

This report is solely an English translation of excerpts from the Japanese “*Kessan Tanshin*” (earnings report) filed with the Tokyo Stock Exchange, for the convenience of readers outside Japan. This report has been prepared in conformity with accounting principles and practices generally accepted in Japan, but is unaudited. All amounts rounded down.

Please note that certain figures in this report may differ from those reported in the company’s annual reports, as the consolidated financial statements contained in the latter include certain reclassifications and additional information which is not required under accounting principles generally accepted in Japan.

unaudited

Consolidated Interim Earnings Report

for the Six Months Ended 30th September, 2002

24th October, 2002

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

Stock Code: 8586
 Head Office: Tokyo

Representative Director: Mr. Kaichi Murata, President
 Inquiries: Mr. Akio Ogura, General Manager, CI & Public Relations Dept.
 Phone: 03-3503-2118
 Meeting of the Board of Directors
 for Approval of Interim Results: 24th October, 2002
 Parent Company: Hitachi, Ltd. (Stock Code: 6501)
 Shareholding: 53.7%
 U.S. GAAP: Not Applicable

1. Consolidated Results for the Six Months Ended 30th September, 2002

(1st April, 2002 – 30th September, 2002)

(1) Consolidated Operating Results

(All amounts rounded down)

	Revenues		Operating income	
	¥ million	%	¥ million	%
Six months ended 30th September, 2002	57,867	(11.5)	10,942	(34.6)
Six months ended 30th September, 2001	65,358	42.0	16,735	41.9
Year ended 31st March, 2002	126,017		29,145	

	Net income		Net income per share	Diluted net income per share
	¥ million	%	Yen	Yen
Six months ended 30th September, 2002	6,175	(33.6)	46.14	44.66
Six months ended 30th September, 2001	9,300	41.5	69.30	66.90
Year ended 31st March, 2002	9,017		67.19	65.23

Notes:

1. Volume of business:

Six months ended 30th September, 2002 ¥ 799,316 million
 Six months ended 30th September, 2001 ¥ 884,552 million
 Year ended 31st March, 2002 ¥ 1,738,105 million

2. Equity in earnings of affiliated companies:

Six months ended 30th September, 2002 ¥ 10 million
 Six months ended 30th September, 2001 ¥ 31 million
 Year ended 31st March, 2002 ¥ 52 million

3. Average number of shares of common stock outstanding:

Six months ended 30th September, 2002 133,823,674 shares
 Six months ended 30th September, 2001 134,191,410 shares
 Year ended 31st March, 2002 134,191,249 shares

4. No changes in accounting policy were applicable to the above figures.

5. Percentages for revenues, operating income and net income represent percentage changes from the corresponding period of the previous year.

unaudited

(2) Consolidated Financial Position

	Total assets	Stockholders' equity	Stockholders' equity ratio	Stockholders' equity per share
	¥ million	¥ million	%	Yen
As of 30th September, 2002	1,998,200	228,631	11.4	1,721.03
As of 30th September, 2001	2,188,605	229,428	10.5	1,709.71
As of 31st March 31, 2002	2,081,730	227,759	10.9	1,697.27

Note:

Number of shares issued and outstanding:

As of 30th September, 2002	132,845,536 shares
As of 30th September, 2001	134,191,402 shares
As of 31st March, 2002	134,190,884 shares

(3) Consolidated Cash Flows

(¥ million)

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at end of period
Six months ended 30th September, 2002	75,148	(508)	(112,874)	169,390
Six months ended 30th September, 2001	166,752	(5,323)	(75,105)	359,633
Year ended 31st March, 2002	246,172	(7,731)	(305,017)	207,620

Note: Acquisition of equipment for lease is included in cash flows from operating activities.

(4) Number of Consolidation and Application of Equity Method

Consolidated subsidiaries:	21
Equity-method non-consolidated subsidiaries:	1
Equity-method affiliates:	2

(5) Changes in Consolidated Subsidiaries and Affiliates

Equity method:	New:	1
	Excluded:	1

2. Forecasts for the Year Ending 31st March, 2003

(1st April, 2002 – 31st March, 2003)

	Revenues		Operating income		Net income	
	¥ million	%	¥ million	%	¥ million	%
Fiscal year	116,700	(7.4)	21,000	(27.9)	9,400	4.2

Notes:

- Volume of business ¥1,782,000 million
- Percentages for revenues, operating income and net income represent percentage changes from the corresponding period of the previous year.
Reference: Projected net income per share for the fiscal year, ¥ 70.97

