



# Consolidated First Quarter Earnings Report [Japan GAAP]

For the Three Months Ended June 30, 2010

Corporate Name: **Hitachi Capital Corporation**  
 Stock Code: 8586 URL: <http://www.hitachi-capital.co.jp>  
 Stock Listing: Tokyo Stock Exchange  
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 Scheduled date of submission of financial reports: August 13, 2010  
 Preparation of supplementary material for quarterly financial results : None  
 Holding of quarterly financial results meeting : None

(All amounts rounded down)

## 1. Consolidated Results for the First Quarter Ended June 30, 2010 (April 1, 2010 – June 30, 2010)

### (1) Consolidated Operating Results (Cumulative) (year-on-year change %)

	Revenues		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Three Months Ended June 30, 2010	23,872	5.2	4,003	55.9	4,205	43.9	2,275	39.1
Three Months Ended June 30, 2009	22,689	△13.3	2,568	△46.0	2,922	△38.5	1,635	△87.9

	Net income per share	Diluted net income per share
Three Months Ended June 30, 2010	19.47	—
Three Months Ended June 30, 2009	13.99	—

(Ref.) Volume of business Three Months Ended June 30, 2010: ¥366,998 million Three Months Ended June 30, 2009: ¥349,793 million

### (2) Consolidated Financial Position

	Total assets	Total stockholders' equity	Stockholders' equity ratio	Stockholders' equity per share
	¥ million	¥ million	%	¥
As of June 30, 2010	1,711,276	252,892	14.7	2,150.74
As of March 31, 2010	1,664,606	252,268	15.1	2,145.67

(Ref.) Stockholders' equity As of June 30, 2010: ¥251,397 million As of March 31, 2010: ¥250,804 million

## 2. Dividends

Record date	Divided per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year End	For the Year
March, 2010	—	15.00	—	15.00	30.00
March, 2011	—	—	—	—	—
March, 2011 (Forecast)	—	16.00	—	16.00	32.00

(Note) Changes to the dividend forecast in the current quarter: None

## 3. Forecast for the Fiscal Year Ending March 31, 2011 (April 1, 2010 – March 31, 2011)

(% is year-on-year for the fiscal year or the interim period)

	Revenues		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Interim	48,300	1.2	8,100	20.7	8,100	13.1	4,700	12.4	40.21
Fiscal year	97,800	2.6	16,000	24.1	16,000	19.7	9,300	12.7	79.56

(Note) Changes to the earnings forecast in the current quarter: None

(Note) Volume of business: Interim: 720,000 ¥million Fiscal year: 1,500,000 ¥million

#### 4. Others

(1) Change in Scope of Consolidation: None

Note: This item indicates whether there were changes in significant subsidiaries affecting the scope of consolidation during this period.

(2) Adoption of simplified accounting methods and special accounting methods: Yes

Note: This item indicates whether there was adoption of simplified accounting methods and special accounting methods for presenting quarterly consolidated financial statements.

(3) Changes of accounting policies applied, procedures and disclosures

1. Changes due to revisions of accounting standards: Yes

2. Changes other than 1. above: None

Note: This item indicates whether there were changes of accounting policies applied, procedures and disclosures for presenting quarterly consolidated financial statements, described in "Changes in Bases of Presenting Quarterly Consolidated Financial Statements."

(4) Number of outstanding shares (common shares)

1) Shares issued at end of term (including own shares)

June 30, 2010: 124,826,552 shares      March 31, 2010: 124,826,552 shares

2) Own shares at end of term

June 30, 2010: 7,937,828 shares      March 31, 2010: 7,937,692 shares

3) Weighted average number of shares outstanding (for the consolidated quarter)

April - June, 2010: 116,888,796 shares      April - June, 2009: 116,889,546 shares

Note: Information regarding the implementation of quarterly review procedures

It is under the review procedure process based upon the Financial Instruments and Exchange Act at the time of disclosure of this report.

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

Consolidated forecasts stated herein 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.

