

Consolidated Financial Highlights for the Year ended March 31, 2022

[Based on J-GAAP]

May 16, 2022

Company Name: **Mitsubishi HC Capital Inc.**
 Stock Exchange Listed on: Tokyo (Prime Market), Nagoya (Premier Market)
 Company Code: 8593 URL: <https://www.mitsubishi-hc-capital.com/>
 Representative: Takahiro Yanai, Representative Director, President & CEO
 For Inquiry: Satoshi Inoue, Director, Senior Managing Executive Officer TEL: +81-3-6865-3002
 Date of General Meeting of Shareholders: June 28, 2022
 Scheduled Commencement of Dividend Payment: June 13, 2022
 Scheduled Date of Submission of Financial Reports: June 28, 2022
 Supplemental Material for Financial Results: Available
 Holding of Financial Results Meeting: Scheduled (for Institutional Investors and Analysts)

(Amounts of less than one million yen are rounded down)

1. Consolidated Results for the year ended March 31, 2022 (April 1, 2021 – March 31, 2022)

(1) Consolidated Operating Results

(Year-on-year change %)

	Revenues		Operating income		Recurring income		Net income attributable to owners of the parent	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
For the year ended								
March 31, 2022	1,765,559	86.3	114,092	83.1	117,239	80.5	99,401	79.7
March 31, 2021	947,658	—	62,316	—	64,968	—	55,314	—

- (Note) 1. Comprehensive income: For the year ended March 31, 2022: ¥174,586 million 229.0%
 For the year ended March 31, 2021: ¥53,066 million -%
2. The Company (the former Mitsubishi UFJ Lease & Finance Company Limited) executed the business integration with Hitachi Capital Corporation on April 1, 2021. The consolidated operating results for the year ended March 31, 2021 represent the results of the former Mitsubishi UFJ Lease & Finance Company Limited.
3. Year-on-year change % for the year ended March 31, 2021 are omitted as changes in accounting policies were applied retrospectively.

	Earnings per share	Diluted earnings per share	Return on equity	Recurring income to total assets	Operating margin
	(Yen)	(Yen)	%	%	%
For the year ended					
March 31, 2022	69.24	69.06	8.0	1.2	6.5
March 31, 2021	62.07	61.84	7.0	1.1	6.6

- (Reference) Share of profit of entities accounted for using equity method: For the year ended March 31, 2022: ¥4,818 million
 For the year ended March 31, 2021: ¥3,261 million

- (Note) 4. The figures at the beginning of the period for calculating return on equity and recurring income to total assets for the year ended March 31, 2022 reflect the business integration with Hitachi Capital Corporation.

(2) Consolidated Financial Position

	Total assets	Total Equity	Equity ratio	Equity per share
	(Millions of yen)	(Millions of yen)	%	(Yen)
As of				
March 31, 2022	10,328,872	1,333,467	12.7	912.19
March 31, 2021	6,014,896	817,906	13.4	901.66

- (Reference) Shareholders' equity: As of March 31, 2022: ¥1,309,769 million
 As of March 31, 2021: ¥803,796 million

- (Note) 1. The consolidated financial position as of March 31, 2021 represent the results of the former Mitsubishi UFJ Lease & Finance Company Limited.
 2. Changes in accounting policies were applied retrospectively to figures as of March 31, 2021.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the year
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
For the year ended				
March 31, 2022	195,845	(107,879)	(192,157)	520,083
March 31, 2021	199,314	1,220	(372,808)	286,213

- (Note) 1. The consolidated cash flows for the year ended March 31, 2021 represent the results of the former Mitsubishi UFJ Lease & Finance Company Limited.
 2. Changes in accounting policies were applied retrospectively to figures for the year ended March 31, 2021.

2. Dividends

	Dividends per share					Total dividends (For the year) (Millions of yen)	Payout ratio (Consolidated) %	Dividends to equity (consolidated) %
	1st Quarter end (Yen)	2nd Quarter end (Yen)	3rd Quarter end (Yen)	Year - end (Yen)	Annual (Yen)			
For the year ended								
March 31, 2021	—	12.75	—	12.75	25.50	22,729	41.1	2.9
March 31, 2022	—	13.00	—	15.00	28.00	40,210	40.4	3.2
March 31, 2023 (Forecast)	—	15.00	—	16.00	31.00		40.5	

(Note) 1. Dividends for the year ended March 31, 2021 represent the results of the former Mitsubishi UFJ Lease & Finance Company Limited.
2. The figures at the beginning of the period for calculating dividends to equity for the year ended March 31, 2022 reflect the business integration with Hitachi Capital Corporation.

3. Consolidated Earnings Forecasts for the year ending March 31, 2023 (April 1, 2022 – March 31, 2023)

(Year-on-year change %)

	Net income attributable to owners of the parent		Earnings per share (Yen)
	(Millions of yen)	%	
Full year	110,000	10.7	76.61

* Notes

(1) Significant changes in subsidiaries during the period

(Change of specific subsidiaries accompanying the change of scope of consolidation) : Yes

Newly included: 14 companies

(Company name)

Capital Insurance Corporation, Mitsubishi HC Business Lease Corporation, Mitsubishi HC Capital UK PLC, Mitsubishi HC Capital America, Inc., Mitsubishi HC Capital Canada, Inc., Mitsubishi HC Capital Management (China) Limited, Mitsubishi HC Capital (Hong Kong) Limited, Mitsubishi HC Capital Leasing (Beijing) Co., Ltd., Mitsubishi HC Capital Factoring (Shanghai) Co., Ltd., Mitsubishi HC Capital Asia Pacific Pte. Ltd., Mitsubishi HC Capital (Thailand) Co., Ltd., PT HCD Properti Indonesia, CAI International, Inc., Japan Infrastructure Initiative Company Limited

(2) Changes in accounting policies, changes in accounting estimates, and restatement of revisions

(i) Changes in accounting policies with revision of accounting standards, etc. : Yes

(ii) Changes in accounting policies other than (i) above : Yes

(iii) Changes in accounting estimates : No

(iv) Restatement of revisions : No

(3) Number of outstanding shares (common shares)

(i) Number of outstanding shares (including treasury shares)	As of March 31, 2022	1,466,912,244 shares	As of March 31, 2021	895,834,160 shares
(ii) Number of treasury shares	As of March 31, 2022	31,056,401 shares	As of March 31, 2021	4,368,016 shares
(iii) Weighted average number of shares outstanding	For the year ended March 31, 2022	1,435,664,701 shares	For the year ended March 31, 2021	891,207,275 shares

(Note) As a result of the business integration with Hitachi Capital Corporation on April 1, 2021 (merger ratio: 1:5.1), the number of outstanding shares increased by 571,078,084 shares to 1,466,912,244 shares.

