Hitachi Capital Corporation

Annual Report 2012

Year ended March 31, 2012

Hitachi Capital

Illustration by Sadako Iizuka, recipient of the Hitachi Capital Special Award of the 23rd Artbility Awards

HITACHI

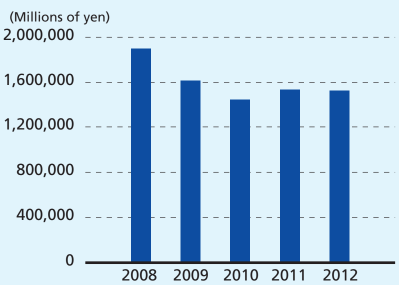
FINANCIAL HIGHLIGHTS

Hitachi Capital Corporation and Subsidiaries
Years ended March 31, 2012, 2011 and 2010

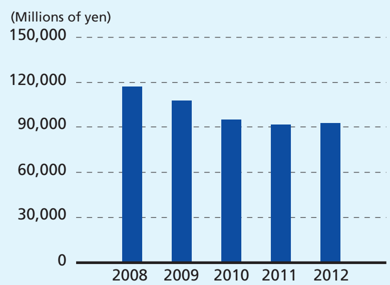
	In millions of yen, except per share data			Thousands of U.S. dollars, except per share data
	2012	2011	2010	**2012**
FOR THE YEAR:				
Volume of business	**¥ 1,528,144**	¥ 1,535,252	¥ 1,449,439	**$ 18,635,902**
Revenues	**92,994**	92,018	95,357	**1,134,073**
Operating income	**22,238**	17,460	12,895	**271,195**
Income before income taxes and minority interests	**24,337**	9,655	13,370	**296,792**
Net income	**12,687**	6,234	8,248	**154,719**
AT YEAR-END:				
Notes and accounts receivable – trade, including amounts maturing after one year	**¥ 665,878**	¥ 521,758	¥ 496,420	**$ 8,120,463**
Total assets	**1,757,241**	1,562,410	1,664,606	**21,429,768**
Net assets	**270,404**	254,797	252,268	**3,297,609**
Number of employees	**4,693**	3,602	3,392	**—**
PER SHARE DATA (in yen and U.S. dollars)**:**				
Net income (basic)	**¥ 108.5**	¥ 53.3	¥ 70.5	**$ 1.32**
Cash dividends paid and declared for the year	**33.0**	32.0	30.0	**0.40**
Stockholders' equity	**2,243**	2,166	2,145	**27.35**

Notes: 1. U.S. dollar amounts in this report represent translations of yen, solely for the convenience of the reader, at the rate of ¥82=US$1, the approximate exchange rate at March 31, 2012.
2. Net income (basic) per share is based on the weighted average number of shares of common stock outstanding during the respective years (see Note 3 (m) for per share data).

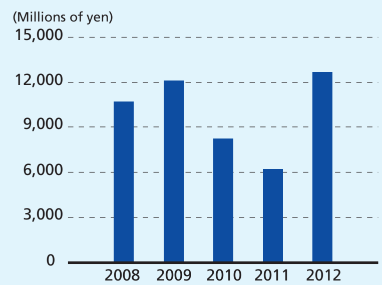
Volume of business



Revenues



Net income



CONTENTS

Forward-Looking Statements

This annual report contains forward-looking statements about the future plans, strategies, beliefs and performance of Hitachi Capital and its subsidiaries. These forward-looking statements are not historical facts. They are expectations, estimates, forecasts and projections based on information currently available to the Company and are subject to a number of risks, uncertainties and assumptions, which, without limitation, include economic trends, competition in markets where the Company is active, personal consumption, market demand, the tax system and other legislation. As such, actual results may differ materially from those projected.

Basic Management Policy

MANAGEMENT PHILOSOPHY

The Hitachi Capital Group adopts the following management policy to "contribute to creating a better society through the cultivation of financial services required by customers and society."

1. Sustainable Growth

2. Respect for Human Dignity

3. Implementation of Corporate Ethics

ACTION GUIDELINES

Under the following three action guidelines, the Hitachi Capital Group companies will strive to win the confidence and trust of customers.

1. Aiming for reliable and trusted management

2. Trying to cultivate our own services and products

3. Achieving customer satisfaction taking pride and joy in our work

MANAGEMENT POLICIES

The Hitachi Capital Group will provide financial services trusted by customers and the local community, taking a global perspective to meet the needs of society in such ways as consideration for the environment.

To achieve this, we will always bear in mind and sincerely adhere to the following principles.

1. "Basics" and "the Right Path"

2. "Stand on One's Own" and "Coexistence"

3. "Quality" and "Development"

Our Business Lines

Financial services

Financial services are based on "products" and include operating leases and credit with residual value besides finance leases.

Commission services

Commission services are focused on management and consignment of products and include services leveraging our goods management know-how acquired from lease transactions, as well as outsourcing business and credit guarantee business such as the 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.

Supply and sales services

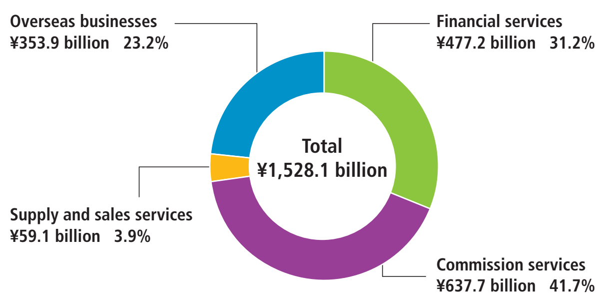
Supply and sales services are focused on the utility value and circulation of goods and include rental, auto lease and recycle and reuse transactions.

Overseas businesses

Overseas businesses include such businesses as finance leases and auto leases of overseas subsidiaries.

Volume of business

(business breakdown based on mid-term management plan)



Implement Growth Strategies While Strengthening the Group's Business Base to Ensure the Successful Completion of the Mid-Term Management Plan and Sustainable Growth

Kazuya Miura
President & CEO

Overview of Fiscal 2012

In fiscal 2012, ended March 31, 2012, the Hitachi Capital Group's consolidated results were mixed. Due mainly to an intense competitive environment, the Group's second half domestic performance was unable to offset the negative impact of the Great East Japan Earthquake in the first half, and the drop-off in favorable flow-on effects from eco-car subsidies implemented during fiscal 2011, which resulted in sluggish information equipment-, automotive- and other-related sector sales. As a result, the volume of business in Japan decreased compared with the previous fiscal year. In contrast, the volume of business overseas increased over the previous fiscal year. This was largely attributable to continued robust conditions throughout the Asia region and recoveries in both Europe and North America. Accounting for each of the aforementioned factors, the Group's consolidated volume of business edged down 0.5% year on year to ¥1,528,144 million (US$18,635 million). Buoyed mainly by prolonged robust conditions in Asia, revenues for fiscal 2012 climbed 1.1% to ¥92,994 million (US$1,134 million). Total expenses benefitted from the contraction in bad debt expenses both in Japan and overseas as well as lower financing costs reflecting the efficient management of funds. As a result, operating income amounted to ¥22,238 million (US$271 million), up 27.4% compared with the previous fiscal year. Taking into account the reversal of the allowance for damages attributable to the Great East Japan Earthquake following loss on disaster brought to account in March 2011, net income for fiscal 2012 surged 103.5% year on year to ¥12,687 million (US$154 million).

Progress under the Mid-Term Management Plan and Initiatives for the Growth Stage through to Ultimate Targets in Fiscal 2016

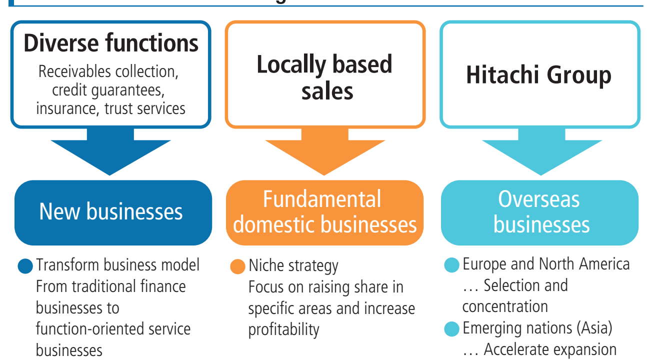
The Hitachi Capital Group commenced its current Mid-Term Management Plan in fiscal 2011. During the ensuing three-year period, the Group has worked diligently to implement the three growth strategies of creating new domestic businesses, increasing profitability in fundamental domestic businesses and expanding overseas businesses while strengthening its business base.

In fiscal 2013, the final year of the Mid-Term Management Plan, we intend to move steadfastly forward in an effort to achieve all objectives. While continuing to implement growth strategies, the Hitachi Capital Group will sure-footedly bolster its business base. Moving forward, we will make every effort to establish a firm foothold with the aim of securing sustainable growth.

Accelerate the Pace of Efforts in Japan to Create New Domestic Businesses and Increase Profitability in Fundamental Domestic Businesses

Despite difficult conditions for fundamental domestic businesses, steady growth in new domestic businesses

Outline of Mid-Term Management Plan



during fiscal 2012 has enabled the Group to secure earnings in its overall domestic businesses. In its fundamental domestic businesses, the Hitachi Capital Group will continue to promote a niche strategy with the aim of raising its share in specific areas. In its new domestic business activities, the Group will shift its business model from traditional finance businesses to function-oriented service businesses.

In its fundamental vendor lease business, Hitachi Capital entered into a capital alliance with NBL Co., Ltd., a company that boasts significant sales and marketing capabilities in Japan's major metropolitan cities, in fiscal 2012. Looking ahead, both companies will consolidate and harness their respective know-how and functions while developing and providing new business models. Through these means, we will support small and medium-sized enterprises in Japan to increasingly introduce information technology into their operations and to enhance business efficiency. In its auto leasing business, the Company concluded a business and capital alliance with Sumitomo Mitsui Auto Service Co., Ltd. with the aim of developing strategic joint businesses. Combining and leveraging each company's customer base and know-how, we will work on delivering high value-added products and services to customers, promoting the joint purchase of lease vehicles and components and engaging in the joint disposal of used motor vehicles.

In executing capital and business alliances with such highly competitive partners, Hitachi Capital has successfully formed top-ranking groups in each market.

In its new domestic business endeavors, the Hitachi Capital Group is looking to shift its business model to function-oriented service businesses. To this end, the Group is actively targeting the mainstay credit insurance, cooperation with regional banks (in a form of guarantee), receivables collection and cloud computing businesses. In each field, we are accelerating the pace of new domestic demand creation.

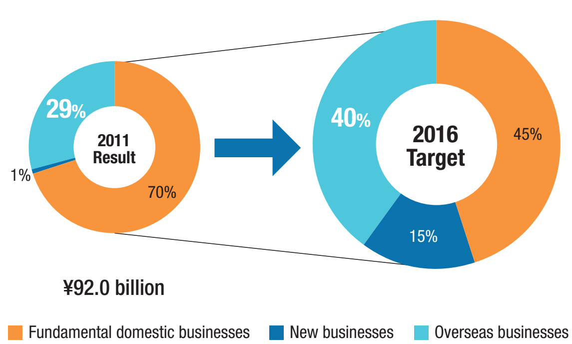
In its credit insurance business, Hitachi Capital made considerable progress in forging robust ties with the Hitachi Group and other quality customers and is confident in its ability to increase orders. During fiscal 2012, the Company formed alliances with the Yamagata Bank, Ltd., the Bank of Fukuoka, Ltd., Shinwa Bank Ltd., Kumamoto Family Bank, Ltd., the Bank of Kyoto, Ltd., the North Pacific Bank, Ltd. and Yamaguchi Bank, Ltd., bringing the total of such alliances to 12. In another major development in its receivables collection business, Hitachi Capital was contracted by the Japan Pension Service to collect national pension premiums. Services commenced in fiscal 2012.

As a part of the Company's efforts to provide cloud computing financial support, Hitachi Capital began a cloud computing usage fee collection service while at the same time providing life cycle management (LCM) services for information equipment.

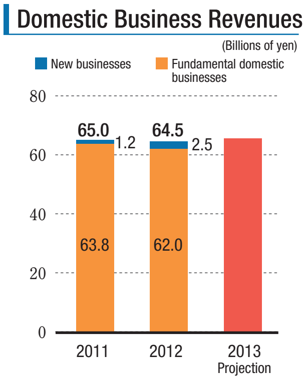
Pick Up the Pace of Growth Strategy Implementation in Overseas Business Focusing Mainly on the Asia Region

In its overseas business activities, the Hitachi Capital Group has targeted an annual revenues rate of growth of at least 20% in Asia. In fiscal 2012, the Group significantly surpassed this target recording a year-on-year growth rate of 32%. Based on recent trends,

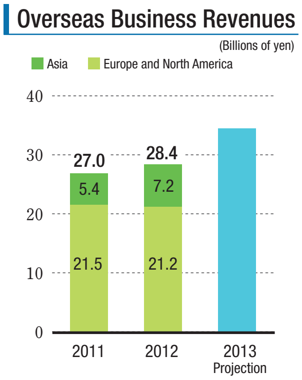
Image of Revenues (fiscal 2011-2016)



Domestic Business Revenues



Overseas Business Revenues



Hitachi Capital has revised its target and is forecasting a growth rate of 72% in fiscal 2013.

In fiscal 2012, we took steps to bolster our network in China, opening a branch in Shanghai as well as representative offices in Shenyang, Zhengzhou and Changsha. In other areas of Asia, we have adopted aggressive measures to expand our business. The Hitachi Capital Group successively acquired First Peninsula Credit Sdn. Bhd., which engages in the finance of rebuilt trucks in Malaysia; Jun Taiyo (S) Pte. Ltd., an auto leasing business in Singapore; and PT. Arthaasia Finance (AAF), which finances commercial vehicles in Indonesia. As a result of these initiatives, the Hitachi Capital Group's business network in Asia has expanded from three countries and four areas as of March 31, 2010 to six countries and seven areas as of March 31, 2012. Moving forward, we are considering further expansion with an eye to Wuhan and Chengdu in China and among several other locations in Vietnam and India.

In Europe and North America, the Hitachi Capital Group continues to enjoy the benefits of business reorganization. Thanks largely to the substantial decline in bad debt expenses as well as improvement in financing costs, profits have increased significantly. Looking ahead, the Group will pursue new businesses while expanding its business base as a part of efforts to promote regrowth.

Strengthen Position and Expand Business Area in Asia

★ "New entry" refers to local corporation HQs/business bases/offices which commenced operations on or after April 2011.

In order to further bolster overseas businesses that are more in tune with economic growth in Asia, Hitachi Capital undertook a reorganization of its overseas business headquarters in April 2012. In addition to establishing the International Business Division in Hong Kong to take over the head office function, the Company set up sub offices in Singapore and Tokyo. Through this initiative, we will strengthen the Group's abilities to collect and distribute information while developing human resources, and also, we will make the commitment toward genuine globalization and further business expansion.

Move Resolutely Forward to Achieve All Objectives in the Final Year of the Mid-Term Management Plan

The Hitachi Capital Group maintains the fundamental policy of providing a stable distribution of dividends linked to business performance while ensuring a sound financial position and securing the internal reserves necessary for sustainable growth and to cope with changes in its operating environment. Based on this policy, we paid a fiscal year-end dividend of ¥17.00 (US$0.20) per share. Together with the interim dividend, our annual dividend was ¥33.00 (US$0.40) per share, an increase of ¥1.00 per share compared with fiscal 2011.

Throughout the final year of the Mid-Term Management Plan, the Hitachi Capital Group will continue to implement its growth strategies while strengthening its business base. In this sense, every effort will be made to secure a firm foothold for sustainable growth. Adhering strictly to the tenets of "basics" and "the right path," key components of its management policy, Hitachi Capital will accelerate measures aimed at resolving priority issues, expand its customer base while strengthening relationships and upgrade its financial services that address market needs. Moving forward, we will continue our quest to become a corporate group that is capable of sustainable growth.

I ask all shareholders for your continued support.

Kazuya Miura

Kazuya Miura, President & CEO

Business Topics 2012

May 2011	Strengthened disaster recovery business alliance with the Development Bank of Japan Inc.
Oct. 2011	Formed a capital alliance with NBL Co., Ltd.
Oct. 2011	Opened a branch in Chonburi, Thailand
Nov. 2011	Built a base in Malaysia
Nov. 2011	Acquired the No. 1 ranking in a customer satisfaction survey conducted by the American Truck Dealers for the 5th consecutive year
Dec. 2011	Strengthened the auto leasing business in Singapore
Jan. 2012	Entered the Indonesian market
Mar. 2012	Issued unsecured renminbi-denominated bonds in Hong Kong to bolster the Group's China business
May 2012	Hitachi Capital (UK) PLC received awards from *Credit Today*, U.K.'s leading magazine for the commercial and consumer credit industry

Strengthened Disaster Recovery Business Alliance with Development Bank of Japan Inc.

As a part of efforts to strengthen its fundamental domestic businesses, Hitachi Capital concluded a disaster recovery business alliance agreement with Development Bank of Japan Inc. ("DBJ") in May 2011. The decision was also made to transfer a portion of the Company's shares held in its consolidated subsidiary Hitachi Capital Securities Co., Ltd. ("Hitachi Capital Securities") to DBJ in August 2011. The equity stakes held in Hitachi Capital Securities by Hitachi Capital and DBJ following the transfer were 33.35% and 66.65%, respectively, with the name of Hitachi Capital Securities changing to DBJ Securities Co., Ltd. in October 2011. This initiative has served to strengthen the relationship between the two companies to enhance finance arrangement services, for example, by allowing each to better coordinate reconstruction assistance following the Great East Japan Earthquake. Through the business alliance with DBJ, Hitachi Capital will take full advantage of DBJ's finance functions and know-how to further upgrade its own securities business functions and expand the types of products offered.

Formed a Capital Alliance with NBL Co., Ltd. with the Aim of Building Japan's Leading Vendor Lease Business

Hitachi Capital positions its vendor lease* activities as a priority core business of its fundamental domestic businesses. In this context, the Company acquired by way of transfer 8,000,000 shares of the stock of NBL Co., Ltd. ("NBL") held by the Bank of Tokyo-Mitsubishi UFJ, Ltd. (40% of the total number of shares issued) in October 2011, thereby entering into a capital alliance.

Through this alliance, Hitachi Capital and NBL will harness their accumulated know-how and functions to develop and provide new business models, which will lead to sales promotion to vendors, our important partners. Moreover, by providing vendor leasing, Hitachi Capital and NBL will support the introduction of IT and promote business efficiency at small- and medium-sized enterprises. This initiative is aimed at both companies establishing the leading vendor lease business in Japan in terms of its customer base, market share and product competitiveness. During fiscal 2014, Hitachi Capital intends to consider the acquisition of all of NBL's remaining issued shares.

* Vendor lease: Lease agreements to be entered into with customers by lease companies through dealers (vendors) who are in alliance relationships with lease companies

Built a Base in Malaysia as a Part of Efforts to Enter New Markets

With the aim of establishing another Southeast Asian base in Malaysia, following Singapore and Thailand, Hitachi Capital acquired 75% of the total issued shares of First Peninsula Credit Sdn. Bhd. (“FPC”) in November 2011. FPC, which is mainly engaged in the financing of rebuilt trucks*, was a wholly owned subsidiary of Boon Koon Group Bhd., a company listed on the first section of the Kuala Lumpur Stock Exchange with the leading share of the rebuilt commercial vehicle manufacturing industry in Malaysia.

The signing ceremony

Looking ahead, Hitachi Capital will harness the strengths of its overseas business, upgrade and expand its sales network in Malaysia and provide financial services to quality local companies. Moreover, the Company will develop its vendor finance business in Malaysia focusing on office and information equipment and work to quickly build a business platform.

* Rebuilt trucks: High functioning used trucks that are imported from Japan, Europe and other countries and modified virtually as new vehicles according to each customer’s specifications. In order to protect and develop the automobile industry on Malaysia, the import of completed vehicle, with certain exceptions, is in principle prohibited.

Opened a Branch in Chonburi, Thailand

Hitachi Capital (Thailand) Co., Ltd. (“Hitachi Capital (Thailand)”) opened a branch in Chonburi, located in the southeast district of Thailand, in October 2011.