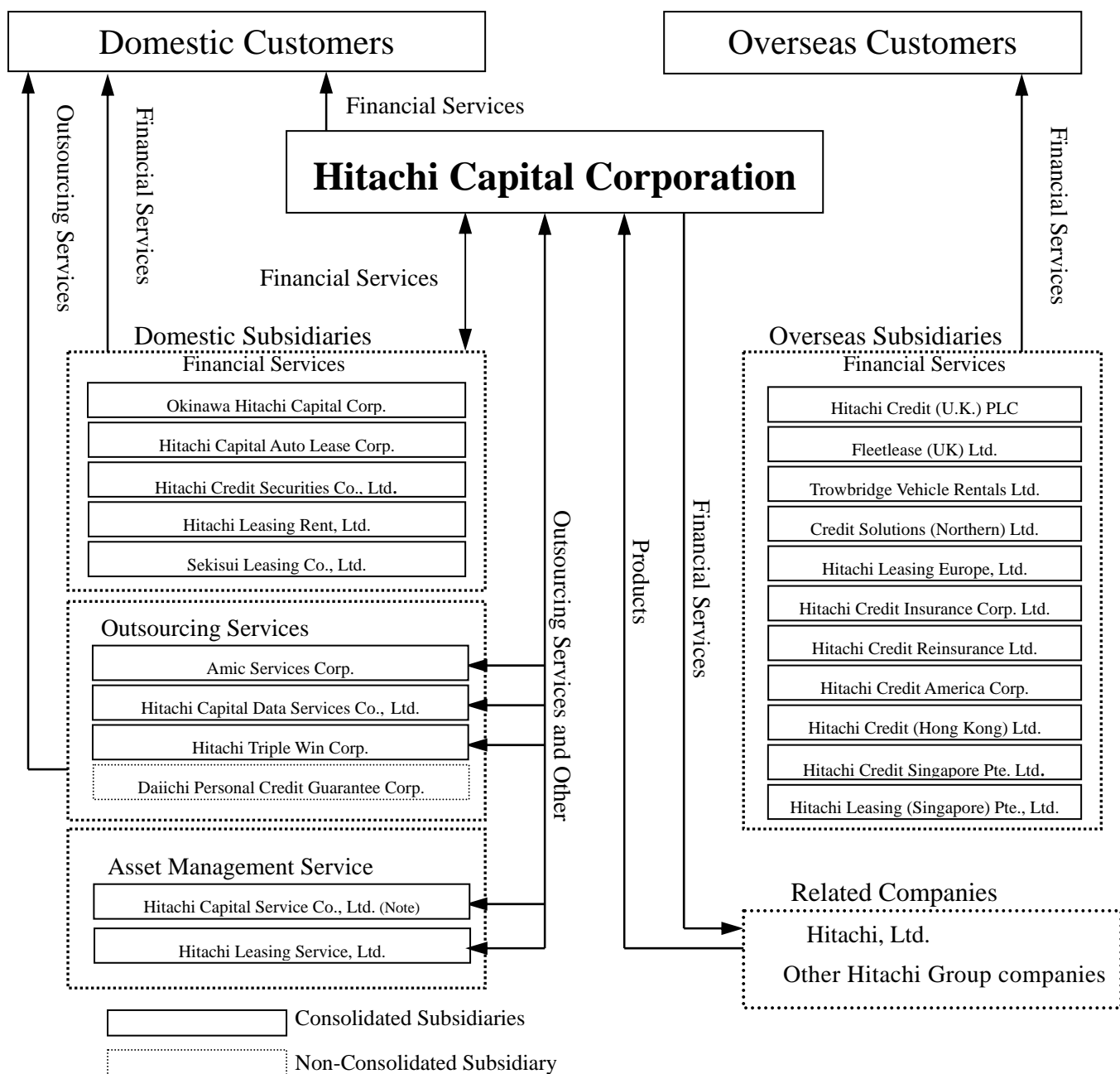
FORWARD-LOOKING STATEMENTS

This interim consolidated earnings report contains forward-looking statements about future plans, strategies, beliefs and performance of Hitachi Capital and its subsidiaries. They are expectations, estimates, forecasts and projections based on information currently available to the Company and are subject to a number of risks, uncertainties and assumptions, which, without limitation, include economic trends, competition in markets where the Company is active, personal consumption, market demand, the tax system and other legislation. As such, actual results may differ materially from those projected.

unaudited

1. Hitachi Capital Group

The Hitachi Capital Group comprises Hitachi Capital Corporation, 21 consolidated subsidiaries, 1 non-consolidated subsidiary and 4 affiliates. Together with our parent company, Hitachi, Ltd., and other related manufacturing and sales companies, the Group serves corporate and individual customers with a diverse line of financial services in Japan and overseas.