## Quarterly Consolidated Financial Statements

### 1. Quarterly Consolidated Balance Sheets

(¥ million)

	As of June 30, 2010	(Ref. As of March 31, 2010)
(Assets)		
Current assets		
Cash on hand and at bank	23,805	28,739
Trade receivables	540,412	489,254
Investment in direct finance leases	523,646	527,293
Parent company deposit	189,137	184,918
Short-term investments	4,465	4,875
Advance payments-trade	8,851	4,603
Prepaid expenses	11,935	8,293
Deferred tax assets	4,962	5,147
Other	17,504	18,138
Allowance for losses on receivables	△ 14,211	△ 13,601
Total current assets	1,310,508	1,257,662
Fixed assets		
Property and equipment		
Equipment held for lease	187,332	191,624
Equipment for company use		
Building and structures (net)	608	608
Machinery, equipment and vehicles (net)	943	971
Furniture and fixtures (net)	1,075	1,160
Land	855	863
Total own-used assets	3,482	3,603
Total property and equipment	190,815	195,228
Intangible fixed assets		
Equipment held for lease	33,384	34,000
Other intangible assets		
Goodwill	5,181	5,467
Other	6,426	6,413
Total other intangible assets	11,607	11,881
Total intangible fixed assets	44,992	45,882
Investments and other assets		
Investments in securities	131,468	130,955
Deferred tax assets	4,916	5,877
Other	28,581	29,006
Allowance for doubtful accounts	△ 5	△ 5
Total investments and other assets	164,960	165,833
Total fixed assets	400,767	406,943
Total assets	1,711,276	1,664,606

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(¥ million)

	As of June 30, 2010	(Ref. As of March 31, 2010)
(Liabilities)		
Current liabilities		
Trade payables	207,273	210,345
Short-term bank loans	124,181	117,996
Commercial paper	151,053	42,443
Current portion of bonds	96,686	95,617
Current portion of long-term obligation for securitized lease receivables	23,126	25,438
Accrued Payable	81,132	130,495
Income taxes payable	2,551	1,512
Deferred tax liabilities	628	662
Allowance for losses on guarantees	4,200	4,300
Asset retirement obligations	143	—
Other	57,953	60,714
Total current liabilities	748,930	689,527
Fixed liabilities		
Bonds	236,816	229,343
Long-term debt	334,170	347,300
Long-term obligation for securitized lease receivables	74,928	83,125
Deferred tax liabilities	255	270
Retirement and severance benefits	4,521	4,502
Retirement benefits for directors	292	305
Reserve for insurance contract	7,139	7,510
Asset retirement obligations	4,746	—
Other	46,581	50,451
Total fixed liabilities	709,452	722,810
Total liabilities	1,458,383	1,412,337
(Net Assets)		
Stockholders' equity		
Common stock	9,983	9,983
Capital surplus	45,972	45,972
Retained earnings	212,013	211,490
Treasury stock	△ 14,330	△ 14,330
Total stockholders' equity	253,638	253,116
Valuation and translation adjustments		
Net unrealized holding gain on securities	7,806	7,113
Net unrealized loss on hedge accounting	△ 1,786	△ 2,094
Foreign currency translation adjustments	△ 8,260	△ 7,330
Total valuation and translation adjustments	△ 2,240	△ 2,311
Minority interests	1,495	1,463
Total net assets	252,892	252,268
Total liabilities and net assets	1,711,276	1,664,606

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2. Quarterly Consolidated Statements of Income (Consolidated 1st Quarter)

(¥ million)

