

12th February, 2003

**Hitachi Capital Corporation**

**Announcement of Merger**

The Hitachi Capital Corporation board of directors today announced that it has resolved to absorb Hitachi Leasing Rent, Ltd., a wholly owned subsidiary of Hitachi Capital.

**1. Purpose of Merger**

Hitachi Leasing Rent's main focus is on developing leasing services, mainly involving information equipment, for corporate customers. This merger will provide Hitachi Capital with a broad customer base, alliance network and a network of operating bases from which to develop new businesses targeting retail fields. This will ultimately expand the leasing business and enhance its profitability.

Hitachi Capital positions the leasing business as an expanding high-value-added business.

**Outline of Merger**

(1) Schedule

Board Meeting to Approve Merger Agreement:	12th February, 2003
Signing of the Merger Agreement:	12th February, 2003
Shareholders' Meeting to Approve Agreement:	27th February, 2003 (planned) (Only Hitachi Leasing Rent, Ltd.)
Date of Merger:	1st April, 2003 (planned)
Registration of Merger:	1st April, 2003 (planned)

(2) Method of Merger

Hitachi Capital, as the surviving company, will absorb Hitachi Leasing Rent, which will subsequently be dissolved.

(3) As Hitachi Leasing Rent is a wholly owned subsidiary of Hitachi Capital, there shall be no issuance of new shares or cash payment upon this merger.

## 2. Profile of Companies Involved in Merger

(As of March 31, 2002)

1	Company Name	Hitachi Capital Corporation (Company Effecting Merger)	Hitachi Leasing Rent, Ltd. (Company Absorbed)
2	Business Activities	Other financial services	Leasing of information equipment, event equipment and measuring instruments.
3	Established	10th September, 1957	1st June, 1984
4	Location of Head Office	15 Nishi Shimbashi 2-chome Minato-ku, Tokyo	1-17, Koishikawa 1-chome Bunkyo-ku, Tokyo
5	Representative	Kaichi Murata, President	Toyonari Miyase, President
6	Capital	¥9,459 million	¥100 million
7	Shares of Common Stock Issued and Outstanding	134,191,626 shares	2,000 shares
8	Shareholders' Equity	¥212,739 million	¥432 million
9	Total Assets	¥1,716,526 million	¥12,445 million
10	Fiscal year end	31st March	31st March
11	Number of Employees	2,266	110
12	Major Customers	Corporate and individual consumers	Corporate
13	Major Shareholders (as of 31st March, 2002)	Hitachi, Ltd. (50.11%)	Hitachi Capital Corporation (100.00%)
14	Major Banks	Mizuho Bank, Ltd. Mizuho Corporate Bank, Ltd. UFJ Bank Limited	Mizuho Bank, Ltd. UFJ Bank Limited
15	Relationship Between Companies	Capital	Wholly owned subsidiary
		Personnel	1 Hitachi Capital director and 1 employee concurrently serve as directors
		Transactions	Hitachi Capital extends loans to the company absorbed

### 16 Three-Year Summary

	Hitachi Capital Corporation (Company Effecting Merger)			Hitachi Leasing Rent, Ltd. (Company Absorbed)		
	2000	2001	2002	2000	2001	2002
Fiscal years ended 31st March,						
	(million yen)			(million yen)		
Operating revenue (Note)	65,095	82,802	93,597	7,961	9,533	9,419
Operating income	18,727	23,250	24,508	69	74	103
Net income	10,758	13,209	8,586	32	42	57
	(yen)			(yen)		
Net income per share	90.08	104.57	63.98	16,017.57	21,184.37	28,711.31
Cash dividend applicable to the year (per share)	27.00	33.00	34.00	5,000.00	5,000.00	8,500.00
Shareholders' equity per share	1,403.39	1,557.05	1,585.35	183,760.64	198,745.02	216,206.34

Note: Restated to conform with the same accounting standards as Hitachi Capital, Hitachi Lease Rent's operating revenue (equivalent of net sales) was ¥1,310 million, ¥1,385 million and ¥1,540 million in the fiscal years ended 31st March 2000, 2001 and 2002, respectively.

### 3. Post-Merger Hitachi Capital

- (1) Company name: Unchanged
- (2) Business activities: Unchanged
- (3) Head office location: Unchanged
- (4) Representative: Unchanged
- (5) Capital: Unchanged
- (6) Total assets: ¥1,745,300 million

This figure takes into account the effects of the merger and the separation of the card business as a separate company as detailed in a separate press release, “Hitachi Capital Announces Reorganization of Card Business as a Separate Company,” issued today. These effects, however, are negligible.

- (7) Fiscal year end: Unchanged
- (8) Effect on earnings: The merger will have a negligible effect on Hitachi Capital’s operating results. The Company will work to raise operating efficiency by cutting fixed expenses and implementing other measures made possible by merger and will strive to deliver enhanced operating results.