



Consolidated Earnings Report For the Year Ended March 31, 2006

April 25, 2006

Corporate Name: Hitachi Capital Corporation
Stock Code: 8586

Stock Listing: Tokyo Stock Exchange
Head Office: Tokyo

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

Representative Director: Kazuo Takano, President and CEO

Inquiries: Keizou Utsunomiya, General Manager, Public Relations Department TEL (03) 3503-2118

Date of board of directors meeting on account settlement: April 25, 2006

Parent company: Hitachi Ltd. (Code Number: 6501)

Percentage of voting rights of Hitachi Capital Corporation owned by parent company: 60.6%

Adoption of U.S. GAAP: None

1. Consolidated Results for the Year Ended March 31, 2006

(April 1, 2005 - March 31, 2006)

(1) Consolidated Operating Results

(All amounts rounded down, YoY change %)

	Revenues		Operating income		Ordinary income	
	¥ million	%	¥million	%	¥million yen	%
Year ended March 31, 2006	112,725	1.0	26,189	6.0	26,129	8.3
Year ended March 31, 2005	111,611	1.9	24,697	13.8	24,132	-

	Net income		Net income per share	Diluted net income per share	Ratio of net income to stockholders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income to revenues
	¥ million	%					
Year ended March 31, 2006	14,219	7.0	121.11	-	6.3	1.1	23.2
Year ended March 31, 2005	13,287	76.4	110.55	-	6.1	1.1	21.6

Notes:

Volume of business

Year ended March 31, 2006: ¥1,989,161 million

Year ended March 31, 2005: ¥1,934,819 million

Equity in (losses) earnings of affiliated companies

Year ended March 31, 2006: ¥115 million

Year ended March 31, 2005: ¥240 million

Average number of shares of common stock outstanding (consolidated)

Year ended March 31, 2006: 117,057,392 shares

Year ended March 31, 2005: 119,663,080 shares

Changes in accounting principle were applicable to the above figures.

Percentages for revenues, operating income, ordinary income and net income represent year-on-year percentage changes.

Year-on-year percentage changes for ordinary income of year ended March 31, 2005 indicated "-". Due to Changes in accounting principle. After the adjustment's YoY is 11.2%.

As all the first unsecured convertible bonds (issued on May 24, 1989) were converted and redeemed by September 30, 2004, "diluted net income per share" for the year ended March 31, 2005&2006 is indicated as "-".

(2) Consolidated Financial Position

	Total assets	Total stockholders' equity	Stockholders' equity ratio	Stockholders' equity per share
	¥ million	¥ million	%	Yen
Year ended March 31, 2006	2,436,132	230,814	9.5	1,974.21
Year ended March 31, 2005	2,190,188	218,855	10.0	1,854.25

Note:

Number of shares issued and outstanding (consolidated)

Year ended March 31, 2006: 116,892,979 shares

Year ended March 31, 2005: 117,997,719 shares

(3) Consolidated Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalent at end of interim period
	¥ million	¥ million	¥ million	¥ million
Year ended March 31, 2006	68,948	4,281	54,957	84,982
Year ended March 31, 2005	37,635	8,252	77,805	75,074

Note: Receipts and settlements from acquisition of leased assets and liquidation of assets are included in operating activities.

(4) Scope of Consolidation and Application of Equity Method

Consolidated subsidiaries: 24

Equity-method non-consolidated subsidiaries: 1

Equity-method affiliates: 2

(5) Changes in Consolidated Subsidiaries and Affiliates

Consolidated subsidiaries New: 2 Excluded: 1

2. Forecasts for the Year Ending March 31, 2007 (April 1, 2006 – March 31, 2007)

	Revenues		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%
Interim	57,000	2.5	13,000	3.6	7,100	2.2
Fiscal year	116,800	3.6	27,500	5.2	15,000	5.5

Notes:

Volume of business:

Interim: ¥1,020,000 million

Fiscal year: ¥2,100,000 million

Percentages for revenues, ordinary income, and net income represent year-on-year percentage changes.

Reference: Projected net income per share for the fiscal year: ¥128.32

The forecasts above were prepared based on information that is available as of the date of these financial statements. Final performance may differ from the forecasted values due to various factors.

