

Consolidated Interim Earnings Report
For the Six Months Ended 30th September, 2003

23th October, 2003

Hitachi Capital Corporation

These financial statements were prepared for the interim earnings release for the six months ended 30th September, 2003 in accordance with standards used in the Company's Annual Report.

This interim earnings report is unaudited.

unaudited

Consolidated Balance Sheet

30th September, 2003

Assets	(¥ Million)
Current assets:	
Cash	¥ 37,019
Trade receivables, including amounts maturing after one year	468,097
Less: Allowance for losses on receivables and guarantees	13,159
Net trade receivables	454,938
Parent company deposit	76,847
Short-term investments	1,119
Prepaid expenses and other current assets	71,387
Total current assets	641,310
Investments:	
Equipment held for leases, at cost less accumulated depreciation	1,365,393
Investments in securities	6,801
Long-term loans, net of allowance for doubtful accounts	228
Total investments	1,372,422
Property and equipment, at cost less accumulated depreciation	6,002
Other assets	34,672
Total assets	¥ 2,054,406

unaudited

Liabilities and Stockholders' Equity

(¥ Million)

Current liabilities:

Short-term bank loans	¥	19,900
Commercial paper		130,679
Current portion of long-term debt		211,308
Trade payables		246,382
Accrued expenses		12,016
Obligation for securitization of lease receivables		220,342
Income taxes payable		2,742
Other current liabilities		44,168
Total current liabilities		<u>887,537</u>
Long-term debt		566,223
Retirement and severance benefits		5,474
Retirement benefits for directors		846
Long-term obligation for securitization of lease receivables		356,446
Other fixed liabilities		9,934
Total liabilities		<u>1,826,460</u>
Minority interests		4,744
Stockholders' equity:		
Common stock:		9,460
Capital surplus		45,449
Retained earnings:		180,096
Net unrealized holding gain on securities in investments		741
Foreign currency translation adjustments		(1,477)
		<u>234,269</u>
Less cost of treasury stock		<u>(11,067)</u>
Total stockholders' equity		<u>223,202</u>
Total liabilities, minority interests and stockholders' equity	¥	<u>2,054,406</u>

unaudited

Consolidated Statement of Income

Six months ended 30th September, 2003

(¥ Million)

Revenues:

Operating revenues	¥	54,023
Interest and dividend income		129
Other income		895
		<hr/>
		55,047

Expenses:

Selling, general and administrative expenses		30,751
Financing costs		12,046
Other expenses		1,882
		<hr/>
		44,679
		<hr/>
Income before income taxes and minority interests		10,368
Income taxes		4,604
Minority interests		393
		<hr/>
Net income	¥	5,371

unaudited

Consolidated Statement of Stockholders' Equity

Six months ended 30th September, 2003

(¥ 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	¥	176,978
Net income for the year		5,371
Cash dividends		2,059
Directors' bonus		194
Balance at end of year	¥	180,096

Net unrealized holding gain on securities in investments:

Balance at beginning of year	¥	21
Net change during the year		720
Balance at end of year	¥	741

Foreign currency translation adjustments:

Balance at beginning of year	¥	(986)
Net change during the year		(491)
Balance at end of year	¥	(1,477)

Treasury stock:

Balance at beginning of year	¥	(8,133)
Increase in treasury stock		(2,934)
Decrease in treasury stock		0
Balance at end of year		(11,067)
Total stockholders' equity	¥	223,202

unaudited

Consolidated Statement of Cash Flows

Six months ended 30th September, 2003

	(¥ million)
Cash flows from operating activities:	
Income before income taxes and minority interests	¥ 10,368
Depreciation	234,026
Interest and dividend income	(129)
Interest expenses	11,100
Increase in trade receivables	(33,822)
Gain on sale of equipment for lease	2,798
Acquisition of equipment for lease	(291,819)
Proceed from sale of equipment for lease	25,019
Decrease in trade payables	8,286
Cash provided by asset backed securitization	431,580
Payment for asset backed securitization	(341,105)
Increase in retirement and severance benefits	(720)
Other	(5,649)
Income taxes paid	(1,864)
Net cash provided by operating activities	48,069
Cash flows from investing activities:	
Purchase of short-term investments	(656)
Proceeds from sale of short-term investments	977
Purchase of investments in securities and subsidiaries' common stock	(1,008)
Proceeds from sale of investments in securities	326
Capital expenditure	(2,419)
Proceeds from sale of capital assets	51
Interest and dividends received	129
Net cash used in investing activities	(2,600)
Cash flows from financing activities:	
Decrease in short-term bank loans	(1,559)
Increase in commercial paper	5,886
Proceeds from long-term debt	66,835
Payment of long-term debt	(117,387)
Interest paid	(11,742)
Purchase of treasury stock	(2,934)
Proceeds from sale of treasury stock	0
Dividends paid to stockholders	(2,059)
Dividends paid to minority stockholders of subsidiaries	(171)
Other	(162)
Net cash used in financing activities	(63,293)
Effect of exchange rate changes on cash and cash equivalents	(289)
Net decrease in cash and cash equivalents	(18,113)
Cash and cash equivalents at beginning of year	132,574
Cash and cash equivalents at end of year	¥ 114,461

unaudited