

Consolidated First Quarter Earnings Report for the Three Months Ended June 30, 2009



July 23, 2009

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 Stock Code: 8586 URL: <http://www.hitachi-capital.co.jp>
 Stock Listing: Tokyo Stock Exchange
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 Scheduled date of submission of financial reports: August 13, 2009

(All amounts rounded down)

1. Consolidated Results for the First Quarter of the Fiscal Year Ended March 31, 2010 (April 1, 2009 – June 30, 2009)

(1) Consolidated Operating Results (Cumulative)

(YoY change %)

	Revenues		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Three Months Ended June 30, 2009	22,689	△13.3	2,568	△46.0	2,922	△38.5	1,635	△87.9
Three Months Ended June 30, 2008	26,162	—	4,759	—	4,752	—	13,555	—

	Net income per share	Diluted net income per share
Three Months Ended June 30, 2009	13.99	—
Three Months Ended June 30, 2008	115.97	—

(Ref.) Volume of business Three Months Ended June 30, 2009: ¥349,793 million Three Months Ended June 30, 2008: ¥454,228 million

(2) Consolidated Financial Position

	Total assets	Total stockholders' equity	Stockholders' equity ratio	Stockholders' equity per share
	¥ million	¥ million	%	¥
Three Months Ended June 30, 2009	1,731,818	244,261	14.0	2,077.74
Year Ended March 31, 2009	1,790,497	241,394	13.4	2,053.99

(Ref.) Stockholders' equity Three Months Ended June 30, 2009: ¥242,865 million Year ended March 31, 2009: ¥240,090 million

2. Dividends

Record date	Divided per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year End	For the Year
Year Ended March 31, 2009	—	18.00	—	18.00	36.00
Year Ended March 31, 2010	—	—	—	—	—
Year Ended March 31, 2010 (Forecast)	—	15.00	—	15.00	30.00

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

3. Forecasts for the Year Ending March 31, 2010 (April 1, 2009 – March 31, 2010)

(% 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	47,200	△13.9	4,600	△54.5	4,600	△54.4	2,700	△81.8	23.10
	96,800	△10.3	12,000	△31.7	12,000	△31.6	5,150	△57.5	44.06

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

(Note) Volume of business: Interim: 690,000 ¥million Fiscal year: 1,400,000 ¥million

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: Yes

(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: None
- 2) Changes other than 1) above: Yes

(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, 2010: 124,826,552 shares	Year ended March 31, 2009: 124,826,552 shares
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- 2) Own shares at end of term

1st quarter of the year ending March 31, 2010: 7,937,196 shares	Year ended March 31, 2009: 7,936,837 shares
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- 3) Weighted average number of shares outstanding (for the consolidated quarter)

1st quarter of the year ending March 31, 2010: 116,889,546 shares	1st quarter of the year ended March 31, 2009: 116,890,456 shares
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Note: Explanation for proper use of the forecasts, etc.

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.

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Quarterly Consolidated Financial Statements

1. Quarterly Consolidated Balance Sheets

(¥ million)

	As of June 30, 2009	(Ref. As of March 31, 2009)
(Assets)		
Current assets		
Cash on hand and at bank	27,206	24,865
Trade receivables	493,126	527,155
Investment in direct finance leases	571,798	563,995
Parent company deposit	186,522	227,007
Short-term investments	8,060	9,122
Advance payments-trade	4,878	4,748
Prepaid expenses	12,446	6,617
Deferred tax assets	4,900	5,112
Other	14,388	12,766
Allowance for losses on receivables	△ 13,097	△ 13,374
Total current assets	1,310,230	1,368,015
Fixed assets		
Property and equipment		
Equipment held for lease	212,400	211,821
Equipment for company use		
Building and structures (net)	617	640
Machinery, equipment and vehicles (net)	974	1,002
Furniture and fixtures (net)	1,396	1,432
Land	883	898
Total own-used assets	3,871	3,974
Total property and equipment	216,272	215,796
Intangible fixed assets		
Equipment held for lease	33,304	33,806
Other intangible assets		
Goodwill	6,860	7,190
Other	6,319	6,591
Total other intangible assets	13,179	13,782
Total intangible fixed assets	46,483	47,588
Investments and other assets		
Investments in securities	116,425	115,025
Deferred tax assets	10,670	11,624
Other	31,742	32,453
Allowance for doubtful accounts	△ 6	△ 6
Total investments and other assets	158,831	159,097
Total fixed assets	421,588	422,481
Total assets	1,731,818	1,790,497

