



Consolidated Third Quarter Earning Report For the Nine Months Ended December 31, 2005

January 24, 2006

Corporate Name: **Hitachi Capital Corporation**
 Stock Listing: Tokyo Stock Exchange
 (URL <http://www.hitachi-capital.co.jp>)

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1. Notes on Presentation of Quarterly Operating Results

(1) Adoption of the simplified accounting standards: Yes
 Accounting standard for income taxes: simplified accounting standard by using the legal effective tax rate
 Simplified accounting standards are also used elsewhere where the effect is marginal.

(2) Changes in accounting standards for financial accounts in the most recent fiscal year: Yes
 Applied new statements about Impairment loss on fixed asset by Business Accounting Council Japan

(3) Changes in number of consolidated subsidiaries or equity-method affiliates: Yes
[Number of Consolidated Subsidiaries and Application of Equity Method]
 Consolidated subsidiaries: 24
 Equity-method non-consolidated subsidiaries: 1
 Equity-method affiliates: 2

[Changes in Consolidated Subsidiaries and Affiliates]
 Consolidated (New): 2
 Deconsolidated: 1

2. Consolidated Results for the Third Quarter of the Fiscal Year Ending March 31, 2006

(1) Consolidated Operating Results

Total to the end of the Third Quarter (April 1 – December 31)

(All amounts rounded down, y on y change %)

	Revenues		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine Months Ended December 31, 2005	83,558	1.3	19,157	9.1	19,179	12.1	10,456	11.9
Nine Months Ended December 31, 2004	82,487	1.0	17,566	12.7	17,115	-	9,340	15.3
Year ended March 31, 2005 (Reference)	111,611	1.9	24,697	13.8	24,132	-	13,287	76.4

	Net income per share	Diluted net income per share	Volume of business	
	Yen	Yen	million yen	%
Nine Months Ended December 31, 2005	89.29	-	1,499,750	3.6
Nine Months Ended December 31, 2004	77.93	-	1,448,098	6.9
(Reference) Year ended March 31, 2005	110.55	-	1,934,819	6.1

Notes: Average number of common stock outstanding (after excluding treasury stock):

Nine Months Ended December 31, 2005: 117,112,123 shares
 Nine Months Ended December 31, 2004: 119,853,743 shares
 Year ended March 31, 2005 (Reference): 119,663,080 shares

(2) Consolidated Operating Results

Third Quarter (October 1– December 31)

(All amounts rounded down, y on y change %)

	Revenues		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine Months Ended December 31, 2005	27,966	1.3	6,509	5.7	6,633	12.9	3,505	12.6
Nine Months Ended December 31, 2004	27,607	3.6	6,156	17.9	5,875	-	3,112	13.9

	Net income per share	Diluted net income per share	Volume of business	
	Yen	Yen	million yen	%
Three Months Ended December 31, 2005	29.99	-	512,657	3.5
Three Months Ended December 31, 2004	25.72	-	495,396	4.5

Notes: Average number of common stock outstanding (after excluding treasury stock):

Three Months Ended December 31, 2005: 116,893,520 shares

Three Months Ended December 31, 2004: 120,990,660 shares

(3) Consolidated Financial Position

	Total assets	Total stockholders' equity	Stockholders' equity ratio	Stockholders' equity per share
	million yen	million yen	%	Yen
As of December 31, 2005	2,410,398	225,694	9.4	1,930.77
As of December 31, 2004	2,218,928	217,136	9.8	1,813.89
Year ended 31st March, 2004 (Reference)	2,190,188	218,855	10.0	1,854.25

Note: Number of shares issued and outstanding (after excluding treasury stock):

As of December 31, 2005: 116,893,325 shares

As of December 31, 2004: 119,707,551 shares

Year ended March 31, 2005(Reference): 117,997,719 shares

(Reference) Volume of business in the 5 expanding businesses

	Nine Months Ended December 31, 2004	Nine Months Ended December 31, 2005	Change
	million yen	million yen	%
Auto lease	63,094	67,778	7.4
General services for the medical field	75,220	76,667	1.9
Agricultural finance	57,946	58,705	1.3
Home appliances	55,168	49,428	10.4
(Home refurbishment loans)	(16,147)	(13,282)	(17.7)
Home loans	65,006	94,855	45.9
Total Volume of business in the 5 expanding business	316,436	347,436	9.8
Total	1,448,098	1,499,750	3.6
Share of total business volume	(21.9%)	(23.2%)	-

