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**Consolidated Financial Results Summary  
for the Second Quarter ended September 30, 2016**

October 26, 2016

 **Hitachi Capital Corporation**

# Contents

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- 1. Summary of Consolidated Financial Results for the Second Quarter of FY2016**
- 2. Summary of Performance by Business**
- 3. Consolidated Financial Forecast for FY2016**

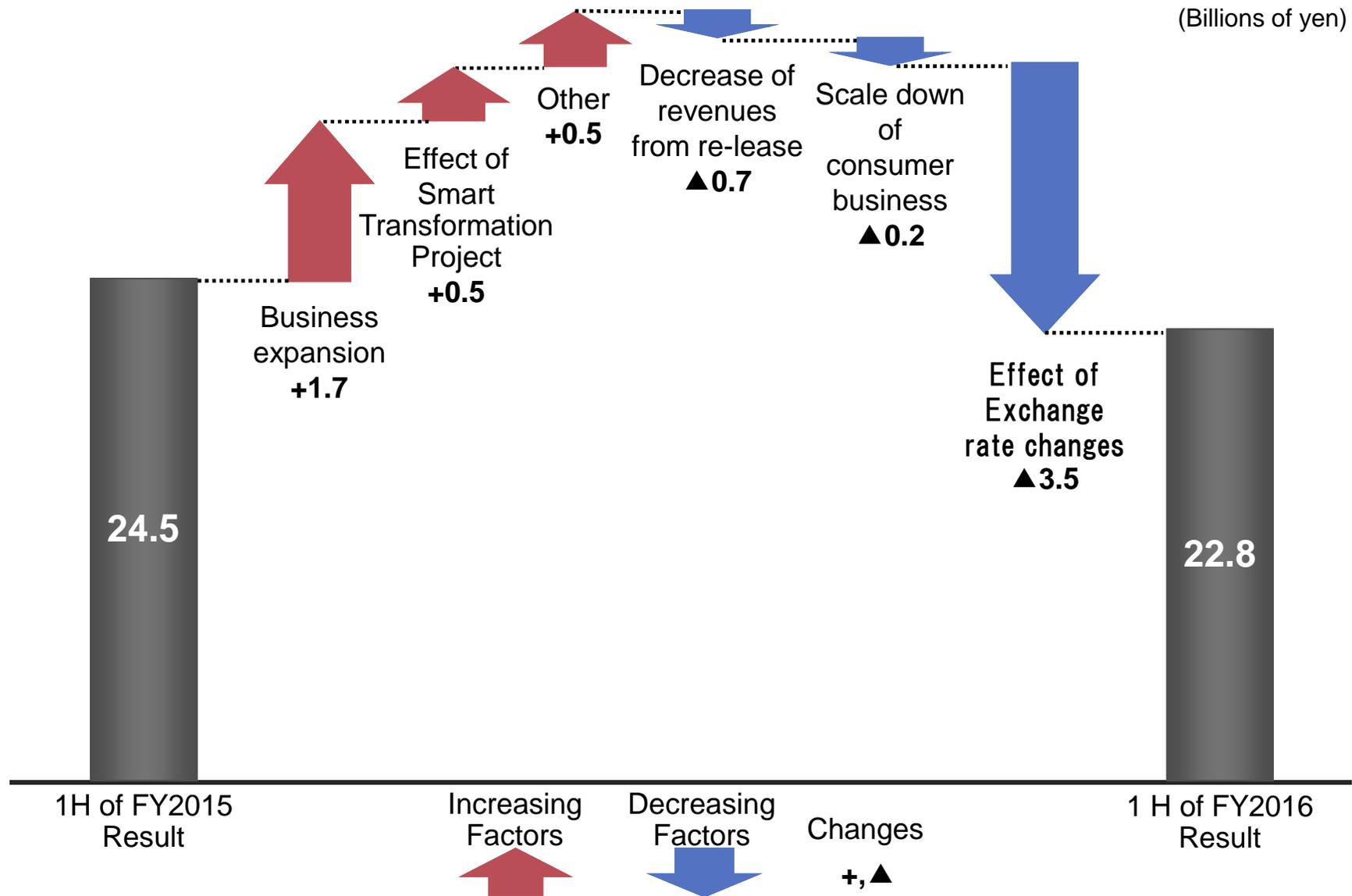
# 1-1. Summary of Business Performance for the Second Quarter of FY2016

(Millions of yen)

