

March 31, 2011

To whom it may concern;

 Hitachi Capital Corporation

**Notice Regarding the Basic Agreement for Business and Capital Alliance Between Hitachi Capital Auto Lease Corporation and Sumitomo Mitsui Auto Services Company, Limited**

Concerning the strategic business and capital alliance for auto leasing business between one of our wholly owned subsidiaries, Hitachi Capital Auto Lease Corporation, and Sumitomo Mitsui Auto Services Company, Limited, we are pleased to inform you that we have concluded the basic agreement and started negotiations, as stated in a separate press release.

Hitachi Capital Corporation  
(Security Code No. 8586, Tokyo Stock Exchange, First Section)  
Hitachi Capital Auto Lease Corporation  
Sumitomo Corporation  
(Security Code No. 8053, Tokyo Stock Exchange, First Section)  
Sumitomo Mitsui Financial Group, Inc.  
(Security Code No. 8316, Tokyo Stock Exchange, First Section)  
Sumitomo Mitsui Auto Service Company, Limited

**Notice Regarding Business & Capital Alliances for Strategic Joint Partnership in Auto Leasing Business**  
**-Forming the Industry Leading Company Jointly Between Hitachi Capital Subsidiary & Sumitomo Corp Subsidiary-**

Hitachi Capital Corporation (President: Kazuya Miura; hereinafter "Hitachi Capital"), Hitachi Capital Auto Lease Corporation (President: Kenji Suzuki; hereinafter "HCAL"), Sumitomo Corporation (President: Susumu Kato; hereinafter "Sumitomo Corp"), Sumitomo Mitsui Financial Group, Inc. (President: Teisuke Kitayama; hereinafter "SMFG") and Sumitomo Mitsui Auto Service Company, Limited (President: Makoto Sato; hereinafter "SMAS") signed a basic agreement dated today to start talks on a business and capital alliances with the aim of forming a strategic joint partnership in the auto leasing business.

1. Reason For Business and Capital Alliances

In light of the slump in corporate investment in machinery and equipment following the financial crisis, the Japanese auto leasing market has been characterized by a decline in the volume of motor vehicle leasing transactions as well as a trend towards smaller-sized motor vehicles due to the cost reduction efforts made by lessees. However, the market is recently in a phase of recovery, showing signs of growth, especially potential demand for smaller corporate customers with a low penetration rate of auto leasing. On the other hand, the current environment surrounding the market involves uncertain factors including concerns about rising interest rates and a decreasing population in Japan especially in the working age population, etc.

In recognition of the above environment, Hitachi Capital, HCAL, Sumitomo Corp, SMFG and SMAS jointly envisage the auto leasing business as a strategic joint partnership with the aim of forming the No.1 auto leasing company group with overwhelming market power, leveraging the resources in customer base and know-how possessed by SMAS as a trading company and bank affiliated auto leasing business as well as those possessed by HCAL as a manufacturer affiliated leasing business. The parties have just started the negotiation on the business and capital alliance scheme consisting of (1) business alliance between SMAS and HCAL; (2) transfer of a part of SMAS shares currently held by Sumitomo Corp to Hitachi Capital; and (3) transfer of a part of HCAL shares currently held by Hitachi Capital to SMAS.

SMAS and HCAL will recognize the other party as the best partner based on a spirit of mutual respect and collaboration, will make it a basic policy to provide customers with high-value-added products and

services and will aim to strengthen mutual profitability as well as to boost market share.

Also, Sumitomo Corp and SMFG who are shareholders of SMAS, and Hitachi Capital who is a shareholder of HCAL will jointly make the best efforts to develop further auto leasing business of both companies, while Sumitomo Corp continuously leads the management of SMAS and Hitachi Capital leads the management of HCAL, positioning SMAS and Hitachi Capital as strategic joint partnership.