(Reference) Summary of Non-Consolidated Results

1. Non-Consolidated Results for the year ended March 31, 2022 (April 1, 2021 – March 31, 2022)

(1) Non-consolidated Operating Results

(Year-on-year change %)

For the year ended	Revenues		Operating income		Recurring income		Net income	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
March 31, 2022	838,475	70.4	18,071	(20.6)	34,008	(44.6)	51,584	(18.6)
March 31, 2021	492,019	—	22,768	—	61,392	—	63,399	—

For the year ended	Earnings per share	Diluted earnings per share
	(Yen)	(Yen)
March 31, 2022	35.93	35.84
March 31, 2021	71.14	70.87

(Note) 1. The non-consolidated operating results for the year ended March 31, 2021 represent the results of the former Mitsubishi UFJ Lease & Finance Company Limited.

2. Year-on-year change % for the year ended March 31, 2021 are omitted as changes in accounting policies were applied retrospectively.

(2) Non-consolidated Financial Position

As of	Total assets	Total Equity	Equity ratio	Equity per share
	(Millions of yen)	(Millions of yen)	%	(Yen)
March 31, 2022	5,700,025	880,601	15.4	612.00
March 31, 2021	4,181,294	557,554	13.3	623.69

(Reference) Shareholders' equity: As of March 31, 2022: ¥878,739million
As of March 31, 2021: ¥556,002million

(Note) 1. The non-consolidated financial position as of the year ended March 31, 2021 represents the results of the former Mitsubishi UFJ Lease & Finance Company Limited.

2. Changes in accounting policies were applied retrospectively to figures as of March 31, 2021.

* This "Consolidated Financial Highlights" is outside the scope of an audit by certified public accountants or an audit firm.

* Explanation regarding the appropriate use of the forecasts, etc.

(Remarks on forward-looking statements)

The forward-looking statements in this report, including earnings forecasts, have been prepared using information available to the Company on the date of release and certain assumptions deemed reasonable by the Company, and are not intended to assure that the Company will achieve such results. Actual earnings may differ significantly from the forecasts for various reasons.

* This "Consolidated Financial Highlights" is made in Japanese and translated into English. The Japanese text is the original and the English text is for reference purposes. If there is any conflict or inconsistency between these two texts, the Japanese text shall prevail.

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1. Summary of Operating Results, etc.

(1) Summary of Operating Results for the year ended March 31, 2022

On April 1, 2021, the Company (the former Mitsubishi UFJ Lease & Finance Company Limited, "MUL") executed the business integration with Hitachi Capital Corporation ("HC") and changed the trade name to Mitsubishi HC Capital Inc. ("MHC")

Accordingly, the figures for the year ended March 31, 2021 in 1) Summary of operating results and topics are the sum of consolidated results of MUL and those of HC (IFRS basis) converted into J-GAAP basis in a simplified manner, which are presented as reference values.

Figures for the year ended March 31, 2021 and as of March 31, 2021 in 2) Operating results by reporting segments are the sum of consolidated results of MUL and those of HC (IFRS basis) converted into J-GAAP basis in a simplified manner, which are reclassified to conform to the new segmentation and presented as reference value.

1) Summary of operating results and topics

Summarized results for the year ended March 31, 2022 were as follows.

Net income attributable to owners of the parent increased by ¥12.2 billion, or 14.0% year on year (to reference value), to ¥99.4 billion mainly thanks to 1) business growth in subsidiaries in Europe and the U.S. in Account Solution segment and in marine container leasing in Logistics segment, 2) an increase in gains on sale of assets in Aviation segment, 3) continuous replacement of the portfolio, and 4) steady promotion in asset turnover business, exceeding the full-year earnings forecast (¥95.0 billion of net income attributable to owners of the parent) by ¥4.4 billion.

As a result of exceeding the full-year earnings forecast, annual dividend per share is expected to be ¥28, an increase by ¥2 from annual dividend forecast of ¥26 and by ¥2.50 from the annual dividend paid for the year ended March 31, 2021 of ¥25.50.

Major topics include that, in October 2021, the Company announced its support for Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and, in December 2021, identified and announced the following six material issues as our priority key challenges we should address for our sustainable growth: (1) Promote a decarbonized society, (2) Realize the circular economy, (3) Establish resilient social infrastructure, (4) Realize healthy lifestyles that promote positive wellbeing, (5) Create businesses utilizing the latest technologies, and (6) Collaborate with partners locally and globally. The MHC Group will implement specific business strategy/measures in line with these material issues.

As part of our efforts toward promotion of a decarbonized society and realization of prosperous and sustainable future through business, we established the Tokorozawa Kitaiwaoka Solar Power Plant in July 2021 under the solar sharing model which allows to cope with both providing electricity to Tokorozawa City, Saitama Prefecture, and cultivating blueberries. Our overseas efforts include the acquisition of shares of Trung Nam Wind Power Joint Stock Company, a Vietnamese wind power generation business developer and operator, in May 2021 to enter the wind power market in Vietnam and the investment in a solar power generation business in California, the U.S., in September 2021. Also, we made investment in Universal Hydrogen Co., a U.S. hydrogen-powered aircraft startup, in October 2021 and purchased 25 new generation fuel-efficient aircraft engines in the aircraft engine leasing business in November 2021, with an aim to contribute to reducing environmental impacts of the aviation industry by further increasing such engines.

In Logistics segment, the Company acquired all shares of CAI International, Inc., a leading U.S. marine container leasing company, and made them our wholly-owned subsidiary in November 2021. Taking advantage of this acquisition, we will enhance our global competitiveness in the marine container leasing business with high growth potential and stable leasing demand to develop the business as one of our growth drivers.

(Billions of yen)

	Year Ended March 31, 2021 (Reference value)	Year Ended March 31, 2022	Change (%)
Revenues	1,713.8	1,765.5	3.0
Gross profit	295.8	334.6	13.1
Operating income	98.0	114.0	16.4
Recurring income	105.4	117.2	11.2
Net income attributable to owners of the parent	87.1	99.4	14.0

2) Operating results by reporting segments

Operating results by reporting segments were as follows.

Following the business integration with HC, the Company reorganized its reporting segments to ten segments as follows.

(For details of the reporting segments, please refer to “3. Consolidated Financial Statements and Major Notes, (5) Notes to the Consolidated Financial Statements (Segment information, etc.)” on page 21.)

(Customer Business)

Segment profit increased by ¥7.9 billion, or 31.2% year on year (reference value), to ¥33.4 billion mainly thanks to business growth of ENGS Holdings Inc., a U.S. sales finance company, and an increase in gain on sale of strategic shareholdings.

(Account Solution)

Segment profit increased by ¥6.9 billion, or 34.9% year on year (reference value), to ¥26.9 billion mainly thanks to business growth primarily in Europe and the U.S. despite an increase in selling, general and administrative expenses associated with expanded business activities.

(Vendor Solution)

Segment profit decreased by ¥1.1 billion, or 28.2% year on year (reference value), to ¥3.0 billion due to a decrease in segment assets despite an increase in new transactions volume.