	Three Months Ended June 30, 2009  (April 1, 2009 to June 30, 2009)	Three Months Ended June 30, 2010  (April 1, 2010 to June 30, 2010)
Revenues		
Operating revenues	22,369	23,656
Interest and dividend income	319	216
Total revenues	<u>22,689</u>	<u>23,872</u>
Expenses		
Selling, general and administrative expenses	15,095	15,461
Financing costs	5,025	4,407
Total expenses	<u>20,121</u>	<u>19,868</u>
Operating income	<u>2,568</u>	<u>4,003</u>
Non-operating revenues		
Gain on allotment of stock	—	159
Gain on sales of investment securities	367	49
Gain on sales of noncurrent assets	—	6
Other	4	2
Total non-operating income	<u>371</u>	<u>216</u>
Non-operating expenses		
Loss on retirement of noncurrent assets	—	6
Equity in losses of affiliates	—	3
Loss on valuation of investments securities	9	—
Other	8	4
Total non-operating expenses	<u>17</u>	<u>14</u>
Ordinary income	<u>2,922</u>	<u>4,205</u>
Extraordinary income	—	—
Extraordinary losses		
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	110
Total extraordinary losses	<u>—</u>	<u>110</u>
Income before income taxes and minority interests	<u>2,922</u>	<u>4,095</u>
Income taxes	<u>1,233</u>	<u>1,790</u>
Income before minority interests	<u>—</u>	<u>2,304</u>
Minority interests	<u>53</u>	<u>28</u>
Net income	<u>1,635</u>	<u>2,275</u>

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### 3. Quarterly Consolidated Cash Flows

(¥ million)

	Three Months Ended June 30, 2009 (April 1, 2009 to June 30, 2009)	Three Months Ended June 30, 2010 (April 1, 2010 to June 30, 2010)
<b>Cash flow from operating activities</b>		
Income before income taxes and minority interests	2,922	4,095
Depreciation	19,826	19,769
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	110
Depreciation of goodwill	330	227
Interest and dividend income	△ 246	△ 160
Interest expense	4,817	4,045
Increase (decrease) in trade receivables (△ represents increase)	49,349	△ 65,517
Increase in investment in direct finance lease (△ represents increase)	△ 16,033	△ 9,472
Increase(decrease) in allowance for doubtful accounts(△ represents decrease)	△ 565	856
Decrease (increase) in allowance for losses on loan guarantees (△ represents decrease)	100	△ 100
Gain(loss) on disposal of equipment for leases (△ represents gain)	473	△ 812
Gain on sale of equipment for lease	10,485	17,484
Acquisition of equipment for lease	△ 27,552	△ 38,713
Increase (decrease) in trade payable (△ represents decrease)	△ 11,904	17,464
Decrease in trade payable of collection under fluidity receivables	△ 57,940	△ 48,852
Increase (decrease) in retirement and severance benefits (△ represents decrease)	△ 7	18
Other	△ 26,254	△ 16,354
Subtotal	△ 52,200	△ 115,909
Income taxes paid	△ 14,348	△ 272
Net cash provided by operating activities	△ 66,548	△ 116,181
<b>Cash flows from investing activities</b>		
Payments into time deposits	—	△ 1,450
Proceeds from withdrawal of time deposits	—	1,700
Purchase from sale of short-term investments	△ 2,198	△ 1,098
Proceeds from sales and repayment of short-term investments	3,500	1,900
Purchase of investments in securities	△ 1,114	△ 1,083
Proceeds from sales and repayment of investment securities	591	187
Purchase of equipment for company use	△ 55	△ 48
Purchase of other intangible fixed assets	△ 223	△ 613
Interest and dividends received	392	308
Other	48	26
Net cash used in investing activities	941	△ 170
<b>Cash flows from financing activities</b>		
Increase(decrease) in short-term bank loans (△ represents decrease)	△ 23,949	229
Increase in commercial paper	31,769	109,787
Proceeds from long-term borrowings	64,874	6,302
Payment of long-term borrowings	△ 22,041	△ 7,484
Issuance of bond	25,635	44,197
Redemption of bond	△ 42,002	△ 31,146
Interest paid	△ 5,184	△ 4,247
Dividends paid to stockholders	△ 2,104	△ 1,753
Other	△ 4	△ 6
Net cash used in financing activities	26,993	115,879
Effect of exchange rate changes on cash and cash equivalents	471	6
Net decrease in cash and cash equivalents	△ 38,143	△ 465
Cash and cash equivalents at beginning of year	251,872	211,157
Cash and cash equivalents at end of the quarter	213,729	210,692