## 2. Details of Business and Capital Alliances, Etc.

### (1) Objectives

- Succeed in the auto leasing market under conditions of intensifying competition and build a structure aimed at securing an overwhelming top position in market share through effective use of the resources in quality and stable customer base possessed by Hitachi Capital Group, Sumitomo Corporation Group and SMFG Group;
- Construct a profitable business base through shared use of the high-value added services and business network possessed by SMAS as well as the Hitachi Capital Group network possessed by HCAL;  
and
- Further improve customer satisfaction by developing various services through combined use of SMAS's accumulated strength in goods, commercial distribution and finance as well as HCAL's accumulated strength as a manufacturer-affiliate finance business.

### (2) Outline of Strategic Business Alliance

SMAS and HCAL will discuss the following strategic business alliance contributing to sustained growth in the auto leasing business in both companies.

- Improve profitability by expanding maintenance services taking advantage of the customer base possessed by both parties;
- Maximize customer satisfaction and create revenue and income opportunities by offering and improving supplemental auto leasing services;
- Reduce costs by jointly purchasing motor vehicles and parts to be leased;  
and
- Improve profitability through joint disposal of used motor vehicles

### (3) Outline of Capital Alliance (Transfer of Shares)

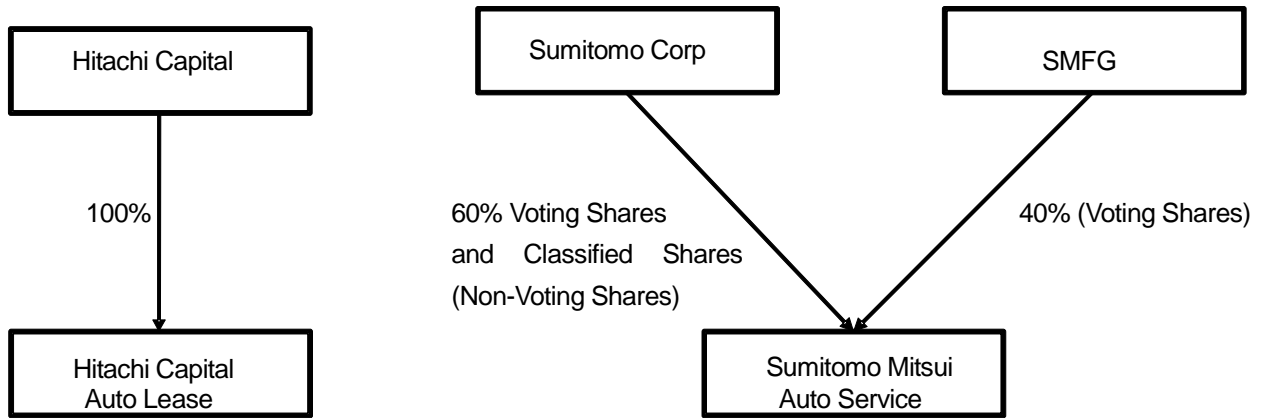
The parties will also discuss the following capital alliance in order to ensure smooth execution of the strategic business alliance as described in (2) above:

- (i) Hitachi Capital shall acquire 4,750,566 to 6,334,088 shares of SMAS stock\* currently held by Sumitomo Corp (15% to 20% of the shares outstanding) \*Sumitomo Corp will convert all of classified stock into common stock and the shares of Sumitomo Corp will be 66%.  
and
- (ii) Hitachi Capital shall assign 2,940 shares of HCAL stock currently held (49% of the shares outstanding) to SMAS.

