

# Consolidated First Quarter Earnings Report for the Three Months Ended 30 June, 2007



July 25, 2007

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(All amounts rounded down)

## 1. Consolidated Results for the First Quarter of the Fiscal Year Ended 31 March, 2008 (1 April, 2007 - 30 June, 2007)

### (1) Consolidated Operating Results

(YoY change %)

	Revenues		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Three Months Ended 30 June, 2007	28,776	3.0	5,658	△6.7	5,667	△14.3	2,783	△20.5
Three Months Ended 30 June, 2006	27,944	1.0	6,065	1.0	6,614	11.4	3,502	13.9
Year Ended 31 March, 2007	115,992	—	24,963	—	26,347	—	14,954	—

	Net income per share		Diluted net income per share		Volume of business	
	¥		¥		¥ million	%
Three Months Ended 30 June, 2007	23.82		—		499,233	0.2
Three Months Ended 30 June, 2006	29.97		—		498,233	0.8
Year Ended 31 March, 2007	127.93		—		1,927,259	—

### (2) Consolidated Financial Position

	Total assets	Total stockholders' equity	Stockholders' equity ratio	Stockholders' equity per share
	¥ million	¥ million	%	¥
Three Months Ended 30 June, 2007	2,500,928	249,948	9.7	2,076.56
Three Months Ended 30 June, 2006	2,459,808	237,421	9.4	1,982.63
Year Ended 31 March, 2007	2,516,721	247,897	9.6	2,061.52

### (3) Consolidated Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalent at end of period
	¥ million	¥ million	¥ million	¥ million
Three Months Ended 30 June, 2007	32,373	497	△29,123	86,128
Year Ended 31 March, 2007	95,412	△5,516	△93,092	82,029

Note:

- Receipts and settlements from acquisition of leased assets and liquidation of assets are included in operating activities.
- Consolidated quarterly cash flows are disclosed from the Three Months Ended 30 June, 2007.

## 2. Forecasts for the Year Ending 31 March, 2008 (1 April, 2007 - 31 March, 2008) (Reference)

Consolidated forecast for the year ending 31 March, 2008 is as shown below. No changes have been made to the previous forecast (announced on 24 April, 2007) as the consolidated performance has reached the forecast in the first quarter.

(% is YoY for the fiscal year or for interim period)

	Revenues		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	Yen
Interim	58,000	2.2	10,800	△14.4	10,800	△17.7	5,600	△27.0	47.91
Fiscal year	117,700	1.5	22,000	△11.9	22,000	△16.5	12,000	△19.8	102.66

Note: Volume of business

Interim: ¥958,000 million

Fiscal year: ¥1,950,000 million

## 3. Others

(1) Changes to significant subsidiaries during the term

(changes in specified subsidiaries due to change in scope of consolidation) : No

(2) Adoption of the simplified accounting standards : Yes

(3) Changes in accounting standards for financial accounts in the most recent fiscal year : No

Note: For details, refer to "4. Others" under Qualitative Information and Financial Statements on page 4.

Note: Explanation of proper use of the forecasts, etc.

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 reasons.

**【Qualitative Information and Financial Statements】****1. Qualitative Information on Consolidated Performance**

## (1) Principal results

Principal results in the quarter are as shown below.

( ¥million, %)

Item	Three Months Ended 30 June, 2006	Three Months Ended 30 June, 2007	YoY
Revenues	27,944	28,776	3.0
Operating income	6,065	5,658	△6.7
Ordinary income	6,614	5,667	△14.3
Net income	3,502	2,783	△20.5

In the lease, we increased the business volume of information related equipment while increasing favorable business receivables. In the guarantees, we strove to improve profitability by being more selective about orders and also reinforced agricultural finance and automobile finance. As a result of these activities, increased year-on-year by 3.0% to ¥28,776 million.

As operating expenses increased, due to the rise in market interest rates and the one-time posting of costs to realize more efficient management, operating income fell 6.7% year-on-year to ¥5,658 million.

Furthermore, due to the effect on non-operating income from the sale of stock in affiliated company last fiscal year, ordinary income fell 14.3% year-on-year to ¥5,667 million, and net income for the quarter fell 20.5% year-on-year to ¥2,783 million.