(LIFE)

Segment profit increased by ¥0.6 billion, or 14.6% year on year (reference value), to ¥4.8 billion thanks to an increase in gain on sale of logistics facilities in the real estate-related business as well as a decrease in selling, general and administrative expenses.

(Real Estate)

Segment profit decreased by ¥8.8 billion, or 31.7% year on year (reference value), to ¥19.1 billion due to a reactionary fall in sales gains and absence of compensation received in association with the redevelopment project, both recorded in the Year ended March 31, 2021.

(Environment & Renewable Energy)

Segment profit remained flat year on year (reference value) at ¥7.0 billion due to an absence of gain on step acquisitions recorded in the solar power generation business in the Year ended March 31, 2021 despite an increase in electricity sales revenues.

(Aviation)

Segment profit increased by ¥2.9 billion, or 105.4% year on year (reference value), to ¥5.7 billion mainly thanks to an increase in gain on sale of assets and posting of gain on sale of certain receivables from bankrupt debtors, despite recognition of credit costs for certain existing customers, expenses in relation to modification of terms for certain existing lease contracts, posting of impairment loss, and foreign exchange losses related to borrowings denominated in foreign currencies in certain businesses.

(Logistics)

Segment profit increased by ¥0.8 billion, or 47.7%, year on year (reference value), to ¥2.7 billion mainly thanks to steady performance of Beacon Intermodal Leasing, LLC, a marine container leasing company, and an increase in equity-method investment gains in the auto leasing business, despite posting of one-time expenses in connection with reconfiguration of portfolio in the railway freight car leasing business and expenses related to the acquisition of CAI International, Inc.

(Mobility)

Segment profit increased by ¥1.1 billion, or 160.7% year on year (reference value), to ¥1.9 billion mainly thanks to an increase in gain on sale of vehicles for which the leasing term matured in Japan and overseas etc., responding to the high demand for used cars on a global basis.

(Others)

Segment profit decreased by ¥3.1 billion year on year (reference value), to a segment loss of ¥3.4 billion mainly due to posting of credit costs for certain customers in the infrastructure business.

We plan to change the reporting segments in the year ending March 31, 2023 along with the organizational changes.

Segment profits or losses by reporting segments

(Billions of yen)

		Year Ended March 31, 2021 (Reference value)	Year Ended March 31, 2022	Change (%)
Reporting segments	Customer Business	25.5	33.4	31.2
	Account Solution	19.9	26.9	34.9
	Vendor Solution	4.1	3.0	(28.2)
	LIFE	4.2	4.8	14.6
	Real Estate	28.0	19.1	(31.7)
	Environment & Renewable Energy	7.0	7.0	0.8
	Aviation	2.8	5.7	105.4
	Logistics	1.8	2.7	47.7
	Mobility	0.7	1.9	160.7
	Others	(0.2)	(3.4)	-
Adjustments		(6.9)	(2.1)	-
Total		87.1	99.4	14.0

(Note) 1. Adjustments of segment profit (loss) consist mostly of adjustments of company-wide expenses included in selling, general and administrative expenses not allocated to any reporting segments.

2. Segment profit (loss) is consistent with net income attributable to owners of the parent on the consolidated statements of income.

Segment assets by reporting segments

(Billions of yen)

		As of March 31, 2021 (Reference value)	As of March 31, 2022	Change (%)
Reporting segments	Customer Business	2,129.5	2,002.1	(6.0)
	Account Solution	2,109.2	2,353.4	11.6
	Vendor Solution	434.4	424.6	(2.3)
	LIFE	321.8	312.7	(2.8)
	Real Estate	955.6	974.9	2.0
	Environment & Renewable Energy	322.4	315.4	(2.1)
	Aviation	1,203.8	1,365.1	13.4
	Logistics	545.5	1,063.2	94.9
	Mobility	161.1	174.8	8.5
	Others	355.7	355.5	(0.1)
Adjustments		65.4	3.2	(95.1)
Total		8,604.8	9,345.3	8.6

(Note) 1. Segment assets include operating assets, equity-method investments, goodwill and investment securities.

2. Adjustments of segment assets consist mostly of goodwill recognized when Diamond Lease Company Limited and UFJ Central Leasing Co., Ltd. merged and became Mitsubishi UFJ Lease & Finance Company Limited in 2007 and other segment assets such as investment securities related to corporate, which are not attributable to any reporting segments, and offsets in transactions between segments.

(2) Summary of Financial Position as of March 31, 2022

1) Assets, liabilities, and equity

Total assets as of March 31, 2022 increased by ¥4,313.9 billion to ¥10,328.8 billion due to the business integration with HC on April 1, 2021. Total equity as of March 31, 2022 increased by ¥515.5 billion to ¥1,333.4 billion and interest-bearing debt (excluding lease obligations) increased by ¥3,431.1 billion to ¥8,066.0 billion.

2) Cash flows

Cash and cash equivalents as of March 31, 2022 increased ¥233.8 billion, or 81.7% year on year, to ¥520.0 billion, due to cash inflows in operating activities of ¥195.8 billion and a cash increase associated with a merger of ¥316.8 billion despite cash outflows in investing and financing activities of ¥107.8 billion and ¥192.1 billion, respectively.

Net cash provided by operating activities was ¥195.8 billion (cash provided of ¥199.3 billion for the Year ended March 31, 2021), mainly consisting of cash inflows from income before income taxes of ¥147.2 billion, depreciation of leased assets and loss on disposal and sales of leased assets of ¥443.9 billion despite cash outflows from purchases of leased assets and other operating assets of ¥404.9 billion.

Net cash used in investing activities was ¥107.8 billion (cash provided of ¥1.2 billion for the Year ended March 31, 2021), mainly consisting of cash outflows from payments for acquisition of newly consolidated subsidiaries of ¥124.5 billion, purchase of investment securities of ¥13.6 billion despite cash inflows from proceeds from sales and redemption of investment securities of ¥36.0 billion.

Net cash used in financing activities was ¥192.1 billion (cash used of ¥372.8 billion in the Year ended March 31, 2021), mainly consisting of net cash outflows from direct financing of ¥68.5 billion, indirect financing through bank borrowings of ¥73.2 billion, and dividends paid of ¥32.8 billion.

(3) Explanation of Forecast, including Consolidated Earnings Forecasts

1) External environment

The situation with the COVID-19 pandemic varies depending on countries and regions, including social activities in keeping with the spread of variants such as Omicron, vaccination rates, and rates of serious cases and deaths. However, in light of the gradual easing of restrictions aimed at preventing infections, it is expected that living with COVID-19 will become a common approach in socioeconomic activities, leading to a recovery in economic activities centering on consumption and investment.

On the other hand, Russia's invasion of Ukraine is causing a delay in economic recovery from the COVID-19 pandemic as it is no longer a mere localized conflict, but it is affecting global energy supply and the financial market. Although its impact on the MHC Group is limited at this moment as we have few receivables in Russia or Ukraine, we will continue to monitor its indirect impacts on our earnings that could be brought about by repercussions on the global economy.

