News Release

11th March, 2004

Hitachi Capital Corporation

Hitachi Capital Revises Earnings Forecasts

Hitachi Capital Corporation announced today that it has revised its consolidated and non-consolidated earnings forecasts for the fiscal year ending 31st March, 2004, which were announced along with interim results on 23rd October, 2003 and third quarter results on 22nd January, 2004, as follows.

1. Revised Earnings Forecasts for the Fiscal Year Ending 31st March, 2004

(1st April, 2003 - 31st March, 2004)

(1) Consolidated Forecasts

(¥ million)

	Revenues	Operating income	Extraordinary gain/loss	Income before income taxes and minority interests	Net income
Previous forecast (A)	109,500	21,300	0	21,300	11,300
Revised forecast (B)	109,500	21,300	(6,500)	14,800	7,500
Difference (B - A)	0	0	(6,500)	(6,500)	(3,800)
Difference (%)	0.0	0.0	-	(30.5)	(33.6)
(Reference: Results for fiscal year ended 31st March, 2003)	114,548	21,087	(3,279)	17,807	8,961

(2) Non-consolidated Forecasts

(¥ million)

	Revenues	Operating income	Extraordinary gain/loss	Income before income taxes and minority interests	Net income
Previous forecast (A)	77,100	15,500	0	15,500	8,800
Revised forecast (B)	77,100	15,500	(6,500)	9,000	5,000
Difference (B - A)	0	0	(6,500)	(6,500)	(3,800)
Difference (%)	0.0	0.0	-	(41.9)	(43.2)
(Reference: Results for fiscal year ended 31st March, 2003)	81,331	15,760	(2,982)	12,778	7,022

2. Reasons for Revisions

Hitachi Capital is currently transitioning to a new operating structure focused on five high-value-added businesses—auto leasing, financing for medical devices, financing for the agricultural sector, home appliance and refurbishment loans, and home loans. In parallel with these steps, the Company is also restructuring its auto loan business, which faces fierce competition from an overcrowded industry. As part of these efforts, on 1st April this year, Hitachi Capital plans to transfer 16 auto loan branches to subsidiary Hitachi Capital Auto Lease Corporation in a move to integrate its automobile finance business.

On a different note, auto loan revenues are recognized in lump sums at the time of contract, as prescribed by accounting standards for the recognition of revenues from auto loans. Consequently, post-loan expenses such as the costs of recovering fees and cancellation losses arising from advanced repayments, are usually covered by earnings recognized when new auto-loan contracts are concluded.

However, in conjunction with the decision to downsize its auto loan business, Hitachi Capital has decided to book an extraordinary loss of ¥6.5 billion to cover projected post-loan expenses. This will help Hitachi Capital effect a smooth transition to its new operating structure. This extraordinary loss represents projected future expenses commensurate with auto loan revenues that have already been recorded. Accordingly, there will be no effect on Hitachi Capital's cash flows for the fiscal year ending 31st March, 2004.

Although the booking of this extraordinary loss will not affect operating income, it has prompted Hitachi Capital to revise down its forecasts for income before income taxes and minority interests and net income by ¥6.5 billion and ¥3.8 billion, respectively.

3. Effect on Year-end Dividend

Since cash flows are not affected by this revision, Hitachi Capital expects to pay a year-end dividend of ¥16 per share (full-year dividend of ¥32 per share), as planned.

Note:

This document contains forward-looking statements, including expectations, estimates, forecasts and projections, based on information currently available to the Company. These statements are subject to risks, uncertainties and assumptions. As such, actual results may differ materially from those projected.