

Financial Result for the Third Quarter Ended 31st December 2004

27th January, 2005

Corporate Name: **Hitachi Capital Corporation**

Stock Code: **8586**

Stock Listing: Tokyo Stock Exchange

Head Office: Tokyo

(URL <http://www.hitachi-capital.co.jp>)

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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: Yes

(3) Changes in number of consolidated subsidiaries or equity-method affiliates: Yes

[Number of Consolidated Subsidiaries and Application of Equity Method]

Consolidated subsidiaries: 23

Equity-method non-consolidated subsidiaries: 1

Equity-method affiliates: 2

[Changes in Consolidated Subsidiaries and Affiliates]

Consolidated (New): 1

Hitachi Capital Ayase SC Co., Ltd. became a consolidated subsidiary on 1st October, 2004.

2. Consolidated Results for the Third Quarter of the Fiscal Year Ending 31st March, 2005

(1) Consolidated Operating Results

Total to the end of the Third Quarter (1st April - 31st December)

(All amounts rounded down, year on year change%)

	Revenues		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%
Nine Months Ended 31st December, 2004	82,487	1.4	17,115	9.8	9,340	15.3
Nine Months Ended 31st December, 2003	81,385	(4.7)	15,590	(4.1)	8,102	19.8
Year ended 31st March, 2004 (Reference)	109,092	(4.5)	21,698	2.9	7,532	(15.9)

	Net income per share	Diluted net income per share	Volume of business	
	Yen	Yen	million yen	%
Nine Months Ended 31st December, 2004	77.93	-	1,448,098	6.9
Nine Months Ended 31st December, 2003	63.82	61.52	1,354,672	4.9
Year ended 31st March, 2004 (Reference)	59.04	57.29	1,822,794	4.3

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Notes1:Change in accounting principle / Revenues and Ordinary income

Nine Months Ended 31st December, 2004

Revenues :82,487 million yen 1.0% Ordinary income:17,115 million yen -

Nine Months Ended 31st December, 2003

Revenues: 81,692 million yen -4.8% Ordinary income: -

Year ended 31st March, 2004 (Reference)

Revenues:109,494 million yen -4.4% Ordinary income: -

Notes2: Average number of common stock outstanding (after excluding treasury stock):

Nine Months Ended 31st December, 2004: 119,853 thousand shares

Nine Months Ended 31st December, 2003: 126,970 thousand shares

Year ended 31st March, 2004 (Reference): 125,829 thousand shares

(2) Consolidated Operating Results

Third Quarter (1st October - 31st December)

(All amounts rounded down, year on year change %)

	Revenues		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%
Three Months Ended 31st December, 2004	27,607	3.7	5,875	12.5	3,112	13.9
Three Months Ended 31st December, 2003	26,631	(4.5)	5,223	(1.7)	2,731	363.9

	Net income per share	Diluted net income per share	Volume of business	
	Yen	Yen	million yen	%
Three Months Ended 31st December, 2004	25.72	-	495,396	4.5
Three Months Ended 31st December, 2003	21.79	20.87	474,283	(3.5)

Notes1:Change in accounting principle / Revenues and Ordinary income

Three Months Ended 31st December, 2004

Revenues :27,607 million yen 3.6% Ordinary income:5,875 million yen -

Three Months Ended 31st December, 2003

Revenues: 26,645 million yen -4.5% Ordinary income: -

Notes2: Average number of common stock outstanding (after excluding treasury stock):

Three Months Ended 31st December, 2004: 120,990 thousand shares

Three Months Ended 31st December, 2003: 125,337 thousand shares

(3) Consolidated Financial Position

	Total assets	Total stockholders' equity	Stockholders' equity ratio	Stockholders' equity per share
	million yen	million yen	%	Yen
As of 31st December, 2004	2,218,928	217,136	9.8	1,814
As of 31st December, 2003	2,115,801	220,568	10.4	1,783
As of 31st March, 2004 (Reference)	2,151,270	215,522	10.0	1,783