	FY2015/2Q Results	FY2016/2Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	1,138,933	1,141,388	100%	▲132,448	112%
Revenues	181,261	179,214	99%	▲16,548	108%
Cost of sales	115,839	117,054	101%	▲8,751	109%
Gross profit	65,421	62,159	95%	▲7,797	107%
Selling, general and administrative expenses	41,852	40,822	98%	▲4,192	108%
Profit before tax	24,549	22,841	93%	▲3,595	108%
Net income attributable to owners of the parent	17,378	16,163	93%	▲2,787	109%
Operating assets	3,010,126	2,819,606	94%	▲327,322	105%
ROE	10.5%	9.7%	▲0.7%	—	
ROA	1.6%	1.6%	▲0.1%	—	
OHR	59.1%	60.5%	+1.4%	—	
Yearly average currency exchange rate	Yen / £	187 yen	144 yen	▲43 yen	Exchange sensitivity (*1) : Approx. 110 million yen
	Yen / US \$	121 yen	104 yen	▲17 yen	Exchange sensitivity (*1) : Approx. 30 million yen

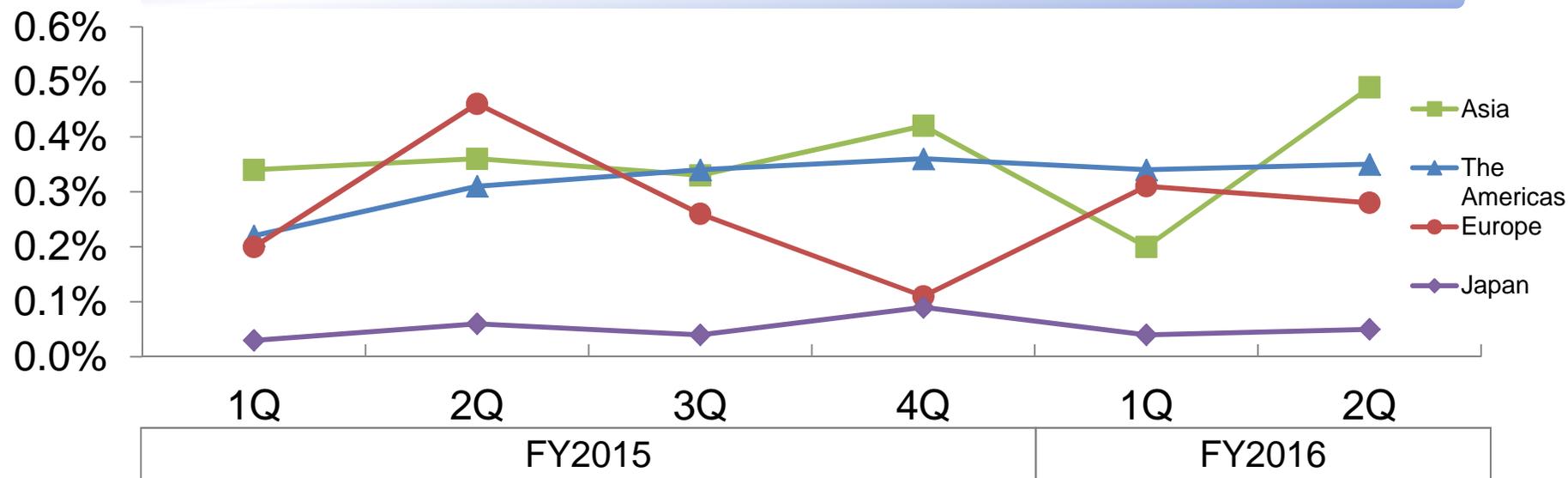
(\*1) The impact on Profit before tax in case JPY vs £/\$ changed 1 yen (FY2016 forecast)

# 1-2. Changing Factors of Profit before Tax (Y on Y Comparison)



# 1-3. Quarterly Credit Trends by Region

Low and stable through risk management



(Millions of yen)

	FY2015						FY2016			
	1Q	2Q	3Q	4Q	Annually Accumulated		1Q	2Q	1H Accumulated	
					Credit loss ratio	Credit loss			Credit loss ratio	Credit loss
Japan	0.03%	0.06%	0.04%	0.09%	0.06%	1,125	0.04%	0.05%	0.04%	419
Europe	0.20%	0.46%	0.26%	0.11%	0.28%	1,797	0.31%	0.28%	0.30%	817
The Americas	0.22%	0.31%	0.34%	0.36%	0.30%	739	0.34%	0.35%	0.34%	515
Asia	0.34%	0.36%	0.33%	0.42%	0.36%	1,667	0.20%	0.49%	0.34%	735

