
Consolidated Financial Results Summary for the First Quarter ended June 30, 2018

August 2, 2018

 **Hitachi Capital Corporation**

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for the First Quarter of FY2018**
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1. Summary of Consolidated Financial Results for the First Quarter of FY2018

(Millions of yen)

	FY2017/1Q Results	FY2018/1Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	577,244	666,608	115%	6,199	114%
Revenues	98,311	115,798	118%	1,504	116%
Cost of sales	65,846	80,634	122%	1,041	121%
Gross profit	32,465	35,164	108%	462	107%
Selling, general and administrative expenses	21,084	22,346	106%	245	105%
Profit before tax	11,801	13,543	115%	217	113%
Net income attributable to owners of the parent	8,154	10,027	123%	175	121%
Operating assets	3,009,256	3,229,121	107%	▲14,242	108%
ROE	9.2%	10.7%	+1.4%	—	
ROA	1.6%	1.7%	+0.1%	—	
OHR	60.3%	57.6%	▲2.6%	—	
Yearly average currency exchange rate	Yen / £	142yen	149yen	+7yen	—
	Yen / US \$	111yen	109yen	▲2yen	—

2-1. Summary of Japan Business/Global Business

(Millions of yen)

		FY2017/1Q Results	FY2018/1Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	Japan Business	229,861	226,145	98%	—	—
	Global Business	347,382	440,462	127%	6,199	125%
Gross profit	Japan Business	15,892	16,517	104%	—	—
	Global Business	16,333	18,542	114%	462	111%
Profit before tax	Japan Business	6,589	8,186	124%	—	—
	Global Business	6,984	7,909	113%	217	110%
Operating assets	Japan Business	1,578,962	1,583,616	100%	—	—
	Global Business	1,430,294	1,645,505	115%	▲14,242	116%
ROA	Japan Business	1.6%	2.0%	+0.4%	—	—
	Global Business	2.0%	2.0%	▲0.0%	—	—
ROA (Local currency basis)	Global Business	2.0%	2.0%	▲0.1%	—	—

*Adjustments (company-wide expense) are not allocated to gross profit and profit before tax of Japan Business and Global Business.

2-2. Breakdown of Japan Business

(Millions of yen)

	Volume of business			Operating assets		
	FY2017/1Q Results	FY2018/1Q Results	Y on Y Change	FY2017/1Q Results	FY2018/1Q Results	Y on Y Change
Total of Japan Business	229,861	226,145	98%	1,578,962	1,583,616	100%
Account Solution	175,105	176,915	101%	966,270	1,004,474	104%
(of which, excluding factoring)	154,395	166,533	108%	914,751	992,019	108%
Vendor Solution	47,072	46,871	100%	417,216	425,029	102%
Total of reportable segments	222,177	223,786	101%	1,383,487	1,429,503	103%
(of which, excluding factoring)	201,467	213,404	106%	1,331,968	1,417,048	106%
Other	8,391	2,669	32%	195,474	154,112	79%

	Gross profit			Profit before tax		
	FY2017/1Q Results	FY2018/1Q Results	Y on Y Change	FY2017/1Q Results	FY2018/1Q Results	Y on Y Change
Total of Japan Business	15,892	16,517	104%	6,589	8,186	124%
Account Solution	9,282	9,917	107%	5,031	6,136	122%
(of which, excluding factoring)	9,251	9,901	107%	5,030	6,130	122%
Vendor Solution	4,016	3,996	99%	1,263	1,527	121%
Total of reportable segments	13,299	13,914	105%	6,294	7,663	122%
(of which, excluding factoring)	13,268	13,897	105%	6,294	7,657	122%
Other	2,593	2,602	100%	295	522	177%

*Adjustments (company-wide expense) are not allocated to total of Japan Business.

*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.

