

# FY3/2017 3rd Quarter Results

(Tokyo Stock Exchange / Nagoya Stock Exchange : 8593)

Results Announcement Date : February 3, 2017

Mitsubishi UFJ Lease & Finance Company Limited

**I****FY3/2017 3rd Quarter Results**

• Financial Highlights	3
• New Transactions Volume	4-5
• Operating Assets	6
• Funding Structure	7
• Net Credit Cost	8
• Forecast for Financial Results of FY3/2017	9

**II****Appendix**

• Profit & Loss Statement (Consolidated)	12-13
• Balance Sheet (Consolidated)	14-15
• Overview of Principal Consolidated Companies	16-17

I

## FY3/2017 3rd Quarter Results

II

## Appendix

(billion yen)

	FY3/2017 3Q	YOY Change		YOY Change (%)	FY3/2016 3Q	Reference
			exchange rate effects			
Total Revenues	615.1	+4.1	-11.5	+0.7%	610.9	
Gross Profit	112.1	-12.6	-4.0	-10.2%	124.8	p.12, 13 (see p.8 for Credit Cost)
Operating Income	61.2	-7.2	-2.4	-10.6%	68.4	
Recurring Income	65.5	-6.0	-2.9	-8.5%	71.6	
Net Income ※	43.4	-1.2	-1.8	-2.7%	44.6	
New Transactions Volume	1,156.7	+46.2	-34.1	+4.2%	1,110.4	p.4, 5
USD Exchange Rate (*1)	\$1:108.69yen	-			\$1:120.89 yen	

※Net income attributable to parent company shareholders

(\*1)Exchange rate applied to profit and loss statement of overseas subsidiaries

(billion yen)

