

Hitachi Capital Selected for Gontazaka 3-chome Redevelopment Project

The City of Yokohama has accepted a proposal from Hitachi Capital Group concerning the redevelopment of a site owned by the City located at Gontazaka 3-chome, Hodogaya Ward (Gontazaka 3-chome Redevelopment Project). The City of Yokohama had solicited proposals for the project.

1. Course of events

The City of Yokohama invited proposals for the Gontazaka 3-chome Project* in October 2004 to promote collaboration with the private sector. The proposal submitted by Hitachi Capital group was selected by the city after reviewing all competing proposals.

* Gontazaka 3-chome Project

The project aims to promote urban redevelopment of a site owned by the City of Yokohama at 1 Gontazaka 3-chome, Hodogaya Ward (site area: approximately 14,500 m²) with assistance from the private sector. The project calls for private businesses to construct city-subsidized public housing that will be leased back to the City under a fixed-term lease. The development will also include high-quality rental housing for the elderly. The project also specifies that facilities be constructed to benefit the local community and help to stimulate the local economy.

2. Hitachi Capital Group's proposal

Our proposal was prepared to respond to the needs of the local community with the cooperation of a local company in Yokohama. Our proposal is comprised of the construction of the following:

City-subsidized housing: 49 units

High-quality residential environment with attention to safety and comfort;

Housing for the elderly: 51 units

High-quality rental units for the elderly that suit the needs of the elderly and provides services comparable to those provided by high-grade convalescent homes.

Commercial zone: 6,870 m² (approximate area of commercial facility)

Diverse commercial facility that meets the needs of the local community, Day service and community promenade designed to improve convenience for the local community and foster exchange with the community.

Zones and are placed in a 7-story building with an approximate total floor area of 6,370 m², including 346 m² for a "community house." Zone is housed in a two-story building with an approximate total floor area of 8,908 m². The primary tenant will be a supermarket (Summit). Day service center and dining establishments are also expected to lease space in this building.

We have calculated that the investment for the total project will amount to some ¥5 billion.

3. General Project Concept

A Community Square that combines a residential component with a commercial zone to serve as a place of relaxation, convenience and exchange for the community;

A facility that will become a landmark in the community with attention paid to attractive landscaping, harmony with the surrounding environment, and neighborhood safety;

Stable and consistent project operation by an experienced project consortium;

Rejuvenation of the local community through active participation by local businesses;

4. Project image (subject to change)



5. Anticipated Project Development Schedule

January to February 2006: Begin construction

October 2006: Opening of commercial facility

April 2007: City-subsidized housing ready for occupancy

6. Hitachi Capital group member companies

Company	Address
Hitachi Capital Corporation (representative)	Minato-ku, Tokyo
Hitachi Capital Ayase SC Corporation	Chiyoda-ku, Tokyo
Housing Kosan K.K.	Shinjuku-ku, Tokyo
Taisei Corporation	Shinjuku-ku, Tokyo
Taiyo Construction K.K.	Totsuka-ku, Yokohama, Kanagawa
Kaneko Sekkei K.K.	Isogo-ku, Yokohama, Kanagawa
U and F Kenchiku Jimusho K.K.	Chiyoda-ku, Tokyo
Tokyo Electric Power Company	Chiyoda-ku, Tokyo
Summit Inc.	Suginami-ku, Tokyo

7. Miscellaneous

As one of the “10 Growth Businesses’ whose Markets Are Expected to Expand” in the mid-term business plan formulated in October 2002, we have placed strong emphasis on urban redevelopment projects. We have developed numerous lease and rental properties, including distribution centers, as a facet of our real estate investment business. We opened our first commercial/retail facility, the Ayase Town Hills Shopping Center, located in Ayase, Kanagawa, in March 2005.

We plan to further improve our expertise in the real estate investment and operations business through hybrid commercial and housing facilities, and gain experience in services catering to the elderly to develop business systems that more effectively meet the diverse needs of customers.