

February 2, 2018

## Consolidated Third Quarter Earnings Report [IFRS]

For the Nine Months Ended December 31, 2017



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 Scheduled date of submission of financial reports: February 13, 2018  
 Scheduled commencement of dividend payment: –  
 Preparation of supplementary material for quarterly financial results: Yes  
 Holding of quarterly financial results meeting: None

(All amounts rounded down)

### 1. Consolidated Financial Results for the Third Quarter Ended December 31, 2017 (April 1, 2017 – December 31, 2017)

#### (1) Consolidated Operating Results (Cumulative)

(year-on-year change %)

	Revenues		Profit before tax		Net income		Net income attributable to owners of the parent		Comprehensive income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Nine Months Ended December 31, 2017	296,798	10.3	36,221	5.8	27,313	9.3	26,461	9.8	39,930	82.3
Nine Months Ended December 31, 2016	269,102	(1.4)	34,244	(4.2)	24,991	(4.1)	24,106	(4.7)	21,900	(14.1)

	Earnings per share (basic)	Earnings per share (diluted)	ROE
	¥	¥	%
Nine Months Ended December 31, 2017	226.39	—	9.7
Nine Months Ended December 31, 2016	206.24	—	9.4

(Ref.) Volume of business: Nine Months Ended December 31, 2017: ¥1,779,933 million; Nine Months Ended December 31, 2016: ¥1,697,699 million

#### (2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent	Equity per share attributable to owners of the parent
	¥ million	¥ million	¥ million	%	¥
As of December 31, 2017	3,462,026	392,449	378,371	10.9	3,237.09
As of March 31, 2017	3,245,029	363,178	349,844	10.8	2,993.03

### 2. Dividends

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year End	For the Year
	¥	¥	¥	¥	¥
Year ended March 31, 2017	—	43.00	—	43.00	86.00
Year ending March 31, 2018	—	43.00	—		
Year ending March 31, 2018 (Forecast)				43.00	86.00

Note: Changes from the latest released dividend forecasts: None

### 3. Forecast for the Fiscal Year Ending March 31, 2018 (April 1, 2017 – March 31, 2018)

(% is year-on-year for the fiscal year or the interim period)

Fiscal year	Revenues		Profit before tax		Net income		Net income attributable to owners of the parent		Earnings per share attributable to owners of the parent (basic)
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
	400,600	8.0	43,000	(6.6)	31,800	(7.1)	30,500	(7.4)	260.94

Note: Changes from the latest released performance forecasts: None

(Ref.) Volume of business: Fiscal year: ¥2,300,000 million

\* Notes

(For details, please refer to "2. Matters concerning Summary Information (Notes)" on page 9)

- (1) Significant changes in among subsidiaries in the consolidated cumulative period of the period under review: None
- (2) Changes to accounting policies; changes to accounting estimates
- ( i ) Changes to accounting policies required by IFRS: None
  - ( ii ) Changes to accounting policies other than ( i ) above: None
  - ( iii ) Changes to accounting estimates: None
- (3) Number of outstanding shares (common shares)
- ( i ) Shares issued at end of term (including treasury stock)  
As of December 31, 2017: 124,826,552 shares      As of March 31, 2017: 124,826,552 shares
  - ( ii ) Treasury stock at end of term  
As of December 31, 2017: 7,940,339 shares      As of March 31, 2017: 7,940,222 shares
  - ( iii ) Weighted average number of shares outstanding  
Nine months ended December 31, 2017: 116,886,344 shares      Nine months ended December 31, 2016: 116,886,528 shares

\* Consolidated Earnings Report is out of scope of the quarterly review.

This Consolidated Earnings Report is out of scope of the quarterly review procedures by our independent auditor in accordance with the Financial Instruments and Exchange Act.

\* Explanation for proper use of the forecasts, etc.

Consolidated forecasts stated herein have been prepared using information available on the date of release. Accordingly, forecasts may differ significantly from actual results due to a variety of reasons. For the assumptions for forecasts and cautions regarding the use of the forecasts, please refer to "(3) Explanation on Future Forecast Information including Consolidated Earnings Forecast" on page 8.

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## 1. Qualitative Information concerning Financial Results for the Third Quarter Ended December 31, 2017

### (1) Explanation about Operating Results

#### 1) Summary of operating results

Summarized results for the nine months ended December 31, 2017 were as follows.

