

Consolidated 2nd Quarter Earnings Report for the Six Months Ended September 30, 2008



October 23, 2008

Corporate Name: Hitachi Capital Corporation
 Stock Code: 8586 URL <http://www.hitachi-capital.co.jp>
 Stock Listing: Tokyo Stock Exchange
 Representative Director: Kazuo Takano, President and CEO
 Inquiries: Keiji Momoi, Senior Corporate Officer
 Phone: (03) 3503-2118
 Scheduled date of submission of this quarterly financial report: November 13, 2008
 Scheduled commencement of dividend payment: November 26, 2008

(All amounts rounded down)

1. Consolidated Results for the 2nd Quarter of the Fiscal Year Ended March 31, 2009 (April 1, 2008 – September 30, 2008)

(1) Consolidated Operating Results (Cumulative)

(YoY change %)

	Revenues		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Six Months Ended September 30, 2008	54,789	—	10,103	—	10,097	—	14,801	—
Six Months Ended September 30, 2007	58,476	3.1	11,143	△11.7	11,141	△15.1	6,132	△20.0

	Net income per share		Diluted net income per share	
	¥		¥	
Six Months Ended September 30, 2008	126.63		—	
Six Months Ended September 30, 2007	52.46		—	

(Ref.) Volume of business Six Months Ended September 30, 2008: ¥869,483 million Six Months Ended September 30, 2007: ¥916,338 million

(2) Consolidated Financial Position

	Total assets	Total stockholders' equity	Stockholders' equity ratio	Stockholders' equity per share
	¥ million	¥ million	%	¥
As of September 30, 2008	1,727,729	253,796	14.6	2,159.74
As of March 31, 2008	2,447,791	239,077	9.7	2,033.03

(Ref.) Stockholders' equity As of September 30, 2008: ¥252,452 million As of September 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	—	18.00	—	—	—
Year Ended March 31, 2009 (Forecast)	—	—	—	18.00	36.00

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

Of 2nd Quarter dividend for the year ended 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)

fiscal year	Revenues		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
	113,500	△3.1	22,000	△2.2	22,000	△2.7	12,900	20.3	110.36

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

(Ref.) Volume of business Full fiscal year: ¥1,750,000 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 6-7.]

(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 6-7.]

(4) Number of outstanding shares (common shares)

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

2nd 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

2nd quarter of the year ending March 31, 2009: 7,936,645 shares Year ended March 31, 2008: 7,935,994 shares

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

2nd quarter of the year ending March 31, 2009: 116,890,253 shares 2nd quarter of the year ended March 31, 2008: 116,890,996 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."

(Ref.)

Non Consolidated Forecast for the Year Ending March 31, 2009 (April 1, 2008 – March 31, 2009)

(% is YoY for the fiscal year)

	Revenues		Operating income		Ordinary income		Net income		Net income per share	
fiscal year	¥ million	%	¥ million	%	¥ million	%	¥ million	%		¥
	66,000	△5.2	17,500	9.6	17,500	8.9	11,300	37.1	96	67

(Ref.)

(Note) Changes to the earnings forecast in the current quarter: Yes

(Ref.) Volume of business Full fiscal year: ¥1,267,000 million

[Qualitative Information and Financial Statements]

1. Qualitative Information on Consolidated Performance

(1) Principal results

Principal results in the current 2nd quarter are as shown below.

(¥ million, %)

Item	Six Months Ended September 30, 2007	Six Months Ended September 30, 2008	YoY(※)
Business volume	916,338	869,483	△5.1
Revenues	58,476	54,789	△6.3
Operating income	11,143	10,103	△9.3
Ordinary income	11,141	10,097	△9.4
Net income	6,132	14,801	141.4

※ The year-over-year ratios are shown for reference.

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

Under such circumstances, our volume of commission business for the six-month period grew 2.9% when compared to the same period in the previous year due to the solid flow of lump-sum notes payable, while overseas business recorded an increase of 30.5% year-on-year due to the growth of factoring business in the United States in the economic recession. However, because of factors like the downturn in domestic demand and our revision of the business line, the overall business volume decreased by 5.1% year-on-year to ¥869,483 million.

