

News Release

8th August, 2003

Hitachi Capital Corporation

Hitachi Capital Announces Reorganization of Automobile Finance Business via Transfer to Subsidiary

The Hitachi Capital Corporation board of executive officers today approved the reorganization of the company's automobile finance business in central Tokyo and neighboring Kanagawa Prefecture via transfer to consolidated subsidiary Hitachi Capital Auto Lease Corporation.

1. Purpose of Separation

The Hitachi Capital Group's automobile finance business consists of the auto loan business and auto leasing business, previously operated separately by Hitachi Capital and Hitachi Capital Auto Lease Corporation, respectively. To respond more effectively to diversifying customer needs and expand the automobile finance business further, Hitachi Capital's automobile finance business will be successively concentrated at Hitachi Capital Auto Lease Corporation.

As the first step of this process, Hitachi Capital will transfer its automobile finance business in central Tokyo and Kanagawa Prefecture to Hitachi Capital Auto Lease.

2. Outline of Separation

(1) Schedule:

Board Meeting to Approve Agreement:	8th August, 2003
Signing of Agreement:	8th August, 2003
Shareholder Meeting to Approve Agreement:	23rd August, 2003 (Planned) (Only Hitachi Capital Auto Lease)
Date of Transfer:	1st October, 2003 (Planned)
Registration of Separation (Company Receiving Separated Business):	1st October, 2003 (Planned)

(2) Transfer Method:

Hitachi Capital's automobile finance business in central Tokyo and Kanagawa Prefecture will be separated from Hitachi Capital and transferred to consolidated subsidiary Hitachi Capital Auto Lease. In line with Article 374-22 of the Commercial Code, there is no need to obtain approval for this measure at a general shareholders' meeting of Hitachi Capital.

(3) Reasons for Adopting This Transfer Method

This method will allow the company to increase efficiency by integrating businesses, while permitting Hitachi Capital to retain control of this business after the separation.

(4) Allocation of Shares:

None

(5) Payment for Separation

No payment is required to effect the separation.

(6) Rights and Obligations of Company Receiving Separated Business

As of the transfer date, Hitachi Capital Auto Lease shall assume responsibility for all assets, liabilities and capital attached to Hitachi Capital's automobile finance business in central Tokyo and Kanagawa Prefecture. Furthermore, Hitachi Capital Auto Lease will assume all contractual rights and obligations incidental thereof.

(7) Outlook for Fulfillment of Obligations

Hitachi Capital and the company receiving the separated business expect to fulfill all obligations that arise as a result of this separation.

3. Profile of Companies Involved in Separation

(As of 31st March, 2003)

(1)	Company Name	Hitachi Capital Corporation (Company Effecting Separation)	Hitachi Capital Auto Lease Corporation (Company Receiving Separated Business)
(2)	Business Activities	Financial Services	Automobile leasing and rental services; automobile leasing services for individuals
(3)	Date Established	10th September, 1957	1st October, 1989
(4)	Head Office	15-12, Nishi Shimbashi 2-chome Minato-ku, Tokyo	22-10, Shimbashi 5-chome Minato-ku, Tokyo
(5)	Representative (As of 8th August, 2003)	Kaichi Murata, President	Yoshifumi Ishida, President
(6)	Capital	¥ 9,459 million	¥ 100 million
(7)	Shares of Common Stock Issued and Outstanding	134,191,626 shares	2,000 shares
(8)	Stockholders' Equity	¥ 206,647 million	¥ 1,521 million
(9)	Total Assets	¥ 1,717,989 million	¥ 54,147 million
(10)	Fiscal Year-end	31st March	31st March
(11)	Number of Employees	2,125	136
(12)	Major Customers	Corporations and consumers	Corporations and consumers
(13)	Major Stockholders and Shareholding	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.
(15)	Relationship Between Companies (As of 8th August, 2003)	Capital	Wholly owned subsidiary of Hitachi Capital Corporation
		Personnel	2 Hitachi Capital directors and 1 employee concurrently serve as directors
		Transactions	Credit sales of commercial vehicles, leasing of office equipment, and some leasing operations on a contractual basis

(16) Three-Year Summary

	Hitachi Capital Corporation (Company Effecting Separation)		
	Fiscal years ended 31st March, 2001	Fiscal years ended 31st March, 2002	Fiscal years ended 31st March, 2003
	(million yen)		
Revenues	82,802	93,597	81,331
Operating income (ordinary income)	23,520	24,508	15,760
Net income	13,209	8,586	7,022
	(yen)		
Net income per share	104.57	63.98	52.33
Cash dividend applicable to the year (per share)	33.00	34.00	32.00
Stockholders' equity per share	1,557.05	1,585.35	1,605.16

	Hitachi Capital Auto Lease Corporation (Company Receiving Separated Business)		
	Fiscal years ended 31st March, 2001	Fiscal years ended 31st March, 2002	Fiscal years ended 31st March, 2003
	(million yen)		
Revenues (note)	1,969	2,481	2,731
Operating income (ordinary income)	433	772	1,051
Net income	258	441	563
	(yen)		
Net income per share	129,005	220,675	274,425
Cash dividend applicable to the year (per share)	12,500	22,000	56,500
Stockholders' equity per share	333,306	531,982	760,658

Note: Revenues of Hitachi Capital Auto Lease Corporation are restated to conform to accounting standards used by Hitachi Capital.

4. Details of Operations to be Separated

(1) Description of Business:

Automobile finance business in central Tokyo and Kanagawa Prefecture.

(2) Results for Fiscal Year Ended 31st March, 2003:

(million yen)

	Results of Operations to be Separated (a)	Full-Year Results for Hitachi Capital (b)	Ratio (a/b) %
Revenues	1,128	81,331	1.4

(3) Assets, Liabilities and Stockholders' equity to Be Transferred on Separation (As of 31st March, 2003):

(million yen)

Assets		Liabilities	
Item	Book value	Item	Book value
Assets	6,768	Liabilities	5,599
		Stockholders' equity	1,169
Total	6,768	Total	6,768

5. Post-Separation Hitachi Capital

There will be no change in company name, business activities, head office location, fiscal year-end, or decrease in capital as a result of this separation. The effect of the separation on earnings is negligible.