
**Consolidated Financial Results Summary
for the Third Quarter ended December 31, 2019**

February 5, 2020

 **Hitachi Capital Corporation**

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for the Third Quarter of FY2019**
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1. Summary of Business Performance for the Third Quarter of FY2019(Y on Y)

(Millions of yen)

	FY2018/3Q Results	FY2019/3Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	2,055,028	1,639,460	80%	▲38,999	82%
Revenues	338,148	338,343	100%	▲7,477	102%
Cost of sales	233,644	238,042	102%	▲4,878	104%
Gross profit	104,504	100,300	96%	▲2,599	98%
Selling, general and administrative expenses	66,000	70,504	107%	▲1,682	109%
Profit before tax	40,831	31,244	77%	▲923	79%
Net income attributable to owners of the parent	29,866	22,821	76%	▲725	79%
Operating assets	3,290,025	3,255,972	99%	11,077	99%
ROE	10.5%	7.9%	▲2.5%	—	
ROA	1.7%	1.3%	▲0.4%	—	
OHR	58.2%	63.1%	+4.9%	—	
Yearly average currency exchange rate	Yen / £	146yen	138yen	▲8yen	—
	Yen / US \$	111yen	109yen	▲2yen	—

2-1. Summary of Japan Business/Global Business

(Millions of yen)

		FY2018/3Q Results	FY2019/3Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	Japan Business	696,660	743,774	107%	—	—
	Global Business	1,358,367	895,685	66%	▲38,999	69%
Gross profit	Japan Business	47,839	45,108	94%	—	—
	Global Business	56,342	54,857	97%	▲2,599	102%
Profit before tax	Japan Business	23,164	19,218	83%	—	—
	Global Business	24,768	18,747	76%	▲923	79%
Operating assets	Japan Business	1,570,786	1,616,744	103%	—	—
	Global Business	1,719,238	1,639,228	95%	11,077	95%
ROA	Japan Business	1.9%	1.6%	▲0.4%	—	—
	Global Business	2.0%	1.5%	▲0.5%	—	—
ROA (Local currency basis)	Global Business	2.0%	1.5%	▲0.5%	—	—

*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		
	FY2018/3Q Results	FY2019/3Q Results	Y on Y Change	FY2018/3Q Results	FY2019/3Q Results	Y on Y Change
Total of Japan Business	696,660	743,774	107%	1,570,786	1,616,744	103%
Account Solution	553,558	589,007	106%	1,010,823	1,066,147	105%
Vendor Solution	136,789	148,452	109%	427,708	445,714	104%
Total of reportable segments	690,347	737,460	107%	1,438,532	1,511,861	105%
Other	7,284	7,248	100%	132,254	104,882	79%

	Gross profit			Profit before tax		
	FY2018/3Q Results	FY2019/3Q Results	Y on Y Change	FY2018/3Q Results	FY2019/3Q Results	Y on Y Change
Total of Japan Business	47,839	45,108	94%	23,164	19,218	83%
Account Solution	28,799	26,158	91%	17,595	13,782	78%
Vendor Solution	12,003	12,374	103%	4,537	4,827	106%
Total of reportable segments	40,802	38,533	94%	22,132	18,609	84%
Other	7,036	6,575	93%	1,031	608	59%

*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, Belgium)

(Millions of yen)

	FY2018/3Q Results	FY2019/3Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	500,027	483,013	97%	▲30,140	103%
Gross profit	32,467	34,226	105%	▲2,141	112%
Profit before tax	13,820	13,281	96%	▲814	102%
Operating assets	812,460	928,858	114%	16,283	112%
ROA (Local currency basis)	2.3%	2.0%	▲0.3%	—	—

■ The Americas (US, Canada)

(Millions of yen)

	FY2018/3Q Results	FY2019/3Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	564,227	269,296	48%	▲5,474	49%
Gross profit	12,176	11,832	97%	▲259	99%
Profit before tax	3,862	2,521	65%	▲52	67%
Operating assets	417,928	334,838	80%	▲4,400	81%
ROA (Local currency basis)	1.3%	0.9%	▲0.4%	—	—

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

■ China (Mainland China, Hong Kong area)

(Millions of yen)

	FY2018/3Q Results	FY2019/3Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	206,444	71,597	35%	▲2,649	36%
Gross profit	6,974	3,786	54%	▲131	56%
Profit before tax	5,762	1,955	34%	▲59	35%
Operating assets	343,978	228,388	66%	▲3,938	68%
ROA (Local currency basis)	2.3%	1.0%	▲1.3%	—	—

■ ASEAN (Singapore, Thailand, Malaysia, Indonesia)

(Millions of yen)

	FY2018/3Q Results	FY2019/3Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	87,667	71,777	82%	▲733	83%
Gross profit	4,723	5,011	106%	▲66	108%
Profit before tax	1,321	988	75%	2	75%
Operating assets	144,871	147,142	102%	3,134	99%
ROA (Local currency basis)	1.3%	0.9%	▲0.4%	—	—

3. Consolidated Financial Forecast for FY2019

(Millions of yen)

	FY2018 Results	FY2019 Forecasts	Y on Y Change	
Volume of business	2,745,094	2,300,000	84%	
Revenues	453,253	459,300	101%	
Cost of sales	312,859	319,900	102%	
(of which, cost of capital)	38,599	40,800	106%	
Gross profit	140,393	139,400	99%	
Selling, general and administrative expenses	110,997	96,100	87%	
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	150 yen(*1)	—	
Payout ratio	27.8%	39.6%(*2)	+11.8%	
ROE	5.1%	8.2%	+3.1%	
ROA	1.0%	1.3%	+0.4%	
OHR	59.0%	62.4%	+3.4%	
Yearly average currency exchange rate	Yen / £	145 yen	135 yen(*3)	Exchange sensitivity (*4) : Approx. 130 million yen
	Yen / US \$	110 yen	108 yen(*3)	Exchange sensitivity (*4) : Approx. 50 million yen

(*1) Ordinary dividend payments 110 yen + Special Dividends 40 yen (*2) Calculated using ordinary dividend payments (110 yen share)
(*3) Second half of FY2019 forecasts (*4) The impact on Profit before tax in case JPY vs £/\$ changed 1 yen (FY2019 forecasts)

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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)

	FY2018/3Q Results	FY2019/3Q Results	Y on Y Change
Cost of sales	233,644	238,042	102%
(of which, cost of capital)	28,238	30,123	107%

■ Breakdown of SG&A

(Millions of yen)

	FY2018/3Q Results	FY2019/3Q Results	Y on Y Change
Selling, general and administrative expenses	66,000	70,504	107%
(of which, personnel costs)	36,564	36,915	101%
(of which, business management expenses, etc.)	24,219	26,330	109%
(of which, bad debt-related expenses)	5,215	7,258	139%

Quarterly Credit Trends by Region

	Credit loss ratio				Credit loss(Millions of yen)			
	Annually Accumulated			3Q Accumulated	Annually Accumulated			3Q Accumulated
	FY2016 Results	FY2017 Results	FY2018 Results	FY2019/3Q Results	FY2016 Results	FY2017 Results	FY2018 Results	FY2019/3Q Results
Total	0.15%	0.20%	0.18%	0.23%	5,103	6,452	6,156	5,659
Japan	0.04%	0.05%	0.06%	0.07%	823	812	911	820
Europe	0.26%	0.22%	0.25%	0.33%	1,613	1,705	2,169	2,264
The Americas	0.41%	0.79%	0.49%	0.70%	1,357	2,652	2,070	1,754
Asia	0.27%	0.28%	0.22%	0.29%	1,309	1,281	1,005	819

*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.