

Consolidated First Quarter Earnings Report for the Three Months Ended June 30, 2008

July 25, 2008

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This quarterly financial report is to be submitted on: August 13, 2008

(All amounts rounded down)

1. Consolidated Results for the First Quarter of the Fiscal Year Ended March 31, 2009 (April 1, 2008 – June 30, 2008)

(1) Consolidated Operating Results (Cumulative)

(YoY change %)

	Revenues		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Three Months Ended June 30, 2008	26,162	—	4,759	—	4,752	—	13,555	—
Three Months Ended June 30, 2007	28,776	3.0	5,658	△6.7	5,667	△14.3	2,783	△20.5

	Net income per share		Diluted net income per share	
	¥		¥	
Three Months Ended June 30, 2008	115.97		—	
Three Months Ended June 30, 2007	23.82		—	

(Ref.) Volume of business Three Months Ended June 30, 2008: ¥454,228 million Three Months Ended June 30, 2007: ¥499,233 million

(2) Consolidated Financial Position

	Total assets	Total stockholders' equity	Stockholders' equity ratio	Stockholders' equity per share
	¥ million	¥ million	%	¥
Three Months Ended June 30, 2008	1,768,472	256,418	14.4	2,182.08
Year Ended March 31, 2008	2,447,791	239,077	9.7	2,033.03

(Ref.) Stockholders' equity Three Months Ended June 30, 2008: ¥255,063 million Three Months Ended June 30, 2007: ¥237,642 million

2. Dividends

Record date	Divided per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year End	For the Year
Year Ended March 31, 2008	—	22.00	—	18.00	40.00
Year Ended March 31, 2009	—	—	—	—	—
Year Ended March 31, 2009 (Forecast)	—	18.00	—	18.00	36.00

(Note) Changes to the dividend forecast in the current quarter: None

Of the interim dividend for the year ending March 31, 2008, ¥4.00 is the commemorative dividend.

3. Forecasts for the Year Ending March 31, 2009 (April 1, 2008 – March 31, 2009)

(% is YoY for the fiscal year or the interim period)

	Revenues		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Interim fiscal year	57,700	—	11,500	—	11,500	—	14,900	—	127.47
	116,600	△0.5	24,600	9.4	24,600	8.8	14,400	34.3	123.19

(Note) Changes to the earnings forecast in the current quarter: None

(Ref.) Volume of business Interim: ¥905,00 million Full fiscal year: ¥1,850,000 million

4. Others

(1) Changes to significant subsidiaries during the term: None

New: ___ (Company name) Excluded: ___ (Company name)

(2) Adoption of the accounting standards specific for simplified accounting procedure and preparation of quarterly consolidated financial statements: Yes

[(Note) For details, refer to "4. Others" under Qualitative Information and Financial Statements on page 5.]

(3) Changes in principles, methods, or reporting procedure of accounting treatments in preparation of quarterly consolidated financial statements: (Those listed under "important items that form the basis for presenting consolidated financial statements.")

1) Changes due to change in accounting standards: Yes

2) Changes other than 1) above: Yes

[(Note) For details, refer to "4. Others" under Qualitative Information and Financial Statements on page 5-6.]

(4) Number of outstanding shares (common shares)

1) Shares issued at end of term (including own shares)

1st quarter of the year ending March 31, 2009: 124,826,552 shares Year ended March 31, 2008: 124,826,552 shares

2) Own shares at end of term

1st quarter of the year ending March 31, 2009: 7,936,220 shares Year ended March 31, 2008: 7,935,994 shares

3) Weighted average number of shares outstanding (for the consolidated quarter)

1st quarter of the year ending March 31, 2009: 116,890,456 shares 1st quarter of the year ended March 31, 2008: 116,891,075 shares

Note: Explanation for proper use of the forecasts, etc.

1. Consolidated forecasts stated herein have been prepared using information available on the date of release. Accordingly, forecasts may differ significantly from actual results due to a variety of reasons.

2. From the current consolidated fiscal year, the Company adopted the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12) and "Guidance on Accounting Standards for Quarterly Financial Reporting" (ASBJ Guidance No. 14). Also, the quarterly consolidated financial statements have been prepared in accordance with the "Regulations Relating to Quarterly Consolidated Financial Statements."

[Qualitative Information and Financial Statements]

1. Qualitative Information on Consolidated Performance

(1) Principal results

Principal results in the current first quarter are as shown below.

(¥ million, %)

Item	Three Months Ended June 30, 2007	Three Months Ended June 30, 2008	YoY
Business volume	499,233	454,228	△9.0
Revenues	28,776	26,162	△9.1
Operating income	5,658	4,759	△15.9
Ordinary income	5,667	4,752	△16.1
Net income	2,783	13,555	386.9

Our group announced a “New med-term management plan” on May 28, 2008. This management plan is intended to reinforce our operating base for sustainable growth by strengthening our overseas business, and by adding new services, including 「commission services」 focused on management and consignment of products, and 「supply and sales services」 focused on the utility value and circulation of products, to our existing financial business model centered on the 「financial services」 based on “Products,” thereby shifting our business into provision of financial services which increase value of “Products.”

Under such circumstances, our volume of commission services for the first quarter grew 2.1% when compared to the same period in the previous year due to the growth of lump-sum notes payable, while overseas business remained strong with an increase of 28.0% year-on-year. However, because of factors like the downturn in domestic demand and our revision of the business line to meet regulations, the overall business volume decreased by 9.0% year-on-year to ¥454,228 million.