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(¥ million)

	As of June 30, 2009	(Ref. As of March 31, 2009)
(Liabilities)		
Current liabilities		
Trade payables	191,506	213,824
Short-term bank loans	146,286	180,216
Commercial paper	175,501	142,708
Current portion of bonds	117,401	114,241
Current portion of long-term obligation for securitized lease receivables	22,200	24,289
Accrued Payable	125,282	186,124
Income taxes payable	1,992	15,183
Deferred tax liabilities	847	746
Allowance for losses on guarantees	3,000	2,900
Allowance for losses on transfer of business	—	1,401
Other	64,683	66,943
Total current liabilities	848,702	948,579
Fixed liabilities		
Bonds	199,483	209,338
Long-term debt	295,756	240,160
Long-term obligation for securitized lease receivables	61,969	63,203
Deferred tax liabilities	274	291
Retirement and severance benefits	4,540	4,548
Retirement benefits for directors	346	496
Reserve for insurance contract	8,727	8,602
Other	67,755	73,882
Total fixed liabilities	638,854	600,523
Total liabilities	1,487,556	1,549,103
(Net Assets)		
Stockholders' equity		
Common stock	9,983	9,983
Capital surplus	45,972	45,972
Retained earnings	206,630	207,099
Treasury stock	△ 14,329	△ 14,329
Total stockholders' equity	248,257	248,726
Valuation and translation adjustments		
Net unrealized holding gain on securities	2,038	943
Net unrealized loss on hedge accounting	△ 2,134	△ 3,044
Foreign currency translation adjustments	△ 5,295	△ 6,534
Total valuation and translation adjustments	△ 5,391	△ 8,635
Minority interests	1,396	1,303
Total net assets	244,261	241,394
Total liabilities and net assets	1,731,818	1,790,497

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2. Quarterly Consolidated Statements of Income (Consolidated 1st Quarter)

(¥ million)

	Three Months Ended June 30, 2008 (April 1, 2008 to June 30, 2008)	Three Months Ended June 30, 2009 (April 1, 2009 to June 30, 2009)
Revenues		
Operating revenues	25,582	22,369
Interest and dividend income	579	319
Total revenues	<u>26,162</u>	<u>22,689</u>
Expenses		
Selling, general and administrative expenses	15,062	15,095
Financing costs	6,339	5,025
Total expenses	<u>21,402</u>	<u>20,121</u>
Operating income	<u>4,759</u>	<u>2,568</u>
Non-operating revenues		
Gain on sales of investment securities	—	367
Other	3	4
Total non-operating income	<u>3</u>	<u>371</u>
Non-operating expenses		
Loss on valuation of investments securities	—	9
Other	10	8
Total non-operating expenses	<u>10</u>	<u>17</u>
Ordinary income	<u>4,752</u>	<u>2,922</u>
Extraordinary income		
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	—
Total extraordinary income	<u>26,599</u>	<u>—</u>
Extraordinary losses		
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	—
Impairment loss	66	—
Total extraordinary losses	<u>8,062</u>	<u>—</u>
Income before income taxes and minority interests	<u>23,289</u>	<u>2,922</u>
Income taxes	9,752	1,233
Minority interests	△ 18	53
Net income	<u>13,555</u>	<u>1,635</u>

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3. Quarterly Consolidated Cash Flows

(¥ million)