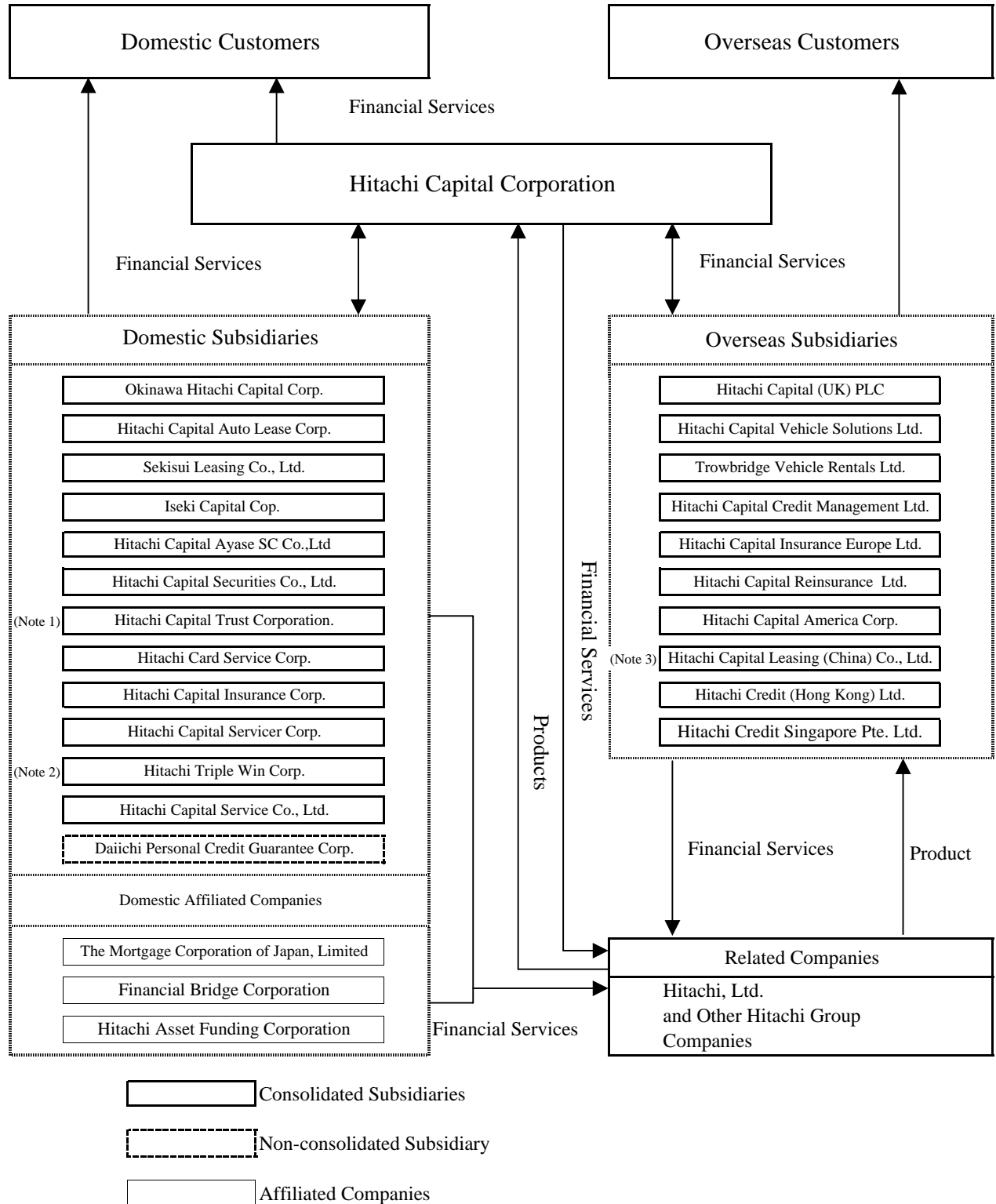
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Hitachi Capital Group

The Hitachi Capital Group comprises Hitachi Capital Corporation, 24 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.