3. Forecasts for the Fiscal Year Ending March 31, 2006

(April 1, 2005 to March 31, 2006)

	Revenues		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%
Fiscal year	114,200	2.3	26,700	10.6	14,700	10.6

Notes: Volume of Business Fiscal year ¥2,000,000 million

(Reference) Projected net income per share for the fiscal year: ¥125.76

Consolidated forecasts have been prepared using information available on the date of release. Accordingly, forecasts may differ significantly from actual results due to a variety of factors.

Consolidated Balance Sheets

(¥ million, rounded down)

Item	Period As of December 31,2005(A)	As of March 31, 2005(B)	Change from As of March 31, 2005 (A) - (B)
(Assets)			
Current assets	740,322	594,221	146,100
Cash	35,873	26,337	9,535
Trade receivables	575,164	453,535	121,628
Parent company deposit	48,420	48,736	316
Short-term investments	1,092	1,092	0
Deferred tax assets	6,932	7,395	463
Other	82,661	66,373	16,287
Allowance for doubtful accounts	9,821	9,249	571
Fixed assets	1,670,075	1,595,966	74,109
Property and equipment	1,335,458	1,285,844	49,614
Equipment held for leases	1,329,187	1,279,773	49,413
Buildings and structures	1,514	1,517	3
Machinery, equipment and vehicles	1,297	1,322	24
Furniture and fixtures	2,048	1,819	228
Land	1,410	1,410	0
Intangible fixed assets	286,154	270,232	15,922
Equipment held for leases	279,043	261,914	17,128
Other	7,110	8,317	1,206
Investments and other assets	48,462	39,889	8,573
Investments in securities	21,167	14,417	6,749
Deferred tax assets	2,308	4,000	1,691
Other	24,992	21,490	3,501
Allowance for doubtful accounts	6	19	12
Total assets	2,410,398	2,190,188	220,210

(¥ million, rounded down)

Period	As of	As of	Change from
Item	December 31, 2005(A)	March 31, 2005(B)	As of March 31, 2005 (A) - (B)
(Liabilities)			
Current liabilities	1,092,051	1,019,511	72,539
Trade payables	265,894	229,513	36,380
Short-term bank loans	106,125	134,718	28,592
Commercial paper	293,982	215,870	78,111
Current portion of bonds	75,794	106,642	30,847
Current portion of long-term obligation for securitization of lease receivables	284,465	261,333	23,132
Income taxes payable	4,390	6,477	2,087
Deferred tax liabilities	877	1,137	259
Reserve for loan guarantees	4,257	5,255	997
Other	56,263	58,563	2,300
Long-term liabilities	1,086,803	945,913	140,889
Bonds	322,466	360,994	38,528
Long-term debt	171,486	134,864	36,622
Long-term obligation for securitization of lease receivables	554,872	422,073	132,798
Deferred tax liabilities	1,318	92	1,226
Retirement and severance benefits	5,137	5,135	2
Retirement benefits for directors	1,078	1,137	59
Reserve for Insurance contract	10,216	6,617	3,599
Other	20,226	14,998	5,228
Total liabilities	2,178,854	1,965,425	213,429
(Minority interests)			
Minority interests	5,849	5,907	58
(Stockholders' equity)			
Common stock	9,983	9,983	
Capital surplus	45,972	45,972	
Retained earnings	178,191	173,384	4,807
Net unrealized holding gain on investments in securities	5,701	2,371	3,329
Net foreign currency translation adjustments	167	800	968
Treasury stock	14,322	12,055	2,266
Total stockholders' equity	225,694	218,855	6,838
Total liabilities, minority interests and stockholders' equity	2,410,398	2,190,188	220,210

Consolidated Statements of Income

<Nine Months Ended December 31, 2005 (April 1 - December 31)>

(¥million, rounded down)

