

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 are rounded down.

Please note that certain figures in the English translation of the company’s earnings reports 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.

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Consolidated Earnings Report

for the Year Ended 31st March, 2004

22nd April, 2004

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: Ms. Kyoko Ookubo, General Manager, Corporate Planning & Development Division, CI & Public Relations Dept.
 Phone: 03-3503-2118
 Meeting of the Board of Directors for Approval of Results: 22nd April, 2004
 Parent Company: Hitachi, Ltd. (Stock Code: 6501)
 Shareholding (including subsidiaries of Hitachi, Ltd.): 58.8%
 U.S. GAAP: Not Applicable

1. Consolidated Results for the Year Ended 31st March, 2004 (1st April, 2003 – 31st March, 2004)

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

	Revenues		Operating income (Ordinary income)	
	¥ million	%	¥ million	%
Year ended 31st March, 2004	109,494	(4.4)	21,698	2.9
Year ended 31st March, 2003	114,548	(9.1)	21,087	(27.6)

	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, 2004	7,532	(15.9)	59.04	57.29	3.4	1.0	19.8
Year ended 31st March, 2003	8,961	(0.6)	66.29	64.34	4.0	1.0	18.4

Notes:

1. Volume of business:

Year ended 31st March, 2004 ¥ 1,822,794 million

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

2. Equity in (losses) earnings of affiliated companies:

Year ended 31st March, 2004 ¥ (157) million

Year ended 31st March, 2003 ¥ 21 million

3. Average number of shares of common stock outstanding:

Year ended 31st March, 2004 125,829,209 shares

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

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(2) Consolidated Financial Position

	Total assets	Stockholders' equity	Stockholders' equity ratio	Stockholders' equity per share
	¥ million	¥ million	%	Yen
31st March, 2004	2,151,270	215,522	10.0	1,783.11
31st March, 2003	2,017,889	222,788	11.0	1,729.87

Note: Number of shares issued and outstanding:

31st March 31, 2004 120,811,018 shares

31st March 31, 2003 128,676,898 shares

(3) Consolidated Cash Flows

(¥ million)

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at end of year
Year ended 31st March, 2004	49,750	(2,676)	(55,877)	123,262
Year ended 31st March, 2003	43,276	(5,196)	(113,672)	132,573

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: 20

Equity-method non-consolidated subsidiaries: 1

Equity-method affiliates: 3

(5) Changes in Consolidated Subsidiaries and Affiliates

Consolidated subsidiaries: New: 1

Excluded: 3

Equity method: New: 1

2. Forecasts for the Year Ending 31st March, 2005

(1st April, 2004 – 31st March, 2005)

	Revenues		Operating income (Ordinary income)		Net income	
	¥ million	%	¥ million	%	¥ million	%
Interim	55,000	(0.1)	10,500	1.3	5,500	2.4
Fiscal year	110,500	0.9	22,000	1.4	11,600	54.0

Notes:

