
**Consolidated Financial Results Summary
for the Third Quarter ended December 31, 2014**

January 27, 2015

 **Hitachi Capital Corporation**

Fiscal 2014 Third Quarter Earnings Summary (Results) **HITACHI** Inspire the Next

	Fiscal 2013/3Q	Fiscal 2014/3Q	(Millions of Yen,)	
				Y on Y Change
Revenues	94,365	106,244		113%
Expenses	70,125	78,252		112%
(of which SG&A expenses)	55,849	61,169		110%
(of which financing costs)	14,276	17,082		120%
Operating income	24,240	27,992		115%
Non-operating income or loss	725	1,129		156%
Ordinary income	24,965	29,121		117%
Extraordinary income or loss	760	▲542		—
Income before income taxes and minority interests	25,726	28,578		111%
Net income	17,277	19,650		114%
ROE	8.2%	8.5%		+0.3%
ROA	1.1%	1.2%		+0.1%
OHR(Overhead Ratio)	66.2%	64.3%		▲1.9%
Net income per share (yen)	147.81	168.11		114%
Volume of business	1,408,967	1,533,693		109%

Details of Expenses

(Millions of Yen)

	Fiscal 2013/3Q	Fiscal 2014/3Q	Y on Y Change
Expenses	70,125	78,252	112%
SG&A expenses	55,849	61,169	110%
Personnel expenses	31,346	33,478	107%
Business management expenses, etc.	21,671	23,836	110%
Provision for allowance for losses on receivables and loan guarantees	2,831	3,854	136%
Financing costs	14,276	17,082	120%
(Reference)			
Extraordinary income or loss	760	▲542	—

(Reference) Credit Loss by Geographical Segment

(Millions of Yen)

		Fiscal 2013/3Q	Fiscal 2014/3Q	Y on Y Change
Credit loss		2,291	3,002	+711
Credit loss ratio		0.10%	0.12%	+0.02%
Japan	Credit loss	661	738	+77
	Credit loss ratio	0.04%	0.05%	+0.01%
Europe and Americas	Credit loss	750	1,002	+251
	Credit loss ratio	0.17%	0.16%	▲0.02%
Asia	Credit loss	879	1,261	+382
	Credit loss ratio	0.39%	0.40%	+0.02%

Balance Sheets

(Billions of Yen)

	As of			As of	
	December 31, 2014	vs As of March 31, 2014		December 31, 2014	vs As of March 31, 2014
Total current assets	2,368.2	+392.7	Total current liabilities	1,246.1	+183.2
Cash on hand and at bank	54.5	+23.5	Trade payables	289.8	+13.4
Parent company deposit	117.4	▲0.1	Bank loans and commercial paper	762.3	+164.6
Trade receivables	1,236.3	+281.0	(of which commercial paper)	218.6	+47.3
Investment in direct finance leases	924.4	+96.8	Accrued payables	39.8	▲0.4
Allowance for losses on receivables	▲18.9	▲2.8	Allowance for losses on guarantees	2.8	▲0.7
Fixed assets (Tangible and intangible)	311.2	+20.5	Fixed liabilities	1,224.2	+203.4
Equipment held for lease	283.1	+12.9	Bonds and bank loans	1066.9	+219.6
Investments and other assets	123.0	▲1.2	Total net assets	332.2	+25.2
Investments in securities	84.6	▲4.8			
Total assets	2,802.5	+411.9	Total liabilities and net assets	2,802.5	+411.9

Details of Volume of Business

(Millions of Yen)

	Fiscal 2013/3Q	Fiscal 2014/3Q	Y on Y Change
Total Volume of Business	1,408,967	1,533,693	109%
Japan Business	913,881	853,267	93%
Account Solution	775,309	742,713	96%
Vendor Solution	109,044	100,084	92%
Others	32,419	13,343	41%
Global Business	495,086	680,426	137%
Europe	289,385	361,111	125%
The Americas	55,572	118,863	214%
China	105,001	144,874	138%
ASEAN	45,126	55,577	123%
Global Business Ratio	35.1%	44.4%	+9.2%

※Adjustment is included in Japan Business

Details of Total Accounts Receivable

(Millions of Yen)

	Fiscal 2013/3Q	Fiscal 2014/3Q	Y on Y Change
Total Accounts Receivable	3,034,519	3,377,699	111%
Japan Business	2,156,120	2,116,344	98%
Account Solution	1,474,245	1,511,411	103%
Vendor Solution	361,148	349,745	97%
Others	329,676	259,373	79%
Global Business	878,399	1,261,355	144%
Europe	481,925	656,163	136%
The Americas	92,270	185,778	201%
China	213,322	298,057	140%
ASEAN	90,880	121,355	134%
Global Business Ratio	28.9%	37.3%	+8.4%

※Adjustment is included in Japan Business

Details of Revenues

(Millions of Yen)

