
**Consolidated Financial Results Summary
for the Second Quarter ended September 30, 2017**

October 31, 2017

 **Hitachi Capital Corporation**

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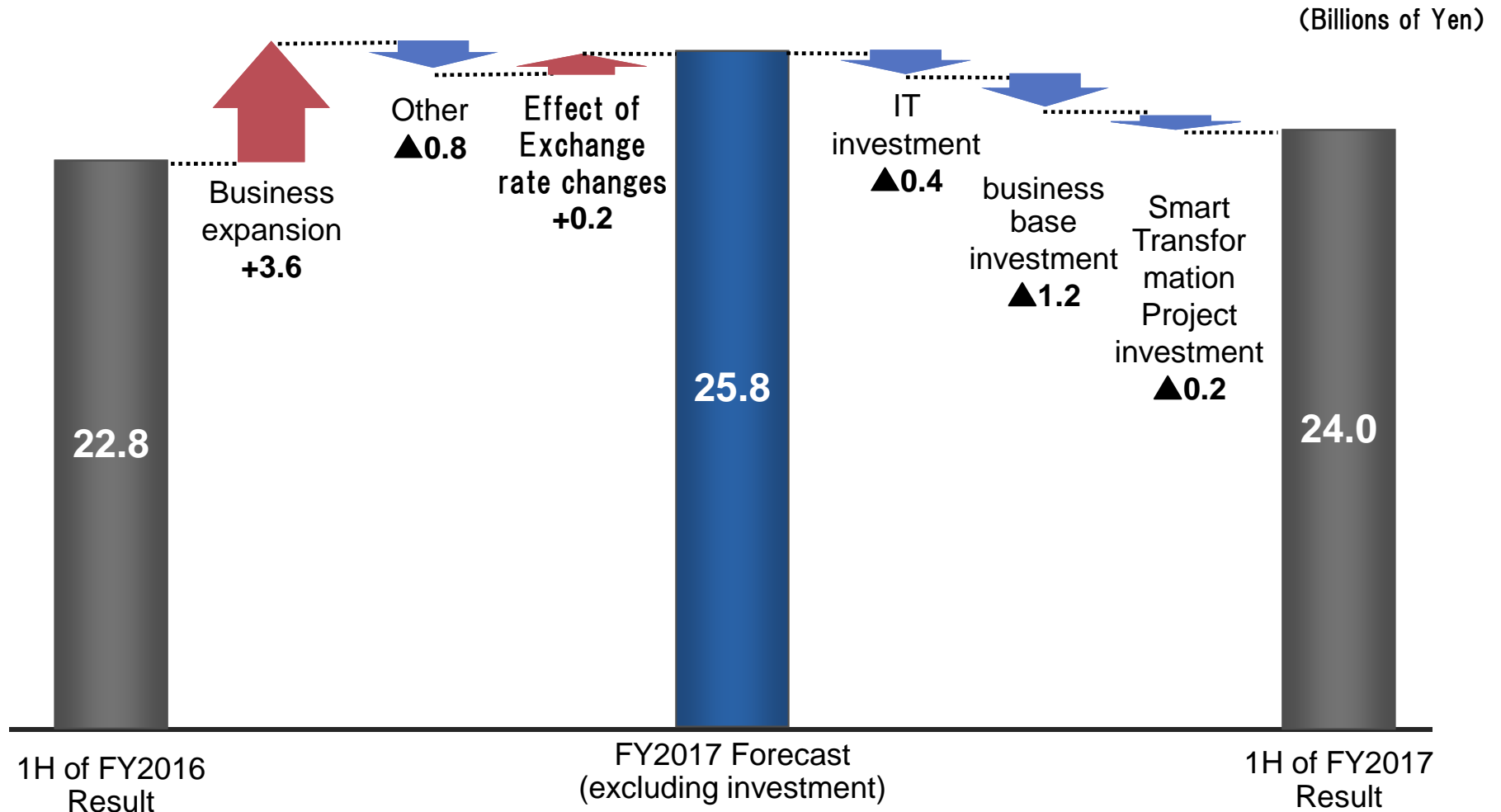
- 1. Summary of Consolidated Financial Results
for the Second Quarter of FY2017**
- 2. Summary of Performance by Business**
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1-1. Summary of Business Performance for FY2016