1. Volume of business:

Interim: ¥ 909,000 million

Fiscal year: ¥ 1,846,000 million

2. 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, ¥95.16

FORWARD-LOOKING STATEMENTS

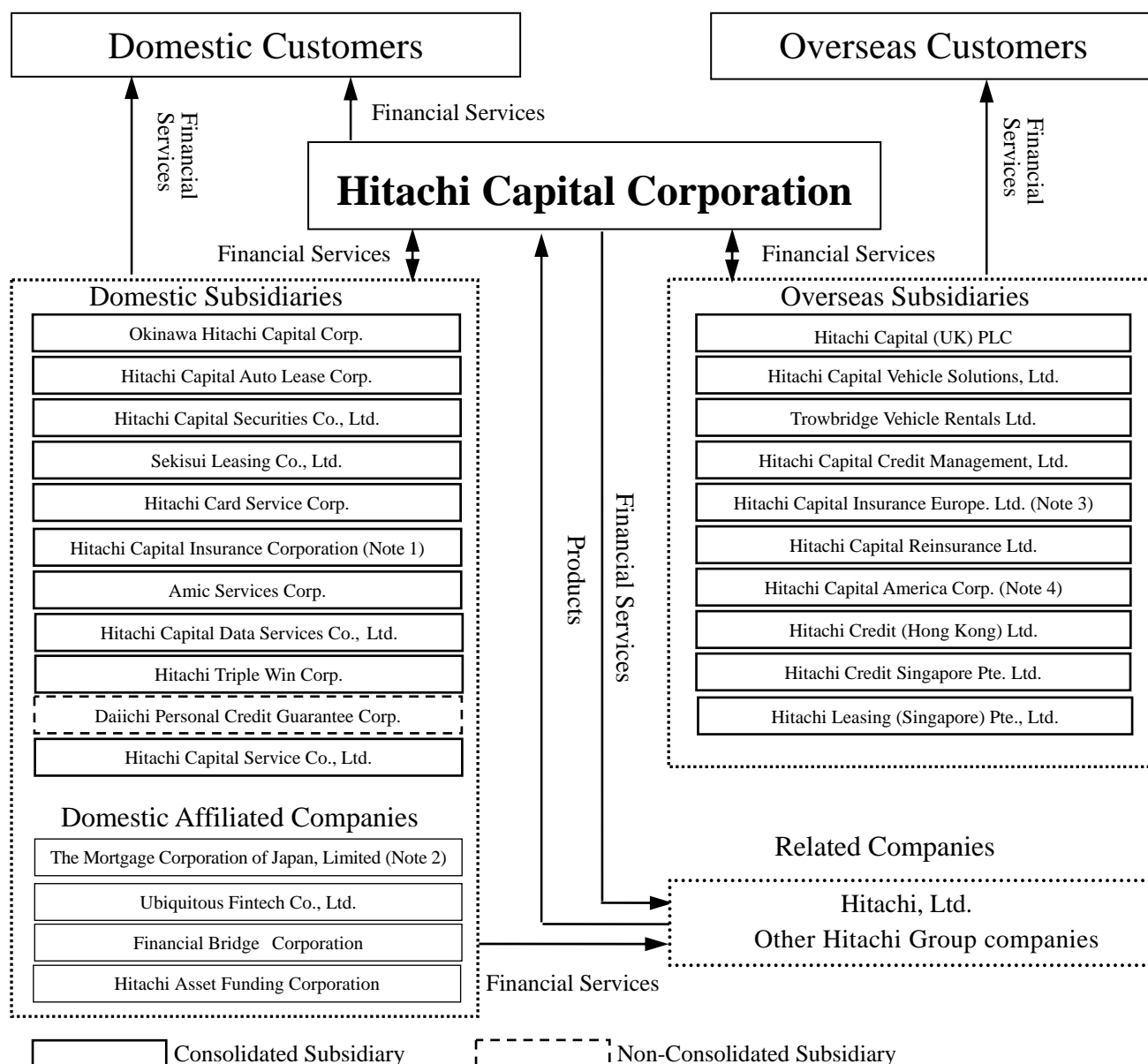
This consolidated earnings report contains forward-looking statements about future plans, strategies, beliefs and performance of Hitachi Capital and its subsidiaries. They are expectations, estimates, forecasts and projections based on information currently available to the Company and are subject to 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.

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1. Hitachi Capital Group

The Hitachi Capital Group comprises Hitachi Capital Corporation, 20 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.

The following organizational chart represents the business activities of the Hitachi Capital Group.



Notes :

1. On 15th January, 2004, Hitachi Capital Corporation purchased shares in UNUM Japan Accident Insurance Co., Ltd., making the company a consolidated subsidiary. On 1st April, 2004, the subsidiary changed its name to Hitachi Capital Insurance Corporation.
2. The Mortgage Corporation of Japan, Limited was established on 14th May, 2003.
3. Hitachi Capital Insurance Corp. Ltd. changed its name to Hitachi Capital Insurance Europe, Ltd. on 30th March, 2004.
4. Hitachi Credit America Corp. changed its name to Hitachi Capital America Corp. on 1st March, 2004.

Consolidated Balance Sheets

(¥ million, rounded down)

Item	Period		
		31st March, 2004	31st March, 2003
(Assets)			
Current assets		682,269	628,624
Cash		39,222	72,357
Trade receivables		497,138	437,434
Parent company deposit		84,037	59,760
Short-term investments		1,206	1,300
Deferred tax assets		8,537	8,105
Other assets		61,400	60,374
Allowance for doubtful accounts		(9,272)	(10,708)
Fixed assets		1,469,001	1,389,265
Property and equipment		1,171,464	1,103,455
Equipment held for leases		1,165,177	1,097,540
Buildings and structures		1,540	1,753
Machinery, equipment and vehicles		1,441	1,253
Furniture and fixtures		1,895	1,432
Land		1,409	1,475
Intangible assets		263,762	249,842
Intangible assets for leases		254,953	242,364
Other assets		8,809	7,477
Investments and other assets		33,773	35,967
Investments in securities		8,763	4,717
Long-term loans		-	4,150
Deferred tax assets		6,839	11,596
Other assets		18,235	17,558
Allowance for doubtful accounts		(64)	(2,055)
Total assets		2,151,270	2,017,889