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

As of 31st December, 2004: 119,707 thousand shares

As of 31st December, 2003: 123,736 thousand shares

As of 31st March, 2004 (Reference): 120,811 thousand shares

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On December 22nd, 2004, Hitachi Capital Corporation [the Company] retired its treasury stocks of 10 million shares in order to adjust the number of shares issued and outstanding to a level commensurate with the scale of the businesses and to help improve its shareholder value. As a result, at the end of the third quarter of this fiscal year, total number of shares issued and outstanding became 124,826 thousand shares,, and number of treasury stocks became 5,119 thousand shares, which is equivalent to 8,460 million yen.

Total assets at the end of the third quarter of this fiscal year were 2,218,928 million yen, an increase of 67,658 million yen compared with the figure at the end of the previous fiscal year. This is mainly because the lease assets increased as the Company expanded the lease businesses.

Stockholders' equity was 217,136 million yen, an increase of 1,613 million yen compared with the figure at the end of the previous fiscal year.

(4) Overview of Results

To promote its high value-added businesses, the Company curtailed and integrated its auto loan business into its subsidiary, Hitachi Capital Auto Lease Corporation. In addition, the Company concentrated its financial resources to "The Five Expanding Businesses"(See the table below.).

"The Five Expanding Businesses" performed well, and their volume of business for the nine months ended 31st December 2004 increased 16.6% year on year. Especially agricultural finance business performed well, increasing its volume of business 42.0% year on year. Industrial machinery business, one of the Company's core businesses, outsourcing and other businesses also improved, so the total volume of business increased 6.9% year on year to 1,448,098 million yen.

Revenue for the nine months ended 31st December 2004 increased 1.4% year on year to 82,487 million yen. This was the result of making up for the contraction of auto loan business in the lease and installment and other.

Ordinary income increased 9.8% year on year to 17,115 million yen due to its efforts to reduce financing costs.

(Reference) Volume of Business in the 5 Expanding Businesses

	Nine Months Ended 31st December, 2003	Nine Months Ended 31st December, 2004	Change
	million yen	million yen	%
Auto leases	50,445	63,094	25.1
Medical equipment	67,806	75,220	10.9
Agricultural finance	40,806	57,946	42.0
Home appliances	55,416	55,168	(0.4)
(Home refurbishment loans)	(14,583)	(16,147)	10.7
Home loans	56,854	65,006	14.3
Total volume of business in the 5 expanding	271,328	316,436	16.6
Total	1,354,672	1,448,098	6.9
Share of total business volume	20.0%	21.9%	-

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

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

	Revenues		Ordinary income		Net income	
Fiscal year	million yen	%	million yen	%	million yen	%
	110,500	1.3	23,000	6.0	12,700	68.6

(Reference) volume of business Fiscal year ¥1,912,000 million 4.9%

Projected net income per share for the fiscal year: ¥106.09

Hitachi Capital has not revised its interim or full-year forecasts for the fiscal year ending 31st March, 2005, which were initially announced on 27th October, 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.

Consolidated Balance Sheets

(¥ million, rounded down)

Item	Period As of 31st December, 2004(A)	As of 31st March, 2004(B)	Change from As of 31st March, 2004 (A) - (B)
(Assets)			
Current assets	657,136	682,269	(25,133)
Cash	16,938	39,222	(22,283)
Trade receivables	529,029	497,138	31,891
Parent company deposit	52,172	84,037	(31,864)
Short-term investments	1,092	1,206	(114)
Deferred tax assets	7,319	8,537	(1,217)
Other	60,004	61,400	(1,396)
Allowance for doubtful accounts	(9,420)	(9,272)	(148)
Fixed assets	1,561,792	1,469,001	92,791
Property and equipment	1,263,533	1,171,464	92,068
Equipment held for leases	1,257,431	1,165,177	92,253
Buildings and structures	1,536	1,540	(3)
Machinery, equipment and vehicles	1,324	1,441	(116)
Furniture and fixtures	1,830	1,895	(65)
Land	1,410	1,409	0
Intangible fixed assets	263,857	263,762	94
Equipment held for leases	255,115	254,953	162
Other	8,742	8,809	(67)
Investments and other assets	34,401	33,773	627
Investments in securities	7,864	8,763	(898)
Deferred tax assets	5,647	6,839	(1,191)
Other	20,951	18,235	2,716
Allowance for doubtful accounts	(62)	(64)	1
Total assets	2,218,928	2,151,270	67,658