Established in 2008, Hitachi Capital (Thailand) has steadily expanded its business focusing mainly on the provision of finance leasing for office equipment, information equipment and forklift trucks to local companies in Thailand. Chonburi Province is home to one of the major industrial complexes in Thailand as well as a manufacturing base for several Japanese companies. Through its Chonburi branch, Hitachi Capital (Thailand) plans to address the needs for manufacturing facilities, IT equipment, company vehicles and related items while providing financial services to quality local companies that support the company’s customers.

Entered the Indonesian Market to Expand the Group’s Sales Network in Southeast Asia

In January 2012, Hitachi Capital acquired 75% of the total issued shares of PT. Arthaasia Finance (“AAF”) located in Indonesia, the largest ASEAN economy. Through this acquisition, the Company has established a presence in Indonesia, following bases set up in Singapore, Thailand and Malaysia, significantly expanding its sales network in Southeast Asia.

AAF provides financial services and engages in insurance sales agency services for commercial vehicles (used trucks) through a network of 38 bases in Java, two bases in Sumatra and two other bases in Kalimantan. The used commercial vehicle market in Indonesia estimated by Hitachi Capital in 2011 was at around 1.5 million vehicles. Of this total, AAF’s principal target finance market is estimated to account for around 1.0 million vehicles. Moving forward, the Hitachi Capital Group will strengthen its business in the Surabaya and other areas where numerous Japanese companies have located offices. In addition to broadening its financial service menu beyond financing for commercial vehicles mainly to quality local companies, AAF will engage in sales finance business activities targeting Hitachi Group companies.

Unveiling ceremony

Strengthened the Auto Leasing Business in Singapore

Hitachi Capital Singapore Pte. Ltd. (“HCS”), a Hitachi Capital consolidated subsidiary, acquired all of the shares of Jun Taiyo (S) Pte. Ltd. (“JT”), a local company in Singapore, in December 2011 in order to expand earnings opportunities in Singapore. JT was then absorbed into and merged with HCS in March 2012.

HCS is engaged in wide-ranging financial services in Singapore. JT maintains a maintenance workshop and sales network in Singapore and operates a variety of automotive-related businesses including auto leasing and sales as well as automobile inspection and repairs. JT has established a firm foothold in the auto leasing business mainly targeting Japanese companies.

Through this absorption merger, HCS will further fortify its customer base and secure the leading share of the auto leasing business for Japanese companies. Building on this initiative, the opportunity exists for HCS to expand its customer base among quality local companies while providing a broader lineup of high value-added as well as maintenance services. The potential is also there to engage in the sale of vehicles that have reached the end of their lease periods at high prices.

Issued Unsecured Renminbi-Denominated Bonds in Hong Kong to Bolster the Group's China Business

In March 2012, Hitachi Capital issued its first series of unsecured renminbi-denominated bonds in the Chinese offshore market in Hong Kong. The total amount of the bond issue was 500 million renminbi with an annual yield of 3.75% and term of three years. In addition to diversifying the Company's renminbi funds procurement methods, this initiative enables Hitachi Capital through Group company Hitachi Capital Leasing (China) Co., Ltd. to address the robust demand for funds in the China market and to bolster and expand its business in China as well as sales finance business activities for Hitachi Group companies.

Acquired the No. 1 Ranking in a Customer Satisfaction Survey Conducted by the American Truck Dealers for the 5th Consecutive Year

In November 2011, Hitachi Capital's local U.S.-based subsidiary Hitachi Capital America Corp. received the No. 1 ranking in the corporate finance category for medium-sized trucks in the Attitude (customer satisfaction) Survey conducted annually by the American Truck Dealers – National Automobile Dealers Association.

In this survey, truck dealers for all manufacturers rank the quality of finance company services according to their accuracy, speed, product specifications, industry knowledge and communication. Hitachi Capital America Corp. has received the top ranking each year since 2007 and was highly acclaimed across all judging categories in fiscal 2012.

Looking ahead, the Hitachi Capital Group will work to further enhance the quality of its services as a sound business partner of all truck manufacturers.

Received Awards from *Credit Today*, U.K.'s Leading Magazine for the Commercial and Consumer Credit Industry

Hitachi Capital Invoice Finance ("HCIF") and Hitachi Capital Consumer Finance ("HCCF"), operating divisions of Hitachi Capital's U.K.-based subsidiary Hitachi Capital (UK) PLC, received awards from *Credit Today*, U.K.'s leading magazine for the commercial and consumer credit industry in terms of circulation.

These awards recognize outstanding companies active in the credit industry with respect to their performance and high customer satisfaction. These prestigious awards were established in 1999 with the aim of contributing to the further growth and development of the credit industry.

HCIF received wide and comprehensive acclaim for its performance, management, risk management and level of customer satisfaction. Overcoming the efforts of other outstanding companies, HCIF received the Factor & Discounter of the Year Award for the second consecutive year. In addition, HCCF was assessed highly for its teamwork, specialist knowledge, risk assessment and strategies and was recognized for its best practices and received the Credit Risk Team of the Year Award.


2012 *Credit Today* Awards ceremony

DIRECTORS AND OFFICERS

Board Directors

Takashi Miyoshi
Chairman of the Board

Kazuya Miura
Board Director

Yuichiro Shimada
Board Director

Akira Tsuda
Board Director

Toshiaki Kuzuoka
Board Director

Executive Officers

Kazuya Miura
Representative Executive Officer,
President and
Chief Executive Officer

Kiyoshi Kojima
Senior Vice President and
Executive Officer,
in charge of Partnership Business,
Head of Corporate Management

Seiji Kawabe
Senior Vice President and
Executive Officer,
in charge of Corporate Business,
Hitachi Group Business and
Financial Services Business

Keiji Momoi
Vice President and
Executive Officer,
Head of Quality Assurance

Hironori Tozawa
Vice President and
Executive Officer,
Head of International Business

Jun Kataoka
Executive Officer,
Head of Hitachi Group Business

Yuji Kai
Executive Officer,
in charge of Business Support
Center, Head of Regional Business

Masao Nishida
Executive Officer,
Head of Finance and Accounting

Top Management at Subsidiaries

Toshio Ohama
Managing Director
Okinawa Hitachi Capital Corporation

Misuo Yoshii
Managing Director
Hitachi Capital Servicer Corporation

Toshiyuki Mori
Managing Director
Hitachi Capital Services Co., Ltd.

Akio Ohfuji
Managing Director
Hitachi Capital Auto Lease Corporation

Kouji Ueda
Managing Director
Hitachi Triple Win Corp.

Kenji Hirama
Managing Director
Sekisui Leasing Co., Ltd.

Hiroshi Honda
Managing Director
Hitachi Capital Insurance Corporation

Takeshi Ara
Managing Director
Hitachi Capital Community Corporation

Hiroyuki Fukuro
Managing Director
Hitachi Capital Trust Corporation

Ikuo Okada
Managing Director
Financial Bridge Corporation

Kanji Kuchimura
Managing Director
Hitachi Capital (Hong Kong) Ltd.

Chihiro Shirai
Chief Executive Officer
Hitachi Capital (UK) PLC

Simon Oliphant
Chief Executive Officer
Hitachi Capital Vehicle Solutions Ltd.

Chihiro Shirai
Chairman
Hitachi Capital Insurance Europe Ltd.

Yoshiyuki Kume
Chief Executive Officer
William H. Besgen
President & Chief Operating Officer
Hitachi Capital America Corp.

Tetsu Inoue
Managing Director
Hitachi Capital Singapore Pte. Ltd.

Ryoji Sato
Chairman
Seika Ryu
President & Director
Hitachi Capital Leasing (China) Co., Ltd.

Fumio Kuboyama
Managing Director
Hitachi Capital (Thailand) Co., Ltd.

Kazuaki Egawa
Managing Director
First Peninsula Credit Sdn. Bhd.

Satoshi Sekiya
President Director
PT. Arthaasia Finance

(As of July 1, 2012)

BASIC POLICY

Hitachi Capital believes the establishment of an optimal management structure to enhance corporate value serves as the cornerstone of corporate governance. In keeping with this rationale, Hitachi Capital is working to strengthen its corporate governance structure as summarized below.

1. DESCRIPTION OF INTERNAL ORGANIZATIONS

Hitachi Capital has adopted a committee system as its management structure in order to better resolve current and future issues confronting the Company in a timely and appropriate manner by separating the oversight and business execution functions of management, while at the same time enhancing management transparency.

As of July 1, 2012, Hitachi Capital's Board of Directors consisted of five directors, including three external directors, who normally convene monthly. As prescribed by laws, the Company's Articles of Incorporation and the regulations of the Board of Directors, it conducts decision-making on such pressing management issues as basic policies and key management strategies.

The Board also undertakes the appointment of Corporate Officers, requests explanations and reports regarding executive activities when needed and ensures the proper functioning of operations.

The Nominating Committee, Audit Committee and Compensation Committee have been set up within the Board of Directors. The Audit Committee ordinarily meets monthly and is responsible for auditing management in terms of propriety and legality. The Nominating and Compensation committees convene when deemed necessary to decide on matters related to resolutions to select directors and appropriate compensation of officers.

Corporate Officers (eight as of April 1, 2012) elected by the Board make executive decisions and execute business affairs within the scope of authority delegated by the Board of Directors. A Corporate Officers Committee has been established and convenes monthly to deliberate on key matters.

2. COMPLIANCE STRUCTURE

Hitachi Capital has formulated a Compliance Policy to ensure effective compliance, particularly with regard to social norms that include laws or ordinances relevant to the Hitachi Capital Group as well as voluntary industry rules. The Compliance Department has been established at the headquarters to gather information and plan, prepare and promote frameworks for legal compliance. In terms of compliance education for employees, the Group undertakes educational programs created by the division in charge of human resources and education to offer basic legal education and well-planned training tailored to employee rank as well as specialized educational training.

In addition, Hitachi Capital employs an internal reporting system that allows Group employees to report any illegal activities or improper conduct occurring within the Group to either an internal contact point or external legal counsel.

Hitachi Capital is thoroughly managing personal information and other data within the Group, while further strengthening the structure to enable operations to be conducted based on a spirit of compliance through measures that include comprehensive education on such industry-specific laws as the Money-Lending Business Control and Regulation Law as well as various laws that affect its business.

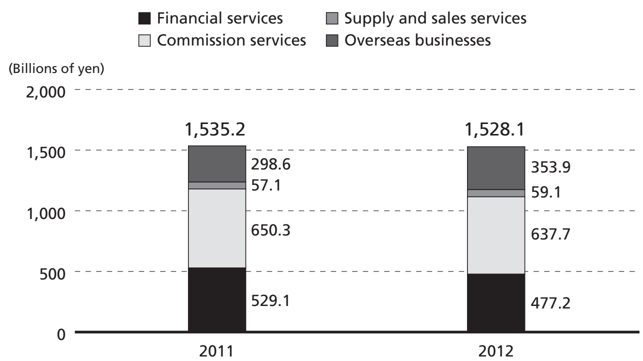
3. RISK MANAGEMENT STRUCTURE

Hitachi Capital has formulated Policies for Risk Management as a means of clarifying basic management policies as well as the methods for addressing risks.

Cognizant of the fact that accurately detecting business risks and adjusting accordingly is a core and essential competency of the financial services industry, Hitachi Capital aims to comprehensively address a variety of risks within the Group, including business risks, credit risks and compliance risks. To that end, the Company has established the Risk Management Department at the headquarters and is working to further bolster the risk management structure.

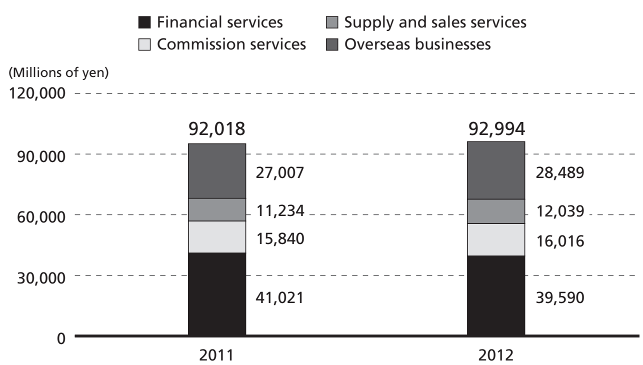
Volume of business

(business breakdown based on mid-term management plan)



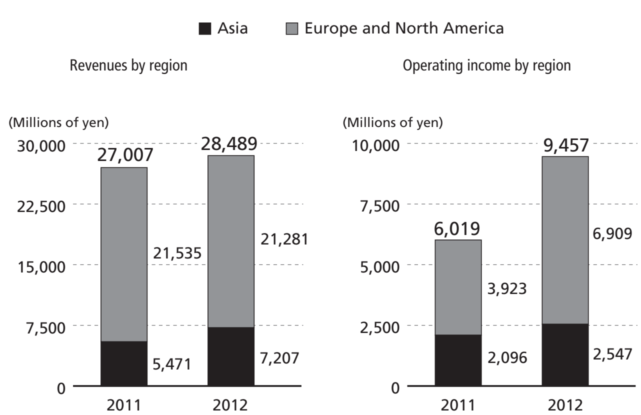
Revenues*1

(business breakdown based on mid-term management plan)



*1. "Revenues" includes elimination of intersegment revenues and certain adjustments.

Breakdown of overseas revenues and operating income by region



BUSINESS RESULTS

During fiscal 2012, ended March 31, 2012, the pace of global economic growth slowed due to deterioration in the economies of developed countries. In Japan, the Group's second half domestic business performance, due mainly to an intense competitive environment, was unable to offset the negative impact of the Great East Japan Earthquake in the first half, and the drop-off in favorable flow-on effects from eco-car subsidies implemented during fiscal 2011, which resulted in the sluggish information equipment-, automotive- and other-related sector sales. As a result, the volume of business in Japan decreased compared with the previous fiscal year. In contrast, the volume of business overseas was robust owing largely to continued strong conditions throughout the Asia region and recoveries in both Europe and North America. Accounting for each of the aforementioned factors, the Group's consolidated volume of business edged down 0.5% year on year to ¥1,528,144 million (US$18,635 million).

Buoyed mainly by prolonged robust conditions in Asia, revenues for the fiscal year under review climbed 1.1% to ¥92,994 million (US$1,134 million). Total expenses benefitted from the contraction in credit costs both in Japan and overseas as well as lower financing costs reflecting the efficient management of funds. As a result, operating income amounted to ¥22,238 million (US$271 million), up 27.4% compared with the previous fiscal year. Taking into account the reversal of the allowance for damages attributable to the Great East Japan Earthquake following loss on disaster brought to account in fiscal 2011, net income for fiscal 2012 surged 103.5% year on year to ¥12,687 million (US$154 million).

BUSINESS BREAKDOWN BASED ON THE MID-TERM MANAGEMENT PLAN

Financial Services

In financial services, the volume of business for fiscal 2012 amounted to ¥477,204 million (US$5,819 million), down 9.8% year on year. This was largely attributable to a decrease in the volume of information equipment-related business due to the negative impact of the Great East Japan Earthquake. Revenues were ¥39,590 million (US$482 million), a drop of 3.5% compared with the previous fiscal year.

Commission Services

In commission services, the volume of business for fiscal 2012 totaled ¥637,787 million (US$7,777 million), a downturn of 1.9% year on year, due mainly to the slump in the retail automobile and housing sectors. Revenues were ¥16,016 million (US$195 million), up 1.1% compared with the previous fiscal year. This largely reflected robust trends in the receivables collection business.

Supply and Sales Services

In supply and sales services, the volume of business for fiscal 2012 was ¥59,181 million (US$721 million), up 3.6% year on year as a result of an increase in auto lease transactions. Revenues climbed 7.2% compared with fiscal 2011 to ¥12,039 million (US$146 million).

Overseas

In overseas operations, the volume of business for fiscal 2012 amounted to ¥353,971 million (US$4,316 million), up 18.5% year on year owing mainly to substantial growth in the Asia region and steady recoveries both in Europe and North America. Despite the impact of fluctuations in foreign currency exchange rates, revenues were ¥28,489 million (US$347 million), an increase of 5.5% compared with the previous fiscal year.

PER SHARE INDICES AND ROE/ROA

Net income per share increased 103.5% year on year to ¥108.54 (US$1.32). ROE was 4.9% and ROA was 0.76%.

FINANCIAL POSITION

As of March 31, 2012, total assets stood at ¥1,757,241 million (US$21,429 million), up ¥194,831 million from the previous fiscal year-end. This largely reflected the higher balance of notes and accounts receivable — trade, including amounts maturing after one year, which increased due to such factors as the switchover from procurement methods that utilize the securitization of lump-sum payment system receivables to the issue of commercial paper and the increase in the volume of overseas business.

Total net assets as of the fiscal year-end amounted to ¥270,404 million (US$3,297 million), an increase of ¥15,606 million compared with March 31, 2011. Principal movements comprised net income of ¥12,687 million (US$154 million), the payment of dividends totaling ¥3,740 million (US$45 million) and the increase in minority interest due mainly to the sale of subsidiary company shares.

Interest-bearing debt climbed ¥176,425 million to ¥959,331 million (US$11,699 million) as a result of such factors as the issue of commercial paper to cover the increase in notes and accounts receivable — trade, including amounts maturing after one year.

CASH FLOWS

Cash and cash equivalents as of the end of the fiscal year amounted to ¥129,828 million (US$1,583 million), an increase of ¥31,638 million compared with the end of the previous fiscal year.

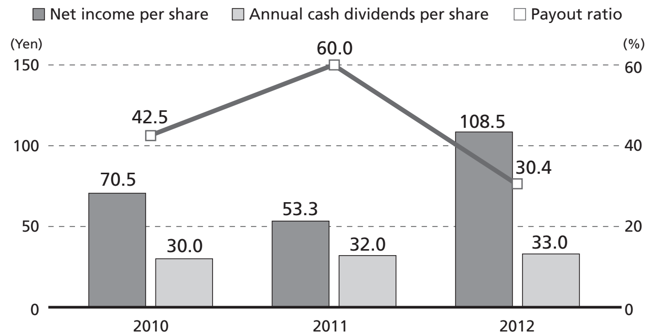
Net cash used in operating activities was ¥105,903 million (US$1,291 million). This was mainly attributable to the increase in notes and accounts receivable — trade.

Net cash used in investing activities came to ¥20,306 million (US$247 million). The major components were purchase of investments in subsidiaries resulting in change in scope of consolidation of ¥4,712 million (US$57 million) and purchase of investments in subsidiaries and affiliates of ¥18,903 million (US$230 million).

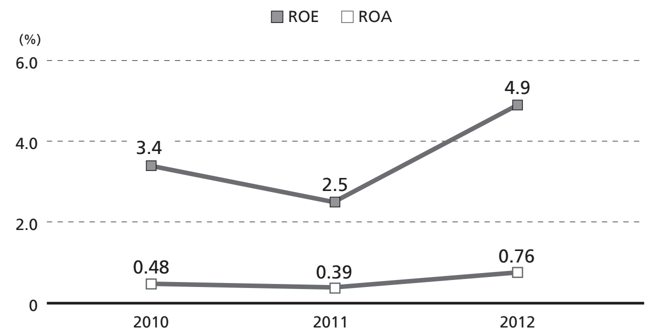
Net cash provided by financing activities amounted to ¥157,723 million (US$1,923 million). Major cash outflow was payments of long-term borrowings totaling ¥98,995 million (US$1,207 million). Principal cash inflows included increase in commercial paper, net of ¥60,272 million (US$735 million) and proceeds from long-term borrowings of ¥177,436 million (US$2,163 million).

Taking into account each of the aforementioned activities, free cash flows, the sum of operating and investing cash flows, resulted in an overall outflow of ¥126,209 million (US$1,539 million).

