

August 3, 2017

## Consolidated First Quarter Earnings Report [IFRS]

For the Three Months Ended June 30, 2017



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 Scheduled date of submission of financial reports: August 8, 2017  
 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 First Quarter Ended June 30, 2017 (April 1, 2017 – June 30, 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	%
Three Months Ended June 30, 2017	98,311	10.1	11,801	5.2	8,366	9.5	8,154	11.0	13,471	—
Three Months Ended June 30, 2016	89,285	(1.7)	11,222	(11.4)	7,640	(13.4)	7,347	(14.1)	(7,499)	—

	Earnings per share (basic)		Earnings per share (diluted)		ROE
	¥	%	¥	%	
Three Months Ended June 30, 2017	69.76	—	—	—	9.2
Three Months Ended June 30, 2016	62.86	—	—	—	8.9

(Ref.) Volume of business: Three Months Ended June 30, 2017: ¥577,244 million; Three Months Ended June 30, 2016: ¥563,364 million

## (2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the parent	Equity attributable to owners of the parent ratio	Equity per share attributable to owners of the parent
	¥ million	¥ million	¥ million	%	¥
As of June 30, 2017	3,276,831	370,868	357,646	10.9	3,059.78
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	—	—	—	—	—
Year ending March 31, 2018 (Forecast)	—	43.00	—	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)

	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	%	¥
Interim	193,800	8.1	21,600	(5.4)	15,700	(5.6)	15,400	(4.7)	131.75
Fiscal year	398,900	7.6	41,500	(9.8)	30,700	(10.3)	29,400	(10.7)	251.53

Note: Changes from the latest released performance forecasts: Yes

(Ref.) Volume of business: Interim: ¥1,169,000 million Fiscal year: ¥2,273,000 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 June 30, 2017: 124,826,552 shares      As of March 31, 2017: 124,826,552 shares

( ii ) Treasury stock at end of term

As of June 30, 2017: 7,940,156 shares      As of March 31, 2017: 7,940,222 shares

( iii ) Weighted average number of shares outstanding

Three months ended June 30, 2017: 116,886,363 shares      Three months ended June 30, 2016: 116,886,563 shares

\* State of quarterly review procedures

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 First Quarter Ended June 30, 2017

### (1) Explanation about Operating Results

#### 1) Summary of operating results

Summarized results for the three months ended June 30, 2017 were as follows.

(¥ million, %)

	Three Months Ended June 30, 2016	Three Months Ended June 30, 2017	Y on Y Change
Volume of business	563,364	577,244	2.5
Revenues	89,285	98,311	10.1
Gross profit	31,408	32,465	3.4
Profit before tax	11,222	11,801	5.2
Net income attributable to owners of the parent	7,347	8,154	11.0

During the three months ended June 30, 2017, while the economy showed solid growth in the U.S. and U.K, the global economy remained unpredictable due to factors including the U.K.'s moves towards the Brexit and the tightening of monetary policies by China's financial authorities. In Japan, the economy showed a moderate recovery due to continuing monetary easing policy and economic policy.

Under such circumstances, Hitachi Capital aims to achieve the 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. The Company has been working for further collaboration by entering into (1) a business alliance agreement with Mitsubishi UFJ Lease & Finance Company Limited ("MUL") with an aim to expand business domains and strengthen financial service functions including solutions, and (2) a business alliance agreement regarding an open financial platform with MUL, Hitachi, Ltd. ("Hitachi"), Mitsubishi UFJ Financial Group, Inc. ("MUFG") and the Bank of Tokyo-Mitsubishi UFJ, Ltd. ("BTMU") with an aim to contribute to Japanese equipment manufacturers and engineering companies engaging in infrastructure projects, in August 2016.

