including by means of an option in respect of, or a derivative referenced to, any such 'relevant securities') must be publicly disclosed by no later than 15.30 (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the "Offer period" ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an 'interest' in 'relevant securities' of HCUK, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the City Code, all 'dealings' in 'relevant securities' of HCUK by HCC, or by any of its respective 'associates', must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose 'relevant securities' 'dealings' should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel's website at www.thetakeoverpanel.org.uk.

'Interests in securities' arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an 'interest' by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the City Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to disclose a 'dealing' under Rule 8, you should consult the Panel.

Forward Looking Statements

This Announcement contains a number of forward-looking statements relating to HCUK and HCC with respect to, among others, the following: financial condition; results of operation; the businesses of HCUK and HCC; future benefits of the transaction; and management plans and objectives. HCUK and HCC consider any statements that are not historical facts to be 'forward-looking statements'. These statements are based on assumptions and assessments made by the boards of directors of HCC and HCUK in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. These forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by them. Important factors that could cause actual results to differ materially from estimates or forecasts contained in the forward-looking statements include, among others, the following possibilities: future revenues are lower than expected; costs or difficulties relating to the combination of the businesses of HCUK and HCC, or of other future acquisitions, are greater than expected; expected cost savings from the transaction or from other future acquisitions are not fully realised or not realised within the expected time frame; competitive pressures in the industry increase; general economic conditions or conditions affecting the relevant industries, whether internationally or in the places HCUK and HCC do business are less favourable than expected, and/or conditions in the securities market are less favourable than expected.

Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Announcement. HCC and HCUK assume no obligation to update or correct the information contained in this Announcement.

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1 Introduction

On 18 April 2007, a recommended proposal was announced for HCC to acquire the whole of the issued and to be issued share capital of HCUK not already owned by HCC, representing approximately 35 per cent. of the existing issued share capital of HCUK, by way of a scheme of arrangement. A circular containing details of the proposal and the Scheme was posted to HCUK Shareholders on 16 May 2007.

At the Court Meeting held on 12 June 2007 to approve the Scheme, 13 shareholders (representing 6.53 per cent. by number and 33.44 per cent. by value of shareholders present and voting in person or by proxy) voted against the Scheme and as a result the resolution was not passed and the Scheme lapsed. Notwithstanding these votes against the Scheme, a clear majority of the voting shareholders (representing approximately 94 per cent. by number and approximately 67 per cent. by value) voted in favour of the Scheme.

2 The Offer

The Boards of HCC and HCUK are pleased to announce a recommended offer for HCC to acquire the entire issued and to be issued share capital of HCUK not already owned by HCC at £2.65 per HCUK Share (the same price per HCUK Share which would have been paid by HCC had the Scheme become effective). The Offer, when formally made, will be wholly unconditional from the outset and will be final and will not in any circumstances be increased. (2)

The Offer will be subject to the further terms to be set out in the Offer Document and the Form of Acceptance. HCUK Shareholders will be entitled to receive:

for each HCUK Share held GBP2.65 in cash

The consideration payable under the Offer values the entire issued ordinary share capital of HCUK at approximately GBP113 million and represents:

- a premium of approximately 18 per cent. to GBP2.25 per HCUK Share, being the Closing Price on 17 April 2007, which was the last Business Day prior to the announcement of the Scheme; and

- a premium of approximately 17 per cent. to GBP2.27 per HCUK Share, being the average Closing Price for the period of one month ended 17 April 2007.

HCUK Shares that are subject to the Offer will be acquired fully paid with full title guarantee and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights now and hereafter attaching thereto, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of this Announcement. As previously announced, HCUK Shareholders whose names appeared on the register on 4 May 2007 will receive the Final Dividend.

(2)HCC reserves the right to set aside the no increase statement where a firm intention to make a competing offer or tender offer is announced or where the announcement of a possible competing offer or tender offer is made.

