
**Financial Results Meeting
for the Second Quarter ended September 30, 2018**

November 5, 2018

 **Hitachi Capital Corporation**

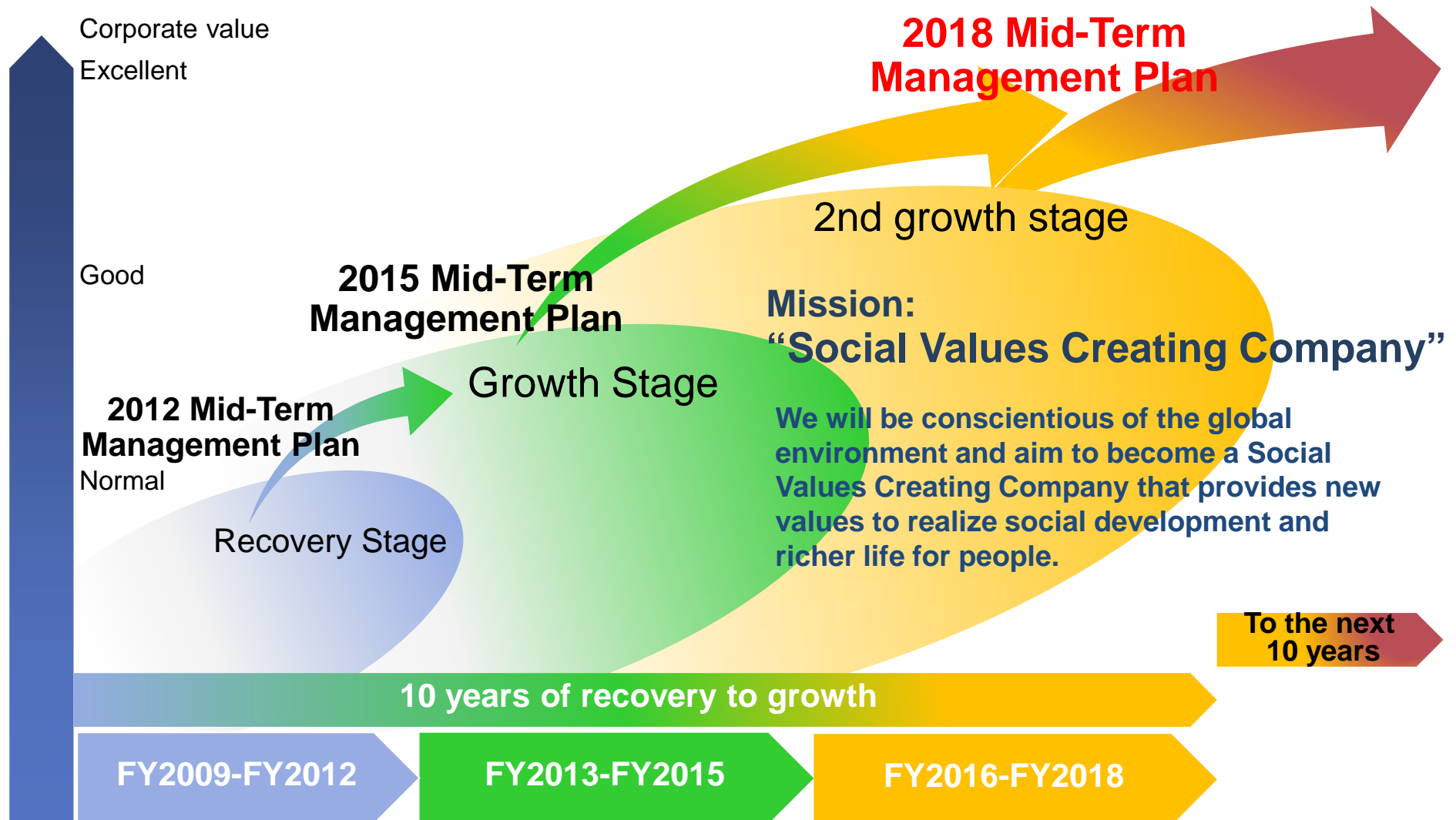
1. Disasters in FY2018

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- June Northern Osaka Prefecture Earthquake
 - July The Heavy Rain Event of July 2018
 - September Typhoon Jebi (No.21) of 2018
 - September Hokkaido Eastern Iburi Earthquake of 2018

**We express our deepest sympathies
to all people affected by those disasters**

2. Positioning of 2018 Mid-Term Management Plan

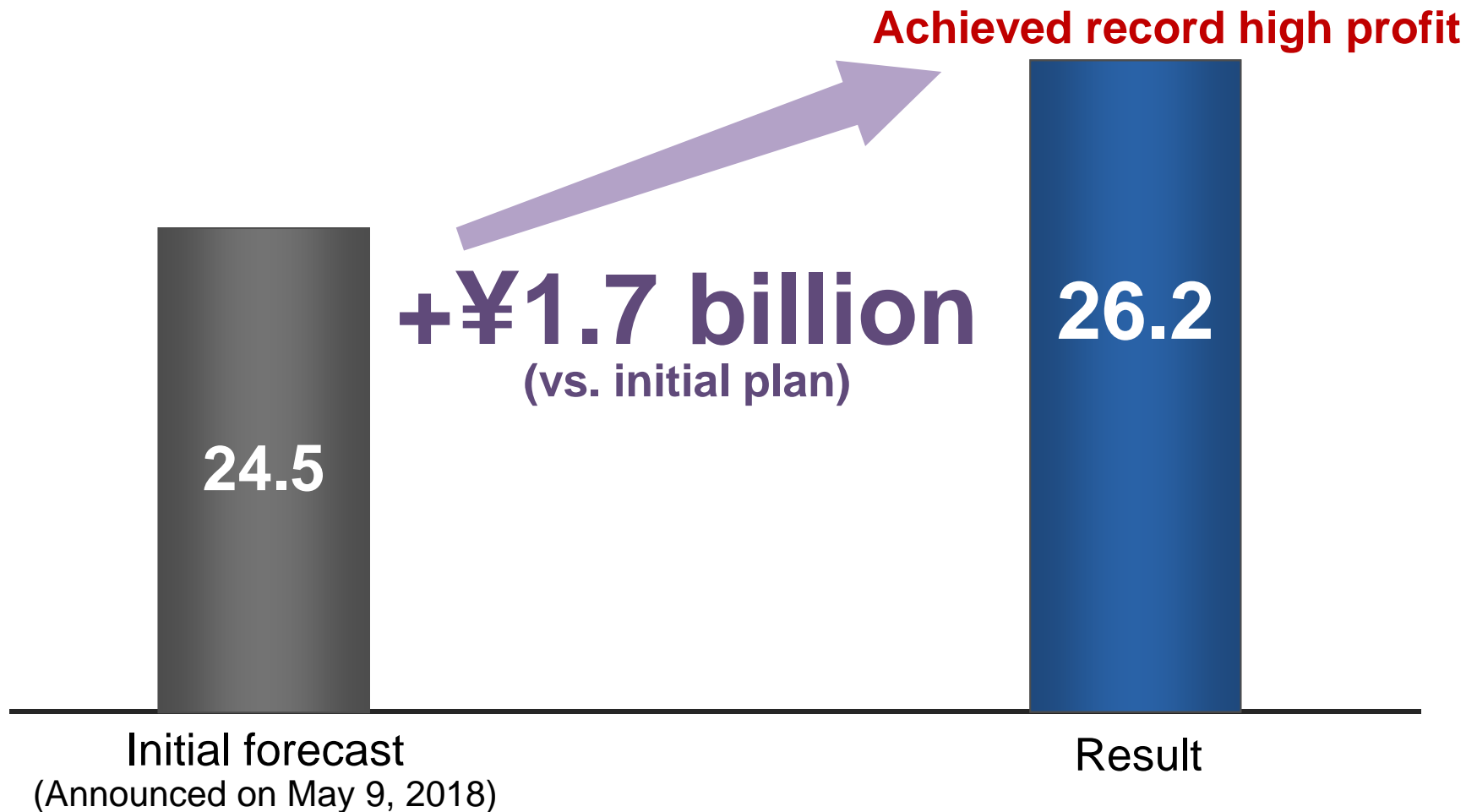
“Change” and “Growth”