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(¥ million, rounded down)

Item	Period	31st March, 2004	31st March, 2003
(Liabilities)			
Current liabilities		999,632	855,526
Trade payables		269,045	238,175
Short-term bank loans		142,605	124,088
Commercial paper		182,663	125,920
Current portion of bonds		105,637	102,662
Current portion of long-term obligation for securitization of lease receivables		227,300	202,943
Income taxes payable		2,756	3,618
Deferred tax liabilities		1,290	1,051
Reserve for loan guarantees		3,796	3,300
Other liabilities		64,537	53,766
Long-term liabilities		931,491	934,957
Bonds		351,631	366,938
Convertible bonds		-	9,148
Long-term debt		174,394	253,818
Long-term obligation for securitization of lease receivables		385,540	288,534
Deferred tax liabilities		46	0
Retirement and severance benefits		5,370	6,194
Retirement benefits for directors		950	1,026
Reserve for insurance contracts		3,293	-
Other liabilities		10,263	9,297
Total liabilities		1,931,124	1,790,484
(Minority interests)			
Minority interests		4,623	4,617
(Stockholders' equity)			
Common stock		9,459	9,459
Capital surplus		45,448	45,448
Retained earnings		180,234	176,977
Net unrealized holding gain on investments in securities		1,732	21
Foreign currency translation adjustments		(1,302)	(986)
Treasury stock		(20,050)	(8,133)
Total stockholders' equity		215,522	222,788
Total liabilities, minority interests and stockholders' equity		2,151,270	2,017,889

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Consolidated Statements of Income

(¥ million, rounded down)

Item	Period	For the year ended 31st March, 2004	For the year ended 31st March, 2003
Revenues		109,494	114,548
Operating revenues		107,184	112,359
Interest and dividend income		240	262
Other income		2,068	1,926
Expenses		87,795	93,460
Selling, general and administrative expenses		61,235	60,975
Financing costs		23,298	28,268
Other expenses		3,261	4,217
Operating income		21,698	21,087
Extraordinary gains		-	562
Gain on return of substituted portion of governmental welfare pension fund		-	562
Extraordinary losses		6,590	3,841
Loss on reorganization of auto loan business		6,590	-
Loss on revision of retirement benefit plan		-	3,841
Income before income taxes and minority interests		15,108	17,807
Income taxes		3,490	7,987
Deferred income taxes		3,443	79
Minority interests		641	779
Net income		7,532	8,961

Consolidated Statements of Capital Surplus and Retained Earnings

(¥ million, rounded down)

Item	Period	For the year ended 31st March, 2004	For the year ended 31st March, 2003
(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		176,977	172,780
. Increase		7,532	8,961
Net income		7,532	8,961
. Appropriations		4,275	4,764
Cash dividends		4,082	4,540
Directors' bonuses		193	200
Loss on disposal of treasury stock		0	-
Decrease arising from exclusion of equity-method affiliates		-	22
. Balance, end of period		180,234	176,977

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Consolidated Statements of Cash Flows

(¥ million, rounded down)

