

May 24, 2011

To whom it may concern,

 Hitachi Capital Corporation

**Re: Disaster Recovery Business Alliance Agreement and Subsidiary Transaction
(Transfer of Subsidiary Shares) with Development Bank of Japan Inc.**

We are pleased to inform you that the board of directors has decided, with final approval from our president and chief executive officer, to conclude the disaster recovery business alliance agreement with Development Bank of Japan Inc. (President: Minoru Murofushi; hereinafter "DBJ"). Part of our shares in a consolidated subsidiary, Hitachi Capital Securities Co., Ltd. (President: Masayuki Yuasa; hereinafter "Hitachi Capital Securities"), will transfer to DBJ on condition that we gain approval from the authorities concerned. A cooperative effort to provide relief in the aftermath of the Great East Japan Earthquake has further strengthened the relationship between the two companies.

-- Description --

1. Conclusion of Business Alliance Agreement and Share Transaction (Transfer of Shares)

To help with disaster relief in the aftermath of the earthquake, a disaster recovery business alliance agreement was concluded with DBJ. The main objective is to deliberate on financial measures that can contribute to disaster recovery, which will strengthen the relationship between the two companies. Thus, we can move forward by building on DBJ's expertise and years of experience, and by offering better financial services to our customers.

A decision was made to transfer our shares in Hitachi Capital Securities to DBJ on condition that we gain approval from the authorities concerned. With regard to the percentage of voting rights after the transition, we will hold 33.35% of the voting rights while DBJ will hold 66.65% of the voting rights.

2. Overview of Transfer Procedures and Share Transaction

Shares will be transferred based on a share transfer agreement under which money will be paid in exchange for share acquisition.

- (1) Before the transition: 20,000 shares (100% of our shares)
- (2) Hitachi Capital Securities will repurchase and retire 14,000 shares of its own stock.
- (3) Hitachi Capital Securities will issue new classified stocks (with no voting rights) through third-party allocation to DBJ.
- (4) Our 3,999 shares will be transferred to DBJ.
- (5) Number of shares held by Hitachi Capital after the transition:

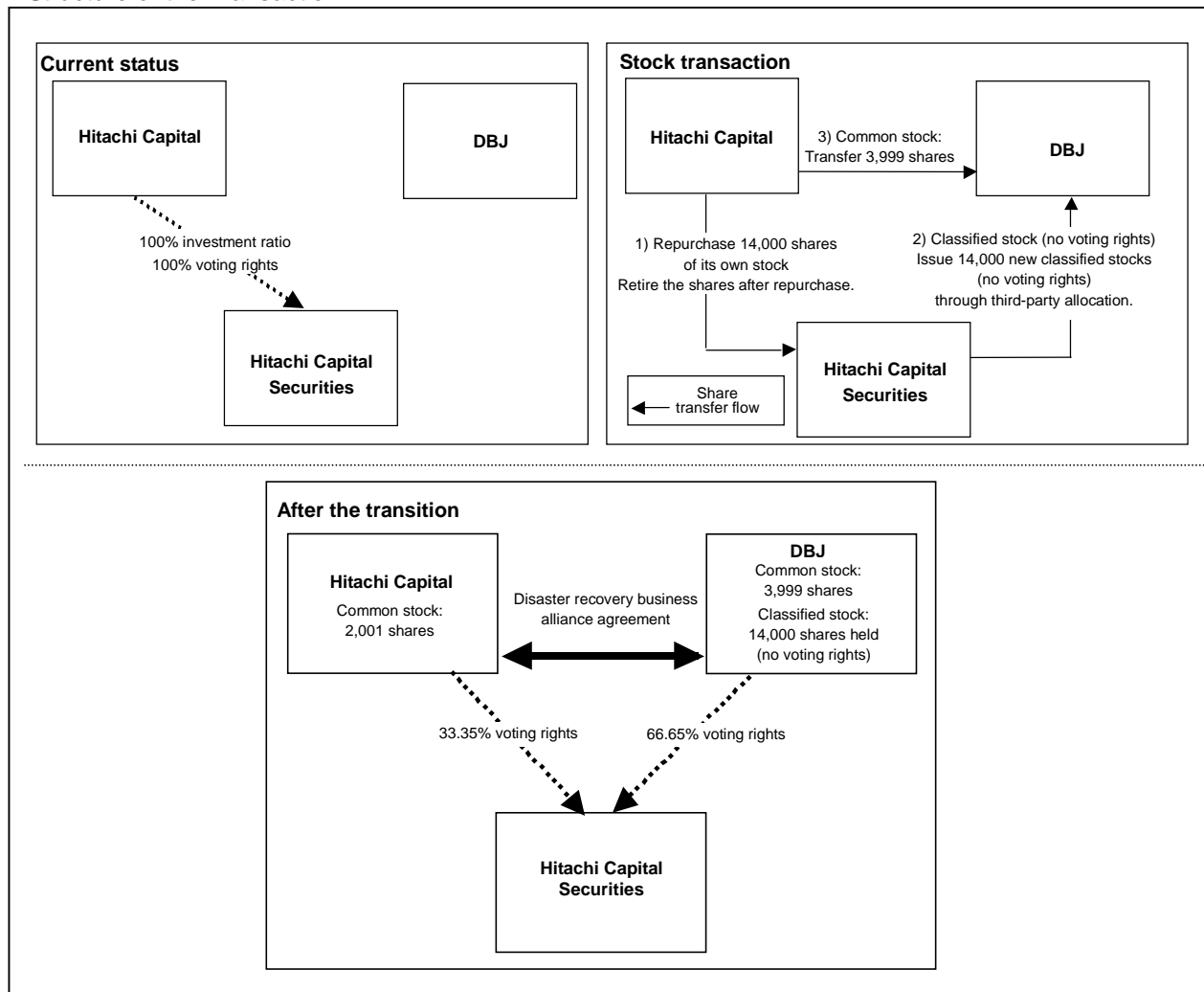
Common stock: 2,001 shares (33.35% voting rights)