3. 1H of FY2018 Result

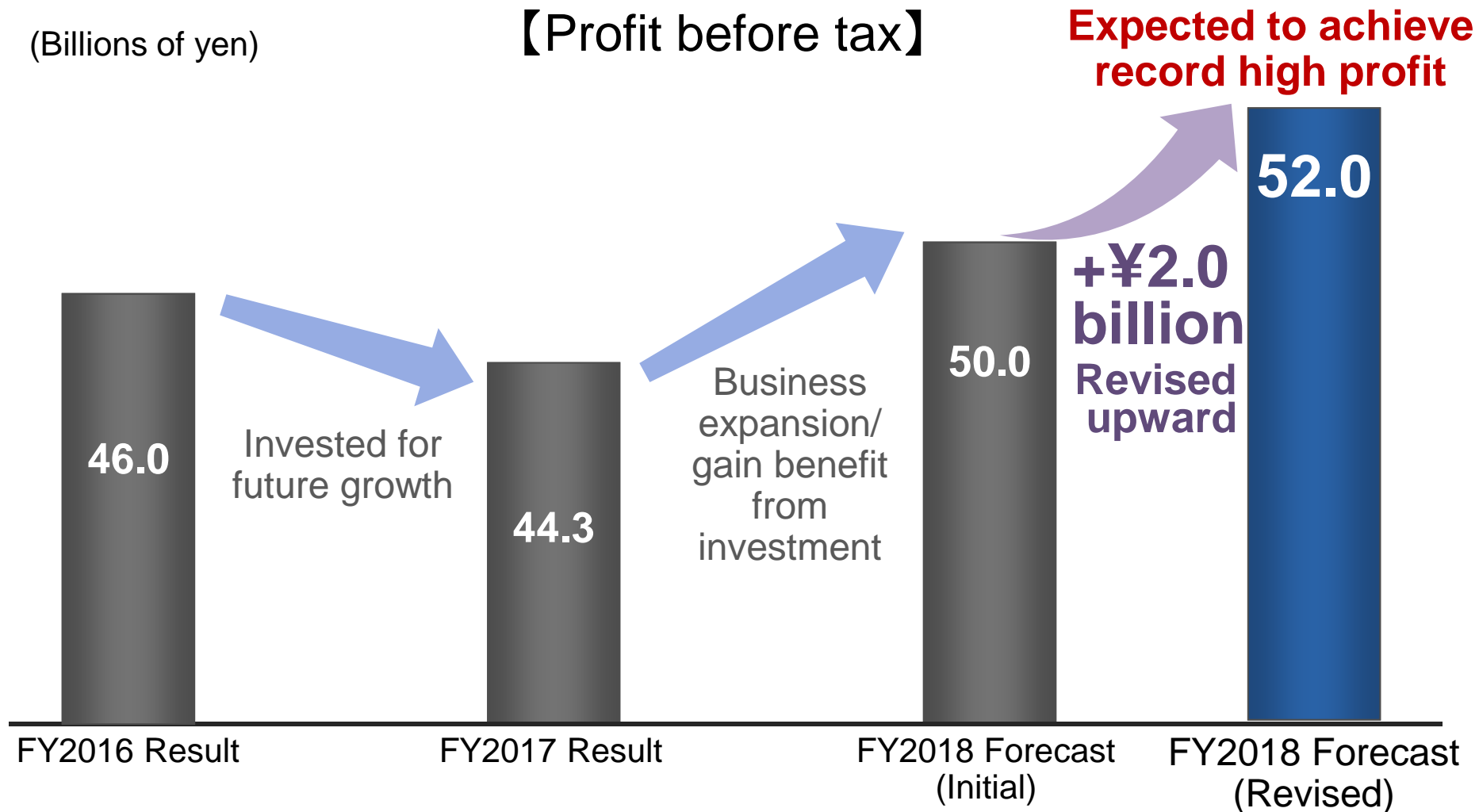
The first half showed steady progress exceeding the initial plan

