

Hitachi Capital and ISEKI Group Announce Alliance

Hitachi Capital Corporation announced that at a meeting of its Board of Directors held today, it approved a resolution to form an alliance with the ISEKI Group and acquire a 90% equity interest in ISEKI CAPITAL CO., LTD. (planned). ISEKI CAPITAL will be separated from ISEKI CO., LTD., a consolidated subsidiary of ISEKI & CO., LTD., to independently carry out credit businesses. These moves were taken to strengthen Hitachi Capital's hand in the agricultural finance business.

1. Purpose of Alliance

Hitachi Capital has concluded an alliance agreement with the ISEKI Group to spur further growth in the agricultural finance business. Positioning this field as a key expanding business under its current medium-term management plan, Hitachi Capital is driving forward expansion of the agricultural finance business.

This alliance will give Hitachi Capital first priority in providing financial services to the ISEKI Group's customer base in the agricultural sector.

2. Details of Alliance

- (1) The newly established ISEKI CAPITAL CO., LTD. will be responsible for credit services related to the sale of agricultural machinery and other products of the ISEKI Group.
- (2) Hitachi Capital will assist ISEKI CAPITAL's finance business as its principal shareholder.
- (3) The two groups will broaden the alliance to include a broad range of finance businesses targeting ISEKI Group customers.

3. Profile of the Companies

(1) ISEKI & CO., LTD. (As of 31st March, 2003)

Main Businesses:	Development, manufacture and sale of agricultural machinery	
Established:	April 1936	
Head Office:	700 Umaki-cho, Matsuyama-shi, Ehime-ken, Japan	
President:	Hiroyuki Nakano	
Paid-in Capital:	¥22,534 million	
No. of Employees:	6,743 (consolidated)	
Main shareholders:	Mizuho Corporate Bank, Ltd.	4.8%
	The Chuo Mitsui Trust and Banking Co., Ltd.	4.7%
	The Norinchukin Bank	4.0%

(2) ISEKI CAPITAL CO., LTD. (planned)

Main Businesses:	Finance businesses related to the sale of ISEKI Group products such as agricultural machinery and materials, and other daily use items.	
Establishment:	June 2004	
Head Office:	3-14, Nishi Nippori 5-chome, Arakawa-ku, Tokyo, Japan	
President:	Mitsuhiro Watanabe	
Paid-in Capital:	¥50 million	
Main shareholders:	Hitachi Capital Corporation	90.0%
	ISEKI & CO., LTD.	10.0%

4. Schedule

(1) Signing of basic agreement:	12th April, 2004
(2) Establishment of ISEKI CAPITAL CO., LTD.:	1st June, 2004
(3) Handover of share certificates:	15th June, 2004

5. Effect on Earnings Forecasts

This alliance and the related acquisition of shares will have a negligible effect on Hitachi Capital's consolidated earnings forecasts.