(Millions of yen)

	FY2016/2Q Results	FY2017/2Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	1,141,388	1,176,861	103%	19,318	101%
Revenues	179,214	195,688	109%	1,185	109%
Cost of sales	117,054	130,605	112%	562	111%
Gross profit	62,159	65,083	105%	623	104%
Selling, general and administrative expenses	40,822	41,878	103%	358	102%
Profit before tax	22,841	24,049	105%	264	104%
Net income attributable to owners of the parent	16,163	17,243	107%	205	105%
Operating assets	2,819,606	3,077,228	109%	177,385	103%
ROE	9.7%	9.6%	▲0.2%	—	
ROA	1.6%	1.6%	▲0.0%	—	
OHR	60.5%	60.3%	▲0.2%	—	
Yearly average currency exchange rate	Yen / £	144yen	143yen	▲1円	—
	Yen / US \$	104yen	111yen	+7円	—

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



: Increasing Factors : Decreasing Factors

2-1. Summary of Japan Business/Global Business

(Millions of yen)

		FY2016/2Q Results	FY2017/2Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	Japan Business	523,691	481,392	92%	—	—
	Global Business	617,696	695,468	113%	19,318	109%
Gross profit	Japan Business	29,804	30,731	103%	—	—
	Global Business	31,829	33,633	106%	623	104%
Profit before tax	Japan Business	12,012	12,469	104%	—	—
	Global Business	13,903	14,971	108%	264	106%
Operating assets	Japan Business	1,623,724	1,578,445	97%	—	—
	Global Business	1,195,882	1,498,782	125%	177,385	110%
ROA	Japan Business	1.5%	1.5%	+0.1%	—	—
	Global Business	2.3%	2.1%	▲0.2%	—	—
ROA (Local currency basis)	Global Business	2.3%	2.1%	▲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		
	FY2016/2Q Results	FY2017/2Q Results	Y on Y Change	FY2016/2Q Results	FY2017/2Q Results	Y on Y Change
Total of Japan Business	523,691	481,392	92%	1,623,724	1,578,445	97%
Account Solution	448,551	406,876	91%	1,114,129	1,107,871	99%
(of which, excluding factoring)	370,253	372,735	101%	1,017,757	1,077,285	106%
Vendor Solution	70,619	70,199	99%	320,704	324,403	101%
Total of reportable segments	519,170	477,075	92%	1,434,834	1,432,274	100%
(of which, excluding factoring)	440,873	442,935	100%	1,338,461	1,401,688	105%
Other	5,384	5,489	102%	188,889	146,171	77%
	Gross profit			Profit before tax		
	FY2016/2Q Results	FY2017/2Q Results	Y on Y Change	FY2016/2Q Results	FY2017/2Q Results	Y on Y Change
Total of Japan Business	29,804	30,731	103%	12,012	12,469	104%
Account Solution	19,141	20,265	106%	9,902	10,262	104%
(of which, excluding factoring)	18,914	20,221	107%	9,812	10,275	105%
Vendor Solution	6,193	5,953	96%	1,687	1,851	110%
Total of reportable segments	25,334	26,218	103%	11,589	12,114	105%
(of which, excluding factoring)	25,108	26,174	104%	11,499	12,127	105%
Other	4,469	4,513	101%	422	355	84%

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

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

■ Europe (UK, Poland, the Netherlands)

(Millions of yen)

	FY2016/2Q Results	FY2017/2Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	230,282	275,584	120%	▲1,788	120%
Gross profit	18,172	18,648	103%	▲89	103%
Profit before tax	8,447	8,654	102%	▲29	103%
Operating assets	515,827	699,677	136%	94,287	117%
ROA (Local currency basis)	3.0%	2.7%	▲0.3%	—	—

■ The Americas (US, Canada)

(Millions of yen)

	FY2016/2Q Results	FY2017/2Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	241,242	260,398	108%	13,200	102%
Gross profit	5,917	7,169	121%	377	115%
Profit before tax	1,764	1,988	113%	106	107%
Operating assets	284,209	338,726	119%	34,885	107%
ROA (Local currency basis)	1.4%	1.3%	▲0.1%	—	—

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

■ China (Hong Kong, Mainland China)

(Millions of yen)