We anticipate the business environment surrounding our company will become increasingly severe due to the upward pressure on market interest rates from Bank of Japan's changes in fiscal policies and changes in lease accounting standards. Against such a backdrop, we will fortify our organization to withstand changes in interest rates, make the transition from a business model that earns a profit from interest rate spreads to one that earns a profit from improving customer service and satisfaction, and strengthen our business foundation for a sustained growth.

## (2) Principal business indicators

(%)

Indicator	Three Months Ended 30 June, 2006	Three Months Ended 30 June, 2007
ROE (Return on Equity)	6.1	4.6
ROA (Return on Assets)	0.57	0.44
Stockholders'equity ratio	9.4	9.7

Note: ROE and ROA are equivalents for the entire fiscal year.

## 2. Qualitative Information on Consolidated Financial Conditions

The ending balance of cash and cash equivalents in the Three Months Ended 30 June, 2007 increased year-on-year by ¥4,099 million to ¥86,128 million. Cash flow in the different categories is shown below.

(¥ million)

	Three Months Ended 30 June, 2007	Three Months Ended 30 June, 2006 (Ref.)
Cash flow from operating activities	32,373	95,412
Cash flow from investing activities	497	△5,516
Cash flow from financing activities	△29,123	△93,092

① Cash flow from operating activities

The amount of increase in capital from operating activities amounted to ¥32,373 million. This is primarily due to ¥139,197 million in depreciation expenses, receipt of ¥351,521 million from securitization of assets, settlements of ¥300,869 million for securitization of assets, and expenditures of ¥180,416 million for acquisition of leased assets.

② Cash flow from investing activities

The amount of increase in capital from investing activities amounted to ¥497 million. This is primarily due to receipt of interest and dividends.

③ Cash flow from financing activities

The amount of decrease in capital from financing activities amounted to ¥29,123 million. This is primarily due to a reduction in commercial paper.

As a result of the above, free cash flow, or the sum of cash flow for operating activities and cash flow from investing activities, amounted to an increase of ¥32,871 million.

## 3. Qualitative Information on Consolidated Performance Forecasts

Due to an increase in competition in the industry and an increase in financial expenses, our forecasts for the interim period and the fiscal year ending 31 March, 2008 are as shown below. No changes have been made to the previous forecast (announced on April 24, 2007) as the consolidated performance has reached the forecast in the first quarter.

(¥ million, %)

	Interim	Fiscal year
Revenues	58,000	117,700
Operating income	10,800	22,000
Ordinary income	10,800	22,000
Net income	5,600	12,000
Net income per share	47.91 yen	102.66 yen
Business volume	958,000	1,950,000

Consolidated forecasts have been prepared using information available on the date of release and include latent risks and uncertainties. Accordingly, forecasts may differ significantly from actual results due to a variety of reasons.

## 4. Others

(1) Changes in the number of consolidated subsidiaries or equity-method affiliates: No

(2) Adoption of the simplified accounting standards:

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.

(3) Changes in accounting standards for financial accounts in the most recent fiscal year: No

## 5. Quarterly Consolidated Financial Statements

### (1) Quarterly consolidated balance sheets

(¥ million, rounded down)