During the three months ended June 30, 2017, Japan Business promoted expansion of focused sectors (Social infrastructure, Eco- and energy- related, Vehicle, Local governments/public) and structural reform in fundamental/restructuring sectors (vendor finance, healthcare, and agriculture). Also in April 2017, we determined to consolidate a part of healthcare and the front function of

agriculture into Hitachi Capital NBL Corporation in October 2017. In addition, we launched a full-fledged “Working method transformation” project in April 2017 and have worked on standardization of operations and IT utilization, in order 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 and our U.K. business has grown steadily.

Under the business alliance agreement with the Company, MUL, Hitachi, MUFG, and BTMU, Japan Infrastructure Initiative Company Limited started operations in April 2017 and has promoted an open financial platform.

As a result, consolidated volume of business for the three months ended June 30, 2017 increased 2.5% year on year to ¥577,244 million as Global Business showed solid performance mainly in Europe and the Americas, despite a decrease in Japan Business due to the closing of factoring business.

Revenues increased 10.1% year on year to ¥98,311 million, gross profit increased 3.4% year on year to ¥32,465 million and profit before tax increased 5.2% year on year to ¥11,801 million, due to an expansion of Global Business primarily in the Americas in addition to a steady growth in Japan Business due mainly to an increase in the Eco- and energy-related sector. Net income attributable to owners of the parent increased 11.0% year on year to ¥8,154 million due to a decrease in income taxes.

Results by segment for the three months ended June 30, 2017 were as follows.

(Account Solution)

Revenues increased 8.5% year on year to ¥55,558 million due to a steady performance of commercial logistics-related as a result of an increased Social infrastructure (real estate lease). As a result, profit before tax increased 14.4 % to ¥5,590 million.

(Vendor Solution)

Revenues decreased 2.0% year on year to ¥4,578 million due to a decrease in finance income as a result of a decrease in operating assets.

Profit before tax increased 17.4% to ¥807 million due to a decrease in selling, general and administrative expenses.

(Europe)

Revenues increased 11.1% year on year to ¥23,730 million due to solid performance of U.K. business and consolidation of Noordlease Holding B.V.as a subsidiary.

Profit before tax decreased 1.6% to ¥4,062 million due to the appreciation of yen. However, profit increased on a local currency basis.

(The Americas)

Revenues increased 40.9% to ¥5,100 million due to business acquisition from CreekrIDGE Capital LLC in addition to a strong performance in factoring business and Canada business. As a result,

profit before tax increased 49.4% to ¥930 million.

(China)

Revenues remained flat year on year and amounted to ¥3,972 million due to a steady growth of Hong Kong business.

Profit before tax decreased 3.8% year on year to ¥1,774 million due to an increase in financing costs with the tightening of monetary policy by China's financial authorities, despite a decrease in bad debt expenses.

(ASEAN)

Revenues increased 15.0 % year on year to ¥3,701 million due to increases in revenues in Singapore, Thailand, Malaysia, and Indonesia.

Profit before tax increased 52.4% to ¥216 million due to a decrease in bad debt expenses in addition to an increase in revenues.

## 2) Key management indicators (Annualized)

	(%)	
	Three Months Ended June 30, 2016	Three Months Ended June 30, 2017
ROE	8.9	9.2
ROA	1.5	1.4
Equity attributable to owners of the parent ratio	10.7	10.9

## (2) Explanation about Consolidated Financial Position

### 1) Assets, liabilities and net assets

Financial position as of June 30, 2017 was as follows:

	(¥ million, %)			
	As of March 31, 2017	As of June 30, 2017	Change	
			Amount	%
Total assets	3,245,029	3,276,831	31,801	1.0
Interest-bearing debt	2,546,720	2,632,387	85,667	3.4
Total equity	363,178	370,868	7,690	2.1

#### i . Total assets

Total assets as of June 30, 2017 increased ¥31,801 million from March 31, 2017 to ¥3,276,831 million due to an increase in trade and other receivables mainly in Europe.