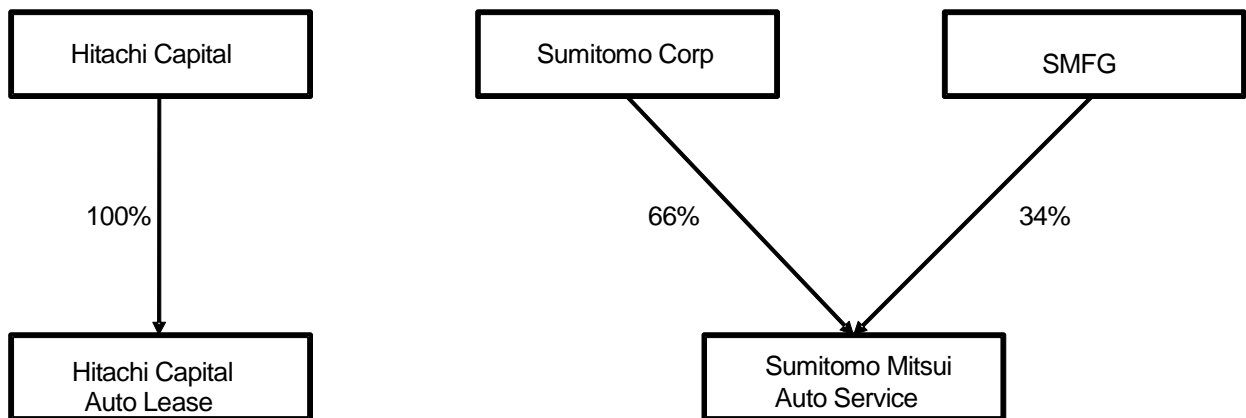
(Note) The transfer price of each of (i) and (ii) above is not yet determined, and the total number of shares to be transferred and its ratio to the shares outstanding also remains undefined. These values will be determined in the final agreement after negotiations based on due diligence on SMAS and HCAL and the market value valuation of each company determined by a third party evaluation company.