(For details, please refer to page 23, “4. Business Breakdown Based on “New med-term management Plan.”)

Owing to the decrease in unrealized gain for the change in accounting procedure related to liquidation of receivables, our revenues fell 9.1% year-on-year to ¥26,162 million.

Having strived for reduction of sales, general, and administrative expenses, we decreased operating expenses by 7.4% year-on-year to ¥21,402 million. As a result, operating income for the term was ¥4,759 million, down 15.9% year-on-year, and ordinary income was ¥4,752 million, down 16.1% year-on-year.

Under the revision to “Practical Guidelines on Accounting Standards for Financial Instruments” (Accounting System Committee Report No. 14), we posted unrealized gains for the leasing receivables liquidated before the end of the previous fiscal year collectively as an extraordinary gain at the beginning of the current fiscal year. Also, we changed the accounting procedure for affiliated loan sales transactions, installment sales and purchase of installment receivables into financial transactions. Due to these treatments, we recorded extraordinary gains of ¥26,599 million and extraordinary losses of ¥8,062 million. Consequently, the net income for the first quarter amounted to ¥13,555 million yen, up 386.9% year-on-year.

As a measure to strengthen our overseas business in the first quarter, we established a new company in Thailand on June 25, 2008, and launched its operations in July.

The business environment surrounding our company is becoming increasingly severe, with conditions such as price competition in a climate of domestic demand downturn, and a decline in leases due to changes in lease accounting standards. In such an environment, our group will continue our efforts to accomplish the business structure reconstruction based on the “New med-term management plan” aiming for further reform.

(2) Principal business indicators

(unit:%)

Indicator	Three Months Ended June 30, 2007	Three Months Ended June 30, 2008	
ROE (Return on Equity)	4.6	—	(22.0)
ROA (Return on Assets)	0.44	—	(2.57)
Stockholders' equity ratio	9.7	—	(14.4)

(Note)

In the first quarter, our total assets decreased significantly because we recorded extraordinary losses as stated on page10 “Quarterly Consolidated Statements of Income,” and we processed the liquidated transactions qualified for dissolution of financial assets as trading transactions. As these treatments make it difficult to simply compare the current result with the past indicators, the indicators for the current quarter are not given.

For reference, the ratios of the quarterly net income (annualized) divided by the average stockholders' equity (total assets) between the beginning and end of the fiscal year are shown in parentheses.

2. Qualitative Information on Consolidated Financial conditions

(1) Status of Assets

Financial status at the end of the first quarter is shown below.

(¥ million, %)

	Fiscal Year Ended March 30 2008	Three months ended June 30, 2008	Increase/decrease	
			Amount	Change
Total assets	2,447,791	1,768,472	△679,318	△27.8
Interest-bearing dept	789,499	831,975	42,476	5.4
Net assets	239,077	256,418	17,341	7.3

i. Total assets

Due to the changes in lease accounting standards, what used to be presented as “equipment held for leases” is now presented as “leasing receivables and leasing investments” in the statements for the first quarter. Out of such items, those liquidated are processed as trading transactions by dissolving the financial assets, and are balanced out with the corresponding “long-term trade payables for liquidation of receivables.” As a result, the total assets at the end of the first quarter decreased ¥679,318 million to ¥1,768,472 million on a year-on-year basis.

ii. Interest-bearing debt

As interest-bearing debt increased mainly due to the growth of the overseas group companies’ business, the ending balance for interest-bearing dept in the three months ended June 30, 2008 amounted to ¥831,975 million, rising ¥42,476 million year-on-year.

iii. Net assets

As a result of the increase in retained earnings of ¥11,841 million and an increase in the valuation and translation adjustments due to the favorable stock market since the end of March, the ending balance for net assets in the three months ended June 30, 2008 totaled ¥256,418 million, an increase of ¥17,341 million from the previous fiscal year end.

(2) Cash Flow

To stay prepared for unforeseeable situations in the current environment, the ending balance of cash and cash equivalents in the three months ended June 30, 2008 was ¥100,909 million, an increase of ¥542 million from the end of the previous fiscal year end. Cash flow in each category is shown below.

(¥ million)

	Three Months Ended June 30, 2007	Three Months Ended June 30, 2008
Cash flow from operating activities	32,373	△14,999
Cash flow from investing activities	497	△2,823
Cash flow from financing activities	△29,123	18,090

i. Cash flow from operating activities

The cash flow from operating activities was a ¥14,999 million loss. This was mainly due to expenditures of ¥24,221 million for net increase of accounts receivable, expenditures of ¥29,507 million for net increase of leasing receivables and leasing investments, and expenditures of ¥33,240 million for acquisition of assets for leases.

ii. Cash flow from investing activities

The cash flow from investing activities was a ¥2,823 million loss, principally due to acquisition of short-term investments.

iii. Cash flow from financing activities

The cash flow from financing activities was a ¥18,090 million gain, principally due to issuance of domestic unsecured bonds.

Consequently, the total cash flow from operating activities and investing activities ended up with a ¥17,822 million losses.

3. Qualitative Information on Consolidated Performance Forecasts

Taking into account the downturn in domestic demand and an increasingly severe competition in the industry, our forecasts for the second quarter and the full fiscal year ending March 30, 2009 are as shown below. No changes have been made to the previous forecast (announced on May 28, 2008).

