

**Consolidated Third Quarter Earnings Report [IFRS]**

For the Nine Months Ended December 31, 2020

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Stock Listing: Tokyo Stock Exchange

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Scheduled commencement of dividend payment: -

Preparation of supplementary material for quarterly financial results: Yes

Holding of quarterly financial results meeting: No

(All amounts rounded down)

## 1. Consolidated Financial Results for the Third Quarter Ended December 31, 2020 (April 1, 2020 – December 31, 2020)

## (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, 2020	341,322	0.9	30,254	(3.2)	22,666	(4.1)	21,943	(3.8)	27,108	13.3
Nine Months Ended December 31, 2019	338,343	0.1	31,244	(23.5)	23,635	(22.3)	22,821	(23.6)	23,930	3.8

	Earnings per share (basic)	Earnings per share (diluted)	ROE
	¥	¥	%
Nine Months Ended December 31, 2020	187.91	—	7.5
Nine Months Ended December 31, 2019	195.30	—	7.9

(Ref.) Volume of business: Nine Months Ended December 31, 2020: ¥ 1,310,909 million; Nine Months Ended December 31, 2019: ¥ 1,639,460 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, 2020	3,716,165	411,592	395,475	10.6	3,386.51
As of March 31, 2020	3,719,474	396,013	380,728	10.2	3,260.23

## 2. Dividends

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year End	For the Year
	¥	¥	¥	¥	¥
Year ended March 31, 2020	—	52.00	—	58.00	150.00
Year ending March 31, 2021	—	40.00	—		
Year ending March 31, 2021 (Forecast)				54.00	94.00

Note: Changes from the latest released dividend forecasts: None

As announced in "Re: Appropriation of Dividends (Special Dividends) from Retained Earnings," on July 29, 2019, the Company paid a special dividends of 40 yen per share with the record date of August 14, 2019. As the Company paid the annual dividend of 150 yen per share for the year ended March 31, 2020, consisting of two ordinary dividends (110 yen per share) and the special dividends, the total amount for the year ended March 31, 2020 in the above table shows equivalent amount.

## 3. Forecast for the Fiscal Year Ending March 31, 2021 (April 1, 2020 – March 31, 2021)

(% 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	%	¥
	450,200	(3.0)	38,500	(9.5)	29,000	(9.3)	27,500	(10.4)	235.49

Note: Changes from the latest released performance forecasts: None

(Ref.) Volume of business: Fiscal year: ¥1,755,000 million

\* Notes

- (1) Significant changes in subsidiaries during 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, 2020: 124,826,552 shares      As of March 31, 2020: 124,826,552 shares
  - ( ii ) Treasury stock at end of term  
As of December 31, 2020: 8,047,027 shares      As of March 31, 2020: 8,046,875 shares
  - ( iii ) Weighted average number of shares outstanding  
Nine months ended December 31, 2020: 116,779,609 shares      Nine months ended December 31, 2019: 116,856,712 shares

\* Consolidated Earnings Report is outside the scope of an audit by certified public accountants or an audit corporation.

\* 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 for a variety of reasons. For the assumptions used in forecasts and notes of caution regarding the use of the forecasts, please refer to “(3) Explanation on Future Forecast Information including Consolidated Earnings Forecast” on page 9.

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## 1. Qualitative Information concerning Financial Results for the Third Quarter Ended December 31, 2020

### (1) Explanation about Operating Results

#### 1) Summary of operating results

Summarized results for the nine months ended December 31, 2020 were as follows.

(¥ million, %)

	Nine Months Ended December 31, 2019	Nine Months Ended December 31, 2020	Y on Y Change
Volume of business	1,639,460	1,310,909	(20.0)
Revenues	338,343	341,322	0.9
Gross profit	100,300	98,797	(1.5)
Profit before tax	31,244	30,254	(3.2)
Net income attributable to owners of the parent	22,821	21,943	(3.8)

During the nine months ended December 31, 2020, the Group strived to steadily carry out “FY2019-FY2021 Mid-Term Management Plan” released in October 2019, while, in light of the global spread of the COVID-19, making various efforts to reduce infection risk through teleworking and staggered working hours, ensure implementation of BCP/BCM and recover the topline in the environment coexisting with the COVID-19, with the highest priority placed on the safety and health of our stakeholders including employees.

