



Consolidated Earnings Report [IFRS]

For the Year Ended March 31, 2021

Corporate Name: **Mitsubishi HC Capital Inc.** (Former Hitachi Capital Corporation)
 Stock Code: 8593 URL: <https://www.mitsubishi-hc-capital.com>
 Stock Listing: Tokyo and Nagoya Stock Exchange (First Section)
 Representative Director: Takahiro Yanai, Representative Director, President and CEO
 Inquiries: Satoshi Inoue, Director, Senior Managing Executive Officer
 Phone: +81-3-6865-3002
 Scheduled date of submission of annual securities report: -
 Scheduled commencement of dividend payment: June 30, 2021
 Preparation of supplementary material for financial results: No
 Holding of financial results meeting: No

(All amounts rounded down)

1. Consolidated Results for the Year Ended March 31, 2021 (April 1, 2020 – March 31, 2021)

(1) Consolidated Operating Results (Cumulative)

(year-on-year change %)

	Revenues		Profit before tax		Net income		Net income attributable to owners of the parent		Comprehensive income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Year ended March 31, 2021	467,176	0.7	42,585	0.1	33,195	3.8	32,026	4.3	61,515	296.1
Year ended March 31, 2020	464,020	2.4	42,526	30.0	31,985	76.1	30,693	58.5	15,529	27.6

	Earnings per share (basic)	Earnings per share (diluted)	ROE	ROA	Profit before tax margin
	¥	¥	%	%	%
Year ended March 31, 2021	274.25	—	8.0	1.1	9.1
Year ended March 31, 2020	262.67	—	8.1	1.1	9.2

(Ref.) Share of profits of investments accounted for using the equity method:

Year ended March 31, 2021: ¥2,719 million Year ended March 31, 2020: ¥1,430 million
 Volume of business: Year ended March 31, 2021: ¥1,788,606 million Year ended March 31, 2020: ¥2,186,490 million

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent	Equity per share attributable to owners of the parent
	¥ million	¥ million	¥ million	%	¥
Year ended March 31, 2021	3,811,002	439,338	421,908	11.1	3,611.42
Year ended March 31, 2020	3,719,474	396,013	380,728	10.2	3,260.23

2. Dividends

	Dividends per share					Total dividends (For the year)	Payout ratio (Consolidated)	Dividends to Equity (Consolidated)
	1st Quarter	2nd Quarter	3rd Quarter	Year End	For the Year			
	¥	¥	¥	¥	¥	¥ million	%	%
Year ended March 31, 2020	—	52.00	—	58.00	150.00	17,532	57.1	4.6
Year ended March 31, 2021	—	40.00	—	54.00	94.00	10,987	34.3	2.6

As announced in "Re: Appropriation of Dividends (Special Dividends) from Retained Earnings," released on July 29, 2019, the Company paid a special dividend of 40 yen per share with the record date of August 14, 2019. As the Company pays the annual dividend of 150 yen per share for the year ended March 31, 2020, consisting of two ordinary dividends (110 yen per share) and the special dividend, the total amount for the year ended March 31, 2020 in the above table shows such amount.

* Notes

- (1) Significant changes in subsidiaries during the period under review
(Transfer of specific subsidiaries accompanying the change of scope of consolidation): None
- (2) Changes to accounting policies; changes to accounting estimates
(i) Changes to accounting policies required by IFRS : None
(ii) Changes to accounting policies other than (i) above : None
(iii) Changes to accounting estimates : None
- (3) Number of outstanding shares (common shares)
- | | | | |
|---|--------------------|----------------------------|--------------------|
| (i) Shares issued at end of term (including treasury stock) | | | |
| As of March 31, 2021: | 124,826,552 shares | As of March 31, 2020: | 124,826,552 shares |
| (ii) Treasury stock at end of term | | | |
| As of March 31, 2021: | 8,000,347 shares | As of March 31, 2020: | 8,046,875 shares |
| (iii) Weighted average number of shares outstanding | | | |
| Year ended March 31, 2021: | 116,781,533 shares | Year ended March 31, 2020: | 116,853,475 shares |

* Consolidated Earnings Report is outside the scope of an audit by certified public accountants or an audit corporation.

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Consolidated Financial Statements and Major Notes

(1) [Consolidated Statements of Financial Position]

(¥ million)

	As of March 31, 2020	As of March 31, 2021
Assets		
Cash and cash equivalents	265,463	312,408
Trade and other receivables	1,279,496	1,288,914
Finance lease receivables	1,256,013	1,244,470
Other financial assets	103,494	99,568
Operating leased assets	544,434	607,982
Investments accounted for using the equity method	37,623	24,272
Other property, plant and equipment	122,071	111,952
Other intangible assets	41,306	43,875
Deferred tax assets	14,292	13,884
Other assets	55,279	63,673
Total assets	3,719,474	3,811,002
Liabilities		
Trade and other payables	87,675	84,514
Borrowings and bonds	3,081,051	3,095,988
Other payables	12,638	20,489
Other financial liabilities	50,610	74,669
Income tax payable	3,435	2,343
Retirement and severance benefits	7,440	5,674
Deferred tax liabilities	5,915	7,844
Other liabilities	74,692	80,140
Total liabilities	3,323,460	3,371,664
Equity		
Equity attributable to owners of the parent		
Common stock	9,983	9,983
Capital surplus	45,029	43,995
Retained earnings	359,572	374,405
Accumulated other comprehensive income	(19,231)	8,022
Treasury stock	(14,626)	(14,499)
Total equity attributable to owners of the parent	380,728	421,908
Non-controlling interests	15,285	17,429
Total equity	396,013	439,338
Total liabilities and equity	3,719,474	3,811,002