3 Recommendation

Yoshitaka Aritoshi and Akira Tsuda are Directors of both HCUK and HCC and Masahiro Usami is an employee of HCC and is seconded to HCUK. These three persons have not participated in the HCUK Board's deliberations in relation to the Offer. The HCUK Board has established a committee of HCUK Directors who are independent of HCC to consider the terms of the Offer on behalf of the holders of HCUK Shares to which the Offer relates. The HCUK Independent Committee comprises Anthony Jukes, Simon Stubbings, Nicholas Carter, David Anthony, Martin Cutbill and Robert Gordon.

In the absence of a willingness by HCC to contemplate the sale of its interest in HCUK, the HCUK Independent Committee, which has been so advised by Numis Securities, considers the terms of the Offer to be fair and reasonable. In providing advice to the HCUK Independent Committee, Numis Securities has taken into account a number of factors including the controlling shareholding of HCC and the commercial assessments of the HCUK Board.

The HCUK Directors believe that the terms of the Offer are in the best interests of HCUK Shareholders as a whole and unanimously recommend that HCUK Shareholders accept the Offer.

The members of the HCUK Independent Committee have also given irrevocable undertakings to HCC to accept the Offer in respect of each of their own personal shareholding of HCUK Shares, which in aggregate represent approximately 0.2 per cent. of HCUK's existing issued share capital.

Further details of these irrevocable undertakings, including details of the circumstances in which they will cease to be binding, are set out in Appendix II to this Announcement.

4 Background to and Reasons for the Recommendation

4.1 Background to HCUK

HCUK was established as a wholly owned subsidiary of HCC in 1982 in response to the financial requirements of business and retail customers in the UK, including those of HCC's parent, Hitachi. Since its listing on the London Stock Exchange in 1997, HCC has maintained approximately 65 per cent. interest in the issued share capital of HCUK.

Trading in the first quarter of the financial year ending 31 March 2008 has been in line with the HCUK Board's expectations and the HCUK Board remains confident that HCUK will achieve its growth aspirations for the year. There have been no significant developments this financial year to alter the HCUK Board's view that trading conditions in some of HCUK's markets will remain challenging.

4.2 Background to and Reasons for the Recommendation

The members of the HCUK Independent Committee believe the close relationship between HCUK and HCC and ultimately Hitachi, provides significant commercial and financial benefits to the business of HCUK as follows:

- HCC guarantees HCUK's Medium Term Note and Commercial Paper programmes, thus allowing HCUK to employ significant amounts of leverage at a cost similar to HCC;
- HCUK has the right to use in connection with its business the Hitachi name, which is recognised as a major international brand with a leading and well-established position in a range of markets, including the financial services industry;
- since the time of HCUK's initial public offering, HCC has given HCUK an undertaking that it will not compete with HCUK in any of the businesses it conducts in the UK;
- HCUK has support from HCC and Hitachi in developing HCUK's customer base; and
- HCC has provided management expertise to HCUK.

The HCUK Independent Committee believes (as HCUK noted in its Annual Report for the year ended 31 March 2007) that HCUK's strategy of focusing on higher value niche markets is continuing to produce positive results and is confident that the Hitachi brand could continue to be built in a listed company environment by providing effective and realistic finance and insurance solutions.

However, despite this view and the support of HCC, recent trading conditions for HCUK have continued to be challenging and the members of the HCUK Independent Committee believe that these challenging trading conditions are likely to continue. In particular, the members of the HCUK Independent Committee consider that there is:

- a risk that two key markets in which HCUK operates, being the UK consumer finance and business finance markets, will continue to soften; and
- potential for deterioration of credit quality in a soft market which may lead to increased provisioning levels.