#### ii . Interest-bearing debt

Interest-bearing debt as of June 30, 2017 increased ¥85,667 million from March 31, 2017 to ¥2,632,387 million due mainly to increases in bonds in Europe and in short-term borrowings in

the Americas.

iii .Total equity

Total equity as of June 30, 2017 increased ¥7,690 million from March 31, 2017 to ¥370,868 million, and major components consist of net income attributable to owners of the parent of ¥8,154 million and cash dividends paid of ¥5,026 million, and an increase in accumulated other comprehensive income of ¥5,057 million due mainly to an increase in foreign currency translation adjustments.

2) Cash flows

Cash flows during three months ended June 30, 2017 were as follows:

	Three Months Ended June 30, 2016	Three Months Ended June 30, 2017	(¥ million) Change
Cash flows from operating activities	(77,211)	(67,558)	9,653
Cash flows from investing activities	(8,080)	(2,566)	5,513
Cash flows from financing activities	93,095	63,310	(29,785)
Free cash flow	(85,291)	(70,124)	15,167

i . Cash flows from operating activities

Net cash used in operating activities was ¥67,558 million. This was primarily due to an increase in trade and other receivables of ¥21,612 million, purchase of operating leased assets of ¥46,736 million, decrease in trade and other payables of ¥45,121 million, and proceeds from sale of operating leased assets of ¥11,354 million.

ii . Cash flows from investing activities

Net cash used in investing activities was ¥2,566 million. This was primarily due to purchase of other property, plant and equipment of ¥1,534 million, and purchase of other intangible assets of ¥1,008 million.

iii . Cash flows from financing activities

Net cash provided by financing activities was ¥63,310 million mainly due to proceeds from long-term borrowings and bonds of ¥157,749 million, payments on long-term borrowings and bonds of ¥132,127 million, and increase in short-term borrowings of ¥43,443 million.

As a result, cash and cash equivalent as of June 30, 2017 decreased ¥6,777 million from March 31, 2017 to ¥171,304 million. Free cash flow, a sum of cash flows from operating and investing activities, resulted in cash outflows of ¥70,124 million, a decrease of ¥15,167 million from the three months ended June 30, 2016.

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

Consolidated earnings forecast for the six months ending September 30, 2017 has changed from the previous forecast announced on April 27, 2017, due to a solid performance during three months ended June 31, 2017.

On the other hand, earnings forecast for the year ending March 31, 2018 has not changed because the outlook of the management environment surrounding the Company remains unpredictable due to factors including growing geopolitical risks around the world in addition to an interest rate rise in the U.S. and China, as well as the impact from the U.K.'s moves towards the Brexit.

Based on the reasons described above, consolidated earnings forecasts for the six months ending September 30, 2017 and the year ending March 31, 2017 are as follows.

(¥ million)

	Six Months Ending September 30, 2017				Fiscal Year Ending March 31, 2018
	Previous forecast	Revised forecast	Change		
			Amount	%	
Volume of business	1,096,200	1,169,000	72,800	6.6	2,273,000
Revenues	193,300	193,800	500	0.3	398,900
Gross profit	63,800	63,500	(300)	(0.0)	131,900
Profit before tax	19,900	21,600	1,700	8.5	41,500
Net income attributable to owners of the parent	14,000	15,400	1,400	10.0	29,400
Basic earnings per share attributable to owners of the parent	¥119.77	¥131.75	—	—	¥251.53

