

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 Earnings Report

for the Year Ended 31st March, 2003

24th April, 2003

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, Corporate Planning & Development Division, CI & Public Relations Dept.
 Phone: 03-3503-2118
 Meeting of the Board of Directors for Approval of Results: 24th April, 2003
 Parent Company: Hitachi, Ltd. (Stock Code: 6501)
 Shareholding (including subsidiaries of Hitachi, Ltd.): 55.2%
 U.S. GAAP: Not Applicable

1. Consolidated Results for Year Ended 31st March, 2003

(1st April, 2002 – 31st March, 2003)

(1) Consolidated Operating Results (All amounts rounded down)

	Revenues		Operating income (Ordinary income)	
	¥ million	%	¥ million	%
Year ended 31st March, 2003	114,548	(9.1)	21,087	(27.6)
Year ended 31st March, 2002	126,017	14.8	29,145	8.6

	Net income		Net income per share	Diluted net income per share	Ratio of net income to stockholders' equity	Ratio of operating income to total assets	Ratio of operating income to revenues
	¥ million	%	Yen	Yen	%	%	%
Year ended 31st March, 2003	8,961	(0.6)	66.29	64.34	4.0	1.0	18.4
Year ended 31st March, 2002	9,017	(38.8)	67.19	65.23	4.0	1.4	23.1

Notes:

1. Volume of business:

Year ended 31st March, 2003 ¥ 1,746,946 million

Year ended 31st March, 2002 ¥ 1,738,105 million

2. Equity in earnings of affiliated companies:

Year ended 31st March, 2003 ¥ 21 million

Year ended 31st March, 2002 ¥ 52 million

3. Average number of shares of common stock outstanding:

Year ended 31st March, 2003 132,259,409 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 previous year.

6. Net income per share and diluted net income per share for the year ended 31st March, 2002 calculated using the same standards as in the year ended 31st March, 2003 (Accounting Standard No.2, "Accounting Standard for Earnings Per Share") were ¥ 65.69 and ¥ 63.80, respectively.

unaudited

(2) Consolidated Financial Position

	Total assets	Stockholders' equity	Stockholders' equity ratio	Stockholders' equity per share
	¥ million	¥ million	%	Yen
As of 31st March 31, 2003	2,017,889	222,788	11.0	1,729.87
As of 31st March 31, 2002	2,081,730	227,759	10.9	1,697.27

Notes:

- Number of shares issued and outstanding:

As of 31st March 31, 2003	128,676,898 shares
As of 31st March 31, 2002	134,190,884 shares
- Stockholders' equity per share as of 31st March, 2002 calculated using the same standards as in the year ended 31st March 2003 (Accounting Standard No.2, "Accounting Standard for Earnings Per Share") was ¥ 1,695.78.

(3) Consolidated Cash Flows

(¥ million)

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at end of year
Year ended 31st March, 2003	43,276	(5,196)	(113,672)	132,573
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) Scope of Consolidation and Application of Equity Method

Consolidated subsidiaries:	22
Equity-method non-consolidated subsidiaries:	1
Equity-method affiliates:	2

(5) Changes in Consolidated Subsidiaries and Affiliates

Consolidated subsidiaries:	New:	2
	Excluded:	1
Equity method:	New:	1
	Excluded:	1

2. Forecasts for the Year Ending 31st March, 2004

(1st April, 2003 – 31st March, 2004)

	Revenues		Operating income (Ordinary income)		Net income	
	¥ million	%	¥ million	%	¥ million	%
Interim	57,000	(1.5)	10,300	(5.9)	5,300	(14.2)
Fiscal year	114,300	(0.2)	21,000	(0.4)	11,000	22.8

Notes:

- Volume of business:

Interim:	¥ 852,000 million
Fiscal year:	¥ 1,750,000 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, ¥ 85.48