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

Industrial Equipment Finance, Ltd. and Hitachi Leasing Singapore Pte. Ltd., consolidated subsidiaries, are not included in the chart above as they are undergoing voluntary liquidation.



Notes

- 1 Hitachi Capital Trust Corporation was established on 28 April, 2005.
- 2 Hitachi Triple Win Corp. merged Hitachi Capital Data Services Co., Ltd. through a merger on 1 June, 2005.
- 3 Hitachi Capital Leasing (China) Co., Ltd. was established on 15 April, 2005.

Consolidated Balance Sheets

(¥ million, rounded down)

Period Item	For the year ended March 31, 2006 (A)	For the year ended March 31, 2005 (B)	change (A)-(B)	Period Item	For the year ended 31 March, 2006 (A)	For the year ended 31 March, 2005 (B)	change (A)-(B)
(Assets)				(Liabilities)			
Current assets	744,185	594,221	149,964	Current liabilities	1,059,071	1,019,511	39,559
Cash	37,753	26,337	11,415	Trade payables	278,563	229,513	49,049
Trade receivables	586,298	453,535	132,762	Short-term bank loans	110,575	134,718	24,142
Parent company deposit	47,229	48,736	1,507	Commercial paper	224,376	215,870	8,505
Short-term investments	792	1,092	299	Current portion of bonds	76,221	106,642	30,420
Deferred tax assets	7,317	7,395	78	Current portion of long-term obligation for securitization of lease	306,709	261,333	45,375
Other	74,857	66,373	8,483	Income taxes payable	5,922	6,477	555
Allowance for doubtful accounts	10,061	9,249	811	Deferred tax liabilities	1,006	1,137	131
Fixed assets	1,691,946	1,595,966	95,980	Reserve for loan guarantees	3,685	5,255	1,570
Property and equipment	1,350,065	1,285,844	64,220	Other	52,012	58,563	6,550
Equipment held for leases	1,343,781	1,279,773	64,007	Long-term liabilities	1,140,073	945,913	194,160
Buildings and structures	1,517	1,517	0	Bonds	324,928	360,994	36,066
Machinery, equipment and vehicles	1,323	1,322	0	Long-term debt	200,341	134,864	65,477
Furniture and fixtures	2,032	1,819	212	Long-term obligation for securitization of lease	575,373	422,073	153,299
Land	1,410	1,410	0	Deferred tax liabilities	2,919	92	2,827
Intangible assets	287,522	270,232	17,289	Retirement and severance benefits	5,103	5,135	32
Intangible assets for leases	280,715	261,914	18,801	Retirement benefits for directors	1,042	1,137	94
Other	6,806	8,317	1,510	Reserve for insurance contracts	9,654	6,617	3,036
Investments and other assets	54,359	39,889	14,469	Other	20,710	14,998	5,712
Investments in securities	24,567	14,417	10,150	Total liabilities	2,199,144	1,965,425	233,719
Deferred tax assets	1,763	4,000	2,236	(Minority interests)			
Other	28,037	21,490	6,546	Minority interests	6,173	5,907	266
Allowance for doubtful accounts	9	19	9	(Stockholders' equity)			
				Common stock	9,983	9,983	-
				Capital surplus	45,972	45,972	0
				Retained earnings	181,954	173,384	8,569
				Net unrealized holding gain on investments and securities	6,856	2,371	4,484
				Foreign currency translation adjustments	370	800	1,171
				Treasury stock	14,323	12,055	2,267
				Total stockholders' equity	230,814	218,855	11,958
Total assets	2,436,132	2,190,188	245,944	Total liabilities, minority interests and stockholders' equity	2,436,132	2,190,188	245,944

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Consolidated Statements of Income

(¥ million, rounded down)