(¥ million, %)

	Consolidated 2nd quarter	Full fiscal year
Revenues	57,700	116,600
Operating income	11,500	24,600
Ordinary income	11,500	24,600
Net income	14,900	14,400
Net income per share	127.47 yen	123.19 yen

Consolidated forecasts have been prepared using information available on the date of release and include latent risks and uncertainties. Accordingly, forecasts may differ significantly from actual results due to a variety of reasons.

4. Others

(1) Changes to significant subsidiaries during the term: None

(2) Adoption of the accounting standards specific for simplified accounting procedure and preparation of quarterly consolidated financial statements:

The income taxes are determined by multiplying Income before income taxes and minority interests for the current first quarter by the effective tax rate, which is estimated by applying tax effect accounting to the income before income taxes and minority interests for the consolidated fiscal year including the current first quarter. The incomes taxes-deferred are included in the "income taxes."

(3) Changes in principles, methods, or reporting procedures for accounting treatments in preparation of quarterly consolidated Financial statements:

1) From the current consolidated fiscal year, the Company adopted the "Accounting Standards for Quarterly Financial Reporting" (ASBJ Statement No. 12) and "Guidance on Accounting Standards for Quarterly Financial Reporting" (ASBJ Guidance No. 14). Also, the quarterly consolidated financial statements have been prepared in accordance with the "Regulations Relating to Quarterly Consolidated Financial Statements."

2) From the current consolidated first quarter, the Company adopted the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ PITF No. 18), and made adjustments required for consolidated financial settlement. The effect of this change on profit and loss is marginal.

3) From the current consolidated first quarter, the Company promptly adopted the "Accounting Standards for Lease Transactions" (ASBJ Statement No. 13) and "Guidance on Accounting Standards for Lease Transactions" (ASBJ Guidance No. 16). Owing to this change, ownership non-transfer finance lease transactions are handled in accordance with the accounting standards for ordinary trading transactions. Pertaining to those ownership non-transfer finance lease transactions started before the beginning of the initial year in which the above accounting standards were adopted, appropriate book value of the fixed assets (after deducting accumulated depreciation) at the previous year-end of such initial year is used as the beginning value of the leasing investments. Also, for such lease investments, the total interest portion is allocated to each remaining lease period after adoption of said accounting standards on a straight-line basis. The effect of this change on profit and loss is marginal.

4) From the current consolidated first quarter, the Company adopted the "Practical Guidelines on Accounting Standards for Financial Instruments" (JICPA Laws and Regulations Committee Report No. 14, revised on March 25, 2008). Owing to this change, liquidated transactions qualified for dissolution of financial assets are handled as trading transactions, pertaining to the portion related to the right to receive future lease payments out of the leasing receivables and leasing investments recognized by the finance lease transactions. Due to this change, an extraordinary gain of ¥25,703 million was recorded at the beginning of the current consolidated first quarter.

5) Regarding customer charges on installment sales and purchase of installment receivables, and banking institution guarantee charges on loan sales through alliances, the Company changed the standards for reporting earnings into financial transactions, starting with the current consolidated first quarter. Owing to this change, we recorded extraordinary gains of ¥379 million for installment sales and ¥516 million for purchase of installment receivables, as well as an extraordinary loss of ¥7,348 million for loan sales through alliances at the beginning of the current consolidated first quarter.

6) Our group is making efforts to reinforce the operating base for sustainable growth, carrying out a review of our business domains as a part of the business structure reconstruction.

Specifically, for “non-life insurance business,” we are promoting transaction credit insurance related to the finance business as the core business, and for “card business,” we are going to strengthen the finance function for corporate customers and expand the settlement services. Also, for the “securitization business” and “outsourcing business,” we are promoting cooperative operation with the finance business involving the group companies and divisions working together, in order to provide a variety of products and services that meet the diversified needs of our customers.

As a result of these activities, the four businesses previously positioned as other financial services (“non-life insurance business,” “card business,” “securitization business” and “outsourcing business”) are increasingly integrated with the finance business. Consequently, we have decided to categorize all the businesses as a single business starting with the current consolidated fiscal year.

5. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(¥ million)

	As of June 30, 2008	(Ref. As of March 31, 2008)
(Assets)		
Current assets		
Cash	23,004	26,358
Trade receivables	637,450	609,126
Leasing receivables and leasing investments	557,703	—
Affiliate company deposit (Parent company deposit?)	77,905	74,008
Short-term investments	13,265	4,691
Deferred tax assets	8,663	10,203
Other	23,231	17,979
Allowance for losses on receivables	△11,982	△10,422
Total current assets	1,329,242	731,945
Fixed assets		
Property and equipment		
Equipment held for leases	238,484	1,371,529
Equipment for company use	4,909	6,892
Building and structures (net)	1,132	2,136
Machinery, equipment and vehicles (net)	993	1,935
Furniture and fixtures (net)	1,319	1,358
Land	1,463	1,462
Total property and equipment	243,394	1,378,421
Intangible fixed assets		
Equipment held for leases	32,758	243,915
Other	10,423	10,415
Goodwill	5,428	5,664
Other	4,994	4,750
Total intangible fixed assets	43,181	254,331
Investments and other assets		
Investments in securities	116,567	47,887
Deferred tax assets	1,588	1,004
Other	34,505	34,207
Allowance for doubtful accounts	△5	△5
Total investments and other assets	152,655	83,093
Total fixed assets	439,230	1,715,846
Total assets	1,768,472	2,447,791

As of June 30, 2008

(Ref. As of March 31, 2008)