As a result, the main financial results (volume of business, revenues, and profit before tax, etc.) exceeded initial forecasts thanks mainly to an increase in electricity sales as a result of the expansion of the renewable energy business in Japan Business and a recovery of Global Business.

Major topics include an effort toward the realization of decarbonization society in the Environment/Energy business that was to boost Captive-consumption solar power generation business in collaboration with Bourbon Corporation in Japan using the roof of Bourbon’s Shibata Factory (Niigata Prefecture). In Thailand, to encourage the installation of the commercial solar self-consumption equipment within Hitachi Group, Hitachi Capital (Thailand) Co., Ltd. entered into a Memorandum of Understanding on collaboration in the solar power business with Hitachi Asia (Thailand) Co., Ltd. and SANTEC POWER SOLUTIONS CO., LTD.

In Mobility business, we acquired all shares of BOT LEASE (HONG KONG) COMPANY LIMITED, mainly engaging in car finance in the Hong Kong Special Administrative Region, from BOT Lease Co., Ltd. with an aim to expand its solutions and network. We also started a collaboration with Hitachi, Ltd. and Hitachi Transport System, Ltd. for sales of “SSCV(Smart & Safety Connected Vehicle)-Safety” system, which provides comprehensive support for safety driving management, with an aim to improve safety of drivers in transport operations.

In Life business, we signed a comprehensive partnership agreement on promotion of digital signage business with THE KOBE SHIMBUN to contribute to development of better urban environment, and started to provide digital signage solutions in a shopping complex in Kobe City and Kobe Airport.

We are also working on the establishing of a new business model and collaborating with Hitachi Solutions, Ltd. in developing a service model to provide comprehensive support for the subscription business of B to B companies.

In addition, we have been accelerating collaboration with partners on a global basis. In the U.K., Hitachi Capital (UK) PLC started collaborating with Hitachi Europe Ltd. on new net-zero solutions utilizing big data and AI for fleet owners, as well as, invested in GRIDSERVE Holdings Ltd, a leading sustainable energy business delivering networks of Electric Forecourts® that combine solar power, batteries, and high-power electric vehicle charging, to contribute to de-carbonization through accelerating the UK’s shift to electric vehicles and clean energy. In the U.S., Hitachi Capital America Corp. and Hitachi America, Ltd. each entered into strategic agreements with Workhorse Group Inc. to support Workhorse’s manufacture and distribution of electric vehicles for the last-mile delivery.

Meanwhile, in September 2020, Mitsubishi UFJ Lease & Finance Company Limited (“MUL”) and the Company concluded the business integration (“the Business Integration”) agreement and the merger agreement and agreed to change the trade name of the new integrated company to Mitsubishi HC Capital Inc. in November 2020.

Based on the capital and business alliance concluded in May 2016, the two companies have been in collaboration, including incorporation of the Japan Infrastructure Initiative Company Limited (“JII”) in order to reinforce the overseas infrastructure investment business. Also, the two companies had considered business integration as one of the options and constructively continued discussions to strengthen the relationship. Through that process, the two companies recognized that JII’s business had steadily progressed, and that the two companies’ businesses had little duplication and were in an ideal complementary relationship. Through that process, the two companies recognized that JII’s business had steadily progressed, and that the two companies’ businesses had little duplication and were in an ideal complementary relationship. Eventually, the two companies reached an agreement, determining that business integration through merger is the optimal means to promptly adapt to drastic environmental changes, pursue further increase of added values toward achieving social values creation and further open up new areas of their advanced asset businesses, based on a constructive discussion in the spirit of mutual respect and fairness.

As a result of the Business Integration, the two companies will become a global player in the sector in terms of size and business lines by being able to complement each other’s business domains and strengthen their respective management bases. Upon the Business Integration, a new integrated company will aim to create sustainable social value by operating an advanced asset business beyond the leasing business framework and providing customers with new value in countries and regions across the world.

The Business Integration is planned to be implemented and become effective on April 1, 2021 (the “Effective Date”), upon the approval to be granted at each of the extraordinary meetings of shareholders of the two companies planned to be held on February 26, 2021. The implementation of the Business Integration is premised on the receipt of necessary authorizations and approvals from relevant domestic and overseas authorities, as well as other approvals necessary for its taking effect.