(4) Structure of the Deal

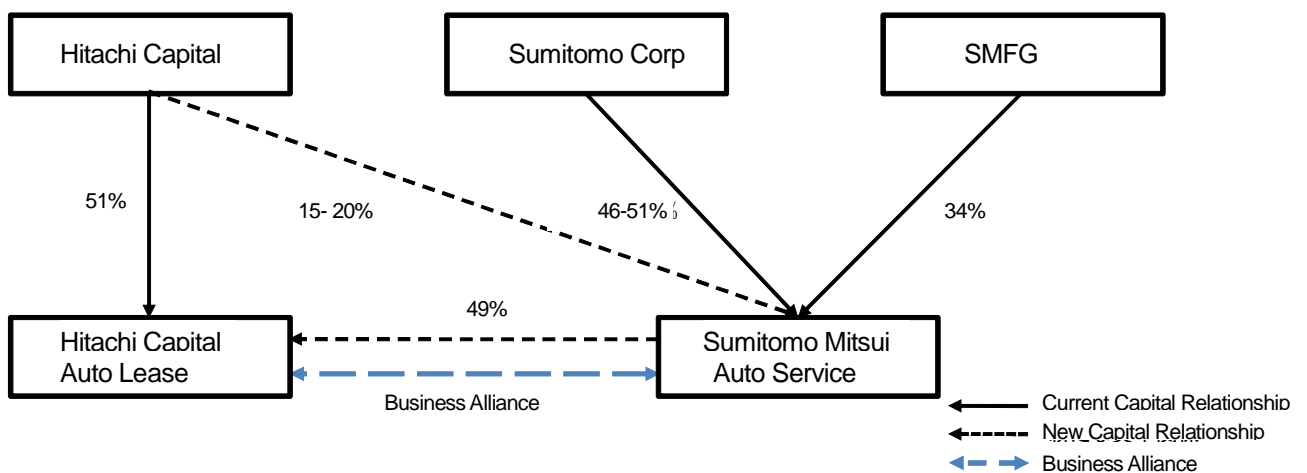
(1) Current status



(2) After the conversion of classified shares into the common shares



(3) After the execution of business and capital alliances



### 3. Outline of Business Alliance Parties (as of March 31, 2010)

#### (1) Profile of Company

Company Name	Sumitomo Mitsui Auto Service Company, Limited	Hitachi Capital Auto Lease Corporation
Headquarters	3-20-2 Nishi- Shinjuku, Shinjuku-ku, Tokyo	2-15-12 Nishi- Shinbashi, Minato-ku, Tokyo
Representative	President: Makoto Sato	President: Kenji Suzuki
Date of Establishment	February 21, 1981	October 23, 1989
Main Business	Auto leasing services	Auto leasing services
Paid-in capital	¥6,950 million	¥300 million
Shares Outstanding	Common stock: 26,919,871 shares Class A classified stock: 4,750,565 shares	Common stock: 6,000 shares
Major Shareholders and Voting Right Ratio (Breakdown of Shares Held)	Sumitomo Corp 60% (Common stock: 16,151,923 shares) (Class A classified stock: 4,750,565 shares) SMFG 40% (Common stock: 10,767,948 shares)	Hitachi Capital 100%

#### (2) Relationship between Hitachi Capital and SMAS etc.

Capital Relationship	There is no capital relationship to be disclosed between Hitachi Capital and SMAS. In addition. There is no capital relationship to be disclosed between any interested parties and subsidiaries of Hitachi Capital and those of SMAS.
Personal Relationship	There is no personal relationship to be disclosed between Hitachi Capital and SMAS. In addition. There is no personal relationship to be disclosed between any interested parties and subsidiaries of Hitachi Capital and those of SMAS.
Transactional Relationship	There is no transactional relationship to be disclosed between Hitachi Capital and SMAS. In addition. There is no transactional relationship to be disclosed between any interested parties and subsidiaries of Hitachi Capital and those of SMAS.
Status as Related Party	SMAS does not fall under the status of related party of Hitachi Capital. In addition, neither the interested parties nor the subsidiaries of SMAS fall under the status of related party of Hitachi Capital.

#### (3) Business Performance in the Past Three Fiscal Years

Accounting Period	Sumitomo Mitsui Auto Service Company, Limited (Non-consolidated)		
	FY2007 (Mar. 2008)	FY2008(Mar. 2009)	FY2009 (Mar. 2010)
Net Assets	¥69,957 million	¥71,504 million	¥74,649 million
Total Assets	¥503,408 million	¥487,924 million	¥437,581 million
Net Assets per Share	¥2,208.92	¥2,257.78	¥2357.08
Sales	¥170,717 million	¥235,445 million	¥218,771 million
Operating Income	¥8,438 million	¥5,435 million	¥4,982 million
Ordinary Income	¥8,228 million	¥5,548 million	¥8,538 million
Net Income	¥4,751 million	¥2,573 million	¥4,345 million
Net Income per Share	¥186.74	¥81.24	¥137.21
Dividend per Share	¥31	¥40	¥68

	Hitachi Capital Auto Lease Corporation (Non-consolidated)		
Accounting Period	FY2007 (Mar. 2008)	FY2008(Mar. 2009)	FY2009 (Mar. 2010)
Net Assets	¥10,293 million	¥11,232 million	¥11,654 million
Total Assets	¥129,976 million	¥107,667 million	¥104,469 million
Net Assets per Share	¥1,715,623.05	¥1,872,071.04	¥1,942,427.06
Sales	¥58,286 million	¥40,109 million	¥39,967 million
Operating Income	¥1,641 million	¥920 million	¥1,249 million
Ordinary Income	¥1,622 million	¥897 million	¥1,226 million
Net Income	¥890 million	¥963 million	¥633 million
Net Income per Share	¥148,435.72	¥160,569.92	¥105,640.26
Dividend per Share	¥44,500	¥48,167	¥31,700

#### 4. Schedule

March31, 2011	Execution of the basic agreement
July 2011 – September 2011 (planned)	Execution of the final agreement
July 2011 – September 2011 (planned)	Closing of the deal

#### 5. Future Outlook

The impact on business results from the planned business and capital alliance is unknown at present. We will disclose details upon decision of the final agreement to be executed if any impact might be caused.

For further information, please contact:

Hitachi Capital Corporation

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Sumitomo Mitsui Auto Service Company, Limited

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