(Liabilities)		
Current liabilities		
Trade payables	255,282	325,470
Short-term bank loans	138,406	128,536
Commercial paper	46,370	69,236
Current portion of bonds	172,511	130,065
Current portion of long-term obligation for liquidation of accounts receivables	24,782	354,674
Income taxes payable	10,531	5,928
Deferred tax liabilities	1,486	1,401
Reserve for loan on guarantees	3,000	3,400
Other	218,543	59,344
Total current liabilities	870,914	1,078,058
Fixed liabilities		
Bonds	259,472	240,236
Long-term debt	215,215	221,423
Long-term obligation for liquidation of accounts receivables	74,657	625,940
Deferred tax liabilities	3,679	2,442
Retirement and severance benefits	4,537	4,902
Retirement benefits for directors	723	881
Reserve for insurance contract	10,934	10,222
Other	71,919	24,606
Total fixed liabilities	641,139	1,130,655
Total liabilities	1,512,054	2,208,714
(Net Assets)		
Stockholders' equity		
Common stock	9,983	9,983
Capital surplus	45,972	45,972
Retained earnings	210,642	198,800
Treasury stock	△14,328	△14,328
Total stockholders' equity	252,269	240,428
Valuation and translation adjustments		
Net unrealized holding gain on investments in securities	3,569	994
Net deferred unrealized gain/loss on hedge accounting	△473	△1,750
Net foreign currency translation adjustments	△302	△2,030
Total valuation and translation adjustments	2,794	△2,786
Minority interests	1,354	1,435
Total net assets	256,418	239,077
Total liabilities minority interests and stockholders' equity	1,768,472	2,447,791

(2) Quarterly Consolidated Statement of Income (Consolidated 1st Quarter)

(¥ million)

	Three Months Ended June 30, 2008
Revenues	26,162
Operating revenues	25,582
Interest and dividend income	579
Expenses	21,402
Selling, general and administrative expenses	15,062
Financing costs	6,339
Operating income	4,759
Non-operating revenues	3
Non-operating expenses	10
Ordinary income	4,752
Extraordinary gains	26,599
Gains on liquidation of leasing receivables for changes in the accounting standards	25,703
Gains on changes in the standards for reporting earnings from installment transactions	895
Extraordinary losses	8,062
Losses on changes in the standards for reporting earnings from loan sales through alliances	7,348
Losses on changes in the standards for reporting maintenance costs	646
Loss on impairment	66
Income before income taxes and minority interests	23,289
Income taxes	9,752
Minority interests	△18
Net income	13,555

(3) Quarterly Consolidated Cash Flow

(¥ million)

	Three Months Ended June 30, 2008
Cash flow from operating activities	
Income before income taxes and minority interests	23,289
Depreciation	22,435
Loss on impairment	66
Depreciation of Goodwill	235
Interest and dividend income	△517
Interest expenses	5,991
Increase (decrease) in trade receivables (△ represents increases.)	△24,221
Increase (decrease) in leasing receivables and leasing investments (△ represents increases.)	△29,507
Increase (decrease) in allowance for doubtful accounts (△ represents decreases.)	255
Increase (decrease) in allowance for losses on loan guarantees (△ represents decreases.)	△400
Gain/loss on disposal of equipment for leases (△ represents gains.)	△186
Gain on sale of equipment for leases	11,493
Acquisition of equipment for leases	△33,240
Increase (decrease) in accounts payable (△ represents decreases.)	402
Increase (decrease) in retirement and severance benefits (△ represents decreases.)	△364
Other	14,691
Subtotal	△9,576
Income taxes paid	△5,422
Net cash provided by operating activities	△14,999
Cash flows from investing activities	
Purchase from sale of short-term investments	△2,698
Proceeds from sale of short-term investments	200
Purchase of investments in securities	△25
Purchase of equipment for company use	△158
Purchase of other intangible fixed assets	△667
Interest and dividends received	507
Other	18
Net cash used in investing activities	△2,823
Cash flows from financing activities	
Increase (decrease) in short-term bank loans (△ represents decreases.)	3,177
Increase (decrease) in commercial paper (△ represents decreases.)	△24,557
Proceeds from long-term borrowings	14,217
Payment of long-term borrowings	△19,247
Issuance of bonds	59,526
Redemption of bonds	△7,091
Interest paid	△5,825
Dividends paid to stockholders	△2,104
Other	△4
Net cash used in financing activities	18,090

Three Months Ended June 30, 2008

Effect of exchange rate changes on cash and cash equivalents	274
Net increase (decrease) in cash and cash equivalents (Δ represents decreases.)	542
Cash and cash equivalents at beginning of year	100,366
Cash and cash equivalents at end of the quarter	100,909

From the current consolidated fiscal year, the Company adopted the "Accounting Standards for Quarterly Financial Reporting" (ASBJ Statement No. 12) and "Guidance on Accounting Standards for Quarterly Financial Reporting" (ASBJ Guidance No. 14). Also, the quarterly consolidated financial statement has been prepared in accordance with the "Regulations Relating to Quarterly Consolidated Financial Statements."

(4) Notes on Premise of Going Concern

No relevant matters.