(Billions of yen) 【 Profit before tax (1H of FY2018) 】



4-1. FY2018 Full-year Forecast

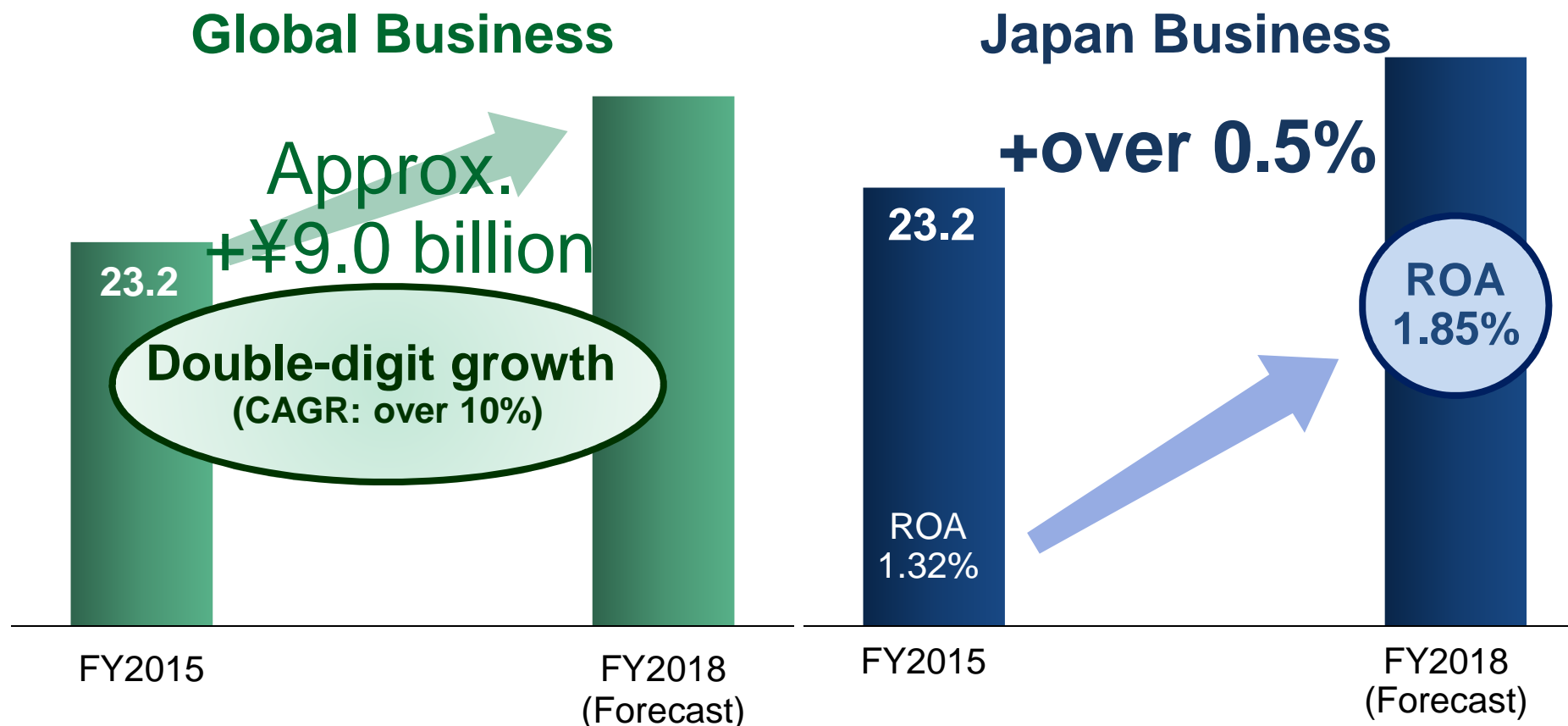
FY2018 forecast was upwardly revised based on the steady progress of the first half



4-2. Highlights of 2018 Mid-Term Management Plan (Forecast) HITACHI Inspire the Next

Highlights of 2018 Mid-Term Management Plan showed steady progress overall

(Billions of yen) 【Profit before tax/ROA】

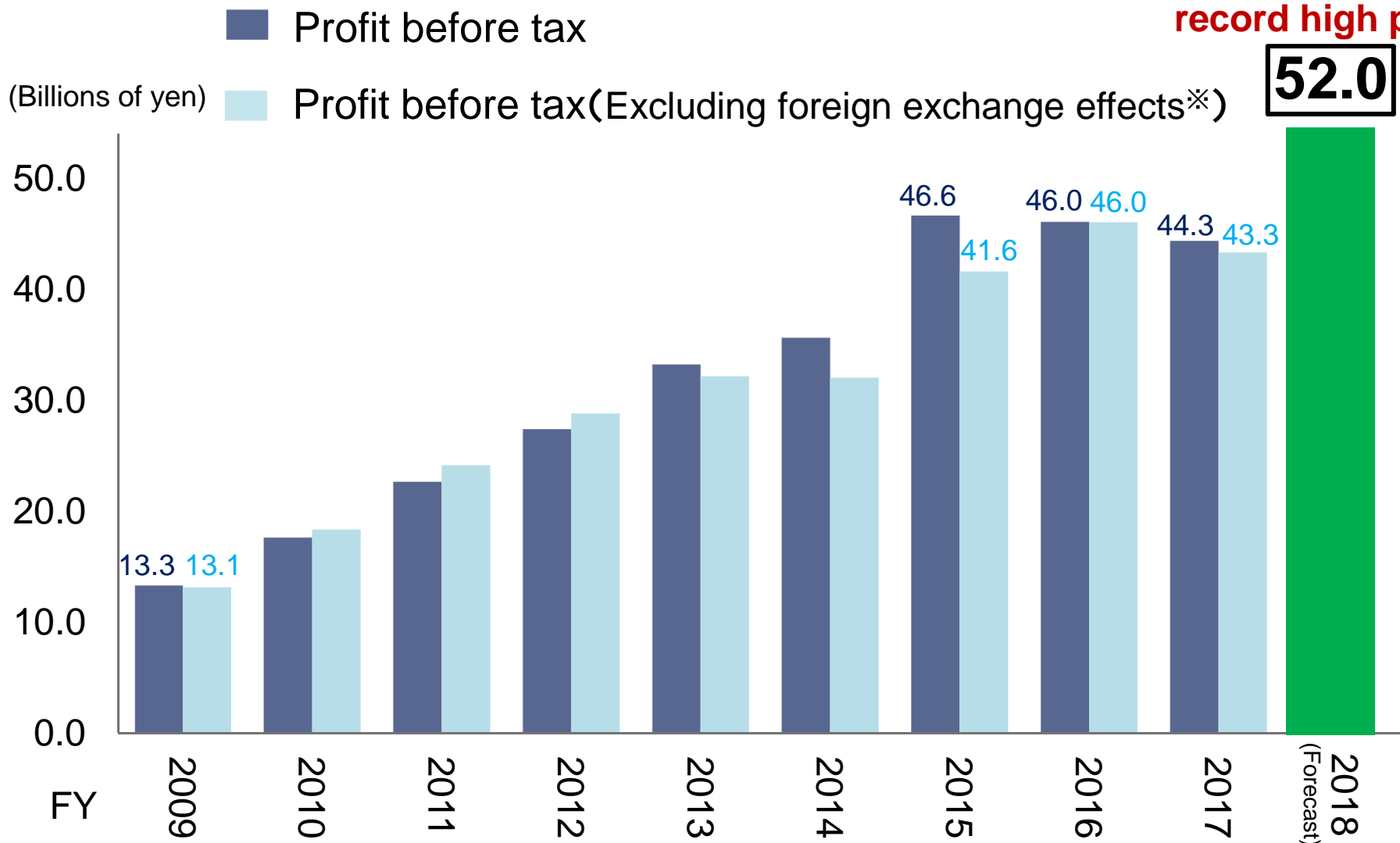


* Profit before tax of Global Business and Japan Business excludes adjustments (company-wide expenses, etc.).

