

News Release

14th May, 2003

Hitachi Capital Corporation

Hitachi Capital Establishes New Joint Venture

Hitachi Capital Corporation (Minato-ku, Tokyo; President: Kaichi Murata) today announced the establishment of a joint venture called The Mortgage Corporation of Japan, Limited, with Sekisui House, Ltd. (Kita-ku, Osaka; President: Isami Wada) and DAIWA HOUSE INDUSTRY CO., LTD. (Kita-ku, Osaka; President: Takeo Higuchi). The new joint venture is a specialist housing-related financial services company, and will assist in Hitachi Capital's drive to expand its housing business.

1. Purpose of Establishment:

Hitachi Capital has worked to strengthen its position in the housing sector as an important element of its retail business. However, it is now making a renewed effort to expand its housing business, which includes mortgage provision and related financial services, following its redefinition in the Company's medium-term management plan as one of five key business sectors. The establishment of a specialist housing-related financial services company with two of the leading players in the housing industry—Sekisui House and DAIWA HOUSE INDUSTRY—will help Hitachi Capital to offer customers secure and sound mortgage products by taking advantage of plans by The Government Housing Loan Corporation to introduce securitization support services. Additionally, the new company will allow Hitachi Capital to meet customers' diversifying housing-related needs by leveraging the respective strengths of each parent company.

Looking ahead, Hitachi Capital will seek to persuade other leading home builders to become partners in The Mortgage Corporation of Japan.

2. Business Activities:

- (1) Operation of a mortgage-related business in conjunction with plans by The Government Housing Loan Corporation to introduce securitization support services, and the provision of loans to purchase homes.
- (2) Recovery of mortgage debts and related receivables.
- (3) Sale of life and non-life mortgage insurance products, and the operation of a related agency business.

3. Profile of New Company:

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|-------------------|----------------------------------------------|-----|--|
| (1) Company Name: | The Mortgage Corporation of Japan, Limited | | |
| (2) Head Office: | 4-14 Koraku 1-chome, Bunkyo-ku, Tokyo, Japan | | |
| (3) Capital: | ¥2.0 billion | | |
| (4) Shareholders: | Hitachi Capital Corporation | 50% | |
| | Sekisui House, Ltd. | 25% | |
| | DAIWA HOUSE INDUSTRY CO., LTD. | 25% | |

(5) Management Structure:

① System: Committee system

② Directors:

Takaaki Kubota	(Executive Managing Director and General Manager, Retail Business Division, Hitachi Capital Corporation)
Kyoko Ookubo	(Administrative Officer, General Manager, Marketing Dept., Corporate Planning & Development Division, Hitachi Capital Corporation)
Shiro Inagaki	(Executive Officer and General Manager, Head of Finance Dept, Sekisui House, Ltd.)
Osami Nishikawa	(Director, Head of President's Office, DAIWA HOUSE INDUSTRY CO., LTD).
Hisashi Ohgaki	(Professor, Ritsumeikan University)

③ President and Chief Executive Officer:

Hisashi Ohgaki (Professor, Ritsumeikan University)

④ Executive Officers

Masashi Takeda	(Senior Manager, Housing Dept., Retail Business Division, Hitachi Capital Corporation)
Kenji Kaneko	(General Manager, Kanagawa Sales Division, Sekisui House, Ltd.)
Hiroshi Osada	(Manager, Sales Division & Sales Promotion Office, DAIWA HOUSE INDUSTRY CO., LTD.)

(6) Established: 14th May, 2003

(7) Scheduled Start of Operations: 1st October, 2003

Reference:

Biography of President and Chief Executive Officer Hisashi Ohgaki

Date of Birth:	9th September, 1959
Education:	March 1982 Graduated from Faculty of Law, Tokyo University
	May 1985 Master of Laws, Columbia University, U.S.A.
Professional experience:	April 1982 Joined Industrial Bank of Japan, Limited, (IBJ)
	June 1998 Left IBJ
	Appointed Director and General Manager of Business Planning, at Kogin Financial Technology Co., Ltd. (now Mizuho Daiichi Financial Technology Co., Ltd.)
	January 2000 Retires from post at Mizuho Daiichi Financial Technology
	Appointed Senior Executive Managing Director of AXA LIFE INSURANCE COMPANY LIMITED
	April 2003 Retires from post at AXA LIFE INSURANCE
	Appointed to current position of Professor, Faculty of Law, Ritsumeikan University