(¥ million, %)

	Nine Months Ended December 31, 2016	Nine Months Ended December 31, 2017	Y on Y Change
Volume of business	1,697,699	1,779,933	4.8
Revenues	269,102	296,798	10.3
Gross profit	93,277	98,999	6.1
Profit before tax	34,244	36,221	5.8
Net income attributable to owners of the parent	24,106	26,461	9.8

During the nine months ended December 31, 2017, while China's financial authorities tightened monetary policy, the global economy continued to show a moderate expansion due mainly to steady expansion of the U.S. economy and solid growth of the U.K. economy. In Japan, the economy showed a moderate recovery including an increase in capital investments due to continuing monetary easing policy and economic policy.

Under such circumstances, Hitachi Capital aims to achieve its target through "Change" and "Growth" insusceptible to the business environment and fulfill our Mission "We will be conscientious of the global environment and aim to become a Social Values Creating Company that provides new values to realize social development and richer life for people."

Under the FY2016-FY2018 Mid-Term Management Plan announced on June 2016, the Company is aiming to increase ROE through ROA improvement, with Global Business (Europe, the Americas, China, ASEAN) maintaining high and systematic growth and with Japan Business improving profitability by focusing on growing sectors and improving operational efficiency. Also, we actively execute strategic investment in M&A, IT and human resources to support business growth. From April 2017, we added "sales finance," our strength, to the group common strategy to pursue low cost operation and provide added value. In August 2016, the Company has established the framework of collaboration by entering into (1) a business alliance agreement regarding an open financial platform with Hitachi, Ltd. ("Hitachi"), Mitsubishi UFJ Financial Group, Inc. ("MUFG"), the Bank of Tokyo-Mitsubishi UFJ, Ltd. ("BTMU") and Mitsubishi UFJ Lease & Finance Company Limited ("MUL") with an aim to contribute to Japanese equipment manufacturers and engineering companies engaging in infrastructure projects, and (2) a business alliance agreement with MUL with an aim to expand business domains and strengthen financial service functions including capabilities to provide solutions.

During the nine months ended December 31, 2017, Japan Business promoted expansion of its focused sectors consisting of Growing sectors (Social infrastructure, Eco- and energy- related, Vehicle, Local governments/public) and Start-up (green shoots) sectors to be developed (Food, Security, and BPO). In Social infrastructure sector, we consolidated the front function of our real estate lease business into Hitachi Capital Community Corporation in October 2017 and have established a system to provide real estate solutions including real estate leasing and facility development, operation and management. In Food sector, we started strawberry production in October 2017 in Yomitan Village, Okinawa and the sales in December 2017 with an aim to contribute to local revitalization. We are promoting structural reform in fundamental/restructuring sectors (vendor solution, healthcare, and agriculture), and in October 2017, we consolidated the front function of vendor solution business in information/telecommunication sector, healthcare sector, and agriculture sector into Hitachi Capital NBL Corporation. In the future, we will integrate core systems and aim to enhance competitiveness of vendor solution business by improving service quality. In

addition, we launched a fully fledged “Working method transformation” project in April 2017 and have worked on a structural reform of operations and advanced IT utilization, with an aim to ensure growth of both our employees and the Company through productivity improvement and effective time management.

In Global Business, the U.K. government sent formal notice of its intention to withdraw from the EU in March 2017, but it had little impact on the business environment of our Europe business, and our U.K. business has grown steadily. In addition, we established a new sales office in Amsterdam, the Netherlands in September 2017 aiming for a stable growth in continental Europe, and made Lease Visie B.V. in the Netherlands our subsidiary in November 2017 as a part of a strategy to strengthen Vehicle Solution business. In China business, with an aim to enable flexible funding, investments in infrastructure projects and further enhancement of financial arrangement in Chinese market, we conducted a structural reorganization to make our Hong Kong subsidiary Hitachi Capital Management (China) Ltd. an intermediate holding company in November 2017, and issued the first foreign currency denominated green bonds in Asia as a Japanese company in December 2017.

Under the business alliance agreement with the Company, Hitachi, MUFG, BTMU and MUL, Japan Infrastructure Initiative Company Limited (“JII”) started operations in April 2017 and has promoted an open financial platform. As a result of such efforts, JII made an investment, in September 2017, in High Speed 1 of the high-speed rail in the U.K. (operation and maintenance of 109-kilometer high-speed railway connecting St Pancras International in London to the Channel Tunnel and four stations along the routes, etc.).

