



NEWS RELEASE

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Hitachi Capital ABL No. 22: R&I Assigns AAA Prelim

Rating and Investment Information, Inc. (R&I), has assigned the following preliminary rating:

It should be noted that this preliminary rating was generated on the basis of information current as of December 9, 2002. At the time of the actual loan, R&I will conduct a final review of various points, including the content of agreements entered into, and issue its formal rating.

ISSUER:	Hitachi Capital Corp. Lease Backed Loan No. 22
ISSUE AMOUNT:	4.14 billion yen
REDEMPTION METHOD:	Monthly Pass-through
FINAL REDEMPTION DATE:	December 26, 2010
BACKING ASSETS:	Lease receivables entrusted by Hitachi Capital Corp. (TSE Code: 8586) Trustee: UFJ Trust Bank Ltd.
R&I RATING:	AAA (preliminary)
CREDIT ENHANCEMENT:	Overcollateralization
NOTE:	The preliminary rating is an assessment of the probability of the total redemption of the asset-backed loan by March 26, 2010, and of the timely payment of interest until redemption.

OUTLINE:

- 1) The rating is a preliminary rating for an asset-backed loan (ABL) backed by lease receivables.
- 2) Hitachi Capital Corp. entrusts UFJ Trust Bank Ltd. (UFJ Trust), with lease receivables on December 9, 2002, based on a trust agreement dated March 7, 2001, and the transfer is perfected against any third party by registration pursuant to the Law Prescribing Exceptions etc. to the Civil Code Requirements for Setting Up Against a Third Party to an Assignment of Claims.
- 3) UFJ Trust borrows an ABL backed by the entrusted lease receivables, and remits the proceeds to Hitachi Capital as redemption funds for the Trust Beneficial Interest.
- 4) Hitachi Capital, as the servicer, performs the collection of the lease receivables, and reports the collection position to UFJ Trust every month on the sixth business day of the next month. The collected funds are remitted on the 25th day of the month in line with this report.
- 5) From January 2003, UFJ Trust makes interest and principal payments on the ABL using a monthly pass-through. This ABL ranks equally with existing Hitachi Capital ABLs and will be redeemed with the cash flow of common backing assets. This loan does not impact the AAA rating for the existing ABLs.
- 6) Hitachi Capital intends to raise funds monthly using the same structure as this.

RATIONALE:

- 1) The principal amount of 4.14 billion yen for the ABL is backed by lease receivables to the value of about 4.46 billion yen. As at the end of November, there is a total outstanding ABL of about 94.5 billion yen backed by about 101.4 billion yen in lease receivables. The entrusted lease receivables are diversified small-lot items and the default rate in the past has been low and stable.
- 2) The originator, Hitachi Capital, enjoys strong creditworthiness, with an R&I short-term credit rating of a-1+. In the event that the short-term credit rating should be downgraded to a-2 or below, a further trust of a cash reserve will be made and funds equivalent to more than two months' projected collection funds will be advanced every month.

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