2) Earnings forecasts and dividend forecasts for the year ending March 31, 2023

Net income attributable to owners of the parent for the year ending March 31, 2023 is forecast to be ¥110.0 billion, an increase of ¥10.5 billion year on year, as we expect growth in each business, contribution to consolidated earnings by CAI International, Inc., a leading U.S. marine container leasing company which became our wholly-owned subsidiary in the year ended March 31, 2022, and decrease in credit costs and impairment losses.

The net income forecast of ¥110.0 billion is a record-high level surpassing the results for the Year ended March 31, 2020 (simple sum of Mitsubishi UFJ Lease & Finance and Hitachi Capital's results before the business integration), which was immediately before the beginning of the COVID-19 pandemic.

Annual dividend per share for the year ending March 31, 2023 is forecast to be ¥31, an increase of ¥3 year on year.

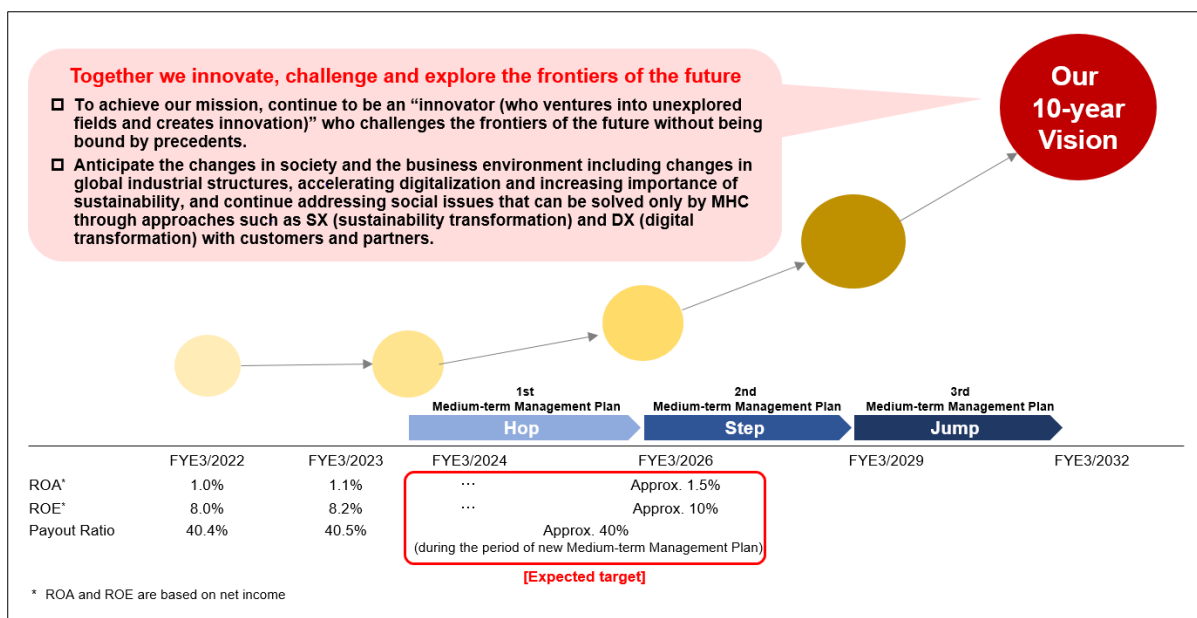
(4) Medium- to Long-term Management Direction

The Company has developed the Medium- to long-term management direction.

The Medium- to long-term management direction has been developed based on the “Basic Management Policy (Our Mission, Our Vision, Action Principles),” describes “Our 10-year Vision (Together we innovate, challenge and explore the frontiers of the future) ” toward the realization of Our Mission, and shows how we want to be recognized by our stakeholders and how we should transform to become such a company.

Through three-phase medium-term management plans, “Hop,” “Step,” and “Jump,” with the first phase “Hop” being the Medium-term Management Plan covering the three-year period from the year ending March 31, 2024, we will promote Corporate Transformation / Customer Experience (CX) through “Sustainability Transformation (SX) / Digital Transformation (DX)” and “Business Portfolio Transformation” with an aim to achieve “Our 10-year Vision”. CX refers to both Corporate Transformation and Customer Experience, meaning that we will create customer value through company-wide transformation.

Our expected target for the year ending March 31, 2026, the final year of “Hop” include ROA of approximately 1.5%, ROE of approximately 10%, and our expected target of dividend payout ratio during the Medium-term Management Plan of approximately 40%. The medium-term management policy/strategy and specific KPI targets will be determined in the process to develop the new Medium-term Management Plan covering the three-year period from the year ending March 31, 2024.



Please refer to pages 24-29 of “Financial Results for the Fiscal Year Ended March 31, 2022” posted on IR Library on the Company’s website for details of the Medium- to long-term management direction.

(URL of IR Library on the Company’s website)

<https://www.mitsubishi-hc-capital.com/english/investors/library/report/index.html>

2. Basic Policy for Selection of Accounting Standards

The MHC Group has adopted Japan GAAP considering the comparability of the consolidated financial statements between periods and companies. The MHC Group has not yet decided whether to adopt IFRS but plans to take appropriate actions in consideration of both domestic and international situations.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	For the year ended March 31, 2021 (As of March 31, 2021)	For the year ended March 31, 2022 (As of March 31, 2022)
Assets		
Current assets		
Cash and deposits	294,241	540,942
Installment receivables	191,043	255,143
Lease receivables and investments in leases	1,628,749	3,265,267
Operating loans receivables	809,345	1,662,226
Other operating loans receivable	58,393	183,749
Lease and other receivables	31,198	80,382
Securities	5,469	2,019
Merchandise	27,468	48,242
Other current assets	120,042	156,006
Allowance for doubtful accounts	(5,794)	(22,657)
Total current assets	3,160,157	6,171,321
Non-current assets		
Property, plant and equipment		
Leased assets		
Leased assets	2,051,082	3,086,149
Advances on purchases of leased assets	59,750	34,622
Total leased assets	2,110,833	3,120,771
Other operating assets	152,138	222,654
Own-used assets	6,248	13,782
Total property, plant and equipment	2,269,220	3,357,208
Intangible assets		
Leased assets		
Leased assets	4	39,495
Total leased assets	4	39,495
Other intangible assets		
Goodwill	57,277	90,326
Software	8,467	25,632
Telephone subscription right	27	35
Other	84,984	112,150
Total other intangible assets	150,757	228,145
Total intangible assets	150,762	267,641
Investments and other assets		
Investment securities	357,791	376,645
Distressed receivables	39,269	108,188
Deferred tax assets	10,229	38,137
Retirement benefit asset	21	1,593
Other investments	46,491	80,134
Allowance for doubtful accounts	(22,501)	(76,791)
Total investments and other assets	431,301	527,908
Total non-current assets	2,851,284	4,152,758
Deferred assets		
Bond issuance costs	3,454	4,791
Total deferred assets	3,454	4,791
Total assets	6,014,896	10,328,872