As a result, consolidated volume of business for the nine months ended December 31, 2017 increased 4.8% year on year to ¥1,779,933 million as each area of Global Business showed almost solid performance mainly in Europe, despite a decrease in Japan Business due to the closing of factoring business.

Revenues increased 10.3% year on year to ¥296,798 million, gross profit increased 6.1% year on year to ¥98,999 million, profit before tax increased 5.8% year on year to ¥36,221 million and net income attributable to owners of the parent increased 9.8% year on year to ¥26,461 million, due to almost solid performance in each area of Global Business in addition to solid performance of Japan Business with an increase in Social infrastructure (real estate lease.)

Results by segment for the nine months ended December 31, 2017 were as follows.

Effective October 1, 2017, part of healthcare business and agriculture business were transferred to Vendor Solution, and accordingly the segments were revised mainly in Account Solution and Vendor Solution. The figures by segment are presented based on the new segments.

(Account Solution)

Revenues increased 6.3% year on year to ¥154,416 million due to a steady performance of Social infrastructure (real estate lease). As a result, profit before tax increased 5.4% to ¥13,630 million.

(Vendor Solution)

Revenues decreased 2.6% year on year to ¥19,757 million due to a decrease in revenues from re-lease and finance-related income. Profit before tax increased 0.6% to ¥4,178 million due to a decrease in selling, general and administrative expenses.

(Europe)

Revenues increased 19.6% year on year to ¥74,844 million due to solid performance of U.K. business and consolidation of Noordlease Holding B.V. as a subsidiary in January 2017.

Profit before tax increased only 9.3% to ¥13,261 million due to costs associated with permission from the Financial Conduct Authority (FCA) of U.K. despite an increase in revenues and a decrease in bad debt expenses.

(The Americas)

Revenues increased 24.8% to ¥16,044 million due to business acquisition from Creekridge Capital LLC in June 2016, in addition to a strong performance in factoring business and Canada business.

Profit before tax increased only 2.0% to ¥2,978 million due to an increase in bad debt caused by stagnant large truck market despite an increase in revenues.

(China)

Revenues increased 7.0% to ¥12,734 million due to a steady growth of businesses in mainland China and Hong Kong.

Profit before tax increased only 2.7% year on year to ¥5,869 million due to an increase in financing costs associated with an interest rate rise despite an increase in revenues and a decrease in bad debt expenses.

(ASEAN)

Revenues increased 18.7% year on year to ¥11,678 million due to increases in revenues in Singapore, Thailand, Malaysia, and Indonesia.

Profit before tax increased 303.6% to ¥733 million due to a decrease in bad debt expenses as a result of reinforced credit collection efforts in addition to an increase in revenues.

## 2) Key management indicators (Annualized)

	(%)	
	Nine Months Ended December 31, 2016	Nine Months Ended December 31, 2017
ROE	9.4	9.7
ROA	1.4	1.4
Ratio of equity attributable to owners of the parent	10.7	10.9

### (2) Explanation about Consolidated Financial Position

#### 1) Assets, liabilities and net assets

Financial position as of December 31, 2017 was as follows:

	As of March 31, 2017	As of December 31, 2017	Change	
			Amount	%
Total assets	3,245,029	3,462,026	216,996	6.7
Interest-bearing debt	2,546,720	2,828,029	281,308	11.0
Total equity	363,178	392,449	29,271	8.1

#### i . Total assets

Total assets as of December 31, 2017 increased ¥216,996 million from March 31, 2017 to ¥3,462,026 million due to an increase in trade and other receivables mainly in Europe and the Americas.

#### ii . Interest-bearing debt

Interest-bearing debt as of December 31, 2017 increased ¥281,308 million from March 31, 2017 to ¥2,828,029 million due mainly to an increase in corporate bond.

#### iii . Total equity

Total equity as of December 31, 2017 increased ¥29,271 million from March 31, 2017 to ¥392,449 million, and major components consist of net income attributable to owners of the parent of ¥26,461 million and cash dividends paid of ¥10,052 million, and an increase in accumulated other comprehensive income of ¥12,206 million due mainly to an increase in foreign currency translation adjustments.