Note : Nova Business Service Co., Ltd. changed its corporate name to Hitachi Capital Service Co., Ltd. in July 2002.

Consolidated Balance Sheets

(¥ million, rounded down)

Item	Period	As of 30th September, 2002	As of 30th September, 2001	As of 31st March, 2002
(Assets)				
Current assets		688,059	953,262	769,457
Cash		108,941	358,145	146,809
Trade receivables		455,071	549,973	522,792
Parent company deposit		60,086	-	60,001
Short-term investments		799	5,015	975
Deferred tax assets		8,008	6,959	6,628
Other current assets		65,067	41,611	42,453
Allowance for doubtful accounts		(9,915)	(8,443)	(10,202)
Fixed assets		1,310,140	1,235,343	1,312,272
Property and equipment		1,260,348	1,185,768	1,254,794
Equipment held for leases		1,254,558	1,180,199	1,248,930
Buildings and structures		1,744	1,921	1,946
Machinery, equipment and vehicles		1,191	778	937
Furniture and fixtures		1,378	1,302	1,405
Land		1,475	1,565	1,573
Intangible fixed assets		5,692	4,076	5,190
Investments and other assets		44,099	45,498	52,287
Investments in securities		6,741	8,401	6,239
Long-term loans		5,000	14,900	14,900
Deferred tax assets		11,688	8,158	12,642
Other assets		24,016	14,038	22,043
Allowance for doubtful accounts		(3,346)	-	(3,537)
Total assets		1,998,200	2,188,605	2,081,730

unaudited

(¥ million, rounded down)

Item	Period	As of 30th September, 2002	As of 30th September, 2001	As of 31st March, 2002
(Liabilities)				
Current liabilities		786,240	856,699	794,284
Trade payables		219,399	237,425	225,018
Short-term bank loans		135,518	236,352	176,874
Commercial paper		85,772	88,070	65,603
Current portion of long-term debt		79,645	90,044	72,342
Short-term obligation for securitization of lease receivables		-	3,100	-
Current portion of long-term obligation for securitization of lease receivables		202,347	136,719	190,569
Income taxes payable		4,719	8,651	5,885
Deferred tax liabilities		757	548	722
Reserve for loan guarantees		3,100	6,000	3,100
Other current liabilities		54,979	49,786	54,167
Long-term liabilities		978,990	1,098,564	1,055,793
Bonds		363,592	416,937	391,606
Convertible bonds		9,148	9,148	9,148
Long-term debt		293,239	380,533	350,784
Long-term obligation for securitization of lease receivables		295,174	276,775	288,599
Retirement and severance benefits		7,462	5,986	6,270
Retirement benefits for directors		767	717	833
Other fixed liabilities		9,606	8,466	8,551
Total liabilities		1,765,230	1,955,264	1,850,078
(Minority interests)				
Minority interests		4,337	3,912	3,892
(Stockholders' equity)				
Common stock		9,459	9,459	9,459
Capital surplus		45,448	45,448	45,448
Retained earnings		176,317	175,210	172,780
Net unrealized holding gain on investments in securities		493	429	353
Foreign currency translation adjustments		(837)	(1,119)	(282)
Treasury stock		(2,250)	(0)	(1)
Total stockholders' equity		228,631	229,428	227,759
Total liabilities, minority interests and stockholders' equity		1,998,200	2,188,605	2,081,730

unaudited

Consolidated Statements of Income

(¥ million, rounded down)

Item	Period	Six months ended		
		30th September, 2002	30th September, 2001	Year ended 31st March, 2002
Revenues		57,867	65,358	126,017
Operating revenues		56,967	63,930	123,458
Interest and dividend income		116	275	624
Other income		783	1,152	1,935
Expenses		46,925	48,623	96,872
Selling, general and administrative expenses		29,529	28,103	56,928
Financing costs		14,928	18,360	34,871
Other expenses		2,468	2,158	5,072
Operating income		10,942	16,735	29,145
Extraordinary gains		562	-	-
Gain on return of substituted portion of governmental welfare pension fund		562	-	-
Extraordinary losses		-	-	11,348
Loss on restructuring of overseas business		-	-	8,469
Loss on impairment of securities		-	-	2,879
Income before income taxes and minority interests		11,504	16,735	17,796
Income taxes		5,465	8,092	11,547
Deferred income taxes		(520)	(891)	(2,730)
Minority interests		384	233	(37)
Net income		6,175	9,300	9,017

Consolidated Statements of Capital Surplus and Retained Earnings

(¥ million, rounded down)