Period Item	As of 30 June, 2006 (A)	As of 30 June, 2007 (B)	Change from 30 June, 2006 (A)-(B)		(Ref. As of 31 March, 2007)	Period Item	As of 30 June, 2006 (A)	As of 30 June, 2007 (B)	Change from 30 June, 2006 (A) - (B)		(Ref. As of 31 March, 2007)
	Amount	Amount	Amount	Change (%)	Amount		Amount	Amount	Amount	Change (%)	Amount
(Assets)						(Liabilities)					
Current assets	755,011	763,946	8,934	1.2	785,990	Current liabilities	1,092,430	1,052,364	△40,066	△3.7	1,066,988
Cash	26,185	25,434	△751	△2.9	23,981	Trade payables	300,532	312,674	12,141	4.0	322,893
Trade receivables	606,802	603,890	△2,911	△0.5	629,290	Short-term bank loans	90,743	118,760	28,016	30.9	97,700
Parent company deposit	48,515	60,694	12,178	25.1	58,048	Commercial paper	251,012	146,206	△104,806	△41.8	166,724
Short-term investments	792	2,593	1,801	227.3	2,392	Current portion of bond	87,077	76,323	△10,754	△12.4	83,820
Deferred tax assets	7,031	6,484	△547	△7.8	6,348	Current portion of long-term obligation for securitization of lease receivables	300,865	—	—	—	—
Other	76,297	75,759	△537	△0.7	76,486	Current portion of long-term obligation of liquidation of accounts payables	—	331,890	—	—	331,489
Allowance for doubtful accounts	△10,613	△10,910	△297	2.8	△10,556	Income taxes payable	3,900	2,991	△908	△23.3	5,001
Fixed assets	1,704,796	1,736,981	32,185	1.9	1,730,731	Deferred tax liabilities	1,147	1,592	445	38.8	930
Property and equipment	1,364,561	1,410,242	45,680	3.3	1,402,244	Reserve for loan guarantees	3,436	3,300	△136	△4.0	3,300
Equipment held for leases	1,358,148	1,403,654	45,506	3.4	1,395,224	Other	53,713	58,625	4,911	9.1	55,128
Building and structures	1,514	1,240	△274	△18.1	1,578	Fixed liabilities	1,129,956	1,198,615	68,659	6.1	1,201,835
Machinery, equipment and vehicles	1,385	1,906	521	37.6	1,916	Bonds	327,417	317,680	△9,737	△3.0	299,074
Furniture and fixtures	2,038	1,974	△63	△3.1	2,049	Long-term debt	213,443	227,689	14,245	6.7	245,425
Land	1,474	1,466	△8	△0.6	1,476	Long-term obligation for securitization of loan receivables	550,206	—	—	—	—
Intangible fixed assets	287,371	273,089	△14,282	△5.0	275,471	Long-term obligation for liquidation of accounts payables	—	614,380	—	—	618,687
Equipment held for leases	279,999	267,251	△12,747	△4.6	269,133	Deferred tax liabilities	2,089	2,866	776	37.2	3,115
Other	7,372	5,837	△1,535	△20.8	6,338	Retirement and severance benefits	5,051	4,980	△71	△1.4	5,000
Investments and other assets	52,862	53,649	786	1.5	53,015	Retirement benefits for directors	1,069	731	△337	△31.6	1,223
Investments in securities	21,999	18,690	△3,308	△15.0	19,352	Reserve for insurance contract	9,858	10,230	371	3.8	9,957
Deferred tax assets	1,763	2,145	381	21.7	2,174	Other	20,819	20,056	△763	△3.7	19,351
Other	29,110	32,826	3,716	12.8	31,501	Total liabilities	2,222,387	2,250,979	28,592	1.3	2,268,824
Allowance for doubtful accounts	△9	△13	△3	32.4	△13	(Net Assets)					
Total assets	2,459,808	2,500,928	41,119	1.7	2,516,721	Total stockholders' equity	224,968	235,061	10,092	4.5	234,382
						Common stock	9,983	9,983	—	—	9,983
						Capital surplus	45,972	45,972	0	0.0	45,972
						Retained earnings	183,336	193,433	10,097	5.5	192,754
						Treasury stock	△14,323	△14,327	△4	0.0	△14,327
						Total(※)	6,786	7,669	882	13.0	6,590
						Net unrealized holding gain on investments in securities	5,376	4,047	△1,328	△24.7	4,378
						Net deferred unrealized gain/loss on hedge accounting	928	701	△227	△24.5	423
						Net foreign currency translation adjustments	481	2,919	2,437	506.0	1,788
						Minority interests	5,665	7,217	1,551	27.4	6,924
						Total net assets	237,421	249,948	12,527	5.3	247,897
						Total liabilities, minority interests and stockholders' equity	2,459,808	2,500,928	41,119	1.7	2,516,721

※Total: Total net unrealized holding gain on securities, net deferred unrealized gain/loss on hedge accounting and foreign currency