Item	Period	For the year ended March 31, 2006(A)		For the year ended March 31, 2005(A)		change (A)-(B)
		(April 1, 2005 - March 31, 2006)		(April 1, 2004 - March 31, 2005)		
Revenues		112,725	100.0	111,611	100.0	1,114
Operating revenues		112,272		111,108		1,163
Interest and dividend income		453		502		48
Expenses		86,536	76.8	86,914	77.9	377
Selling, general and administrative expenses		63,774		64,629		855
Financing costs		22,762		22,284		477
Operating income		26,189	23.2	24,697	22.1	1,492
Non-operating revenues		227	0.2	138	0.1	88
Sale of securities in investments		137		85		51
Other		89		52		37
Non-operating expenses		287	0.2	703	0.6	415
Equity in losses of affiliated companies		115		240		125
Loss on retirement of fixed assets		70		312		241
Loss on valuation of negotiable securities		4		104		100
Other		96		45		51
Ordinary income		26,129	23.2	24,132	21.6	1,996
Extraordinary gains		-	-	-	-	-
Extraordinary losses		-	-	-	-	-
Income before income taxes and minority interests		26,129	23.2	24,132	21.6	1,996
Income taxes		7,807	6.9	6,405	5.7	1,402
Deferred income taxes		3,449	3.1	3,503	3.1	53
Minority interests		652	0.6	935	0.9	283
Net income		14,219	12.6	13,287	11.9	931

Consolidated Statements of Capital Surplus and Retained Earnings

(¥ million, rounded down)

Item	Period	For the year ended March 31, 2006	For the year ended March 31, 2005
		(April 1, 2005 - March 31, 2006)	(April 1 2004 - March 31, 2005)
(Capital surplus)			
Balance at beginning of year		45,972	45,448
Increase		0	806
Conversion of convertible bonds		-	523
Gain on sales of treasury stock		0	283
Decrease		-	283
Retirement of treasury stock		-	283
Balance at end of period		45,972	45,972
(Retained earnings)			
Balance at beginning of year		173,384	180,234
Increase		14,219	13,287
Net income		14,219	13,287
Appropriations		5,649	20,137
Cash dividends		4,111	3,887
Directors' bonuses		59	103
Retirement of treasury stock		-	16,146
Decrease due to application of International Financial Reporting Standards to Hitachi Capital (UK) PLC etc.		1,478	-
Balance at end of year		181,954	173,384

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Consolidated Cash Flow Statements

(¥ million, rounded down)

Item	Period	For the year ended March 31, 2006		For the year ended March 31, 2005	
		(April 1, 2005 - March 31, 2006)		(April 1, 2004 - March 31, 2005)	
.Cash flows from operating activities					
(1) Income before income taxes and minority interests			26,129		24,132
(2) Non-cash items					
Depreciation		540,888		513,148	
Other		608	541,496	796	513,945
(3) Investment and finance items					
Interest and dividend income		308		344	
Interest expense		20,159		19,814	
Gain on sale of securities		137		84	
Other		96	19,810	463	19,847
(4) Changes in assets and liabilities					
Increase in trade receivables		111,368		42,425	
Cash provided by asset backed securitization		1,232,315		1,081,081	
Payment for asset backed securitization		1,076,891		933,862	
Increase (decrease) in allowance for losses on receivables and guarantees		1,047		613	
Loss on sale of equipment for lease		2,064		2,023	
Acquisition of equipment for lease		645,821		633,121	
Proceeds from sale of equipment for lease		57,614		53,279	
Increase (decrease) in trade payables		48,815	494,319	39,988	512,399
(5) Other					
Decrease in retirement and severance benefits		32		235	
Increase (decrease) in other assets and liabilities		15,761	15,794	4,917	5,152
Subtotal			77,321		40,372
(6) Income taxes paid			8,373		2,737
Net cash provided by operating activities			68,948		37,635
.Cash flows from investing activities					
(1) Proceeds from sale of short-term investments			299		111
(2) Purchase of investments in securities and subsidiaries' common stock			2,887		5,092
(3) Proceeds from sale of investments in securities and subsidiaries' common stock			248		937
(4) Proceeds from acquisition of a new consolidated subsidiary			541		-
(5) Expenditures for acquisition of new consolidated subsidiaries			-		1,537
(6) Capital expenditures			2,775		2,954
(7) Proceeds from sale of capital assets			52		25
(8) Interest and dividend received			238		258
Net cash used in investing activities			4,281		8,252
.Cash flows from financing activities					
(1) Increase in short-term bank loans			3,370		9,670
(2) Increase in commercial paper			6,797		31,997
(3) Proceeds from long-term debt			108,909		35,186
(4) Payment of long-term debt			75,852		127,975
(5) Issuance of bonds			42,228		113,219
(6) Redemption of bonds			113,410		98,234
(7) Bond issuance expenses			23		170
(8) Interest paid			20,285		21,085
(9) Purchase of treasury stock			2,267		16,246
(10) Proceeds from sale of treasury stock			0		0
(11) Dividends paid to stockholders			4,111		3,887
(12) Dividends paid to minority stockholders of subsidiaries			314		280
Net cash used in financing activities			54,957		77,805
.Effect of exchange rate changes on cash and cash equivalents			198		234
.Net increase (decrease) in cash and cash equivalents			9,908		48,187
.Cash and cash equivalents at beginning of year			75,074		123,262
.Cash and cash equivalents at end of year			84,982		75,074