## 2) Cash flows

Cash flows during nine months ended December 31, 2017 were as follows:

(¥ million)

	Nine Months Ended December 31, 2016	Nine Months Ended December 31, 2017	Change
Cash flows from operating activities	(135,671)	(157,865)	(22,194)
Cash flows from investing activities	(30,141)	(15,025)	15,115
Cash flows from financing activities	189,253	216,074	26,821
Free cash flow	(165,813)	(172,891)	(7,078)

### i . Cash flows from operating activities

Net cash used in operating activities was ¥157,865 million primarily due to purchase of operating leased assets of ¥142,253 million, decrease in trade and other payables of ¥76,816 million, an increase in trade and other receivables of ¥45,887 million, and proceeds from sale of operating leased assets of ¥26,394 million.

### ii . Cash flows from investing activities

Net cash used in investing activities was ¥15,025 million primarily due to purchase of other property, plant and equipment of ¥6,251 million, purchase of other intangible assets of ¥3,616 million, and payment for acquisition of subsidiary's shares resulting in changes in scope of consolidation of ¥4,535 million.

### iii . Cash flows from financing activities

Net cash provided by financing activities was ¥216,074 million primarily due to proceeds from long-term borrowings and bonds of ¥577,665 million, payments on long-term borrowings and bonds of ¥431,550 million, and an increase in short-term borrowings of ¥80,853 million.

As a result, cash and cash equivalent as of December 31, 2017 increased ¥44,261 million from March 31, 2017 to ¥222,342 million. Free cash flow, a sum of cash flows from operating and investing activities, resulted in cash outflows of ¥172,891 million, an increase of ¥7,078 million from the nine months ended December 31, 2016.

(3) Explanation on Future Forecast Information including Consolidated Earnings Forecast

Consolidated results for the nine months ended December 31, 2017 reflected steady performance in both Japan and Global Business. In the three months ending March 31, 2018, we plan to make strategic investments, with an aim to exceed ¥50 billion of profit before tax as set out in the “Mid-Term Management Plan” through March 31, 2019 and to achieve further growth thereafter.

Consolidated earnings forecast based on the situations described above is presented below, which has not changed from the forecast announced on October 31, 2017.

(¥ million)

	Fiscal Year Ending March 31, 2018
Volume of business	2,300,000
Revenues	400,600
Gross profit	132,600
Profit before tax	43,000
Net income attributable to owners of the parent	30,500
Basic earnings per share attributable to owners of the parent	¥260.94

Consolidated earnings forecasts stated herein have been prepared based on the information available to the Company at the time this report was prepared, and contain certain potential risks and uncertainties. Accordingly, it should be noted that the actual results may differ from these forecasts due to changes in various factors.

(4) Basic Policy for Profit Distribution

1) Cash dividends

The Company will secure internal reserves necessary to ensure a sound financial position and proactively execute strategic investment corresponding to changes in business environment, in order to enhance corporate value and achieve sustainable growth. Also, we position returning profits to the shareholders as one of the most important management measures and maintain a stable distribution of dividends.

2) Acquisition of treasury stock

The Group acquires treasury stock as a supplementary measure to dividends in returning profit to shareholders to the extent that is in line with the dividend policy, based on the comprehensive consideration about capital needs to maintain financial position and carry out business plans and the market environment.



