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# Consolidated Financial Results Summary for FY 2018

July 25, 2019

 **Hitachi Capital Corporation**

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for FY 2018**
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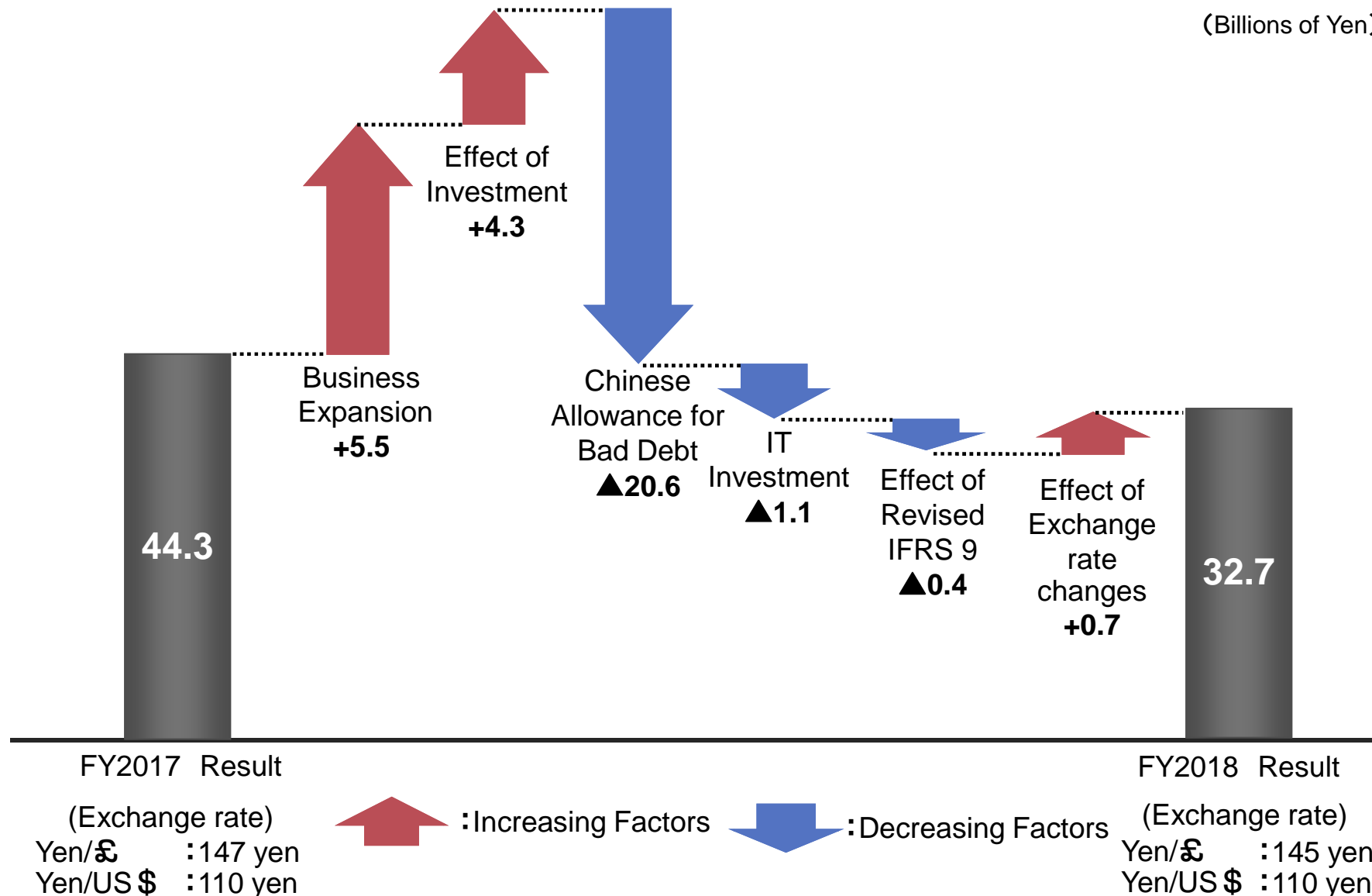
# 1-1. Summary of Business Performance for FY2018