## (2) Summary of Quarterly Consolidated Statements of Income

(¥ million, rounded down)

Item	Three Months Ended 30 June, 2006	Three Months Ended 30 June, 2007	Y to Y change		(Ref. Year Ended 31 March, 2007)
	Amount	Amount	Amount	Change (%)	Amount
Revenues	27,944	28,776	831	3.0	115,992
Operating revenues	27,515	28,140	624	2.3	114,811
Interest and dividend income	428	636	207	48.4	1,181
Expenses	21,879	23,117	1,237	5.7	91,029
Selling, general and administrative expenses	15,701	15,856	154	1.0	63,849
Financing costs	6,178	7,261	1,083	17.5	27,179
Operating income	6,065	5,658	△406	△6.7	24,963
Non-operating revenues	580	47	△533	△91.9	1,521
Non-operating expenses	31	38	7	23.4	137
Ordinary income	6,614	5,667	△946	△14.3	26,347
Extraordinary gains	—	—	—	—	—
Extraordinary losses	—	—	—	—	—
Income before income taxes and minority interests	6,614	5,667	△946	△14.3	26,347
Income taxes	3,008	2,699	△309	△10.3	10,659
Minority interests	103	184	81	78.9	733
Net income	3,502	2,783	△718	△20.5	14,954

## (3) Quarterly Consolidated Cash Flow

(¥ million, rounded down)

Category	Three Months Ended 30 June, 2007		(Ref. Year Ended 31 March, 2007)	
	Amount		Amount	
I. Cash flows from operating activities				
(1) Income before income taxes and minority interests		5,667		26,347
(2) Non-cash items				
① Depreciation	139,197		553,423	
② Other	149	139,346	723	554,146
(3) Investment and finance items				
① Interest and dividend income	△567		△977	
② Interest expenses	6,020		23,817	
③ Gain/loss on sale of securities	△30		△1,197	
④ Other	74	5,497	58	21,700
(4) Changes in assets and liabilities				
① Decrease (increase) in trade receivables	△16,141		5,507	
② Cash provided by asset backed securitization	351,521		1,231,992	
③ Payment for asset backed securitization	△300,869		△1,210,071	
④ Increase (decrease) in allowance for losses on receivables and guarantees	143		△149	
⑤ Loss on sale of equipment for leases	△195		2,342	
⑥ Acquisition of equipment for leases	△180,416		△612,698	
⑦ Proceeds from sale of equipment for leases	14,095		53,410	
⑧ Increase in trade payables	15,159	△116,702	28,565	△501,101
(5) Other				
① Decrease in retirement and severance benefits	△19		△102	
② Increase in other assets and liabilities	3,466	3,447	3,617	3,514
Subtotal		37,255		104,606
(6) Income taxes paid		△4,882		△9,194
Net cash provided by operating activities		32,373		95,412
II. Cash flows from investing activities				
(1) Purchase of short-term investments (excluding cash equivalents)		△1		—
(2) Proceeds from sale of short-term investments (excluding cash equivalents)		—		49
(3) Purchase of investments in securities and subsidiaries' common stock		△100		△1,638
(4) Receipt from sale of investment securities or subsidiaries' common stock		7		1,119
(5) Capital expenditures (excluding assets for leasing)		△472		△3,830
(6) Proceeds from sale of capital assets (excluding assets for leasing)		349		221
(7) Interest and dividends received		714		1,017
(8) Expenditure for assignment of business		—		△2,455
Net cash used in investing activities		497		△5,516
III. Cash flows from financing activities				
(1) Increase (decrease) in short-term bank loans		5,205		△13,920
(2) Decrease in commercial paper		△24,219		△63,740
(3) Proceeds from long-term debt		1,079		88,501
(4) Payment of long-term debt		△5,690		△45,769
(5) Issuance of bonds		20,000		49,403
(6) Redemption of bonds		△17,238		△80,582
(7) Bond issuance expenses		△68		△38
(8) Interest paid		△5,790		△22,369
(9) Purchase of treasury stock		△0		△4
(10) Dividends paid to stockholders		△2,104		△4,208
(11) Dividends paid to minority stockholders and subsidiaries		△295		△363
Net cash used in financing activities		△29,123		△93,092
IV. Effect of exchange rate changes on cash and cash equivalents		352		243
V. Net increase(decrease) in cash and cash equivalents		4,099		△2,953
VI. Cash and cash equivalents at beginning of year		82,029		84,982
VII. Cash and cash equivalents at end of year		86,128		82,029