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 Sharing

#### 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 June 30, 2017
<b>Assets</b>		
Cash and cash equivalents	178,081	171,304
Trade and other receivables	1,288,511	1,328,653
Finance lease receivables	1,124,531	1,117,895
Other financial assets	85,834	80,207
Operating leased assets	393,328	395,123
Investments accounted for using the equity method	33,059	32,512
Other property, plant and equipment	57,249	57,974
Other intangible assets	29,495	29,869
Deferred tax assets	18,479	17,757
Other assets	36,458	45,532
Total assets	3,245,029	3,276,831
<b>Liabilities</b>		
Trade and other payables	175,429	111,521
Borrowings and bonds	2,546,720	2,632,387
Other payables	13,580	13,585
Other financial liabilities	54,477	55,804
Income tax payable	5,186	4,037
Retirement and severance benefits	9,029	8,831
Deferred tax liabilities	2,733	2,880
Other liabilities	74,694	76,915
Total liabilities	2,881,851	2,905,962
<b>Equity</b>		
Equity attributable to owners of the parent		
Common stock	9,983	9,983
Capital surplus	45,600	45,216
Retained earnings	312,736	315,864
Accumulated other comprehensive income	(4,139)	917
Treasury stock	(14,335)	(14,335)
Total equity attributable to owners of the parent	349,844	357,646
Non-controlling interests	13,333	13,222
Total equity	363,178	370,868
Total liabilities and equity	3,245,029	3,276,831

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

## Summary of Quarterly Consolidated Statement of Profit or Loss

(¥ million)

	Three Months Ended June 30, 2016 (April 1, 2016 to June 30, 2016)	Three Months Ended June 30, 2017 (April 1, 2017 to June 30, 2017)
Revenues	89,285	98,311
Cost of sales	57,876	65,846
Gross profit	31,408	32,465
Selling, general and administrative expenses	20,654	21,084
Other income	15	69
Other expenses	63	58
Share of profits of investments accounted for using the equity method	516	409
Profit before tax	11,222	11,801
Income taxes	3,581	3,434
Net income	7,640	8,366
Net income attributable to:		
Owners of the parent	7,347	8,154
Non-controlling interests	293	212
Earnings per share		
Earnings per share attributable to owners of the parent (basic and diluted)	¥62.86	¥69.76

## Summary of Quarterly Consolidated Statement of Comprehensive Income

(¥ million)

	Three Months Ended June 30, 2016 (April 1, 2016 to June 30, 2016)	Three Months Ended June 30, 2017 (April 1, 2017 to June 30, 2017)
Net income	7,640	8,366
Other comprehensive income		
Items not to be reclassified to net income		
Financial assets measured at fair value through other comprehensive income	42	1,405
Share of other comprehensive income of investments accounted for using the equity method	(9)	11
Total items not to be reclassified to net income	33	1,416
Items that can be reclassified to net income		
Foreign currency translation adjustments	(14,571)	3,559
Cash flow hedges	(569)	172
Share of other comprehensive income of investments accounted for using the equity method	(32)	(43)
Total items that can be reclassified to net income	(15,172)	3,688
Other comprehensive income	(15,139)	5,105
Comprehensive income	(7,499)	13,471
Comprehensive income attributable to:		
Owners of the parent	(7,542)	13,236
Non-controlling interests	43	235

(3) Summary of Quarterly Consolidated Statements of Changes in Equity  
For the Three Months Ended June 30, 2016 (April 1, 2016 - June 30, 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			7,347			7,347	293	7,640
Other comprehensive income				(14,889)		(14,889)	(250)	(15,139)
Comprehensive income for the period			7,347	(14,889)		(7,542)	43	(7,499)
Dividends to equity owners of the parent			(4,909)			(4,909)		(4,909)
Dividends to non-controlling interests							(179)	(179)
Acquisition of treasury stock					(0)	(0)		(0)
Equity transactions with non-controlling interests		0		0		0	20	21
Total changes in equity	—	0	2,438	(14,889)	(0)	(12,451)	(115)	(12,566)
As of June 30, 2016	9,983	45,828	292,183	(10,608)	(14,334)	323,052	11,940	334,993

For the Three Months Ended June 30, 2017 (April 1, 2017 - June 30, 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			8,154			8,154	212	8,366
Other comprehensive income				5,082		5,082	23	5,105
Comprehensive income for the period			8,154	5,082		13,236	235	13,471
Dividends to equity owners of the parent			(5,026)			(5,026)		(5,026)
Dividends to non-controlling interests							(172)	(172)
Disposal of treasury stock		0			0	0		0
Equity transactions with non-controlling interests		(383)		(24)		(408)	(174)	(582)
Total changes in equity	—	(383)	3,128	5,057	0	7,801	(110)	7,690
As of June 30, 2017	9,983	45,216	315,864	917	(14,335)	357,646	13,222	370,868