(Millions of yen)

	FY2017 Results	FY2018 Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	2,509,327	2,745,094	109%	▲8,259	110%
Revenues	404,124	453,253	112%	▲1,698	113%
Cost of sales	272,425	312,859	115%	▲1,051	115%
Gross profit	131,698	140,393	107%	▲647	107%
Selling, general and administrative expenses	86,274	110,997	129%	▲1,254	130%
Profit before tax	44,295	32,706	74%	688	72%
Net income attributable to owners of the parent	32,057	19,363	60%	745	58%
Operating assets	3,179,135	3,392,878	107%	▲1,289	107%
ROE	8.8%	5.1%	▲3.6%	—	
ROA	1.4%	1.0%	▲0.4%	—	
OHR	60.9%	59.0%	▲1.9%	—	
Yearly average currency exchange rate	Yen / £	147 yen	145 yen	▲2 yen	
	Yen / US \$	110 yen	110 yen	+0 yen	

# 1-2. Changing Factors of FY 2018 Profit before tax

(Billions of Yen)



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

(Millions of yen)

		FY2017 Results	FY2018 Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	Japan Business	1,046,650	993,506	95%	—	—
	Global Business	1,462,677	1,751,588	120%	▲8,259	120%
Gross profit	Japan Business	62,207	62,857	101%	—	—
	Global Business	68,681	76,633	112%	▲647	113%
Profit before tax	Japan Business	23,903	30,265	127%	—	—
	Global Business	29,284	10,950	37%	688	35%
Operating assets	Japan Business	1,623,024	1,624,893	100%	—	—
	Global Business	1,556,110	1,767,985	114%	▲1,289	114%
ROA	Japan Business	1.5%	1.9%	+0.4%	—	—
	Global Business	2.0%	0.7%	▲1.4%	—	—
ROA (Local currency basis)	Global Business	2.0%	0.6%	▲1.4%	—	—

\*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		
	FY2017 Results	FY2018 Results	Y on Y Change	FY2017 Results	FY2018 Results	Y on Y Change
Total of Japan Business	1,046,650	993,506	95%	1,623,024	1,624,893	100%
Account Solution	850,987	802,990	94%	1,042,843	1,072,868	103%
(of which, excluding factoring)	785,293	743,222	95%	1,023,655	1,051,424	103%
Vendor Solution	177,432	181,971	103%	417,006	429,184	103%
Total of reportable segments	1,028,420	984,961	96%	1,459,850	1,502,053	103%
(of which, excluding factoring)	962,726	925,193	96%	1,440,662	1,480,609	103%
Other	20,146	9,822	49%	163,173	122,839	75%

	Gross profit			Profit before tax		
	FY2017 Results	FY2018 Results	Y on Y Change	FY2017 Results	FY2018 Results	Y on Y Change
Total of Japan Business	62,207	62,857	101%	23,903	30,265	127%
Account Solution	36,212	37,546	104%	17,289	22,718	131%
(of which, excluding factoring)	36,200	37,503	104%	17,296	22,698	131%
Vendor Solution	15,916	16,036	101%	5,346	6,245	117%
Total of reportable segments	52,128	53,583	103%	22,635	28,963	128%
(of which, excluding factoring)	52,116	53,539	103%	22,642	28,943	128%
Other	10,078	9,274	92%	1,267	1,302	103%

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

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

### ■ Europe (UK, Poland, the Netherlands, Germany, Austria)

(Millions of yen)

	FY2017 Results	FY2018 Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	592,343	662,687	112%	▲ 5,950	113%
Gross profit	38,384	44,539	116%	▲ 507	117%
Profit before tax	16,907	18,251	108%	▲ 185	109%
Operating assets	763,903	879,725	115%	▲ 24,759	118%
ROA (Local currency basis)	2.5%	2.2%	▲0.2%	—	—

### ■ The Americas (US, Canada)

(Millions of yen)