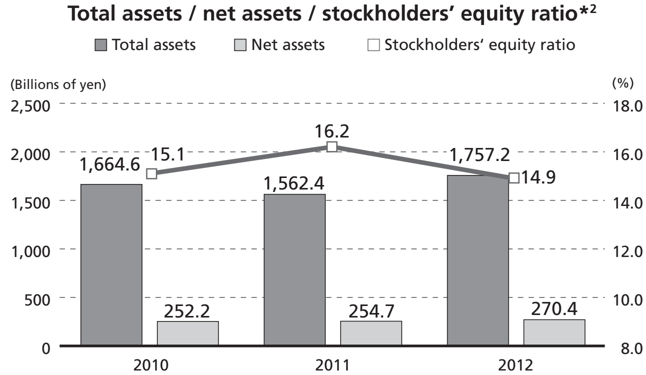
Net income per share / annual cash dividends per share / payout ratio



ROE / ROA

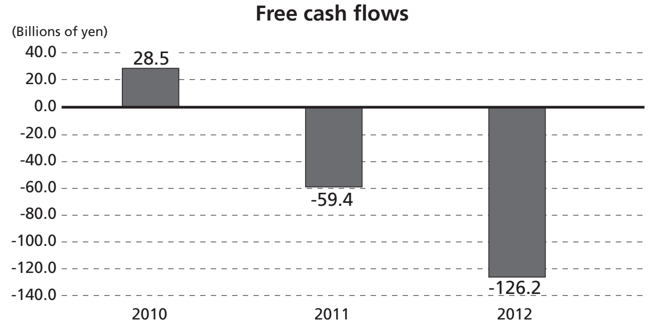


Total assets / net assets / stockholders' equity ratio*2



*2. Stockholders' equity ratio = (Net assets - Minority interests) / Total assets

Free cash flows



BUSINESS RISK

Internal Control-Related Risk
The Hitachi Capital Group has established and maintains an internal control system based on internal control resolutions, and evaluates and works to ensure the appropriateness of its internal controls through the Internal Control Committee. Nevertheless, if internal controls do not function effectively or unexpected problems arise, there could be an adverse impact on the Group's business results.

Interest Rate Risk
Since the Group provides financial services, including leasing and installment sales, it must procure large amounts of funds and carry out thorough ALM* through liquidation. A sharp rise in market interest rates, however, could cause a rise in fundraising costs and have an adverse impact on the Group's business results.

* Asset Liability Management: Companies firmly ascertain the characteristics of maturities and interest from their assets and liabilities, and monitor cash flows, liquidity, currency risk and interest risk.

Liquidity Risk
Although the Group works to appropriately manage its cash position, there are times it may be difficult to secure the funds required, including if the creditworthiness of the Group has declined, or due to turmoil in financial markets or changes in the market environment. Additionally, the Company may be forced to procure funds when interest rates are significantly higher than normal. Factors such as these could have an adverse impact on the Group's business results.

Credit Risk
The Group is engaged in various kinds of business associated with providing credit, including leasing, credit guarantees and installment sales. During such business execution, the Group appropriately controls credit risk by conducting screening at the time of a contract and ascertaining such factors as the state of credit while a credit receivable is being collected. Nevertheless, an increase in corporate and personal bankruptcies due to a changing economic environment could result in an increased burden with respect to losses on receivables and bad debts expenses for lease transactions.

Laws and Regulations Changes Risk
Changes in laws and regulations related to Group business could also impact results. With total enforcement of the revised Money-Lending Business Control and Regulation Law and the revised Installment Sales Law, there could be additional costs associated with the changes, and customer demand may change. The Group has always complied with the Interest Limitation Law, so there is no direct risk of returning excess payments.

In addition, there could be additional costs associated with the strengthening of obligations for waste disposal in line with the full-fledged implementation of the revised Waste Management and Public Cleansing Act.

Business Structure Reform Risk
The Group is reforming its business structure in order to achieve sustainable growth. However, a delay or failure to achieve these reforms, for any reason, could have an adverse impact on the Group's business results.

Leased Assets Residual Value Risk
One of the Group's business strategies is to "provide financial services that focus on 'products'." to achieve this, we concentrate on operating leases in order to respond to changes in market demand accompanied by changes in accounting standards for finance leases. We will continue to improve our abilities and expertise in evaluating "products" and the resale of leased assets as the Group's core skills. However, there is a possibility of a decline in actual disposal value from the initial estimated value of leased property due to such factors as unexpected changes in the market environment and technological innovations.

Administrative and System Risk
The Group carries out its business activities using various information systems. Any error, including administrative or accidental human errors as well as fraudulence by employees, unauthorized access to systems or a computer virus from outside the Group, or a stoppage or breakdown of internal operating systems, could have an adverse impact on the Group's business results. In addition, external leaks or illicit use of information concerning customers or affiliates due to similar causes may result in damage to said customers or affiliates and lead to loss of trust from society, and this could have an adverse impact on the Group's business results.

Also, natural disasters such as earthquakes could cause damage to our data centers. As countermeasures for such risks, we have set up and maintain backup systems at both domestic and overseas sites. However, disasters of an unforeseeable scale could have an adverse impact on the Group's business results. There was no direct effect on the Group's human resources or data centers due to the Great East Japan Earthquake.

Compliance Risk

Given that the Group offers a variety of financial services, it must comply with a number of laws and regulations, such as the Installment Sales Law, the Financial Instruments and Exchange Law and the Money-Lending Business Control and Regulation Law, as well as various consumer protection and waste disposal regulations.

The Company must also comply with a wide range of social rules, from internal regulations and voluntary industry rules to social ethics and norms. The Company established the Compliance Department at the headquarters and is working to develop its compliance structure. However, failure to comply with applicable laws, regulations and social norms could have an adverse impact on the Group's business results due to criminal prosecution and loss of trust from society.

Human Resources Risk

The Group considers employees' abilities as important assets of a company and is implementing intensified recruitment, well-planned educational programs and improved training programs. However, there is a risk that the Group will not be able to secure the human resources required for business operations following reforms in cases where employees of existing businesses cannot adapt to business structural reforms, where appropriate employee placement is not conducted or where new personnel cannot be hired. Moreover, difficulties in ensuring that the Group's screening and collection management know-how and experience are effectively passed on to new employees could have an adverse impact on the Group's business results.

Business Partners-Related Risk

The Group conducts business in cooperation with numerous business partners due to the characteristics of the business. Despite thorough screening of other companies before committing to collaboration, the Group may have to shoulder responsibility in case of bankruptcy or illegal activity by a business partner, which could have an adverse impact on the Group's business results.

Non-Life Insurance Risk

The Group is engaged in non-life insurance business and works to reduce risks related to underwriting insurance. However, a major disaster could have an adverse impact on the Group's business due to payment of insurance claims that exceed expectations.

Overseas Business Risk

The Hitachi Capital Group has identified business growth in overseas markets as one of its priority strategies. The Group provides a wide range of financial services to not only Japanese companies operating overseas, but also local companies and individuals. In this context, shifts in the Group's environment resulting from changes in the statutory, regulatory and taxation requirements of each country and region as well as fluctuations in economic conditions could have an adverse impact on the Group's business results.

CONSOLIDATED BALANCE SHEETS

Hitachi Capital Corporation and Subsidiaries
March 31, 2012 and 2011

	Japanese yen (millions)		U.S. dollars (thousands) (Note 2)
ASSETS	**2012**	2011	**2012**
CURRENT ASSETS:			
Cash on hand and at bank (Notes 4, 23 and 26)	**¥ 22,519**	¥ 12,750	**$ 274,621**
Notes and accounts receivable – trade, including amounts maturing after one year (Notes 4, 22 and 26)	**665,878**	521,758	**8,120,463**
Investment in direct finance leases (Notes 22, 25 and 26)	**522,099**	511,649	**6,367,060**
Less: Allowance for losses on receivables (Notes 3 (c), 10 and 26)	**13,883**	14,115	**169,304**
Net trade receivables	**1,174,094**	1,019,292	**14,318,219**
Parent company deposits (Notes 5, 22, 23 and 26)	**111,562**	87,689	**1,360,512**
Short-term investments (Notes 3 (d), 4 and 26)	**5,648**	3,306	**68,878**
Prepaid expenses and other current assets (Note 13)	**21,694**	37,751	**264,560**
Total current assets	**1,335,519**	1,160,790	**16,286,817**
NON–CURRENT ASSETS:			
Equipment held for lease, at cost less accumulated depreciation (Notes 3 (f), (g), 6, 24 and 25) Accumulated depreciation was ¥1,630,213 million ($19,880,646 thousand) in 2012 and ¥1,626,849 million in 2011	**237,403**	226,187	**2,895,158**
Investments in securities (Notes 3 (d), 4, 7 and 26)	**134,236**	122,957	**1,637,024**
Total investments	**371,640**	349,144	**4,532,195**
Property and equipment, at cost less accumulated depreciation (Notes 3 (e), (f), (g), 4, 6 and 24)	**2,687**	3,293	**32,768**
Other assets (Notes 13 and 14)	**47,394**	49,182	**577,975**
Total non–current assets	**421,722**	401,620	**5,142,951**
Total assets	**¥1,757,241**	¥ 1,562,410	**$ 21,429,768**

See accompanying notes to consolidated financial statements.

LIABILITIES AND NET ASSETS	Japanese yen (millions) 2012	2011	U.S. dollars (thousands) (Note 2) 2012
CURRENT LIABILITIES:			
Short-term bank loans (Notes 11, 22 and 26)	**¥ 111,864**	¥ 116,746	**$ 1,364,195**
Commercial paper (Note 26)	**105,534**	46,109	**1,287,000**
Current portion of long-term debt (Notes 11 and 26)	**214,284**	148,164	**2,613,219**
Trade payables (Notes 12, 22 and 26)	**269,993**	224,713	**3,292,597**
Accrued payables (Notes 22 and 26)	**49,096**	83,964	**598,731**
Accrued expenses	**8,159**	9,752	**99,500**
Obligation for securitized lease receivables (Notes 8 and 26)	**56,146**	18,561	**684,707**
Income taxes payable	**1,932**	12,379	**23,560**
Allowance for losses on guarantees (Notes 3 (c), 9 and 10)	**4,903**	6,564	**59,792**
Other current liabilities (Notes 13 and 25)	**65,919**	38,290	**803,890**
Total current liabilities	**887,832**	705,248	**10,827,219**
NON–CURRENT LIABILITIES:			
Long-term debt (Notes 11 and 26)	**497,648**	471,885	**6,068,878**
Retirement and severance benefits (Notes 3 (i) and 14)	**4,614**	4,519	**56,268**
Retirement benefits for directors (Note 3 (i))	**188**	280	**2,292**
Long-term obligation for securitized lease receivables (Notes 8 and 26)	**44,179**	74,492	**538,768**
Other liabilities (Notes 13, 15 and 25)	**52,372**	51,186	**638,682**
Total non–current liabilities	**599,005**	602,364	**7,304,939**
Total liabilities	**1,486,837**	1,307,612	**18,132,158**
COMMITMENTS AND CONTINGENCIES (Note 27)			
NET ASSETS:			
Stockholders' equity			
Common stock:			
Authorized 270,000,000 shares; issued 124,826,552 shares in 2012 and issued 124,826,552 shares in 2011	**9,983**	9,983	**121,743**
Capital surplus	**45,972**	45,972	**560,634**
Retained earnings (Note 3 (l))	**223,048**	214,101	**2,720,097**
Treasury stock (Notes 3 (k) and 17)	**(14,331)**	(14,331)	**(174,768)**
Total stockholders' equity (Note 16)	**264,673**	255,726	**3,227,719**
Accumulated other comprehensive income			
Net unrealized holding gains on securities	**7,080**	6,474	**86,341**
Net unrealized losses on hedging derivatives (Note 26)	**(1,144)**	(388)	**(13,951)**
Foreign currency translation adjustments (Note 3 (j))	**(8,341)**	(8,623)	**(101,719)**
Total accumulated other comprehensive income	**(2,406)**	(2,536)	**(29,341)**
Minority interests	**8,137**	1,608	**99,231**
Total net assets	**270,404**	254,797	**3,297,609**
Total liabilities and net assets	**¥1,757,241**	¥ 1,562,410	**$ 21,429,768**

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

Hitachi Capital Corporation and Subsidiaries
Years ended March 31, 2012 and 2011

	Japanese yen (millions)		U.S. dollars (thousands) (Note 2)
	2012	2011	**2012**
REVENUES (Notes 3 (b), 22 and 24):			
Operating revenues	**¥ 92,164**	¥ 90,970	**$ 1,123,951**
Interest and dividend income	**830**	1,047	**10,121**
	92,994	92,018	**1,134,073**
EXPENSES (Notes 19 and 24):			
Selling, general and administrative expenses	**57,168**	57,273	**697,170**
Financing costs	**13,588**	17,284	**165,707**
	70,756	74,558	**862,878**
Operating income	**22,238**	17,460	**271,195**
Other income (Note 18)	**3,678**	228	**44,853**
Other expenses (Note 18)	**1,579**	8,033	**19,256**
Income before income taxes and minority interests	**24,337**	9,655	**296,792**
Income taxes (Notes 3 (h) and 13)	**11,457**	3,208	**139,719**
Income before minority interests	**12,879**	6,446	**157,060**
Minority interests	**192**	211	**2,341**
Net income	**¥ 12,687**	¥ 6,234	**$ 154,719**

	Japanese yen		U.S. dollars (Note 2)
PER SHARE DATA (Notes 3 (m) and 20)			
Net income (basic)	**¥ 108.5**	¥ 53.3	**$ 1.32**

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Hitachi Capital Corporation and Subsidiaries
Years ended March 31, 2012 and 2011

	Japanese yen (millions)		U.S. dollars (thousands) (Note 2)
	2012	2011	**2012**
Income before minority interests	**¥ 12,879**	¥ 6,446	**$ 157,060**
Other comprehensive income (Note 21)			
Net unrealized holding gains (losses) on securities	**608**	(643)	**7,414**
Net unrealized gains (losses) on hedging derivatives	**(756)**	1,705	**(9,219)**
Foreign currency translation adjustments	**321**	(1,343)	**3,914**
Total other comprehensive income	**173**	(281)	**2,109**
Comprehensive income	**¥ 13,053**	¥ 6,165	**$ 159,182**
Comprehensive income attributable to shareholders of Hitachi Capital Corporation	**¥ 12,817**	¥ 6,009	**$ 156,304**
Comprehensive income attributable to minority interests	**¥ 236**	¥ 156	**$ 2,878**

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Hitachi Capital Corporation and Subsidiaries
Years ended March 31, 2012 and 2011

	Japanese yen (millions)				
	Stockholders' equity				
	Common stock	Capital surplus	Retained earnings (Note 3 (l))	Treasury stock (Notes 3 (k) and 17)	Total stockholders' equity (Note 16)
Balance as of March 31, 2010	¥ 9,983	¥ 45,972	¥ 211,490	¥ (14,330)	¥ 253,116
Changes during the year					
Cash dividends			(3,623)		(3,623)
Net income			6,234		6,234
Purchase of treasury stock				(1)	(1)
Disposal of treasury stock			—	—	—
Net change in the items other than stockholders' equity during the period					
Total change during the year	—	—	2,611	(1)	2,609
Balance as of March 31, 2011	¥ 9,983	¥ 45,972	¥ 214,101	¥ (14,331)	¥ 255,726

	Japanese yen (millions)					
	Accumulated other comprehensive income					
	Net unrealized holding gains (losses) on securities	Net unrealized gains (losses) on hedging derivatives (Note 26)	Foreign currency translation adjustments (Note 3 (j))	Total valuation and translation adjustments	Minority interests	Total net assets
Balance as of March 31, 2010	¥ 7,113	¥ (2,094)	¥ (7,330)	¥ (2,311)	¥ 1,463	¥ 252,268
Changes during the year						
Cash dividends						(3,623)
Net income						6,234
Purchase of treasury stock						(1)
Disposal of treasury stock						—
Net change in the items other than stockholders' equity during the period	(638)	1,705	(1,292)	(225)	144	(81)
Total change during the year	(638)	1,705	(1,292)	(225)	144	2,528
Balance as of March 31, 2011	¥ 6,474	¥ (388)	¥ (8,623)	¥ (2,536)	¥ 1,608	¥ 254,797

	Japanese yen (millions)				
	Stockholders' equity				
	Common stock	Capital surplus	Retained earnings (Note 3 (l))	Treasury stock (Notes 3 (k) and 17)	Total stockholders' equity (Note 16)
Balance as of March 31, 2011	¥ 9,983	¥ 45,972	¥ 214,101	¥ (14,331)	¥ 255,726
Changes during the year					
Cash dividends			(3,740)		(3,740)
Net income			12,687		12,687
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock			(0)	0	0
Net change in the items other than stockholders' equity during the period					
Total change during the year	—	—	8,946	0	8,946
Balance as of March 31, 2012	¥ 9,983	¥ 45,972	¥ 223,048	¥ (14,331)	¥ 264,673

	Japanese yen (millions)					
	Accumulated other comprehensive income					
	Net unrealized holding gains (losses) on securities	Net unrealized gains (losses) on hedging derivatives (Note 26)	Foreign currency translation adjustments (Note 3 (j))	Total valuation and translation adjustments	Minority interests	Total net assets
Balance as of March 31, 2011	¥ 6,474	¥ (388)	¥ (8,623)	¥ (2,536)	¥ 1,608	¥ 254,797
Changes during the year						
Cash dividends						(3,740)
Net income						12,687
Purchase of treasury stock						(0)
Disposal of treasury stock						0
Net change in the items other than stockholders' equity during the period	605	(756)	281	130	6,529	6,659
Total change during the year	605	(756)	281	130	6,529	15,606
Balance as of March 31, 2012	¥ 7,080	¥ (1,144)	¥ (8,341)	¥ (2,406)	¥ 8,137	¥ 270,404

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (CONTINUED)

Hitachi Capital Corporation and Subsidiaries
Years ended March 31, 2012 and 2011

	U.S. dollars (thousands) (Note 2)				
	Stockholders' equity				
	Common stock	Capital surplus	Retained earnings (Note 3 (l))	Treasury stock (Notes 3 (k) and 17)	Total stockholders' equity (Note 16)
Balance as of March 31, 2011	$ 121,743	$ 560,634	$ 2,610,987	$ (174,768)	$ 3,118,609
Changes during the year					
Cash dividends			(45,609)		(45,609)
Net income			154,719		154,719
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock			(0)	0	0
Net change in the items other than stockholders' equity during the period					
Total change during the year	—	—	109,097	0	109,097
Balance as of March 31, 2012	$ 121,743	$ 560,634	$ 2,720,097	$ (174,768)	$ 3,227,719

	U.S. dollars (thousands) (Note 2)					
	Accumulated other comprehensive income					
	Net unrealized holding gains (losses) on securities	Net unrealized gains (losses) on hedging derivatives (Note 26)	Foreign currency translation adjustments (Note 3 (j))	Total valuation and translation adjustments	Minority interests	Total net assets
Balance as of March 31, 2011	$ 78,951	$ (4,731)	$ (105,158)	$ (30,926)	$ 19,609	$ 3,107,280
Changes during the year						
Cash dividends						(45,609)
Net income						154,719
Purchase of treasury stock						(0)
Disposal of treasury stock						0
Net change in the items other than stockholders' equity during the period	7,378	(9,219)	3,426	1,585	79,621	81,207
Total change during the year	7,378	(9,219)	3,426	1,585	79,621	190,317
Balance as of March 31, 2012	$ 86,341	$ (13,951)	$ (101,719)	$ (29,341)	$ 99,231	$ 3,297,609

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Hitachi Capital Corporation and Subsidiaries
Years ended March 31, 2012 and 2011