(5) Segment Information

a. Segment information by business type

As the group is engaged in only one type of business from the current quarter, there is no segment information to be reported.

b. Segment information by location

Consolidated Current 1st Quarter (From April 1, 2008 through June 30, 2008)

(¥ million, rounded down)

	Japan	Europe/U.S.	Asia	Total	Elimination and/or corporate	Consolidated
Operating income						
Revenues						
(1) Revenues from outside customers	17,562	7,412	1,187	26,162	—	26,162
(2) Internal revenues between segments	12	(3)	—	9	(9)	—
Total	17,575	7,409	1,187	26,172	(9)	26,162
Operating income	3,637	770	351	4,759	—	4,759

(Notes) 1. The classification of country or region is based on similarities in economic activities.

2. Principal countries and regions in each category are as follows.

(1) Europe and United States: Britain, Ireland, and United States

(2) Asia: Singapore and China

c. Overseas revenues

Consolidated Current 1st Quarter (From April 1, 2008 through June 30, 2008)

(¥ million, rounded down)

	Europe/U.S.	Asia	Total
Overseas revenues	7,409	1,187	8,596
Consolidated revenues	26,162		
Percentage of overseas revenues in consolidated revenues	28.3%	4.5%	32.9%

(Notes) 1. The classification of country or region is based on similarities in economic activities.

2. Principal countries and regions in each category are as follows.

(1) Europe and United States: Britain, Ireland, and United States

(2) Asia: Singapore and China

3. Overseas revenues are revenues of the Company and consolidated subsidiaries in countries and regions other than Japan.

(6) Notes on Significant Changes in the Amount of Stockholders' Equity

No relevant matters.

< Reference Information >

Financial Statements for the 1st Quarter of the Previous Fiscal Year

(1) Summary of Quarterly Consolidated Statements of Income

(¥ million, rounded down)

Item	Consolidated Previous 1st Quarter (From April 1, 2007 through June 30, 2007)	Consolidated Previous Fiscal Year (From April 1, 2007 through March 31, 2008)
	Amount	Amount
Revenues	28,776	117,185
Operating revenues	28,140	115,362
Interest and dividend income	636	1,823
Expenses	23,117	94,699
Selling, general and administrative expenses	15,856	62,439
Financing costs	7,261	32,259
Operating income	5,658	22,486
Non-operating revenues	47	179
Non-operating expenses	38	66
Ordinary income	5,667	22,600
Extraordinary gains	—	—
Extraordinary losses	—	2,095
Income before income taxes and minority interests	5,667	20,504
Income taxes	2,699	9,879
Minority interests	184	△96
Net income	2,783	10,722

(2) Quarterly Consolidated Cash Flow

(¥ million, rounded down)

Category	Consolidated Previous 1st Quarter (From April 1, 2007 through June 30, 2007)		Consolidated Previous Fiscal Year (From April 1, 2007 through March 31, 2008)	
	Amount		Amount	
I. Cash flow from operating activities				
(1) Income before income taxes and minority interests		5,667		20,504
(2) Non-cash items				
1) Depreciation	139,197		550,792	
2) Other	149	139,346	2,799	553,592
(3) Investment and finance items				
1) Interest and dividend income	△567		△1,546	
2) Interest expenses	6,020		26,988	
3) Gain/loss on sale of short-term investments	△30		△141	
4) Other	74	5,497	229	25,530
(4) Changes in assets and liabilities				
1) Increase in trade receivables	△16,141		△55,139	
2) Cash provided by asset backed securitization	351,521		1,306,386	
3) Payment for asset backed securitization	△300,869		△1,236,648	
4) Increase in allowance for losses on receivables and guarantees	143		471	
5) Gain on sale of equipment for leases	△195		△1,008	
6) Acquisition of equipment for leases	△180,416		△589,882	
7) Proceeds from sale of equipment for leases	14,095		58,367	
8) Increase in trade payables	15,159	△116,702	27,629	△489,824
(5) Other				
1) Decrease in retirement and severance benefits	△19		△98	
2) Increase (decrease) in other assets and liabilities	3,466	3,447	26,615	26,517
Subtotal		37,255		136,320
(6) Income taxes paid		△4,882		△8,973
Net cash provided by operating activities		32,373		127,347
II. Cash flow from investing activities				
(1) Purchase of short-term investments (excluding cash equivalents)		△1		—
(2) Proceeds from sale of short-term investments (excluding cash equivalents)		—		2,280
(3) Purchase of investments in securities and subsidiaries' common stock		△100		△12,567
(4) Receipt from sale of investment securities or subsidiaries' common stock		7		1,292
(5) Capital expenditures (excluding assets for leasing)		△472		△4,585
(6) Proceeds from sale of capital assets (excluding assets for leasing)		349		443
(7) Interest and dividends received		714		1,730
Net cash provided by (used in) investing activities		497		△11,406
III. Cash flow from financing activities				
(1) Increase in short-term bank loans		5,205		5,267
(2) Decrease in commercial paper		△24,219		△93,714
(3) Proceeds from long-term borrowings		1,079		58,796
(4) Payment of long-term borrowings		△5,690		△44,857
(5) Issuance of bonds		20,000		93,398
(6) Redemption of bonds		△17,238		△83,774

Category	Consolidated Previous 1st Quarter (From April 1, 2007 through June 30, 2007)		Consolidated Previous Fiscal Year (From April 1, 2007 through March 31, 2008)	
	Amount		Amount	
(7) Bond issuance expenses		△68		△180
(8) Interest paid		△5,790		△26,976
(9) Net expenditure from purchase/sale of treasury stock		△0		△1
(10) Dividends paid to stockholders		△2,104		△4,675
(11) Dividends paid to minority stockholders and subsidiaries		△295		△300
Net cash used in financing activities		△29,123		△97,017
IV. Effect of exchange rate changes on cash and cash equivalents		352		△585
V. Net increase in cash and cash equivalents		4,099		18,337
VI. Cash and cash equivalents at beginning of year		82,029		82,029
VII. Cash and cash equivalents at end of the year		86,128		100,366