Against this background, discussions commenced between HCC and HCUK with regard to the future strategy and prospects of HCUK. These discussions led to consideration of HCC's current 64.76 per cent. interest in HCUK and HCUK's status and structure as a listed company with a board independent of HCC notwithstanding HCC's majority shareholding. During the course of these discussions, HCC indicated that it did not wish to sell its interest in HCUK but would consider acquiring the remaining 35.24 per cent. of HCUK not already owned by it. These discussions have led to the Offer. In reaching its decision to recommend the Offer, the HCUK Independent Committee took into account the following matters in particular:

- the Offer represents an opportunity for HCUK Shareholders to realise their investment in HCUK in cash, at a premium of approximately 18 per cent. to £2.25 being the Closing Price on 17 April 2007, which was the last Business Day prior to the announcement of the Scheme;
- a clear majority of the shareholders who voted (representing approximately 94 per cent. in number and approximately 67 per cent. by value), voted in favour of the Scheme;
- HCUK's reliance upon the support of HCC;
- recent trading conditions for HCUK have continued to be challenging and the members of the HCUK Independent Committee believe that these trading conditions are likely to continue;
- potential divergent interests between HCC and the other HCUK Shareholders;
- the relatively illiquid nature of the HCUK Shares;
- the recent performance of HCUK's share price;
- the fact that HCC is already the majority shareholder in HCUK; and
- the fact that HCC had indicated that it was not willing to consider disposing of or reducing its current majority interest in HCUK.

4.3 HCC proposals for HCUK following the Offer

The HCC Board has informed HCUK that following completion of the Offer, its intentions for HCUK's business are as follows:

- To improve group efficiency and create financial benefits to HCC through greater collaboration, both in terms of cost savings and revenue opportunities.
- To seek opportunities to increase sales to HCUK's marketable customer base through working with HCC 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.
- Vehicle solutions: HCUK to continue to focus on the more profitable specialist commercial vehicle and corporate contract hire markets and to add value to the customer proposition by offering complementary products and services.
- Consumer finance: HCUK to continue to develop and expand in newer, high-growth markets and in the more traditional areas, to focus on new retailers utilising instalment credit in sectors which will enable HCUK to supply higher value loans.
- Business finance: HCUK to strengthen its position in its chosen key markets, principally block discounting, farm and country, aviation and general broker.
- Insurance services: HCUK to continue to grow its market share through the development of new relationships with insurance brokers and motor dealers and further development of its successful web-based distribution system with the principal focus on a range of products designed to give consumers a choice of cover, at affordable premiums, with clear policy terms

HCC has informed HCUK that following completion of the Offer, HCC believes it will be able to maximise the synergy benefits from closer collaboration between HCUK and HCC, whilst still retaining each business as a distinct unit. HCC has informed HCUK that it believes that cost savings across the businesses are expected to result from:

- co-ordination of treasury activities to reduce HCUK's overall funding costs;
- co-ordination of selected activities across customer service, IT, administration and marketing to deliver greater effectiveness and benefit from improved efficiencies of scale; and
- elimination of HCUK's listing costs and the infrastructure to support this listing.

The various changes referred to above could involve much greater collaboration between HCC and HCUK which would be inconsistent with HCUK continuing as a separate listed company.

HCC has informed HCUK that its strategic plans do not envisage any change to the principal locations of the HCUK business, or any redeployment of any material fixed assets whether owned or controlled by HCUK. The board of HCUK has discussed these points with HCC and has received assurances in this respect from HCC and is satisfied that there are no current changes intended in respect of the locations of the business and the use of HCUK's fixed assets.

Following the Offer and the resulting closer collaboration between HCC and HCUK, the customers of HCUK are expected to benefit from an enhanced range of products, particularly in the consumer, commercial and vehicle finance markets. As a wholly owned subsidiary of HCC, HCUK will also benefit from the financial strength of HCC and Hitachi which will enhance its competitive position in these markets.

5 Management and Employees

The HCC Board recognises the importance of the skills and experience of the existing employees of HCUK and believes that the opportunities for them will be enhanced following the Offer. The HCC Board has also confirmed that the existing employment rights, including pension rights, of all employees of HCUK will be fully safeguarded. In particular, the intention of the HCC Board is that the Executive Directors of HCUK will continue in their current roles following the Offer.

As stated in the Notice of the Annual General Meeting posted to HCUK Shareholders on 17 May 2007, Anthony Jukes and Simon Stubbings will be retiring as Non-Executive Directors of HCUK at the Annual General Meeting to be held on 20 June 2007.