Number of shares held by DBJ after the transition:

Common stock: 3,999 shares (66.65% voting rights)

Classified stock: 14,000 classified shares (no voting rights)

Structure of the Transaction



3. Overview of Subsidiary to be transferred

| | |
|---|---|
| Company Name | Hitachi Capital Securities Co., Ltd. |
| Headquarters | 2-15-12 Nishi-Shimbashi, Minato-ku, Tokyo |
| Representative | President: Masayuki Yuasa |
| Date of Establishment | October 22, 1998 |
| Main Business | Consulting and sales and transaction of liquid securities such as credit, bonds, and credit bonds (CP). |
| Paid-in capital | ¥1,000 million |
| Shares Outstanding | Common stock: 20,000 shares |
| Number of Employees | 9 |
| Major Shareholders and Voting Rights Ratio (Details of shares held) | Hitachi Capital 100% |

| | | |
|-----------------------------------|----------------------------|---|
| Relationship with Hitachi Capital | Capital Relationship | Hitachi Capital owns 100% of Hitachi Capital Securities' issued shares. Hitachi Capital Securities is a consolidated subsidiary. |
| | Personal Relationship | Four of Hitachi Capital's employees serve concurrently as executive officers of Hitachi Capital Securities. |
| | Transactional Relationship | Hitachi Capital provides management guidance to Hitachi Capital Securities. Hitachi Capital is also in business advisory agreement with Hitachi Capital Securities. |

Business Performance and Financial Status of Transferred Subsidiary for the Past Two Fiscal Years

| Accounting Period | FY2009 (March 2010) | FY2010 (March 2011) |
|----------------------------------|---------------------|---------------------|
| Net Assets | ¥1,451 million | ¥1,407 million |
| Total Assets | ¥1,474 million | ¥1,423 million |
| Net Assets per Share | ¥72,557.44 | ¥70,350.24 |
| Operating Income or Loss (▲) | ▲¥24,664,000 | ▲¥71,264,000 |
| Ordinary Income or Loss (▲) | ▲¥16,827,000 | ▲¥65,465,000 |
| Net Income or Loss (▲) | ▲¥12,380,000 | ▲¥44,144,000 |
| Net Income or Loss per Share (▲) | ▲¥619.03 | ▲¥2,207.20 |

4. Schedule of Transfer

- | | |
|--|--------------|
| (1) Proposal from the board of directors | May 23, 2011 |
| (2) Determination of the authority | May 24, 2011 |
| (3) Shareholder agreement, concluding transfer of shares | May 24, 2011 |
| (4) Date of transfer of shares (after approval is gained from the authorities concerned) | |
| Due: July 2011 and thereafter | |

5. Overview of Transferee Company

| | |
|---|--|
| Company Name | Development Bank of Japan Inc. |
| Headquarters | 9-1, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-0004, Japan |
| Representative | President: Minoru Murofushi |
| Date of Establishment | October 1, 2008 |
| Main Business | Long-term funding (investment and loans) |
| Paid-in capital | ¥1,181,194 million |
| Shares Outstanding | 43,623,880 shares |
| Number of Employees | 1,079 |
| Major Shareholders and Voting Right Ratio | Minister of Finance 100% |
| Consolidated Net Assets | ¥2,327,538 million (as of March 2010) |
| Consolidated Total Assets | ¥15,595,740 million (as of March 2010) |

| | | |
|--|----------------------------|---|
| Nature of Relationships with Hitachi Capital | Capital Relationship | No equity participation will be disclosed between Hitachi Capital and the transferee company. Additionally, no equity participation will be disclosed between those who have a relationship with Hitachi Capital, Hitachi Capital group companies, and those who have a relationship with the transferee company, or the transferee company's group companies. |
| | Personal Relationship | No personal participation will be disclosed between Hitachi Capital and the transferee company. Additionally, no personal participation will be disclosed between those who have a relationship with Hitachi Capital, Hitachi Capital group companies and those who have a relationship with the transferee company, or the transferee company's group companies. |
| | Transactional Relationship | Hitachi Capital has a bank account with the transferee company. |
| | Status as Related Party | The transferee company does not fall under the category of the related parties of Hitachi Capital. Additionally, those who have a relationship with the transferee company and its group companies do not fall under the category of the related parties of Hitachi Capital. |

6. Number of Shares to be Transferred and Number of Shares Held Before and After Transition

(1) Number of shares held by Hitachi Capital before the transition:

Common stock 20,000 shares (100 % voting rights)

(Hitachi Capital Securities will repurchase and retire 14,000 shares of its own stock.)

(2) Number of shares held by Hitachi Capital after the transition:

Common stock 2,001 shares (33.35% voting rights)

Number of shares held by DBJ: Common stock 3,999 shares (66.65% voting rights)

: Classified stock 14,000 shares (no voting rights)

(3) Transfer pricing for common stock: ¥899.95 million

DBJ: ¥199.95 million

Hitachi Capital Securities: ¥700 million (for repurchasing shares of its own stock)

7. Future Outlook

This transaction will have a relatively small impact on our consolidated performance.