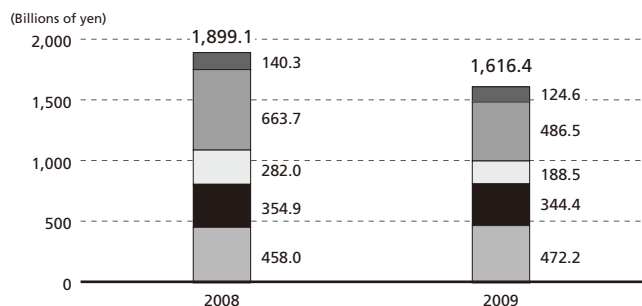


**Volume of business** (by business)

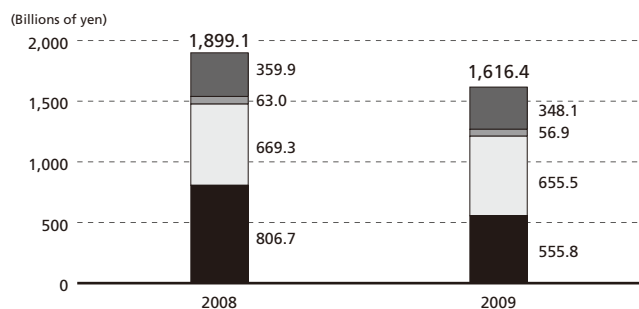
- Finance business: ■ Agricultural equipment and medical and nursing
- Corporate business  
(Information equipment related, industrial machinery, construction machinery, automobile finance and others)
- Consumer business  
(Automobile business, home appliances and home refurbishment, home loans and others)
- Overseas finance business
- Other financial services including elimination and/or corporate  
(Card business, non-life insurance, securitization business, outsourcing business and elimination and/or corporate)



**Volume of business**

(business breakdown based on mid-term management plan)

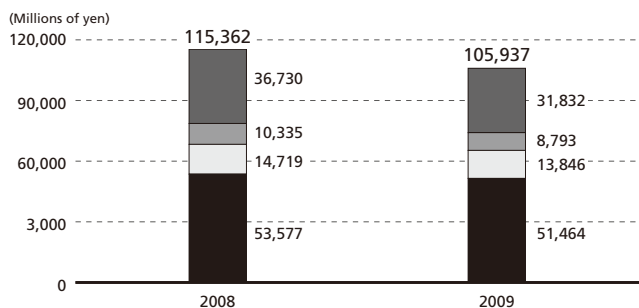
- Financial services
- Commission services
- Supply and sales services
- Overseas businesses



**Operating revenues**

(business breakdown based on mid-term management plan)

- Financial services
- Commission services
- Supply and sales services
- Overseas businesses



**BUSINESS RESULTS**

During the fiscal year ended March 31, 2009, revenues decreased 7.9% to ¥107,943 million (US\$1,101 million) primarily due to a decline in volume of business coupled with a decrease in unrealized gains owing to a change in accounting methods resulting from application of "Practical Guidelines on Accounting Standards for Financial Instruments."

Despite efforts to reduce labor costs and other operating costs, operating income declined 21.8% to ¥17,580 million (US\$179 million) mainly owing to an increase in bad debt write-off.

Along with the change in accounting methods, unrealized gains on leasing receivables liquidated before the end of fiscal 2008, as well as gains or losses resulting from changes in accounting methods for affiliated loan sales transactions, installment sales and purchase of installment receivables, were all posted as other income and expenses at the beginning of fiscal 2009. In addition, Hitachi Capital recorded other expenses in the form of loss from a review of residual value associated with lease contracts for industrial machinery, and loss related to the split and transfer of the low-profit gift card business to JCB Co., Ltd., initiatives undertaken as part of business structure reforms.

As a result, net income for fiscal 2009 amounted to ¥12,122 million (US\$123 million), up 13.1% year-on-year.

**BUSINESS BREAKDOWN BASED ON NEW MID-TERM MANAGEMENT PLAN**

**Financial Services**

In financial services, consolidated volume of business amounted to ¥555,852 million (US\$5,671 million) for fiscal 2009, down 31.1% year-on-year, primarily as a result of a decline in leasing demand owing to the economic downturn in Japan. Consolidated operating revenues were ¥51,464 million (US\$525 million), down 3.9%, mainly attributable to a decrease in unrealized gains in line with a change in accounting methods regarding liquidation of leasing receivables.

**Commission Services**

In commission services, consolidated volume of business for fiscal 2009 amounted to ¥655,515 million (US\$6,688 million), down 2.1% year-on-year, primarily due to a decline in affiliated loan sales transactions resulting from slumping automobile sales. Consolidated operating revenues were ¥13,846 million (US\$141 million), down 5.9%.