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

Owing to the decrease in unrealized gain for the change in accounting procedure related to liquidation of receivables as stated in the record of extraordinary gain/losses below, our revenues fell 6.3% year-on-year to ¥54,789million.

Having strived for reduction of sales, general expenses, and administrative expenses, we decreased operating expenses by 5.6% year-on-year to ¥44,685 million. As a result, operating income for the term was ¥10,103 million, down 9.3% year-on-year, and ordinary income was ¥10,097 million, down 9.4% 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 ¥11,078 million. Consequently, the quarterly net income amounted to ¥14,801 million yen, up 141.4% year-on-year.

As a measure to strengthen our overseas business in the first and second quarter, we established a new company in Thailand on June 2008, and launched its operations. In addition, we bought a factoring company in Britain 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 in the midst of the worldwide financial crisis, 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 (Annualized ROE, ROA)

(unit:%)

Indicator	Six Months Ended September 30, 2007	Six Months Ended September 30, 2008
ROE (Return on Equity)	5.1	12.1
ROA (Return on Assets)	0.49	1.42
Stockholders' equity ratio	9.9	14.6

(Note)

In the current six month period, 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.

Please understand that as a result of these treatments, it is difficult to simply compare the current result with the past indicators.

2. Qualitative Information on Consolidated Financial conditions

(1) Status of Assets

Financial status at the end of the 2nd quarter is shown below.

(¥ million, %)

	Fiscal Year Ended March 30 2008	As of September 30, 2008	Increase/decrease	
			Amount	Change
Total assets	2,447,791	1,727,729	△720,062	△29.4
Interest-bearing dept	789,499	801,639	12,140	1.5
Net assets	239,077	253,796	14,719	6.2

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 current consolidated fiscal 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.” Also, trust beneficiary rights related to credit enhancement are recorded as “short-term investments” and “investments in securities.” As a result, the total assets at the end of the second quarter decreased ¥720,062 million to ¥1,727,729 million on a year-on-year basis.

ii. Interest-bearing debt

As we procured assets for expansion of the overseas group companies’ business, the ending balance for interest-bearing liabilities as of September 30, 2008 amounted to ¥801,639 million, rising ¥12,140million year-on-year.

iii. Net assets

As a result of the increase in retained earnings of ¥13,053 million due to the record extraordinary gain and an increase in the net unrealized holding gain on securities the ending balance for net assets as of September 30, 2008 totaled ¥253,796 million, an increase of ¥14,719 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 as of September 30, 2008 was ¥120,374million, an increase of ¥20,008 million from the end of the previous fiscal year end. Cash flow in each category is shown below.

(¥ million)

	Six Months Ended September 30, 2007	Six Months Ended September 30, 2008
Cash flow from operating activities	90,057	22,792
Cash flow from investing activities	△9,561	△3,520
Cash flow from financing activities	△66,779	963

i. Cash flow from operating activities

The cash flow from operating activities was a ¥22,792 million gain. This was mainly due to income before income taxes and minority interests of ¥25,617 million, depreciation of ¥44,765 million, and expenditures of ¥54,927million for acquisition of assets for leases.

ii. Cash flow from investing activities

The cash flow from investing activities was a ¥3,520 million loss, principally due to acquisition of common stock for establishment and buyout subsidiaries.

iii. Cash flow from financing activities

The cash flow from financing activities was a ¥963million gain, principally due to issuance of new domestic unsecured bonds, although there was a decrease in commercial paper and redemption of bonds.

Consequently, the total cash flow from operating activities and investing activities ended up with a ¥19,272million gain.

3. Qualitative Information on Consolidated Performance Forecasts

Taking into account the downturn in domestic demand and an increasingly severe competition in the industry, we have Made some changes to the previous forecast (announced on 28 May, 2008) for the fiscal year ending 31 March, 2009, as Shown below.