Supplementary Information

1. Changes in Quarterly Consolidated Performance

Consolidated Results for the Year Ending March 31, 2006

(¥ million, rounded down)

Item	Quarter	No.	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Fiscal Year
			April 1, 2005 - June 30, 2005	July 1, 2005 - September 30, 2005	October 1, 2005 - December 31, 2005	January 1, 2006 - March 31, 2006	April 1, 2005 - March 31, 2006
Revenues		1	27,658	27,933	27,966	29,166	112,725
Operating revenues		2	27,565	27,826	27,895	28,984	112,272
Interest and dividend income		3	93	106	71	182	453
Expenses		4	21,651	21,292	21,456	22,135	86,536
Selling, general and administrative expenses		5	16,063	15,992	15,882	15,835	63,774
Financing costs		6	5,588	5,300	5,574	6,299	22,762
Operating income		7	6,007	6,640	6,509	7,031	26,189
Non-operating revenues		8	0	6	151	68	227
Non-operating expenses		9	71	37	28	150	287
Ordinary income		10	5,937	6,609	6,633	6,949	26,129
Extraordinary gains/losses		11	—	—	—	—	—
Income before income taxes and minority interests		12	5,937	6,609	6,633	6,949	26,129
Income taxes		13	2,839	559	2,935	1,472	7,807
Deferred income taxes		14	73	2,031	21	1,470	3,449
Minority interests		15	95	141	170	244	652
Net income		16	3,074	3,876	3,505	3,762	14,219

Consolidated Results for the Year Ended March 31, 2005

(¥ million, rounded down)

Item	Quarter	No.	(Note)	2nd Quarter	3rd Quarter	4th Quarter	Fiscal Year
			1st Quarter	July 1, 2004 - September 30, 2004	October 1, 2004 - December 31, 2004	January 1, 2005 - March 31, 2005	April 1, 2004 - March 31, 2005
Revenues		1	26,858	28,021	27,607	29,123	111,611
Operating revenues		2	26,727	27,946	27,447	28,986	111,108
Interest and dividend income		3	130	75	159	136	502
Expenses		4	21,532	21,937	21,451	21,992	86,914
Selling, general and administrative expenses		5	15,919	16,392	15,785	16,532	64,629
Financing costs		6	5,613	5,545	5,666	5,459	22,284
Operating income		7	5,325	6,084	6,156	7,130	24,697
Non-operating revenues		8	87	16	5	29	138
Non-operating expenses		9	129	143	286	143	703
Ordinary income		10	5,283	5,957	5,875	7,016	24,132
Extraordinary gains/losses		11	—	—	—	—	—
Income before income taxes and minority interests		12	5,283	5,957	5,875	7,016	24,132
Income taxes		13	2,157	116	2,421	1,942	6,405
Deferred income taxes		14	201	2,280	82	939	3,503
Minority interests		15	187	302	259	187	935
Net income		16	2,736	3,491	3,112	3,946	13,287

Note: The results for the first quarter of the year ended March 31, 2005 have been adjusted due to a change in accounting principle.