**Supply and Sales Services**

In supply and sales services, consolidated volume of business for fiscal 2009 amounted to ¥56,932 million (US\$580 million), down 9.7% year-on-year, as a result of a decrease in new automobile lease transactions. Consolidated operating revenues were ¥8,793 million (US\$89 million), down 14.9%, mainly attributable a reduction in gains from sales of automobiles upon expiration of lease.

**Overseas**

In overseas operations, consolidated volume of business for fiscal 2009 amounted to ¥348,161 million (US\$3,552 million), down 3.3% year-on-year, due to the impact of the economic downturn and appreciation of the yen, particularly in the United Kingdom and United States. Consolidated operating revenues were ¥31,832 million (US\$324 million), down 13.3%.

**PER SHARE INDICES AND ROE/ROA**

Consolidated net income per share increased 13.1% year-on-year to

¥103.71 (US\$1.05) owing to an increase in net income. Annual cash dividends per share were ¥36.00 (US\$0.36), with a payout ratio of 34.7% (consolidated). ROE was 5.1% and ROA\* was 0.57%.

\*Total assets decreased significantly in fiscal 2009 (April 1, 2008 to March 31, 2009) since liquidated transactions that meet requirements for dissolution as financial assets were processed as trading transactions.

## FINANCIAL POSITION

As of March 31, 2009, total assets amounted to ¥1,790,497 million (US\$18,270 million), down ¥657,294 million from the previous fiscal year-end. This was primarily due to the change in accounting standards for leases. Under the new standards, "equipment held for lease," previously recorded in finance leases, is now recorded as "leasing receivables and leasing investments." Of such items, those liquidated are processed as trading transactions by dissolving the financial assets, and are balanced out with the corresponding "long-term obligation for liquidation of accounts receivables." Also, trust beneficiary rights related to credit enhancement are recorded as "short-term investments" and "investments in securities."

Total net assets at year-end increased ¥2,316 million to ¥241,394 million (US\$2,463 million). This was mainly attributable to an increase in retained earnings, despite a decrease in valuation and translation adjustments reflecting the impact of the market environment in Japan and overseas. The stockholders' equity ratio rose 3.7 percentage points from the previous year-end to 13.4%.

Interest-bearing debt increased ¥97,165 million to ¥886,664 million (US\$9,047 million) as a result of continued efforts to increase cash and cash equivalents.

## CASH FLOWS

Cash and cash equivalents at end of year amounted to ¥251,872 million (US\$2,570 million), an increase of ¥151,505 million from the previous fiscal year-end. This is in line with our policy to keep cash at hand to prepare for any contingency associated with the turmoil in today's financial markets. Cash flows for each category were as follows.

Net cash provided by operating activities was ¥42,164 million (US\$430 million). This consisted mainly of such inflows as income before income taxes and minority interests of ¥21,812 million (US\$222 million) and depreciation of ¥120,759 million (US\$1,232 million), as well as such outflows as acquisition of equipment for lease of ¥97,128 million (US\$991 million).

Net cash used in investing activities amounted to ¥7,079 million (US\$72 million) primarily owing to the acquisition of stock associated with the establishment of subsidiaries and acquisition of subsidiaries.

Net cash provided by financing activities amounted to ¥117,664 million (US\$1,200 million) mainly attributable to net increases in commercial paper, long-term borrowings and short-term bank loans.

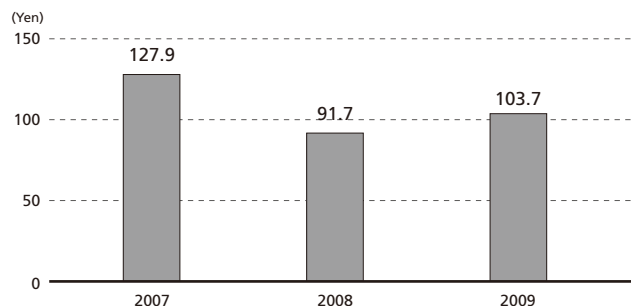
As a result, free cash flows, the sum of operating and investing cash flows, totaled ¥35,084 million (US\$358 million).