(Millions of yen)

	For the year ended March 31, 2021 (As of March 31, 2021)	For the year ended March 31, 2022 (As of March 31, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	88,062	184,042
Short-term borrowings	236,730	591,431
Current portion of bonds payable	244,025	443,647
Current portion of long-term borrowings	372,344	810,475
Commercial papers	434,171	682,593
Current maturities of loans from the securitizations of the minimum future rentals on lease contracts	61,995	247,900
Lease obligations	23,133	21,676
Income taxes payable	10,805	24,818
Deferred profit on installment sales	10,095	11,110
Provision for bonuses	5,384	14,685
Provision for bonuses for directors (and other officers)	505	2,535
Other current liabilities	103,527	200,425
Total current liabilities	1,590,780	3,235,343
Non-current liabilities		
Bonds payable	980,181	1,820,244
Long-term borrowings	2,261,273	3,113,196
Loans from the securitizations of the minimum future rentals on lease contracts, less current maturities	44,234	356,592
Lease obligations	66,667	53,331
Asset retirement obligations	25,055	40,431
Deferred tax liabilities	52,816	108,580
Provision for retirement benefits for directors (and other officers)	112	136
Retirement benefit liability	3,060	8,856
Reserve for contract of insurance	-	11,148
Other non-current liabilities	172,806	247,542
Total non-current liabilities	3,606,209	5,760,061
Total liabilities	5,196,990	8,995,404
Equity		
Shareholders' equity		
Share capital	33,196	33,196
Capital surplus	167,280	548,586
Retained earnings	568,335	638,043
Treasury shares	(1,528)	(19,369)
Total shareholders' equity	767,283	1,200,456
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	30,678	14,953
Deferred gains or losses on hedges	(15,519)	1,460
Foreign currency translation adjustment	22,278	92,776
Remeasurements of defined benefit plans	(925)	123
Total accumulated other comprehensive income	36,512	109,313
Share acquisition rights	1,552	1,861
Non-controlling interests	12,557	21,835
Total equity	817,906	1,333,467
Total liabilities and equity	6,014,896	10,328,872

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(Millions of yen)

	For the year ended March 31, 2021 (April 1, 2020 - March 31, 2021)	For the year ended March 31, 2022 (April 1, 2021 - March 31, 2022)
Revenues	947,658	1,765,559
Cost of revenues	787,174	1,430,898
Gross profit	160,483	334,661
Selling, general and administrative expenses	98,166	220,569
Operating income	62,316	114,092
Non-operating income		
Interest income	356	540
Dividend income	3,384	2,447
Rental income	319	134
Share of profit of entities accounted for using equity method	3,261	4,818
Recoveries of written off receivables	706	2,218
Other non-operating income	1,957	5,469
Total non-operating income	9,986	15,629
Non-operating expenses		
Interest expenses	4,205	5,878
Loss on valuation of derivatives	756	-
Foreign exchange losses	853	3,718
Other non-operating expenses	1,518	2,884
Total non-operating expenses	7,334	12,482
Recurring income	64,968	117,239
Extraordinary income		
Gain on sale of investment securities	10,029	29,967
Gain on sale of shares of subsidiaries and associates	431	-
Gain on step acquisitions	1,395	-
Compensation income	3,488	-
Gain on sale of own-used assets	3,112	-
Gain on bargain purchase	-	431
Total extraordinary income	18,457	30,399
Extraordinary losses		
Loss on sale of investment securities	242	114
Loss on step acquisitions	-	273
Total extraordinary losses	242	388
Income before income taxes	83,183	147,250
Income taxes- current	22,457	38,807
Income taxes - deferred	3,907	7,088
Total income taxes	26,364	45,896
Net income	56,818	101,354
Net income attributable to non-controlling interests	1,504	1,953
Net income attributable to owners of the parent	55,314	99,401

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	For the year ended March 31, 2021 (April 1, 2020 - March 31, 2021)	For the year ended March 31, 2022 (April 1, 2021 - March 31, 2022)
Net income	56,818	101,354
Other comprehensive income		
Valuation difference on available-for-sale securities	19,845	(15,578)
Deferred gains or losses on hedges	(10,516)	15,001
Foreign currency translation adjustment	(14,194)	69,358
Remeasurements of defined benefit plans, net of tax	330	1,061
Share of other comprehensive income of entities accounted for using equity method	782	3,389
Total other comprehensive income	(3,751)	73,232
Comprehensive income	53,066	174,586
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	51,785	171,878
Comprehensive income attributable to non-controlling interests	1,281	2,708

(3) Consolidated Statements of Changes in Equity

For the year ended March 31, 2021 (April 1, 2020 – March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	33,196	167,164	538,977	(1,665)	737,671
Cumulative effects of changes in accounting policies			(3,107)		(3,107)
Restated balance	33,196	167,164	535,869	(1,665)	734,564
Changes during the period					
Increase by merger					-
Dividends of surplus			(22,501)		(22,501)
Net income attributable to owners of the parent			55,314		55,314
Change in scope of consolidation			(336)		(336)
Change in scope of equity method			(10)		(10)
Change in ownership interest of parent due to transactions with non-controlling interests		83			83
Purchase of treasury shares					-
Disposal of treasury shares		32		137	169
Net changes in items other than shareholders' equity					
Total changes during the period	-	115	32,466	137	32,719
Balance at the end of the period	33,196	167,280	568,335	(1,528)	767,283

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total equity
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	10,752	(5,597)	36,219	(1,333)	40,041	1,507	19,599	798,820
Cumulative effects of changes in accounting policies							(195)	(3,303)
Restated balance	10,752	(5,597)	36,219	(1,333)	40,041	1,507	19,404	795,517
Changes during the period								
Increase by merger								-
Dividends of surplus								(22,501)
Net income attributable to owners of the parent								55,314
Change in scope of consolidation								(336)
Change in scope of equity method								(10)
Change in ownership interest of parent due to transactions with non-controlling interests								83
Purchase of treasury shares								-
Disposal of treasury shares								169
Net changes in items other than shareholders' equity	19,925	(9,922)	(13,940)	407	(3,528)	45	(6,846)	(10,330)
Total changes during the period	19,925	(9,922)	(13,940)	407	(3,528)	45	(6,846)	22,389
Balance at the end of the period	30,678	(15,519)	22,278	(925)	36,512	1,552	12,557	817,906

For the year ended March 31, 2022 (April 1, 2021 – March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	33,196	167,280	568,335	(1,528)	767,283
Cumulative effects of changes in accounting policies					-
Restated balance	33,196	167,280	568,335	(1,528)	767,283
Changes during the period					
Increase by merger		381,480		(18,022)	363,457
Dividends of surplus			(29,693)		(29,693)
Net income attributable to owners of the parent			99,401		99,401
Change in scope of consolidation					-
Change in scope of equity method					-
Change in ownership interest of parent due to transactions with non-controlling interests		(113)			(113)
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		(60)		184	123
Net changes in items other than shareholders' equity					
Total changes during the period	-	381,306	69,707	(17,840)	433,172
Balance at the end of the period	33,196	548,586	638,043	(19,369)	1,200,456