**2. Matters concerning Summary Information (Notes)**

(1) Changes in Material Subsidiaries during the Period  
Not applicable

(2) Changes to Accounting Policies and Estimates  
Not applicable

### 3. Summary of Quarterly Consolidated Financial Statements and Major Notes

#### (1) Summary of Quarterly Consolidated Statements of Financial Position

	(¥ million)	
	As of March 31, 2017	As of December 31, 2017
<b>Assets</b>		
Cash and cash equivalents	178,081	222,342
Trade and other receivables	1,288,511	1,382,327
Finance lease receivables	1,124,531	1,140,194
Other financial assets	85,834	78,805
Operating leased assets	393,328	441,123
Investments accounted for using the equity method	33,059	33,599
Other property, plant and equipment	57,249	62,443
Other intangible assets	29,495	34,518
Deferred tax assets	18,479	17,127
Other assets	36,458	49,543
Total assets	3,245,029	3,462,026
<b>Liabilities</b>		
Trade and other payables	175,429	81,746
Borrowings and bonds	2,546,720	2,828,029
Other payables	13,580	11,809
Other financial liabilities	54,477	59,723
Income tax payable	5,186	4,656
Retirement and severance benefits	9,029	8,533
Deferred tax liabilities	2,733	2,989
Other liabilities	74,694	72,088
Total liabilities	2,881,851	3,069,577
<b>Equity</b>		
Equity attributable to owners of the parent		
Common stock	9,983	9,983
Capital surplus	45,600	45,202
Retained earnings	312,736	329,453
Accumulated other comprehensive income	(4,139)	8,066
Treasury stock	(14,335)	(14,335)
Total equity attributable to owners of the parent	349,844	378,371
Non-controlling interests	13,333	14,078
Total equity	363,178	392,449
Total liabilities and equity	3,245,029	3,462,026

## (2) Summary of Quarterly Consolidated Statements of Profit or Loss and Comprehensive Income

## Summary of Quarterly Consolidated Statements of Profit or Loss

(¥ million)

	Nine Months Ended December 31, 2016 (April 1, 2016 to December 31, 2016)	Nine Months Ended December 31, 2017 (April 1, 2017 to December 31, 2017)
Revenues	269,102	296,798
Cost of sales	175,824	197,798
Gross profit	93,277	98,999
Selling, general and administrative expenses	60,994	63,824
Other income	715	294
Other expenses	134	238
Share of profits of investments accounted for using the equity method	1,380	990
Profit before tax	34,244	36,221
Income taxes	9,252	8,907
Net income	24,991	27,313
Net income attributable to:		
Owners of the parent	24,106	26,461
Non-controlling interests	885	851
Earnings per share		
Earnings per share attributable to owners of the parent (basic and diluted)	¥206.24	¥226.39

## Summary of Quarterly Consolidated Statements of Comprehensive Income

(¥ million)

	Nine Months Ended December 31, 2016 (April 1, 2016 to December 31, 2016)	Nine Months Ended December 31, 2017 (April 1, 2017 to December 31, 2017)
Net income	24,991	27,313
Other comprehensive income		
Items not to be reclassified to net income		
Financial assets measured at fair value through other comprehensive income	1,232	2,686
Share of other comprehensive income of investments accounted for using the equity method	56	58
Total items not to be reclassified to net income	1,289	2,744
Items that can be reclassified to net income		
Foreign currency translation adjustments	(4,963)	9,564
Cash flow hedges	575	220
Share of other comprehensive income of investments accounted for using the equity method	6	88
Total items that can be reclassified to net income	(4,381)	9,872
Other comprehensive income	(3,091)	12,617
Comprehensive income	21,900	39,930
Comprehensive income attributable to:		
Owners of the parent	21,061	39,001
Non-controlling interests	838	929

(3) Summary of Quarterly Consolidated Statements of Changes in Equity  
For the Nine Months Ended December 31, 2016 (April 1, 2016 - December 31, 2016)

(¥ million)

	Equity attributable to equity holders of the parent					Total equity attributable to equity owners of the parent	Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock			
As of April 1, 2016	9,983	45,828	289,745	4,280	(14,334)	335,503	12,056	347,559
Changes in equity								
Net income			24,106			24,106	885	24,991
Other comprehensive income				(3,045)		(3,045)	(46)	(3,091)
Comprehensive income for the period			24,106	(3,045)		21,061	838	21,900
Dividends to equity owners of the parent			(9,935)			(9,935)		(9,935)
Dividends to non-controlling interests							(300)	(300)
Acquisition of treasury stock					(0)	(0)		(0)
Equity transactions with non-controlling interests		0		0		0	20	21
Acquisition of non-controlling interests							391	391
Total changes in equity	—	0	14,171	(3,045)	(0)	11,126	950	12,076
As of December 31, 2016	9,983	45,828	303,916	1,235	(14,335)	346,629	13,007	359,636

For the Nine Months Ended December 31, 2017 (April 1, 2017 - December 31, 2017)

(¥ million)