Prior to the Effective Date, the common stock of Hitachi Capital is scheduled to be delisted as of March 30, 2021 (the last day of trading will be March 29, 2021) in the 1st Section of the Tokyo Stock Exchange, Inc.

(Schedule of the Business Integration)

Date of resolution at the board of directors’ meetings on the execution of the business integration and merger agreements, and the date of execution of these agreements (both companies)	September 24, 2020
Date of public notice of the record date for the extraordinary meetings of shareholders (both companies)	December 16, 2020
Record date of the extraordinary meetings of shareholders (both companies)	December 31, 2020
Date of resolution at the extraordinary meetings of shareholders (both companies)	February 26, 2021 (scheduled)
Last day of trading (Hitachi Capital)	March 29, 2021 (scheduled)
Delisting date (Hitachi Capital)	March 30, 2021 (scheduled)
Effective date of the Business Integration	April 1, 2021 (scheduled)

The Schedule of the Business Integration may be changed upon discussion and agreement between the two companies, according to the necessity in the procedures and other reasons.

\*For details, please refer to the news release, “Notice concerning Conclusion of Agreement on Business Integration through Merger between Mitsubishi UFJ Lease and Hitachi Capital” dated September 24, 2020.

During the nine months ended December 31, 2020, the movement of people and products were restricted through government restrictions or self-restraint on outings due to the global spread of the COVID-19, causing various restrictions on economic activities and decreases in corporate capital investments and

personal consumption; and the Group's volume of business dropped 20.0% year on year to ¥1,310,909 million.

Revenues increased 0.9% year on year to ¥341,322 million thanks mainly to an increase in electricity sales as a result of the expansion of the renewable energy business in Japan Business and a recovery of Global Business, but profit before tax decreased 3.2% year on year to ¥30,254 million due to recording preparation cost associated with the Business Integration with MUL.

However, volume of business, revenues, and profit before tax exceeded the initial forecasts and generally showed steady growth.

Results by segment for the nine months ended December 31, 2020 were as follows.

(Japan: Account Solution)

Revenues increased 5.6% year on year to ¥179,038 million and profit before tax increased 17.5% to ¥16,187 million thanks mainly to a steady performance of Environment/Energy business.

(Japan: Vendor Solution)

Revenues decreased 2.7% year on year to ¥18,403 million mainly due to a decrease in the volume of business because of the spread of the COVID-19.

Profit before tax increased 13.6% year on year to ¥5,481 million thanks mainly to a decrease in selling, general and administrative expenses despite a decrease in revenues.

(Europe)

Revenues increased 1.6% year on year to ¥100,240 million thanks mainly to the U.K. business' gradual recovery from a severe business environment and Mobility business' expansion in the business area in Continental Europe.

Profit before tax decreased 17.8% to ¥10,915 million mainly due to a temporary increase in allowance for doubtful accounts in relation to a moratorium in the U.K. business despite an increase in revenues.

(The Americas)

Revenues decreased 13.8% year on year to ¥19,394 million mainly due to a decrease in the volume of business because of the spread of the COVID-19 in addition to the closing of the large-scale factoring business in FY2019.

Profit before tax increased 20.4% year on year to ¥3,037 million thanks mainly to the improvement of asset quality (decrease in bad debt-related expenses) as a result of a business structural reform despite a decrease in revenues.

(China)

Revenues decreased 23.4% year on year to ¥7,276 million and profit before tax decreased 15.7% to ¥1,647 million mainly due to a decrease in operating assets because of the COVID-19 in addition to the closing of the large-scale factoring business, etc. in FY2019.

(ASEAN)

Revenues decreased 16.5% year on year to ¥11,208 million mainly due to a decrease in the volume of business because of the spread of the COVID-19.

Profit before tax decreased 98.9% to ¥10 million due to a temporary increase in allowance for doubtful accounts in relation to a moratorium in the Indonesia business in addition to a decrease in revenues.