## (4)Segment Information

[Segment information by business type]

For the Three Months Ended 30 June, 2007

(¥ million, rounded down)

	Finance	Other financial services	Total	Elimination and/or corporate	Consolidated
Operating income					
Revenues					
(1) Revenues from outside customers	26,428	2,140	28,569	207	28,776
(2) Internal revenues between segments	80	1,663	1,743	(1,743)	—
Total	26,508	3,804	30,313	(1,536)	28,776
Expenses	21,101	3,161	24,263	(1,145)	23,117
Operating income	5,407	642	6,050	(391)	5,658

Note:

1. Business category is decided by taking into account the details of business as described below.

## (1) Finance business

Provides leases, rentals, credit guarantees, and installment payments for capital investment including information related equipment, industrial machinery, construction machinery, medical equipment, agricultural equipment for businesses, farms, medical institutions, and government offices. Also provides leases, credit guarantees, installment payments, and financial services for automobiles, household appliances, and home renovations to help general consumers improve their homes and lifestyles.

## (2) Other financial services

The card business provides financial services using credit cards as the media, non-life insurance business provides products and services pertaining to non-life insurance, securitization business provides services catering to corporate finance by using securitization and trust schemes, and outsourcing business provides payment and collection agency business. As each of these four businesses is small in size, they are collectively referred to as "other financial services."

2. Of the operating income from outside customers, the amount of ¥207 million that was posted as elimination and/or corporate is a financial income of the administration department in the main office.

3. Of the operating expenses, the amount of operating expenses of ¥516 million that could not be allocated was included in elimination and/or corporate. A primary expense is that pertaining to the administration department in the main office.

(Ref. Year Ended 31 March, 2007)

(¥ million, rounded down)

	Finance	Other financial services	Total	Elimination and/or corporate	Consolidated
Operating income					
Revenues					
(1) Revenues from outside customers	107,534	8,022	115,557	435	115,992
(2) Internal revenues between segments	96	7,039	7,135	(7,135)	—
Total	107,631	15,061	122,693	(6,700)	115,992
Expenses	83,342	12,740	96,082	(5,053)	91,029
Operating income	24,289	2,321	26,610	(1,646)	24,963



Note:

1. Business category is decided by taking into account the details of business as described below.

(1) Finance business

Provides leases, rentals, credit guarantees, and installment payments for capital investment including information related equipment, industrial machinery, construction machinery, medical equipment, agricultural equipment for businesses, farms, medical institutions, and government offices. Also provides leases, credit guarantees, installment payments, and financial services for automobiles, household appliances, and home renovations to help general consumers improve their homes and lifestyles.

(2) Other financial services

The card business provides financial services using credit cards as the media, non-life insurance business provides products and services pertaining to non-life insurance, securitization business provides services catering to corporate finance by using securitization and trust schemes, and outsourcing business provides payment and collection agency business. As each of these four businesses is small in size, they are collectively referred to as "other financial services."

2. Of the operating income from outside customers, the amount of ¥435 million that was posted as elimination and/or corporate is a financial income of the administration department in the main office.

3. Of the operating expenses, the amount of operating expenses of ¥1,747 million that could not be allocated was included in elimination and/or corporate. A primary expense is that pertaining to the administration department in the main office.