## 2-1. Summary of Japan Business/Global Business

(Millions of yen)

		FY2015/2Q Results	FY2016/2Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	Japan Business	606,350	523,691	86%	—	—
	Global Business	532,583	617,696	116%	▲132,448	141%
Gross profit	Japan Business	31,141	29,804	96%	—	—
	Global Business	34,528	31,829	92%	▲7,797	115%
Profit before tax	Japan Business	12,909	12,012	93%	—	—
	Global Business	14,194	13,903	98%	▲3,595	123%
Operating assets	Japan Business	1,737,671	1,623,724	93%	—	—
	Global Business	1,272,455	1,195,882	94%	▲327,322	120%
ROA	Japan Business	1.4%	1.5%	+0.0%	—	—
	Global Business	2.3%	2.3%	▲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 (1): Volume of Business/Operating Assets

(Millions of yen)

	Volume of business			Operating assets		
	FY2015/2Q Results	FY2016/2Q Results	Y on Y Change	FY2015/2Q Results	FY2016/2Q Results	Y on Y Change
Total of Japan Business	606,350	523,691	86%	1,737,671	1,623,724	93%
Account Solution	530,273	448,551	85%	1,160,028	1,114,129	96%
(of which, excluding factoring)	387,510	370,253	96%	948,281	1,017,757	107%
Vendor Solution	70,551	70,619	100%	323,224	320,704	99%
Total of reportable segments	600,825	519,170	86%	1,483,253	1,434,834	97%
(of which, excluding factoring)	458,062	440,873	96%	1,271,505	1,338,461	105%
Other	7,201	5,384	75%	254,418	188,889	74%

- 2Q results exceeded the plan in all segments.
- Account Solution: Operating assets, excluding the closing business (factoring), increased year on year while volume of business decreased due to a decrease in the closing business (factoring).
- Vendor Solution: Both volume of business and operating assets remained the same level as the previous year under the severe environment where volume of business of information equipment and office equipment decreased year on year according to the domestic lease statistics<sup>(\*)</sup>

(\*) Japan Leasing Association "Lease Statistics (August 2016)"

## 2-3. Breakdown of Japan Business (2): Gross Profit/Profit before Tax

(Millions of yen)

	Gross profit			Profit before tax		
	FY2015/2Q Results	FY2016/2Q Results	Y on Y Change	FY2015/2Q Results	FY2016/2Q Results	Y on Y Change
Total of Japan Business	31,141	29,804	96%	12,909	12,012	93%
Account Solution	19,518	19,141	98%	9,997	9,902	99%
(of which, excluding factoring)	19,103	18,914	99%	9,752	9,812	101%
Vendor Solution	6,338	6,193	98%	2,070	1,687	81%
Total of reportable segments	25,857	25,334	98%	12,068	11,589	96%
(of which, excluding factoring)	25,442	25,108	99%	11,822	11,499	97%
Other	5,284	4,469	85%	841	422	50%

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

- 2Q results exceeded the plan in all segments.
- Account Solution: Gross profit decreased year on year due to a decrease in revenues from re-lease, but profit before tax, excluding the closing business (factoring) increased.
- Vendor Solution : Profit before tax decreased year on year due to a decrease in revenues from re-lease and incurrence of IT investment cost.

## 2-4. Breakdown of Global Business (1): Europe

### ■ Europe (UK, Poland)

(Millions of yen)

	FY2015/2Q Results	FY2016/2Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	270,770	230,282	85%	▲68,307	110%
Gross profit	20,814	18,172	87%	▲5,455	114%
Profit before tax	8,808	8,447	96%	▲2,589	125%
Operating assets	649,516	515,827	79%	▲200,267	110%
ROA	2.8%	3.0%	+0.1%	—	—

#### <Local currency basis>

- 2Q results showed a strong performance exceeding the plan as a base for stable growth.
- Volume of business and operating assets achieved a double-digit increase due to favorable growth in each business.
- Profit before tax largely exceeded the previous 2Q and maintained high ROA due to growth of topline (gross profit) and stable credit cost.