2. Segment Information

(1) For the Year Ended March 31, 2006 (April 1, 2005 - March 31, 2006)

(¥ million, %)

	No	Finance		Other financial services		Total		Elimination and/or corporate	Consolidated	
			Change (%)		Change (%)		Change (%)			Change (%)
Revenues (Composition %)	1	101,618 (84)	100	19,234 (16)	107	120,853 (100)	101	8,127	112,725	101
Expenses	2	76,687	98	15,888	107	92,576	99	6,039	86,536	100
Operating income (Composition %)	3	24,931 (88)	107	3,345 (12)	110	28,276 (100)	107	2,087	26,189	106
Ordinary income (Composition %)	4	24,818 (88)	108	3,242 (12)	110	28,060 (100)	108	1,931	26,129	108
Volume of business (Composition %)	5	1,589,270 (80)	100	409,562 (20)	114	1,998,832 (100)	103	9,671	1,989,161	103
Total assets (Composition %)	6	2,204,991 (89)	109	260,892 (11)	125	2,465,883 (100)	110	29,750	2,436,132	111
Number of employees at end of period (Composition %)	7	2,499 (69)	98	927 (26)	105	3,426 (95)	100	181 (5)	3,607 (100)	101

(2) For the Year Ended March 31, 2005 (April 1, 2004 - March 31, 2005)

(¥ million, %)

	No	Finance		Other financial services		Total		Elimination and/or corporate	Consolidated	
			Change (%)		Change (%)		Change (%)			Change (%)
Revenues (Composition %)	1	101,737 (85)	100	17,905 (15)	116	119,643 (100)	102	8,032	111,611	102
Expenses	2	78,357	99	14,867	112	93,224	101	6,310	86,914	100
Operating income (Composition %)	3	23,380 (88)	103	3,038 (12)	139	26,418 (100)	106	1,721	24,697	112
Ordinary income (Composition %)	4	22,969 (89)	102	2,951 (11)	148	25,920 (100)	105	1,788	24,132	111
Volume of business (Composition %)	5	1,586,298 (82)	103	359,639 (18)	120	1,945,937 (100)	106	11,118	1,934,819	106
Total assets (Composition %)	6	2,022,542 (91)	101	209,545 (9)	116	2,232,087 (100)	102	41,899	2,190,188	102
Number of employees at end of period (Composition %)	7	2,554 (72)	100	886 (25)	107	3,440 (96)	101	131 (4)	3,571 (100)	101

(3) Forecasts for the Year Ending March 31, 2007 (April 1, 2006 - March 31, 2007)

(¥ million, %)

	No	Finance		Other financial services		Total		Elimination and/or corporate	Consolidated	
			Change (%)		Change (%)		Change (%)			Change (%)
Revenues (Composition %)	1	109,000 (87)	107	16,200 (13)	84	125,200 (100)	104	8,400	116,800	104
Expenses	2	82,400	107	13,100	82	95,500	103	6,230	89,270	103
Operating income (Composition %)	3	26,600 (90)	107	3,100 (10)	93	29,700 (100)	105	2,170	27,530	105
Ordinary income (Composition %)	4	26,600 (90)	107	3,100 (10)	96	29,700 (100)	106	2,200	27,500	105
Volume of business (Composition %)	5	1,690,400 (80)	106	419,600 (20)	102	2,110,000 (100)	106	10,000	2,100,000	106
Total assets (Composition %)	6	2,153,300 (89)	98	268,500 (11)	103	2,421,800 (100)	98	30,000	2,391,800	98
Number of employees at end of period (Composition %)	7	2,515 (74)	101	700 (20)	76	3,215 (94)	94	200 (6)	3,415 (100)	95

Notes:

- 1 Due to change in accounting principle, "Revenues", "Expenses", and "Operating income" of the previous year are adjusted.
2. The finance business encompasses two primary areas. One area caters to companies, farmhouses, medical facilities, government and municipal offices provide leases, rental service, credit guarantees, and installment finance for information equipment, industrial machinery, construction machinery, medical devices, and agricultural equipment. In the other area, lease, credit guarantee, and financial services help consumers purchase goods and services that enhance their standard of living, such as automobiles, household appliances, homes and home refurbishment services.
3. The other financial services business consist of four sectors. The first is card business, where the company provides credit and payment services via credit cards. The second is non-life insurance, where the company provides products and services concerning non-life insurance. The third is securitization services, which entail providing corporate financial services through securitization and trust schemes. The fourth is outsourcing services. This business includes payment processing, bill collection and other settlement-related financial services.