	Japanese yen (millions)		U.S. dollars (thousands) (Note 2)
	2012	2011	**2012**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income before income taxes and minority interests	**¥ 24,337**	¥ 9,655	**$ 296,792**
Depreciation	**77,248**	80,356	**942,048**
Impact resulting from the application of accounting standards for asset retirement obligations	**—**	110	**—**
Impairment loss	**376**	—	**4,585**
Loss on valuation of investment securities	**974**	961	**11,878**
Loss on disaster	**—**	6,903	**—**
Gain on reversal of provision for loss on disaster	**(2,674)**	—	**(32,609)**
Depreciation of goodwill	**1,017**	901	**12,402**
Gain on negative goodwill	**(128)**	—	**(1,560)**
Interest and dividend income	**(524)**	(682)	**(6,390)**
Interest expense	**11,548**	15,960	**140,829**
Gain on sale of investment securities	**19**	(49)	**231**
(Increase) Decrease in investment in financing leases	**(49,959)**	(36,648)	**(609,256)**
Increase (Decrease) in allowance for doubtful accounts	**(374)**	899	**(4,560)**
Increase (Decrease) in allowance for losses on loan guarantees	**(1,661)**	2,264	**(20,256)**
(Increase) Decrease in notes and accounts receivable-trade	**(138,059)**	(44,961)	**(1,683,646)**
(Gain) Loss on sale of equipment for lease	**(874)**	(3,389)	**(10,658)**
Acquisition of equipment for lease	**(90,589)**	(93,132)	**(1,104,743)**
Proceeds from sale of equipment for lease	**43,050**	54,804	**525,000**
Increase (Decrease) in trade payables	**48,974**	28,811	**597,243**
Increase (Decrease) in accounts payable of collection under fluidity receivables	**(33,901)**	(47,240)	**(413,426)**
Increase (Decrease) in retirement and severance benefits	**60**	17	**731**
Other	**23,613**	(29,454)	**287,963**
Income taxes paid	**(18,375)**	(3,588)	**(224,085)**
Net cash used in operating activities	**(105,903)**	(57,502)	**(1,291,500)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments into time deposits	**(4,881)**	(2,850)	**(59,524)**
Proceeds from withdrawal of time deposits	**2,921**	3,100	**35,621**
Purchase of short-term investments	**(9,098)**	(4,796)	**(110,951)**
Proceeds from sale of short-term investments	**7,850**	6,200	**95,731**
Purchase of investments in securities	**(806)**	(2,263)	**(9,829)**
Proceeds from sales and repayment of investment securities	**941**	188	**11,475**
Purchase of investments in subsidiaries resulting in change in scope of consolidation	**(4,712)**	—	**(57,463)**
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	**660**	—	**8,048**
Proceeds from sales of investments in subsidiaries	**6,163**	—	**75,158**
Purchase of stocks in subsidiaries and affiliates	**(18,903)**	—	**(230,524)**
Purchase of equipment for company use	**(690)**	(452)	**(8,414)**
Purchase of other intangible fixed assets	**(1,465)**	(1,910)	**(17,865)**
Interest and dividend received	**503**	694	**6,134**
Other	**1,211**	100	**14,768**
Net cash used in investing activities	**(20,306)**	(1,990)	**(247,634)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase (Decrease) in short-term bank loans, net	**21,825**	41,892	**266,158**
Increase (Decrease) in commercial paper, net	**60,272**	5,446	**735,024**
Proceeds from long-term borrowings	**177,436**	50,232	**2,163,853**
Payments of long-term borrowings	**(98,995)**	(68,245)	**(1,207,256)**
Issuance of bond	**72,711**	60,421	**886,719**
Redemption of bond	**(60,214)**	(122,790)	**(734,317)**
Interest paid	**(11,556)**	(16,633)	**(140,926)**
Acquisition of treasury stock	**0**	(1)	**0**
Dividends paid to stockholders	**(3,740)**	(3,623)	**(45,609)**
Dividends paid to minority stockholders of subsidiaries	**(13)**	(11)	**(158)**
Net cash provided by (used in) financing activities	**157,723**	(53,313)	**1,923,451**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**123**	(161)	**1,500**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**31,638**	(112,967)	**385,829**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**98,190**	211,157	**1,197,439**
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 23)	**¥ 129,828**	¥ 98,190	**$ 1,583,268**

See accompanying notes to consolidated financial statements.

(1) BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Hitachi Capital Corporation (the Company) and consolidated subsidiaries are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan. As permitted under the Financial Instruments and Exchange Law of Japan, amounts of less than one million yen have been omitted. As a result, the totals shown in the accompanying consolidated financial statements (both in yen and in U.S. dollars) do not necessarily agree with the sums of the individual amounts.

(2) U.S. DOLLAR AMOUNTS

The consolidated financial statements are expressed in yen. Solely for the convenience of the reader, the consolidated financial statements as of and for the year ended March 31, 2012 have been translated into U.S. dollars at the rate of ¥82 to $1, the approximate exchange rate at March 31, 2012. The inclusion of such dollar amounts does not imply that the assets and liabilities, which originated in yen, have been or could readily be converted, realized or settled in dollars at ¥82 to $1 or at any other rate.

(3) SIGNIFICANT ACCOUNTING POLICIES

(a) Consolidation

The consolidated financial statements include the accounts of the Company and following majority-owned subsidiaries, which are directly or indirectly controlled. Companies over which the Company exercises significant influence in terms of their operating and financial policies have been accounted for by the equity method.
As of March 31, 2012, the numbers of consolidated subsidiaries and subsidiaries and affiliates accounted for by the equity method were 22 and 4 (22 and 1 in 2011): Okinawa Hitachi Capital Corporation, Hitachi Capital Servicer Corporation, Hitachi Capital Services Co., Ltd., Hitachi Capital Auto Lease Corporation, Hitachi Triple Win Corp., Sekisui Leasing Co., Ltd., Hitachi Capital Insurance Corporation, Hitachi Capital Community Corporation, Hitachi Capital Trust Corporation, Financial Bridge Corporation, Hitachi Capital (UK) PLC, Hitachi Capital Vehicle Solutions Ltd., Hitachi Capital Invoice Finance Ltd., Hitachi Capital Insurance Europe Ltd., Hitachi Capital America Corp., Hitachi Capital (Hong Kong) Ltd., Hitachi Capital Singapore Pte. Ltd., Hitachi Capital Leasing (China) Co., Ltd., Hitachi Capital Management (Thailand) Co., Ltd., Hitachi Capital (Thailand) Co., Ltd., First Peninsula Credit Sdn. Bhd. and PT. Arthaasia Finance.

First Peninsula Credit Sdn. Bhd. and PT. Arthaasia Finance have been included in the scope of consolidation because the Company acquired a part of shares in these companies. In addition, Hitachi Capital Singapore Pte, Ltd., a subsidiary of the Company, had acquired shares in Jun Taiyo (S) Pte. Ltd. and subsequently merged it during the fiscal year ended March 31, 2012.

Robinsons Garage (Aylestone) Ltd. has been excluded from the scope of consolidation because their voluntary liquidations were completed.

Daiichi Personal Credit Guarantee Corp. is a subsidiary of the Company. However, the company has been excluded from the scope of consolidation because it does not have a significant impact on the consolidated financial statements. The equity method is applied to investments in subsidiaries corresponding to Daiichi Personal Credit Guarantee Corp.
From the fiscal year ended March 31, 2012, the equity method is applied to Hitachi Capital Securities Co., Ltd. (current: DBJ Securities Co., Ltd.) which had been a wholly owned subsidiary, because the Company sold a part of the shares in this company.
The equity method is also applied to Nihon Business Lease Co., Ltd. and Sumitomo Mitsui Auto Service Co., Ltd., because the Company acquired a part of shares in these companies.

The Company holds no shares in affiliated companies.

Information including an overview of special-purpose entities subject to disclosure, an overview of transactions employed by special-purpose entities subject to disclosure, and amounts of transactions with special-purpose entities subject to disclosure is provided in (28) SPECIAL-PURPOSE ENTITIES SUBJECT TO DISCLOSURE.

[Fiscal year-end of the consolidated subsidiaries]
The fiscal year-ends of the consolidated subsidiaries which differ from that of the Company were as follows:

Company name	Fiscal year-end
Hitachi Capital Leasing (China) Co., Ltd	December 31 (*1)
PT. Arthaasia Finance	December 31 (*2)

*1 As for previous fiscal years, the Company had used the financial statements of the company as of its fiscal year-end for consolidation purposes. From the fiscal year ended March 31, 2012, the Company used the preliminary financial statements of the company as of the consolidated fiscal year-end. As a result, profit and loss of the company for the period of 15 months from January 1, 2011 to March 31, 2012 was included in the consolidated statements of income for the year ended March 31, 2012.

This change has minimal impact on profits and losses.

*2 The Company used the financial statements of the company as of its fiscal year-end for consolidation purposes. Significant transactions during the period from its fiscal year-end to the consolidated fiscal year-end, which could materially affect the financial position and results of operations, have been adjusted.

The investments in affiliates are stated at their underlying equity value. The cost in excess of net assets acquired by the Company is amortized using the straight-line method over five years in principle. As Hitachi Capital (UK) PLC became a wholly owned subsidiary of the Company, such cost in excess of the net assets acquired is amortized using the straight-line method over 20 years.

(b) Revenue Recognition

Finance Leases:

A finance lease transaction is a lease transaction in which the contract is not cancelable, by either party, during the lease term specified in the contract or any lease transaction in which the terms of the contract achieve a similar effect; and, under the contract, the lessee enjoys substantially all of the economic benefits arising from the use of the asset identified in the contract for the duration of the contract, and in return bears substantially all of the costs arising from such usage. In principle, interest income is recorded during each fiscal period as operating revenues mainly by the interest method. In the event that the lease transaction commenced prior to April 1, 2008 in compliance with the accounting standard for lease transactions, for finance lease transactions that do not transfer ownership, the total amount equivalent to interest is divided into equal amounts and recognized in each fiscal term over the lease period.

Operating Leases:

An operating lease transaction is a lease transaction other than a finance lease transaction. Lease revenue is recognized over the lease terms when lease payments become due. Lease costs, which primarily consist of depreciation expense, are generally recognized in proportion to the related lease revenue over the lease terms.

Loan guarantee arrangements:

The Company and subsidiaries provide loan guarantees to banks and other financial institutions on behalf of customers who borrow funds for the product purchase. The fees from customers are recognized at the inception of loans, when the customers pay total commissions. The amount of the guarantee commissions received from the financial institutions is calculated by the interest method.

Purchase of installment receivables:

The Company and subsidiaries purchase installment receivables from retailers at the inception of the installment contracts between retailers and their customers. The payables to retailers are determined based on the cash sales price of related goods and property, and revenue is calculated as the net of installment receivables and payables to retailers. The revenue is deferred and recognized over the installment period, when the monthly installments become due. The interest income is recorded as operating revenue by the interest method and allocated to each fiscal period.

Installment credit facilities:

The customers pay fees on installment credit facilities, which are computed at predetermined fixed rates based on the number of monthly installments. The fee income is deferred and recognized over the installment period, when monthly installments become due. The interest income on installment sales is recognized as operating revenue by the interest method and allocated to each fiscal period.

(c) Allowance for Losses on Receivables and Guarantees

Receivables are classified into five categories based on the credit history of debtors and the allowance for losses on receivables has been provided for estimated uncollectible amounts by each category. In addition, an allowance has been provided for estimated losses arising from loan guarantees outstanding as of each balance sheet date, using the same method as receivables.

(d) Short-term Investments and Investments in Securities

The Company and subsidiaries adopted "Accounting Standards for Financial Instruments" issued by the Business Accounting Deliberation Council and the related implementation guidance issued by the Accounting Standards Board of Japan (ASBJ). Under this standard, securities are to be classified into one of the following three categories and accounted for as follows:

- Securities that are generally used with the objective of generating profits on short-term differences in price are classified as trading securities and measured at fair value, with unrealized holding gains and losses included in earnings.

- Securities that the Company and subsidiaries have positive intent and ability to hold to their maturities are classified as held-to-maturity securities and measured at amortized cost.

- Securities classified as neither trading securities nor held-to-maturity securities are classified as other securities and measured at fair value, with either unrealized holding gains and losses excluded from earnings and reported as a net amount in a separate component of net assets until realized, or unrealized holding losses included in earnings and unrealized gains excluded from earnings and reported as a net amount in a separate component of net assets until realized.

Held-to-maturity securities are amortized or accumulated to face value. Other securities with a fair value are carried at fair value with unrealized holding gains and losses excluded from earnings and reported as a net amount in a separate component of net assets until realized. Other securities without fair value are carried at cost. In computing realized gain or loss, cost of other securities was principally determined by the moving-average method.

(e) Method of Depreciation for Important Depreciable Assets

The declining-balance method is applied to property and equipment other than assets held for lease. However, the straight-line method is applied to buildings (excluding fixtures) acquired on or after April 1, 1998.

The straight-line method is applied to intangible fixed assets other than assets held for lease. Of these, the straight-line method is applied to software based on its in-house useful life (five years).

(f) Total Accumulated Advanced Depreciation on Property and Equipment

Accumulated advanced depreciation on property and equipment including assets held for lease was ¥609 million ($7,426 thousand) in the fiscal year ended March 31, 2012, and ¥597 million in the fiscal year ended March 31, 2011.

(g) Impairment of Fixed Assets

The Company and subsidiaries adopted "Accounting Standard for Impairment of Fixed Assets" issued by the Business Accounting Deliberation Council and the related implementation guidance issued by the ASBJ. Under this standard and implementation guidance, fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When amounts of undiscounted future cash flows of fixed assets are less than the carrying amounts, the fixed assets are determined to be impaired. Then, an amount by which the carrying amount exceeds the recoverable amount is recognized as an impairment loss in earnings. The recoverable amount of fixed assets is the greater of the net selling price or the present value of the future cash flows expected to be derived from the fixed assets. The Company and consolidated subsidiaries identify groups of assets by their business units as the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

(h) Income Taxes

Deferred income taxes are accounted for under the asset and liability method, and deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to differences between the financial statement carrying amount of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to be recovered or settled.

(i) Retirement and Severance Benefits

The Company and subsidiaries account for retirement and severance benefits in accordance with "Accounting Standard for Retirement Benefits" issued by the Business Accounting Deliberation Council. Under this standard, retirement and severance benefits for employees are accrued based on the estimated retirement benefit obligation and the pension assets.

Retirement benefits for directors and executive officers have been reserved for the vested benefits to which they are entitled if they were to retire or sever immediately at the balance sheet date.

On March 31, 2008, retirement benefits for directors and executive officers were eliminated. The reserve balance as of March 31, 2011 is to be drawn down as directors retire, when retirement bonus payment amounts are determined.

(j) Foreign Currency Translation

The Company accounts for foreign currency transactions in accordance with "Accounting Standard for Foreign Currency Transactions" issued by the Business Accounting Deliberation Council. Under this standard, foreign currency transactions are translated into yen on the basis of the rates in effect at the transaction date or, if the relation between a foreign currency transaction and related firm forward exchange contracts meets the criteria of hedge accounting as provided in "Accounting Standards for Financial Instruments," those transactions covered by firm forward exchange contracts can be translated at such contracts rates. At year-end, monetary assets and liabilities denominated in foreign currencies are translated into yen at the rates of exchange in effect at the balance sheet date, except for those, as described above, translated at related contract rates. Gains or losses resulting from the translation of foreign currencies, including gains and losses on settlement, are recognized in earnings as incurred.

The financial statements of the foreign subsidiaries are translated into the reporting currency of yen as follows: all assets and liabilities are translated at the rates of exchange in effect at the balance sheet date; net assets accounts are translated at historical rates; income and expenses are translated at an average of exchange rates in effect during the year; and a comprehensive adjustment resulting from translation of assets, liabilities and net assets is included in Minority interests and Foreign currency translation adjustments, separate components of net assets.

(k) Treasury Stock

Treasury stock is recorded at cost as a deduction of stockholders' equity. When the Company reissues the treasury shares, the difference between the issuance price and the costs of the treasury shares are accounted for as capital surplus.

(l) Appropriation of Retained Earnings

Under the Japanese Corporate Law, the Company is able to appropriate retained earnings by resolution of the Board of Directors, provided that certain criteria are met.

(m) Per Share Data

Basic net income per share is computed by dividing net income available to common stockholders by the weighted average number of shares of common shares outstanding during each year. Diluted net income per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the entity.

(n) Financial Instruments

The Company accounts for installment accounts receivable in accordance with "Accounting Standards for Financial Instruments" issued by the Business Accounting Deliberation Council. Under this standard, installment accounts receivable is recorded at fair value less unearned income.

(o) Derivative Financial Instruments
The Company and certain subsidiaries account for derivative financial instruments in accordance with "Accounting Standards for Financial Instruments" issued by the Business Accounting Deliberation Council. Under this standard, in principle, net assets or liabilities arising from derivative financial transactions are measured at fair value, with unrealized gain or loss included in earnings. Hedging transactions, which meet the criteria of hedge accounting as provided in "Accounting Standards for Financial Instruments," are accounted for using deferral hedge accounting, which requires the unrealized gain or loss to be deferred as a liability or asset until gain or loss relating to the hedged instrument is recognized.

Net assets or liabilities arising from derivative financial transactions are measured at fair value, except for interest rate option contracts, which are accounted for using deferral hedge accounting. In addition, certain foreign currency swap transactions and certain interest rate swap transactions are accounted for using the allocation method and the special method, respectively, which are regulated in the standard. The allocation method requires recognized foreign currency receivables or payables covered by firm foreign currency swap transactions to be translated at such swap rates. Under the special method, interest rate swap transactions are accounted for as if the interest rates under those transactions were originally applied to underlying borrowings and debentures.

Interest rate swaps, currency swaps and exchange forward contracts are used as hedges. Hedged items are receivables, payables and forecast transactions.

Derivatives transactions are conducted to hedge interest rate risk and exchange rate risk related to financing activities. Counterparties on derivatives transactions are limited to highly rated financial institutions.

Hedging effectiveness is evaluated by conducting a comparative analysis, comparing cumulative fluctuations in rates on hedged items or their cash flows with cumulative fluctuations in the rates on hedging methods or their cash flows.

(p) Application of "Accounting Standard for Accounting Changes and Error Corrections"
Effective April 1, 2011, the Company adopted "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No. 24, December 4, 2009) and "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24, December 4, 2009).

(q) Other Significant Fact Applied in Preparing Consolidated Financial Statements
- Consumption taxes
  Consumption tax and local consumption tax are excluded from revenue and expenses for domestic companies.
- Consolidated taxation systems
  The Company and certain domestic subsidiaries have applied the consolidated taxation systems.

(4) ASSETS DEPOSITED
As of March 31, 2012, assets deposited as collateral and debt collateralized were as follows:

Assets deposited as collateral

Account	Carrying amount: Japanese yen (millions)	Carrying amount: U.S. dollars (thousands)
Cash on hand and at bank	¥ 1,080	$ 13,170
Cash on hand and at bank	26	317
Notes and accounts receivable – trade, including amounts maturing after one year	180	2,195
Short-term investments	32	390
Property and equipment, at cost less accumulated depreciation	111	1,353
Investments in securities	6	73
Total	¥ 1,437	$ 17,524

Debt collateralized

Description	Balance: Japanese yen (millions)	Balance: U.S. dollars (thousands)
Long-term debt	¥ 871	$ 10,621
Short-term bank loans	87	1,060
Long-term debt	93	1,134
Operating guarantees	—	—
Short-term bank loans	41	500
Loan of an affiliate of Hitachi, Ltd.	—	—
Total	¥ 1,092	$ 13,317

As of March 31, 2011, investments in securities of ¥32 million were deposited as operating guarantees. In addition, investments in securities of ¥6 million issued by an affiliate of Hitachi, Ltd. were pledged as collateral for the loan of the company.

(5) PARENT COMPANY DEPOSITS

Parent company deposits are funds deposited in a centralized cash management system, which the Hitachi Capital Group is participating in, conducted by its parent company, Hitachi, Ltd., for the Hitachi Group.

(6) ACCUMULATED DEPRECIATION AND REDUCTION ENTRY OF TANGIBLE FIXED ASSETS

	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Accumulated depreciation of tangible fixed assets	**¥ 1,361,618**	¥ 1,356,924	**$ 16,605,097**
Accumulated reduction entry of tangible fixed assets	**¥ 609**	¥ 597	**$ 7,426**

(7) INVESTMENTS IN NON-CONSOLIDATED SUBSIDIARIES AND AFFILIATES

	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Investments in securities (equity securities)	**¥ 19,301**	¥ 109	**$ 235,378**

(8) SECURITIZATIONS

Obligation for securitized lease receivables are the balance funded through securitizations not accounted for as sales and purchase transactions among securitizations of lease receivables of the Hitachi Capital Group by using a trust scheme and special purpose entities scheme.