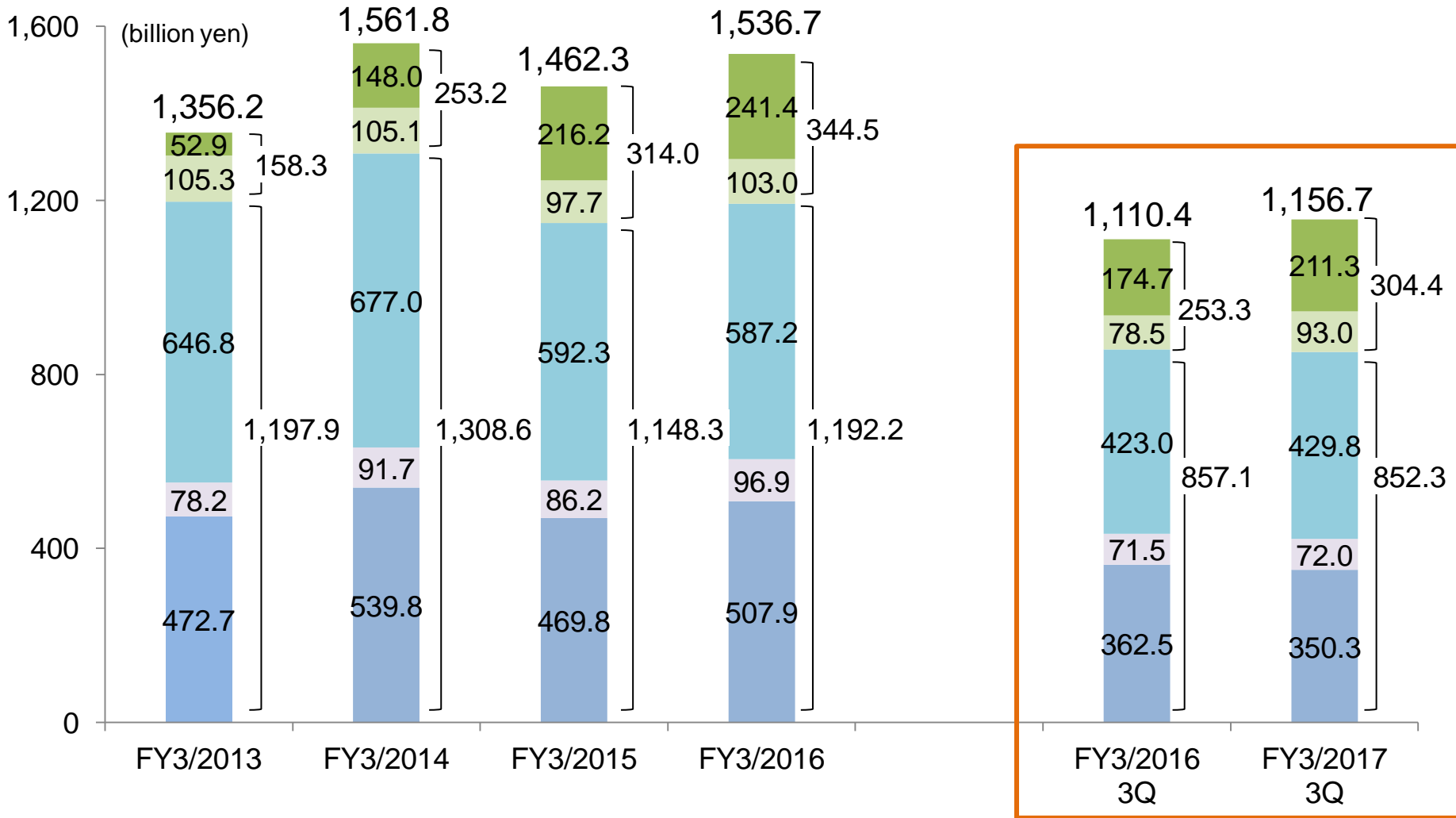
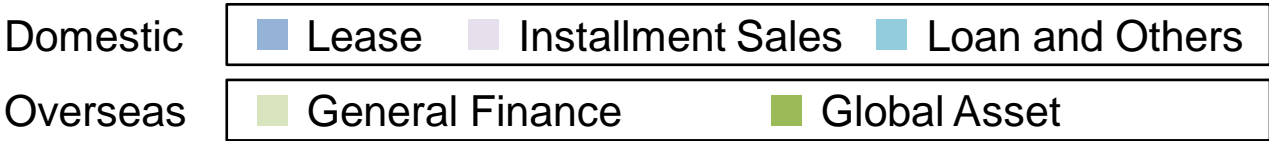
	FY3/2017 3Q	Change from FY3/2016		Change from FY3/2016(%)	FY3/2016	Reference
			exchange rate effects			
Total Equity	640.2	-2.1	-	-0.3%	642.3	p.14,15
Total Assets	5,156.5	+35.3	-	+0.7%	5,121.2	
Total Operating Assets	4,532.5	-93.9	-242.1	-2.0%	4,626.4	p.6
USD Exchange Rate (*2)	\$1:101.12 yen	-			\$1:120.61yen	