Supplementary Information

3. Contract Segment Information (Consolidated)

(1) For the Year Ended March 31, 2006 (April 1, 2005 - March 31, 2006)

(¥ million, %)

	No	Lease	Change (%)	Guarantees	Change (%)	Installments and others	Change (%)	Total	Change (%)
Revenues (Composition %)	1	63,014 (56)	97	10,799 (10)	82	38,912 (34)	116	112,725 (100)	101
Volume of business (Composition %)	2	826,198 (41)	102	233,792 (12)	83	929,170 (47)	110	1,989,161 (100)	103
Trade receivables, loan guarantees and leases (Composition %)	3	1,888,157 (54)	104	635,467 (18)	90	984,386 (28)	114	3,508,011 (100)	103

(2) For the Year Ended March 31, 2005 (April 1, 2004 - March 31, 2005)

(¥ million, %)

	No	Lease	Change (%)	Guarantees	Change (%)	Installments and others	Change (%)	Total	Change (%)
Revenues (Composition %)	1	64,835 (58)	104	13,226 (12)	78	33,549 (30)	113	111,611 (100)	102
Volume of business (Composition %)	2	810,818 (42)	107	281,503 (15)	84	842,497 (43)	115	1,934,819 (100)	106
Trade receivables, loan guarantees and leases (Composition %)	3	1,824,092 (54)	105	709,554 (21)	88	864,926 (25)	116	3,398,573 (100)	103

(3) Forecasts for the Year Ending March 31, 2007 (April 1, 2006 - March 31, 2007)

(¥ million, %)

	No	Lease	Change (%)	Guarantees	Change (%)	Installments and others	Change (%)	Total	Change (%)
Revenues (Composition %)	1	65,520 (56)	104	12,910 (11)	120	38,370 (33)	99	116,800 (100)	104
Volume of business (Composition %)	2	904,600 (43)	109	302,900 (14)	130	892,500 (43)	96	2,100,000 (100)	106
Trade receivables, loan guarantees and leases (Composition %)	3	2,060,000 (56)	109	530,000 (14)	83	1,090,000 (30)	111	3,680,000 (100)	105

Notes:

- 1 Due to change in accounting principle, "Revenues", have been adjusted.
- 2 "Trade receivables, loan guarantees and leases" include off-balance items.
- 3 "Lease" includes lease rentals, auto leases and other items.
- 4 "Guarantees" include loan sales through alliances and other items.
- 5 "Installments and others" include installment sales, business loans (including home loans), card services and other items.

4. Volume of Business by Product

(¥ million, %)

	No	Year Ended March 31, 2005	Year Ended March 31, 2006	Change (%)	Forecasts for the Year Ending March 31, 2006	Change (%)
Finance business	1	1,586,298	1,589,270	100	1,690,400	106
Automobile finance	2	331,331	309,824	94	375,200	121
Home appliances and home refurbishment	3	137,623	152,035	110	159,500	105
Home loans	4	90,681	125,074	138	93,100	74
Information equipment related	5	413,233	417,515	101	404,900	97
Industrial machinery	6	218,207	161,978	74	215,400	133
Construction machinery	7	28,410	32,174	113	32,000	99
General services for the medical field	8	98,332	101,615	103	113,600	112
Agricultural equipment	9	72,558	71,609	99	95,600	134
Others	10	195,919	217,443	111	201,100	92
Other financial services	11	359,639	409,562	114	419,600	102
Card business	12	39,007	45,367	116	51,400	113
Non-life insurance	13	7,948	10,433	131	9,600	92
Securitization business	14	68,903	63,729	92	72,400	114
Outsourcing business	15	243,779	290,031	119	286,200	99
Elimination and/or corporate	16	11,118	9,671	-	10,000	-
Total	17	1,934,819	1,989,161	103	2,100,000	106

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