* Global Business excludes foreign exchange effects (Profit before tax for FY2015 was calculated using the planned exchange rate for FY2018).

4-3. Trend of Profit Before Tax

Expected to achieve record high profit



*Excluding foreign exchange effects: Profit before tax was calculated using the exchange rate for FY2018

**Plan to distribute dividends with
payout ratio of approx.30%
(based on the achievement of
record high profit)**

HITACHI

Inspire the Next

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

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

Global Business: Continue double digit growth

“Maintain high and systematic growth”

- Risk control according to regional characteristics
- Diversify business portfolio to build a system insusceptible to external environments
- Overseas ratio in FY2018: 60% (profit before tax)

Japan Business: Challenge to achieve 2% ROA

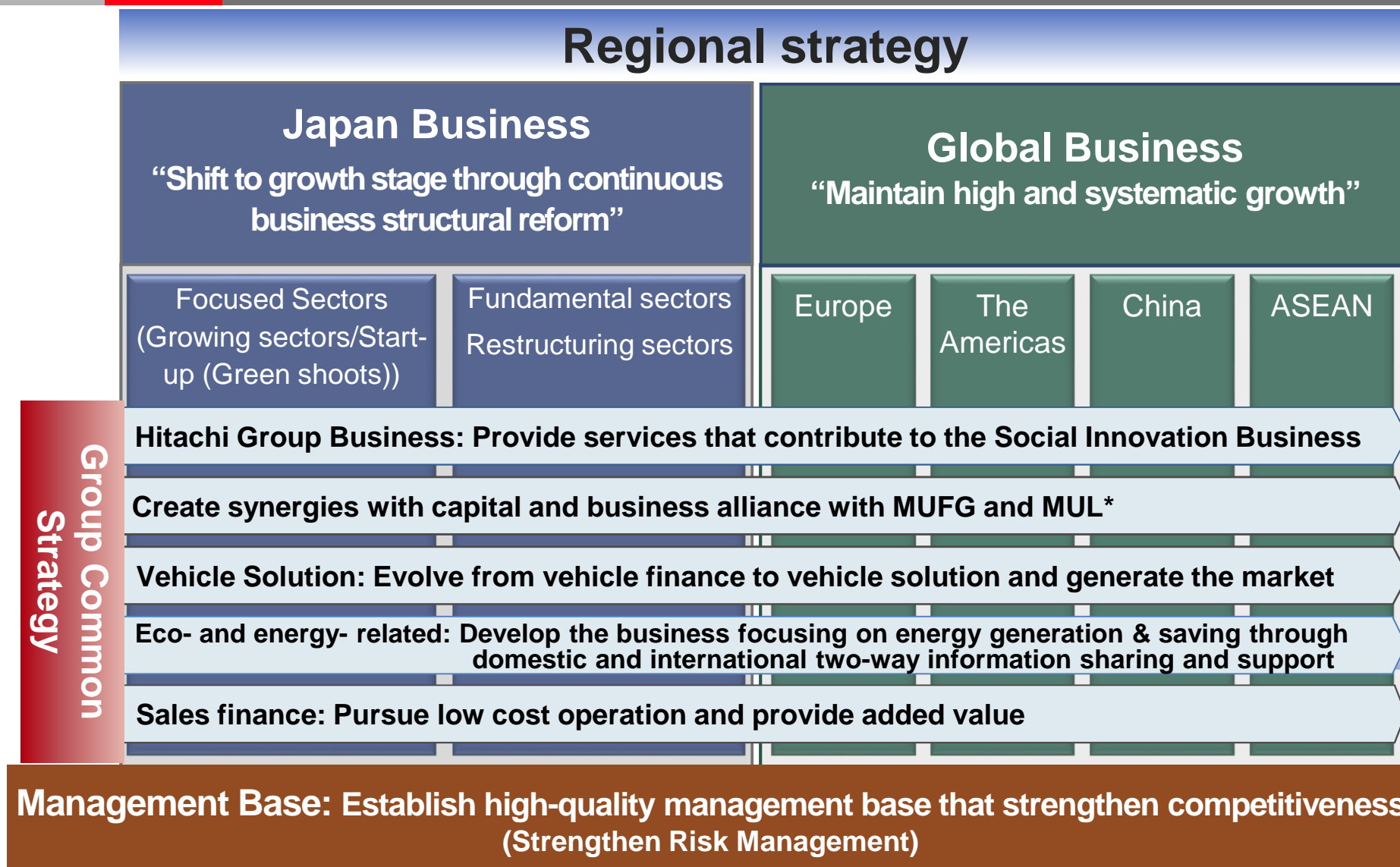
“Shift to growth stage through continuous change in business mix”

- Progress asset utilization by resetting focused sectors
- Strengthen back office capability that leads to the competitive advantage

Aggressive investment: Highly-skilled professionals/ Aggressive IT investment/ Collaborate with Partners