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

(¥ million, %)

	Revenues	Operating income	Ordinary income	Net income	Net income
Previous forecast (A)	116,600	24,600	24,600	14,400	123.19 ¥
Forecast (B)	113,500	22,000	22,000	12,900	110.36 ¥
Change in amount (B)– (A)	△3,100	△2,600	△2,600	△1,500	△12.83 ¥
Changing rate (%)	△2.7	△10.6	△10.6	△10.4	△10.4 ¥
(Reference) Previous Period result	117,185	22,486	22,600	10,722	91.73 ¥

Non Consolidated Forecasts for the Year Ending March 31, 2009 (April 1, 2008 – March 31, 2009)

(¥ million, %)

	Revenues	Operating income	Ordinary income	Net income	Net income
Previous forecast (A)	69,000	19,100	19,100	11,700	100.09 ¥
Forecast (B)	66,000	17,500	17,500	11,300	96.67 ¥
Change in amount (B)– (A)	△3,000	△1,600	△1,600	△400	△3.42 ¥
Changing rate (%)	△4.3	△8.4	△8.4	△3.4	△3.4 ¥
(Reference) Previous Period result	69,614	15,968	16,077	8,240	70.50 ¥

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 and preparation of quarterly consolidated financial statements:

The income taxes are determined by multiplying income before Income taxes and minority interests for the current 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 quarter. The incomes taxes–deferred are included under “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 1st 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 1st 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 1st 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). Out of the liquidations of leasing receivables and leasing investment recognized by the finance lease transactions, those qualified for dissolution of financial assets used to be handled as financial transactions. Owing to the aforesaid change, however, the portion related to the right to receive future lease payments came to be processed as trading transaction from the 1st quarter of the current consolidated fiscal year. Due to this change, an extraordinary gain of ¥25,703 million was recorded at the beginning of the 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 to an interest method, starting with the first quarter of the current consolidated fiscal year. Owing to this change, we recorded extraordinary gains of ¥379million 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 1st quarter of the current consolidated fiscal year.

6) Our group is making efforts to reinforce the operating base for sustainable growth. Specifically, for "non-life insurance business," transactions we are promoting transaction credit insurance related to the finance business, which combines a finance function and an insurance function as the core business, and will further pursue integration with the finance business. As for "card business," we are going to expand the settlement services, which provide corporate customers with finance functions, thereby promoting the business in combination with the finance business. 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 our customers diversified needs for finance functions. We anticipate that this trend will continue to grow.

As a result of these activities, the four businesses previously separated from the finance business and positioned as its incidental businesses ("non-life insurance business," "card business," "securitization business" and "outsourcing business") are now closely associated with the finance business, and are increasingly integrated with it.

Consequently, we have decided to categorize all the businesses as a single combined business segment in the finance business, starting with the 1st quarter of the current consolidated fiscal year.

5. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(¥ million)

	As of September 30, 2008	(Ref. As of March 31, 2008)
(Assets)		
Current assets		
Cash	21,938	26,358
Trade receivables	633,609	609,126
Leasing receivables and leasing investments	514,546	—
Affiliate company deposit (Parent company deposit)	98,436	74,008
Short-term investments	17,384	4,691
Deferred tax assets	8,621	10,203
Other	22,474	17,979
Allowance for losses on receivables	△12,167	△10,422
Total current assets	1,304,843	731,945
Fixed assets		
Property and equipment		
Equipment held for leases	230,959	1,371,529
Equipment for company use		
Building and structures (net)	1,122	2,136
Machinery, equipment and vehicles (net)	994	1,935
Furniture and fixtures (net)	1,269	1,358
Land	1,461	1,462
Total own-used assets	4,846	6,892
Total property and equipment	235,806	1,378,421
Intangible fixed assets		
Equipment held for leases	31,336	243,915
Other intangible assets		
Goodwill	6,334	5,664
Other	5,082	4,750
Total other intangible assets	11,417	10,415
Total intangible fixed assets	42,753	254,331
Investments and other assets		
Investments in securities	109,174	47,887
Deferred tax assets	1,710	1,004
Other	34,860	34,207
Allowance for doubtful accounts	△1,419	△5
Total investments and other assets	144,325	83,093
Total fixed assets	422,885	1,715,846
Total assets	1,727,729	2,447,791

As of September 30, 2008

(Ref. As of March 31, 2008)