6 Dividend policy

HCUK has advised HCUK Shareholders previously of its intention to review its dividend policy in view of the need to grow shareholders' equity to support the expansion of the business. HCC is supportive of the proposal to review the dividend policy.

7 HCC's Ownership of HCUK Shares

HCC owns in aggregate 27,637,400 HCUK Shares representing 64.76 per cent. of HCUK's existing issued ordinary share capital.

8 HCUK Share Option Schemes

Appropriate proposals will be made to participants in the HCUK Share Option Schemes in due course to ensure that their interests are safeguarded. Details of these proposals will be set out in separate letters to be sent to participants in the HCUK Share Option Schemes.

9 Information on HCUK

Established in 1982 by its parent HCC, HCUK is a financial services company which offers a range of financial products and related services that can be tailored to meet the needs of both business and personal customers. HCUK is principally engaged in the provision of finance in the form of contract hire, block discounting, leasing, hire purchase, personal loans and related products and services, as well as the provision of insurance and credit management services. HCUK is organised into five operating divisions: Vehicle Solutions, Business Finance, Consumer Finance, Insurance Services, and Credit Management. HCUK is listed on the London Stock Exchange with a market capitalisation of approximately GBP105 million and is 64.76 per cent. owned by HCC. For the year ended 31 March 2007, HCUK's financial results were as follows: revenue of GBP199 million, net profit after tax of GBP11 million and total assets of GBP1.1 billion.

10 Information on HCC

Established in 1957 by its parent Hitachi, HCC is a global manufacturer-affiliated financial services company. HCC is engaged in the provision of financial services for corporate and individual clients and operates in two business segments. The Financial segment provides the leasing of information technology equipment, industrial machines, medical devices, agricultural equipment and other equipment to corporate clients, and also offers credit guarantees, financial services and leasing services for automobiles, home appliances, housing and others to individual clients. The Financial Services segment is mainly involved in the provision of credit card services, non-life insurance services, securities services, debt collection services and others.

Headquartered in Tokyo, HCC is listed on the Tokyo Stock Exchange with a market capitalisation of JPY236 billion (approximately GBP975 million) (3) and as at 31 March 2007, is 53.87 per cent. owned by Hitachi and 2.84 per cent. owned by Hitachi-related companies. For the year ended 31 March 2007, HCC's financial results were as follows: revenue of JPY116 billion, net profit after tax of JPY15 billion and total assets of JPY2,517 billion (approximately GBP524 million, GBP68 million and GBP114 billion, respectively). (4)

Hitachi is engaged in a broad range of business activities on a global scale. Hitachi's operations are organised into seven segments: Information & Telecommunication Systems, Electronic Devices, Power & Industrial Systems, Digital Media & Consumer Products, High Functional Materials & Components, Logistics, Services & Others, and Financial Services. Headquartered in Tokyo, Hitachi is listed on the Tokyo Stock Exchange with a market capitalisation of JPY3,001 billion (approximately GBP12 billion) (5) For the year ended 31 March 2007, Hitachi's financial results were as follows: revenue of JPY10,248 billion, net loss after tax of JPY33 billion and total assets of JPY10,644 billion (approximately, GBP46 billion, GBP148 million and GBP48 billion, respectively). (6)

(3)As at 14 June 2007

(4) Exchange rate used is GBP1=JPY221.52

(5) As at 14 June 2007

(6) Exchange rate used is GBP1=JPY221.52

11 Funding

HCC will finance the Offer entirely out of its own existing cash resources. Nomura International has confirmed that it is satisfied that sufficient resources are available to HCC to satisfy the full cash consideration payable to HCUK Shareholders under the terms of the Offer.

12 Compulsory Acquisition and De-Listing

If sufficient acceptances under the Offer are received, HCC intends to procure that HCUK makes applications to cancel the listing of HCUK Shares from the UKLA's Official List and to cancel admission to trading in HCUK Shares on the London Stock Exchange's market for listed securities. De-listing would significantly reduce the liquidity and marketability of any HCUK Shares not assented to the Offer at that time.