	Fiscal 2013/3Q	Fiscal 2014/3Q	Y on Y Change
Total Revenues	94,365	106,244	113%
Japan Business	54,273	52,500	97%
Account Solution	36,297	36,013	99%
Vendor Solution	12,341	11,774	95%
Others	10,383	9,942	96%
Global Business	40,091	53,743	134%
Europe	22,189	30,854	139%
The Americas	3,375	6,041	179%
China	9,234	10,708	116%
ASEAN	5,290	6,139	116%
Global Business Ratio	42.5%	50.6%	+8.1%

※Adjustment is included in Japan Business

Details of Operating Income

(Millions of Yen)

	Fiscal 2013/3Q	Fiscal 2014/3Q	Y on Y Change
Total Operating Income	24,240	27,992	115%
Japan Business	15,358	12,626	82%
Account Solution	11,159	11,273	101%
Vendor Solution	2,590	2,285	88%
Others	1,610	1,259	78%
Global Business	8,881	15,365	173%
Europe	8,186	11,198	137%
The Americas	861	1,348	157%
China	2,593	4,001	154%
ASEAN	▲67	186	—
Global Business Ratio	36.6%	54.9%	+18.3%

※Adjustment is included in Japan Business and Global Business

FY2014 Full-Year Earnings Forecast

	FY2013 Result	FY2014	
		Forecast	Y on Y Change
Revenues	127,979	142,800	112%
Expenses	95,380	105,200	110%
(of which SG&A expenses)	75,244	81,200	108%
(of which financing costs)	20,135	24,000	119%
Operating income	32,598	37,600	115%
Non-operating income or loss	1,021	1,600	157%
Ordinary income	33,619	39,200	117%
Extraordinary income or loss	760	▲2,600	—
Income before income taxes and minority interests	34,380	36,600	106%
Net income	22,195	24,800	112%
ROE	7.8	7.9	+0.1%
OHR (Overhead Ratio)	66.9	64.9	▲2.0%
Net income per share (yen)	189.89	212.17	112%
Dividends per share (yen)	48.00	54.00	113%
Volume of business	1,954,341	2,000,000	102%

(Millions of Yen)

(Reference) Voluntary Adoption of International Financial Reporting Standards (IFRS)

■ Purpose of adopting IFRS, global accounting standards

- Broaden domestic and overseas shareholder and investor base
- Diversify funding methods in the global markets

■ Disclosure schedule (plan)

Fiscal year	Timing of disclosure	Document to be disclosed	Applicable accounting standard
Fiscal year ending March 31, 2015	May 2015	Earnings report* ¹	J-GAAP
		Consolidated financial statements	
		Consolidated financial results summary	
	June 2015	Annual securities report	IFRS

*1 Consolidated earnings forecast for the year ending March 31, 2016 will be prepared under IFRS.

(Reference) Major Difference of J-GAAP and IFRS for the Year Ended March 31, 2014 (Estimate)

	J-GAAP(A)	IFRS (estimate)*1(B)	Difference (B-A)
Net sales	—	342.6	—
Gross profit	—	105.3	—
Revenues	127.9	—	—
Ordinary income	33.6	—	—
Income before income taxes	34.3	33.1	(1.2)
Net income	22.1	21.4	(0.7)
ROE	7.8%	7.5%	(0.3%)
ROA*2	1.6%	1.4%	(0.2%)
OHR (overhead ratio)*3	66.9%	66.6%	(0.3%)
Total assets*4	2,390.6	2,618.8	+228.2
Net assets	307.0	308.4	+1.4

(Billions of yen)

*1 Estimated figures under IFRS (fiscal year ended March 31, 2014) are reference figures prepared by the Company voluntarily.

*2 ROA: Calculated as income before income taxes divided by total assets

*3 OHR: Calculated as SG&A divided by revenues less financing costs under J-GAAP and divided by gross profit under IFRS

*4 Due primarily to liquidation of receivables that is recognized in the balance sheet under IFRS

(Reference) Major Factors Causing Differences between J-GAAP and IFRS

Item	Description
Liquidation of receivables	Under IFRS, certain transactions of liquidation of receivables are recognized in the balance sheet, resulting in an increase in total assets. After recognized in the balance sheet, interest equivalent revenues from the receivables will no longer be recognized as one time revenues, resulting in a decrease in income before income taxes.
Retirement benefit-related	Under J-GAAP, actuarial gain or loss ^(*) was recognized in other comprehensive income when incurred and subsequently amortized on a regular basis over a certain period. Under IFRS, it is recognized in other comprehensive income when incurred and will not be reclassified to profit or loss, resulting in an increase in income before income taxes.
Goodwill amortization	Under IFRS, goodwill is not amortized on a regular basis, resulting in an increase in income before income taxes. However, when the value is impaired, impairment loss is recognized.
Other	Certain allowances are not recorded under IFRS due to different recognition standards. As a result, reversal of allowances recognized under J-GAAP decreases; and accordingly, income before income taxes decreases.

* Actuarial gain or loss: Differences between expected and actual return on plan assets, differences between estimated and actual figures used for actuarial calculation of retirement benefit obligations, and differences resulting from changes in assumptions.

 **Hitachi Capital Corporation**

<http://www.hitachi-capital.co.jp/>

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.