(Liabilities)		
Current liabilities		
Trade payables	247,402	325,470
Short-term bank loans	196,737	128,536
Commercial paper	25,850	69,236
Current portion of bonds	143,071	130,065
Current portion of long-term obligation for liquidation of accounts receivables	23,296	354,674
Income taxes payable	12,490	5,928
Deferred tax liabilities	1,308	1,401
Reserve for loan on guarantees	3,100	3,400
Other	231,986	59,344
Total current liabilities	885,243	1,078,058
Fixed liabilities		
Bonds	235,733	240,236
Long-term debt	200,247	221,423
Long-term obligation for liquidation of accounts receivables	63,016	625,940
Deferred tax liabilities	2,556	2,442
Retirement and severance benefits	4,545	4,902
Retirement benefits for directors	724	881
Reserve for insurance contract	10,448	10,222
Other	71,417	24,606
Total fixed liabilities	588,688	1,130,655
Total liabilities	1,473,932	2,208,714
(Net Assets)		
Stockholders' equity		
Common stock	9,983	9,983
Capital surplus	45,972	45,972
Retained earnings	211,854	198,800
Treasury stock	△14,329	△14,328
Total stockholders' equity	253,480	240,428
Valuation and translation adjustments		
Net unrealized holding gain on investments in securities	2,258	994
Net deferred unrealized gain/loss on hedge accounting	△925	△1,750
Net foreign currency translation adjustments	△2,360	△2,030
Total valuation and translation adjustments	△1,028	△2,786
Minority interests	1,344	1,435
Total net assets	253,796	239,077
Total liabilities minority interests and stockholders' equity	1,727,729	2,447,791

(2) Quarterly Consolidated Statement of Income (Consolidated 2nd Quarter)

(¥ million)

	Six Months Ended September 30, 2008
Revenues	54,789
Operating revenues	53,860
Interest and dividend income	928
Expenses	44,685
Selling, general and administrative expenses	31,078
Financing costs	13,606
Operating income	10,103
Non-operating revenues	16
Non-operating expenses	23
Ordinary income	10,097
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	11,078
Losses on changes in the standards for reporting earnings from loan sales through alliances	7,348
Provision of allowance for doubtful accounts	1,414
Losses on changes in the standards for reporting maintenance costs	646
Impairment loss for vehicles in UK and US	1,567
Loss on impairment for software	101
Income before income taxes and minority interests	25,617
Income taxes	10,900
Minority interests	△84
Net income	14,801

(Consolidated 2nd Quarter)	Three Months Ended September 30, 2008
Revenue	28,627
Business revenue	28,278
Financial revenue	348
Expenses	23,282
Selling, general and administrative expenses	16,015
Financial expenses	7,267
Operating income	5,344
Non-operating income	13
Non-operating expenses	12
Ordinary income	5,344
Extraordinary income	-
Extraordinary loss	3,016
Provision of allowance for doubt accounts	1,414
Impairment loss for vehicles in UK and US	1,567
Impairment loss for software	34
Income before income taxes and minority interests	2,327
Income taxes	1,147
Minority interests in loss	△65
Net income	1,245

(3) Quarterly Consolidated Cash Flow

(¥ million)

	Six Months Ended September 30, 2008
Cash flow from operating activities	
Income before income taxes and minority interests	25,617
Provision of allowance for doubtful accounts	1,414
Depreciation	44,765
Impairment loss for vehicles in UK and US	1,567
Impairment loss for software	101
Depreciation of Goodwill	512
Interest and dividend income	△800
Interest expenses	13,061
Increase (decrease) in trade receivables (△ represents increases.)	△41,632
Increase in leasing receivables and leasing investments	2,242
Increase in allowance for doubtful accounts	379
Increase (decrease) in allowance for losses on loan guarantees (△ represents decreases.)	△300
Gain/loss on disposal of equipment for leases (△ represents gains.)	△501
Gain on sale of equipment for leases	24,480
Acquisition of equipment for leases	△54,927
Increase (decrease) in accounts payable (△ represents decreases.)	△4,866
Increase (decrease) in retirement and severance benefits (△ represents decreases.)	△356
Other	16,405
Subtotal	27,165
Income taxes paid	△4,373
Net cash provided by operating activities	22,792
Cash flows from investing activities	
Purchase from sale of short-term investments	△5,597
Proceeds from sale of short-term investments	3,118
Purchase of investments in securities	△44
Proceeds from sales of investment securities	1,636
Purchase of equipment for company use	△297
Purchase of other intangible fixed assets	△1,372
Purchase of investments in subsidiaries resulting in change in scope of consolidation	△1,633
Interest and dividends received	781
Other	△111
Net cash used in investing activities	△3,520
Cash flows from financing activities	
Increase in short-term bank loans	37,482
Increase (decrease) in commercial paper (△ represents decreases.)	△43,346
Proceeds from long-term borrowings	42,491
Payment of long-term borrowings	△35,226
Issuance of bonds	66,692
Redemption of bonds	△52,267
Interest paid	△12,753
Dividends paid to stockholders	△2,104
Other	△5
Net cash used in financing activities	963