(9) LOAN GUARANTEED LIABILITIES AND OTHER GUARANTEED LIABILITIES

	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Loan guaranteed liabilities	**¥ 409,219**	¥ 420,817	**$ 4,990,475**

	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Guaranteed liabilities on loan sales of overseas consolidated subsidiaries	**¥ 3,655**	¥ 4,947	**$ 44,573**
Guaranteed liabilities of employees' housing loans	**¥ 6**	¥ 6	**$ 73**

(10) ALLOWANCE FOR LOSSES ON RECEIVABLES AND GUARANTEES

The Company and subsidiaries provide loan guarantee arrangements on behalf of customers. The outstanding balances of such loan guarantees as of March 31, 2012 and 2011 were ¥409,219 million ($4,990,475 thousand) and ¥420,817 million, respectively. The activities in the allowance for losses on receivables and guarantees provided for the years ended March 31, 2012 and 2011 are summarized as follows:

	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Balance at beginning of year	**¥ 20,679**	¥ 17,901	**$ 252,182**
Write-off during the year	**(3,754)**	(6,135)	**(45,780)**
Provision	**3,693**	5,265	**45,036**
Effect of translation adjustments (Note 3 (i))	**(1,835)**	3,646	**(22,378)**
Balance at end of year:			
Allowance for losses on receivables	**13,883**	14,115	**169,304**
Allowance for losses on guarantees	**4,903**	6,564	**59,792**
	¥ 18,786	¥ 20,679	**$ 229,097**

(11) SHORT-TERM BANK LOANS AND LONG-TERM DEBT

The weighted average interest rates on short-term bank loans outstanding at March 31, 2012 and 2011 were 1.5% and 0.9%, respectively. Long-term debt at March 31, 2012 and 2011 consisted of the following:

	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Unsecured bonds payable in Japanese yen, due from June 2012 to December 2016, interest ranging from 0.57% to 1.60%	**¥ 190,000**	¥ 185,000	**$ 2,317,073**
Medium-term notes payable in China Yuan by the Company, due from March 2015, interest ranging from 3.75%	**6,530**	—	**79,634**
Medium-term notes payable issued by Hitachi Capital (UK) PLC, in euro-yen and euro-dollars, due from April 2012 to March 2017, interest ranging from 0.38% to 5.24%	**64,944**	62,987	**792,000**
Medium-term notes payable issued by Hitachi Capital America Corp., in euro-dollars, due from June 2012 to February 2017, interest ranging from 0.80% to 2.03%	**6,792**	9,035	**82,829**
Loans from banks and other financial institutions:			
Unsecured, maturing 2012-2028	**443,665**	363,027	**5,410,548**
	711,933	620,050	**8,682,109**
Less current portion	**214,284**	148,164	**2,613,219**
	¥ 497,648	¥ 471,885	**$ 6,068,878**

The weighted average interest rates on long-term loans from banks and other financial institutions outstanding at March 31, 2012 and 2011, shown above, were 1.3% and 1.4%, respectively. The aggregate annual maturities of long-term debt at March 31, 2012 were as follows:

	Japanese yen (millions)	U.S. dollars (thousands)
More than 1 year, within 2 years	¥ 116,644	$ 1,422,487
More than 2 years, within 3 years	232,443	2,834,670
More than 3 years, within 4 years	56,242	685,878
More than 4 years, within 5 years	75,732	923,560
More than 5 years	16,584	202,243
	¥ 497,648	$ 6,068,878

As is customary in Japan, both short-term and long-term bank loans are made under agreements which provide that securities and guarantees for present and future indebtedness will be given upon request from the bank, and that the bank shall have the right, as the obligations become due or in the event of default, to offset cash deposits against obligations to the bank.

(a) Hitachi Capital America Corp. set up a $400 million medium-term-note lending program with the Company's guarantee at October 29, 2003. Amounts of issues exceeding $400 million are guaranteed through separate applications. The issued note amount was $82 million as of March 31, 2012.

(b) Hitachi Capital (UK) PLC set up a $1,400 million medium-term euro-note lending program at November 15, 2004. The issued note amount was $790 million as of March 31, 2012.

(12) TRADE PAYABLES

Trade payables at March 31, 2012 and 2011 were as follows:

	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Notes payable	**¥ 984**	¥ 623	**$ 12,000**
Accounts payable	**269,008**	224,090	**3,280,585**
	¥ 269,993	¥ 224,713	**$ 3,292,597**

Trade payables represent amounts arising from purchases of installment receivables and purchases of goods and property to be sold or leased by the Company and subsidiaries. Generally, notes payable become due from 30 to 180 days after the date of issue. The most common terms of maturity are from 30 to 120 days.

(13) INCOME TAXES

Income tax expense attributable to income from continuing operations for the years ended March 31, 2012 and 2011 consists of the following:

	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Current	**¥ 7,129**	¥ 14,514	**$ 86,939**
Deferred	**4,328**	(11,305)	**52,780**
	¥ 11,457	¥ 3,208	**$ 139,719**

The Company and its domestic subsidiaries are subject to a number of taxes based on income. The aggregated statutory income tax rate for domestic companies was approximately 40.5% for the years ended March 31, 2012 and 2011. Reconciliation between the statutory income tax rate and the effective income tax rate as a percentage of income before income taxes and minority interests is as follows:

	2012	2011
Statutory income tax rate	**40.5%**	40.5%
Per capita tax	**0.6**	1.4
Expenses not deductible for tax purposes	**0.6**	4.3
Difference in statutory tax rates of foreign subsidiaries	**(6.4)**	(9.8)
Elimination for tax credit on dividend income by consolidation	**4.5**	8.5
Depreciation of goodwill	**1.7**	3.8
Other consolidated adjustments without recognized tax effects	**0.0**	(4.7)
Decrease in valuation reserve	**(0.6)**	(0.5)
Dividends received and other non-taxable items excluded from calculations	**(4.4)**	(8.0)
Effects related to change in domestic tax rates	**10.1**	—
Other	**0.5**	(2.3)
Effective income tax rate	**47.1%**	33.2%

[Changes in Tax Rates Used to Adjust Deferred Tax Assets and Liabilities]

Following the promulgation on December 2, 2011 of the "Act for Partial Revision of the Income Tax Act, etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures" (Act No. 114 of 2011) and the "Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake" (Act No. 117 of 2011), the corporation tax rate will be changed and imposed from the fiscal years beginning on or after April 1, 2012.

As a result of this change, net deferred tax assets decreased by ¥1,912 million ($23,317 thousand) and income taxes for the fiscal year ended March 31, 2012 increased by ¥2,460 million ($30,000 thousand).

The effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of March 31, 2012 and 2011 are presented below:

	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Total gross deferred tax assets:			
Depreciation	**¥ 13,110**	¥ 16,663	**$ 159,878**
Allowance for losses on receivables	**3,517**	3,983	**42,890**
Allowance for losses on guarantees	**1,855**	2,659	**22,621**
Accrued expenses	**1,428**	1,513	**17,414**
Net operating loss carryforwards	**1,787**	1,565	**21,792**
Cumulative revenues from leasing contracts	**5,860**	6,901	**71,463**
Accrued business taxes	**99**	910	**1,207**
Prepaid expenses	**85**	115	**1,036**
Retirement and severance benefits	**1,632**	1,816	**19,902**
Valuation loss on other securities	**1,029**	796	**12,548**
Retirement benefits for directors	**69**	113	**841**
Asset retirement obligations	**1,776**	2,027	**21,658**
Provision for loss on disaster	**—**	531	**—**
Bad debt write-off	**1,699**	2,309	**20,719**
Other	**2,947**	2,562	**35,939**
	36,901	44,470	**450,012**
Valuation allowance	**(1,868)**	(2,019)	**(22,780)**
	35,033	42,450	**427,231**
Total gross deferred tax liabilities:			
Gains and losses on lease receivable transactions	**(3,820)**	(6,353)	**(46,585)**
Net unrealized holding gain on investments in other securities	**(3,901)**	(4,639)	**(47,573)**
Temporary difference related to overseas subsidiaries and other	**—**	—	**—**
Additional depreciation by overseas subsidiaries	**(5,053)**	(3,921)	**(61,621)**
Prepaid pension benefit cost	**(3,379)**	(4,152)	**(41,207)**
Total capitalization of asset retirement obligation cost	**(1,311)**	(1,531)	**(15,987)**
Other	**(13)**	(554)	**(158)**
	(17,480)	(21,153)	**(213,170)**
Net deferred tax assets	**¥ 17,552**	¥ 21,297	**$ 214,048**

As of March 31, 2012 and 2011, no deferred tax assets were recognized for the temporary differences related to the Company's divested operation, since it is not practicable to estimate the timing of the reversals of the temporary differences. Net deferred tax assets and liabilities as of March 31, 2012 and 2011 are reflected in the accompanying consolidated balance sheets under the following captions:

	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Prepaid expenses and other current assets	**¥ 10,435**	¥ 10,813	**$ 127,256**
Other assets	**9,276**	12,013	**113,121**
Other current liabilities	**(1,571)**	(1,148)	**(19,158)**
Other liabilities	**(587)**	(379)	**(7,158)**
Net deferred tax assets	**¥ 17,552**	¥ 21,297	**$ 214,048**

(14) RETIREMENT AND SEVERANCE BENEFITS

The Company and its domestic subsidiaries have a number of pension plans to provide retirement and severance benefits to substantially all employees. Under these plans, contributions are made solely by the Company and subsidiaries.

Principal pension plans are unfunded defined benefit pension plans. Under the plans, employees are entitled to lump-sum payments based on the current rate of pay and the length of service upon retirement or termination of employment for reasons other than dismissal for cause. The liability is partially funded by contributions to trusted pension funds. Such contributions constitute funded status of the plans. In addition to the above plans, the Company and certain subsidiaries have defined contribution plans. Also certain overseas consolidated subsidiaries have introduced defined benefit and defined contribution plans.

The funded status of the Company's pension plans as of March 31, 2012 and 2011 is summarized as follows:

	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Projected benefit obligation	**¥ (45,439)**	¥ (42,007)	**$ (554,134)**
Plan assets at fair value	**34,876**	34,363	**425,317**
Funded status	**(10,562)**	(7,644)	**(128,804)**
Unrecognized actuarial losses	**16,496**	14,866	**201,170**
Unrecognized prior service cost	**(1,130)**	(1,472)	**(13,780)**
Net amount recognized in the consolidated balance sheets	**¥ 4,803**	¥ 5,749	**$ 58,573**
Amounts recognized in the consolidated balance sheets consist of:			
Prepaid benefit cost	**¥ 9,418**	¥ 10,269	**$ 114,853**
Accrued benefit cost	**(4,614)**	(4,519)	**(56,268)**
	¥ 4,803	¥ 5,749	**$ 58,573**

Net periodic benefit cost for the years ended March 31, 2012 and 2011 consisted of the following components:

	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Service cost, net of participants' contributions	**¥ 1,334**	¥ 1,331	**$ 16,268**
Interest cost	**1,084**	1,132	**13,219**
Expected return on plan assets for the period	**(1,145)**	(1,165)	**(13,963)**
Amortization of actuarial losses	**1,712**	1,655	**20,878**
Amortization of prior service cost	**(272)**	(277)	**(3,317)**
Contributions to the defined contribution pension plan	**391**	357	**4,768**
Net periodic benefit cost	**¥ 3,105**	¥ 3,034	**$ 37,865**

Actuarial assumptions and the basis used in accounting for the Company's plans are principally as follows:

a. Discount rates were 1.7% to 2.0% and 2.0% to 2.4% for the years ended March 31, 2012 and 2011. The rate was 4.9% to 8.0% for overseas subsidiaries.
b. Expected rates of return were 3.0% for the years ended March 31, 2012 and 2011. The rate was 5.6% for overseas subsidiaries.
c. Actuarial losses are amortized using the straight-line method over 9 to 22 years, which is within the estimated average remaining service years of employees.
d. Prior service cost is amortized using the straight-line method over 9 to 19 years, which is within the estimated average remaining service years of employees.

(15) ASSET RETIREMENT OBLIGATIONS

Overview of asset retirement obligations on the consolidated balance sheets as of March 31, 2012 is shown below.

(1) Overview of asset retirement obligations

Real estate leasing agreements on office buildings involve obligations to return facilities to their original condition, and fixed-term lease agreements related to building leases also carry such obligations as restoring buildings to their original condition.

(2) Method of calculating asset retirement obligation amounts

Expected useful lives of those office buildings are estimated to be 3 to 58 years after commencement of lease agreements, and asset retirement obligation amounts are calculated by using discount rates from 0.6% to 3.5%.

(3) Changes in total asset retirement obligations during the year ended March 31, 2012 are as follows.

	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
The balance at the beginning of the year (Note)	**¥5,002**	¥4,933	**$61,000**
Increase due to acquisition of property and equipment	**172**	45	**2,097**
Elapsed time adjustment	**50**	122	**609**
Decrease due to fulfillment of asset retirement obligations	**(234)**	(99)	**(2,853)**
The balance at the end of the year	**¥4,991**	¥5,002	**$60,865**

(Note) The balance at the beginning of the year reflects the application from the year ended March 31, 2011 of the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18, March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008).

(16) STOCKHOLDERS' EQUITY

At March 31, 2012, 58.51% of the outstanding capital stock of the Company was directly owned by Hitachi, Ltd.

The Company has authorized to issue 270,000,000 shares of common stock as of March 31, 2012 and 2011.

The Japanese Corporate Law stipulates that the amounts actually paid in or provided in consideration for newly issued stocks shall be recorded as common stock. However, it also allows 50% or less of such amounts to be recorded as additional paid-in capital. The Japanese Corporate Law requires that an amount equal to 10% of dividends be appropriated to the legal reserve. However, such appropriation cannot be made if the aggregate amount of the legal reserve exceeds 25% of common stock (i.e., the aggregate amount of the Company's legal reserve has already reached 25% of its common stock).

Directors' bonuses are charged to income in the fiscal year in which they are accrued.

The accompanying consolidated financial statements do not include any provision for the dividend of ¥17.00 ($0.20) subsequently proposed by the Board of Directors with respect to the fiscal year ended March 31, 2012.
Cash dividends per share for the year ended March 31, 2012 were ¥33 ($0.40) based on dividends declared with respect to earnings for the period.

(17) TREASURY STOCK

The Japanese Corporate Law allows a company to acquire treasury stock upon shareholders' approval to the extent that sufficient distributable funds are available. If the Board of Directors' authority is stated in the articles of incorporation, a company is allowed to acquire treasury stock not upon shareholders' approval but upon Board of Directors' approval. In this connection, acquisition of treasury stock is allowed under the company's articles of incorporation.

Pursuant to the provisions of the Japanese Corporate Law, shareholders may request the company to acquire their shares less than a minimum trading lot as shares less than a minimum trading lot cannot be publicly traded and such a shareholder holding less than a minimum trading lot cannot exercise a voting right and other shareholders' rights except as provided in the Japanese Corporate Law or the articles of incorporation. The Japanese Corporate Law also states that a shareholder holding shares less than a minimum trading lot may request the company to sell its treasury stock, if any, to the shareholder up to a minimum trading lot if entitled under the articles of incorporation.

The changes in treasury stock for the years ended March 31, 2012 and 2011 are summarized as follows:

	Japanese yen (millions)		U.S. dollars (thousands)
	Number of shares	Amount	Amount
Balance as of March 31, 2010	7,937,692	¥ 14,330	
Purchase of treasury stock	1,078	1	
Balance as of March 31, 2011	7,938,770	¥ 14,331	$ 174,768
Purchase of treasury stock	33	0	0
Disposal of treasury stock	(42)	(0)	(0)
Balance as of March 31, 2012	7,938,761	¥ 14,331	$ 174,768

(18) OTHER INCOME AND OTHER EXPENSES

The details of other income and other expenses for the years ended March 31, 2012 and 2011 are as follows:

	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Gain on allotment of stocks	**¥ —**	¥ 159	**$ —**
Gain on sale of investment securities	**100**	49	**1,219**
Gain on sale of fixed assets	**455**	12	**5,548**
Equity in earnings of affiliates	**188**	—	**2,292**
Gain on negative goodwill	**128**	—	**1,560**
Subsidy income	**121**	—	**1,475**
Gain on reversal of provision for loss on disaster	**2,674**	—	**32,609**
Other	**9**	7	**109**
Other Income	**¥ 3,678**	¥ 228	**$ 44,853**

	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Loss on disaster	**¥ —**	¥ 6,903	**$ —**
Loss on valuation of investment securities	**974**	961	**11,878**
Impact resulting from the application of accounting standards for asset retirement obligations	**—**	110	**—**
Loss on retirement of fixed assets	**67**	22	**817**
Equity in losses of affiliates	**—**	19	**—**
Impairment loss	**376**	—	**4, 585**
Loss on sale of investment in securities	**119**	—	**1, 451**
Other	**42**	16	**512**
Other expenses	**¥ 1,579**	¥ 8,033	**$ 19,256**

Loss on disaster

A breakdown of losses posted as a result of the Great East Japan Earthquake was provided as follows:

	Japanese yen (millions)
	2011
Estimated amount of uncollectible accounts receivables, etc.	¥ 4,096
Expected losses on disposal and repair of facilities under lease	4,144
One-time expenses such as donations	23
Insurance claims receivable	(1,361)
Total loss on disaster	¥ 6,903

The estimated amount of uncollectible accounts receivables is included in the allowance for losses on receivables and allowance for losses on guarantees. Expected losses on disposal and repair of facilities under lease are also included in the provision for loss on disaster, and decrease in investment in direct finance leases and equipment held for lease.

As for uncollectible accounts receivables and losses on disposal and repair of facilities under lease related to the Great East Japan Earthquake, the estimated amount recognized at the previous fiscal year-end minus actual costs incurred in this fiscal year minus the estimated amount as of this fiscal year end is accounted for as gain on reversal.

(19) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses for the years ended March 31, 2012 and 2011 consisted of the following:

	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Salaries and allowances	**¥ 25,577**	¥ 25,375	**$ 311,914**
Retirement benefit expenses	**3,105**	3,034	**37,865**
Welfare expenses	**3,473**	3,256	**42,353**
Rent expenses	**3,189**	2,869	**38,890**
Communication expenses	**1,094**	1,047	**13,341**
Operations consignment expenses	**2,680**	2,501	**32,682**
Difference on provision of allowance for doubtful accounts and allowance for guarantee for loans	**3,693**	5,265	**45,036**
Others	**14,352**	13,921	**175,024**
Total selling, general and administrative expenses	**¥ 57,168**	¥ 57,273	**$ 697,170**

(20) NET INCOME PER SHARE INFORMATION

The basis for calculation of net assets per share is provided below.