(3) Segment Information

a. Segment information by business type

Consolidated Previous 1st Quarter (From April 1, 2007 through June 30, 2007)

(¥ million, rounded down)

	Finance	Other financial services	Total	Elimination and/or Corporate	Consolidated
Operating income					
Revenues					
(1) Revenues from outside customers	26,428	2,140	28,569	207	28,776
(2) Internal revenues between segments	80	1,663	1,743	(1,743)	—
Total	26,508	3,804	30,313	(1,536)	28,776
Operating income	5,407	642	6,050	(391)	5,658

(Notes) 1. Business category is decided by taking into account the details of business as described below.

(1) Finance business

Provides leases, rentals, credit guarantees, and installment payments for capital investment including information-related equipment, industrial machinery, construction machinery, medical equipment, agricultural equipment for businesses, farms, medical institutions, and government offices. Also provides leases, credit guarantees, installment payments, and financial services for automobiles, household appliances, and home renovations to help general consumers improve their homes and lifestyles.

(2) Other financial services

The card business provides financial services using credit cards, non-life insurance business provides products and services pertaining to non-life insurance, securitization business provides services catering to corporate finance using securitization and trust schemes, and outsourcing business provides payment and collection agency services. As each of these four businesses is small in size, they are collectively referred to as "other financial services."

2. Of the operating income from outside customers, the ¥207 million that was posted as elimination and/or corporate is a financial income of the administration department in the main office.

Consolidated Previous Fiscal Year (From April 1, 2007 through March 31, 2008)

(¥ million, rounded down)

	Finance	Other financial services	Total	Elimination and/or Corporate	Consolidated
Operating income					
Revenues					
(1) Revenues from outside customers	109,050	7,164	116,215	970	117,185
(2) Internal revenues between segments	(204)	7,020	6,815	(6,815)	—
Total	108,846	14,184	123,030	(5,844)	117,185
Operating income	22,597	2,275	24,873	(2,386)	22,486

(Notes) 1. Business category is decided by taking into account the details of business as described below.

(1) Finance business

Provides leases, rentals, credit guarantees, and installment payments for capital investment including information-related equipment, industrial machinery, construction machinery, medical equipment, agricultural equipment for businesses, farms, medical institutions, and government offices. Also provides leases, credit guarantees, installment payments, and financial services for automobiles, household appliances, and home renovations to help general consumers improve their homes and lifestyles.

(2) Other financial services

The card business provides financial services using credit cards, non-life insurance business provides products and services pertaining to non-life insurance, securitization business provides services catering to corporate finance using securitization and trust schemes, and outsourcing business provides payment and collection agency services as well as salary and accounting operation services on a contractual basis. As each of these four businesses is small in size, they are collectively referred to as "other financial services."

2. Of the operating income from outside customers, the ¥970 million that was posted as elimination and/or corporate is a financial income of the administration department in the main office.

b. Segment information by location

Consolidated Previous 1st Quarter (From April 1, 2007 through June 30, 2007)

(¥ million, rounded down)

	Japan	Europe/U.S.	Asia	Total	Elimination and/or Corporate	Consolidated
Operating income						
Revenues						
(1) Revenues from outside customers	19,600	8,093	1,082	28,776	—	28,776
(2) Internal revenues between segments	41	(13)	—	27	(27)	—
Total	19,641	8,080	1,082	28,804	(27)	28,776
Operating income	4,327	1,066	264	5,658	—	5,658

(Notes) 1. The classification of country or region is based on similarities in economic activities.

2. Principal countries and regions in each category are as follows;

(1) Europe and United States: Britain, Ireland, and United States

(2) Asia: Singapore and China

Consolidated Previous Fiscal Year (From April 1, 2007 through March 31, 2008)

(¥ million, rounded down)

	Japan	Europe/U.S.	Asia	Total	Elimination and/or Corporate	Consolidated
Operating income						
Revenues						
(1) Revenues from outside customers	80,003	32,682	4,500	117,185	—	117,185
(2) Internal revenues between segments	119	(46)	—	72	(72)	—
Total	80,122	32,635	4,500	117,258	(72)	117,185
Operating income	16,610	4,523	1,352	22,486	—	22,486

(Notes) 1. The classification of country or region is based on similarities in economic activities.

2. Principal countries and regions in each category are as follows:

(1) Europe and United States: Britain, Ireland, and United States

(2) Asia: Singapore and China

c. Overseas revenues

Consolidated Previous 1st Quarter (From April 1, 2007 through June 30, 2007)

(¥ million, rounded down)

	Europe/U.S.	Asia	Total
Overseas revenues	8,080	1,082	9,162
Consolidated revenues	28,776		
Percentage of overseas revenues in consolidated revenues	28.1%	3.7%	31.8%

(Notes) 1. The classification of country or region is based on similarities in economic activities.

2. Principal countries and regions in each category are as follows:

(1) Europe and United States: Britain, Ireland, and United States

(2) Asia: Singapore and China

3. Overseas revenues are revenues of the Company and consolidated subsidiaries in countries and regions other than Japan.