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<Supplementary Information >

1. Change in Quarterly Consolidated Performance

Consolidated Results for the Year Ending March 31, 2011

(¥ million)

Item	Quarter No.	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Three Months Cumulative
		(April 1, 2010 - June 30, 2010)	(July 1, 2010 - September 30, 2010)	(October 1, 2010 - December 31, 2010)	(January 1, 2011 - March 31, 2011)	( April 1, 2010 - June 30, 2010)
Revenues	1	23,872				23,872
Operating revenues	2	23,656				23,656
Interest and dividend income	3	216				216
Expenses	4	19,868				19,868
Selling, general and administrative expenses	5	15,461				15,461
Financing costs	6	4,407				4,407
Operating income	7	4,003				4,003
Non-operating revenues	8	216				216
Non-operating expenses	9	14				14
Ordinary income	10	4,205				4,205
Extraordinary gains/losses	11	△ 110				△ 110
Income before income taxes and minority interests	12	4,095				4,095
Income taxes	13	1,790				1,790
Income before minority interests	14	2,304				2,304
Minority interests	15	28				28
Net income	16	2,275				2,275

Consolidated Results for the Year Ended March 31, 2010

(¥ million)

Item	Quarter No.	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual Cumulative
		(April 1, 2009 - June 30, 2009)	(July 1, 2009 - September 30, 2009)	(October 1, 2009 - December 31, 2009)	(January 1, 2010 - March 31, 2010)	( April 1, 2009 - March 31, 2010)
Revenues	1	22,689	25,028	22,526	25,113	95,357
Operating revenues	2	22,369	24,743	22,276	24,776	94,165
Interest and dividend income	3	319	284	250	337	1,192
Expenses	4	20,121	20,884	19,181	22,276	82,462
Selling, general and administrative expenses	5	15,095	16,014	14,559	18,033	63,703
Financing costs	6	5,025	4,869	4,621	4,242	18,758
Operating income	7	2,568	4,143	3,345	2,837	12,895
Non-operating revenues	8	371	106	53	8	540
Non-operating expenses	9	17	11	12	23	65
Ordinary income	10	2,922	4,238	3,386	2,822	13,370
Extraordinary gains/losses	11	—	—	—	—	—
Income before income taxes and minority interests	12	2,922	4,238	3,386	2,822	13,370
Income taxes	13	1,233	1,724	1,315	724	4,997
Minority interests	14	53	△ 31	89	12	124
Net income	15	1,635	2,546	1,981	2,085	8,248

## 2. Segmented Information by Contract

(1) For the Three Months Ended June 30, 2010 ( April 1, 2010 - June 30, 2010)

(¥ million, %)

	No	Domestic consolidated				Overseas consolidated			Consolidated Total
		Lease	Guarantees	Installments and others	Total	Lease	Installments and others	Total	
Revenues (Composition %) (Y toY Change %)	1	11,806 (50) (13)	1,765 (7) (4)	3,352 (14) (Δ6)	16,925 (71) (8)	2,498 (10) (Δ8)	4,449 (19) (4)	6,947 (29) (Δ0)	23,872 (100) (5)
Volume of business (Composition %) (Y toY Change %)	2	101,560 (28) (Δ13)	37,299 (10) (Δ1)	152,640 (41) (16)	291,500 (79) (2)	17,022 (5) (20)	58,475 (16) (18)	75,497 (21) (18)	366,998 (100) (5)
Trade receivables, loan guarantees and leases (Composition %) (Y toY Change %)	3	1,284,319 (47) (Δ15)	484,902 (18) (Δ1)	626,973 (23) (Δ3)	2,396,196 (88) (Δ10)	97,226 (3) (Δ10)	247,187 (9) (Δ7)	344,414 (12) (Δ7)	2,740,610 (100) (Δ9)

(2) For the Three Months Ended June 30, 2009( April 1, 2009 - June 30, 2009)

(¥ million, %)