Six Months Ended September 30, 2008

Effect of exchange rate changes on cash and cash equivalents	△227
Net increase in cash and cash equivalents	20,008
Cash and cash equivalents at beginning of year	100,366
Cash and cash equivalents at end of the quarter	120,374

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 1st quarter, there is no segment information to be reported.

b. Segment information by location

Consolidated Current 2nd Quarter (From April 1, 2008 through September 30, 2008)

(¥ million, rounded down)

	Japan	Europe/U.S.	Asia	Total	Elimination and/or corporate	Consolidated
Operating income						
Revenues						
(1) Revenues from outside customers	37,516	14,776	2,496	54,789	—	54,789
(2) Internal revenues between segments	22	(2)	—	19	(19)	—
Total	37,538	14,773	2,496	54,808	(19)	54,789
Operating income	8,477	867	758	10,103	—	10,103

(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, China and Thailand

c. Overseas revenues

Consolidated Current 2nd Quarter (From April 1, 2008 through September 30, 2008)

(¥ million, rounded down)

	Europe/U.S	Asia	Total
Overseas revenues	14,773	2,496	17,270
Consolidated revenues			54,789
Percentage of overseas revenues in consolidated revenues	27.0%	4.6%	31.5%

(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, China and Thailand

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 2nd Quarter of the Previous Fiscal Year

(1) Summary of Quarterly Consolidated Statements of Income

(¥ million, rounded down)

Item	Consolidated Previous 2nd Quarter (From April 1, 2007 through Sep 30, 2007)	Consolidated Previous Fiscal Year (From April 1, 2007 through March 31, 2008)
	Amount	Amount
Revenues	58,476	117,185
Operating revenues	57,493	115,362
Interest and dividend income	983	1,823
Expenses	47,333	94,699
Selling, general and administrative expenses	31,658	62,439
Financing costs	15,675	32,259
Operating income	11,143	22,486
Non-operating revenues	51	179
Non-operating expenses	53	66
Ordinary income	11,141	22,600
Extraordinary gains	—	—
Extraordinary losses	—	2,095
Income before income taxes and minority interests	11,141	20,504
Income taxes	4,699	9,879
Minority interests	309	△96
Net income	6,132	10,722

(2) Summary of Quarterly Consolidated Cash Flow

(¥ million, rounded down)

Category	Consolidated Previous 2nd Quarter (From April 1, 2007 through Sep 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		11,141		20,504
(2) Non-cash items				
1) Depreciation	277,364		550,792	
2) Other	300	277,665	2,799	553,592
(3) Investment and finance items				
1) Interest and dividend income	△846		△1,546	
2) Interest expenses	13,207		26,988	
3) Gain/loss on sale of short-term investments	△30		△141	
4) Other	115	12,446	229	25,530
(4) Changes in assets and liabilities				
1) Increase in trade receivables	11,482		△55,139	
2) Cash provided by asset backed securitization	677,536		1,306,386	
3) Payment for asset backed securitization	△626,432		△1,236,648	
4) Increase in allowance for losses on receivables and guarantees	127		471	
5) Gain on sale of equipment for leases	△886		△1,008	
6) Acquisition of equipment for leases	△301,023		△589,882	
7) Proceeds from sale of equipment for leases	29,024		58,367	
8) Increase in trade payables	△833	△211,004	27,629	△489,824
(5) Other				
1) Decrease in retirement and severance benefits	△46		△98	
2) Increase (decrease) in other assets and liabilities	4,744	4,698	26,615	26,517
Subtotal		94,947		136,320
(6) Income taxes paid		△4,889		△8,973
Net cash provided by operating activities		90,057		127,347
II. Cash flow from investing activities				
(1) Purchase of short-term investments (excluding cash equivalents)		597		2,280
(2) Proceeds from sale of short-term investments (excluding cash equivalents)		△10,379		△12,567
(3) Purchase of investments in securities and subsidiaries' common stock		1,181		1,292
(4) Receipt from sale of investment securities or subsidiaries' common stock		△2,274		△4,585
(5) Capital expenditures (excluding assets for leasing)		377		443
(6) Proceeds from sale of capital assets (excluding assets for leasing)		937		1,730
Net cash provided by (used in) investing activities		△9,561		△11,406
III. Cash flow from financing activities				
(1) Increase in short-term bank loans		6,513		5,267
(2) Decrease in commercial paper		△51,781		△93,714
(3) Proceeds from long-term borrowings		27,525		58,796
(4) Payment of long-term borrowings		△26,204		△44,857
(5) Issuance of bonds		28,210		93,398
(6) Redemption of bonds		△35,142		△83,774
(7) Bond issuance expenses		△76		△180

