

News Release

28th August, 2003

**AEON Credit Service Co., Ltd.
Hitachi Capital Corporation**

Hitachi Capital and AEON Credit Service Announce Alliance in Auto Leasing Business

AEON Credit Service Co., Ltd. (Chiyoda-ku, Tokyo; President Yoshiki Mori) and Hitachi Capital Corporation (Minato-ku, Tokyo; President and CEO Kaichi Murata) wish to announce that the two companies have reached agreement on forming an alliance to conduct joint operations in the auto leasing business.

1. Background to the Alliance

Japan's auto leasing market has rapidly grown to encompass approximately 2.4 million vehicles, including vehicles leased to both corporate clients and individuals. Of this total, approximately 95,000 vehicles are leased to individuals. Auto leasing services for individual consumers have already taken firm root in Europe and the U.S. However, Japan's market for auto leasing services for individuals remains an open frontier with significant growth potential.

Under this alliance, the two companies aim to enter retail credit markets ranging from auto leasing to home refurbishment loans, by leveraging AEON Credit Service's membership database and Hitachi Capital's expertise in financial services.

The two companies will kick off the alliance with the launch of a new financial product called AEON My Car Lease.

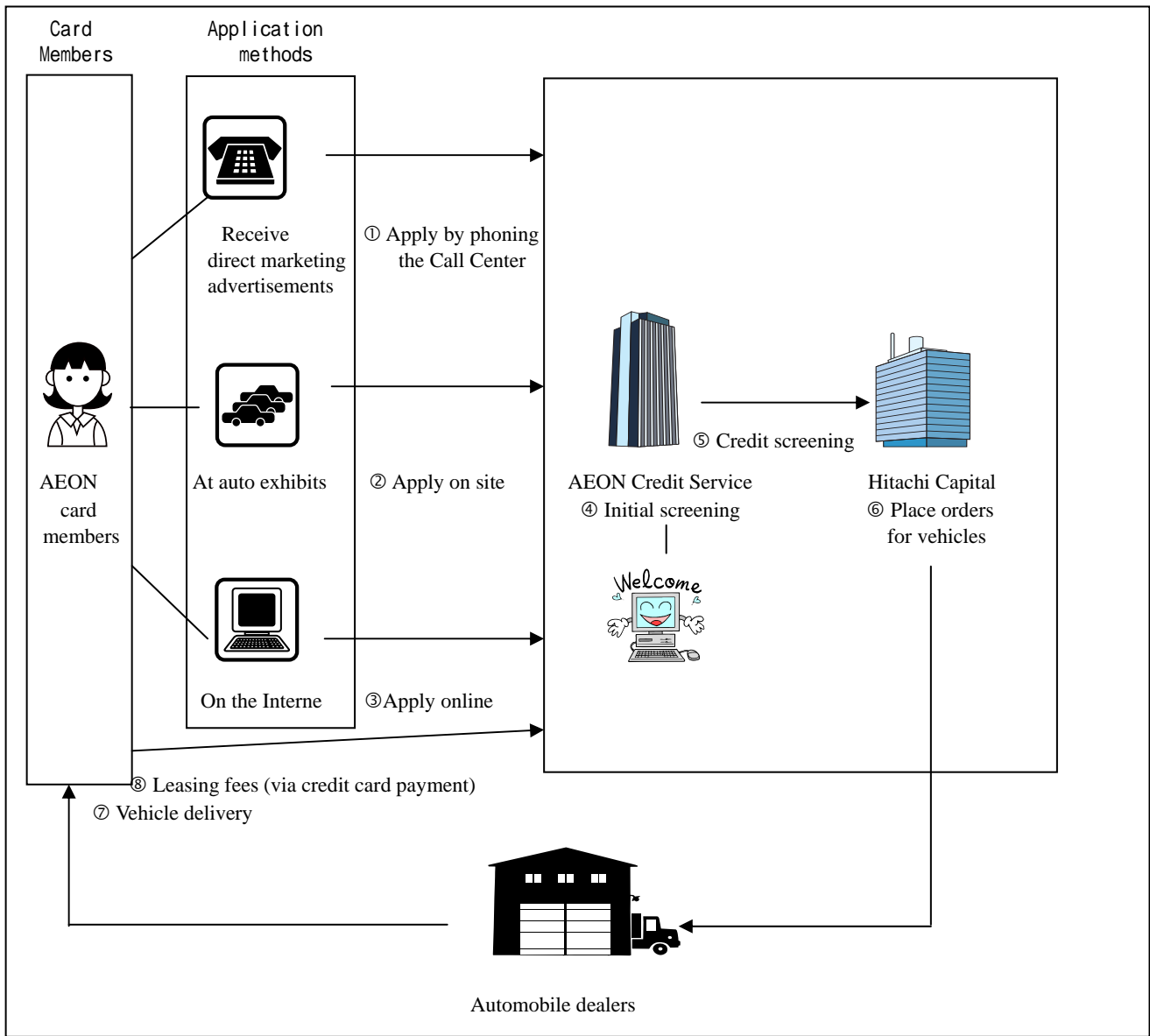
2. Promoting AEON My Car Lease

1. Direct marketing will be implemented based on segment information drawn from AEON Credit Service's membership database of 11.3 million members, including AEON cardholders.
2. Automobile exhibits will be held at the parking lots of AEON's large shopping centers and other locations.
*From 28th August to 31st August, an auto exhibit will be held at the JUSCO Shinagawa Seaside store's ground-floor plaza, where a wide variety of vehicles will be sold to AEON card members and visitors.
3. Beginning in October this year, a new service providing estimates of leasing fees and the acceptance of credit cards for the payment of leasing fees will begin at the AEON Market website run by AEON Credit Service. This is part of the two companies' efforts to enhance convenience for customers. The popular AEON Market website currently provides users with comparative estimates of auto insurance premiums.

3. Features of AEON My Car Lease

- ① Guaranteed residual values eliminate uncertainties regarding payments at the conclusion of the leasing periods.
- ② Vehicles may be chosen from all models and makes, both domestic and imported.
- ③ Customers are offered a reimbursement service called "Anshin Drive." If an accident involving a collision with another car results in the total loss of the leased vehicle within one year of delivery, customers will be reimbursed either ¥1 million, or the outstanding lease balance if lower than ¥1 million.
- ④ ETC devices are standard on all vehicles.
- ⑤ Others
 - a. Taxes, insurance fees, car inspection fees and maintenance costs are combined into a single payment package that eliminates bothersome payment procedures.
 - b. At lease-end, customers can choose from four options: trade-in leased vehicles for new vehicles; return leased vehicles; extend lease contracts; or purchase leased vehicles.

Diagram of Auto Leasing Business



AEON Credit Service Co., Ltd. (Code: 8570)

1, Kanda Mitoshiro-cho, Chiyoda-ku, Tokyo 101-8445, Japan
 Mr. Michio Tomita, Manager, Corporate Planning Section
 Phone: 03-5281-2027
 Facsimile: 03-5281-2468

Hitachi Capital Corporation

15-12, Nishi Shimbashi 2-chome, Minato-ku, Tokyo 105-8712, Japan
 Mr. Akio Ogura, General Manager, Corporate Planning & Development Division,
 CI & Public Relations Dept.
 Phone: 03-3503-2118
 Facsimile: 03-3503-2343