(\*2)Exchange rate applied to balance sheet of overseas subsidiaries

## New Transactions Volume by Transaction Type

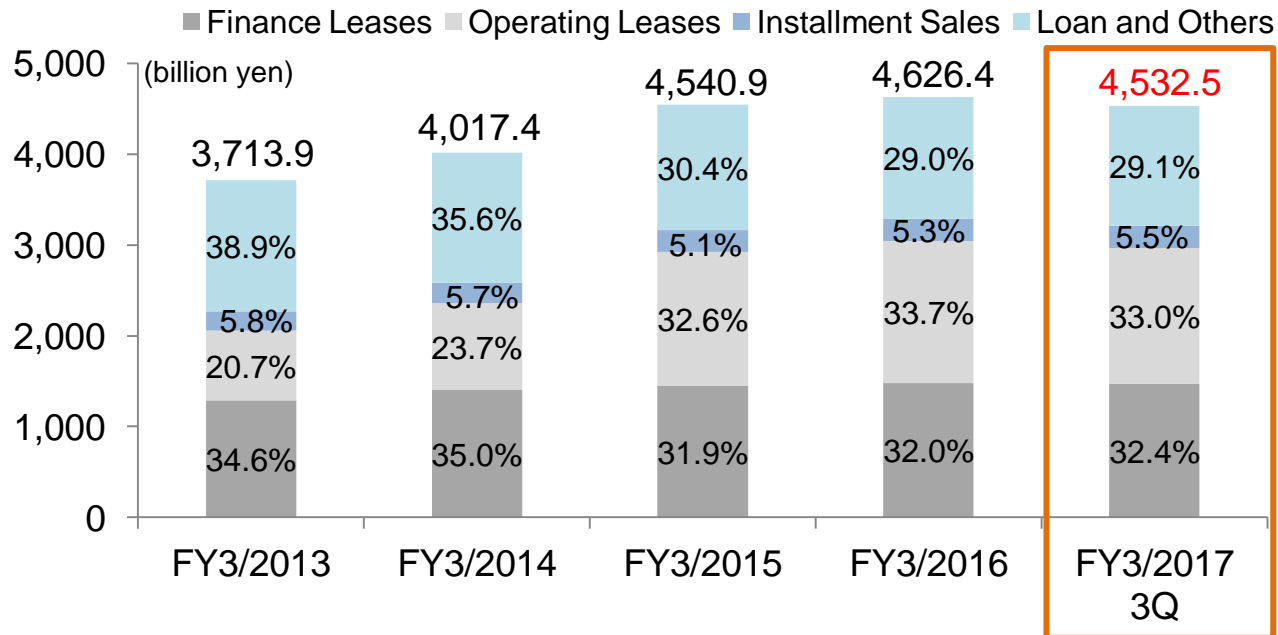
	(billion yen)		
	FY3/2016 3Q	FY3/2017 3Q	YOY Change(%)
1. Lease Transactions Volume	562.8	599.2	+6.5%
IT / Office Equipment	98.5	91.6	-7.0%
Industrial Machinery	95.3	82.8	-13.1%
Civil Eng. & Construction Machinery	23.1	25.8	+11.6%
Transportation Equipment	167.4	221.3	+32.2%
Medical Equipment	37.0	39.4	+6.4%
Commercial & Service Equipment	56.0	49.4	-11.7%
Others	85.1	88.6	+4.1%
2. Installment Sales Volume	71.5	72.0	+0.8%
IT / Office Equipment	2.8	1.4	-50.3%
Industrial Machinery	8.7	8.3	-5.1%
Civil Eng. & Construction Machinery	19.5	24.9	+27.3%
Transportation Equipment	3.2	4.1	+28.6%
Medical Equipment	7.6	5.6	-25.9%
Commercial & Service Equipment	17.6	14.3	-18.4%
Others	11.8	13.2	+11.6%
3. Loan and Other Transaction Volume	476.1	485.3	+1.9%
Factoring	168.2	143.7	-14.6%
Real Estate Finance	65.3	84.9	+30.0%
Others	242.5	256.7	+5.8%
Volume of All New Transactions	1,110.4	1,156.7	+4.2%

# New Transactions Volume (Domestic / Overseas)



(billion yen)

	FY3/2013	FY3/2014	FY3/2015	FY3/2016	FY3/2017 3Q	Change from FY3/2016
Finance Leases	1,286.1	1,405.7	1,447.6	1,480.3	1,469.1	-0.8%
Operating Leases	767.8	951.5	1,478.2	1,560.4	1,495.8	-4.1%
Installment Sales	216.7	227.3	234.0	245.8	247.0	+0.5%
Loan and Others	1,443.3	1,432.8	1,381.0	1,339.7	1,320.5	-1.4%
<b>Total Operating Assets</b>	<b>3,713.9</b>	<b>4,017.4</b>	<b>4,540.9</b>	<b>4,626.4</b>	<b>4,532.5</b>	<b>-2.0%</b>

