

## Hitachi Capital Announces a Merger

The board of directors of Hitachi Capital Corporation held in a meeting today resolved to acquire through merger and acquisition Iseki Capital Corporation, a wholly owned subsidiary of Hitachi Capital.

### 1. Purpose of the Merger

Iseki Capital Corporation has so far worked to promote an infrastructure that financially supports the sales of agricultural machinery produced by ISEKI CO., LTD. through credit and leasing services for agricultural machinery. We are pleased to inform you that Hitachi Capital Corporation will merge with Iseki Capital Corporation. This merger will result in sales support and the enrichment of services for agricultural machinery, and furthermore provide value-added services.

### 2. Outline of the merger

#### (1) Schedule of the merger

Board meeting to approve merger agreement: December 26, 2008

Signing of the merger agreement: December 26, 2008

Date of merger: April 1, 2009 (planned)

Registration of merger: April 1, 2009 (planned)

#### (2) Method of merger

Hitachi Capital, as the surviving company, will acquire Iseki Capital Corporation, which will subsequently be dissolved.

#### (3) Merger ratio

As Iseki Capital Corporation is a wholly owned subsidiary of Hitachi Capital, there shall be no issuance of new shares or cash payment upon this merger.

### 3. Profile of the Companies Involved in Merger

(As of March 31, 2008)

| (1) Company name                                       | Hitachi Capital Corporation<br>(acquiring company) | Iseki Capital Corporation<br>(acquired company)  |
|--------------------------------------------------------|----------------------------------------------------|--------------------------------------------------|
| (2) Business activities                                | Other financial services                           | Other financial services                         |
| (3) Date established                                   | September 10, 1957                                 | June 1, 2004                                     |
| (4) Location of head office                            | 15-12 Nishi Shimbashi 2-chome,<br>Minato-ku, Tokyo | 3-14 Nishi Nippori 5-chome,<br>Arakawa-ku, Tokyo |
| (5) Representative                                     | Kazuo Takano, President                            | Mitsuhiro Watanabe, President                    |
| (6) Capital                                            | ¥9,983 million                                     | ¥50 million                                      |
| (7) Shares of common stock issued<br>and outstanding   | 124,826,552 shares                                 | 1,000 shares                                     |
| (8) Shareholders' equity                               | ¥211,347 million                                   | ¥157 million                                     |
| (9) Total assets                                       | ¥1,974,260 million                                 | ¥663 million                                     |
| (10) Fiscal year end                                   | March 31                                           | March 31                                         |
| (11) Number of employees                               | 1,789                                              | 4                                                |
| (12) Major customers                                   | Corporations and individual<br>consumers           | Farmers                                          |
| (13) Major shareholders and<br>percentage of ownership | Hitachi, Ltd.<br>(60.61%)                          | Hitachi Capital Corporation<br>(90.00%)          |

|                                     |                             |                                                                                       |
|-------------------------------------|-----------------------------|---------------------------------------------------------------------------------------|
| (14) Major banks                    | Mizuho Corporate Bank, Ltd. | Mizuho Corporate Bank, Ltd.                                                           |
| (15) Relationship between companies | Capital                     | Consolidated subsidiary 90%                                                           |
|                                     | Personnel                   | Two Hitachi Capital employees concurrently serve as directors of the acquired company |
|                                     | Transactions                | Hitachi Capital extends loans to the acquired company                                 |

(16) Three-year summary

| Fiscal year ended March 31                      | Hitachi Capital Corporation<br>(acquiring company) |                  |                  | Hitachi Card Service, Ltd.<br>(acquired company) |           |          |
|-------------------------------------------------|----------------------------------------------------|------------------|------------------|--------------------------------------------------|-----------|----------|
|                                                 | 2006                                               | 2007             | 2008             | 2006                                             | 2007      | 2008     |
|                                                 | (Millions of yen)                                  |                  |                  | (Millions of yen)                                |           |          |
| Operating revenue                               | 62,119                                             | 69,503           | 69,614           | 418                                              | 307       | 246      |
| Operating income                                | 18,703                                             | 18,488           | 15,968           | 138                                              | 105       | 69       |
| Ordinary income                                 | 18,873                                             | 19,344           | 16,077           | 11                                               | 65        | 34       |
| Net income                                      | 10,778                                             | 10,997           | 8,240            | 1                                                | 44        | 1        |
| Shareholders' equity                            | 206,859                                            | 211,172          | 211,347          | 112                                              | 156       | 157      |
| Total assets                                    | 1,966,452                                          | 2,038,721        | 1,974,260        | 3,433                                            | 1,583     | 663      |
|                                                 | (Yen)                                              |                  |                  | (Yen)                                            |           |          |
| Net income per share                            | 92.07                                              | 94.08            | 70.50            | 1,455.87                                         | 44,170.12 | 1,629.72 |
| Shareholders' equity per share                  | 1,769.65                                           | 1,806.58         | 1,808.08         | 3,433.12                                         | 1,583.34  | 663.31   |
| Dividend per share (interim dividend per share) | 35.00<br>(17.00)                                   | 36.00<br>(18.00) | 40.00<br>(22.00) | —                                                | —         | —        |
| Dividend propensity                             | 38.0                                               | 38.3             | 56.7             | —                                                | —         | —        |

4. Hitachi Capital after Merger

- (1) Company name: Unchanged
- (2) Business activities: Unchanged
- (3) Head office location: Unchanged
- (4) Representative: Unchanged
- (5) Capital: Unchanged
- (6) Total assets: ¥1,974,459 million (Expected increase from merger: ¥198 million)
- (7) Fiscal year end: Unchanged
- (8) Effect on performance: The merger will have a negligible effect on Hitachi Capital's consolidated operating results.