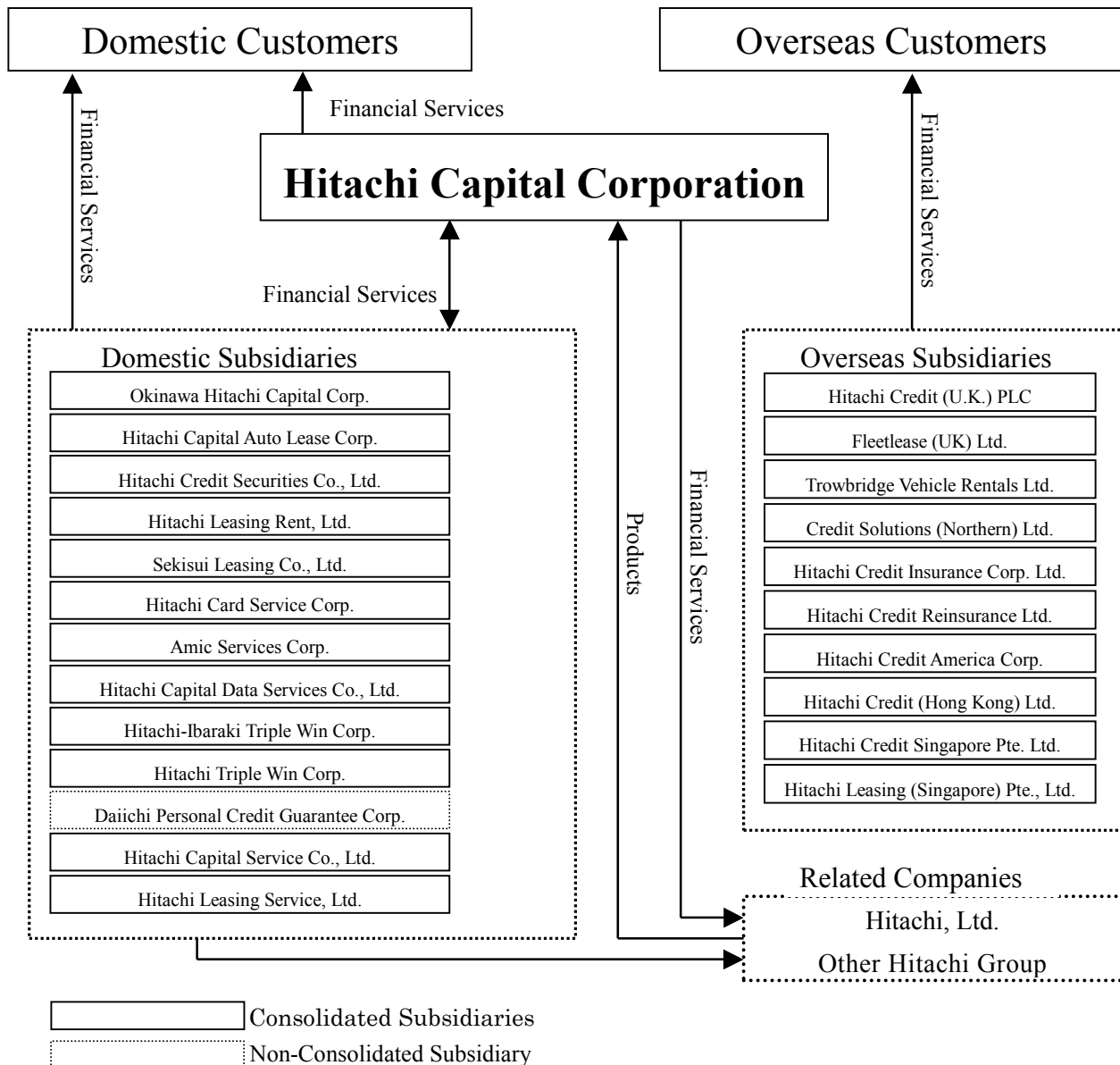
FORWARD-LOOKING STATEMENTS

This 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

Hitachi Capital Group

The Hitachi Capital Group comprises Hitachi Capital Corporation, 22 consolidated subsidiaries, 1 non-consolidated subsidiary and 3 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.