Item	Period	For the year ended		For the year ended	
		31st March, 2004		31st March, 2003	
. Cash flows from operating activities					
Income before income taxes and minority interests			15,108		17,807
Non-cash items					
Depreciation		476,920		459,253	
Loss on reorganization of auto loan business		6,590		-	
Gain on return of the substituted portion of governmental welfare pension fund		-		(562)	
Loss on revision of retirement benefit plan		-		3,841	
Other		491	484,002	(190)	462,342
Investment and finance items					
Interest and dividend income		(240)		(262)	
Interest expenses		21,240		26,021	
Loss (gain) on sale of securities		(319)		64	
Other		631	21,311	80	25,904
Changes in assets and liabilities					
(Increase) decrease in trade receivables		(125,553)		11,451	
Cash provided by asset backed securitization		880,560		856,115	
Payment for asset backed securitization		(726,363)		(712,068)	
Decrease in allowance for losses on receivables and guarantees		(2,577)		(375)	
Loss on sale of equipment for leases		4,401		4,540	
Acquisition of equipment for leases		(589,823)		(675,155)	
Proceeds from sale of equipment for leases		60,343		55,457	
Increase in trade payables		24,157	(474,853)	13,311	(446,723)
Other					
Decrease in retirement and severance benefits		(901)		(75)	
Increase (decrease) in other assets and liabilities		9,323	8,421	(5,643)	(5,719)
Subtotal			53,989		53,611
Income taxes paid			(4,239)		(10,334)
Net cash provided by operating activities			49,750		43,276
. Cash flows from investing activities					
Purchase of short-term investments			(981)		(1,677)
Proceeds from sale of short-term investments			1,734		998
Purchase of investments in securities and subsidiaries' common stock			(123)		(673)
Proceeds from sale of investments in securities			350		1,184
Capital expenditures			(4,236)		(5,777)
Proceeds from sale of capital assets			76		631
Interest and dividends received			403		116
Proceeds from cancellation of swap agreements			100		-
Net cash used in investing activities			(2,676)		(5,196)
. Cash flows from financing activities					
Increase (decrease) in short-term bank loans			18,391		(23,423)
Increase in commercial paper			58,208		61,690
Proceeds from long-term debt			30,054		23,444
Payment of long-term debt			(103,886)		(144,244)
Issuance of bonds			84,453		80,871
Redemption of bonds			(104,215)		(71,878)
Bond issuance expenses			(376)		(374)
Interest paid			(22,256)		(26,859)
Purchase of treasury stock			(11,917)		(8,131)
Sale of treasury stock			0		-
Dividends paid to stockholders			(4,082)		(4,540)
Dividends paid to minority stockholders of subsidiaries			(250)		(225)
Net cash used in financing activities			(55,877)		(113,672)
. Effect of exchange rate changes on cash and cash equivalents			(509)		546
. Net decrease in cash and cash equivalents			(9,311)		(75,046)
. Cash and cash equivalents at beginning of year			132,573		207,620
. Cash and cash equivalents at end of year			123,262		132,573

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Supplementary Information

1. Segment Information

(1) For the Year Ended 31st March, 2004 (1st April, 2003 — 31st March, 2004)

(¥ million, rounded down)

	No	Finance		Other financial services		Total		Elimination and/or corporate	Consolidated	
			Change (%)		Change (%)		Change (%)			Change (%)
Revenues (Composition %)	1	101,840 87	95	15,461 13	121	117,302 100	97	(7,807)	109,494	96
Expenses	2	79,260	94	13,464	120	92,724	97	(4,929)	87,795	94
Operating income (Composition %)	3	22,579 92	96	1,997 8	128	24,577 100	98	(2,878)	21,698	103
Volume of business (Composition %)	4	1,536,481 84	101	299,109 16	132	1,835,591 100	105	(12,796)	1,822,794	104
Total assets (Composition %)	5	2,006,852 92	105	180,646 8	145	2,187,498 100	108	(36,227)	2,151,270	107
Number of employees at end of period (Composition %)	6	2,563 72	96	829 24	121	3,392 96	101	159 4	3,551 100	100

(2) For the Year Ended 31st March, 2003 (1st April, 2002 — 31st March, 2003)

(¥ million, rounded down)

	No	Finance		Other financial services		Total		Elimination and/or corporate	Consolidated	
			Change (%)		Change (%)		Change (%)			Change (%)
Revenues (Composition %)	1	107,544 89	90	12,795 11	118	120,340 100	92	(5,792)	114,548	91
Expenses	2	83,960	95	11,239	125	95,200	98	(1,739)	93,460	96
Operating income (Composition %)	3	23,584 94	74	1,555 6	84	25,140 100	75	(4,052)	21,087	72
Volume of business (Composition %)	4	1,528,477 87	100	226,682 13	106	1,755,159 100	101	(8,213)	1,746,946	101
Total assets (Composition %)	5	1,902,701 94	97	124,535 6	104	2,027,236 100	97	(9,346)	2,017,889	97
Number of employees at end of period (Composition %)	6	2,672 75	100	687 20	112	3,359 95	102	195 5	3,554 100	99

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(3) Forecasts for the Year Ending 31st March, 2005 (1st April, 2004 — 31st March, 2005)

(¥ million, rounded down)

	No	Finance		Other financial services		Total		Elimination and/or corporate	Consolidated	
			Change (%)		Change (%)		Change (%)			Change (%)
Revenues (Composition %)	1	101,360 86	100	16,940 14	110	118,300 100	101	(7,800)	110,500	101
Expenses	2	80,640	102	14,890	111	95,530	103	(7,030)	88,500	101
Operating income (Composition %)	3	20,720 91	92	2,050 9	103	22,770 100	93	(770)	22,000	101
Volume of business (Composition %)	4	1,580,500 85	103	278,500 15	93	1,859,000 100	101	(13,000)	1,846,000	101
Total assets (Composition %)	5	2,135,000 91	106	212,700 9	118	2,347,700 100	107	(47,700)	2,300,000	107
Number of employees at end of period (Composition %)	6	2,661 72	104	868 24	105	3,529 96	104	156 4	3,685 100	104