Item	Period	Nine Months Ended December 31, 2005 (April 1st, 2005 to December 31st, 2005)		YoY change	Nine Months Ended December 31, 2004 (April 1, 2004 to December 31, 2004)	
			%			%
Revenues		83,558	100.0	1.3	82,487	100.0
Operating revenues		83,287		1.4	82,122	
Interest and dividend income		271		25.8	365	
Expenses		64,400	77.1	0.8	64,921	78.7
Selling, general and administrative expenses		47,938		0.3	48,096	
Financing costs		16,462		2.2	16,824	
Operating income		19,157	22.9	9.1	17,566	21.3
Non-operating revenues		158	0.2	-	108	0.1
Non-operating expenses		136	0.1	-	559	0.7
Ordinary income		19,179	23.0	12.1	17,115	20.7
Income before income taxes and minority interests		19,179	23.0	12.1	17,115	20.7
Income taxes		6,334	7.6	42.0	4,462	5.4
Deferred income taxes		1,979	2.4	22.8	2,564	3.1
Minority interests		408	0.5	45.5	748	0.9
Net income		104,556	12.5	11.9	9,340	11.3

<Three Months Ended December 31, 2005 (October 1 - December 31)>

(¥million, rounded down)

Item	Period	Three Months Ended June 30, 2005 (September 1, 2005 to June 30, 2005)		YoY change	Three Months Ended June 30, 2004 (September 1, 2004 to June 30, 2004)	
			%			%
Revenues		27,966	100.0	1.3	27,607	100.0
Operating revenues		27,895		1.6	27,447	
Interest and dividend income		71		55.1	159	
Expenses		21,456	76.7	0.0	21,451	77.7
Selling, general and administrative expenses		15,882		0.6	15,785	
Financing costs		5,574		1.6	5,666	
Operating income		6,509	23.3	5.7	6,156	22.3
Non-operating revenues		151	0.5	-	5	0.0
Non-operating expenses		28	0.1	-	286	1.0
Ordinary income		6,633	23.7	12.9	5,875	21.3
Income before income taxes and minority interests		6,633	23.7	12.9	5,875	21.3
Income taxes		2,935	10.5	21.2	2,421	8.8
Deferred income taxes		21	0.1	73.9	82	0.3
Minority interests		170	0.6	34.2	259	0.9
Net income		3,505	12.5	12.6	3,112	11.3

HCC doesn't have any losses at all, even though applied new statements about Impairment loss on fixed asset by Business Accounting Council Japan on this accounting year.

1. Changes in Quarterly Consolidated Performance

Consolidated Results for the Year Ending 31 March, 2006

(¥ million, rounded down)

Item	Quarter	No.	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Nine Months
			April 1, 2005 - June 30, 2005	July 1, 2005 - September 30, 2005	October 1, 2005 - December 31, 2005	January 1, 2006 - March 31, 2006	
Revenues		1	27,658	27,933	27,966		83,558
Operating revenues		2	27,565	27,826	27,895		83,287
Interest and dividend income		3	93	106	71		271
Expenses		4	21,651	21,292	21,456		64,400
Selling, general and administrative expenses		5	16,063	15,992	15,882		47,938
Financing costs		6	5,588	5,300	5,574		16,462
Operating income		7	6,007	6,640	6,509		19,157
Non-operating revenues		8	0	6	151		158
Non-operating expenses		9	71	37	28		136
Ordinary income		10	5,937	6,609	6,633		19,179
Extraordinary gains/losses		11	—	—	—		—
Income before income taxes and minority interests		12	5,937	6,609	6,633		19,179
Income taxes		13	2,839	559	2,935		6,334
Deferred income taxes		14	73	2,031	21		1,979
Minority interests		15	95	141	170		408
Net income		16	3,074	3,876	3,505		10,456

Consolidated Results for the Year Ended 31 March, 2005

(¥ million, rounded down)