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total equity
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	30,678	(15,519)	22,278	(925)	36,512	1,552	12,557	817,906
Cumulative effects of changes in accounting policies								-
Restated balance	30,678	(15,519)	22,278	(925)	36,512	1,552	12,557	817,906
Changes during the period								
Increase by merger								363,457
Dividends of surplus								(29,693)
Net income attributable to owners of the parent								99,401
Change in scope of consolidation								-
Change in scope of equity method								-
Change in ownership interest of parent due to transactions with non-controlling interests								(113)
Purchase of treasury shares								(3)
Disposal of treasury shares								123
Net changes in items other than shareholders' equity	(15,725)	16,979	70,497	1,049	72,800	308	9,278	82,387
Total changes during the period	(15,725)	16,979	70,497	1,049	72,800	308	9,278	515,560
Balance at the end of the period	14,953	1,460	92,776	123	109,313	1,861	21,835	1,333,467

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the year ended March 31, 2021 (April 1, 2020 - March 31, 2021)	For the year ended March 31, 2022 (April 1, 2021 - March 31, 2022)
Cash flows from operating activities		
Income before income taxes	83,183	147,250
Depreciation of leased assets	135,610	295,793
Loss on disposal and sales of leased assets	45,783	148,205
Depreciation of other operating assets	5,488	13,050
Depreciation and loss on disposal of own-used assets	3,557	10,331
Other depreciation	1,286	3,378
Amortization of goodwill	5,866	6,135
Increase (decrease) in allowance for doubtful accounts	9,810	19,479
Interest and dividend income	(3,741)	(2,988)
Financial expenses and interest expenses	65,803	82,118
Loss (gain) on sale of investment securities	(9,787)	(29,853)
Loss (gain) on sale of shares of subsidiaries and associates	(431)	-
Loss (gain) on step acquisitions	(1,395)	273
Compensation income	(3,488)	-
Loss (gain) on sales of own-used assets	(3,112)	(7)
Gain on bargain purchase	-	(431)
(Increase) decrease in rental income and other receivables	(28,357)	1,598
(Increase) decrease in installment receivables	23,824	8,225
(Increase) decrease in lease receivables and investments in leases	77,426	(29,406)
(Increase) decrease in loans receivable	97,317	(26,169)
(Increase) decrease in operating securities and investments in private equity securities	(17,293)	7,242
Purchases of leased assets	(185,989)	(397,205)
Purchases of other operating assets	(32,781)	(7,770)
Increase (decrease) in trade payables	9,602	3,885
Other	(890)	57,770
Subtotal	277,289	310,905
Interest and dividends received	5,338	4,522
Interest paid	(64,466)	(83,076)
Proceeds from compensation	3,488	-
Income taxes paid	(22,335)	(36,505)
Cash flows from operating activities	199,314	195,845
Cash flows from investing activities		
Purchase of own-used assets	(2,648)	(9,623)
Proceeds from sale of own-used assets	3,272	553
Purchase of investment securities	(15,699)	(13,663)
Proceeds from sale and redemption of investment securities	14,664	36,065
Payments for acquisition of newly consolidated subsidiaries	-	(124,592)
Proceeds from sales of consolidated subsidiaries	2,019	2,271
Payments into time deposits	(55,524)	(5,913)
Proceeds from withdrawal of time deposits	54,250	6,976
Other	886	45
Cash flows from investing activities	1,220	(107,879)

(Millions of yen)

	For the year ended March 31, 2021 (April 1, 2020 - March 31, 2021)	For the year ended March 31, 2022 (April 1, 2021 - March 31, 2022)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(211,716)	49,904
Net increase (decrease) in commercial papers	(328,318)	30,707
Proceeds from loans from the securitizations of the minimum future rentals on lease contracts	103,767	359,310
Repayments of loans from the securitization of the minimum future rentals on lease contracts	(132,989)	(423,974)
Proceeds from long-term borrowings	578,241	562,540
Repayments of long-term borrowings	(402,652)	(685,685)
Proceeds from issuance of bonds	280,426	498,011
Redemption of bonds	(230,079)	(532,561)
Dividends paid	(22,501)	(29,693)
Dividends paid to non-controlling interests	(5,530)	(3,140)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,068)	(12,346)
Other	(388)	(5,229)
Cash flows from financing activities	(372,808)	(192,157)
Effect of exchange rate change on cash and cash equivalents	2,818	21,066
Net increase (decrease) in cash and cash equivalents	(169,455)	(83,124)
Cash and cash equivalents at the beginning of the period	455,588	286,213
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	80	99
Increase in cash and cash equivalents resulting from merger	-	316,895
Cash and cash equivalents at the end of the period	286,213	520,083

(5) Notes to the Consolidated Financial Statements

(Notes concerning going-concern assumption)

Not applicable

(Changes in accounting policies)

(Application of accounting standard for revenue recognition)

On April 1, 2021, the Company applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020, "Accounting Standard for Revenue Recognition"), etc., and recognizes revenue at an amount that it expects to receive in exchange for the promised goods or services when the control of the goods or services is transferred to a customer.

In applying the Accounting Standard for Revenue Recognition, etc., the Company followed the transitional treatment stipulated by a provisory clause of Paragraph 84 of the Accounting Standard for Revenue Recognition. As a result, both revenues and cost of revenues for the year ended March 31, 2022 decreased by ¥9,400 million, but the impact on income before income taxes was insignificant. The impact on retained earnings as of April 1, 2022 was also insignificant.

Pursuant to the transitional treatment stipulated by Paragraph 89-2 of the Accounting Standard for Revenue Recognition, the Company did not reclassify figures for the year ended March 31, 2021 to conform to the new presentation method.

(Application of accounting standard for fair value measurement, etc.)

On April 1, 2021, the Company applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No.30, July 4, 2019, "Accounting Standard for Fair Value Measurement"), etc., and the new accounting policies stipulated in the Accounting Standard for Fair Value Measurement, etc. are applied prospectively pursuant to the transitional treatment stipulated by Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019). The application has no impact on the consolidated financial statements.

(Changes in accounting policies following the merger with Hitachi Capital Corporation)

The Company merged with Hitachi Capital Corporation effective on April 1, 2021.

As a result, the Company and its certain consolidated subsidiaries changed the accounting policies regarding the following items from April 1, 2021.

All changes in accounting policies were applied retrospectively to the consolidated financial statements for the year ended March 31, 2021 and the consolidated financial statements for the year ended March 31, 2022.