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

(¥ million)

	Three Months Ended June 30, 2016 (April 1, 2016 to June 30, 2016)	Three Months Ended June 30, 2017 (April 1, 2017 to June 30, 2017)
<b>Cash flows from operating activities</b>		
Net income	7,640	8,366
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	23,657	28,323
Income taxes	3,581	3,434
Share of profits of investments accounted for using the equity method	(516)	(409)
(Increase) decrease in trade and other receivables	(31,811)	(21,612)
(Increase) decrease in finance lease receivables	(7,282)	(11,848)
Purchase of operating leased assets	(35,640)	(46,736)
Proceeds from sale of operating leased assets	8,871	11,354
Increase (decrease) in trade and other payables	(36,594)	(45,121)
Increase (decrease) in payable due to collection of securitized receivables	518	(456)
Other	(5,134)	11,155
Subtotal	(72,711)	(63,549)
Income taxes paid	(4,500)	(4,008)
Net cash provided by (used in) operating activities	(77,211)	(67,558)
<b>Cash flows from investing activities</b>		
Purchase of other property, plant and equipment	(690)	(1,534)
Purchase of other intangible assets	(468)	(1,008)
Purchase of investments in securities and payments to time deposits	(2,309)	(323)
Proceeds from sale and redemption of investments in securities and withdrawal of time deposits	658	285
Purchase of investments accounted for using the equity method	(494)	(0)
Payments for transfer of business	(9,790)	—
Net decrease (increase) in short-term loans receivable	5,000	—
Other	15	13
Net cash provided by (used in) investing activities	(8,080)	(2,566)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	96,967	43,443
Proceeds from long-term borrowings and bonds	117,582	157,749
Payments on long-term borrowings and bonds	(116,395)	(132,127)
Proceeds from payments from non-controlling interests	20	—
Purchase of shares of consolidated subsidiaries from non-controlling interests	—	(565)
Dividends paid to owners of the parent	(4,899)	(5,017)
Dividends paid to non-controlling interests	(179)	(172)
Other	(0)	0
Net cash provided by (used in) financing activities	93,095	63,310
Effect of exchange rate changes on cash and cash equivalents	(1,709)	37
Net increase (decrease) in cash and cash equivalents	6,093	(6,777)
Cash and cash equivalents at beginning of period	157,091	178,081
Cash and cash equivalents at end of period	163,184	171,304

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

(Notes concerning going concern)

Not applicable

(Segment information)

## I For the Three Months Ended June 30, 2016 (April 1, 2016 - June 30, 2016)

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

	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	50,908	4,657	21,366	3,620	3,971	3,218	87,744	3,022	90,766	(1,481)	89,285
Intersegment	295	16	—	—	—	—	311	256	568	(568)	—
Total	51,204	4,673	21,366	3,620	3,971	3,218	88,055	3,279	91,334	(2,049)	89,285
Profit before tax	4,886	687	4,129	622	1,844	142	12,312	310	12,623	(1,401)	11,222

(¥ 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.

## II For the Three Months Ended June 30, 2017 (April 1, 2017 - June 30, 2017)

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

	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	55,396	4,552	23,730	5,100	3,972	3,701	96,452	2,935	99,388	(1,076)	98,311
Intersegment	162	26	—	—	—	—	188	260	448	(448)	—
Total	55,558	4,578	23,730	5,100	3,972	3,701	96,641	3,196	99,837	(1,525)	98,311
Profit before tax	5,590	807	4,062	930	1,774	216	13,382	191	13,574	(1,772)	11,801

(¥ 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.