	FY2017 Results	FY2018 Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	533,212	721,770	135%	▲ 9	135%
Gross profit	14,440	16,385	113%	16	113%
Profit before tax	3,701	5,100	138%	3	138%
Operating assets	333,702	426,127	128%	18,236	122%
ROA (Local currency basis)	1.1%	1.3%	+0.2%	—	—

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

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

(Millions of yen)

	FY2017 Results	FY2018 Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	235,416	251,027	107%	▲ 2,508	108%
Gross profit	9,843	9,288	94%	▲ 74	95%
Profit before tax	7,677	▲ 13,895	—	861	—
Operating assets	325,136	312,594	96%	3,991	95%
ROA (Local currency basis)	2.3%	▲ 4.4%	▲ 6.8%	—	—

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

(Millions of yen)

	FY2017 Results	FY2018 Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	101,704	116,103	114%	209	114%
Gross profit	6,012	6,419	107%	▲ 81	108%
Profit before tax	998	1,493	150%	7	149%
Operating assets	133,368	149,537	112%	1,242	111%
ROA (Local currency basis)	0.7%	1.1%	+0.3%	—	—



# 3-1. Consolidated Financial Forecast for FY2019

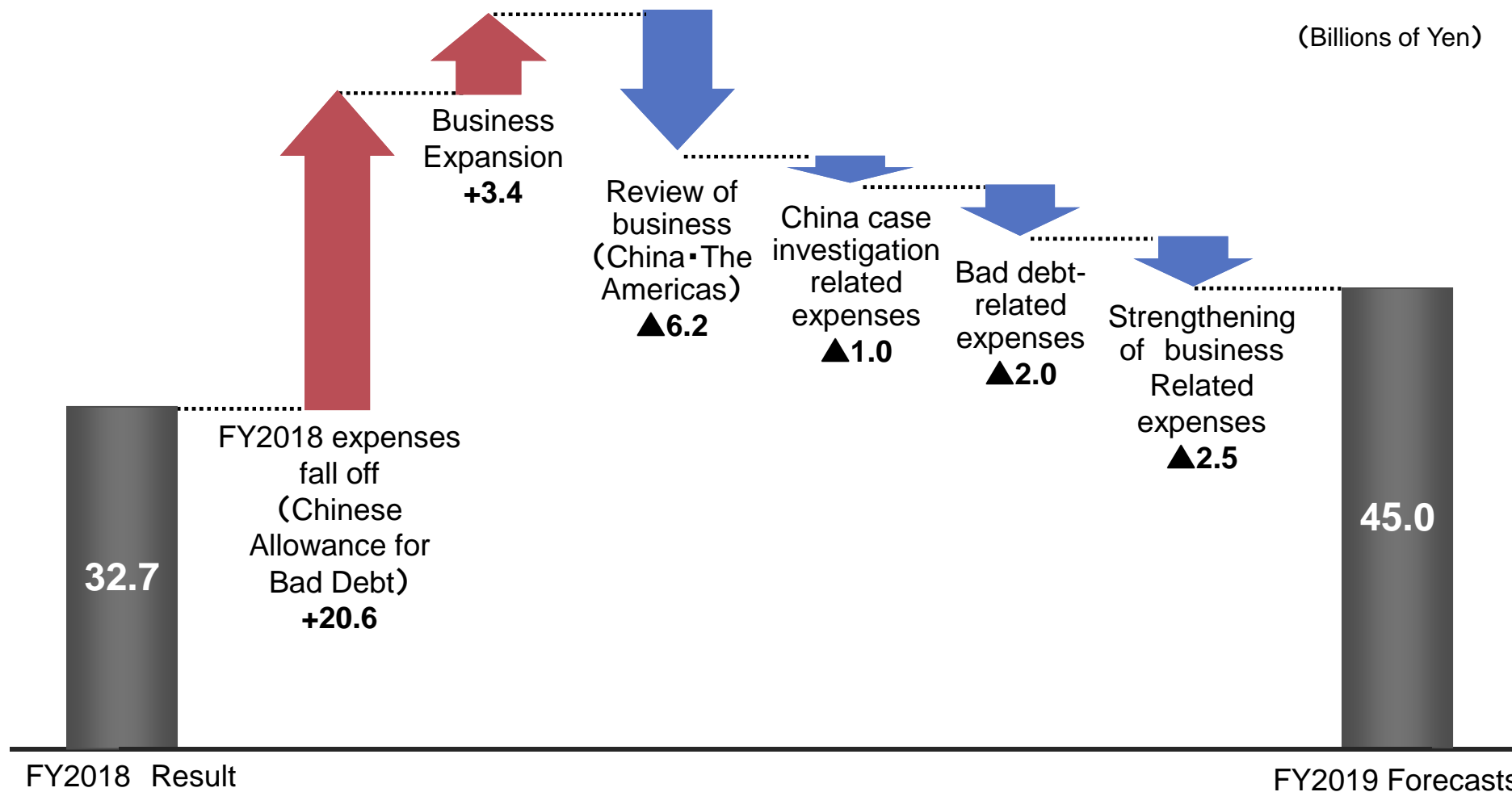
(Millions of yen)