If HCC receives acceptances under the Offer in respect of, or otherwise acquires, 90 per cent. or more of HCUK Shares to which the Offer relates, HCC intends to exercise its rights pursuant to sections 979 to 982 of the Companies Act 2006 to acquire compulsorily the remaining HCUK Shares in respect of which the Offer has not been accepted on the same terms as the Offer.

It is anticipated that cancellation of listing on the Official List and of admission to trading on the London Stock Exchange will take effect no earlier than 20 business days after the earlier of (i) the date on which HCC has, by virtue of its shareholding and acceptances of the Offer, acquired or agreed to acquire issued share capital carrying 75 per cent. of the voting rights of HCUK or (ii) the first date of issue of compulsory acquisition notices under section 979 of the Companies Act 2006. HCC will notify HCUK Shareholders when the required threshold has been attained and confirm that the notice period has commenced and the anticipated date of cancellation.

13 Disclosure of Interests in HCUK Shares

Save as disclosed above, neither HCC (nor any of its directors), nor, so far as HCC is aware and save as described below, any person acting in concert with HCC, owns or controls any HCUK Shares or any securities convertible or exchangeable into HCUK Shares or has an interest in or any rights to subscribe for or purchase the same, or holds any options (including traded options) in respect of, or has any option to acquire, any HCUK Shares or has entered into any derivatives referenced to, HCUK Shares ("Relevant HCUK Securities") which remain outstanding, nor does any such person hold any short positions in relation to Relevant HCUK Securities (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, nor does any such person have any arrangement in relation to Relevant HCUK Securities. For these purposes, "arrangement" includes any indemnity or option arrangement, any agreement or understanding, formal or informal, or whatever nature, relating to Relevant HCUK Securities which may be an inducement to deal or refrain from dealing in such securities. In the

interests of secrecy prior to this announcement, HCC has not made any enquires in this respect of certain parties who may be deemed by the Panel to be acting in concert with it for the purposes of the Offer. Enquiries of such parties will be made as soon as practicable following the date of this announcement and any material disclosure in respect of such parties will be included in the Offer Document.

14 General

The Offer Document containing the full terms of the Offer and setting out the procedures to be followed to accept the Offer, together with the Form of Acceptance, will be posted to HCUK Shareholders and, for information only, to participants in the HCUK Share Option Schemes as soon as is reasonably practicable.

In deciding whether or not to accept the Offer in respect of their HCUK Shares, HCUK Shareholders should rely on the information contained in, and follow the procedures described in, the Offer Document and Form of Acceptance.

The sources and bases of information set out in this announcement are contained in Appendix I. The definitions of certain expressions used in this Announcement are contained in Appendix III.

In accordance with Rule 2.10 of the City Code, as at 15 June 2007 (being the last Business Day before this Announcement), 42,674,511 HCUK Shares were in issue. The International Securities Identification Number for HCUK Shares is GB0000590355.

ENQUIRIES

For further information, contact:

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Nomura International, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for HCC and no-one else in connection with the Offer and will not regard any other person as its client or be responsible to any person other than HCC for providing the protections afforded to clients of Nomura International nor for providing advice in relation to the Offer, the contents of this Announcement, or any matter referred to herein.

Numis Securities, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for HCUK and no-one else in connection with the Offer and will not regard any other person as its client or be responsible to any person other than HCUK for providing the protections afforded to clients of Numis Securities nor for providing advice in relation to the Offer, the contents of this Announcement, or any matter referred to herein.

This Announcement is not intended to, and does not, constitute or form part of any offer to sell or an invitation to purchase any securities, pursuant to the Offer or otherwise, or the solicitation of any vote or approval in any jurisdiction. The Offer will be made solely by the Offer Document and Form of Acceptance

(which will contain the full terms of the Offer including details as to how it may be accepted). Any acceptance or other response to the Offer should be made only on the basis of the information in the Offer Document and Form of Acceptance.