(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.	Three Months Ended June 30, 2016 (Results)	Three Months Ended June 30, 2017 (Results)	Y on Y change
Revenues	1	89,285	98,311	10.1
Cost of sales	2	57,876	65,846	13.8
Gross profit	3	31,408	32,465	3.4
Selling, general and administrative expenses	4	20,654	21,084	2.1
Other income	5	15	69	342.6
Other expenses	6	63	58	(8.6)
Share of profits of investments accounted for using the equity method	7	516	409	(20.7)
Profit before tax	8	11,222	11,801	5.2
Income taxes	9	3,581	3,434	(4.1)
Net income	10	7,640	8,366	9.5
Net income attributable to:				
Owners of the parent	11	7,347	8,154	11.0
Non-controlling interests	12	293	212	(27.6)
Earnings per share				
Earnings per share attributable to owners of the parent (basic and diluted)	13	¥62.86	¥69.76	11.0



## (2) Contract Segment Information

1. For the Three Months Ended June 30, 2017 (April 1, 2017 - June 30, 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	118,803 (20) (0)	67,098 (12) (-14)	43,959 (8) (-8)	229,861 (40) (-6)	64,043 (11) (8)	225,114 (39) (17)	58,225 (10) (-13)	347,382 (60) (9)	577,244 (100) (2)
Operating assets (Composition %) (Y on Y Change %)	2	1,084,051 (36) (3)	200,834 (6) (-28)	294,076 (10) (2)	1,578,962 (52) (-3)	468,604 (16) (21)	499,736 (17) (16)	461,953 (15) (18)	1,430,294 (48) (19)	3,009,256 (100) (6)

2. For the Three Months Ended June 30, 2016 (April 1, 2016 - June 30, 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	118,752 (21) (-16)	78,334 (14) (-35)	47,967 (9) (7)	245,054 (44) (-20)	59,110 (10) (1)	192,568 (34) (41)	66,630 (12) (-1)	318,309 (56) (21)	563,364 (100) (-1)
Operating assets (Composition %) (Y on Y Change %)	2	1,055,576 (37) (3)	278,972 (10) (-32)	289,306 (10) (-17)	1,623,855 (57) (-9)	385,795 (14) (-1)	429,324 (15) (-15)	390,708 (14) (2)	1,205,828 (43) (-6)	2,829,683 (100) (-8)

(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) Segmented Information by Business

(Consolidated Business Volume)

(¥ million, %)

		No.	Three Months Ended June 30, 2016		Three Months Ended June 30, 2017		Y on Y change
				Composition		Composition	
Japan	Account Solution	1	205,867	36.5	192,308	33.3	(6.6)
	Wholesale	2	151,908	26.9	133,304	23.1	(12.2)
	Information equipment related	3	55,360	9.8	45,958	8.0	(17.0)
	Industrial construction machinery related	4	12,637	2.2	14,114	2.4	11.7
	Commercial logistics related	5	7,590	1.3	12,338	2.1	62.6
	Factoring	6	41,606	7.4	20,709	3.6	(50.2)
	Card	7	15,472	2.8	16,463	2.9	6.4
	Others	8	19,241	3.4	23,719	4.1	23.3
	Agriculture	9	5,885	1.0	6,376	1.1	8.3
	Healthcare	10	9,944	1.8	11,193	1.9	12.6
	Vehicle	11	12,709	2.3	13,031	2.3	2.5
	Residential CMS	12	24,811	4.4	28,365	4.9	14.3
	Others	13	609	0.1	36	0.0	(94.0)
	Vendor Solution	14	36,916	6.6	35,532	6.2	(3.8)
Europe	15	122,542	21.8	133,599	23.1	9.0	
The Americas	16	123,865	22.0	136,922	23.7	10.5	
China	17	45,757	8.1	54,480	9.4	19.1	
ASEAN	18	26,144	4.6	22,379	3.9	(14.4)	
Others	19	2,637	0.5	2,728	0.5	3.5	
Elimination and others	20	(367)	(0.1)	(707)	(0.1)	-	
Consolidated business volume	21	563,364	100.0	577,244	100.0	2.5	

## (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.