Notes:

1. Hitachi Capital Corporation absorbed Hitachi Leasing Rent, Ltd. on 1st April, 2003.
2. Hitachi Card Service Corporation was established on 1st October, 2002.
3. Hitachi-Ibaraki Triple Win Corporation became a consolidated subsidiary of Hitachi Capital Corporation on 13th February, 2003.
4. Hitachi Triple Win Corporation absorbed Hitachi-Ibaraki Triple Win Corporation on 1st April, 2003.
5. Nova Business Service Co., Ltd. changed its corporate name to Hitachi Capital Service Co., Ltd. on 1st July, 2002.
6. Hitachi Capital Service Co., Ltd. and Hitachi Leasing Service, Ltd. are scheduled to merge on 1st July, 2003.

Consolidated Balance Sheets

(¥ million, rounded down)

Period	As of	As of
Item	31st March, 2003	31st March, 2002
(Assets)		
Current assets	628,624	769,457
Cash	72,357	146,809
Trade receivables	437,434	522,792
Parent company deposit	59,760	60,001
Short-term investments	1,300	975
Deferred tax assets	8,105	6,628
Other current assets	60,374	42,453
Allowance for doubtful accounts	(10,708)	(10,202)
Fixed assets	1,389,265	1,312,272
Property and equipment	1,345,820	1,254,794
Equipment held for leases	1,339,905	1,248,930
Buildings and structures	1,753	1,946
Machinery, equipment and vehicles	1,253	937
Furniture and fixtures	1,432	1,405
Land	1,475	1,573
Intangible fixed assets	7,477	5,190
Investments and other assets	35,967	52,287
Investments in securities	4,717	6,239
Long-term loans	4,150	14,900
Deferred tax assets	11,596	12,642
Other assets	17,558	22,043
Allowance for doubtful accounts	(2,055)	(3,537)
Total assets	2,017,889	2,081,730

unaudited

(¥ million, rounded down)

Item	Period	As of 31st March, 2003	As of 31st March, 2002
(Liabilities)			
Current liabilities		855,526	794,284
Trade payables		238,175	225,018
Short-term bank loans		124,088	176,874
Commercial paper		125,920	65,603
Current portion of bonds		102,662	72,342
Current portion of long-term obligation for securitization of lease receivables		202,943	190,569
Income taxes payable		3,618	5,885
Deferred tax liabilities		1,051	722
Reserve for loan guarantees		3,300	3,100
Other current liabilities		53,766	54,167
Long-term liabilities		934,957	1,055,793
Bonds		366,938	391,606
Convertible bonds		9,148	9,148
Long-term debt		253,818	350,784
Long-term obligation for securitization of lease receivables		288,534	288,599
Retirement and severance benefits		6,194	6,270
Retirement benefits for directors		1,026	833
Other fixed liabilities		9,297	8,551
Total liabilities		1,790,484	1,850,078
(Minority interests)			
Minority interests		4,617	3,892
(Stockholders' equity)			
Common stock		9,459	9,459
Capital surplus		45,448	45,448
Retained earnings		176,977	172,780
Net unrealized holding gain on investments in securities		21	353
Foreign currency translation adjustments		(986)	(282)
Treasury stock		(8,133)	(1)
Total stockholders' equity		222,788	227,759
Total liabilities, minority interests and stockholders' equity		2,017,889	2,081,730

unaudited

Consolidated Statements of Income

(¥ million, rounded down)

Item	Period	Year ended 31st March, 2003	Year ended 31st March, 2002
Revenues		114,548	126,017
Operating revenues		112,359	123,458
Interest and dividend income		262	624
Other income		1,926	1,935
Expenses		93,460	96,872
Selling, general and administrative expenses		60,975	56,928
Financing costs		28,268	34,871
Other expenses		4,217	5,072
Operating income		21,087	29,145
Extraordinary gains		562	-
Gain on return of substituted portion of governmental welfare pension fund		562	-
Extraordinary losses		3,841	11,348
Loss on revision of retirement benefit plan		3,841	-
Loss on restructuring of overseas business		-	8,469
Loss on impairment of securities		-	2,879
Income before income taxes and minority interests		17,807	17,796
Income taxes		7,987	11,547
Deferred income taxes		79	(2,730)
Minority interests		779	(37)
Net income		8,961	9,017

