

Consolidated Interim Earnings Report
For the Six Months Ended 30th September, 2002

11th December, 2002
Hitachi Capital Corporation

These financial statements were prepared for the interim earnings release for the six months ended 30th September, 2002 in accordance with standards used in the Company's Annual Report.

This interim earnings report is unaudited.

unaudited

Consolidated Balance Sheet

30th September, 2002

Assets	(¥ Million)
Current assets:	
Cash	¥ 108,941
Trade receivables, including amounts maturing after one year	457,410
Less: Allowance for losses on receivables and guarantees	13,015
Net trade receivables	444,395
Parent company deposit	60,086
Short-term investments	800
Prepaid expenses and other current assets	70,738
Total current assets	684,960
Investments:	
Equipment held for leases, at cost less accumulated depreciation	1,254,558
Investments in securities	6,741
Long-term loans, net of allowance for doubtful accounts	7,201
Total investments	1,268,500
Property and equipment, at cost less accumulated depreciation	5,790
Other assets	35,850
Total assets	¥ 1,995,100

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Liabilities and Stockholders' Equity	(¥ Million)
Current liabilities:	
Short-term bank loans	¥ 27,191
Commercial paper	85,772
Current portion of long-term debt	187,973
Trade payables	219,399
Accrued expenses	13,980
Obligation for securitization of lease receivables	202,348
Income taxes payable	4,719
Other current liabilities	41,758
Total current liabilities	783,140
Long-term debt	665,980
Retirement and severance benefits	7,462
Retirement benefits for directors	768
Long-term obligation for securitization of lease receivables	295,175
Other fixed liabilities	9,606
Total liabilities	1,762,131
Minority interests	4,337
Stockholders' equity:	
Common stock	9,460
Capital surplus	45,449
Retained earnings	176,317
Net unrealized holding gain on securities in investments	493
Foreign currency translation adjustments	(837)
	230,882
Less cost of treasury stock	(2,250)
Total stockholders' equity	228,632
Total liabilities, minority interests and stockholders' equity	¥ 1,995,100

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Consolidated Statement of Income

Six months ended 30th September, 2002

(¥ Million)

Revenues:

Operating revenues	¥	56,967
Interest and dividend income		117
Other income		1,346
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		58,430

Expenses:

Selling, general and administrative expenses		29,529
Financing costs		14,928
Other expenses		2,469
		<hr/>
		46,926
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Income before income taxes and minority interests		11,504
Income taxes		4,945
Minority interests		384
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Net income	¥	6,175

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Consolidated Statement of Stockholders' Equity

Six months ended 30th September, 2002

(¥ Million)

Common stock:

Balance at beginning of year	¥	9,460
Balance at end of year	¥	9,460

Capital surplus:

Balance at beginning of year	¥	45,449
Balance at end of year	¥	45,449

Retained earnings:

Balance at beginning of year	¥	172,780
Net income for the year		6,175
Cash dividends		2,416
Directors' bonus		200
Decrease due to exclusion of equity-method affiliates		22
Balance at end of year	¥	176,317

Net unrealized holding gain on securities in investments:

Balance at beginning of year	¥	354
Net change during the year		139
Balance at end of year	¥	493

Foreign currency translation adjustments:

Balance at beginning of year	¥	(282)
Net change during the year		(555)
Balance at end of year	¥	(837)

Treasury stock:

Balance at beginning of year	¥	(2)
Increase in treasury stock		(2,248)
Balance at end of year		(2,250)
Total stockholders' equity	¥	228,632

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Consolidated Statement of Cash Flows

Six months ended 30th September, 2002

(¥ million)

Cash flows from operating activities:

Income before income taxes and minority interests	¥	11,504
Depreciation		222,766
Interest and dividend income		(117)
Interest expenses		13,707
Increase in trade receivables		(3,221)
Gain on sale of equipment for lease		(672)
Acquisition of equipment for lease		(264,278)
Proceed from sale of equipment for lease		30,212
Decrease in trade payables		(5,722)
Cash provided by asset backed securitization		430,200
Payment for asset backed securitization		(348,923)
Increase in retirement and severance benefits		1,192
Other		(5,388)
Income taxes paid		(6,112)
Net cash provided by operating activities		<u>75,148</u>

Cash flows from investing activities:

Purchase of short-term investments		(613)
Proceeds from sale of short-term investments		342
Purchase of investments in securities and subsidiaries' common stock		(269)
Capital expenditure		(320)
Proceeds from sale of capital assets		234
Interest and dividends received		117
Net cash used in investing activities		<u>(509)</u>

Cash flows from financing activities:

Decrease in short-term bank loans		(19,022)
Increase in commercial paper		21,379
Proceeds from long-term debt		36,284
Payment of long-term debt		(129,838)
Interest paid		(16,709)
Dividends paid to stockholders		(2,415)
Dividends paid to minority stockholders of subsidiaries		(148)
Other		(2,406)
Net cash used in financing activities		<u>(112,875)</u>

Effect of exchange rate changes on cash and cash equivalents

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Net decrease in cash and cash equivalents		<u>(38,230)</u>
Cash and cash equivalents at beginning of year		<u>207,620</u>
Cash and cash equivalents at end of year	¥	<u>169,390</u>

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