[information by location]

Three Months Ended 30 June, 2007

(¥ million, rounded down)

	Japan	Europe/U.S.	Asia	Total	Elimination and/or corporate	Consolidated
Operating income						
Revenues						
(1) Revenues from outside customers	19,600	8,093	1,082	28,776	—	28,776
(2) Internal revenues between segments	41	(13)	—	27	(27)	—
Total	19,641	8,080	1,082	28,804	(27)	28,776
Expenses	15,314	7,013	817	23,145	(27)	23,117
Operating income	4,327	1,066	264	5,658	—	5,658

Note:

1. There is no operating expense that could not be allocated and should be included in elimination and/or corporate.
2. The classification of country or region is based on similarities in economic activities.
3. Principal countries and regions in each category are as follows.
  - (1) Europe and United States: Britain, Ireland, and United States
  - (2) Asia: Singapore and China

(Ref. Year Ended 31 March, 2007)

(¥ million, rounded down)

	Japan	Europe/U.S.	Asia	Total	Elimination and/or corporate	Consolidated
Operating income						
Revenues						
(1) Revenues from outside customers	80,788	31,343	3,860	115,992	—	115,992
(2) Internal revenues between segments	141	(52)	—	89	(89)	—
Total	80,929	31,291	3,860	116,082	(89)	115,992
Expenses	61,388	26,876	2,852	91,118	(89)	91,029
Operating income	19,540	4,414	1,007	24,963	—	24,963

Note:

1. There is no operating expense that could not be allocated and should be included in elimination and/or corporate.
2. The classification of country or region is based on similarities in economic activities.
3. Principal countries and regions in each category are as follows.
  - (1) Europe and United States: Britain, Ireland, and United States
  - (2) Asia: Singapore and China

[Overseas revenues]

Three Months Ended 30 June, 2007

(¥ million, rounded down)

	Europe/U.S.	Asia	Total
I Overseas revenues	8,080	1,082	9,162
II Consolidated revenues	28,776		
III Percentage of overseas revenues in consolidated revenues	28.1%	3.7%	31.8%

Note:

1. The classification of country or region is based on similarities in economic activities.
2. Principal countries and regions in each category are as follows.
  - (1) Europe and United States: Britain, Ireland, and United States
  - (2) Asia: Singapore and China
3. Overseas revenues are revenues of our company and consolidated subsidiaries in countries and regions other than Japan.

(Ref. Year Ended 31 March, 2007)

(¥ million, rounded down)

	Europe/U.S.	Asia	Total
I Overseas revenues	31,291	3,860	35,152
II Consolidated revenues	115,992		
III Percentage of overseas revenues in consolidated revenues	27.0%	3.3%	30.3%

Note:

1. The classification of country or region is based on similarities in economic activities.
2. Principal countries and regions in each category are as follows.
  - (1) Europe and United States: Britain, Ireland, and United States
  - (2) Asia: Singapore and China
3. Overseas revenues are revenues of our company and consolidated subsidiaries in countries and regions other than Japan.

<Supplementary Information>

1. Quarterly Consolidated Statements of Income

Year Ending 31 March, 2008 (Consolidated)

(¥ million, rounded down)

Period Item	No.	1 <sup>st</sup> Quarter 1 April, 2007 – 30 June, 2007	2 <sup>nd</sup> Quarter 1 July, 2007 – 30 September, 2007	3 <sup>rd</sup> Quarter 1 October, 2007 – 31 December, 2007	4 <sup>th</sup> Quarter 1 January, 2008 – 31 March, 2008	Three Months Cumulative 1 April, 2007 – 30 June, 2007
Revenues	1	28,776				28,776
Operating revenues	2	28,140				28,140
Interest and dividend income	3	636				636
Expenses	4	23,117				23,117
Selling, general and administrative expenses	5	15,856				15,856
Financing costs	6	7,261				7,261
Operating income	7	5,658				5,658
Non-operating revenues	8	47				47
Non-operating expenses	9	38				38
Ordinary income	10	5,667				5,667
Extraordinary gains/losses	11	—				—
Income tax before income taxes and minority interests	12	5,667				5,667
Income taxes	13	2,699				2,699
Minority interests	14	184				184
Net income	15	2,783				2,783

Year Ending 31 March, 2007

(¥ million, rounded down)