Consolidated Previous Fiscal Year (From April 30, 2007 through March 31, 2008)

(¥ million, rounded down)

	Europe/U.S.	Asia	Total
Overseas revenues	32,635	4,500	37,135
Consolidated revenues	117,185		
Percentage of overseas revenues in consolidated revenues	27.8%	3.8%	31.7%

(Notes) 1. The classification of country or region is based on similarities in economic activities.

2. Principal countries and regions in each category are as follows:

(1) Europe and United States: Britain, Ireland, and United States

(2) Asia: Singapore and China

3. Overseas revenues are revenues of the Company and consolidated subsidiaries in countries and regions other than Japan.

<Supplementary Information>

1.Change in Quarterly Consolidated Performance

Consolidated Results for the Year Ending March 31, 2009

(¥ million, rounded down)

Item	No.	1st Quarter April 1, 2008 – June 30, 2008	2nd Quarter July 1, 2008 – September 30, 2008	3rd Quarter October 1, 2008 – December 31, 2008	4th Quarter January 1, 2009 – March 31, 2009	Three Months Cumulative April 1, 2008 – June 30 2008
Revenues	1	26,162				26,162
Operating revenues	2	25,582				25,582
Interest and dividend income	3	579				579
Expenses	4	21,402				21,402
Selling, general and administrative expenses	5	15,062				15,062
Financing costs	6	6,339				6,339
Operating income	7	4,759				4,759
Non-operating revenues	8	3				3
Non-operating expenses	9	10				10
Ordinary income	10	4,752				4,752
Extraordinary gains/losses	11	18,537				18,537
Income before income taxes and minority interests	12	23,289				23,289
Income taxes	13	9,752				9,752
Minority interests	14	△18				△18
Net income	15	13,555				13,555

Consolidated Results for the Year Ended March 31, 2008

(¥ million, rounded down)

Item	No.	1st Quarter April 1, 2007 – June 30, 2007	2nd Quarter July 1, 2007 – September 30, 2007	3rd Quarter October 1, 2007 – December 31, 2007	4th Quarter January 1, 2008 – March 31, 2008	Annual Cumulative April 1, 2007 – March 31, 2008
Revenues	1	28,776	29,700	28,963	29,745	117,185
Operating revenues	2	28,140	29,353	28,621	29,248	115,362
Interest and dividend income	3	636	346	342	496	1,823
Expenses	4	23,117	24,215	23,404	23,960	94,699
Selling, general and administrative expenses	5	15,856	15,802	15,021	15,759	62,439
Financing costs	6	7,261	8,413	8,383	8,201	32,259
Operating income	7	5,658	5,484	5,559	5,784	22,486
Non-operating revenues	8	47	4	114	14	179
Non-operating expenses	9	38	14	2	11	66
Ordinary income	10	5,667	5,473	5,671	5,787	22,600
Extraordinary gains/losses	11	—	—	—	△2,095	△2,095
Income before income taxes and minority interests	12	5,667	5,473	5,671	3,692	20,504
Income taxes	13	2,699	2,000	2,614	2,565	9,879
Minority interests	14	184	125	△112	△294	△96
Net income	15	2,783	3,348	3,168	1,421	10,722

2. Contract Segment Information

(1) For the Three Months Ending June 30, 2009

(¥ million, rounded down)

	No.	Domestic consolidated				Overseas consolidated			Consolidated total
		Lease	Guarantees	Installments and others	Total	Lease	Installments and others	Total	
Revenues (Composition %) (YoY Change %)	1	11,694 (45) (△12)	1,859 (7) (△17)	4,007 (15) (△3)	17,562 (67) (△10)	3,116 (12) (△15)	5,483 (21) (△1)	8,599 (33) (△6)	26,162 (100) (△9)
Volume of business (Composition %) (YoY Change %)	2	157,331 (35) (△18)	54,328 (12) (△2)	141,380 (31) (△18)	353,040 (78) (△16)	17,360 (4) (△6)	83,827 (18) (39)	101,187 (22) (28)	454,228 (100) (△9)
Trade receivables, loan guarantees, and leases (Composition %) (YoY Change %)	3	1,729,541 (50) (△4)	545,627 (16) (△2)	738,599 (21) (△10)	3,013,768 (87) (△5)	159,820 (5) (△16)	273,629 (8) (12)	433,449 (13) (△0)	3,447,218 (100) (△5)

(2) For the Three Months Ended June 30, 2008

(¥ million, rounded down)

	No.	Domestic consolidated business				Overseas consolidated business			Consolidated total
		Lease	Guarantees	Installments and others	Total	Lease	Installments and others	Total	
Revenues (Composition %) (YoY Change %)	1	13,228 (46) (△1)	2,244 (8) (15)	4,127 (14) (△13)	19,600 (68) (△2)	3,651 (13) (27)	5,524 (19) (9)	9,175 (32) (16)	28,776 (100) (3)
Volume of business (Composition %) (YoY Change %)	2	192,981 (39) (1)	55,595 (11) (3)	171,615 (34) (△3)	420,193 (84) (△0)	18,565 (4) (18)	60,474 (12) (△1)	79,040 (16) (3)	499,233 (100) (0)
Trade receivables, loan guarantees, and leases (Composition %) (YoY Change %)	3	1,803,155 (50) (3)	558,417 (15) (△10)	816,250 (23) (6)	3,177,822 (88) (1)	189,981 (5) (23)	245,189 (7) (△1)	435,170 (12) (8)	3,612,993 (100) (2)

(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" include loan sales through alliances and other items.