2) Key management indicators (Annualized)

(%)

	Nine Months Ended December 31, 2019	Nine Months Ended December 31, 2020
ROA	1.1	1.1
OHR	63.1	64.4
[Reference] ROE	7.9	7.5

(2) Explanation about Consolidated Financial Position

1) Assets, liabilities and net assets

Financial position as of December 31, 2020 was as follows:

(¥ million, %)

	As of March 31, 2020	As of December 31, 2020	Change	
			Amount	%
Total assets	3,719,474	3,716,165	(3,308)	(0.1)
Interest-bearing debt	3,081,051	3,075,645	(5,405)	(0.2)
Total equity	396,013	411,592	15,578	3.9

i . Total assets

Total assets as of December 31, 2020 decreased ¥3,308 million from March 31, 2020 to ¥3,716,165 million due to a decrease in trade and other receivables and finance lease receivables mainly in Japan and China as a consequence of a decrease in the volume of new business because of the COVID-19 impact.

ii . Interest-bearing debt

Interest-bearing debt as of December 31, 2020 decreased ¥5,405 million from March 31, 2020 to ¥3,075,645 million mainly due to a decrease in bonds in Japan and Europe.

iii .Total equity

Total equity as of December 31, 2020 increased ¥15,578 million from March 31, 2020 to ¥411,592 million, and major components consist of an increase due to recording net income attributable to owners of the parent of ¥21,943 million and a decrease due to cash dividends paid of ¥11,444 million.

## 2) Cash flows

Cash flows during nine months ended December 31, 2020 were as follows:

(¥ million)

	Nine Months Ended December 31, 2019	Nine Months Ended December 31, 2020	Change
Cash flows from operating activities	120,964	100,781	(20,182)
Cash flows from investing activities	(8,875)	(19,025)	(10,149)
Cash flows from financing activities	(78,178)	(43,358)	34,819
Free cash flow	112,089	81,756	(30,332)

### i . Cash flows from operating activities

Net cash provided by operating activities was ¥100,781 million primarily due to a decrease in trade and other receivables of ¥58,473 million as a consequence of a decrease in the volume of new business because of the COVID-19 impact, purchase of operating leased assets of ¥142,518 million, proceeds from sale of operating leased assets of ¥35,025 million, and a decrease in finance lease receivables of ¥14,427 million.

### ii . Cash flows from investing activities

Net cash used in investing activities was ¥19,025 million primarily due to purchase of investments accounted for using the equity method of ¥8,770 million, purchase of investments in securities and payments to time deposits of ¥3,582 million, purchase of other intangible assets of ¥3,376 million, purchase of other property, plant and equipment of ¥3,261 million, and proceeds from sale and redemption of investments in securities and withdrawal of time deposits of ¥2,670 million.

### iii . Cash flows from financing activities

Net cash used in financing activities was ¥43,358 million primarily due to payments on long-term borrowings and bonds of ¥577,407 million, and proceeds from long-term borrowings and bonds of ¥470,217 million.

As a result, cash and cash equivalent as of December 31, 2020 increased ¥39,247 million from March 31, 2020 to ¥304,710 million. Free cash flow, a sum of cash flows from operating and investing activities, resulted in cash inflows of ¥81,756 million, a decrease of ¥30,332 million from the nine months ended December 31, 2019.



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

The outlook of the business environment surrounding the Company remains unpredictable although there were signs of economic recovery at one point, as the global outbreak of the COVID-19 has continued to have serious effects on the global economy, with the number of new global cases still showing upward trend.

In light of these circumstances, the consolidated earnings forecasts for the year ending March 31, 2021 remain unchanged from those announced on November 5, 2020.

	(¥ million)
	Fiscal Year Ending March 31, 2021
Volume of business	1,755,000
Revenues	450,200
Gross profit	136,000
Profit before tax	38,500
Net income attributable to owners of the parent	27,500
Basic earnings per share attributable to owners of the parent	¥235.49

The consolidated earnings forecast stated herein has 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 the 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 the 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 of the capital needs to maintain the financial position of the Company and carry out business plans and the market environment.