Period Item	No.	1 <sup>st</sup> Quarter 1 April, 2006 – 30 June, 2006	2 <sup>nd</sup> Quarter 1 July, 2006 – 30 September, 2006	3 <sup>rd</sup> Quarter 1 October, 2006 – 31 December, 2006	4 <sup>th</sup> Quarter 1 January, 2007 – 31 March, 2007	Annual Cumulative 1 April, 2006 – 31 March, 2007
Revenues	1	27,944	28,789	28,932	30,326	115,992
Operating revenues	2	27,515	28,595	28,760	29,939	114,811
Interest and dividend income	3	428	194	171	386	1,181
Expenses	4	21,879	22,240	23,307	23,601	91,029
Selling, general and administrative expenses	5	15,701	15,618	16,132	16,396	63,849
Financing costs	6	6,178	6,621	7,175	7,204	27,179
Operating income	7	6,065	6,548	5,625	6,724	24,963
Non-operating revenues	8	580	8	407	526	1,521
Non-operating expenses	9	31	45	8	54	137
Ordinary income	10	6,614	6,511	6,023	7,197	26,347
Extraordinary gains/losses	11	—	—	—	—	—
Income tax before income taxes and minority interests	12	6,614	6,511	6,023	7,197	26,347
Income taxes	13	3,008	2,023	2,780	2,846	10,659
Minority interests	14	103	324	5	300	733
Net income	15	3,502	4,163	3,237	4,049	14,954

## 2. Contract Segment Information

(1) For the Three Months Ended 30 June, 2007 (1 April, 2007 – 30 June, 2007)

(¥ million, rounded down)

	No.	Lease	Change (%)	Guarantees	Change (%)	Installments and others	Change (%)	Total	Change (%)
Revenues (Composition %)	1	16,879 (59)	4.4	2,244 (8)	15.2	9,652 (33)	△1.7	28,776 (100)	3.0
Volume of business (Composition %)	2	211,546 (42)	2.3	55,595 (11)	2.9	232,090 (47)	△2.3	499,233 (100)	0.2
Trade receivables, loan guarantees, and leases (Composition %)	3	1,993,136 (55)	4.4	558,417 (16)	△9.7	1,061,439 (29)	3.9	3,612,993 (100)	1.8

(2) For the Three Months Ended 30 June, 2006 (1 April, 2006 – 30 June, 2006)

(¥ million, rounded down)

	No.	Lease	Change (%)	Guarantees	Change (%)	Installments and others	Change (%)	Total	Change (%)
Revenues (Composition %)	1	16,174 (58)	0.8	1,948 (7)	△30.8	9,821 (35)	11.7	27,944 (100)	1.0
Volume of business (Composition %)	2	206,755 (41)	△6.4	54,014 (11)	△9.6	237,463 (48)	11.2	498,233 (100)	0.8
Trade receivables, loan guarantees, and leases (Composition %)	3	1,909,889 (54)	2.9	618,673 (17)	△11.7	1,021,639 (29)	13.7	3,550,201 (100)	2.8

Notes:

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

### 3. Volume of Business by Product

(¥ million, rounded down, %)

	No.	Three Months Ended 30 June, 2006	Three Months Ended 30 June, 2007	Y to Y change
High priority business	1	42,535	41,033	△3.5
Agricultural equipment	2	17,249	17,949	4.1
Medical and nursing	3	25,285	23,083	△8.7
Corporate business	4	189,649	188,716	△0.5
Information equipment related	5	81,733	83,952	2.7
Industrial machinery	6	39,780	37,957	△4.6
Construction machinery	7	3,431	1,844	△46.3
Automobile finance	8	15,277	14,545	△4.8
Others	9	49,427	50,415	2.0
Consumer business	10	85,071	76,521	△10.1
Automobile business	11	37,726	39,869	5.7
Household appliances and home refurbishment	12	15,582	11,721	△24.8
Home loans	13	15,782	8,086	△48.8
Others	14	15,979	16,843	5.4
Overseas finance business	15	76,078	77,760	2.2
Finance business	16	393,334	384,030	△2.4
Card business	17	12,559	12,036	△4.2
Non-life insurance	18	1,864	2,090	12.1
Securitization business	19	15,879	15,930	0.3
Outsourcing business	20	76,268	86,995	14.1
Other financial services	21	106,571	117,052	9.8
Elimination and/or corporate	22	△1,672	△1,850	—
Total	23	498,233	499,233	0.2

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