	FY2018 Results	FY2019 Forecasts	Y on Y Change	
Volume of business	2,745,094	2,230,000	81%	
Revenues	453,253	466,500	103%	
Cost of sales	312,859	323,300	103%	
(of which, cost of capital)	38,599	46,200	120%	
Gross profit	140,393	143,200	102%	
Selling, general and administrative expenses	110,997	99,900	90%	
Profit before tax	32,706	45,000	138%	
Net income attributable to owners of the parent	19,363	32,500	168%	
Dividend per share (yen)	46 yen	88 yen	—	
Payout ratio	27.8%	31.6%	+3.9%	
ROE	5.1%	8.2%	+3.1%	
ROA	1.0%	1.3%	+0.3%	
OHR	59.0%	63.4%	+4.4%	
Yearly average currency exchange rate	Yen / £	145 yen	145 yen	Exchange sensitivity (*1) : Approx. 130 million yen
	Yen / US \$	110 yen	110 yen	Exchange sensitivity (*1) : Approx. 50 million yen

(\*1) The impact on Profit before tax in case JPY vs £/\$ changed 1 yen (FY2019 forecasts )

# 3-2. Changing Factors of FY2019 Profit before tax

(Billions of Yen)



(Exchange rate)

Yen/£ : 145 yen  
Yen/US\$ : 110 yen



Increasing Factors

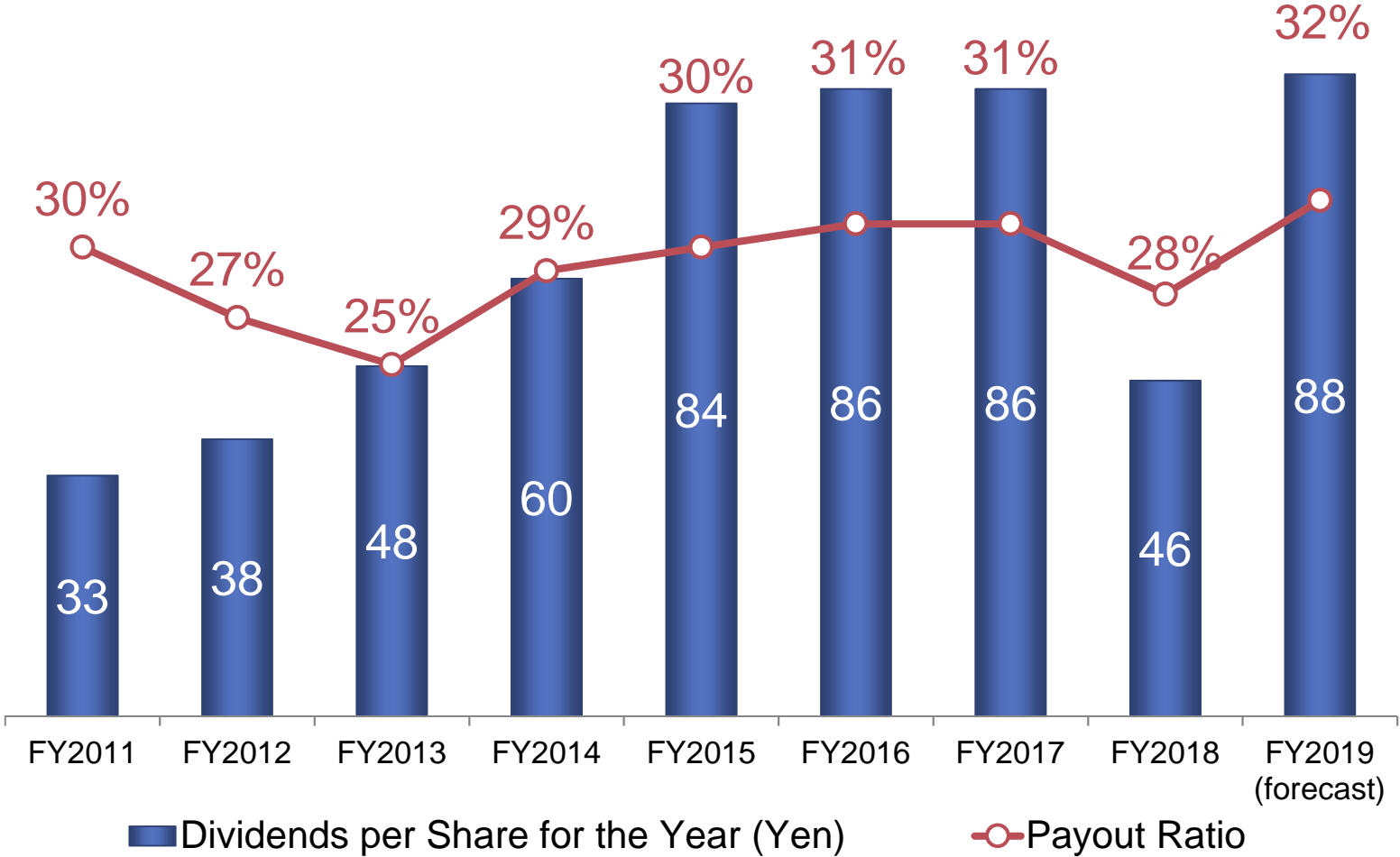


Decreasing Factors

(Exchange rate)

Yen/£ : 145 yen  
Yen/US\$ : 110 yen

# 3-3. Trends of annual cash dividends per share/ payout ratio



The Company is considering issuing special dividends, and will make an announcement as soon as it is confirmed.