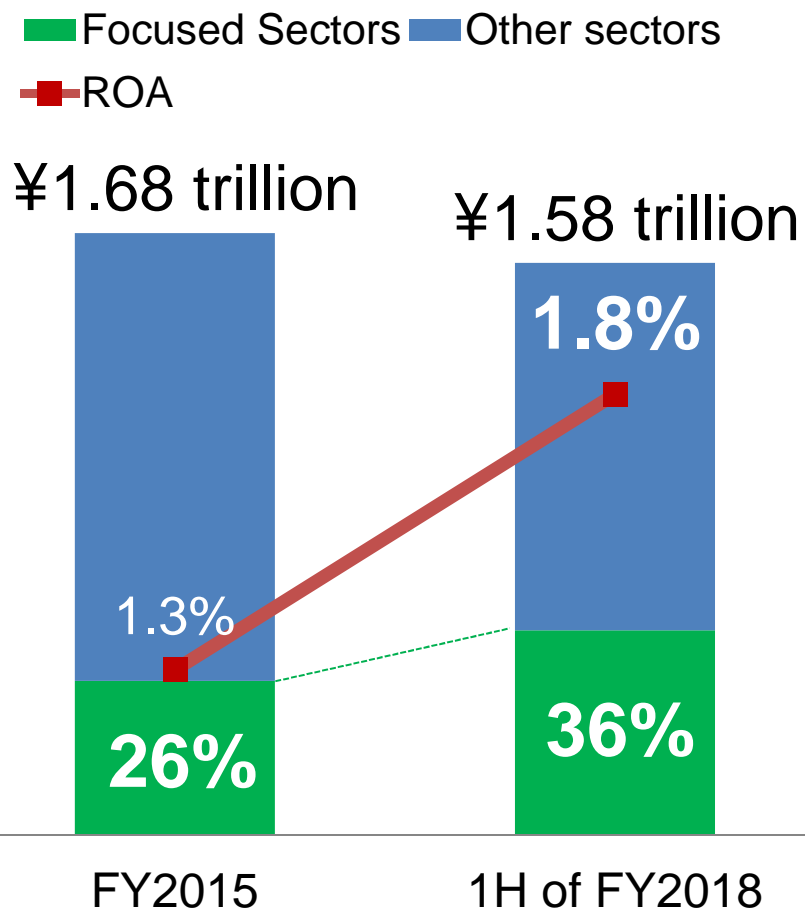
• Execute strategic investment to support business growth (Business partner, M&A, IT investments, etc.)

- | | |
|----------------------------|--|
| ⇒ M&A | : 300 billion yen in asset size |
| IT investment | : 20 billion yen |
| Human resources investment | : Add 200 highly-skilled professionals |

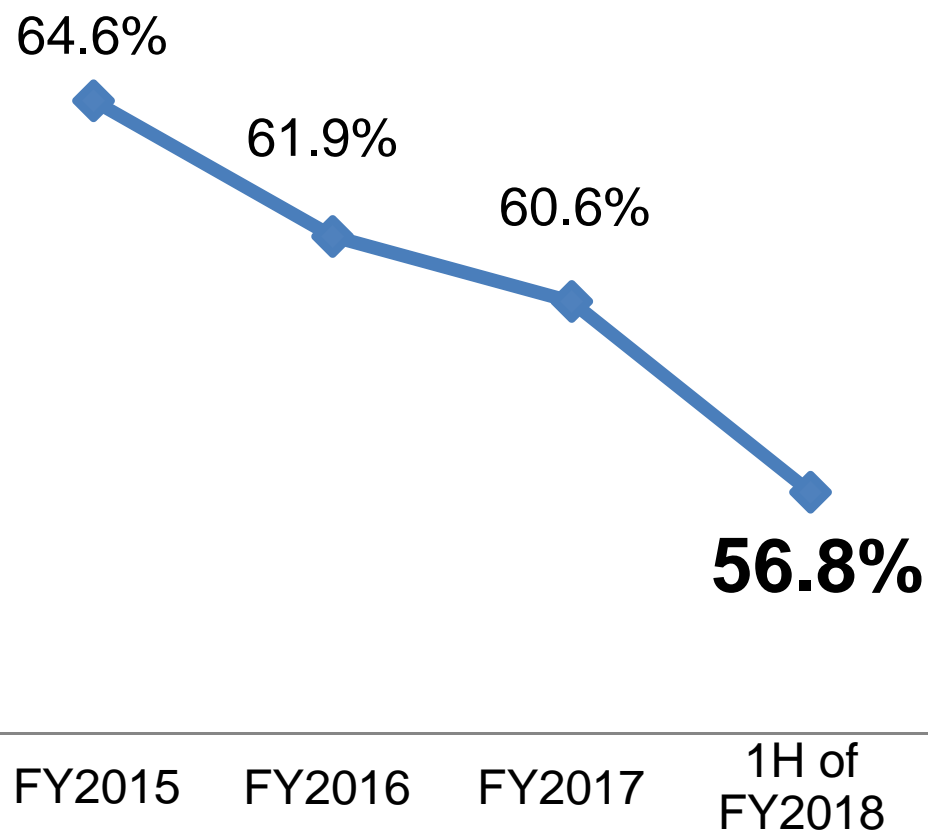


* MUFG: Mitsubishi UFJ Financial Group, Inc.
MUL: Mitsubishi UFJ Lease & Finance Company Limited