Category	Consolidated Previous 2nd Quarter (From April 1, 2007 through Sep 30, 2007)		Consolidated Previous Fiscal Year (From April 1, 2007 through March 31, 2008)	
	Amount		Amount	
(8) Interest paid		△13,423		△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		△296		△300
Net cash used in financing activities		△66,779		△97,017
IV. Effect of exchange rate changes on cash and cash equivalents		83		△585
V. Net increase in cash and cash equivalents		13,800		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		95,829		100,366

(3) Segment Information

a. Segment information by business type

Consolidated Previous 2nd Quarter (From April 1, 2007 through September 30, 2007)

(¥ million, rounded down)

	Finance	Other financial services	Total	Elimination and/or Corporate	Consolidated
Operating income					
Revenues					
(1) Revenues from outside customers	54,028	4,048	58,076	400	58,476
(2) Internal revenues between segments	104	3,292	3,397	(3,397)	—
Total	54,132	7,341	61,473	(2,997)	58,476
Operating income	11,016	1,039	12,056	(913)	11,143

(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 ¥400 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 2nd Quarter (From April 1, 2007 through September 30, 2007)

(¥ million, rounded down)

	Japan	Europe/U.S.	Asia	Total	Elimination and/or Corporate	Consolidated
Operating income						
Revenues						
(1) Revenues from outside customers	39,946	16,338	2,191	58,476	—	58,476
(2) Internal revenues between segments	78	(25)	—	52	(52)	—
Total	40,025	16,312	2,191	58,529	(52)	58,476
Operating income	8,756	1,826	560	11,143	—	11,143

(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 2nd Quarter (From April 1, 2007 through September 30, 2007)

(¥ million, rounded down)

	Europe/U.S.	Asia	Total
Overseas revenues	16,312	2,191	18,504
Consolidated revenues	58,476		
Percentage of overseas revenues in consolidated revenues	27.9%	3.7%	31.6%

(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	Six Months Cumulative April 1, 2008 – September 30 2008
Revenues	1	26,162	28,627			54,789
Operating revenues	2	25,582	28,278			53,860
Interest and dividend income	3	579	348			928
Expenses	4	21,402	23,282			44,685
Selling, general and administrative expenses	5	15,062	16,015			31,078
Financing costs	6	6,339	7,267			13,606
Operating income	7	4,759	5,344			10,103
Non-operating revenues	8	3	13			16
Non-operating expenses	9	10	12			23
Ordinary income	10	4,752	5,344			10,097
Extraordinary gains/losses	11	18,537	△3,016			15,520
Income before income taxes and minority interests	12	23,289	2,327			25,617
Income taxes	13	9,752	1,147			10,900
Minority interests	14	△18	△65			△84
Net income	15	13,555	1,245			14,801

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 Six Months Ending September 30, 2008

(¥ million, rounded down)