The distribution of this Announcement and the availability of the Offer in jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the UK should inform themselves about, and observe, any applicable requirements. This Announcement has been prepared for the purpose of complying with English law and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside England. Further details in relation to overseas HCUK Shareholders will be contained in the Offer Document.

Unless otherwise determined by HCUK or required by the Code, and permitted by applicable law and regulation, the Offer will not be made, directly or indirectly, in, into or from, and will not be capable of acceptance in or from any jurisdiction, where to do so would constitute a breach of securities laws in that jurisdiction.

Copies of this Announcement are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving this Announcement (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in, into or from any such jurisdiction.

The Offer will be subject to the applicable rules and regulations of the UKLA, the London Stock Exchange and the Takeover Code.

Dealing Disclosure Requirements

Under the provisions of Rule 8.3 of the City Code on Takeovers and Mergers, if any person is, or becomes, 'interested' (directly or indirectly) in 1 per cent. or more of any class of 'relevant securities' of HCUK, all 'dealings' in any 'relevant securities' of HCUK (including by means of an option in respect of, or a derivative referenced to, any such 'relevant securities') must be publicly disclosed by no later than 15.30 (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the "Offer period" ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an 'interest' in 'relevant securities' of HCUK, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the City Code, all 'dealings' in 'relevant securities' of HCUK by HCC, or by any of its respective 'associates', must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose 'relevant securities' 'dealings' should be disclosed, and the number of such securities in issue, can be found on the Panel's website at www.thetakeoverpanel.org.uk.

'Interests in securities' arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an 'interest' by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the City Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to disclose a 'dealing' under Rule 8, you should consult the Panel.

Forward Looking Statements

This Announcement contains a number of forward-looking statements relating to HCUK and HCC with respect to, among others, the following: financial condition; results of operation; the businesses of HCUK and HCC; future benefits of the transaction; and management plans and objectives. HCUK and HCC consider any statements that are not historical facts to be 'forward-looking statements'. These statements are based on assumptions and assessments made by the boards of directors of HCC and HCUK in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. These forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by them. Important factors that could cause actual results to differ materially from estimates or forecasts contained in the forward-looking statements include, among others, the following possibilities: future revenues are lower than expected; costs or difficulties relating to the combination of the businesses of HCUK and HCC, or of other future acquisitions, are greater than expected; expected cost savings from the transaction or from other future acquisitions are not fully realised or not realised within the expected time frame; competitive pressures in the industry increase; general economic conditions or conditions affecting the relevant industries, whether internationally or in the places HCUK and HCC do business are less favourable than expected, and/or conditions in the securities market are less favourable than expected.

Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Announcement. HCC and HCUK assume no obligation to update or correct the information contained in this Announcement.

APPENDIX I

Sources and Bases of Information

Save as otherwise set out in this announcement, the following constitute the bases and sources of certain information referred to in this announcement:

- The financial information relating to HCUK has been extracted from its audited annual accounts for the relevant periods and the interim financial statements for the relevant periods as published by HCUK, all of which are prepared in accordance with UK GAAP or IFRS.
- The financial information relating to HCC has been extracted or provided (without material adjustment) from its audited annual report and accounts for the relevant periods and the interim financial statements for the relevant periods as published by HCC, all of which are prepared in accordance with generally accepted accounting standards in Japan.
- The value placed on the entire issued ordinary share capital of HCUK by the terms of the Offer is based on 42,674,511 HCUK Shares in issue on 15 June 2007, being the last Business Day before this Announcement.
- All prices quoted for HCUK Shares are Closing Prices.

APPENDIX II

Details of Irrevocable Undertakings

Irrevocable undertakings to accept the Offer have been given to HCC by the following persons in respect of their entire shareholdings in HCUK as at the date of such undertaking (representing approximately 0.2 per cent. of the issued share capital of HCUK):

Name	Number of HCUK Shares	Per cent. of Issued Capital
Anthony Jukes	10,740	0.03
David Anthony	47,611	0.11
Simon Stubbings	11,000	0.03
Nicholas Carter	1,250	0.00
Martin Cutbill	5,000	0.01
	75,601	0.18

The irrevocable undertakings will cease to be binding if the Offer Document is not posted within 28 days of the date of issue of this Announcement.