	Equity attributable to equity holders of the parent					Total equity attributable to equity owners of the parent	Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock			
As of April 1, 2017	9,983	45,600	312,736	(4,139)	(14,335)	349,844	13,333	363,178
Changes in equity								
Net income			26,461			26,461	851	27,313
Other comprehensive income				12,539		12,539	77	12,617
Comprehensive income for the period			26,461	12,539		39,001	929	39,930
Dividends to equity owners of the parent			(10,052)			(10,052)		(10,052)
Dividends to non-controlling interests							(278)	(278)
Acquisition of treasury stock					(0)	(0)		(0)
Disposal of treasury stock		0			0	0		0
Transfer to retained earnings				(307)		(307)		(307)
Transfer from accumulated other comprehensive income			307			307		307
Equity transactions with non-controlling interests		(397)		(25)		(422)	(177)	(600)
Acquisition of non-controlling interests							271	271
Total changes in equity	—	(397)	16,717	12,206	(0)	28,526	744	29,271
As of December 31, 2017	9,983	45,202	329,453	8,066	(14,335)	378,371	14,078	392,449

## (4) Summary of Quarterly Consolidated Statements of Cash Flows

(¥ million)

	Nine Months Ended December 31, 2016 (April 1, 2016 to December 31, 2016)	Nine Months Ended December 31, 2017 (April 1, 2017 to December 31, 2017)
<b>Cash flows from operating activities</b>		
Net income	24,991	27,313
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	74,678	87,187
Income taxes	9,252	8,907
Share of profits of investments accounted for using the equity method	(1,380)	(990)
(Increase) decrease in trade and other receivables	(5,572)	(45,887)
(Increase) decrease in finance lease receivables	(58,529)	(34,008)
Purchase of operating leased assets	(105,310)	(142,253)
Proceeds from sale of operating leased	24,187	26,394
Increase (decrease) in trade and other payables	(69,490)	(76,816)
Increase (decrease) in payable due to collection of securitized receivables	(3,689)	(1,102)
Other	(15,431)	2,134
Subtotal	(126,293)	(149,119)
Income taxes paid	(9,377)	(8,745)
Net cash provided by (used in) operating	(135,671)	(157,865)
<b>Cash flows from investing activities</b>		
Purchase of other property, plant and equipment	(3,258)	(6,251)
Purchase of other intangible assets	(2,929)	(3,616)
Purchase of investments in securities and payments to time deposits	(15,282)	(2,424)
Proceeds from sale and redemption of investments	3,567	2,429
Proceeds from acquisition of subsidiary's shares resulting in changes in scope of consolidation	3,087	—
Payment for acquisition of subsidiary's shares resulting in changes in scope of consolidation	—	(4,535)
Purchase of investments accounted for using the equity method	(1,048)	(328)
Payments for transfer of business	(9,790)	—
Payments for setup of an entity accounted for using the equity method	(9,510)	—
Net decrease (increase) in short-term loans receivable	5,000	—
Payments of long-term loans receivable	—	(356)
Other	23	57
Net cash provided by (used in) investing activities	(30,141)	(15,025)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	94,766	80,853
Proceeds from long-term borrowings and bonds	458,185	577,665
Payments on long-term borrowings and bonds	(353,491)	(431,550)
Proceeds from payments from non-controlling interests	20	—
Dividends paid to owners of the parent	(9,927)	(10,049)
Dividends paid to non-controlling interests	(300)	(278)
Purchase of shares of consolidated subsidiaries from non-controlling interests	—	(565)
Other	(0)	(0)
Net cash provided by (used in) financing activities	189,253	216,074
Effect of exchange rate changes on cash and cash equivalents	882	1,077
Net increase (decrease) in cash and cash equivalents	24,322	44,261
Cash and cash equivalents at beginning of period	157,091	178,081
Cash and cash equivalents at end of period	181,413	222,342

## (5) Summary of Notes to the Quarterly Consolidated Financial Statements

(Notes concerning going concern)

Not applicable

(Segment information)

## I For the Nine Months Ended December 31, 2016 (April 1, 2016 - December 31, 2016)

Information on revenues and income or loss for the respective reporting segments

	Reportable segments							Other	Total	Adjustments	Consolidated statements of profit or loss
	Japan		Europe	The Americas	China	ASEAN	Total				
	Account Solution	Vendor Solution									
Revenues											
External customers	144,489	20,231	62,580	12,852	11,903	9,841	261,899	11,127	273,026	(3,924)	269,102
Intersegment	805	48	—	—	—	—	854	770	1,625	(1,625)	—
Total	145,295	20,280	62,580	12,852	11,903	9,841	262,753	11,898	274,651	(5,549)	269,102
Profit before tax	12,934	4,154	12,133	2,919	5,715	181	38,038	983	39,022	(4,777)	34,244