	No	Domestic consolidated				Overseas consolidated			Consolidated Total
		Lease	Guarantees	Installments and others	Total	Lease	Installments and others	Total	
Revenues (Composition %) (Y toY Change %)	1	10,442 (46) (Δ11)	1,692 (7) (Δ9)	3,582 (16) (Δ11)	15,718 (69) (Δ11)	2,706 (12) (Δ13)	4,264 (19) (Δ22)	6,970 (31) (Δ19)	22,689 (100) (Δ13)
Volume of business (Composition %) (Y toY Change %)	2	116,392 (33) (Δ26)	37,519 (11) (Δ31)	132,011 (38) (Δ7)	285,923 (82) (Δ19)	14,161 (4) (Δ18)	49,708 (14) (Δ41)	63,869 (18) (Δ37)	349,793 (100) (Δ23)
Trade receivables, loan guarantees and leases (Composition %) (Y toY Change %)	3	1,511,862 (50) (Δ13)	490,694 (16) (Δ10)	648,166 (22) (Δ12)	2,650,723 (88) (Δ12)	107,910 (3) (Δ32)	264,381 (9) (Δ3)	372,291 (12) (Δ14)	3,023,014 (100) (Δ12)

### 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 alliaiances and other items.
- "Installments and others" include installment sales, business loans (including home loans), card services and other items.
- "Guarantees" are not performed in overseas consolidated business.

## 3. Segmented Information by Region

(1) For the Three Months Ended June 30, 2010 ( April 1, 2010 - June 30, 2010)

(¥ million, %)

	No	Japan	Europe and North America	Asia	Consolidated total
Revenues	1	16,925	5,630	1,317	23,872
Operating income	2	2,433	1,154	416	4,003

(¥ million, %)

(2) For the Three Months Ended June 30, 2009 ( April 1, 2009 - June 30, 2009)

	No	Japan	Europe and North America	Asia	Consolidated total
Revenues	1	15,718	5,741	1,229	22,689
Operating income	2	2,182	41	344	2,568

### Notes:

- The classification of country or region is based on similarities in economic activities.
- Principal countries and regions in each category are as follows.
  - Europe and North America: Britain, Ireland, and United States
  - Asia: Singapore, China, Thailand
- The above are the revenues and operating income from external customers.



#### 4. Volume of Business by Product

(¥ million, %)

	No	Three Months Ended June 30, 2009		Three Months Ended June 30, 2010		Y to Y change
			Composition		Composition	
Agricultural equipment & medical and nursing	1	32,194	9.2	26,870	7.3	△ 16.5
Agricultural equipment	2	14,457	4.1	11,546	3.1	△ 20.1
Medical and nursing	3	17,737	5.1	15,323	4.2	△ 13.6
Corporate business	4	111,995	32.0	106,188	28.9	△ 5.2
Information equipment related	5	54,404	15.5	53,026	14.5	△ 2.5
Industrial machinery	6	16,582	4.7	8,922	2.4	△ 46.2
Construction machinery	7	1,284	0.4	906	0.2	△ 29.4
Automobile finance	8	11,073	3.2	12,533	3.4	13.2
Others	9	28,652	8.2	30,800	8.4	7.5
Consumer business	10	33,152	9.5	34,063	9.3	2.7
Automobile business	11	22,665	6.5	23,673	6.4	4.4
Home appliances and home refurbishment	12	4,999	1.4	4,293	1.2	△ 14.1
Home loans	13	5,487	1.6	6,095	1.7	11.1
Overseas finance business	14	63,509	18.2	75,481	20.6	18.9
Finance business	15	240,852	68.9	242,603	66.1	0.7
Card business	16	10,545	3.0	10,874	3.0	3.1
Non-life insurance business	17	1,255	0.4	870	0.2	△ 30.7
Securitization business	18	38,059	10.9	38,114	10.4	0.1
Outsourcing business	19	60,238	17.2	76,016	20.7	26.2
Other financial services	20	110,098	31.5	125,875	34.3	14.3
Elimination and/or corporate	21	△ 1,158	△ 0.4	△ 1,479	△ 0.4	-
Total	22	349,793	100.0	366,998	100.0	4.9

Note: 1. Others shown under "Corporate business" includes commercial facilities, scientific instruments, maintenance services, and other items.