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(¥ million, rounded down)

Period	As of	As of	Change from As of 31st March, 2004
Item	31st December, 2004	31st March, 2004	(A) - (B)
(Liabilities)			
Current liabilities	1,084,275	999,632	84,642
Trade payables	273,018	269,045	3,972
Short-term bank loans	150,423	142,605	7,818
Commercial paper	215,031	182,663	32,367
Current portion of bonds	135,298	105,637	29,661
Current portion of long-term obligation for securitization of lease receivables	248,756	227,300	21,456
Income taxes payable	4,381	2,756	1,625
Deferred tax liabilities	1,121	1,290	(169)
Reserve for loan guarantees	5,148	3,796	1,352
Other	51,096	64,537	(13,440)
Long-term liabilities	911,791	931,491	(19,700)
Bonds	356,117	351,631	4,486
Long-term debt	116,846	174,394	(57,548)
Long-term obligation for securitization of lease receivables	414,089	385,540	28,548
Deferred tax liabilities	77	46	30
Retirement and severance benefits	5,198	5,370	(172)
Retirement benefits for directors	1,054	950	103
Reserve for Insurance contract	3,645	3,293	351
Other	14,762	10,263	4,499
Total liabilities	1,996,066	1,931,124	64,942
(Minority interests)			
Minority interests	5,725	4,623	1,102
(Stockholders' equity)			
Common stock	9,983	9,459	523
Capital surplus	45,972	45,448	523
Retained earnings	169,437	180,234	(10,796)
Net unrealized holding gain on investments in securities	1,417	1,732	(315)
Net foreign currency translation adjustments	(1,213)	(1,302)	88
Treasury stock	(8,460)	(20,050)	11,589
Total stockholders' equity	217,136	215,522	1,613
Total liabilities, minority interests and stockholders' equity	2,218,928	2,151,270	67,658

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Consolidated Statements of Income

<Nine months ended 31st December, 2004(1st April - 31st December)>

(¥ million, rounded down)

Item	Period	Nine months ended		Nine months ended 31st December, 2003	[restate] Nine months ended 31st December, 2003
		31st December, 2004	change		
			%		
Revenues		82,487	1.0	81,692	81,385
Operating revenues		82,122	2.2	80,381	80,381
Interest and dividend income		365	128.8	159	159
Other income		-	-	1,150	844
Expenses		64,921	(1.8)	66,101	65,821
Selling, general and administrative expenses		48,096	5.3	45,665	45,665
Financing costs		16,824	(5.2)	17,752	17,752
Other expenses		-	-	2,683	2,403
Operating income		17,566	12.7	15,590	15,564
Non-operating revenues		108	-	-	306
Non-operating expenses		559	-	-	280
Ordinary income		17,115	-	-	15,590
Income before income taxes and minority interests		17,115	9.8	15,590	15,590
Income taxes		4,462	43.6	3,107	3,107
Deferred income taxes		2,564	(31.9)	3,766	3,766
Minority interests		748	21.9	614	614
Net income		9,340	15.3	8,102	8,102

< Third Quarter (1st October - 31st December)>

(¥ million, rounded down)