## BUSINESS RISK

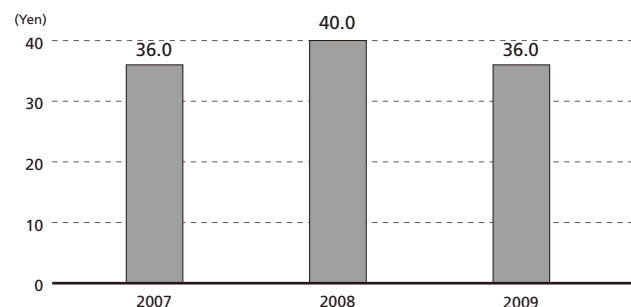
### Internal Control-Related Risk

The Hitachi Capital Group has established and maintains an internal control system based on internal control resolutions, and evaluates and works to ensure the appropriateness of its internal controls through the Internal Control Committee. Nevertheless, if internal

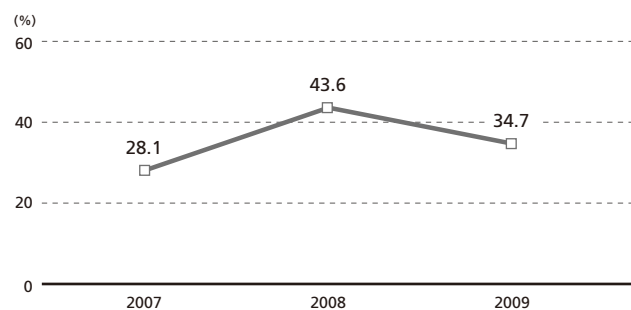
### Net income per share



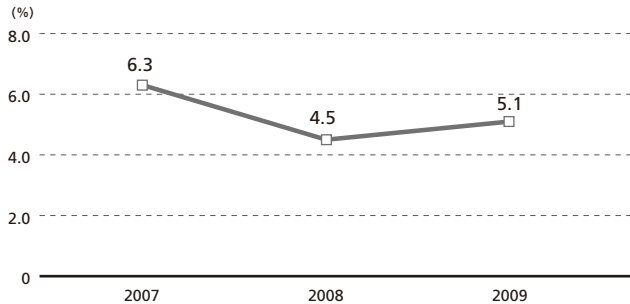
### Annual cash dividends per share



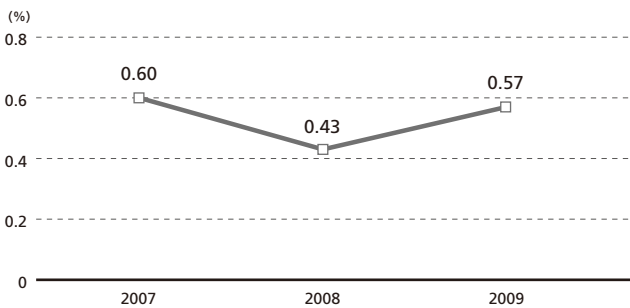
### Payout ratio



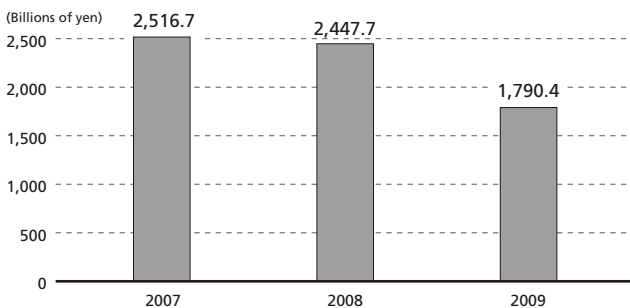
### ROE



### ROA\*



### Total assets\*



\*Total assets decreased significantly in fiscal 2009 (April 1, 2008 to March 31, 2009) since liquidated transactions that meet requirements for dissolution as financial assets were processed as trading transactions.

controls do not function effectively or unexpected problems arise, there could be an adverse impact on the Group's business results.

### Interest Rate Risk

Since the Group provides financial services, including leasing and installment sales, it must procure large amounts of funds and carry out thorough ALM\*\* through liquidation. A sharp rise in market interest rates, however, could cause a rise in fundraising costs and have an adverse impact on the Group's business results.

\*\*Asset Liability Management: Companies firmly ascertain the characteristics of maturities and interest from their assets and liabilities, and monitor cash flows, liquidity, currency risk and interest risk.

### Liquidity Risk

Although the Group works to appropriately manage its cash position, there are times it may be difficult to secure the funds required, including if the creditworthiness of the Group has declined, or due to turmoil in financial markets or changes in the market environment. Additionally, the Company may be forced to procure funds when interest rates are significantly higher than normal. Factors such as these could have an adverse impact on the Group's business results.

### Credit Risk

The Group is engaged in various kinds of business associated with providing credit, including leasing, credit guarantees and installment sales. During such business execution, the Group appropriately controls credit risk by conducting screening at the time of a contract and ascertaining such factors as the state of credit while a credit receivable is being collected. Nevertheless, an increase in corporate and personal bankruptcies due to a changing economic environment could result in an increased burden with respect to losses on receivables and bad debts expenses for lease transactions.

### Laws and Regulations Changes Risk

Changes in laws and regulations related to Group business could also impact results. With total enforcement of the revised Money-Lending Business Control and Regulation Law and full-scale enforcement of the revised Installment Sales Law, there could be additional costs associated with the changes, and customer demand may change. The Group has always complied with the Interest Limitation Law, so there is no direct risk of returning excess payments.