Consolidated Statements of Capital Surplus and Retained Earnings

(¥ million, rounded down)

Item	Period	Year ended 31st March, 2003	Year ended 31st March, 2002
(Capital surplus)			
. Balance, beginning of period		45,448	45,448
. Increase		-	-
. Decrease		-	-
. Balance, end of period		45,448	45,448
(Retained earnings)			
. Balance, beginning of period		172,780	168,559
. Increase		8,961	9,017
Net income		8,961	9,017
. Appropriations		4,764	4,795
Cash dividends		4,540	4,562
Directors' bonuses		200	233
Decrease arising from exclusion of equity-method affiliates		22	-
. Balance, end of period		176,977	172,780

Note: Amended guidelines for the preparation of consolidated financial statements have been applied to financial statements for the period ended 31st March, 2003, and retroactively applied to financial statements for the year ended 31st March, 2002.

unaudited

Consolidated Statements of Cash Flows

(¥ million, rounded down)

Item	Period	Year ended		Year ended	
		31st March, 2003		31st March, 2002	
. Cash flows from operating activities					
Income before income taxes and minority interests			17,807		17,796
Non-cash items					
Depreciation		459,253		414,121	
Gain on return of the substituted portion of governmental welfare pension fund		(562)		-	
Loss on revision of retirement benefit plan		3,841		-	
Loss on restructuring of overseas business		-		8,469	
Impairment of securities		-		2,879	
Other		(190)	462,342	237	425,707
Investment and finance items					
Interest and dividend income		(262)		(624)	
Interest expenses		26,021		32,462	
Loss (gain) on sale of securities		64		2,340	
Other		80	25,904	338	34,517
Changes in assets and liabilities					
Decrease in trade receivables		11,451		52,769	
Cash provided by asset backed securitization		856,115		971,596	
Payment for asset backed securitization		(712,068)		(684,628)	
Increase (decrease) in allowance for losses on receivables and guarantees		(375)		1,875	
Loss on sale of equipment for lease		4,540		236	
Acquisition of equipment for lease		(675,155)		(549,306)	
Proceeds from sale of equipment for lease		55,457		46,976	
Increase (decrease) in trade payables		13,311	(446,723)	(52,786)	(213,266)
Other					
Increase (decrease) in retirement and severance benefits		(75)		426	
Decrease in other assets and liabilities		(5,643)	(5,719)	(5,876)	(5,449)
Subtotal			53,611		259,306
Income taxes paid			(10,334)		(13,133)
Net cash provided by operating activities			43,276		246,172
. Cash flows from investing activities					
Purchase of short-term investments			(1,677)		(4,309)
Proceeds from sale of short-term investments			998		5,203
Purchase of investments in securities and subsidiaries' common stock			(673)		(7,044)
Proceeds from sale of investments in securities			1,184		965
Capital expenditures			(5,777)		(3,203)
Proceeds from sale of capital assets			631		27
Interest and dividends received			116		628
Net cash used in investing activities			(5,196)		(7,731)
. Cash flows from financing activities					
Decrease in short-term bank loans			(23,423)		(80,877)
Increase (decrease) in commercial paper			61,690		(52,244)
Proceeds from long-term debt			23,444		16,491
Payment of long-term debt			(144,244)		(153,141)
Issuance of bonds			80,871		95,200
Redemption of bonds			(71,878)		(87,684)
Bond issuance expenses			(374)		(324)
Interest paid			(26,859)		(37,668)
Purchase of treasury stock			(8,131)		(0)
Dividends paid to stockholders			(4,540)		(4,562)
Dividends paid to minority stockholders of subsidiaries			(225)		(206)
Net cash used in financing activities			(113,672)		(305,017)
. Effect of exchange rate changes on cash and cash equivalents			546		829
. Net decrease in cash and cash equivalents			(75,046)		(65,746)
. Cash and cash equivalents at beginning of period			207,620		273,366
. Cash and cash equivalents at end of period			132,573		207,620

unaudited