Operating assets/ROA



OHR

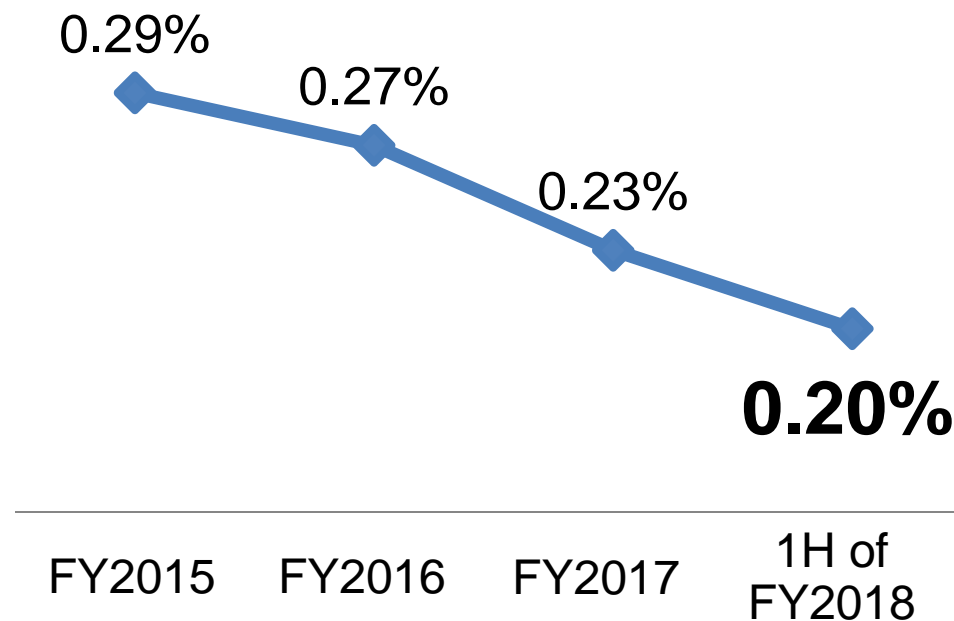
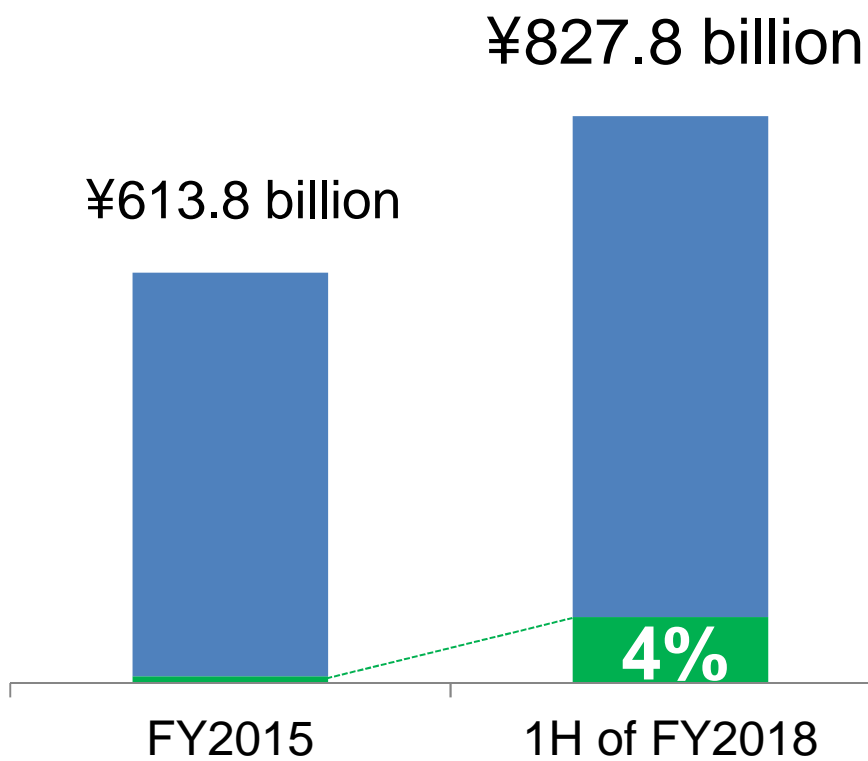


* OHR (overhead ratio) = SG&A (excluding bad debt expenses) / Gross profit

Operating assets

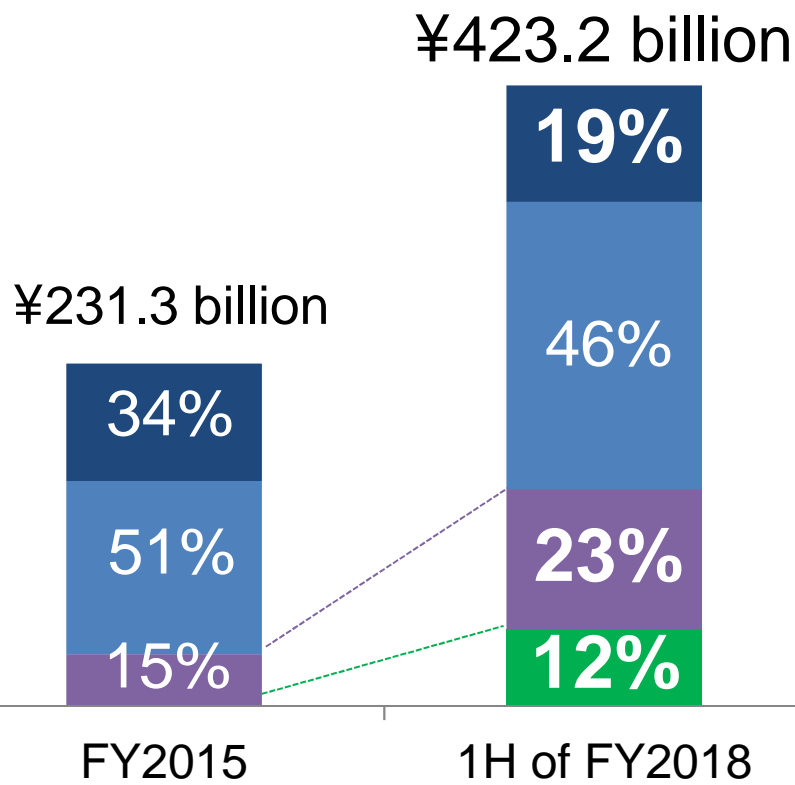
Credit loss ratio (UK Business)