### Business Structure Reform Risk

The Group is reforming its business structure in order to achieve sustainable growth. However, a delay or failure to achieve these reforms, for any reason, could have an adverse impact on the Group's business results.

### Leased Assets Residual Value Risk

One of the Group's business strategies is to "provide financial services that focus on 'products'." To achieve this, we concentrate on operating leases in order to respond to changes in market demand accompanied by changes in accounting standards for finance leases. We will continue to improve our abilities and expertise in evaluating "products" and the resale of leased assets as the Group's core skills. However, there is a possibility of a decline in actual disposal value from the initial estimated value of leased property due to such factors as unexpected changes in the market environment and technological innovations.

**Administrative and System Risk**

The Group carries out its business activities using various information systems. Any error, including administrative or accidental human errors as well as fraudulence by employees, unauthorized access to systems or a computer virus from outside the Group, or a stoppage or breakdown of internal operating systems, could have an adverse impact on the Group's business results.

In addition, external leaks or illicit use of information concerning customers or affiliates due to similar causes may result in damage to said customers or affiliates and lead to loss of trust from society, and this could have an adverse impact on the Group's business results.

**Compliance Risk**

Given that the Group offers a variety of financial services, it must comply with a number of laws and regulations, such as the Installment Sales Law, the Financial Instruments and Exchange Law and the Money-Lending Business Control and Regulation Law, as well as various consumer protection and waste disposal regulations. The Company must also comply with a wide range of social rules, from internal regulations and voluntary industry rules to social ethics and norms. The Company established the Compliance Group within the Legal Department and is working to develop its compliance structure. However, failure to comply with applicable laws, regulations and social norms could have an adverse impact on the Group's business results due to criminal prosecution and loss of trust from society.

**Human Resources Risk**

The Group considers employees' abilities as important assets of a company and is implementing intensified recruitment, well-planned educational programs and improved training programs. However, there is a risk that the Group will not be able to secure the human resources required for business operations following reforms in cases where employees of existing businesses cannot adapt to business structural reforms, where appropriate employee placement is not conducted or where new personnel cannot be hired. Moreover, difficulties in ensuring that the Group's screening and collection management know-how and experience are effectively passed on to new employees could have an adverse impact on the Group's business results.

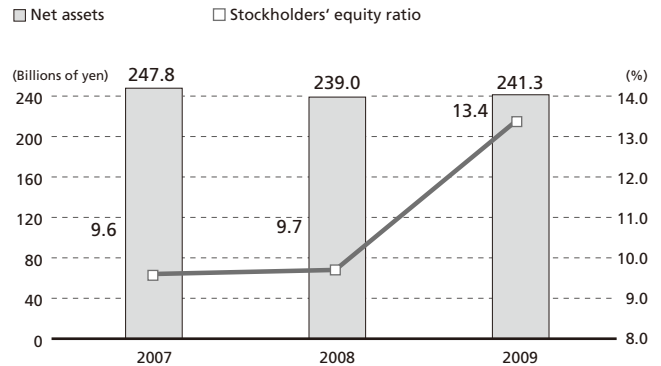
**Business Partners-Related Risk**

The Group conducts business in cooperation with numerous business partners due to the characteristics of the business. Despite thorough screening of other companies before committing to collaboration, the Group may have to shoulder responsibility in case of bankruptcy or illegal activity by a business partner, which could have an adverse impact on the Group's business results.

**Non-Life Insurance Risk**

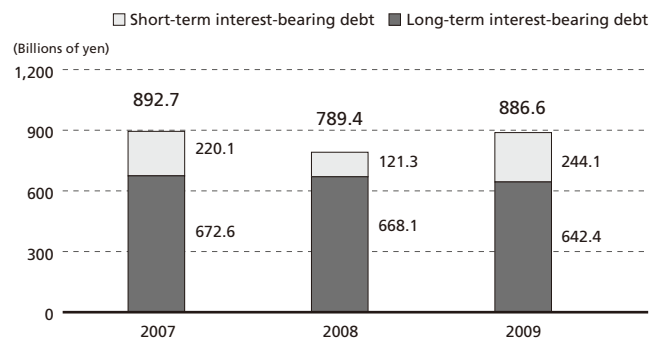
The Group is engaged in non-life insurance business and works to reduce risks related to underwriting insurance. However, a major disaster could have an adverse impact on the Group's business due to payment of insurance claims that exceed expectations.

**Net assets/stockholders' equity ratio**



\* Stockholders' equity ratio = (Net assets - Minority interests) / Total assets

**Outstanding interest-bearing debt**



Long-term interest-bearing debt includes current portion of loans and debt.

**Free cash flows**