	FY2016/2Q Results	FY2017/2Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	99,291	109,857	111%	5,179	105%
Gross profit	5,244	5,008	96%	201	92%
Profit before tax	3,559	3,841	108%	159	103%
Operating assets	285,902	328,163	115%	33,764	103%
ROA (Local currency basis)	2.4%	2.4%	▲0.1%	—	—

■ ASEAN (Singapore, Thailand, Malaysia, Indonesia)

(Millions of yen)

	FY2016/2Q Results	FY2017/2Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	46,879	49,628	106%	2,727	100%
Gross profit	2,495	2,807	112%	133	107%
Profit before tax	131	486	370%	28	349%
Operating assets	109,942	132,214	120%	14,448	107%
ROA (Local currency basis)	0.2%	0.7%	+0.5%	—	—

3-1. Consolidated Financial Forecast for FY2017

(Millions of yen)

	FY2016 Results	FY2017 Forecasts	Y on Y Change
Volume of business	2,334,252	<u>2,300,000</u>	<u>99%</u>
Revenues	370,860	<u>400,600</u>	<u>108%</u>
Cost of sales	245,100	<u>268,000</u>	<u>109%</u>
(of which, cost of capital)	25,982	<u>31,000</u>	<u>119%</u>
Gross profit	125,759	<u>132,600</u>	<u>105%</u>
Selling, general and administrative expenses	81,902	<u>88,300</u>	<u>108%</u>
Profit before tax	46,033	<u>43,000</u>	<u>93%</u>
Net income attributable to owners of the parent	32,926	<u>30,500</u>	<u>93%</u>
Dividend per share (yen)	86.00yen	86.00yen	—
Payout ratio	30.5%	<u>33.0%</u>	<u>+2.4%</u>
ROE	9.6%	<u>8.6%</u>	<u>▲1.0%</u>
ROA	1.5%	<u>1.4%</u>	<u>▲0.1%</u>
OHR	60.7%	<u>61.9%</u>	<u>+1.3%</u>
Yearly average currency exchange rate	Yen / £	141yen	<u>140yen(*1)</u> Exchange sensitivity (*2) : Approx. 110 million yen
	Yen / US \$	108yen	<u>110yen(*1)</u> Exchange sensitivity (*2) : Approx. 40 million yen

Underline: Revised forecasts (Announced on October 31, 2017)

(*1) Second half of FY2017 forecast (*2) The impact on Profit before tax in case JPY vs £/\$ changed 1 yen (FY2017 forecast)

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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)

	FY2016/2Q Results	FY2017/2Q Results	Y on Y Change
Cost of sales	117,054	130,605	112%
(of which, cost of capital)	12,740	14,283	112%

■ Breakdown of SG&A

(Millions of yen)

	FY2016/2Q Results	FY2017/2Q Results	Y on Y Change
Selling, general and administrative expenses	40,822	41,878	103%
(of which, personnel costs)	22,292	23,548	106%
(of which, business management expenses, etc.)	15,312	15,680	102%
(of which, bad debt-related expenses)	3,216	2,650	82%

Quarterly Credit Trends by Region

	Credit loss ratio				Credit loss(Millions of yen)			
	Annually Accumulated			1H Accumulated	Annually Accumulated			1H Accumulated
	FY2014 Results	FY2015 Results	FY2016 Results	FY2017/2Q Results	FY2014 Results	FY2015 Results	FY2016 Results	FY2017/2Q Results
Total	0.12%	0.16%	0.15%	0.19%	3,949	5,327	5,103	2,904
Japan	0.05%	0.06%	0.04%	0.06%	954	1,125	823	439
Europe	0.15%	0.28%	0.26%	0.20%	956	1,797	1,613	707
The Americas	0.16%	0.30%	0.41%	0.75%	297	739	1,357	1,278
Asia	0.40%	0.36%	0.27%	0.21%	1,741	1,667	1,309	477

- **Japan:**Credit loss ratio maintained the good level.
- **Europe:**Even after Brexit was decided, credit loss ratio maintained the good level without major impact on the business
- **The Americas:**Credit loss increased due to the countermeasures for the slump in the heavy-duty truck market by the decline of resource prices.
- **Asia:**Credit loss ratio was improved due to strengthening the credit/collection and changing of business portfolio.