

PURSUIT OF "30% REFORMS"



Some people may wonder why Hitachi Capital is emphasizing the 30% Reforms. If we had reformed 10 to 20 percent with respect to our business reforms, we might have maintained our original growth trajectory. However, the 30% Reforms are difficult to realize without suitable challenges. We must shake off the current mindset to develop operations and services with innovative new ideas.

Business originating from such ideas are services for the public service domain that has expanded due to diverse demands for finance accompanied by restructuring of local governments and Internet businesses able to produce dramatic growth at a low cost. These are areas in which continued strong growth is expected. The business practices and innovative services originating from the 30% Reforms will undoubtedly produce new value for Hitachi Capital.

BUSINESS SOLUTIONS

PUBLIC PRIVATE PARTNERSHIP (PPP) BUSINESS—COLLABORATION WITH LOCAL GOVERNMENTS

The PPP business is garnering attention as a project in which local governments employ private capital for local revitalization. The Hitachi Capital Group forms business groups composed of local and other companies to use a flexible business model tailored to the region in question, including employing general coordinators and owners of constructed facilities. Examples of this include community economic development projects such as the Ayase Town Hills Shopping Center in Ayase City, Kanagawa Prefecture, as well as the Information Office Building in Saga Prefecture.

More specifically, the Saga Prefecture project gained attention because it was a public project that relied on a joint government-business leasing scheme. Construction of the facility on Saga Prefecture-owned land was then undertaken by the business group formed by Hitachi Capital, including local companies. After completion, Hitachi Capital becomes the owner of the facility while Saga Prefecture becomes the lessee, with tenants comprising call centers of a major non-life insurance company, IT companies, a day care center and retail stores.



"i-Forest" information-related office building
in Saga Prefecture



Ayase Town Hills Shopping Center
in Kanagawa Prefecture

SERVICES FOR SMALL LOCAL GOVERNMENTS —AUTO LEASES FOR SPECIAL-USE VEHICLES AND CONTRACTED CREDIT COLLECTION

In the public service field, we offer automobile leases for special-use vehicles and contracted credit collection as unique new services. In auto leases, special-use vehicles such as fire trucks and garbage disposal trucks are leased to local governments to reduce the costs of ownership. The number of such leased vehicles already totals 2,200 and is expected to grow further. For contracted credit collection, we assume responsibility for collecting funds that local governments have loaned to individuals and corporations, including academic loans and loans to small- and mid-size businesses. Resources will be further invested in this business to support the needs of local governments for more simplified clerical operations.

INTERNET BUSINESS: AUTO LOANS AND SALES OF USED PCs

Hitachi Capital offers services that corporate and individual customers can apply for easily over the Internet, including equipment rentals, credit cards, sales of used PCs, auto loans and other products. The Company is increasing its customer base by offering convenience, affordability and other benefits through low-cost online services.

For example, auto loans are displaying strong growth on account of their reputation for the ease of filling out the forms over the Internet as well as for finely tailored peripheral services that only Hitachi Capital can provide backed by its long history in the provision of auto loans.



"netplaza" website for auto loans