	No.	Domestic consolidated				Overseas consolidated			Consolidated total
		Lease	Guarantees	Installments and others	Total	Lease	Installments and others	Total	
Revenues	1	26,245	3,660	7,609	37,516	5,220	12,052	17,272	54,789
(Composition %)		(48)	(6)	(14)	(68)	(10)	(22)	(32)	(100)
(YoY Change %)		(Δ2)	(Δ20)	(Δ11)	(Δ6)	(Δ29)	(8)	(Δ7)	(Δ6)
Volume of business	2	276,772	104,380	280,552	661,705	38,747	169,030	207,777	869,483
(Composition %)		(32)	(12)	(32)	(76)	(5)	(19)	(24)	(100)
(YoY Change %)		(Δ17)	(Δ2)	(Δ12)	(Δ13)	(2)	(39)	(31)	(Δ5)
Trade receivables, loan guarantees, and leases	3	1,671,204	547,636	710,298	2,929,138	149,237	279,272	428,510	3,357,649
(Composition %)		(50)	(16)	(21)	(87)	(5)	(8)	(13)	(100)
(YoY Change %)		(Δ5)	(Δ1)	(Δ10)	(Δ6)	(Δ17)	(20)	(4)	(Δ4)

(2) For the Six Months Ended September 30, 2007

(¥ million, rounded down)

	No.	Domestic consolidated business				Overseas consolidated business			Consolidated total
		Lease	Guarantees	Installments and others	Total	Lease	Installments and others	Total	
Revenues	1	26,785	4,580	8,581	39,946	7,399	11,130	18,530	58,476
(Composition %)		(46)	(8)	(14)	(68)	(13)	(19)	(32)	(100)
(YoY Change %)		(1)	(14)	(Δ10)	(Δ1)	(22)	(6)	(12)	(3)
Volume of business	2	333,119	106,625	317,414	757,158	37,921	121,257	159,179	916,338
(Composition %)		(36)	(12)	(35)	(83)	(4)	(13)	(17)	(100)
(YoY Change %)		(Δ6)	(7)	(Δ5)	(Δ4)	(10)	(Δ2)	(1)	(Δ3)
Trade receivables, loan guarantees, and leases	3	1,761,566	551,041	790,493	3,103,101	178,839	232,800	411,640	3,514,741
(Composition %)		(50)	(16)	(22)	(88)	(5)	(7)	(12)	(100)
(YoY Change %)		(1)	(Δ7)	(Δ1)	(Δ1)	(5)	(Δ7)	(Δ2)	(Δ1)

(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.	Six Months Ended September 30, 2007		Six Months Ended September 30, 2008		Y to Y change	Year Ended March 31, 2009		Y to Y change
			(Composition %)		(Composition %)			(Composition %)	
Agricultural equipment & medical and nursing	1	73,583	8.0	66,060	7.6	△10.2	130,700	7.5	△6.9
Agricultural equipment	2	33,600	3.7	29,721	3.4	△11.5	60,000	3.4	△7.1
Medical and nursing	3	39,983	4.3	36,339	4.2	△9.1	70,700	4.1	△6.7
Corporate business	4	326,457	35.6	260,352	30.0	△20.2	538,700	30.8	△18.8
Information equipment related	5	146,182	15.9	123,927	14.3	△15.2	253,300	14.5	△12.9
Industrial machinery	6	66,452	7.2	50,183	5.8	△24.5	115,400	6.6	△29.3
Construction machinery	7	6,089	0.7	4,272	0.5	△29.8	10,100	0.6	△20.9
Automobile finance	8	27,258	3.0	25,304	2.9	△7.2	50,500	2.9	△5.4
Others	9	80,474	8.8	56,664	6.5	△29.6	109,400	6.2	△23.8
Consumer business	10	135,357	14.8	101,908	11.7	△24.7	207,000	11.8	△26.6
Automobile business	11	78,768	8.6	66,255	7.6	△15.9	138,000	7.9	△17.5
Home appliances and home refurbishment	12	24,374	2.7	12,905	1.5	△47.1	25,400	1.4	△46.3
Home loans	13	14,290	1.6	22,748	2.6	59.2	43,600	2.5	32.5
Others	14	17,923	1.9	—	—	—	—	—	—
Overseas finance business	15	156,483	17.1	205,399	23.6	31.3	401,000	22.9	13.0
Finance business	16	691,883	75.5	633,720	72.9	△8.4	1,277,400	73.0	△11.4
Card business	17	23,893	2.6	24,982	2.9	4.6	50,500	2.9	4.2
Non-life insurance business	18	4,314	0.5	3,983	0.5	△7.7	8,800	0.5	0.4
Securitization business	19	28,928	3.1	30,896	3.5	6.8	61,100	3.5	2.6
Outsourcing business	20	170,875	18.7	179,279	20.6	4.9	361,200	20.6	3.8
Other financial services	21	228,012	24.9	239,142	27.5	4.9	481,600	27.5	3.6
Elimination and/or corporate	22	△3,556	△0.4	△3,378	△0.4	—	△9,000	△0.5	—
Total	23	916,338	100	869,483	100.0	△5.1	1,750,000	100.0	△7.9