## 2-5. Breakdown of Global Business (2): The Americas **HITACHI** Inspire the Next

### ■ The Americas (US, Canada)

(Millions of yen)

	FY2015/2Q Results	FY2016/2Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	97,986	241,242	246%	▲37,831	285%
Gross profit	4,940	5,917	120%	▲950	139%
Profit before tax	1,806	1,764	98%	▲297	114%
Operating assets	210,731	284,209	135%	▲52,952	160%
ROA	1.9%	1.4%	▲0.5%	—	—

#### <Local currency basis>

- In 2Q results, both volume of business and operating assets increased significantly as a “growth driver.”
- Volume of business increased due mainly to factoring business, one of our core fields, and also to truck and Canada business.
- Profit before tax achieved a double-digit increase due to growth of topline and business transfer of healthcare/IT finance business from CreekrIDGE Capital LLC.

## 2-6. Breakdown of Global Business (3): China

### ■ China (Hong Kong, Mainland China)

(Millions of yen)

	FY2015/2Q Results	FY2016/2Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	118,190	99,291	84%	▲18,486	100%
Gross profit	5,835	5,244	90%	▲994	107%
Profit before tax	3,422	3,559	104%	▲675	124%
Operating assets	305,010	285,902	94%	▲60,983	114%
ROA	2.3%	2.4%	+0.1%	—	—

#### <Local currency basis>

- 2Q results showed solid progress due to an increase in topline and reduction in credit cost.
- Volume of business remained the same level as the previous 2Q due to strong performance in Mainland China (public-related and factoring) despite scaled down consumer business (mortgage loans) in Hong Kong.
- Increase in topline and reduction in credit cost contributed to a growth of profit before tax and maintaining high ROA.

## 2-7. Breakdown of Global Business (4): ASEAN

### ■ ASEAN (Singapore, Thailand, Malaysia, Indonesia)

(Millions of yen)

	FY2015/2Q Results	FY2016/2Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	45,634	46,879	103%	▲7,823	120%
Gross profit	2,936	2,495	85%	▲396	98%
Profit before tax	156	131	84%	▲33	105%
Operating assets	107,196	109,942	103%	▲13,119	115%
ROA	0.3%	0.2%	▲0.1%	—	—

#### <Local currency basis>

- In 2Q results, profit before tax increased due to a decrease in SG&A.
- Volume of business showed steady performance in all countries, and volume of business and operating assets achieved a double-digit increase.
- Promoted business structural reform through changing business portfolio and strengthening management base (IT and human resources).

### 3. Consolidated Financial Forecast for FY2016

(Millions of yen)

	FY2015 Results	FY2016 Forecasts	Y on Y Change	
Volume of business	2,290,156	<u>2,160,000</u>	94%	
Revenues	365,354	<u>357,800</u>	98%	
Cost of sales	235,340	<u>233,000</u>	99%	
(of which, cost of capital)	26,771	<u>26,000</u>	97%	
Gross profit	130,014	<u>124,800</u>	96%	
Selling, general and administrative expenses	84,783	<u>82,100</u>	97%	
Profit before tax	46,667	<u>45,000</u>	96%	
Net income attributable to owners of the parent	32,694	<u>31,500</u>	96%	
Dividend per share (yen)	84.00	86.00	+2.00	
Payout ratio	30.0%	<u>31.9%</u>	+1.9%	
ROE	9.9%	<u>9.3%</u>	▲0.6%	
ROA	1.6%	<u>1.6%</u>	▲0.0%	
OHR	59.9%	<u>61.3%</u>	+1.4%	
	Announced on April 28,2016	Announced on October 26,2016	Changes	
2H of FY2016	Yen / £	160 yen	<u>130 yen</u>	▲30 yen
Assumed currency exchange rate	Yen / US \$	110 yen	<u>100 yen</u>	▲10 yen

\* Underlined: Revised items (announced on October 26, 2016)

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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.

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# Appendix

# Breakdown of Cost of Sales/SG&A

## ■ Breakdown of cost of sales

(Millions of yen)

	FY2015/2Q Results	FY2016/2Q Results	Y on Y Change
Cost of sales	115,839	117,054	101%
(of which, cost of capital)	13,318	12,740	96%

## ■ Breakdown of SG&A

(Millions of yen)

	FY2015/2Q Results	FY2016/2Q Results	Y on Y Change
Selling, general and administrative expenses	41,852	40,822	98%
(of which, personnel costs)	22,767	22,292	98%
(of which, business management expenses, etc.)	15,887	15,312	96%
(of which, bad debt-related expenses)	3,197	3,216	101%