News Release

Hitachi Capital to Provide Systems Utilizing RFID Tags
To be Marketed as the Inaugural Products of the Chip-in RFID Package Series

Hitachi Capital Corporation (President and CEO: Kaichi Murata; Head Office: Minato-ku, Tokyo; Hitachi Capital) and Hitachi Information Systems, Ltd. (President and CEO: Hisashi Horikoshi; Head Office: Shibuya-ku, Tokyo; Hitachi Information) today announced that they will jointly commence sales in October 2004 of two application packages utilizing RFID (Radio Frequency Identification) tags developed by Hitachi Information. The two application packages are the Fixture Management System (Chip-in/Fixture) and the Seminar Participant Management System (Chip-in/Seminar).

Hitachi Information intends to successively develop and provide new products as part of the Chip-in RFID package series.

Since 2003, Hitachi Information has been providing total RFID solutions, a one-stop support service for the construction of RFID systems. These services leverage Hitachi Information's track record in constructing systems for the manufacturing and distribution industries over many years, and its collective strengths in being able to handle all tasks from system development through to operations.

Hitachi Capital is offering a comprehensive financial services business centered on the leasing business for customers in a diverse range of industries. This undertaking is grounded on Hitachi Capital's experience and expertise in the management of leased assets.

Recently, Hitachi Information has developed two types of application packages in connection with its total RFID solutions with the objective of allowing customers to rapidly and inexpensively deploy RFID systems. Hitachi Information and Hitachi Capital intend to jointly expand sales of both application packages to businesses that own numerous laptop PCs, or plan to hold private seminars, exhibitions, or other events, and to other companies. Hitachi Capital will offer financial services in conjunction with sales of these application packages.

An overview of the application packages to be sold is as follows:

1) Fixture Management System (Chip-in/Fixture)
The leakage of sensitive information by simply carrying out IT equipment such as laptop PCs from offices represents a serious threat to many companies. Indispensable to keeping track of laptops leaving the office and ensuring adequate security is maintaining accurate inventories of IT equipment (physical inventory management).

The Chip-in/Fixture application package will precisely link inventory ledgers with various fixtures, including IT assets, by affixing RFID tags on them. The package will significantly alleviate bothersome tasks such as inventory tracking, while realizing highly precise inventory management. Other applications are also possible, including monitoring the status of encryption measures linked to license management systems.

The Chip-in/Fixture package incorporates many aspects of Hitachi Capital's expertise in the management of leased assets, helping to realize efficient and accurate asset management.

2) Seminar Participant Management System (Chip-in/Seminar)
The Chip-in/Seminar package is a reception system for small to medium-sized private seminars and exhibitions, with up to around 1,000 participants. The issuance of certificates of attendance with embedded RFID tags to participants speeds the reception process, eliminating the need for participants to queue. The system also offers a function that automatically alerts salespersons to the arrival of their clients via an email message sent to their mobile phones. For customers, the system provides detailed follow-up services, such as enabling them to request further information simply by placing their certificates of attendance over a reader.

Rental services covering digital equipment for seminars such as PCs and certificate readers will be offered in conjunction with the Chip-in/Seminar package.

Plans call for displaying the products announced in this release at the AUTO-ID EXPO 2004 scheduled to be held at Tokyo Big Sight from 15th September to 17th September, 2004.

1. Features of the Fixture Management System (Chip-in/Fixture)
1) A diverse range of physical inventory management functions
On top of basic functions required to manage fixtures and assets, such as registration, transfer, disposal and inventory tracking, the system provides user authentication functions linked to other RFID tags embedded in employee IDs and other items, taking into account security considerations.

2) Links with backbone systems
Import and export functions facilitate the exchange of data between backbone systems, such as ERP systems traditionally used to manage fixtures and assets, and the Fixture Management System. (Data is in CSV format)

There is no need to re-register information on fixtures and assets from scratch when implementing this system.

3) Web Interface Support
The system also supports inventory tracking and transfers using Web browsers. This allows monitoring tasks to be delegated to the divisions using the system, reducing the workload on administration sections. There is no need to install programs, making the system easy to use.

4) PDA Support
This feature enables staff members to inspect inventories as they do rounds at warehouses or stores where inventories are kept. Even if the lack of LAN equipment at inspection locations cuts off communications with servers, data can be temporarily stored on PDAs and uplinked to servers when communications links are available.

2. Features of the Seminar Participant Management System (Chip-in/Seminar)

1) Reception

Reception procedures are completed by placing certificates of attendance over readers. Pre-registered information tailored to different participants (greetings, name of salesperson in charge, etc.) may be displayed upon completion of the reception process.

2) Information Requests

By selecting needed reports from a list shown on screen and placing certificates of attendance over readers, participants can have downloadable URLs for requested information sent to pre-registered email addresses. This eliminates having to carry back unnecessary reports, and helps to reduce paper consumption at the seminar.

3) Area-specific Reception

By dividing seminar sites into several areas depending on the type of product on display or other categories and installing separate readers at each area, companies can monitor the areas visited by participants and gauge the level of interest in and preferences for different products.

4) Monitor Participation

The system allows companies to monitor the number of participants that have undergone reception procedures in real time. Keyword searches by the names of participants or companies may also be performed.

5) Notify Salespersons of the Arrival of Clients

Salespersons can be notified of the completion of reception procedures on the part of their clients by an email message to their mobile phones. Wherever they may be, salespersons will know when their clients arrive, enabling them to respond more effectively.

6) Updated Records of Post-event Follow-up

After holding a seminar or other event, the status of follow-up services for participating clients on the part of salespersons may be entered in a database and viewed.

By ensuring that salespersons follow up on all participants, the system helps to maximize the benefits of the event.

7) Data Maintenance

This feature provides functions essential to data maintenance, such as registered information on customers applying to participate in the event, and links between RFID tags and customer information.

8) Response to Universal Design Requirements

The system also can be configured to issue greetings shown at the time of reception in animated sign language, through voice recordings, or through other means.

3. Sales Price and Sales Targets
 (1) Sales Price
  1) Fixture Management System: ¥3 million and up (license price)
  2) Seminar Participant Management System: ¥350,000 and up (license price)

 (2) Sales Target: 500 users over the next three years, representing sales of ¥1.5 billion.
    (sales target for license only)

4. Contact
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