	Three Months Ended June 30, 2008 (April 1, 2008 to June 30, 2008)	Three Months Ended June 30, 2009 (April 1, 2009 to June 30, 2009)
Cash flow from operating activities		
Income before income taxes and minority interests	23,289	2,922
Depreciation	22,435	19,826
Impairment loss	66	—
Depreciation of goodwill	235	330
Interest and dividend income	△ 517	△ 246
Interest expense	5,991	4,817
Decrease (increase) in trade receivables (△ represents increases)	△ 24,221	49,349
Increase in investment in direct finance lease	△ 29,507	△ 16,033
Decrease(increase) in allowance for doubtful accounts(△ represents decreases)	255	△ 565
Increase (decrease) in allowance for losses on loan guarantees (△ represents decreases)	△ 400	100
Loss(gain) on disposal of equipment for leases (△ represents gains)	△ 186	473
Gain on sale of equipment for lease	11,493	10,485
Acquisition of equipment for lease	△ 33,240	△ 27,552
Decrease (Increase) in trade payable (△ represents decreases)	402	△ 11,904
Decrease in trade payable of collection under fluidity receivables	—	△ 57,940
Decrease in retirement and severance benefits	△ 364	△ 7
Other	14,691	△ 26,254
Subtotal	△ 9,576	△ 52,200
Income taxes paid	△ 5,422	△ 14,348
Net cash provided by operating activities	△ 14,999	△ 66,548
Cash flows from investing activities		
Purchase from sale of short-term investments	△ 2,698	△ 2,198
Proceeds from sales and repayment of short-term investments	200	3,500
Purchase of investments in securities	△ 25	△ 1,114
Proceeds from sales and repayment of investment securities	—	591
Purchase of equipment for company use	△ 158	△ 55
Purchase of other intangible fixed assets	△ 667	△ 223
Interest and dividends received	507	392
Other	18	48
Net cash used in investing activities	△ 2,823	941
Cash flows from financing activities		
Decrease(increase) in short-term bank loans (△ represents decreases)	3,177	△ 23,949
Increase (decrease) in commercial paper (△ represents decreases)	△ 24,557	31,769
Proceeds from long-term borrowings	14,217	64,874
Payment of long-term borrowings	△ 19,247	△ 22,041
Issuance of bond	59,526	25,635
Redemption of bond	△ 7,091	△ 42,002
Interest paid	△ 5,825	△ 5,184
Dividends paid to stockholders	△ 2,104	△ 2,104
Other	△ 4	△ 4
Net cash used in financing activities	18,090	26,993
Effect of exchange rate changes on cash and cash equivalents	274	471
Net decrease(increase) in cash and cash equivalents (△ represents decreases)	542	△ 38,143
Cash and cash equivalents at beginning of year	100,366	251,872
Cash and cash equivalents at end of the quarter	100,909	213,729

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<Supplementary Information >

1. Change in Quarterly Consolidated Performance

Consolidated Results for the Year Ending March 31, 2010

(¥ million)

Item	Quarter		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Three Months Cumulative
	No.		(April 1, 2009 - June 30, 2009)	(July 1, 2009 - September 30, 2009)	(October 1, 2009 - December 31, 2009)	(January 1, 2010 - March 31, 2010)	(April 1, 2009 - June 30, 2009)
Revenues	1		22,689				22,689
Operating revenues	2		22,369				22,369
Interest and dividend income	3		319				319
Expenses	4		20,121				20,121
Selling, general and administrative expenses	5		15,095				15,095
Financing costs	6		5,025				5,025
Operating income	7		2,568				2,568
Non-operating revenues	8		371				371
Non-operating expenses	9		17				17
Ordinary income	10		2,922				2,922
Extraordinary gains/losses	11		—				—
Income before income taxes and minority interests	12		2,922				2,922
Income taxes	13		1,233				1,233
Minority interests	14		53				53
Net income	15		1,635				1,635

Consolidated Results for the Year Ended March 31, 2009

(¥ million)

Item	Quarter		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual Cumulative
	No.		(April 1, 2008 - June 30, 2008)	(July 1, 2008 - September 30, 2008)	(October 1, 2008 - December 31, 2008)	(January 1, 2009 - March 31, 2009)	(April 1 2008 - March 31, 2009)
Revenues	1		26,162	28,627	25,099	28,054	107,943
Operating revenues	2		25,582	28,278	24,586	27,490	105,937
Interest and dividend income	3		579	348	513	564	2,006
Expenses	4		21,402	23,282	22,987	22,689	90,362
Selling, general and administrative expenses	5		15,062	16,015	15,698	17,051	63,828
Financing costs	6		6,339	7,267	7,289	5,638	26,534
Operating income	7		4,759	5,344	2,111	5,364	17,580
Non-operating revenues	8		3	13	3	26	45
Non-operating expenses	9		10	12	10	47	81
Ordinary income	10		4,752	5,344	2,104	5,343	17,544
Extraordinary gains/losses	11		18,537	△ 3,016	△ 1,697	△ 9,554	4,268
Income before income taxes and minority interests	12		23,289	2,327	406	△ 4,211	21,812
Income taxes	13		9,752	1,147	788	△ 1,983	9,705
Minority interests	14		△ 18	△ 65	96	△ 27	△ 15
Net income	15		13,555	1,245	△ 477	△ 2,201	12,122