(¥ million)

(Notes)

1. "Other" includes business segments not included in any other reportable segments and includes companies transforming its business structure through business development and revitalization.
2. Adjustment of profit before tax represents company-wide expense that is not allocated to any reportable segments. The company-wide expense mainly comprises general and administrative expenses that are not allocated to reportable segments.
3. The Group does not allocate assets and liabilities to the reportable segment used by the chief operating decision maker.
4. Inter-segment transactions are executed on an arm's length basis.
5. Effective October 1, 2017, part of healthcare business and agriculture business were transferred to vendor solution business, and accordingly the segments were revised mainly in Account Solution and Vendor Solution. The figures by segment are presented based on the new segments.

## II For the Nine Months Ended December 31, 2017 (April 1, 2017 - December 31, 2017)

Information on revenues and income or loss for the respective reporting segments

	Reportable segments							Other	Total	Adjustments	Consolidated statements of profit or loss
	Japan		Europe	The Americas	China	ASEAN	Total				
	Account Solution	Vendor Solution									
Revenues											
External customers	153,886	19,689	74,844	16,044	12,734	11,678	288,877	10,639	299,517	(2,719)	296,798
Intersegment	530	68	—	—	—	—	598	823	1,422	(1,422)	—
Total	154,416	19,757	74,844	16,044	12,734	11,678	289,476	11,463	300,939	(4,141)	296,798
Profit before tax	13,630	4,178	13,261	2,978	5,869	733	40,651	949	41,601	(5,379)	36,221

(¥ million)

(Notes)

1. "Other" includes business segments not included in any other reportable segments and includes companies transforming its business structure through business development and revitalization.
2. Adjustment of profit before tax represents company-wide expense that is not allocated to any reportable segments. The company-wide expense mainly comprises general and administrative expenses that are not allocated to reportable segments.
3. The Group does not allocate assets and liabilities to the reportable segment used by the chief operating decision maker.
4. Inter-segment transactions are executed on an arm's length basis.
5. Effective October 1, 2017, part of healthcare business and agriculture business were transferred to vendor solution business, and accordingly the segments were revised mainly in Account Solution and Vendor Solution. The figures by segment are presented based on the new segments.

(Significant subsequent events)

Not applicable

#### 4. Supplementary Information

##### (1) Change in Quarterly Consolidated Performance

Consolidated Results for the Year Ending March 31, 2018

(¥ million, %)

	No.	Fiscal Year Ended March 31, 2017		Fiscal Year Ending March 31, 2018			
		Third Quarter (Results)	Nine Months Ended December 31, 2016 (Results)	Third Quarter (October to December) (Results)		Nine Months Ended December 31, 2017 (April to December) (Results)	
					Y on Y		Y on Y
Revenues	1	89,887	269,102	101,109	12.5	296,798	10.3
Cost of sales	2	58,770	175,824	67,192	14.3	197,798	12.5
Gross profit	3	31,117	93,277	33,916	9.0	98,999	6.1
Selling, general and administrative expenses	4	20,171	60,994	21,946	8.8	63,824	4.6
Other income	5	185	715	214	15.6	294	(58.8)
Other expenses	6	35	134	164	361.0	238	77.5
Share of profits of investments accounted for using the equity method	7	306	1,380	151	(50.7)	990	(28.3)
Profit before tax	8	11,402	34,244	12,172	6.7	36,221	5.8
Income taxes	9	3,042	9,252	2,479	(18.5)	8,907	(3.7)
Net income	10	8,360	24,991	9,692	15.9	27,313	9.3
Net income attributable to:							
Owners of the parent	11	7,942	24,106	9,218	16.1	26,461	9.8
Non-controlling interests	12	417	885	474	13.6	851	(3.8)
Earnings per share							
Earnings per share attributable to owners of the parent (basic and diluted)	13	¥67.95	¥206.24	¥78.87	16.1	¥226.39	9.8

(2) Contract Segment Information

1. For the Nine Months Ended December 31, 2016 (April 1, 2016 - December 31, 2016)

(¥ million, %)