2-3. Breakdown of Global Business(1): Europe, The Americas

■ Europe (UK, Poland, the Netherlands)

(Millions of yen)

	FY2017/1Q Results	FY2018/1Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	133,599	175,325	131%	7,789	125%
Gross profit	9,020	10,773	119%	486	114%
Profit before tax	4,062	4,434	109%	198	104%
Operating assets	645,602	784,175	121%	▲ 6,518	122%
ROA (Local currency basis)	2.6%	2.3%	▲0.3%	—	—

■ The Americas (US, Canada)

(Millions of yen)

	FY2017/1Q Results	FY2018/1Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	136,922	178,864	131%	▲ 3,312	133%
Gross profit	3,501	3,775	108%	▲ 69	110%
Profit before tax	930	1,146	123%	▲ 21	125%
Operating assets	336,608	386,169	115%	▲ 5,100	116%
ROA (Local currency basis)	1.2%	1.3%	+0.1%	—	—

2-3. Breakdown of Global Business(2): China, ASEAN

■ China (Hong Kong, Mainland China)

(Millions of yen)

	FY2017/1Q Results	FY2018/1Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	54,480	59,803	110%	910	108%
Gross profit	2,418	2,404	99%	32	98%
Profit before tax	1,774	1,857	105%	28	103%
Operating assets	321,362	340,792	106%	▲ 1,969	107%
ROA (Local currency basis)	2.2%	2.2%	▲0.0%	—	—

■ ASEAN (Singapore, Thailand, Malaysia, Indonesia)

(Millions of yen)

	FY2017/1Q Results	FY2018/1Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	22,379	26,468	118%	812	115%
Gross profit	1,393	1,588	114%	14	113%
Profit before tax	216	471	217%	11	212%
Operating assets	126,720	134,367	106%	▲ 654	107%
ROA (Local currency basis)	0.7%	1.4%	+0.7%	—	—

3. Consolidated Financial Forecast for FY2018

(Millions of yen)

	FY2017 Results	FY2018 Forecasts	Y on Y Change	
Volume of business	2,509,327	2,410,000	96%	
Revenues	404,124	442,400	109%	
Cost of sales	272,425	302,900	111%	
(of which, cost of capital)	30,288	41,000	135%	
Gross profit	131,698	139,500	106%	
Selling, general and administrative expenses	86,274	91,300	106%	
Profit before tax	44,295	50,000	113%	
Net income attributable to owners of the parent	32,057	35,700	111%	
Dividend per share (yen)	86 yen	92 yen	—	
Payout ratio	31.4%	30.1%	▲1.2%	
ROE	8.8%	9.2%	+0.4%	
ROA	1.4%	1.5%	+0.1%	
OHR	60.9%	59.4%	▲1.4%	
Yearly average currency exchange rate	Yen / £	147 yen	140 yen	Exchange sensitivity (*1) : Approx. 120 million yen
	Yen / US \$	110 yen	108 yen	Exchange sensitivity (*1) : Approx. 50 million yen

(*1) The impact on Profit before tax in case JPY vs £/\$ changed 1 yen (FY2018 forecasts)

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Note:

This document contains forward - looking statements with respect to future results, performance and achievements that are subject to risk and uncertainties and reflect management's views and assumptions formed using information available at the time. Accordingly, forecasts may differ from actual results due to a variety of factors.

Appendix

Breakdown of Cost of Sales/SG&A

■ Breakdown of cost of sales

(Millions of yen)

	FY2017/1Q Results	FY2018/1Q Results	Y on Y Change
Cost of sales	65,846	80,634	122%
(of which, cost of capital)	6,972	8,852	127%

■ Breakdown of SG&A

(Millions of yen)

	FY2017/1Q Results	FY2018/1Q Results	Y on Y Change
Selling, general and administrative expenses	21,084	22,346	106%
(of which, personnel costs)	11,664	12,303	105%
(of which, business management expenses, etc.)	7,902	7,961	101%
(of which, bad debt-related expenses)	1,518	2,080	137%

Quarterly Credit Trends by Region

	Credit loss ratio				Credit loss(Millions of yen)			
	Annually Accumulated			1Q Accumulated	Annually Accumulated			1Q Accumulated
	FY2015 Results	FY2016 Results	FY2017 Results	FY2018/1Q Results	FY2015 Results	FY2016 Results	FY2017 Results	FY2018/1Q Results
Total	0.16%	0.15%	0.20%	0.19%	5,327	5,103	6,452	1,502
Japan	0.06%	0.04%	0.05%	0.06%	1,125	823	812	234
Europe	0.28%	0.26%	0.22%	0.21%	1,797	1,613	1,705	405
The Americas	0.30%	0.41%	0.79%	0.55%	739	1,357	2,652	533
Asia	0.36%	0.27%	0.28%	0.28%	1,667	1,309	1,281	329