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

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

	(¥ million)	
	As of March 31, 2020	As of December 31, 2020
<b>Assets</b>		
Cash and cash equivalents	265,463	304,710
Trade and other receivables	1,279,496	1,247,200
Finance lease receivables	1,256,013	1,234,589
Other financial assets	103,494	98,055
Operating leased assets	544,434	559,168
Investments accounted for using the equity method	37,623	48,442
Other property, plant and equipment	122,071	115,247
Other intangible assets	41,306	41,964
Deferred tax assets	14,292	14,258
Other assets	55,279	52,528
Total assets	3,719,474	3,716,165
<b>Liabilities</b>		
Trade and other payables	87,675	69,647
Borrowings and bonds	3,081,051	3,075,645
Other payables	12,638	12,024
Other financial liabilities	50,610	58,578
Income tax payable	3,435	2,448
Retirement and severance benefits	7,440	7,712
Deferred tax liabilities	5,915	5,949
Other liabilities	74,692	72,566
Total liabilities	3,323,460	3,304,572
<b>Equity</b>		
Equity attributable to owners of the parent		
Common stock	9,983	9,983
Capital surplus	45,029	45,105
Retained earnings	359,572	370,363
Accumulated other comprehensive income	(19,231)	(15,350)
Treasury stock	(14,626)	(14,626)
Total equity attributable to owners of the parent	380,728	395,475
Non-controlling interests	15,285	16,117
Total equity	396,013	411,592
Total liabilities and equity	3,719,474	3,716,165

## (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, 2019 (April 1, 2019 to December 31, 2019)	Nine Months Ended December 31, 2020 (April 1, 2020 to December 31, 2020)
Revenues	338,343	341,322
Cost of sales	238,042	242,525
Gross profit	100,300	98,797
Selling, general and administrative expenses	70,504	71,666
Other income	294	832
Other expenses	51	175
Share of profits of investments accounted for using the equity method	1,207	2,466
Profit before tax	31,244	30,254
Income taxes	7,609	7,588
Net income	23,635	22,666
Net income attributable to:		
Owners of the parent	22,821	21,943
Non-controlling interests	813	722
Earnings per share		
Earnings per share attributable to owners of the parent (basic and diluted)	¥195.30	¥187.91

## Summary of Quarterly Consolidated Statements of Comprehensive Income

	(¥ million)	
	Nine Months Ended December 31, 2019 (April 1, 2019 to December 31, 2019)	Nine Months Ended December 31, 2020 (April 1, 2020 to December 31, 2020)
Net income	23,635	22,666
Other comprehensive income		
Items not to be reclassified to net income		
Financial assets measured at fair value through other comprehensive income	2,838	66
Share of other comprehensive income of investments accounted for using the equity method	8	51
Total items not to be reclassified to net income	2,847	118
Items that can be reclassified to net income		
Foreign currency translation adjustments	(1,480)	4,778
Cash flow hedges	(648)	(237)
Share of other comprehensive income of investments accounted for using the equity method	(422)	(217)
Total items that can be reclassified to net income	(2,552)	4,324
Other comprehensive income	295	4,442
Comprehensive income	23,930	27,108
Comprehensive income attributable to:		
Owners of the parent	23,121	26,115
Non-controlling interests	809	992

(3) Summary of Quarterly Consolidated Statements of Changes in Equity  
For the Nine Months Ended December 31, 2019 (April 1, 2019 - December 31, 2019)

(¥ million)

	Equity attributable to owners 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, 2019	9,983	45,313	339,655	(2,968)	(14,425)	377,557	12,861	390,418
Cumulative effects of changes in accounting policies			(193)			(193)	(1)	(194)
Restated balance	9,983	45,313	339,462	(2,968)	(14,425)	377,364	12,859	390,224
Changes in equity								
Net income			22,821			22,821	813	23,635
Other comprehensive income				299		299	(3)	295
Comprehensive income for the period			22,821	299		23,121	809	23,930
Dividends to equity owners of the parent			(10,750)			(10,750)		(10,750)
Dividends to non-controlling interests							(228)	(228)
Acquisition of treasury stock					(0)	(0)		(0)
Transfer to retained earnings			168	(168)		—		—
Equity transactions with non-controlling interests		9		(4)		5	78	83
Total changes in equity	—	9	12,239	126	(0)	12,374	659	13,034
As of December 31, 2019	9,983	45,323	351,701	(2,842)	(14,426)	389,739	13,519	403,259

For the Nine Months Ended December 31, 2020 (April 1, 2020 – December 31, 2020)

(¥ million)