Item	Quarter	No.	(Note)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Fiscal Year
				April 1, 2004 - June 30, 2004	July 1, 2004 - September 30, 2004	October 1, 2004 - December 31, 2004	January 1, 2005 - March 31, 2005	
Revenues		1		26,858	28,021	27,607	29,123	111,611
Operating revenues		2		26,727	27,946	27,447	28,986	111,108
Interest and dividend income		3		130	75	159	136	502
Expenses		4		21,532	21,937	21,451	21,992	86,914
Selling, general and administrative expenses		5		15,919	16,392	15,785	16,532	64,629
Financing costs		6		5,613	5,545	5,666	5,459	22,284
Operating income		7		5,325	6,084	6,156	7,130	24,697
Non-operating revenues		8		87	16	5	29	138
Non-operating expenses		9		129	143	286	143	703
Ordinary income		10		5,283	5,957	5,875	7,016	24,132
Extraordinary gains/losses		11		—	—	—	—	—
Income before income taxes and minority interests		12		5,283	5,957	5,875	7,016	24,132
Income taxes		13		2,157	116	2,421	1,942	6,405
Deferred income taxes		14		201	2,280	82	939	3,503
Minority interests		15		187	302	259	187	935
Net income		16		2,736	3,491	3,112	3,946	13,287

Note: The results for the first quarter of the year ended 31 March, 2005 have been adjusted due to a change in accounting principle.

Supplementary Information

2. Contract Segment Consolidated Information

(1) For the Nine Months Ended December 31, 2005 (April 1, 2005 - December 31, 2005)

(¥ million, %)

	No	Lease	Change (%)	Guarantees	Change (%)	Installments and others	Change (%)	Total	Change (%)
Revenues (Composition %)	1	47,606 (57)	0.1	8,037 (10)	21.7	27,914 (33)	13.1	83,558 (100)	1.3
Volume of business (Composition %)	Ju	623,960 (42)	3.4	178,860 (12)	18.4	696,928 (46)	11.5	1,499,750 (100)	3.6
Trade receivables, loan guarantees and leases (Composition %)	3	1,879,791 (53)	4.3	646,856 (18)	8.3	1,016,731 (29)	14.5	3,543,379 (100)	4.4

(2) For the Nine Months Ended December 31, 2004 (April 1, 2004 - December 31, 2004)

(¥ million, %)

	No	Lease	Change (%)	Guarantees	Change (%)	Installments and others	Change (%)	Total	Change (%)
Revenues (Composition %)	1	47,541 (58)	0.6	10,271 (12)	18.9	24,674 (30)	13.4	82,487 (100)	1.0
Volume of business (Composition %)	2	603,704 (42)	7.3	219,121 (15)	12.9	625,272 (43)	15.7	1,448,098 (100)	6.9
Trade receivables, loan guarantees and leases (Composition %)	3	1,802,392 (53)	4.1	705,167 (21)	14.5	887,658 (26)	18.6	3,395,218 (100)	2.8

Notes:

- "Trade receivables, loan guarantees and leases" include off-balance sheet assets.
- "Lease" includes lease rentals, auto leases and other items.
- "Guarantees" include loan sales through alliances and other items.
- "Installments and others" include installment sales, business loans (including home loans), card services and other items.

3. Volume of Business by Consolidated Product

(¥ million, %)

	No	Nine Months Ended December 31, 2004	Nine Months Ended December 31, 2005	Change (%)
Finance business	1	1,193,806	1,207,417	1.1
Automobile finance	2	253,792	233,258	8.1
Home appliances and home refurbishment	3	105,310	115,852	10.0
Home loans	4	65,006	94,855	45.9
Information equipment related	5	309,468	313,683	1.4
Industrial machinery	6	161,812	113,297	30.0
Construction machinery	7	24,020	25,236	5.1
Medical devices	8	75,220	76,667	1.9
Agricultural equipment	9	57,946	58,705	1.3
Others	10	141,226	175,859	24.5
Other financial services	11	262,673	300,172	14.3
Card business	12	29,420	34,184	16.2
Non-life insurance	13	3,726	8,645	132.0
Securitization business	14	52,404	49,692	5.2
Outsourcing business	15	177,121	207,650	17.2
Elimination and/or corporate	16	8,381	7,840	-
Total	17	1,448,098	1,499,750	3.6

Note: "Others" shown under the finance business include commercial facilities, scientific instruments, maintenance services and other items.