Notes:

1. The finance business encompasses two primary areas: leasing and loans extended to companies of all sizes, government agencies and farms; and financing for purchases by consumers. Targeting capital expenditures, the former entails the provision of loans and leasing of computers and other IT equipment, industrial machinery, medical devices and agricultural equipment. The latter helps consumers purchase goods and services that enhance their standard of living, such as automobiles, home appliances, homes and home refurbishment services.
2. The other financial services business consists of four sectors. The first is card services, where the company provides credit and payment services via credit cards. The second is non-life insurance, where the company develops, sells and underwrites non-life insurance products. The third is securitization services, which entails corporate financial services such as the arrangement of securitization schemes and the brokerage and sale of securitization products. The fourth is outsourcing services. This business includes payment processing, bill collection and other settlement-related financial services.

2. Contract Segment Information

(1) For the Year Ended 31st March, 2004 (1st April, 2003 — 31st March, 2004)

(¥ million, rounded down)

	No	Lease		Guarantees		Installments and others		Total	
			Change (%)		Change (%)		Change (%)		Change (%)
Revenues (Composition %)	1	62,509 57	100	16,912 15	83	30,071 28	96	109,494 100	96
Volume of business (Composition %)	2	754,897 41	100	336,880 19	93	731,016 40	116	1,822,794 100	104
Trade receivables, loan guarantees and leases (Composition %)	3	1,739,408 53	102	805,205 24	95	744,036 23	115	3,288,650 100	103

(2) For the Year Ended 31st March, 2003 (1st April, 2002 — 31st March, 2003)

(¥ million, rounded down)

	No	Lease		Guarantees		Installments and others		Total	
			Change (%)		Change (%)		Change (%)		Change (%)
Revenues (Composition %)	1	62,711 55	93	20,436 18	90	31,400 27	88	114,548 100	91
Volume of business (Composition %)	2	752,916 43	109	363,644 21	101	630,385 36	92	1,746,946 100	101
Trade receivables, loan guarantees and leases (Composition %)	3	1,707,505 53	102	846,038 27	104	644,287 20	97	3,197,832 100	102

(3) Forecasts for the Year Ending 31st March, 2005 (1st April, 2004 — 31st March, 2005)

(¥ million, rounded down)

	No	Lease		Guarantees		Installments and others		Total	
			Change (%)		Change (%)		Change (%)		Change (%)
Revenues (Composition %)	1	61,220 55	98	15,430 14	91	33,850 31	113	110,500 100	101
Volume of business (Composition %)	2	783,300 42	104	292,500 16	87	770,200 42	105	1,846,000 100	101
Trade receivables, loan guarantees and leases (Composition %)	3	1,840,000 53	106	730,000 21	91	880,000 26	118	3,450,000 100	105

Notes:

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

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3. Volume of Business by Product

(¥ million, round down)

	NO	For the year ended 31st March, 2003	For the year ended 31st March, 2004		Forecasts for the year ending 31st March, 2005	
				Change (%)		Change (%)
Finance business	1	1,528,477	1,536,481	101	1,580,500	103
Automobile leasing services	2	418,873	385,874	92	332,000	86
Home appliances and home refurbishment	3	131,748	136,292	103	153,400	113
Home loans	4	51,609	74,978	145	94,300	126
Information equipment related	5	477,657	418,697	88	453,800	108
Industrial machinery	6	154,708	187,010	121	188,300	101
Construction machinery	7	32,310	34,603	107	26,800	77
Medical devices	8	68,776	92,281	134	108,400	117
Agricultural equipment	9	44,317	51,471	116	79,600	155
Others	10	148,475	155,271	105	143,900	93
Other financial services	11	226,682	299,109	132	278,500	93
Card business	12	35,855	36,032	100	42,000	117
Non-life insurance business	13	2,193	2,416	110	5,600	232
Securitization business	14	54,101	79,974	148	53,800	67
Outsourcing business	15	134,531	180,686	134	177,100	98
Elimination and/or corporate	16	(8,213)	(12,796)	-	(13,000)	-
Total	17	1,746,946	1,822,794	104	1,846,000	101

Notes:

1. "Others" shown under the finance business includes commercial facilities, scientific instruments, maintenance services and other items.
2. The non-life insurance business, which was previously included in the securitization business, is shown as a separate segment.

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