<Accounting treatment for recognizing revenue from extended lease agreement in lease transactions>

Previously, the Company recognized lease payments from an extended lease agreement (usually for one year) as revenues on the date the lease agreement is extended but changed the method to recognize revenues on a monthly basis over the extended lease term.

We previously recognized lease payments from an extended lease agreement as earnings in a lump sum on the lease commencement date as asset balance related to extended lease agreements is increasing due to the merger and also extended lease agreements generally require lump sum payment of lease payments for the entire lease term on the lease commencement date and are not required to refund unearned portion in the event the agreement is terminated. However, we decided to change the method because an extended lease agreement is a lease transaction and we believe recognizing revenues over the lease term better reflects earnings from lease transactions in the consolidated financial statements.

As a result of this change, in the consolidated balance sheets as of March 31, 2021, other current liabilities increased by ¥8,392 million, lease and other receivables and retained earnings decreased by ¥1,884 million and ¥6,926 million, respectively, compared to their respective balances before the retrospective application. Also because the cumulative effects were adjusted to the balance of total equity as of April 1, 2020, retained earnings as of April 1, 2020 decreased by ¥6,833 million.

The impact of this change on earnings and per share information for the year ended March 31, 2021 is insignificant.

The accounting treatment has been retrospectively applied to the consolidated statements of cash flows for the

year ended March 31, 2021, and there was no change in total cash flows from operating, investing and financing activities.

<Accounting treatment for lease transactions treated as finance transactions>

Previously, lease agreements treated as financial transactions in substance based on their nature were recognized as operating loans receivables in the consolidated balance sheets, with interest income recognized as revenues in the consolidated statements of income. However, to reflect the nature of the agreements, we changed the method to recognize them as lease receivables and investments in leases in the consolidated balance sheets, and to recognize lease revenues and cost of lease as revenues and cost of revenues, respectively, in the consolidated statements of income.

Previously, we accounted for and presented those agreements in a similar manner as loans receivables as financial transactions in substance with leased property treated as collateral based on the intent of the contracting parties and nature of the leased property. However, we decided to change the method because of an increase in the number of agreements whereby leased property are returned to the Company after the expiration of the lease term, showing more of a characteristic of finance lease, and also because of an increase in the asset balance of similar transactions following the merger.

As a result of this change, in the consolidated balance sheets as of March 31, 2021, lease receivables and investments in leases and retained earnings increased by ¥214,643 million and ¥1,732 million, respectively, and operating loans receivables decreased by ¥212,146 million. In the consolidated statements of income for the year ended March 31, 2021, both revenues and cost of revenues increased by ¥53,460 million, compared to their respective figures before the retrospective application. Also because the cumulative effects were adjusted to the balance of total equity as of April 1, 2020, retained earnings as of April 1, 2020 increased by ¥1,732 million.

The impact of this change on earnings and per share information for the year ended March 31, 2021 is insignificant.

As a result of retrospective application of the accounting treatment to the consolidated statements of cash flows for the year ended March 31, 2021, “(Increase) decrease in lease receivables and investments in leases” decreased by ¥17,684 million and “(Increase) decrease in loans receivable” increased by ¥17,684 million, and there was no change in total cash flows from operating activities.

<Accounting treatment for deferred assets (bond issuance costs) >

Previously, bond issuance costs related to bonds issued by the Company and its domestic subsidiaries were expensed as incurred, but the method was changed to amortize the costs over the period until the redemption of the relevant bonds using the interest method.

We decided to change the method to better reflect the MHC Group’s funding activities in the consolidated financial statements because bond issuance costs are funding costs as with bond interest and also because the international accounting standards require such costs to be amortized using the interest method and therefore the Company’s overseas subsidiaries amortize their bond issuance costs using the interest method.

As a result of this change, in the consolidated balance sheets as of March 31, 2021, bond issuance costs and retained earnings increased by ¥3,454 million and ¥2,070 million, respectively, compared to their respective balances before the retrospective application. Also because the cumulative effects were adjusted to the balance of total equity as of April 1, 2020, retained earnings as of April 1, 2020 increased by ¥1,993 million.

The impact of this change on earnings and per share information for the year ended March 31, 2021 is insignificant.

The accounting treatment has been retrospectively applied to the consolidated statements of cash flows for the year ended March 31, 2021, and there was no change in total cash flows from operating, investing, and financing activities.

(Segment information, etc.)

1. Overview of reporting segments

The Company's reporting segments are components of the Company for which separate financial statements is available that are reviewed by the Board of Directors regularly to make decisions regarding the allocation of management resources and evaluate operating performance.

On April 1, 2021, the Company (the former Mitsubishi UFJ Lease & Finance Company Limited, "MUL") executed the business integration with Hitachi Capital Corporation ("HC") and changed the trade name to Mitsubishi HC Capital Inc. ("MHC")

Following the business integration, the Company reorganized part of the reporting segments of MUL and HC and changed them to the following ten segments effective April 1, 2021; "Customer Business," "Account Solution," "Vendor Solution," "LIFE," "Real Estate," "Environment & Renewable Energy," "Aviation," "Logistics," "Mobility," and "Others."

Segments of "Healthcare," "Infrastructure & Investment," and other businesses are aggregated into "Others" in accordance with the aggregation criteria set forth in the "Accounting Standard for Disclosures about Segments of an enterprise and Related Information."

Details of the reporting segments after the change are as follows.

Reporting segments	Main services and business description
Customer Business	Finance solutions for corporations
Account Solution	Financial services for companies, government agencies, and vendors
Vendor Solution	Sales finance provided through collaboration with vendors
LIFE	Development, operation, and leasing of logistics and commercial facilities, community development, food and agriculture and living essentials industry, non-life insurance
Real Estate	Real estate securitization finance, real estate revitalization investment business, real estate asset management business, real estate leasing business
Environment & Renewable Energy	Power generation by renewable energy, environment related equipment leasing and finance
Aviation	Aircraft leasing business, aircraft engine leasing business
Logistics	Marine container leasing business, railway freight car leasing business, auto leasing business
Mobility	Auto leasing business and supplementary services
Others	Servicing, trust, settlement services, medical equipment leasing and finance, social infrastructure investment business, etc.

The segment information for the year ended March 31, 2021 was prepared and reported under the classification of reporting segments of MUL.

2. Calculation of profit or loss and assets by reportable segment

The accounting treatments applied to reported business segments are consistent with those adopted in preparation of the consolidated financial statements.

Profit of reporting segments are based on net income attributable to owners of the parent.

Intersegment earnings and transfers are based on market prices.

As described in "3. Consolidated Financial Statements and Major Notes, (5) Notes to the Consolidated Financial Statements (Changes in accounting policies)," the Company changed its accounting policies effective April 1, 2021, and the new accounting policies have been retrospectively applied to the figures in the segment information for the year ended March 31, 2021.