2. Contract Segment Information

(1) For the Three Months Ended June 30, 2009 (April 1, 2009 - June 30, 2009)

(¥ million, %)

	No	Domestic consolidated				Overseas consolidated			Consolidated Total
		Lease	Guarantees	Installments and others	Total	Lease	Installments and others	Total	
Revenues (Composition %) (Y toY Change %)	1	10,442 (46) (Δ11)	1,692 (7) (Δ9)	3,582 (16) (Δ11)	15,718 (69) (Δ11)	2,706 (12) (Δ13)	4,264 (19) (Δ22)	6,970 (31) (Δ19)	22,689 (100) (Δ13)
Volume of business (Composition %) (Y toY Change %)	2	116,392 (33) (Δ26)	37,519 (11) (Δ31)	132,011 (38) (Δ7)	285,923 (82) (Δ19)	14,161 (4) (Δ18)	49,708 (14) (Δ41)	63,869 (18) (Δ37)	349,793 (100) (Δ23)
Trade receivables, loan guarantees and leases (Composition %) (Y toY Change %)	3	1,511,862 (50) (Δ13)	490,694 (16) (Δ10)	648,166 (22) (Δ12)	2,650,723 (88) (Δ12)	107,910 (3) (Δ32)	264,381 (9) (Δ3)	372,291 (12) (Δ14)	3,023,014 (100) (Δ12)

(2) For the Three Months Ended June 30, 2008 (April 1, 2008 - June 30, 2008)

(¥ million, %)

	No	Domestic consolidated				Overseas consolidated			Consolidated Total
		Lease	Guarantees	Installments and others	Total	Lease	Installments and others	Total	
Revenues (Composition %) (Y toY Change %)	1	11,694 (45) (Δ12)	1,859 (7) (Δ17)	4,007 (15) (Δ3)	17,562 (67) (Δ10)	3,116 (12) (Δ15)	5,483 (21) (Δ1)	8,599 (33) (Δ6)	26,162 (100) (Δ9)
Volume of business (Composition %) (Y toY Change %)	2	157,331 (35) (Δ18)	54,328 (12) (Δ2)	141,380 (31) (Δ18)	353,040 (78) (Δ16)	17,360 (4) (Δ6)	83,827 (18) (39)	101,187 (22) (28)	454,228 (100) (Δ9)
Trade receivables, loan guarantees and leases (Composition %) (Y toY Change %)	3	1,729,541 (50) (Δ4)	545,627 (16) (Δ2)	738,599 (21) (Δ10)	3,013,768 (87) (Δ5)	159,820 (5) (Δ16)	273,629 (8) (12)	433,449 (13) (Δ0)	3,447,218 (100) (Δ5)

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, %)