	Equity attributable to owners 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, 2020	9,983	45,029	359,572	(19,231)	(14,626)	380,728	15,285	396,013
Changes in equity								
Net income			21,943			21,943	722	22,666
Other comprehensive income				4,171		4,171	270	4,442
Comprehensive income for the period			21,943	4,171		26,115	992	27,108
Dividends to equity owners of the parent			(11,444)			(11,444)		(11,444)
Dividends to non-controlling interests							(189)	(189)
Acquisition of treasury stock					(0)	(0)		(0)
Transfer to retained earnings			291	(291)		—		—
Equity transactions with non-controlling interests		(4)				(4)	(1)	(6)
Acquisition of non-controlling interests							30	30
Share-based payment transaction		81				81		81
Total changes in equity	—	76	10,790	3,880	(0)	14,746	831	15,578
As of December 31, 2020	9,983	45,105	370,363	(15,350)	(14,626)	395,475	16,117	411,592

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

(¥ million)

	Nine Months Ended December 31, 2019 (April 1, 2019 to December 31, 2019)	Nine Months Ended December 31, 2020 (April 1, 2020 to December 31, 2020)
<b>Cash flows from operating activities</b>		
Net income	23,635	22,666
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	106,982	115,035
Income taxes	7,609	7,588
Share of profits of investments accounted for using the equity method	(1,207)	(2,466)
(Increase) decrease in trade and other receivables	152,187	58,473
(Increase) decrease in finance lease receivables	(10,551)	14,427
Purchase of operating leased assets	(146,152)	(142,518)
Proceeds from sale of operating leased assets	24,184	35,025
Increase (decrease) in trade and other payables	(22,865)	(5,621)
Other	(4,740)	6,328
Subtotal	129,082	108,937
Income taxes paid	(8,117)	(8,155)
Net cash provided by (used in) operating activities	120,964	100,781
<b>Cash flows from investing activities</b>		
Purchase of other property, plant and equipment	(11,045)	(3,261)
Purchase of other intangible assets	(3,409)	(3,376)
Purchase of investments in securities and payments to time deposits	(3,921)	(3,582)
Proceeds from sale and redemption of investments in securities and withdrawal of time deposits	11,557	2,670
Payment for acquisition of subsidiary's shares resulting in changes in scope of consolidation	(294)	(561)
Purchase of investments accounted for using the equity method	(682)	(8,770)
Net decrease (increase) in short-term loans receivable	10	(1,259)
Payments of long-term loans receivable	(1,621)	(917)
Collection of long-term loans receivable	483	32
Other	47	1
Net cash provided by (used in) investing activities	(8,875)	(19,025)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(106,962)	75,431
Proceeds from long-term borrowings and bonds	607,739	470,217
Payments on long-term borrowings and bonds	(568,042)	(577,407)
Dividends paid to owners of the parent	(10,743)	(11,439)
Dividends paid to non-controlling interests	(228)	(189)
Proceeds from payments from non-controlling interests	59	30
Other	(0)	(0)
Net cash provided by (used in) financing activities	(78,178)	(43,358)
Effect of exchange rate changes on cash and cash equivalents	(1,050)	849
Net increase (decrease) in cash and cash equivalents	32,860	39,247
Cash and cash equivalents at beginning of period	219,858	265,463
Cash and cash equivalents at end of period	252,718	304,710

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

(Notes concerning going concern)

Not applicable

(Changes to accounting policies)

Not applicable

(Changes to accounting estimates)

Not applicable

## (Segment information)

For the Nine Months Ended December 31, 2019 (April 1, 2019 - December 31, 2019)

(¥ million)

	Reportable segments							Other	Total	Adjustments	Consolidated statement of profit or loss
	Japan		Europe	The Americas	China	ASEAN	Total				
	Account Solution	Vendor Solution									
Revenues											
External customers	169,087	18,899	98,677	22,490	9,500	13,420	332,075	8,028	340,104	(1,761)	338,343
Intersegment	536	21	-	-	-	-	558	807	1,366	(1,366)	-
Total	169,624	18,921	98,677	22,490	9,500	13,420	332,633	8,836	341,470	(3,127)	338,343
Profit before tax	13,782	4,827	13,281	2,521	1,955	988	37,356	608	37,965	(6,720)	31,244

## (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.

For the Nine Months Ended December 31, 2020 (April 1, 2020 – December 31, 2020)

(¥ million)

	Reportable segments							Other	Total	Adjustments	Consolidated statement of profit or loss
	Japan		Europe	The Americas	China	ASEAN	Total				
	Account Solution	Vendor Solution									
Revenues											
External customers	178,553	18,366	100,240	19,394	7,276	11,208	335,039	7,601	342,641	(1,318)	341,322
Intersegment	484	36	-	-	-	-	521	788	1,309	(1,309)	-
Total	179,038	18,403	100,240	19,394	7,276	11,208	335,560	8,390	343,950	(2,628)	341,322
Profit before tax	16,187	5,481	10,915	3,037	1,647	10	37,280	590	37,871	(7,617)	30,254

## (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.

(Significant subsequent events)

Based on a comprehensive resolution to issue a bond passed on March 26, 2020, the Company decided to issue its 87th unsecured straight bond (with limited interbond pari passu clause) on January 27, 2021. The detail of the bond is as follows.