(2) [Consolidated Statements of Profit or Loss and Comprehensive Income]
[Consolidated Statements of Profit or Loss]

	(¥ million)	
	For the Year ended March 31, 2020 (April 1, 2019 to March 31, 2020)	For the Year ended March 31, 2021 (April 1, 2020 to March 31, 2021)
Revenues	464,020	467,176
Cost of sales	327,703	331,074
Gross profit	136,316	136,101
Selling, general and administrative expenses	96,442	97,978
Other income	2,078	2,177
Other expenses	856	434
Share of profits of investments accounted for using the equity method	1,430	2,719
Profit before tax	42,526	42,585
Income taxes	10,541	9,390
Net income	31,985	33,195
Net income attributable to:		
Owners of the parent	30,693	32,026
Non-controlling interests	1,292	1,168
Earnings per share		
Earnings per share attributable to owners of the parent (basic and diluted)	¥262.67	¥274.25

[Consolidated Statements of Comprehensive Income]

	(¥ million)	
	For the Year ended March 31, 2020 (April 1, 2019 to March 31, 2020)	For the Year ended March 31, 2021 (April 1, 2020 to March 31, 2021)
Net income	31,985	33,195
Other comprehensive income		
Items not to be reclassified to net income		
Financial assets measured at fair value through other comprehensive income	(605)	3,211
Remeasurements of defined benefit plans	170	2,021
Share of other comprehensive income of investments accounted for using the equity method	(35)	241
Total items not to be reclassified to net income	(470)	5,474
Items that can be reclassified to net income		
Foreign currency translation adjustments	(12,032)	21,035
Cash flow hedges	(3,284)	770
Share of other comprehensive income of investments accounted for using the equity method	(669)	1,039
Total items that can be reclassified to net income	(15,986)	22,845
Other comprehensive income	(16,456)	28,320
Comprehensive income	15,529	61,515
Comprehensive income attributable to:		
Owners of the parent	14,649	59,841
Non-controlling interests	880	1,674

(3) [Segment information]

Segment information for the years ended March 31, 2020 and 2021 is as follows.

For the Year Ended March 31, 2020 (April 1, 2019 - March 31, 2020)

(¥ million)

	Reportable segments							Other	Total	Adjustments	Consolidated statements of profit or loss
	Japan		Europe	The Americas	China	ASEAN	Total				
	Account Solution	Vendor Solution									
Revenues											
External customers	238,010	25,139	132,590	29,447	12,189	17,601	454,979	10,887	465,866	(1,846)	464,020
Intersegment	730	34	-	-	-	-	764	1,088	1,852	(1,852)	-
Total	238,740	25,173	132,590	29,447	12,189	17,601	455,743	11,976	467,719	(3,699)	464,020
Profit (loss) before tax	20,188	5,435	18,533	3,212	1,956	702	50,029	941	50,971	(8,444)	42,526

(Notes)

1. "Other" includes business segments not included in any other reportable segments and includes companies transforming its business structure through business development and revitalization.
2. Adjustment of profit (loss) before tax represents company-wide expense that is not allocated to any reportable segments. The company-wide expense mainly comprises general and administrative expenses that are not allocated to reportable segments.
3. The Group does not allocate assets and liabilities to the reportable segment used by the chief operating decision maker.
4. Inter-segment transactions are executed on an arm's length basis.

For the Year Ended March 31, 2021 (April 1, 2020 - March 31, 2021)

(¥ million)

	Reportable segments							Other	Total	Adjustments	Consolidated statements of profit or loss
	Japan		Europe	The Americas	China	ASEAN	Total				
	Account Solution	Vendor Solution									
Revenues											
External customers	241,661	24,367	140,482	27,530	9,698	15,038	458,777	9,769	468,546	(1,370)	467,176
Intersegment	616	46	-	-	-	-	662	1,033	1,696	(1,696)	-
Total	242,277	24,413	140,482	27,530	9,698	15,038	459,440	10,802	470,242	(3,066)	467,176
Profit (loss) before tax	24,100	6,777	15,171	4,230	1,839	379	52,499	734	53,233	(10,648)	42,585

(Notes)

1. "Other" includes business segments not included in any other reportable segments and includes companies transforming its business structure through business development and revitalization.
2. Adjustment of profit (loss) before tax represents company-wide expense that is not allocated to any reportable segments. The company-wide expense mainly comprises general and administrative expenses that are not allocated to reportable segments.
3. The Group does not allocate assets and liabilities to the reportable segment used by the chief operating decision maker.
4. Inter-segment transactions are executed on an arm's length basis.