4. "Installments and others" include installment sales, business loans (including home loans), card services, and other items.

5. "Guarantees" are not performed in overseas consolidated business.

3. Volume of Business by Product

(¥ million, rounded down, %)

	No.	Three Months Ended June 30, 2007		Three Months Ended June 30, 2008		Y to Y change
			(Composition %)		(Composition %)	
Agricultural equipment & medical and nursing	1	41,033	8.2	35,527	7.8	△13.4
Agricultural equipment	2	17,949	3.6	15,404	3.4	△14.2
Medical and nursing	3	23,083	4.6	20,122	4.4	△12.8
Corporate business	4	188,716	37.8	147,852	32.6	△21.7
Information equipment related	5	83,952	16.8	70,386	15.5	△16.2
Industrial machinery	6	37,957	7.6	29,378	6.5	△22.6
Construction machinery	7	1,844	0.4	1,534	0.3	△16.8
Automobile finance	8	14,545	2.9	12,707	2.8	△12.6
Others	9	50,415	10.1	33,845	7.5	△32.9
Consumer business	10	76,521	15.3	51,071	11.2	△33.3
Automobile business	11	39,869	8.0	33,913	7.5	△14.9
Home appliances and home refurbishment	12	11,721	2.3	6,081	1.3	△48.1
Home loans	13	8,086	1.6	11,076	2.4	37.0
Others	14	16,843	3.4	—	—	—
Overseas finance business	15	77,760	15.6	99,897	22.0	28.5
Finance business	16	384,030	76.9	334,348	73.6	△12.9
Card business	17	12,036	2.4	12,637	2.8	5.0
Non-life insurance business	18	2,090	0.4	2,129	0.5	1.9
Securitization business	19	15,930	3.2	16,145	3.5	1.3
Outsourcing business	20	86,995	17.4	90,763	20.0	4.3
Other financial services	21	117,052	23.4	121,676	26.8	3.9
Elimination and/or corporate	22	△1,850	△0.3	△1,796	△0.4	—
Total	23	499,233	100.0	454,228	100.0	△9.0

Note: Others shown under “Corporate business” includes commercial facilities, scientific instruments, maintenance services, and other items.

4. Business Breakdown Based on “New mid-term Management Plan
(Consolidated Revenues)

(¥ million, rounded down, %)

	No.	Three Months Ended June 30, 2007		Three Months Ended June 30, 2008		Y to Y change
			(Composition %)		(Composition %)	
Revenues from financial services	1	12,896	44.8	10,888	41.6	△15.6
Farms, agricultural corporations, medical and nursing service providers	2	1,310	4.5	1,005	3.8	△23.3
Corporate	3	10,581	36.8	9,207	35.2	△13.0
Consumers	4	1,003	3.5	676	2.6	△32.6
Revenues from commission service	5	3,727	13.0	3,357	12.9	△9.9
Farms, agricultural corporations, medical and nursing service providers	6	732	2.6	542	2.1	△26.0
Corporate	7	1,535	5.3	1,535	5.9	0.0
Consumers	8	1,459	5.1	1,280	4.9	△12.3
Revenues from supply and sales services	9	2,450	8.5	2,826	10.8	15.3
Corporate	10	2,450	8.5	2,826	10.8	15.3
Domestic consolidated operating revenues	11	19,073	66.3	17,071	65.3	△10.5
Overseas consolidated operating revenues	12	9,067	31.5	8,511	32.5	△6.1
Consolidated operating revenues	13	28,140	97.8	25,582	97.8	△9.1
Interest and dividend income	14	636	2.2	579	2.2	△9.0
Consolidated revenues	15	28,776	100.0	26,162	100.0	△9.1

(Consolidated Business Volume)

(¥ million, rounded down, %)

	No.	Three Months Ended June 30, 2007		Three Months Ended June 30, 2008		Y to Y change
			(Composition %)	Y to Y change	(Composition %)	
Business volume of financial services	1	234,245	46.9	165,355	36.4	△29.4
Farms, agricultural corporations, medical and nursing service providers	2	28,460	5.7	24,218	5.3	△14.9
Corporate	3	172,116	34.5	132,750	29.2	△22.9
Consumers	4	33,669	6.7	8,387	1.9	△75.1
Business volume of commission services	5	168,957	33.8	172,511	38.0	2.1
Farms, agricultural corporations, medical and nursing service providers	6	12,573	2.5	11,309	2.5	△10.1
Corporate	7	114,362	22.9	119,104	26.2	4.1
Consumers	8	42,022	8.4	42,098	9.3	0.2
Business volume of supply and sales services	9	16,989	3.4	15,174	3.3	△10.7
Corporate	10	16,989	3.4	15,174	3.3	△10.7
Domestic consolidated business volume	11	420,193	84.2	353,040	77.7	△16.0
Overseas consolidated business volume	12	79,040	15.8	101,187	22.3	28.0
Consolidated business volume	13	499,233	100.0	454,228	100.0	△9.0

(Notes)

1. Finance services is based on “products,” and includes operating leases and credit with residual value, besides finance leases.
2. Commission services is focused on management and consignment of products, and includes services leveraging our goods management know-how acquired from lease transactions as well as outsourcing business and credit guarantee business, such as collection of accounts receivable and settlement of accounts payable, focusing on the flow of goods and making extensive use of our credit and collection capabilities.
3. supply and sales services is focused on the utility value and circulation of goods, and includes rental, auto lease and recycle/reuse transactions.