2. "Bridge finance and others" is reclassified from Home loans in Consumer business to Others in Corporate business in this consolidated first quarter period ended June 30, 2010. The retroactive adjustment is made in the same period last year, reflecting the above change.

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## 5. Segmented Information by Business

(Consolidated Revenues)

(¥ million, %)

	No	Three Months Ended June 30, 2009		Three Months Ended June 30, 2010		Y to Y change
			Composition		Composition	
Revenues from financial services	1	10,099	44.5	10,939	45.8	8.3
Farms, agricultural corporations, medical and nursing service providers	2	1,049	4.6	1,289	5.4	22.9
Corporate	3	8,194	36.1	8,561	35.9	4.5
Consumers	4	855	3.8	1,089	4.5	27.3
Revenues from commission services	5	3,349	14.8	3,446	14.4	2.9
Farms, agricultural corporations, medical and nursing service providers	6	424	1.9	413	1.7	△ 2.5
Corporate	7	1,775	7.8	1,837	7.7	3.5
Consumers	8	1,149	5.1	1,195	5.0	4.0
Revenues from supply and sales services	9	2,021	8.9	2,376	10.0	17.6
Corporate	10	2,021	8.9	2,376	10.0	17.6
Domestic consolidated operating revenues	11	15,470	68.2	16,763	70.2	8.4
Overseas consolidated operating revenues	12	6,899	30.4	6,892	28.9	△ 0.1
Consolidated operating revenues	13	22,369	98.6	23,656	99.1	5.8
Interest and dividend income	14	319	1.4	216	0.9	△ 32.2
Consolidated Revenues	15	22,689	100.0	23,872	100.0	5.2

(Consolidated Business Volume)

(¥ million, %)

	No	Three Months Ended June 30, 2009		Three Months Ended June 30, 2010		Y to Y change
			Composition		Composition	
Revenues from financial services	1	126,609	36.2	115,886	31.5	△ 8.5
Farms, agricultural corporations, medical and nursing service providers	2	23,655	6.8	19,352	5.3	△ 18.2
Corporate	3	98,910	28.3	91,580	24.9	△ 7.4
Consumers	4	4,044	1.1	4,953	1.3	22.5
Revenues from commission services	5	145,998	41.7	160,644	43.8	10.0
Farms, agricultural corporations, medical and nursing service providers	6	8,539	2.4	7,517	2.1	△ 12.0
Corporate	7	108,992	31.2	124,401	33.9	14.1
Consumers	8	28,465	8.1	28,725	7.8	0.9
Revenues from supply and sales services	9	13,315	3.8	14,969	4.1	12.4
Corporate	10	13,315	3.8	14,969	4.1	12.4
Domestic consolidated business volume	11	285,923	81.7	291,500	79.4	2.0
Overseas consolidated business volume	12	63,869	18.3	75,497	20.6	18.2
Consolidated business volume	13	349,793	100.0	366,998	100.0	4.9

(Notes)

1. A finance service is based on "products," and includes operating leases and credit with residual value, besides finance leases.
2. Commission services is focused on management and consignment of products, and includes services leveraging our goods management know-how acquired from lease transactions as well as outsourcing business and credit guarantee business, such as collection of accounts receivable and settlement of accounts payable, focusing on the flow of products and making extensive use of our credit and collection capabilities.
3. Supply and sales services is focused on the utility value and circulation of products, and includes rental, auto lease and recycle/reuse transactions.
4. Overseas business includes such businesses as financial leases and auto leases of overseas subsidiaries.
5. "Bridge finance and others" is reclassified from Consumers to Corporate in Financial services in this consolidated first quarter period ended June 30, 2010. The retroactive adjustment is made in the same period last year, reflecting the above change.

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