3. Information on profit or loss by reporting segments

For the year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reporting segments							Adjustments (Note) 1	Amount recorded in consolidated financial statements (Note) 2
	Customer Business	Environment & Energy	Healthcare	Real Estate	Aviation	Logistics	Infrastructure & Investment		
Segment profit	25,503	3,734	712	28,037	2,807	1,878	304	(7,664)	55,314
Segment assets (Note) 3	2,129,561	198,592	157,373	955,654	1,203,858	545,525	111,688	712,641	6,014,896

- (Note) 1. Adjustments of segment profit consist mostly of adjustments of company-wide expenses included in selling, general and administrative expenses not allocated to any reporting segments.
Adjustments of segment assets include goodwill recognized when Diamond Lease Company Limited and UFJ Central Leasing Co., Ltd. merged and became Mitsubishi UFJ Lease & Finance Company Limited in 2007 and other segment assets not attributable to any reporting segments, such as investment securities related to Corporate, amounting to ¥34,426 million, and the sum of such amount and the segment assets of all reporting segments amounted to ¥5,336,681 million. The remainder of the adjustments of segment assets of ¥678,215 million represents the difference between total segment assets including Corporate and total consolidated assets, which consists of assets other than segment assets such as cash and deposits and own-used assets.
2. Segment profit is consistent with net income attributable to owners of the parent on the consolidated statements of income.
 3. Segment assets include operating assets, equity-method investments, goodwill and investment securities.

For the year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reporting segments						
	Customer Business	Account Solution	Vendor Solution	LIFE	Real Estate	Environment & Renewable Energy	Aviation
Segment profit (loss)	33,472	26,956	3,008	4,846	19,162	7,081	5,767
Segment assets (Note) 3	2,002,128	2,353,483	424,629	312,745	974,937	315,486	1,365,126

(Millions of yen)

	Reporting segments			Adjustments (Note) 1	Amount recorded in consolidated financial statements (Note) 2
	Logistics	Mobility	Others		
Segment profit (loss)	2,774	1,905	(3,424)	(2,148)	99,401
Segment assets (Note) 3	1,063,226	174,807	355,578	986,721	10,328,872

- (Note) 1. Adjustments of segment profit (loss) consist mostly of adjustments of company-wide expenses included in selling, general and administrative expenses not allocated to any reporting segments, and profit adjustments of ¥2,877 million recorded by purchase method associated with the merger with Hitachi Capital Corporation.
Adjustments of segment assets include goodwill recognized when Diamond Lease Company Limited and UFJ Central Leasing Co., Ltd. merged and became Mitsubishi UFJ Lease & Finance Company Limited in 2007 and other segment assets not attributable to any reporting segments, such as investment securities related to Corporate and offsets in transactions between segments amounting to ¥3,226 million, and the sum of such amount and the segment assets of all reporting segments amounted to ¥9,345,376 million. The remainder of the adjustments of segment assets of ¥983,495 million represents the difference between total segment assets including Corporate and total consolidated assets, which consists of assets other than segment assets such as cash and deposits and own-used assets.
2. Segment profit (loss) is consistent with net income attributable to owners of the parent on the consolidated statements of income.
 3. Segment assets include operating assets, equity-method investments, goodwill and investment securities.

4. Information on impairment losses on non-current assets by reporting segment

For the year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

Aviation segment recorded impairment losses of ¥2,578 million on leased assets. The impairment losses are included in cost of revenues.

For the year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

Aviation segment recorded impairment losses of ¥3,550 million on leased assets. The impairment losses are included in cost of revenues.

5. Information on goodwill amortization and unamortized balance by reportable segment

For the year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reporting segments							Corporate/ elimination (Note)	Total
	Customer Business	Environment & Energy	Healthcare	Real Estate	Aviation	Logistics	Infrastructure & Investment		
Amortization during the period	645	—	—	500	2,546	56	—	2,117	5,866
Balance at the end of the period	11,261	—	—	2,669	29,907	734	—	12,704	57,277

(Note) Corporate/elimination for amortization during the year and balance as of March 31, 2021 represents amortization and outstanding balance, respectively, of goodwill recognized when Diamond Lease Company Limited and UFJ Central Leasing Co., Ltd. merged and became Mitsubishi UFJ Lease & Finance Company Limited in 2007.

For the year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reporting segments						
	Customer Business	Account Solution	Vendor Solution	LIFE	Real Estate	Environment & Renewable Energy	Aviation
Amortization during the period	663	—	—	—	500	—	2,621
Balance at the end of the period	11,820	—	—	—	2,168	—	30,489

(Millions of yen)

	Reporting segments			Corporate/ elimination (Note)	Total
	Logistics	Mobility	Others		
Amortization during the period	198	33	—	2,117	6,135
Balance at the end of the period	34,485	775	—	10,587	90,326

(Note) Corporate/elimination for amortization during the year and balance as of March 31, 2022 represents amortization and outstanding balance, respectively, of goodwill recognized when Diamond Lease Company Limited and UFJ Central Leasing Co., Ltd. merged and became Mitsubishi UFJ Lease & Finance Company Limited in 2007.

(Per share information)

	For the year ended March 31,2021 (April 1, 2020 – March 31, 2021)	For the year ended March 31,2022 (April 1, 2021 – March 31, 2022)
Equity per share	¥901.66	¥912.19
Earnings per share	¥62.07	¥69.24
Diluted earnings per share	¥61.84	¥69.06

(Note) As described in “Changes in accounting policies,” changes in accounting policies during the year ended March 31, 2022 have been applied retrospectively to the consolidated financial statements for the year ended March 31, 2021.

1. Equity per share

	For the year ended March 31,2021 (As of March 31, 2021)	For the year ended March 31,2022 (As of March 31, 2022)
Total equity (millions of yen)	817,906	1,333,467
Amount deducted from total equity (millions of yen)	14,110	23,697
(Of which, share acquisition rights (millions of yen))	(1,552)	(1,861)
(Of which, non-controlling interests (millions of yen))	(12,557)	(21,835)
Equity related to common shares at end of the period (millions of yen)	803,796	1,309,769
Number of common shares used for calculation of equity per share at the end of the period (thousand shares)	891,466	1,435,855

2. Earnings per share and diluted earnings per share

	For the year ended March 31,2021 (April 1, 2020 – March 31, 2021)	For the year ended March 31,2022 (April 1, 2021 – March 31, 2022)
Earnings per share		
Net income attributable to owners of the parent (millions of yen)	55,314	99,401
Amount not attributable to common shareholders (millions of yen)	-	-
Net income attributable to common shareholders of the parent (millions of yen)	55,314	99,401
Average number of shares during the period (thousand shares)	891,207	1,435,664
Diluted earnings per share		
Adjustment to net income attributable to owners of the parent (millions of yen)	-	-
Increase in common shares (thousand shares)	3,334	3,736
(Of which, share acquisition rights (thousand shares))	(3,334)	(3,736)
Summary of potential dilutive shares not included in the calculation of diluted earnings per share due to their anti-dilutive effect	—	—

(Significant subsequent events)

Not applicable