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.	Six Months Ended September 30, 2007		Six Months Ended September 30, 2008		Y to Y Change	Year Ended March 31, 2009		Y to Y Change
			(Composition %)		(Composition %)			(Composition %)	
Revenues from financial services	1	26,684	45.6	25,552	46.6	△4.2	50,600	44.6	△5.6
Farms, agricultural corporations, medical and nursing service providers	2	2,593	4.4	2,376	4.3	△8.4	4,700	4.1	△10.8
Corporate	3	21,704	37.1	21,081	38.5	△2.9	42,000	37.0	△4.2
Consumers	4	2,386	4.1	2,094	3.8	△12.2	3,900	3.5	△13.0
Revenues from commission service	5	7,461	12.8	6,383	11.7	△14.4	13,700	12.1	△6.9
Farms, agricultural corporations, medical and nursing service providers	6	1,429	2.5	1,156	2.1	△19.1	2,500	2.2	△13.0
Corporate	7	2,981	5.1	2,792	5.1	△6.3	5,200	4.6	3.0
Consumers	8	3,050	5.2	2,434	4.5	△20.2	6,000	5.3	△11.7
Revenues from supply and sales services	9	5,031	8.6	4,845	8.8	△3.7	10,600	9.3	2.6
Corporate	10	5,031	8.6	4,845	8.8	△3.7	10,600	9.3	2.6
Domestic consolidated operating revenues	11	39,177	67.0	36,781	67.1	△6.1	74,900	66.0	△4.7
Overseas consolidated operating revenues	12	18,316	31.3	17,079	31.2	△6.8	36,800	32.4	0.2
Consolidated operating revenues	13	57,493	98.3	53,860	98.3	△6.3	111,700	98.4	△3.2
Interest and dividend income	14	983	1.7	928	1.7	△5.6	1,800	1.6	△1.3
Overseas finance business	15	58,476	100.0	54,789	100.0	△6.3	113,500	100.0	△3.1

(Consolidated Business Volume)

(¥ million, rounded down, %)

	No.	Six Months Ended September 30, 2007		Six Months Ended September 30, 2008		Y to Y Change	Year Ended March 31, 2009		Y to Y Change
			(Composition %)		(Composition %)			(Composition %)	
Revenues from financial services	1	397,850	43.4	293,623	33.8	△26.2	593,800	33.9	△26.4
Farms, agricultural corporations, medical and nursing service providers	2	49,512	5.4	44,252	5.1	△10.6	86,500	4.9	△7.6
Corporate	3	294,961	32.2	229,783	26.4	△22.1	474,900	27.1	△21.1
Consumers	4	53,375	5.8	19,587	2.3	△63.3	32,400	1.9	△70.8
Revenues from commission service	5	327,308	35.7	336,885	38.7	2.9	687,200	39.3	2.7
Farms, agricultural corporations, medical and nursing service providers	6	24,069	2.6	21,807	2.5	△9.4	44,200	2.5	△5.4
Corporate	7	222,833	24.3	234,114	26.9	5.1	471,200	27.0	3.7
Consumers	8	80,404	8.8	80,963	9.3	0.7	171,800	9.8	2.1
Business volume of commission services	9	32,000	3.5	31,196	3.6	△2.5	62,700	3.6	△0.6
Corporate	10	32,000	3.5	31,196	3.6	△2.5	62,700	3.6	△0.6
Domestic consolidated business volume	11	757,158	82.6	661,705	76.1	△12.6	1,343,700	76.8	△12.7
Overseas consolidated business volume	12	159,179	17.4	207,777	23.9	30.5	406,300	23.2	12.9
Consolidated business volume	13	916,338	100.0	869,483	100.0	△5.1	1,750,000	100.0	△7.9

(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.