	No.	Domestic consolidated				Overseas consolidated				Consolidated Total
		Lease	Factoring and loans	Installments and others	Total	Lease	Factoring and loans	Installments and others	Total	
Volume of business (Composition %) (Y on Y Change %)	1	360,216 (21) (-6)	250,754 (15) (-28)	148,505 (9) (-2)	759,475 (45) (-14)	197,080 (12) (-6)	567,603 (33) (41)	173,539 (10) (-14)	938,223 (55) (15)	1,697,699 (100) (0)
Operating assets (Composition %) (Y on Y Change %)	2	1,055,625 (36) (3)	237,114 (8) (-37)	313,545 (11) (-2)	1,606,286 (55) (-7)	453,034 (15) (11)	454,025 (15) (-10)	448,553 (15) (8)	1,355,613 (45) (2)	2,961,900 (100) (-3)

2. For the Nine Months Ended December 31, 2017 (April 1, 2017 - December 31, 2017)

(¥ million, %)

	No.	Domestic consolidated				Overseas consolidated				Consolidated Total
		Lease	Factoring and loans	Installments and others	Total	Lease	Factoring and loans	Installments and others	Total	
Volume of business (Composition %) (Y on Y Change %)	1	363,817 (20) (1)	201,414 (11) (-20)	150,706 (9) (1)	715,937 (40) (-6)	195,011 (11) (-1)	692,274 (39) (22)	176,708 (10) (2)	1,063,995 (60) (13)	1,779,933 (100) (5)
Operating assets (Composition %) (Y on Y Change %)	2	1,094,007 (35) (4)	168,619 (5) (-29)	302,262 (10) (-4)	1,564,889 (50) (-3)	511,963 (16) (13)	580,440 (19) (28)	468,416 (15) (4)	1,560,820 (50) (15)	3,125,709 (100) (6)

(Notes)

1. "Lease" includes lease rentals, auto leases and other items.
2. "Factoring and loans" includes factoring, business loans (including home loans).
3. "Installments and others" include installment sales, loan sales through alliances, card services and other items.



## (3) Segment Information by Business

(Consolidated Business Volume)

(¥ million, %)

	No.	Nine Months Ended December 31, 2016		Nine Months Ended December 31, 2017		Y on Y change	
			Composition		Composition		
Japan	Account Solution	1	604,267	35.7	565,734	31.8	(6.4)
	Wholesale	2	468,955	27.7	429,995	24.2	(8.3)
	Information equipment related	3	152,562	9.0	143,139	8.0	(6.2)
	Industrial construction machinery related	4	52,506	3.1	38,268	2.2	(27.1)
	Commercial logistics related	5	32,706	2.0	62,303	3.5	90.5
	Factoring	6	111,817	6.6	45,784	2.6	(59.1)
	Card	7	47,686	2.8	51,109	2.9	7.2
	Others	8	71,675	4.2	89,390	5.0	24.7
	Vehicle	9	39,260	2.3	39,865	2.2	1.5
	Residential CMS	10	94,704	5.6	95,641	5.4	1.0
	Others	11	1,346	0.1	231	0.0	(82.8)
Vendor Solution	12	134,462	7.9	134,343	7.6	(0.1)	
Europe	13	348,389	20.5	418,445	23.5	20.1	
The Americas	14	354,395	20.9	395,580	22.2	11.6	
China	15	168,753	9.9	172,983	9.7	2.5	
ASEAN	16	66,685	3.9	76,985	4.3	15.4	
Others	17	21,951	1.3	17,458	1.0	(20.5)	
Elimination and others	18	(1,205)	(0.1)	(1,599)	(0.1)	32.6	
Consolidated business volume	19	1,697,699	100.0	1,779,933	100.0	4.8	

## (Notes)

1. Account Solution: Provide solutions to meet diversifying needs of customers such as corporates, public offices, agriculture and medical services by combining our various functions such as lease, installments, insurance and trust, and in collaboration with partners, including the Hitachi Group.
2. Vendor Solution: Provide solutions to meet associated vendors' needs for sales promotion with the Group's financial services, mainly lease and installments.
3. Europe, the Americas, China, ASEAN: Provide solutions to customers and vendors in each area with the Group's wide range of financial services, and in collaboration with partners, including the Hitachi Group.
4. Effective October 1, 2017, part of healthcare business and agriculture business were transferred to vendor solution business, and accordingly the segments were revised mainly in Account Solution and Vendor Solution. The figures by segment are presented based on the new segments.