	Number of shares 2012	2011
The number of common shares used in calculation of net assets per share at year end	**116,887,791**	116,887,782

	Japanese yen 2012	2011	U.S. dollars 2012
Total net assets	**¥ 270,404**	¥ 254,797	**$ 3,297,609**
Exclusion from total net assets	**8,137**	1,608	**99,231**
(Of which, minority interests)	**(8,137)**	(1,608)	**(99,231)**
Net assets attributable to common stock at March 31	**¥ 262,266**	¥ 253,189	**$ 3,198,365**

	Japanese yen 2012	2011	U.S. dollars 2012
Net assets per share	**¥ 2,243.7**	¥ 2,166.0	**$ 27.36**

The reconciliation of the number of shares and the amounts used in the basic and diluted net income per share computations is as follows:

	Number of shares 2012	2011
Weighted average number of shares on which basic net income per share is calculated	**116,887,771**	116,888,322
Effect of dilutive securities:		
Convertible debentures	**—**	—
Number of shares on which diluted net income per share is calculated	**116,887,771**	116,888,322

	Japanese yen (millions) 2012	2011	U.S. dollars (thousands) 2012
Net income	**¥12,687**	¥ 6,234	**$ 154,719**
Net income on which basic net income per share is calculated	**12,687**	6,234	**154,719**
Effect of dilutive securities:			
Stock option granted by a subsidiary	**—**	—	**—**
Net income on which diluted net income per share is calculated	**¥12,687**	¥ 6,234	**$ 154,719**

	Japanese yen 2012	2011	U.S. dollars 2012
Net income per share data:			
Basic	**¥ 108.5**	¥ 53.3	**$ 1.32**
Diluted	**—**	—	**—**

(21) OTHER COMPREHENSIVE INCOME

Reclassification adjustment and tax effect of other comprehensive income for the year ended March 31, 2012 are as follows:

	Japanese yen (millions)	U.S. dollars (thousands)
Net unrealized holding gains (losses) on securities		
Amount arising during the year	**¥ (747)**	**$ (9,109)**
Reclassification adjustment	**834**	**10,170**
Amount before tax effect	**87**	**1,060**
Tax effect	**520**	**6,341**
Net unrealized holding gains (losses) on securities	**608**	**7,414**
Net unrealized gains (losses) on hedging derivatives		
Amount arising during the year	**(1,264)**	**(15,414)**
Reclassification adjustment	**228**	**2,780**
Amount before tax effect	**(1,036)**	**(12,634)**
Tax effect	**279**	**3,402**
Net unrealized gains (losses) on hedging derivatives	**(756)**	**(9,219)**
Foreign currency translation adjustments		
Amount arising during the year	**321**	**3,914**
Reclassification adjustment	**—**	**—**
Amount before tax effect	**321**	**3,914**
Tax effect	**—**	**—**
Foreign currency translation adjustments	**321**	**3,914**
Total other comprehensive income	**¥ 173**	**$ 2,109**

(22) RELATED PARTIES TRANSACTIONS

The Company's balances with its parent company, Hitachi, Ltd., as of March 31, 2012 and 2011, and related transactions for the years ended March 31, 2012 and 2011 are summarized as follows:

	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Balances:			
Notes and accounts receivable – trade, including amounts maturing after one year	**¥ 12,931**	¥ 12,884	**$ 157,695**
Investment in direct finance leases	**12,014**	12,486	**146,512**
Parent company deposits	**111,449**	87,608	**1,359,134**
Trade payables	**13,641**	13,966	**166,353**
Short-term bank loans	**30,000**	—	**365,853**

	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Transactions:			
Leases and installment sales, etc.	**¥ 15,689**	¥ 17,482	**$ 191,329**
Purchases	**30,429**	39,520	**371,085**
Interest income	**281**	445	**3,426**
Fund transaction, net	**23,559**	97,694	**287,304**
Increase in the uncollected balance for the settlement service.	**1,888**	—	**23,024**
Borrowings	**30,000**	—	**365,853**

The Company's balances and related transactions with Hitachi Asset Funding Ltd., which currently has a common parent company, Hitachi, Ltd., are outlined below.

	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Balances:			
Accrued payables	**¥ 8,911**	¥ 26,766	**$ 108,670**

	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Transactions:			
Transfer of receivables	**¥ 189,156**	¥ 303,884	**$ 2,306,780**
Payments of funds collected	**247,387**	331,391	**3,016,914**

The Company's balances and related transactions with Hitachi Construction Machinery Co., Ltd., which currently has a common parent company, Hitachi, Ltd., are outlined below.

	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Balances:			
Notes and accounts receivable – trade, including amounts maturing after one year	**¥ 39,536**	¥ 25,777	**$ 482,146**

	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Transactions:			
Increase in the uncollected balance for the settlement services	**¥ 13,759**	¥ 11,103	**$ 167,792**

The Company's balances and related transactions with Hitachi Plant Technologies, Ltd., which currently has a common parent company, Hitachi, Ltd., are outlined below.

	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Balances:			
Notes and accounts receivable – trade, including amounts maturing after one year	**¥ 32,329**	¥ 12,499	**$ 394,256**

	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Transactions:			
Increase in the uncollected balance for the settlement services	**¥ 11,420**	¥ 115	**$ 139,268**

The Company's balances and related transactions with Hitachi Kokusai Electric Inc., which currently has a common parent company, Hitachi, Ltd., are outlined below.

	Japanese yen (millions)	U.S. dollars (thousands)
	2012	**2012**
Balances:		
Notes and accounts receivable – trade, including amounts maturing after one year	**¥ 13,155**	**$ 160,426**

	Japanese yen (millions)	U.S. dollars (thousands)
	2012	**2012**
Transactions:		
Increase in the uncollected balance for the settlement services	**¥ 1,179**	**$ 14,378**

Directors and major shareholders of the Company (only for the individual person)

For the years ended March 31, 2012 and 2011 are as follows:

Type	Name	Description of business or occupation	Voting rights holding or held (%)	Relations with the related parties	Transactions	2012 Transaction amounts Japanese yen (millions)	2012 Transaction amounts U.S. dollars (thousands)	2011 Transaction amounts Japanese yen (millions)	Accounts	Balances at end of the fiscal year
Director	Seiji Kawabe	Senior Vice President and Exective Officer	(Directly 0.00%)	Guaranteed liability	Guarantee of housing loan	38	463	41	—	—

(23) CONSOLIDATED STATEMENTS OF CASH FLOWS — SUPPLEMENTARY INFORMATION

For the purpose of the statements of cash flows, the Company considers all highly liquid investments with insignificant risk of changes in value that have maturities of generally three months or less when purchased to be cash equivalents. The components of cash and cash equivalents at March 31, 2012 and 2011 are as follows:

	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Cash on hand and at bank	**¥ 22,519**	¥ 12,750	**$ 274,621**
Parent company deposit	**111,562**	87,689	**1,360,512**
Total	**¥ 134,082**	¥ 100,440	**$ 1,635,146**
Time deposits with a period of more than three months	**(4,254)**	(2,250)	**(51,878)**
Cash and cash equivalents	**¥ 129,828**	¥ 98,190	**$ 1,583,268**

(24) SEGMENT INFORMATION

1. Overview of reporting segments

The Group's reporting segments are composed of those individual business units for which separate financial information is available, about with the Board of Directors makes decisions regarding the allocation of management resources and for which operating performance can be evaluated, allowing them to be examined periodically.

The Hitachi Capital Group provides a wide range of financial services and systems that focus on "products" aimed at meeting our customers' needs while also deepening ties with affiliated companies.

The Group has four reporting segments: Financial services based on "products"; Commission services that leverage goods management knowhow; Supply and sales services that concentrate on the use, utility value and circulation of these goods; and overseas businesses such as finance lease transactions in different countries.

Financial services are based on "products" and include finance leases.

Commission services include services leveraging goods management knowhow as well as outsourcing business and credit guarantee business such as the collection of accounts receivable and settlement of accounts payable. These focus on the flow of goods and make extensive use of our credit and collection capabilities.

Supply and sales services are focused on the use, utility value and circulation of goods and include rental, auto lease and recycling and reuse-based transactions.

Overseas businesses include finance leases at each site overseas.

2. Methods of calculating revenues, income or losses, assets, liabilities and other items by reporting segment

Methods of accounting for reported business segments are in principal the same as those indicated in "Basis of Presenting Consolidated Financial Statements."

3. Information on revenues and profits and losses by reporting segment

For the year ended March 31, 2012

	Japanese yen (millions)								
	Reporting segments					Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Financial services	Commission services	Supply and sales services	Overseas businesses	Subtotal				
Revenues									
Revenues from third parties	**¥ 38,157**	**¥ 14,617**	**¥ 11,234**	**¥ 28,489**	**¥ 92,498**	**¥ 496**	**¥ 92,994**	**¥ —**	**¥ 92,994**
Intersegment revenues									
Revenues and transfers	**1,432**	**1,399**	**805**	**(0)**	**3,636**	**—**	**3,636**	**(3,636)**	**—**
Total	**39,590**	**16,016**	**12,039**	**28,489**	**96,135**	**496**	**96,631**	**(3,636)**	**92,994**
Segment profit	**¥ 9,988**	**¥ 1,793**	**¥ 3,789**	**¥ 9,433**	**¥ 25,005**	**¥ 496**	**¥ 25,501**	**¥ (3,262)**	**¥ 22,238**

	U.S dollars (thousands)								
	Reporting segments					Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Financial services	Commission services	Supply and sales services	Overseas businesses	Subtotal				
Revenues									
Revenues from third parties	**$465,329**	**$178,256**	**$137,000**	**$347,426**	**$1,128,024**	**$ 6,048**	**$1,134,073**	**$ —**	**$1,134,073**
Intersegment revenues									
Revenues and transfers	**17,463**	**17,060**	**9,817**	**(0)**	**44,341**	**—**	**44,341**	**(44,341)**	**—**
Total	**482,804**	**195,317**	**146,817**	**347,426**	**1,172,378**	**6,048**	**1,178,426**	**(44,341)**	**1,134,073**
Segment profit	**$121,804**	**$ 21,865**	**$ 46,207**	**$115,036**	**$ 304,939**	**$ 6,048**	**$ 310,987**	**$ (39,780)**	**$ 271,195**

Notes:1. "Other" includes finance income from administrative department.
2. The segment profit adjustment of negative ¥3,262 million ($39,780 thousand) includes ¥451 million ($5,500 thousand) in intersegment transactions and the elimination of transactions involving dividends to consolidated subsidiaries, as well as ¥2,811 million ($34,280 thousand) in companywide costs that are not allocated to any individual reporting segments. Companywide expenses comprise mainly non-segment general and administrative expenses.
3. Segment profit is adjusted to the operating income figure stated in the Consolidated Statements of Income.
4. Goodwill and assets are not allocated to reporting segments. Goodwill was recorded through the acquisition of subsidiaries. ¥6,493 million ($79,182 thousand) remains unamortized while ¥1,017 million ($12,402 thousand) was amortized.

For the year ended March 31, 2011

	Japanese yen (millions)								
	Reporting segments					Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Financial services	Commission services	Supply and sales services	Overseas businesses	Subtotal				
Revenues									
Revenues from third parties	¥ 39,156	¥ 14,550	¥ 10,547	¥ 27,007	¥ 91,261	¥ 756	¥ 92,018	¥ —	¥ 92,018
Intersegment revenues									
Revenues and transfers	1,865	1,289	687	0	3,843	—	3,843	(3,843)	—
Total	41,021	15,840	11,234	27,007	95,104	756	95,861	(3,843)	92,018
Segment profit	¥ 8,197	¥ 2,748	¥ 3,168	¥ 5,990	¥ 20,104	¥ 756	¥ 20,860	¥ (3,400)	¥ 17,460

Notes:1. "Other" includes finance income from administrative department.
2. The segment profit adjustment of negative ¥3,400 million includes ¥340 million in intersegment transactions and the elimination of transactions involving dividends to consolidated subsidiaries, as well as ¥3,060 million in companywide costs that are not allocated to any individual reporting segments. Companywide expenses comprise mainly non-segment general and administrative expenses.
3. Segment profit is adjusted to the operating income figure stated in the Consolidated Statements of Income.
4. Goodwill and assets are not allocated to reporting segments. Goodwill was recorded through the acquisition of subsidiaries. ¥4,512 million remains unamortized while ¥901 million was amortized.

Related information

1. Information by Services

For the year ended March 31, 2012

	Japanese yen (millions)				U.S. dollars (thousands)			
	Lease	Guarantees	Other	Total	Lease	Guarantees	Other	Total
Revenues from third parties	**¥ 54,560**	**¥ 5,981**	**¥ 32,452**	**¥ 92,994**	**$ 665,365**	**$ 72,939**	**$ 395,756**	**$1,134,073**

For the year ended March 31, 2011

	Japanese yen (millions)			
	Lease	Guarantees	Other	Total
Revenues from third parties	¥ 53,050	¥ 6,785	¥ 32,182	¥ 92,018

2. Geographic information

(1) Revenues

For the year ended March 31, 2012

Japanese yen (millions)				US dollars (thousands)			
Japan	Europe and North America	Asia	Total	Japan	Europe and North America	Asia	Total
¥ 64,505	**¥ 21,281**	**¥ 7,207**	**¥ 92,994**	**$ 786,646**	**$ 259,524**	**$ 87,890**	**$ 1,134,073**

Note: Countries included in each geographic segment are as follows:
(1) Europe and North America: United Kingdom, Ireland, United States
(2) Asia: Singapore, the People's Republic of China, Thailand, Malaysia and Indonesia

For the year ended March 31, 2011

Japanese yen (millions)			
Japan	Europe and North America	Asia	Total
¥ 65,010	¥ 21,535	¥ 5,471	¥ 92,018

Note: Countries included in each geographic segment are as follows:
(1) Europe and North America: United Kingdom, Ireland, United States
(2) Asia: Singapore, the People's Republic of China, Thailand

(2) Property and equipment

For the year ended March 31, 2012

Japanese yen (millions)				US dollars (thousands)			
Japan	Europe and North America	Asia	Total	Japan	Europe and North America	Asia	Total
¥ 146,169	**¥ 49,975**	**¥ 3,458**	**¥ 199,603**	**$ 1,782,548**	**$ 609,451**	**$ 42,170**	**$ 2,434,182**

Note: Countries included in each geographic segment are as follows:
(1) Europe and North America: United Kingdom, Ireland, United States
(2) Asia: Singapore, the People's Republic of China, Thailand, Malaysia and Indonesia

For the year ended March 31, 2011

Japanese yen (millions)			
Japan	Europe and North America	Asia	Total
¥ 148,463	¥ 44,650	¥ 1,359	¥ 194,473

Note: Countries included in each geographic segment are as follows:
(1) Europe and North America: United Kingdom, Ireland, United States
(2) Asia: Singapore, the People's Republic of China, Thailand

(25) LEASE INFORMATION

Finance leases

Additional lease information as of and for the years ended March 31, 2012 and 2011 is as follows.

(a) Lessee

(i) Depreciation method of lease assets

Lease assets are depreciated using the straight-line method, over the lease term.

Finance lease transactions that do not transfer ownership commenced prior to April 1, 2008, are accounted for in a manner similar to the accounting for operating lease transactions, following the accounting standard for lease transactions.

(ii) Acquisition costs, accumulated depreciation and net balance of leased assets at March 31, 2012 and 2011, if they had been capitalized:

	March 31, 2012				March 31, 2011		
	Japanese yen (millions)			U.S. dollars (thousands)	Japanese yen (millions)		
	Acquisition costs	Accumulated depreciation	Net balance	Net balance	Acquisition costs	Accumulated depreciation	Net balance
Furniture and equipment	**¥ 3**	**¥ 2**	**¥ 0**	**$ 0**	¥ 445	¥ 366	¥ 78

(iii) Future lease payments (includes non-accrued payments on underwritten leases) as of March 31, 2012 and 2011 are as follows:

	March 31		
	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Within one year	**¥ 0**	¥ 79	**$ 0**
Over one year	**0**	0	**0**
Total	**¥ 0**	¥ 80	**$ 0**

(iv) Methods of calculating the amount equivalent to depreciation and interest
The amount equivalent to depreciation is calculated using the straight-line method over the lease term with no residual value. The amount equivalent to interest is the difference between the total lease amount and the acquisition costs of the lease assets, and is calculated using the interest method to allocate for each fiscal year over the lease term.

(v) Comparison of lease payments with depreciation and interest expense, if they had been capitalized:

	For the year ended March 31		
	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Lease payments	**¥ 82**	¥ 136	**$ 1,000**
Depreciation	**78**	129	**951**
Interest expense	**0**	1	**0**

(b) Lessor

The following table shows the future minimum lease receivables of finance and non-cancelable operating leases as of March 31, 2012 and 2011.

	March 31		
	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Within 1 year	**¥ 155,342**	¥ 148,129	**$ 1,894,414**
More than 1 year, within 2 years	**113,741**	114,252	**1,387,085**
More than 2 years, within 3 years	**78,892**	81,204	**962,097**
More than 3 years, within 4 years	**65,465**	50,283	**798,353**
More than 4 years, within 5 years	**30,482**	28,197	**371,731**
More than 5 years	**90,566**	87,088	**1,104,463**
Total minimum payments to be received	**¥ 534,491**	¥ 509,155	**$ 6,518,182**
Estimated residual value	**45,093**	58,629	**549,914**
Unearned income	**¥ (57,485)**	¥ (56,135)	**$ (701,036)**
Investments in direct finance leases	**¥ 522,099**	¥ 511,649	**$ 6,367,060**

Operating leases

(a) Lessee

Remaining lease expenses for non-cancellable operating lease transactions are as follows:

	March 31		
	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Within one year	**¥ 122**	¥ 174	**$ 1,487**
Over one year	**394**	456	**4,804**
Total	**¥ 516**	¥ 630	**$ 6,292**

(b) Lessor

Future lease payments to be received are as follows:

	March 31		
	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Within one year	**¥ 37,899**	¥ 31,877	**$ 462,182**
Over one year	**45,651**	43,865	**556,719**
Total	**¥ 83,551**	¥ 75,743	**$ 1,018,914**

Sub leases

Consolidated balance sheet amounts equivalent to sub lease transactions which are recorded before deducting the amounts equivalent to interest are as follows:

(a) Lease receivables and investment in direct finance leases

	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Current assets	**¥ 2,981**	¥ 2,959	**$ 36,353**

(b) Lease obligation

	Japanese yen (millions)		U.S. dollars (thousands)
	2012	2011	**2012**
Current liabilities	**¥ 1,013**	¥ 924	**$ 12,353**
Non-current liabilities	**1,967**	2,034	**23,987**

(26) FINANCIAL INSTRUMENTS

1. Overview of financial instruments

(1) Policies for using financial instruments

The Hitachi Capital Group, together with other members of the Hitachi Group, which includes our parent company, Hitachi, Ltd., and various other companies involved in manufacturing and sales, provides consumers and companies with a wide variety of financial services in various geographic regions. These services, which are tailored to meet the companies' needs, include finance leases, installment sales, guarantees, collection of accounts receivable and settlement of accounts payable. To conduct this business, the Hitachi Capital Group raises funds taking into consideration the market environment, as well as the balance between direct and indirect funding. In addition to raising funds directly by issuing securitized lease receivables, bonds, medium-term notes and commercial paper, the Hitachi Capital Group raises funds through indirect methods, such as bank loans.

To reduce the impact of interest rate fluctuations on revenue, the Company and its consolidated subsidiaries employ asset-liability management (ALM), using fixed-rate funding through securitized lease receivables, bonds and bank loans in correspondence with fixed-rate assets. For the purpose of reducing risk, the Company and its consolidated subsidiaries use derivative transactions and do not enter into derivatives for speculative purposes.

(2) Content and risks of financial instruments

Financial assets held by the Hitachi Capital Group are mainly consumer and corporate receivables and beneficial interests in trust held in relation to the securitization of these receivables. These assets involve credit risk, arising from the possibility of clients becoming unable to perform their contractual obligations, and the risk of price fluctuations related to interest rate fluctuations. Certain foreign currency receivables also involve exchange rate fluctuation risk, which is hedged through the use of currency swap transactions.

In addition to the above-mentioned beneficial interests in trust, holdings of securities and marketable securities include such securities as bonds and equity securities, both for holding to maturity and for business promotion purposes. Also, the Company's non-life insurance subsidiary primarily holds bonds for investment purposes. These securities and investment securities may involve credit risk, interest rate fluctuation risk and price fluctuation risk.

Financial liabilities, including loans, bonds, medium-term notes, commercial paper and obligations for securitized lease receivables, involve funds raised primarily at fixed rates of interest, in accordance with the Group's ALM policy. The Hitachi Capital Group uses interest rate swap transactions to fix interest rates on loans taken out at variable interest rates.

The Company applies exceptional accounting treatments with regard to interest rate swap transactions.

Certain overseas subsidiaries use currency swap transactions to hedge exchange rate fluctuation risk on funds raised in foreign currencies. Such subsidiaries also enter into interest rate swap transactions for the purpose of fixing the interest rate on funds procured at variable interest rates. Such transactions that do not meet the requirements for hedge accounting involve the risk of incurring losses.

Loans, bonds, medium-term notes and commercial paper involve liquidity risk, or the risk of not being able to execute payment on the payment date, in the event of a downturn in the economic environment.

