

CONSOLIDATED STATEMENTS OF CASH FLOWS

Hitachi Capital Corporation and Subsidiaries
Years ended March 31, 2009, 2008 and 2007

	Japanese yen (millions)			U.S. dollars (thousands) (Note 2)
	2009	2008	2007	2009
CASH FLOWS FROM OPERATING ACTIVITIES:				
Income before income taxes and minority interests	¥ 21,812	¥ 20,504	¥ 26,347	\$ 222,571
Depreciation	120,759	550,792	553,423	1,232,234
Gain on transfer of lease receivables associated with change in accounting standard	(25,703)	—	—	(262,275)
Gain on change in accounting policy of revenues from installment transactions	(895)	—	—	(9,132)
Loss on change in accounting policy of revenues from affiliated loans	7,348	—	—	74,979
Bad debts expenses for lease transactions	1,414	—	—	14,428
Loss on change in accounting policy of maintenance cost for lease transactions	646	—	—	6,591
Impairment loss	3,206	578	—	32,714
Loss on valuation of investment securities	1,001	1,516	48	10,214
Provision for loss on disposal of assets for lease transactions	5,722	—	—	58,387
Loss on transfer of business	1,403	—	—	14,316
Depreciation of goodwill	1,185	705	653	12,091
Interest and dividend income	(1,744)	(1,546)	(977)	(17,795)
Interest expense	25,252	26,988	23,817	257,673
Gain on sale of securities	(10)	(141)	(1,197)	(102)
Increase in investment in financing leases	(31,364)	—	—	(320,040)
Increase in allowance for doubtful accounts	1,094	371	235	11,163
(Decrease) increase in allowance for losses on loan guarantees	(500)	100	(385)	(5,102)
(Increase) decrease in trade receivables	(51,625)	(55,139)	5,507	(526,785)
(Gain) loss on sale of equipment for lease	(206)	(1,008)	2,342	(2,102)
Acquisition of equipment for lease	(97,128)	(589,882)	(612,698)	(991,102)
Proceeds from sale of equipment for lease	56,097	58,367	53,410	572,418
(Decrease) increase in trade payables	(39,835)	27,629	28,565	(406,479)
Cash provided by asset backed securitization	—	1,306,386	1,231,992	—
Payment for asset backed securitization	—	(1,236,648)	(1,210,071)	—
Decrease in retirement and severance benefits	(353)	(98)	(102)	(3,602)
Other	52,193	26,844	3,697	532,581
Income taxes paid	(7,605)	(8,973)	(9,194)	(77,602)
Net cash provided by operating activities	42,164	127,347	95,412	430,244
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of short-term investments	(17,786)	—	—	(181,489)
Proceeds from sale of short-term investments	15,019	2,280	49	153,255
Purchase of investments in securities	(286)	(2,854)	(1,638)	(2,918)
Proceeds from sales and repayment of investment securities	1,670	1,292	1,119	17,040
Purchase of investments in subsidiaries	(16)	(9,712)	—	(163)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(3,382)	—	—	(34,510)
Purchase of equipment for company use	(474)	(1,901)	(2,083)	(4,836)
Purchase of other intangible fixed assets	(3,904)	(2,683)	(1,747)	(39,836)
Interest and dividend received	1,644	1,730	1,017	16,775
Payment for acquisition of business assets	—	—	(2,455)	—
Other	434	443	221	4,428
Net cash used in investing activities	(7,079)	(11,406)	(5,516)	(72,234)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Increase (decrease) in short-term bank loans	57,523	5,267	(13,920)	586,969
Increase (decrease) in commercial paper	76,307	(93,714)	(63,740)	778,642
Proceeds from long-term borrowings	110,935	58,796	88,501	1,131,989
Payments of long-term borrowings	(84,284)	(44,857)	(45,769)	(860,040)
Issuance of bond	109,982	93,218	49,365	1,122,265
Redemption of bond	(123,346)	(83,774)	(80,582)	(1,258,632)
Interest paid	(25,236)	(26,976)	(22,369)	(257,510)
Acquisition of treasury stock	(0)	(1)	(4)	(0)
Dividends paid to stockholders	(4,208)	(4,675)	(4,208)	(42,938)
Dividends paid to minority stockholders of subsidiaries	(8)	(300)	(363)	(81)
Net cash provided by (used in) financing activities	117,664	(97,017)	(93,092)	1,200,653
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(1,243)	(585)	243	(12,683)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	151,505	18,337	(2,953)	1,545,969
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	100,366	82,029	84,982	1,024,142
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 16)	¥ 251,872	¥ 100,366	¥ 82,029	\$ 2,570,122

See accompanying notes to consolidated financial statements.