■ Continental Europe ■ UK

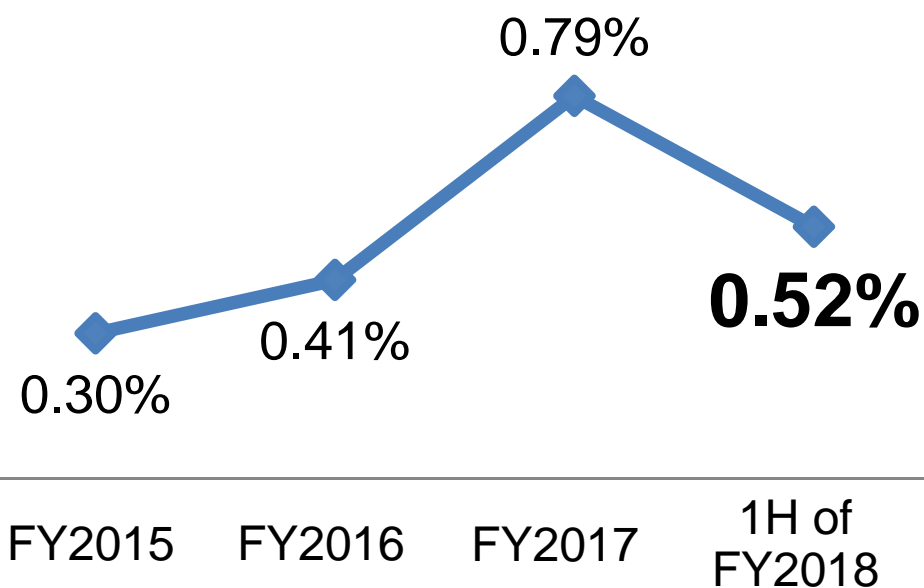


* Calculated using the exchange rate of each fiscal year

Operating assets



Credit loss ratio

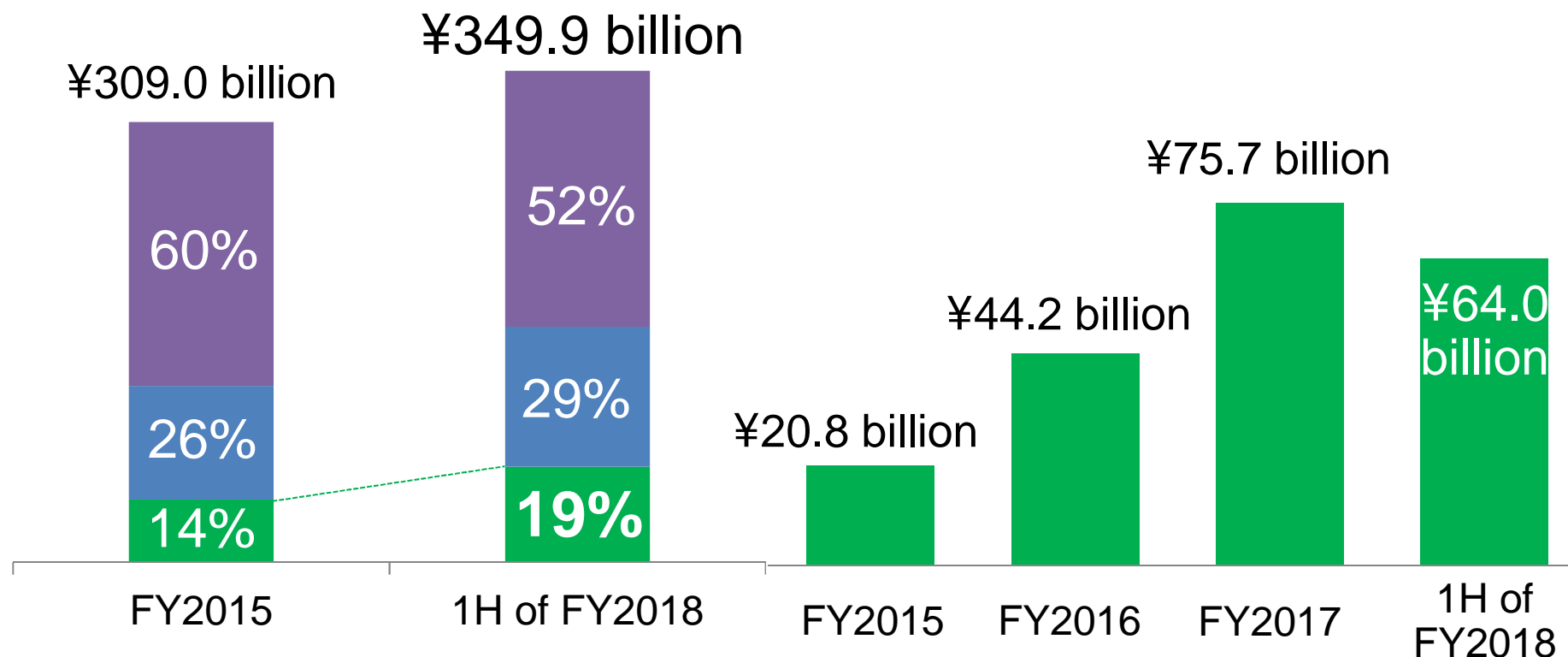


* Calculated using the exchange rate of each fiscal year

Operating assets

Volume of business (Mainland China: non-public)

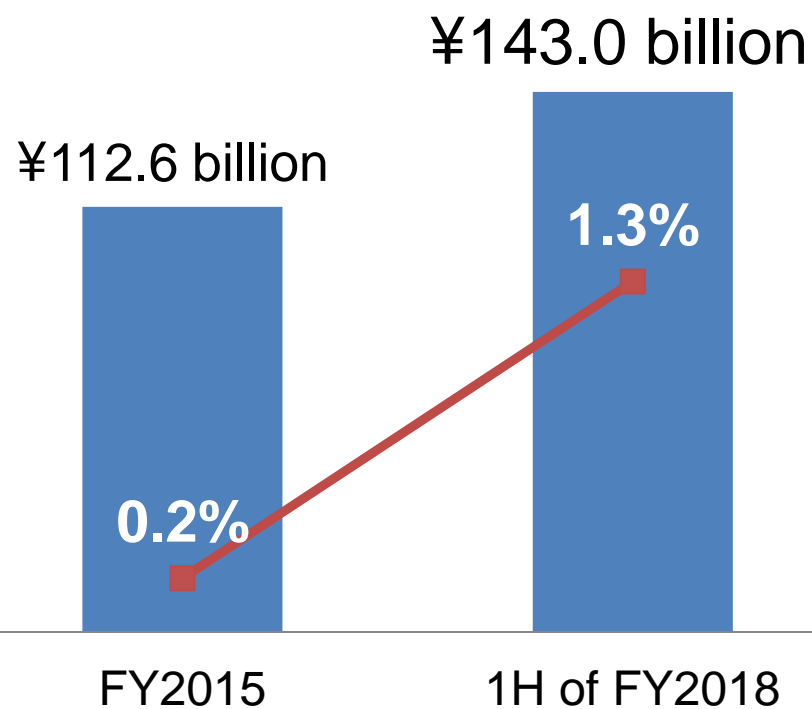
- Mainland China (Non-public)
- Hong Kong
- Mainland China (Public)