(3) Risk management for financial instruments

1) Management of credit risk

The Hitachi Capital Group extends various types of credit, including on finance leases, installment sales and guarantees. Credit quality is determined according to the Company's regulations. For each deal, the Company conducts a credit review, sets a credit limit, manages credit information, establishes an internal rating, sets guarantees or establishes collateral, and handles problem loans. The Company has in place a structure to periodically monitor the status of these transactions.

In addition to business departments, credit quality is controlled by the receivable control department. Large amount transactions require the approval of a senior corporate officer and are reported to the Board of Directors.

With regard to issuers' credit risk on securities and investment securities, the department handling the transactions and the department in charge of finance control such risk by regularly monitoring credit information and market prices. Counterparties' credit risk on derivative transactions is managed by the department in charge of finance checking the issuer's financial results, ratings and stock prices, and periodically reporting this information to the representative executive officer.

2) Management of market risk

(i) Management of interest rate risk

In accordance with ALM policies approved at the Board of Directors meetings each fiscal year, the Company and certain consolidated subsidiaries check asset and liability durations and manage interest rate fluctuation risk. The progress and status are reported on a monthly basis to the representative executive officer and the executive officer in charge of finance. Certain consolidated subsidiaries report to the Finance Committee, which confirms fundraising methods and other information.

Certain overseas subsidiaries use currency swap transactions to hedge exchange rate fluctuation risk on funds raised in foreign currencies. Such transactions that do not meet the requirements for hedge accounting involve the risk of incurring losses.

(ii) Management of exchange rate risk

The Company manages exchange rate fluctuation risk on a deal-by-deal basis.

Certain overseas subsidiaries use currency swap transactions, all of which are for the purpose of hedging exchange rate fluctuation risk on funds raised in foreign currencies.

(iii) Management of price fluctuation risk

Investment instruments, including securities, are mainly intended for holding to maturity or for business promotion purposes, and the Company regularly monitors the market environment related to these instruments, as well as the financial status of transaction partners. This information is reported periodically to the executive officer in charge of finance.

The Company's non-life insurance subsidiary primarily holds bonds. The tolerance for risk is managed with risk limits. In addition, the department in charge of managing investment risk monitors and analyzes investment risk, in principle, twice a year. The result of this monitoring and analysis is reported periodically to the Risk Management Committee.

(iv) Derivative transactions

With regard to derivative transactions, execution and approvals are handled by different departments to meet internal control requirements in accordance with risk management regulations.

(v) Quantitative information related to market risks

The Group does not employ quantitative analysis of interest rates in its risk management. The Group's primary financial products that are affected by interest rate risk include notes and accounts receivable – trade, investment in direct finance leases, bonds classified as available-for-sale securities within short-term investments and investments in securities, bonds, long-term debt, long-term obligations for securitized lease receivables and interest rate swaps on derivative transactions.

Fixing all other risk variables, as of March 31, 2012 and 2011 for every 1 basis point (0.01%) decline in interest rates, the net effect on assets after factoring in these financial assets and financial liabilities was a ¥14 million ($170 thousand) and ¥58 million increase, respectively, in market values. Conversely, the figure declined by ¥13 million ($158 thousand) and ¥59 million, respectively, for every 1 basis point (0.01%) increase in interest rates.

3) Management of liquidity risk related to fund raising

To reduce the impact of liquidity risk, the Company controls liquidity on hand risk according to the market environment and manages the repayment terms taking into account the due dates of financial assets. Furthermore, the Company employs various funding methods and financial institutions as the source of funds.

Certain overseas subsidiaries maintain commitment lines with financial institutions and strike a balance between short- and long-term funding to manage liquidity risk.

(4) Supplementary explanation of items pertaining to the market price of financial instruments

The fair values of some market instruments are based on market prices. The fair values of other financial instruments, for which market prices are not available, are based on rationally calculated values. However, as variables are used in these calculations, and different assumptions can cause different results, these values are not absolute. Also, in the note entitled "2. Fair value of financial instruments," market risk related to derivative financial instruments is not included in the contract amounts of those instruments.

2. Fair value of financial instruments

Carrying amounts, fair values and differences between the two as of March 31, 2012 and 2011 are indicated as follows. Instruments for which fair values are not readily determinable are not included in the following table. Please refer to (5) short-term investments and investments in securities.

	Japanese yen (millions)			U.S. dollars (thousands)		
	2012			2012		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Assets						
(1) Cash on hand and at bank	¥ 22,519	¥ 22,519	¥ —	$ 274,621	$ 274,621	$ —
(2) Notes and accounts receivable – trade, including amounts maturing after one year	658,965	—	—	8,036,158	—	—
Allowance for loss on receivables (*1)	(8,491)	—	—	(103,548)	—	—
	650,473	668,974	18,500	7,932,597	8,158,219	225,609
(3) Investment in direct finance leases (*2)	477,006	—	—	5,817,146	—	—
Allowance for loss on receivables (*3)	(5,391)	—	—	(65,743)	—	—
	471,614	499,900	28,286	5,751,390	6,096,341	344,951
(4) Parent company deposits	111,562	111,562	—	1,360,512	1,360,512	—
(5) Short-term investments and investment in securities						
1) Bonds held to maturity	231	240	8	2,817	2,926	97
2) Other securities	119,792	119,792	—	1,460,878	1,460,878	—
Total assets	¥ 1,376,194	¥ 1,422,990	¥ 46,795	$ 16,782,853	$ 17,353,536	$ 570,670
Liabilities						
(1) Trade payables	¥ 269,993	¥ 269,993	¥ —	$ 3,292,597	$ 3,292,597	$ —
(2) Short-term bank loans (*4)	267,688	271,856	4,167	3,264,487	3,315,317	50,817
(3) Commercial paper	105,534	105,534	—	1,287,000	1,287,000	—
(4) Accrued payables	49,096	49,096	—	598,731	598,731	—
(5) Bonds (*5)	268,267	271,768	3,501	3,271,548	3,314,243	42,695
(6) Long-term debt	317,841	321,538	3,697	3,876,109	3,921,195	45,085
(7) Long-term obligation for securitized lease receivables (*6)	100,326	100,550	224	1,223,487	1,226,219	2,731
Total liabilities	¥ 1,378,747	¥ 1,390,338	¥ 11,590	$ 16,813,987	$ 16,955,341	$ 141,341
Derivative transactions (*7)						
1) Hedge accounting applied	¥ (15)	¥ (15)	¥ —	$ (182)	$ (182)	$ —
2) Hedge accounting not applied	3,963	3,963	—	48,329	48,329	—
Total derivative transactions	¥ 3,947	¥ 3,947	¥ —	$ 48,134	$ 48,134	$ —

	Japanese yen (millions)		
	2011		
	Carrying amount	Fair value	Difference
Assets			
(1) Cash on hand and at bank	¥ 12,750	¥ 12,750	¥ —
(2) Notes and accounts receivable – trade, including amounts maturing after one year	518,011	—	—
Allowance for loss on receivables (*1)	(10,909)	—	—
	507,102	520,179	13,076
(3) Investment in direct finance leases (*2)	453,019	—	—
Allowance for loss on receivables (*3)	(3,206)	—	—
	449,813	481,353	31,540
(4) Parent company deposits	87,689	87,689	—
(5) Short-term investments and investments in securities			
1) Bonds held to maturity	231	240	9
2) Other securities	125,333	125,333	—
Total assets	¥ 1,182,920	¥ 1,227,547	¥ 44,626
Liabilities			
(1) Trade payables	¥ 224,713	¥ 224,713	¥ —
(2) Short-term bank loans (*8)	203,143	206,852	3,709
(3) Commercial paper	46,109	46,109	—
(4) Accrued payables	83,964	83,964	—
(5) Bonds (*9)	257,023	268,633	11,610
(6) Long-term debt	276,630	283,661	7,031
(7) Long-term obligation for securitized lease receivables (*6)	93,054	93,012	(41)
Total liabilities	¥ 1,184,638	¥ 1,206,948	¥ 22,309
Derivative transactions (*7)			
1) Hedge accounting applied	¥ (17)	¥ (17)	¥ —
2) Hedge accounting not applied	16,550	16,550	—
Total derivative transactions	¥ 16,533	¥ 16,533	¥ —

(*1) The general allowance for loss on receivables and individual allowances for loss on receivables are deducted from "Notes and accounts receivable – trade, including amounts maturing after one year."
(*2) The difference from carrying amount corresponds to the estimated balance corresponding to finance lease transactions that do not transfer ownership.
(*3) The general allowance for loss on receivables and individual allowances for loss on receivables are deducted from "investment in direct finance leases."
(*4) The carrying amount of "Short-term bank loans" of ¥267,688 million ($3,264,487 thousand) includes "Short-term bank loans" of ¥141,864 million ($1,730,048 thousand) and "Long-term debt" of ¥125,824 million ($1,534,439 thousand) in the "Current portion of long-term debt" on the "CONSOLIDATED BALANCE SHEETS."
(*5) The carrying amount of "Bonds" of ¥268,267 million ($3,271,548 thousand) includes "Bonds" of ¥88,459 million ($1,078,768 thousand) in the "Current portion of long-term debt" and "Bonds" of ¥179,808 million ($2,192,780 thousand) in "Long-term debt" in the "CONSOLIDATED BALANCE SHEETS."
(*6) "Long-term obligation for securitized lease receivables" includes "Obligation for securitized lease receivables" and "Long-term obligation for securitized lease receivables" in the "CONSOLIDATED BALANCE SHEETS."
(*7) Net amounts of receivables and payables arising from derivative transactions are indicated. Parentheses indicate totals that are net payable amounts.
(*8) The carrying amount of "Short-term bank loans" of ¥203,143 million includes "Short-term bank loans" of ¥116,746 million and "Long-term debt" of ¥86,396 million in the "Current portion of long-term debt" on "CONSOLIDATED BALANCE SHEETS."
(*9) The carrying amount of "Bonds" of ¥257,023 million includes "Bonds" of ¥61,768 million in the "Current portion of long-term debt" and "Bonds" of ¥195,255 million in "Long-term debt" in the "CONSOLIDATED BALANCE SHEETS."

(Note 1) Method of calculating the fair value of financial instruments and matters pertaining to securities and derivative transactions

Assets

(1) Cash on hand and at bank
As cash on hand and at bank is settled within a short term and its fair value and carrying amount are similar, its carrying amount is assumed as its fair value.

(2) Notes and accounts receivable – trade
As the periods to maturity on notes receivables are short and their fair value and carrying amount are similar, their carrying amount is assumed as their fair value.

As the majority of notes receivable bear fixed rates of interest, the Company classifies receivables (based on internal rankings) according to the type of receivables and the collection history of individual receivables, as well as according to respective terms. The total amount is calculated, taking into consideration estimates regarding early repayments, cancellations and losses, and this amount is discounted to fair value using the risk-free rate. With regard to loans to creditors in danger of bankruptcy, estimated losses are determined on the basis of the amount estimated to be recoverable through insurance and the sale of collateral and property. As fair value is similar to the carrying amount after subtracting estimated losses, this amount is assumed as the fair value.

(3) Investment in direct finance leases
As for investments in direct finance leases recognized as finance lease transactions, the fair value of the right to receive future lease fees is calculated in the same manner as for accounts receivable.

(4) Parent company deposits
As the term of parent company deposits is short and fair value and carrying amount are approximately the same, their carrying amount is deemed to be their fair value.

(5) Short-term investments and investments in securities
For shares, their market price is used as their fair value. The fair value of bonds is deemed to be their market price or the price indicated by financial institutions handling these transactions. Beneficial interest in trust held to cover securitized lease obligations of the Hitachi Capital Group are categorized by securitization scheme. After taking into consideration estimates regarding early repayments, cancellations and losses, the total amount of principal in trust and dividends is discounted to the fair value, using the risk-free rate.

As of March 31, 2012 and 2011, the Company had no securities for trading purposes.

The following table is a summary of the amortized cost basis, gross unrealized holding gains or losses and aggregate fair value of held-to-maturity securities and other securities by major security type as of March 31, 2012 and 2011. Beneficial interest in trust of other securities with gross unrealized holding gains is primarily subordinated beneficial interest in trust held by the Hitachi Capital Group in relation to the securitization of lease receivables.

	Japanese yen (millions)			U.S. dollars (thousands)		
	Amortized cost basis	Gross gains (losses)	Aggregate fair value	Amortized cost basis	Gross gains (losses)	Aggregate fair value
		2012			**2012**	
Held-to-maturity securities with gross unrealized holding gains:						
Government bonds	**¥ 231**	**¥ 8**	**¥ 240**	**$ 2,817**	**$ 97**	**$ 2,926**
	¥ 231	**¥ 8**	**¥ 240**	**$ 2,817**	**$ 97**	**$ 2,926**
Held-to-maturity securities with gross unrealized holding losses:						
Government bonds	**¥ —**	**¥ —**	**¥ —**	**$ —**	**$ —**	**$ —**
	¥ —	**¥ —**	**¥ —**	**$ —**	**$ —**	**$ —**
	¥ 231	**¥ 8**	**¥ 240**	**$ 2,817**	**$ 97**	**$ 2,926**
Other securities with gross unrealized holding gains:						
Equity securities	**¥ 3,471**	**¥ 873**	**¥ 4,345**	**$ 42,329**	**$ 10,646**	**$ 52,987**
Government bonds	**200**	**13**	**213**	**2,439**	**158**	**2,597**
Corporate bonds	**117**	**0**	**117**	**1,426**	**0**	**1,426**
Beneficial interest in trust	**98,058**	**10,106**	**108,164**	**1,195,829**	**123,243**	**1,319,073**
Preferred equity securities	**500**	**4**	**504**	**6,097**	**48**	**6,146**
	¥ 102,348	**¥ 10,998**	**¥ 113,346**	**$ 1,248,146**	**$ 134,121**	**$ 1,382,268**
Other securities with gross unrealized holding losses:						
Equity securities	**¥ 44**	**¥ (3)**	**¥ 40**	**$ 536**	**$ (36)**	**$ 487**
Government bonds	**4,449**	**(0)**	**4,449**	**54,256**	**(0)**	**54,256**
Corporate bonds	**1,967**	**(12)**	**1,955**	**23,987**	**(146)**	**23,841**
	¥ 6,461	**¥ (16)**	**¥ 6,445**	**$ 78,792**	**$ (195)**	**$ 78,597**
	¥ 108,809	**¥ 10,982**	**¥ 119,792**	**$ 1,326,939**	**$ 133,926**	**$ 1,460,878**

	Japanese yen (millions)		
	Amortized cost basis	Gross gains (losses)	Aggregate fair value
	2011		
Held-to-maturity securities with gross unrealized holding gains:			
Government bonds	¥ 231	¥ 9	¥ 240
	¥ 231	¥ 9	¥ 240
Held-to-maturity securities with gross unrealized holding losses:			
Government bonds	¥ —	¥ —	¥ —
	¥ —	¥ —	¥ —
	¥ 231	¥ 9	¥ 240
Other securities with gross unrealized holding gains:			
Equity securities	¥ 1,675	¥ 483	¥ 2,158
Government bonds	300	12	312
Corporate bonds	617	3	620
Beneficial interest in trust	103,709	10,964	114,673
	¥ 106,302	¥ 11,462	¥ 117,765
Other securities with gross unrealized holding losses:			
Equity securities	¥ 3,087	¥ (527)	¥ 2,560
Government bonds	2,799	(0)	2,799
Corporate bonds	1,583	(28)	1,554
Other	665	(11)	654
	¥ 8,135	¥ (567)	¥ 7,567
	¥ 114,438	¥ 10,895	¥ 125,333

Proceeds from sale of other securities for the years ended March 31, 2012 and 2011 were ¥196 million ($2,390 thousand) and ¥187 million, respectively. The gross realized gains on the sale for the years ended March 31, 2012 and 2011 were ¥8 million ($97 thousand) and ¥49 million, respectively.
The gross realized losses on the sale for the year ended March 31, 2012 were ¥115 million ($1,402 thousand).
For the year ended March 31, 2011, losses on the sale were not incurred.

Write-down of other securities
For the years ended March 31, 2012 and 2011, other securities were written down and losses on valuation of investment securities were ¥974 million ($11,878 thousand) and ¥961 million, respectively.
Other securities are subject to write-downs when their fair values have been declined 50% or more from acquisition costs or the decline is determined to be other than temporary.

It is not practicable to estimate the fair value of investments in non-marketable securities because of the lack of market price and difficulty in estimating fair value without incurring excessive cost. Unlisted shares at March 31, 2012 and 2011 amounted to ¥19,824 million ($241,756 thousand) and ¥659 million, respectively.

Liabilities
(1) Trade payables, (3) commercial paper and (4) accrued payables
As the settlement term of these instruments is short and their fair values and carrying amounts are similar, their carrying amounts are deemed to be their fair values.

(2) Short-term bank loans
With regard to short-term bank loans having a term of one year or less, as their settlement term is short and their fair values and carrying amounts are similar, their carrying amounts are deemed to be their fair values.

The fair value of long-term debt scheduled for repayment within one year is calculated in the same manner as (6) long-term debt.

(5) Bonds
The calculation of the fair value of bonds issued by the Company is based on their market price. For bonds that have no available market price, the total amount of principal and interest is discounted to their current value, using a rate of interest that takes into account their remaining term and credit risk.

(6) Long-term debt and (7) long-term obligation for securitized lease receivables
The Company assumes that fair values of long-term loans payable with floating interest rates are similar to their carrying amounts, as such rates reflect market interest rates over the short term, and the Company's credit conditions have not changed significantly after these loans commenced; therefore, their carrying amounts approximate their fair values.

For the portion of long-term debt and long-term obligations for securitized lease receivables bearing fixed interest rates, the total amount of principal and interest (*) is segmented by time period, and these amounts are discounted by the assumed interest rate.
(*) For long-term debt using interest rate swaps employing exceptional accounting, the interest rate swap rate is applied to the total amount of principal and interest.

Derivative transactions

1) Hedge accounting not applied

On derivative transactions to which hedge accounting is not applied, contract and equivalent principal amounts as of the balance sheet date, fair values, valuation gains (losses) and fair value calculation methods are determined for each category of hedged item and are described below.

Interest rate related:

Category	Transaction type	Japanese yen (millions) Contract amounts	Of which, longer than one year	Fair value	Valuation gain (loss)	U.S. dollars (thousands) Contract amounts	Of which, longer than one year	Fair value	Valuation gain (loss)
		2012				**2012**			
Non-market transactions	Interest rate swap transactions Fixed payment, floating receipt	**¥ 3,082**	**—**	**¥ (15)**	**¥ (15)**	**$ 37,585**	**—**	**$ (182)**	**$ (182)**
Total		**¥ 3,082**	**—**	**¥ (15)**	**¥ (15)**	**$ 37,585**	**—**	**$ (182)**	**$ (182)**

Category	Transaction type	Japanese yen (millions) Contract amounts	Of which, longer than one year	Fair value	Valuation gain (loss)
		2011			
Non-market transactions	Interest rate swap transactions Fixed payment, floating receipt	¥ 3,142	¥ 3,142	¥ (17)	¥ (17)
Total		¥ 3,142	¥ 3,142	¥ (17)	¥ (17)

(Note) Method of calculating fair value: Fair value is calculated based on the values indicated by the financial institutions handling these transactions for the Company.

2) Hedge accounting applied

On derivative transactions to which hedge accounting is applied, contract and equivalent principal amounts as of the balance sheet date, fair values, valuation gains (losses) and fair value calculation methods are determined for each category of hedged item and are described below.