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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)

	FY2017 Results	FY2018 Results	Y on Y Change
Cost of sales	272,425	312,859	115%
(of which, cost of capital)	30,288	38,599	127%

## ■ Breakdown of SG&A

(Millions of yen)

	FY2017 Results	FY2018 Results	Y on Y Change
Selling, general and administrative expenses	86,274	110,997	129%
(of which, personnel costs)	47,324	48,703	103%
(of which, business management expenses, etc.)	32,815	34,122	104%
(of which, bad debt-related expenses)	6,134	28,171	459%

# Quarterly Credit Trends by Region

	Credit loss ratio				Credit loss(Millions of yen)			
	FY2015 Results	FY2016 Results	FY2017 Results	FY2018 Results	FY2015 Results	FY2016 Results	FY2017 Results	FY2018 Results
Total	0.16%	0.15%	0.20%	0.18%	5,327	5,103	6,452	6,156
Japan	0.06%	0.04%	0.05%	0.06%	1,125	823	812	911
Europe	0.28%	0.26%	0.22%	0.25%	1,797	1,613	1,705	2,169
The Americas	0.30%	0.41%	0.79%	0.49%	739	1,357	2,652	2,070
Asia	0.36%	0.27%	0.28%	0.22%	1,667	1,309	1,281	1,005

\*Credit loss ratio : Credit loss ÷ Operating assets

\*Credit loss : This is the actual amount of bad debt losses that are different from bad debt-related expenses and the allowance for bad debt.