

Consolidated First Quarter Earnings Report

For the Three Months Ended 30th June, 2004



22nd July, 2004

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

Stock Code: 8586
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1. Notes on Presentation of Quarterly Operating Results

- (1) Adoption of the simplified accounting standards: No
 (2) Changes in accounting standards for financial accounts in the most recent fiscal year: None
 (3) Changes in number of consolidated subsidiaries or equity-method affiliates: Yes

[Number of Consolidated Subsidiaries and Application of Equity Method]

Consolidated subsidiaries:	21
Equity-method non-consolidated subsidiaries:	1
Equity-method affiliates:	3

[Changes in Consolidated Subsidiaries and Affiliates]

Consolidated (New):	1
ISEKI CAPITAL CO., LTD. became a consolidated subsidiary on 15th June, 2004.	

2. Consolidated Results for the First Quarter of the Fiscal Year Ending 31st March, 2005 (1st April, 2004 to 30th June, 2004)

(1) Consolidated Operating Results (All amounts rounded down, YoY change %)

	Revenues		Operating income (Ordinary income)		Net income	
	million yen	%	million yen	%	million yen	%
Three Months Ended 30th June, 2004	26,938	(0.7)	5,283	12.2	2,736	11.6
Three Months Ended 30th June, 2003	27,116	(7.3)	4,707	(17.0)	2,452	(18.7)
Year ended 31st March, 2004 (Reference)	109,494	(4.4)	21,698	2.9	7,532	(15.9)

	Net income per share	Diluted net income per share	Volume of business	
	Yen	Yen	million yen	%
Three Months Ended 30th June, 2004	22.90	22.08	477,230	4.2
Three Months Ended 30th June, 2003	19.11	18.51	458,194	12.1
(Reference) Year ended 31st March, 2004	59.04	57.29	1,822,794	4.3

Notes: (1) Effective from August 2003, the Company will switch over to a scheme that directly transfers the securitization of certain accounts receivable to a special purpose company (SPC) run by Hitachi Capital, so as to carry out these operations without involving the Company. Accordingly, initially announced figure for the volume of business for the first quarter of the fiscal year ending 31st March, 2004 has been retroactively adjusted (reduced by ¥12,129 million) to reflect this change.

(2) Average number of common stock outstanding (after excluding treasury stock):

Three Months Ended 30th June, 2004:	119,542 thousand shares
Three Months Ended 30th June, 2003:	128,259 thousand shares
Year ended 31st March, 2004 (Reference):	125,829 thousand shares

(2) Consolidated Financial Position

	Total assets	Total stockholders' equity	Stockholders' equity ratio	Stockholders' equity per share
	million yen	million yen	%	Yen
Three Months Ended 30th June, 2004	2,204,894	212,570	9.6	1,787
Three Months Ended 30th June, 2003	2,032,784	222,708	11.0	1,738
Year ended 31st March, 2004 (Reference)	2,151,270	215,522	10.0	1,783

Note: Number of shares issued and outstanding (after excluding treasury stock):

Three Months Ended 30th June, 2004:	118,888 thousand shares
Three Months Ended 30th June, 2003:	128,125 thousand shares
Year ended 31st March, 2004 (Reference):	120,811 thousand shares

(3) Overview of Results

During the three months ended 30th June, 2004, the Japanese economy showed signs of a recovery supported by domestic demand, centered on healthy capital expenditures and consumer spending. This reflected a rebound in corporate earnings, which resulted in better employment conditions and other improvements that benefited the household sector.

In this climate, the Hitachi Capital Group worked to promote its Medium-term Management Plan, which was formulated in October 2002, taking steps to shift the focus of its operating structure to the 5 expanding businesses (see table below). After downsizing the auto loan business, the automobile finance business was integrated into subsidiary Hitachi Capital Auto Lease Corporation.

As a result, the volume for auto loans in the first quarter decreased 70% year on year to ¥47.6 billion. However, the 5 expanding businesses performed well, growing business volume by 29% year on year. As a result, the overall volume of business rose 4% year on year to ¥477.2 billion.

On the earnings front, revenues remained mostly the same year on year at ¥26,938 million. However, operating income climbed 12% to ¥5,283 million due to efforts to reduce financing costs.

(Reference) Volume of Business in the 5 Expanding Businesses

	Three Months Ended 30th June, 2003	Three Months Ended 30th June, 2004	Change
	million yen	million yen	%
Auto leases	16,413	20,386	124
Medical equipment	20,180	26,284	130
Agricultural finance	10,532	16,125	153
Home appliances	17,492	17,676	101
(Home refurbishment loans)	(3,659)	(5,630)	(154)
Home loans	12,793	19,249	150
Total	77,142	99,723	129
Share of total business volume	(16.9%)	(20.9%)	-

3. Forecasts for the Fiscal Year Ending 31st March, 2005

(1st April, 2004 to 31st March, 2005)

	Revenues		Operating income (Ordinary income)		Net income	
	million yen	%	million yen	%	million yen	%
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: Volume of business: Interim ¥909,000 million
Fiscal year ¥1,846,000 million

(Reference) Projected net income per share for the fiscal year: ¥96.70

Hitachi Capital has not revised its interim or full-year forecasts for the fiscal year ending 31st March, 2005, which were initially announced on 22nd April, 2004.

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 factors.