(1) Currency-related

Hedge accounting method	Transaction type	Principal hedged item	Japanese yen (millions) Contract amounts	Of which, longer than one year	Fair value	U.S. dollars (thousands) Contract amounts	Of which, longer than one year	Fair value
			2012			**2012**		
Cash flow hedge	Exchange forward transaction Purchase denomination Euro	Commercial paper	**¥ —**	**¥ —**	**¥ —**	**$ —**	**$ —**	**$ —**
Cash flow hedge	Exchange forward transaction Sale denomination Hong Kong dollars	Receivables	**—**	**—**	**—**	**—**	**—**	**—**
Cash flow hedge	Currency swap	Long-term debt, short-term bank loans and medium-term notes	**84,517**	**51,120**	**201**	**1,030,695**	**623,414**	**2,451**
Fair value hedge	Currency swap	Medium-term notes	**16,682**	**6,559**	**4,675**	**203,439**	**79,987**	**57,012**
Total			**¥ 101,200**	**¥ 57,680**	**¥ 4,877**	**$ 1,234,146**	**$ 703,414**	**$ 59,475**

Hedge accounting method	Transaction type	Principal hedged item	Japanese yen (millions) Contract amounts	Of which, longer than one year	Fair value
			2011		
Cash flow hedge	Exchange forward transaction Purchase denomination Euro	Commercial paper	¥ 1,179	¥ 1,179	¥ 2
Cash flow hedge	Exchange forward transaction Sale denomination Hong Kong dollars	Receivables	3,129	3,129	(23)
Cash flow hedge	Currency swap	Long-term debt, short-term bank loans and medium-term notes	81,436	27,466	10,945
Fair value hedge	Currency swap	Medium-term notes	26,345	10,238	6,148
Total			¥ 112,090	¥ 42,013	¥ 17,072

(Note) Method of calculating fair value: Fair value is calculated based on the values indicated by the financial institutions handling these transactions for the Company.

(2) Interest-related

Hedge accounting method	Transaction type	Principal hedged item	Japanese yen (millions) Contract amounts	Of which, longer than one year	Fair value	U.S. dollars (thousands) Contract amounts	Of which, longer than one year	Fair value
			2012			2012		
Cash flow hedge (*1)	Interest rate swap transactions Fixed payment, floating receipt	Long-term debt, short-term bank loans and medium-term notes	**¥ 85,420**	**¥ 54,943**	**¥ (913)**	**$ 1,041,707**	**$ 670,036**	**$ (11,134)**
Interest rate swap with exceptional accounting (*2)	Interest rate swap transactions							
	Floating payment, fixed receipt	Long-term debt	**10,000**	**10,000**	**—**	**121,951**	**121,951**	**—**
	Fixed payment, floating receipt	Long-term debt	**10,000**	**10,000**	**—**	**121,951**	**121,951**	**—**
	Floating payment, floating receipt	Long-term debt	**18,000**	**18,000**	**—**	**219,512**	**219,512**	**—**
Total			**¥ 123,420**	**¥ 92,943**	**¥ (913)**	**$ 1,505,121**	**$ 1,133,451**	**$ (11,134)**

Hedge accounting method	Transaction type	Principal hedged item	Japanese yen (millions) Contract amounts	Of which, longer than one year	Fair value
			2011		
Cash flow hedge (*1)	Interest rate swap transactions Fixed payment, floating receipt	Long-term debt, short-term bank loans and medium-term notes	¥ 60,923	¥ 41,720	¥ (521)
Interest rate swap with exceptional accounting (*2)	Interest rate swap transactions				
	Floating payment, fixed receipt	Long-term debt	10,000	10,000	—
	Fixed payment, floating receipt	Long-term debt	12,500	10,000	—
	Floating payment, floating receipt	Long-term debt	21,000	18,000	—
Total			¥ 104,423	¥ 79,720	¥ (521)

(*1) Method of calculating fair value of cash flow hedge
Fair value is calculated based on the values indicated by the financial institutions handling these transactions for the Company.
(*2) Method of calculating fair value of interest rate swap with exceptional accounting
As accounting for the hedged item is handled together with long-term debt, fair value is included in that of the corresponding long-term debt.

(Note 2) Monetary claims and securities with maturities after the balance sheet date and their expected maturity values

	Japanese yen (millions) Within 1 year	More than 1 year, within 2 years	More than 2 years, within 3 years	More than 3 years, within 4 years	More than 4 years, within 5 years	More than 5 years
	2012					
Cash on hand and at bank	**¥ 22,519**	**¥ —**	**¥ —**	**¥ —**	**¥ —**	**¥ —**
Notes and accounts receivable – trade, including amounts maturing after one year	**468,884**	**82,683**	**46,742**	**23,705**	**11,950**	**24,998**
Investment in direct finance leases	**135,747**	**101,415**	**71,605**	**60,930**	**28,394**	**78,913**
Securities and investment securities						
Bonds held to maturity	**32**	**—**	**—**	**200**	**—**	**—**
Other securities with maturities	**5,617**	**200**	**300**	**500**	**200**	**400**
Total	**¥ 632,801**	**¥ 184,298**	**¥ 118,647**	**¥ 85,336**	**¥ 40,544**	**¥ 104,312**

	U.S. dollars (thousands) Within 1 year	More than 1 year, within 2 years	More than 2 years, within 3 years	More than 3 years, within 4 years	More than 4 years, within 5 years	More than 5 years
	2012					
Cash on hand and at bank	**$ 274,621**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Notes and accounts receivable – trade, including amounts maturing after one year	**5,718,097**	**1,008,329**	**570,024**	**289,085**	**145,731**	**304,853**
Investment in direct finance leases	**1,655,451**	**1,236,768**	**873,231**	**743,048**	**346,268**	**962,353**
Securities and investment securities						
Bonds held to maturity	**390**	**—**	**—**	**2,439**	**—**	**—**
Other securities with maturities	**68,500**	**2,439**	**3,658**	**6,097**	**2,439**	**4,878**
Total	**$ 7,717,085**	**$ 2,247,536**	**$ 1,446,914**	**$ 1,040,682**	**$ 494,439**	**$ 1,272,097**

	Japanese yen (millions)					
	Within 1 year	More than 1 year, within 2 years	More than 2 years, within 3 years	More than 3 years, within 4 years	More than 4 years, within 5 years	More than 5 years
	2011					
Cash on hand and at bank	¥ 3,953	¥ —	¥ —	¥ —	¥ —	¥ —
Notes and accounts receivable – trade, including amounts maturing after one year	325,492	71,545	41,041	27,588	13,585	38,758
Investment in direct finance leases	125,674	99,618	74,415	46,316	26,849	80,144
Securities and investment securities						
Bonds held to maturity	—	32	—	—	200	—
Other securities with maturities	3,300	700	200	—	—	1,667
Total	¥ 458,420	¥ 171,896	¥ 115,657	¥ 73,904	¥ 40,634	¥ 120,571

(Note 3) Bonds, long-term debt and other interest-bearing debt with maturities after the balance sheet date and their expected maturity values

	Japanese yen (millions)					
	Within 1 year	More than 1 year, within 2 years	More than 2 years, within 3 years	More than 3 years, within 4 years	More than 4 years, within 5 years	More than 5 years
	2012					
Short-term bank loans	**¥ 141,864**	**¥ —**	**¥ —**	**¥ —**	**¥ —**	**¥ —**
Commercial paper	**105,534**	**—**	**—**	**—**	**—**	**—**
Bonds	**88,459**	**42,034**	**98,007**	**20,504**	**19,261**	**—**
Long-term debt	**125,824**	**74,610**	**134,436**	**35,738**	**56,471**	**16,584**
Total	**¥ 461,682**	**¥ 116,644**	**¥ 232,443**	**¥ 56,242**	**¥ 75,732**	**¥ 16,584**

	U.S. dollars (thousands)					
	Within 1 year	More than 1 year, within 2 years	More than 2 years, within 3 years	More than 3 years, within 4 years	More than 4 years, within 5 years	More than 5 years
	2012					
Short-term bank loans	**$ 1,730,048**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Commercial paper	**1,287,000**	**—**	**—**	**—**	**—**	**—**
Bonds	**1,078,768**	**512,609**	**1,195,207**	**250,048**	**234,890**	**—**
Long-term debt	**1,534,439**	**909,878**	**1,639,463**	**435,829**	**688,670**	**202,243**
Total	**$ 5,630,268**	**$ 1,422,487**	**$ 2,834,670**	**$ 685,878**	**$ 923,560**	**$ 202,243**

	Japanese yen (millions)					
	Within 1 year	More than 1 year, within 2 years	More than 2 years, within 3 years	More than 3 years, within 4 years	More than 4 years, within 5 years	More than 5 years
	2011					
Short-term bank loans	¥ 116,746	¥ —	¥ —	¥ —	¥ —	¥ —
Commercial paper	46,109	—	—	—	—	—
Bonds	61,768	88,996	33,812	71,932	514	—
Long-term debt	86,396	118,787	64,749	48,665	15,644	28,784
Total	¥ 311,020	¥ 207,783	¥ 98,561	¥ 120,597	¥ 16,158	¥ 28,784

(27) COMMITMENTS AND CONTINGENCIES

The Company provides certain revolving lines of credit to their credit card holders in accordance with the terms of the credit card business customer service contracts. Furthermore, the Company provides credit facilities to parties in accordance with the service agency business contracts from which temporary payments on behalf of such parties are made. In addition, the Company provides loan commitments to certain investees. The outstanding balance of the revolving lines of credit as of March 31, 2012 and 2011 are shown as follows:

	Japanese yen (millions)	U.S. dollars (thousands)
	2012	**2012**
Total revolving lines of credit available	**¥ 10,652**	**$ 129,902**
Amount utilized	**622**	**7,585**
Balance available	**¥ 10,030**	**$ 122,317**

	Japanese yen (millions)
	2011
Total revolving lines of credit available	¥ 10,967
Amount utilized	980
Balance available	¥ 9,987

A portion of the revolving lines of credit, which are pending credit approval, cannot be utilized.
The "Total revolving lines of credit available" decreased during the fiscal year ended March 31, 2012. This decrease stems from the discontinuation of the cashing service previously offered as part of credit card services.
During the year ended March 31, 2012, operations involving advances for the redemption of commercial paper in line with the consigned management agreements of special-purpose entities were discontinued. Consequently, there is no longer any balance of unissued advances.

Other guaranteed liabilities are as follows:
Guaranteed liabilities concerning the sale of receivables of a foreign subsidiary amounted to ¥3,655 million ($44,573 thousand) and ¥4,947 million as of March 31, 2012 and 2011, respectively.

Contingent liabilities for guarantees of employees' housing loans amounted to ¥6 million ($73 thousand) and ¥6 million as of March 31, 2012 and 2011, respectively.

(28) SPECIAL-PURPOSE ENTITIES SUBJECT TO DISCLOSURE

(a) Overview of Special-Purpose Entities Subject to Disclosure and Overview of Transactions Employed by Special-Purpose Entities Subject to Disclosure

Hitachi Capital Securities Co., Ltd. has been excluded from the scope of consolidation since the Company sold a part of its shares for the fiscal year ended March 31, 2012.
As a result of this change, one of the special-purpose entities, which had balance of transactions as of March 31, 2011, has been excluded from the scope of consolidation.

(b) Amounts of Transactions with Special-Purpose Entities

Amounts of transactions with special-purpose entities by the Company and a subsidiary during the fiscal year ended March 31, 2011 were as follows:

	Japanese yen (millions)		U.S. dollars (thousands)		Principle gains and losses		
	Amount of principal transactions (*4)	Balance at March 31, 2011	Amount of principal transactions	Balance at March 31, 2011	Line item	Japanese yen (millions)	U.S. dollars (thousands)
Transferred assets (*1):							
Loan receivables	¥ 18,000	—	$ 216,867	—	Gain on transfer	¥ 0	$ 0
Service agency business (*2):							
Collected funds payable	—	—	—	—	Commission revenue on service agency business	37	445
Commissioned sales of commercial paper (*3)	—	—	—	—	Sales commission revenue	0	0

(*1) Transaction amounts pertaining to transferred assets are recorded at the carrying amount of those assets at the time of transfer.
Consolidated subsidiaries hold obligations on loan receivables, as the funds that special-purpose entities subject to disclosure raise to acquire pledged receivables are borrowed from these subsidiaries. As the Company's consolidated subsidiaries are the lenders, such loan receivables are transferred to other special-purpose entities subject to disclosure, and the transactions for such transfers are recorded.
(*2) Commission revenue on service agency business includes commissions on agency collection services and revolving lines of credit, and is posted to operating revenues.
(*3) Sales commission revenue on commissioned sales of commercial paper is posted to operating revenues.
(*4) These transaction volumes include transaction amounts for three special-purpose entities that were closed during the year ended March 31, 2011.

(29) SUBSEQUENT EVENTS

Based on a comprehensive resolution to issue unsecured straight bonds passed at a meeting of the Board of Directors on March 27, 2012, the Company decided to issue its 43th unsecured straight bonds (with limited interbond pari passu clause) on April 11, 2012. The issue was made as follows:

(1) Total issue amount:	¥30,000 million
(2) Issue price:	¥100 per ¥100 bond face value
(3) Payment date:	April 18, 2012
(4) Redemption date:	Entire amount is redeemable on June 20, 2017
(5) Interest rate:	0.570% per annum
(6) Application of funds:	Redemption of short-term bonds

Independent Auditor's Report

The Board of Directors
Hitachi Capital Corporation

We have audited the accompanying consolidated financial statements of Hitachi Capital Corporation and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2012, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Hitachi Capital Corporation and its consolidated subsidiaries as at March 31, 2012, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 2.

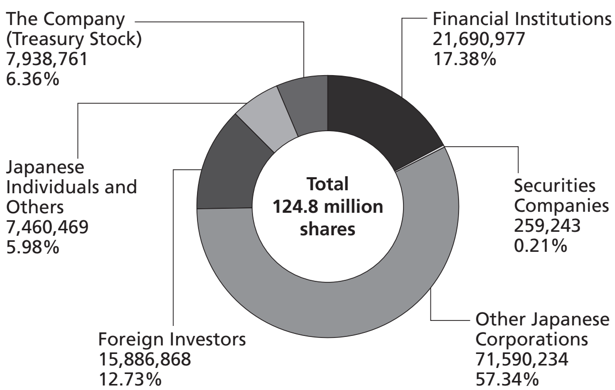
Ernst & Young Shin-Nihon LLC

June 26, 2012

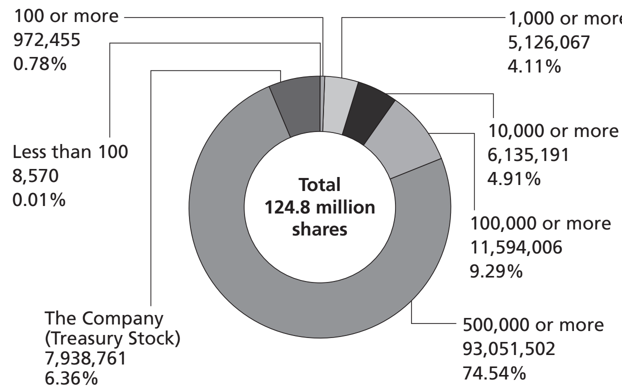
Tokyo, Japan

INVESTOR INFORMATION (As of March 31, 2012)

COMPOSITION OF SHAREHOLDERS (Shares)



NUMBER OF SHARES OWNED (Shares)



MAJOR SHAREHOLDERS

	Number of shares owned (thousands)	Ratio of shareholding (%)
Hitachi, Ltd.	68,378	58.50
Japan Trustee Services Bank, Ltd. (Trust Account)	5,007	4.28
Japan Trustee Services Bank, Ltd. (Trust Account 9)	4,604	3.94
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,907	3.34
Hitachi High-Technologies Corporation	2,325	1.99
CBHK-CITIBANK LONDON-F117	1,441	1.23
The Chase Manhattan Bank N.A. London S.L. Omnibus Account	1,428	1.22
Hitachi Capital Employee Shareholding Association	1,079	0.92
Mellon Bank N.A. as agent for its client Mellon Omnibus US Pension	931	0.80
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	870	0.74
Total	89,976	76.98

Note: The above excludes 7,938 thousand of treasury shares held by Hitachi Capital Corporation.

CORPORATE DATA (As of March 31, 2012)

CORPORATE NAME
Hitachi Capital Corporation

FOUNDED
1957
(Incorporated in 1960)

NUMBER OF EMPLOYEES
Consolidated: 4,693

VOLUME OF BUSINESS
¥1,528,144 million

COMMON STOCK
Authorized: 270,000,000 shares
Issued: 124,826,552 shares

SHAREHOLDERS
6,605

STOCK LISTING
Tokyo Stock Exchange

CONSOLIDATED SUBSIDIARIES (As of June 25, 2012)

JAPAN

Okinawa Hitachi Capital Corporation
1-1, Kumoji 1-chome, Naha,
Okinawa 900-0015

Hitachi Capital Servicer Corporation
22-10, Shimbashi 5-chome,
Minato-ku, Tokyo 105-0004

Hitachi Capital Services Co., Ltd.
5-10 Iidabashi 1-chome,
Chiyoda-ku, Tokyo 102-0072

Hitachi Capital Auto Lease Corporation
1-11, Shimbashi 6-chome,
Minato-ku, Tokyo 105-0004

Hitachi Triple Win Corp.
7-1, Nishi Shimbashi 3-chome,
Minato-ku, Tokyo 105-0003

Sekisui Leasing Co., Ltd.
13-8, Nishitenma 4-chome,
Kita-ku, Osaka, Osaka 530-0047

Hitachi Capital Insurance Corporation
8-10, Kudan-kita 1-chome,
Chiyoda-ku, Tokyo 102-0073

Hitachi Capital Community Corporation
3734-1, Fukaya, Ayase,
Kanagawa 252-1103

Hitachi Capital Trust Corporation
15-12, Nishi Shimbashi 2-chome,
Minato-ku, Tokyo 105-0003

Financial Bridge Corporation
26-2, Minami Ooi 6-chome,
Shinagawa-ku, Tokyo 140-8573

EUROPE AND NORTH AMERICA

Hitachi Capital (UK) PLC
Wallbrook Business Centre,
Green Lane, Hounslow,
Middlesex TW4 6NW, UK

Hitachi Capital Vehicle Solutions Ltd.
Kiln House Kiln Road, Newbury,
Berkshire RG14 2NU, UK

Hitachi Capital Insurance Europe Ltd.
4th Floor, Marsh House 25-28,
Adelaide Road, Dublin 2,
Republic of Ireland

Hitachi Capital America Corp.
800 Connecticut Avenue,
Norwalk, CT 06854, U.S.A.

ASIA

Hitachi Capital (Hong Kong) Ltd.
16th Floor, Wai Fung Plaza, 664
Nathan Road, Kowloon, Hong Kong

Hitachi Capital Singapore Pte. Ltd.
111 Somerset Road #11-05
Singapore 238164

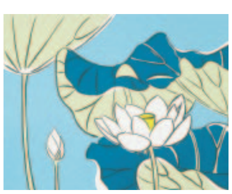
Hitachi Capital Leasing (China) Co., Ltd.
Room 1509, Beijing Fortune Building.
No.5, Dong san Huan Bei-lu,
Chao Yang District, Beijing 100004, China

Hitachi Capital (Thailand) Co., Ltd.
45/F CRC Tower, All Seasons Place 87/2
Wireless Road, Lumpini, Phatumwan,
Bangkok 10330, Thailand

First Peninsula Credit Sdn. Bhd.
No.998, 1st Floor, Jalan Tok kangar, Auto-
Link, 14100 Julu, Simpang Ampat, S.P.T.,
Pulau Pinang, Malaysia

PT. Arthaasia Finance
Business Park Kebon Jeruk Blok I No.1-3 Jl.
Meruya Ilir No.88 Kebon Jeruk Jakarta
Barat 11620, Indonesia

Cover:



Hasu No Hana
("Lotus Flowers") by
Sadako Iizuka, recipient of the
Hitachi Capital Special Award

23rd Artbility Awards

Artbility, established by the social welfare corporation Tokyo Colony Association, is aimed at encouraging the participation in society of artists with disabilities through their artistic talent.

Based on the slogan "no barriers to talent," respective works of registered artists are evaluated and loaned out for use in publications issued by companies, municipal offices and other groups. This provides the artists with an avenue for publicizing their works while also supporting their financial self-reliance.

Since 1995, Hitachi Capital has sponsored the Artbility Awards, which honor the most successful artists during that year, and introduced its own Hitachi Capital Special Award in 1998. Hitachi Capital also supports Artbility's activities by using artworks widely in its advertisements and other PR materials.

Hitachi Capital Corporation

15-12, Nishi Shimbashi 2-chome, Minato-ku, Tokyo 105-8712, Japan

Phone: +81-3-3503-2118   http://www.hitachi-capital.co.jp

Printed in Japan