APPENDIX III

Definitions

The following definitions apply throughout this announcement unless the context otherwise requires:

“Announcement”	this announcement
“Business Day”	a day (excluding Saturdays, Sundays or public holidays) on which banks generally are open in the City of London for the transaction of normal banking business
“City Code” or “Takeover Code”	the City Code on Takeovers and Mergers
“Closing Price”	the closing quotation of a HCUK Share as derived from the Daily Official List
“Court Meeting”	the meeting of HCUK Shareholders convened pursuant to an order of the High Court to consider, and if thought fit, approve the Scheme which was held on 12 June 2007
“Daily Official List”	the daily official list of the London Stock Exchange
“Extraordinary General Meeting”	the extraordinary general meeting of HCUK Shareholders held on 12 June 2007 in connection with the Scheme
“Final Dividend”	the final dividend of 8.0 pence to be paid on 6 July 2007 to HCUK Shareholders whose names appeared on the register on 4 May 2007
“Form of Acceptance”	the form of acceptance and authority to be issued in connection with the Offer and which will accompany the Offer Document
“FSMA”	the Financial Services and Markets Act 2000
“FSA” or “Financial Services Authority”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
“GBP”	pounds sterling, the lawful currency of the United Kingdom
“HCC”	Hitachi Capital Corporation, whose registered address is 15-12, Nishi Shimbashi 2-chome, Minato-ku, Tokyo 105-8712
“HCC Board” or “HCC Directors”	the directors of HCC
“HCUK”	Hitachi Capital (UK) plc, registered in England and Wales (no. 1630491)
“HCUK Board” or the “HCUK Directors”	the directors of HCUK
“HCUK Independent Committee” or the “Independent Committee”	a committee of the HCUK Board which comprises Anthony Jukes, Simon Stubbings, Nicholas Carter, David Anthony, Martin Cutbill and Robert Gordon
“HCUK Shareholders”	the holders of HCUK Shares
“HCUK Share Option Schemes”	the HCUK Executive Share Option Plan and the HCUK Savings Related Share Option Scheme
“HCUK Shares”	means the ordinary shares of 25 pence each in the capital of HCUK
“Hitachi”	Hitachi Ltd, whose registered address is 6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo, 100-8280
“IFRS”	International Financial Reporting Standards
“Japan”	Japan, its cities, prefectures, territories and possessions
“JPY”	yen, the lawful currency of Japan
“Listing Rules”	the listing rules and regulations of the UK Listing Authority as amended from time to time, and contained in the UK Listing Authority's publication of the same name
“London Stock Exchange”	London Stock Exchange plc or its successor
“Nomura International”	Nomura International plc
“Numis Securities”	Numis Securities Limited

“Offer”	the proposed acquisition by HCC of the entire issued and to be issued share capital of HCUK not already owned by HCC by means of a takeover offer on the terms to be set out in the Offer Document and Form of Acceptance
“Offer Document”	the document to be sent to HCUK Shareholders by HCC containing the terms of the Offer
“Official List”	the official list maintained by the Financial Services Authority
“Panel”	the Panel on Takeovers and Mergers
“Scheme”	the scheme of arrangement proposed to be made under Section 425 of the Companies Act 1985 between HCUK and the HCUK Scheme Shareholders contained in the Scheme Document
“Scheme Document”	the document sent to HCUK Scheme Shareholders on 16 May 2007 containing certain information about HCUK, HCC and the Scheme and the notices convening the Court Meeting and the Extraordinary General Meeting
“subsidiary”, and “undertaking”	have the meanings given by the Companies Act 1985 (but for these purposes ignoring paragraph 20(1)(b) of Schedule 4A to the Companies Act 1985)
“UK GAAP”	generally accepted accounting standards in the United Kingdom
“UK Listing Authority” or “UKLA”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“United Kingdom” or “UK”	means the United Kingdom of Great Britain and Northern Ireland

All references to legislation in this Announcement are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.