Item	Period	Three months ended		Three months ended 31st December, 2003	[restate] Three months ended 31st December, 2003
		31st December, 2004	change		
			%		
Revenues		27,607	3.6	26,645	26,631
Operating revenues		27,447	4.1	26,358	26,358
Interest and dividend income		159	420.2	30	30
Other income		-	-	255	241
Expenses		21,451	0.1	21,422	21,365
Selling, general and administrative expenses		15,785	5.8	14,914	14,914
Financing costs		5,666	(0.7)	5,706	5,706
Other expenses		-	-	801	745
Operating income		6,156	17.9	5,223	5,265
Non-operating revenues		5	-	-	13
Non-operating expenses		286	-	-	56
Ordinary income		5,875	-	-	5,223
Income before income taxes and minority interests		5,875	12.5	5,223	5,223
Income taxes		2,421	20.9	2,002	2,002
Deferred income taxes		82	(69.2)	267	267
Minority interests		259	17.1	221	221
Net income		3,112	13.9	2,731	2,731

There is a change in accounting principle on this year. The cumulative effect of accounting change is as followsings;

For the Nine Months ended 31st December, 2004 (1st April, 2004 - 31st December, 2004):450million,

For the third quarter ended 31st December, 2004 (1st October, 2004 - 31st December, 2004):281million,

There is not anything with Revenues and ordinary income on this accounting change.

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Supplementary Information

1. Contract Segment Information

(1) For the Nine Months Ended 31st December, 2004 (1st April, 2004 — 31st December, 2004)

(¥ million, round down)

	No	Lease		Guarantees		Installments and others		Total	
			Change (%)		Change (%)		Change (%)		Change (%)
Revenues (Composition %)	1	47,541 58	0.6	10,271 12	(18.9)	24,674 30	15.0	82,487 100	1.4
Volume of business (Composition %)	2	603,704 42	7.3	219,121 15	(12.9)	625,272 43	15.7	1,448,098 100	6.9
Trade receivables, loan guarantees and leases (Composition %)	3	1,802,392 53	4.1	705,167 21	(14.5)	887,658 26	18.6	3,395,218 100	2.8

(2) For the Nine Months Ended 31st December, 2003 (1st April, 2003 — 31st December, 2003)

(¥ million, round down)

	No	Lease		Guarantees		Installments and others		Total	
			Change (%)		Change (%)		Change (%)		Change (%)
Revenues (Composition %)	1	47,266 58	(1.3)	12,666 16	(16.6)	21,452 26	(4.1)	81,385 100	(4.7)
Volume of business (Composition %)	2	562,882 41	0.1	251,468 19	(7.3)	540,321 40	18.2	1,354,672 100	4.9
Trade receivables, loan guarantees and leases (Composition %)	3	1,730,696 52	2.2	824,297 25	(3.0)	748,414 23	13.7	3,303,408 100	3.2

Notes

1. There is a change in accounting principle on this year. And so, " Revenues " is restated.
2. Trade receivables, loan guarantees and leases include off-balance sheet assets.
3. "Lease" includes lease rentals, auto leases and other items.
4. "Guarantees" includes loan sales through alliances and other items.
5. "Installments and others" includes installment sales, business loans, card services and other items.

2. Volume of Business by Product

(¥ million, round down)

	No.	Nine Months Ended 31st December, 2003	Nine Months Ended 31st December, 2004	
				Change (%)
Finance business	1	1,151,469	1,193,806	3.7
Automobile finance	2	286,929	253,792	(11.5)
Home appliances and home refurbishment	3	104,195	105,310	1.1
Home loans	4	56,854	65,006	14.3
Information equipment	5	314,168	309,468	(1.5)
Industrial machinery	6	134,957	161,812	19.9
Construction machinery	7	26,333	24,020	(8.8)
Medical devices	8	67,806	75,220	10.9
Agricultural equipment	9	40,806	57,946	42.0
Others	10	119,418	141,226	18.3
Other financial services	11	213,123	262,673	23.2
Card business	12	26,981	29,420	9.0
Non-life insurance	13	1,489	3,726	150.3
Securitization business	14	56,180	52,404	(6.7)
Outsourcing business	15	128,472	177,121	37.9
Elimination and/or corporate	16	(9,919)	(8,381)	-
Total	17	1,354,672	1,448,098	6.9

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