* Calculated using the exchange rate of each fiscal year

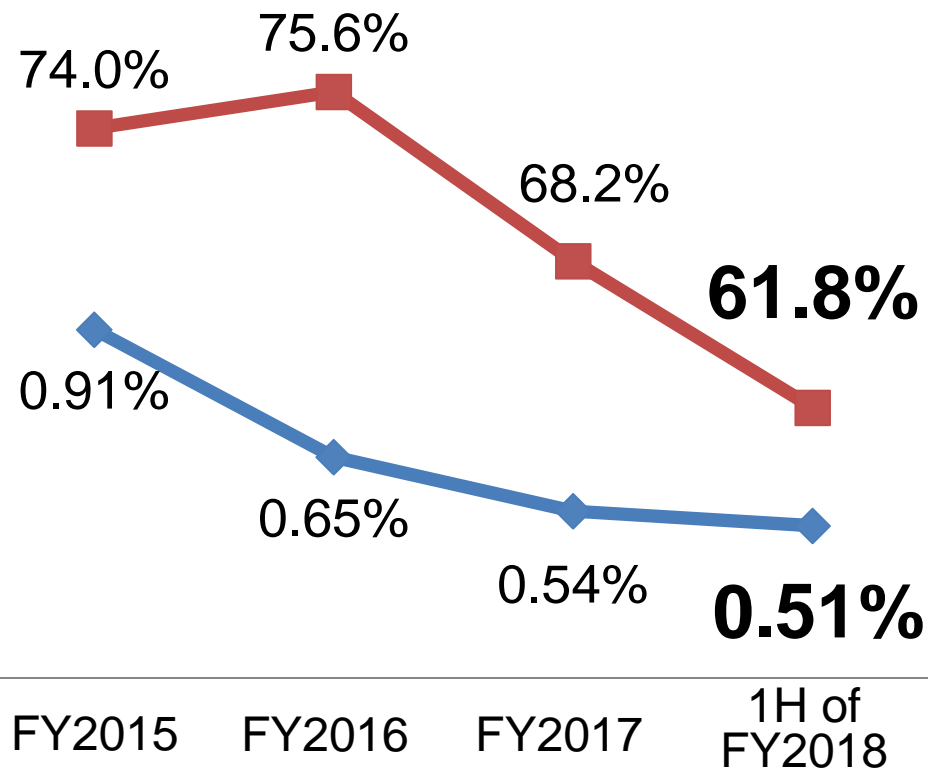
Operating assets/ROA

Operating assets ROA



Credit loss ratio/OHR

Credit loss ratio OHR



* OHR (overhead ratio) = SG&A (excluding bad debt expenses) / Gross profit

* Calculated using the exchange rate of each fiscal year

Collaboration with Hitachi (Past Press Releases)

#	Date of disclosure	Outline
1	Oct. 2018	Agreed on business collaboration with Chinese companies at the First Japan-China Forum on Third Country Business Cooperation
2	Sep. 2018	Improved the efficiency of small-lot loan screening by utilizing “Hitachi AI Technology/H”
3	Apr. 2018	Started the joint development for the “Development of accident risk assessment/prediction method based on fatigue science in the logistics truck driving management”
4	Mar. 2018	Entered into a basic agreement on business alliance to realize new innovation through “Finance, Commerce, Logistics, and Information”
5	Jun. 2017	Started demonstration testing of a new breath alcohol detector equipped with facial recognition
6	Mar. 2017	Completed two Hitachi 2-MW wind power generation systems for Eneseed Kita-Kyushu Wind Power Plant
7	Nov. 2016	Started ESCO business enabling electric power interchange between locations at four plants of NIHON CANPACK LIMITED by utilizing self-consignment system
8	Oct. 2016	Started to provide “Health and Productivity Solution”
9	Apr. 2016	Constructed a 36-MW Mega Solar Power Plant in Niimi City, Okayama Prefecture

JII concluded three deals so far

Investment in the UK rail infrastructure business

St Pancras International Station



Domestic Route

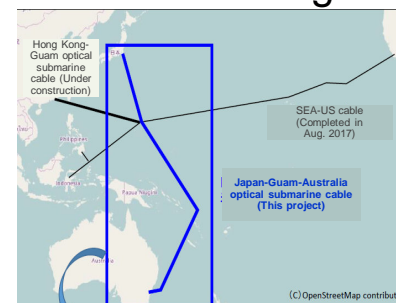


Investment target	A concession company to operate the 109km railway connecting London to the Channel Tunnel and four stations
Investment amount	£75 million (Approx. ¥10.5 billion *Calculated at £1=¥140)
Date	September 2017

Increase presence within the industry/Indirectly support Hitachi's Social Innovation Business

Investment in Optical Submarine Cable project

Support international communication service in Asia-Pacific region



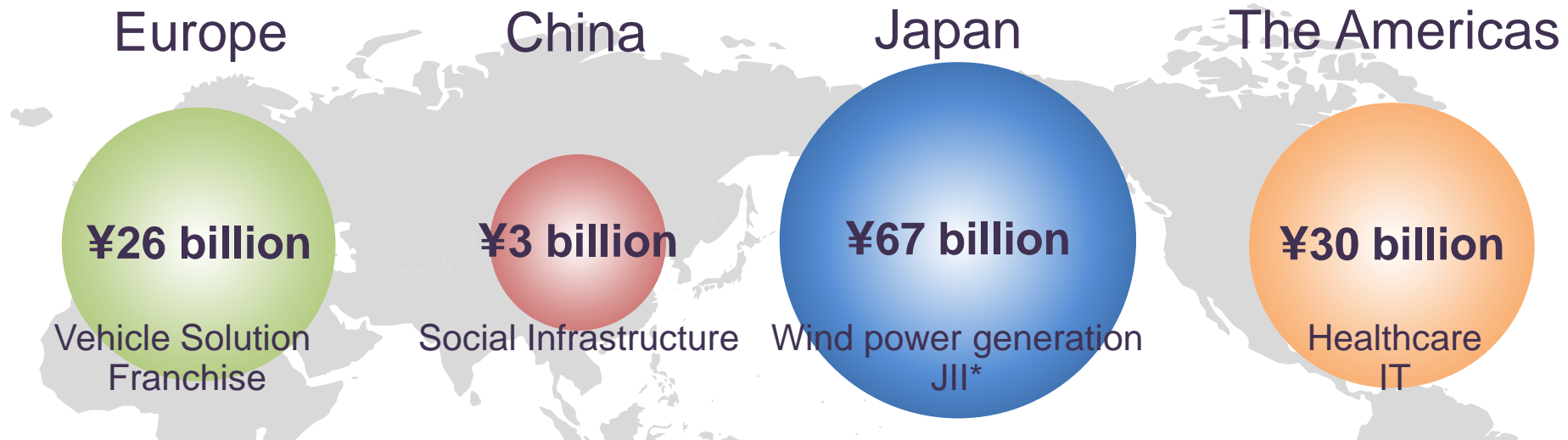
Investment target	Construct optical submarine cable of approx. 9,500 kilometers between Japan-Guam-Australia and sell/lease the right to use communication line
Investment amount	US\$20 million (Approx. ¥2.2 billion *Calculated at US\$1=¥110)
Date	From March 2018

Proactively support development of infrastructure business by Japanese companies

* MUFG: Mitsubishi UFJ Financial Group, Inc. MUL: Mitsubishi UFJ Lease & Finance Company Limited
JII: Japan Infrastructure Initiative Company Limited

Progress of Collaboration with Partners

Executed approx. ¥126 billion investments in 2018 Mid-Term Management Plan



Focused investment sectors to accelerate growth

Vehicle Solution



Eco- and energy-related



Pie chart: Amount

*JII: Japan Infrastructure Initiative Company Limited

*Figures are calculated using the exchange rate at the time of the investment.