Item	Period	Six months ended		
		30th September, 2002	30th September, 2001	Year ended 31st March, 2002
(Capital surplus)				
. Balance, beginning of period		45,448	45,448	45,448
. Increase		-	-	-
. Decrease		-	-	-
. Balance, end of period		45,448	45,448	45,448
(Retained earnings)				
. Balance, beginning of period		172,780	168,559	168,559
. Increase		6,175	9,300	9,017
Net income		6,175	9,300	9,017
. Appropriations		2,638	2,648	4,795
Cash dividends		2,415	2,415	4,562
Directors' bonuses		200	233	233
Decrease arising from exclusion of equity-method affiliates		22	-	-
. Balance, end of period		176,317	175,210	172,780

Note: Amended guidelines for the preparation of consolidated financial statements have been applied to financial statements for the interim period ended 30th September, 2002, and retroactively applied to financial statements for the six months ended 30th September, 2001 and for the year ended 31st March, 2002.

unaudited

Consolidated Statements of Cash Flows

(¥ million, rounded down)

Item	Period	Six months ended		Six months ended		Year ended	
		30th September, 2002		30th September, 2001		31st March, 2002	
. Cash flows from operating activities							
Income before income taxes and minority interests			11,504		16,735		17,796
Non-cash items							
Depreciation		222,765		205,000		414,121	
Gain on return of the substituted portion of governmental welfare pension fund		(562)		-		-	
Loss on restructuring of overseas business		-		-		8,469	
Impairment of securities		-		-		2,879	
Other		43	222,247	762	205,763	237	425,707
Investment and finance items							
Interest and dividend income		(116)		(275)		(624)	
Interest expenses		13,706		17,184		32,462	
Loss (gain) on sale of securities		-		(320)		2,340	
Other		(142)	13,447	178	16,767	338	34,517
Changes in assets and liabilities							
Decrease (increase) in trade receivables		(3,221)		(22,592)		52,769	
Cash provided by asset backed securitization		430,199		602,606		971,596	
Payment for asset backed securitization		(348,922)		(336,109)		(684,628)	
Increase (decrease) in allowance for losses on receivables and guarantees		(160)		13		1,875	
Loss (gain) on sale of equipment for lease		(672)		(209)		236	
Acquisition of equipment for lease		(264,277)		(291,224)		(549,306)	
Proceeds from sale of equipment for lease		30,212		24,726		46,976	
Increase (decrease) in trade payables		(5,721)	(162,564)	(37,959)	(60,750)	(52,786)	(213,266)
Other							
Increase in retirement and severance benefits		1,192		141		426	
Decrease in other assets and liabilities		(4,567)	(3,375)	(5,089)	(4,948)	(5,876)	(5,449)
Subtotal			81,259		173,565		259,306
Income taxes paid			(6,111)		(6,813)		(13,133)
Net cash provided by operating activities			75,148		166,752		246,172
. Cash flows from investing activities							
Purchase of short-term investments			(613)		(4,725)		(4,309)
Proceeds from sale of short-term investments			342		4,819		5,203
Purchase of investments in securities and subsidiaries' common stock			(268)		(5,322)		(7,044)
Proceeds from sale of investments in securities			-		965		965
Capital expenditures			(320)		(1,366)		(3,203)
Proceeds from sale of capital assets			234		29		27
Interest and dividends received			116		275		628
Net cash used in investing activities			(508)		(5,323)		(7,731)
. Cash flows from financing activities							
Decrease in short-term bank loans			(19,021)		(14,357)		(80,877)
Increase (decrease) in commercial paper			21,379		(24,021)		(52,244)
Proceeds from long-term debt			16,284		28,255		16,491
Payment of long-term debt			(91,281)		(98,845)		(153,141)
Issuance of bonds			20,000		72,519		95,200
Redemption of bonds			(38,557)		(12,361)		(87,684)
Bond issuance expenses			(157)		(167)		(324)
Interest paid			(16,709)		(23,575)		(37,668)
Purchase of treasury stock			(2,248)		0		0
Dividends paid to stockholders			(2,415)		(2,415)		(4,562)
Dividends paid to minority stockholders of subsidiaries			(147)		(137)		(206)
Net cash used in financing activities			(112,874)		(75,105)		(305,017)
. Effect of exchange rate changes on cash and cash equivalents			5		(58)		829
. Net increase (decrease) in cash and cash equivalents			(38,230)		86,267		(65,746)
. Cash and cash equivalents at beginning of period			207,620		273,366		273,366
. Cash and cash equivalents at end of period			169,390		359,633		207,620

unaudited