(1) Total issue amount	¥30 billion
(2) Issue price	¥100 per ¥100 bond face value
(3) Payment date	February 2, 2021
(4) Redemption date	The principal of the bond will be redeemed in full on January 19, 2024
(5) Interest rate	0.060% per annum
(6) Use of proceeds	Redemption fund for short-term bonds



### 3. Supplementary Information

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

Consolidated Results for the Year Ending March 31, 2021

(¥ million, %)

	No.	Fiscal Year Ended March 31, 2020		Fiscal Year Ending March 31, 2021			
		Third Quarter (Results)	Nine Months Ended December 31, 2019 (Results)	Third Quarter (October to December)		Nine Months Ended December 31, 2020 (April to December)	
				(Results)	Y on Y	(Results)	Y on Y
Revenues	1	112,370	338,343	117,472	4.5	341,322	0.9
Cost of sales	2	78,355	238,042	82,570	5.4	242,525	1.9
Gross profit	3	34,015	100,300	34,901	2.6	98,797	(1.5)
Selling, general and administrative expenses	4	23,740	70,504	23,368	(1.6)	71,666	1.6
Other income	5	88	294	88	(0.1)	832	183.0
Other expenses	6	16	51	132	717.1	175	237.7
Share of profits of investments accounted for using the equity method	7	252	1,207	1,056	318.7	2,466	104.3
Profit before tax	8	10,599	31,244	12,546	18.4	30,254	(3.2)
Income taxes	9	2,629	7,609	2,736	4.1	7,588	(0.3)
Net income	10	7,970	23,635	9,809	23.1	22,666	(4.1)
Net income attributable to:							
Owners of the parent	11	7,611	22,821	9,310	22.3	21,943	(3.8)
Non-controlling interests	12	358	813	499	39.2	722	(11.2)
Earnings per share							
Earnings per share attributable to owners of the parent (basic and diluted)	13	¥65.14	¥195.30	¥79.73	22.4	¥187.91	(3.8)

## (2) Segment Information by Business

(Consolidated Business Volume)

(¥ million, %)

	No.	Nine Months Ended December 31, 2019		Nine Months Ended December 31, 2020		Y on Y change	
			Composition		Composition		
Japan	Account Solution	1	589,007	35.9	435,917	33.3	(26.0)
	Wholesale	2	452,065	27.5	312,759	23.9	(30.8)
	Information equipment related	3	194,263	11.8	122,243	9.3	(37.1)
	Industrial construction machinery related	4	69,995	4.3	42,041	3.2	(39.9)
	Commercial logistics related	5	46,096	2.8	70,047	5.4	52.0
	Factoring	6	24,323	1.5	10,956	0.8	(55.0)
	Card	7	51,309	3.1	31,233	2.4	(39.1)
	Others	8	66,076	4.0	36,236	2.8	(45.2)
	Vehicle	9	45,591	2.8	42,226	3.2	(7.4)
	Residential CMS	10	91,350	5.6	80,932	6.2	(11.4)
	Others	11	0	0.0	0	0.0	-
	Vendor Solution	12	148,452	9.1	120,671	9.2	(18.7)
Europe	13	483,013	29.5	383,782	29.3	(20.5)	
The Americas	14	269,296	16.4	250,076	19.1	(7.1)	
China	15	71,597	4.4	70,471	5.4	(1.6)	
ASEAN	16	71,777	4.4	43,846	3.3	(38.9)	
Others	17	7,248	0.4	7,127	0.5	(1.7)	
Elimination and others	18	(934)	(0.1)	(984)	(0.1)	-	
Consolidated business volume	19	1,639,460	100.0	1,310,909	100.0	(20.0)	

## (Notes)

1. Account Solution: Provide solutions to meet diversifying needs of customers such as corporates and public offices 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.