	No	Three Months Ended June 30, 2008		Three Months Ended June 30, 2009		Y to Y change
			Composition		Composition	
Agricultural equipment & medical and nursing	1	35,527	7.8	32,194	9.2	△ 9.4
Agricultural equipment	2	15,404	3.4	14,457	4.1	△ 6.2
Medical and nursing	3	20,122	4.4	17,737	5.1	△ 11.9
Corporate business	4	147,852	32.6	107,526	30.7	△ 27.3
Information equipment related	5	70,386	15.5	54,404	15.6	△ 22.7
Industrial machinery	6	29,378	6.5	16,582	4.7	△ 43.6
Construction machinery	7	1,534	0.3	1,284	0.4	△ 16.3
Automobile finance	8	12,707	2.8	11,073	3.1	△ 12.9
Others	9	33,845	7.5	24,183	6.9	△ 28.5
Consumer business	10	51,071	11.2	37,622	10.8	△ 26.3
Automobile business	11	33,913	7.5	22,665	6.5	△ 33.2
Home appliances and home refurbishment	12	6,081	1.3	4,999	1.4	△ 17.8
Home loans	13	11,076	2.4	9,956	2.9	△ 10.1
Overseas finance business	14	99,897	22.0	63,509	18.2	△ 36.4
Finance business	15	334,348	73.6	240,852	68.9	△ 28.0
Card business	16	12,637	2.8	10,545	3.0	△ 16.6
Non-life insurance business	17	2,129	0.5	1,255	0.4	△ 41.1
Securitization business	18	16,145	3.5	38,059	10.9	135.7
Outsourcing business	19	90,763	20.0	60,238	17.2	△ 33.6
Other financial services	20	121,676	26.8	110,098	31.5	△ 9.5
Elimination and/or corporate	21	△ 1,796	△ 0.4	△ 1,158	△ 0.4	—
Total	22	454,228	100.0	349,793	100.0	△ 23.0

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

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4. Business Breakdown Based on "New mid-term Management Plan

(Consolidated Revenues)

(¥ million, %)

	No	Three Months Ended June 30, 2008		Three Months Ended June 30, 2009		Y to Y change
			Composition		Composition	
Revenues from financial services	1	10,888	41.6	10,099	44.5	△ 7.2
Farms, agricultural corporations, medical and nursing service providers	2	1,005	3.8	1,049	4.6	4.4
Corporate	3	9,207	35.2	8,194	36.1	△ 11.0
Consumers	4	676	2.6	855	3.8	26.4
Revenues from commission service	5	3,357	12.9	3,349	14.8	△ 0.2
Farms, agricultural corporations, medical and nursing service providers	6	542	2.1	424	1.9	△ 21.7
Corporate	7	1,535	5.9	1,775	7.8	15.6
Consumers	8	1,280	4.9	1,149	5.1	△ 10.2
Revenues from supply and sales services	9	2,826	10.8	2,021	8.9	△ 28.4
Corporate	10	2,826	10.8	2,021	8.9	△ 28.4
Domestic consolidated operating revenues	11	17,071	65.3	15,470	68.2	△ 9.4
Overseas consolidated operating revenues	12	8,511	32.5	6,899	30.4	△ 18.9
Consolidated operating revenues	13	25,582	97.8	22,369	98.6	△ 12.6
Interest and dividend income	14	579	2.2	319	1.4	△ 44.9
Consolidated Revenues	15	26,162	100.0	22,689	100.0	△ 13.3

(Consolidated Business Volume)

(¥ million, %)

	No	Three Months Ended June 30, 2008		Three Months Ended June 30, 2009		Y to Y change
			Composition		Composition	
Revenues from financial services	1	165,355	36.4	126,609	36.2	△ 23.4
Farms, agricultural corporations, medical and nursing service providers	2	24,218	5.3	23,655	6.8	△ 2.3
Corporate	3	132,750	29.2	94,441	27.0	△ 28.9
Consumers	4	8,387	1.9	8,513	2.4	1.5
Revenues from commission service	5	172,511	38.0	145,998	41.7	△ 15.4
Farms, agricultural corporations, medical and nursing service providers	6	11,309	2.5	8,539	2.4	△ 24.5
Corporate	7	119,104	26.2	108,992	31.2	△ 8.5
Consumers	8	42,098	9.3	28,465	8.1	△ 32.4
Revenues from supply and sales services	9	15,174	3.3	13,315	3.8	△ 12.2
Corporate	10	15,174	3.3	13,315	3.8	△ 12.2
Domestic consolidated business volume	11	353,040	77.7	285,923	81.7	△ 19.0
Overseas consolidated business volume	12	101,187	22.3	63,869	18.3	△ 36.9
Consolidated business volume	13	454,228	100.0	349,793	100.0	△ 23.0

(Notes)

1. A finance service 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 products and making extensive use of our credit and collection capabilities.
3. Supply and sales services is focused on the utility value and circulation of products, and includes rental, auto lease and recycle/reuse transactions.
4. Overseas business includes such businesses as financial leases and auto leases of overseas subsidiaries.

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