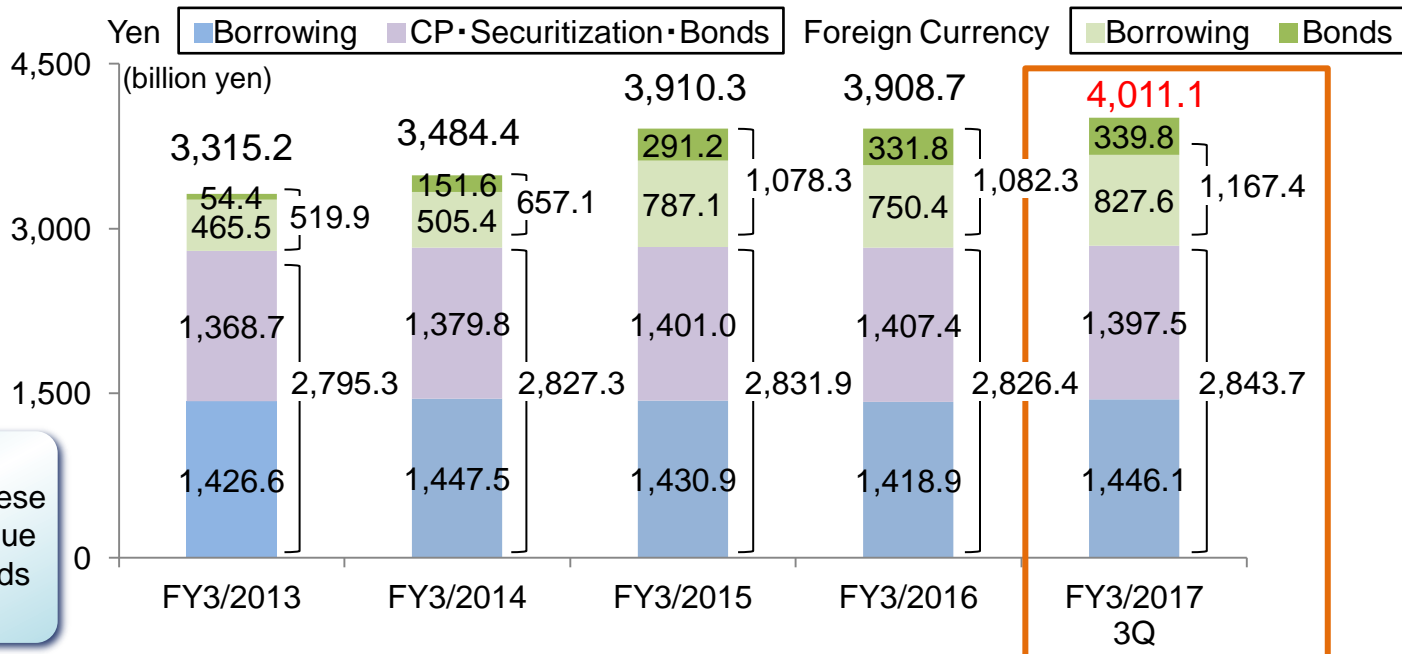


(billion yen)

	FY3/2013	FY3/2014	FY3/2015	FY3/2016	FY3/2017 3Q	Change from FY3/2016
Borrowing	1,892.1	1,952.9	2,218.0	2,169.4	2,273.7	+4.8%
CP (Commercial Paper)	806.2	762.3	830.0	853.6	818.8	-4.1%
Securitization	139.6	164.4	173.5	168.8	134.3	-20.5%
Corporate Bonds	477.3	604.7	688.7	716.8	784.2	+9.4%
<b>Total Funding</b>	<b>3,315.2</b>	<b>3,484.4</b>	<b>3,910.3</b>	<b>3,908.7</b>	<b>4,011.1</b>	<b>+2.6%</b>
Direct Funding Ratio※1	42.9%	44.0%	43.3%	44.5%	43.3%	-1.2%
Foreign Currency Funding Ratio※2	15.7%	18.9%	27.6%	27.7%	29.1%	+1.4%

※1: Proportion of CPs, securitization and corporate bonds among total funding

※2: Proportion of foreign currency-based funding among total funding

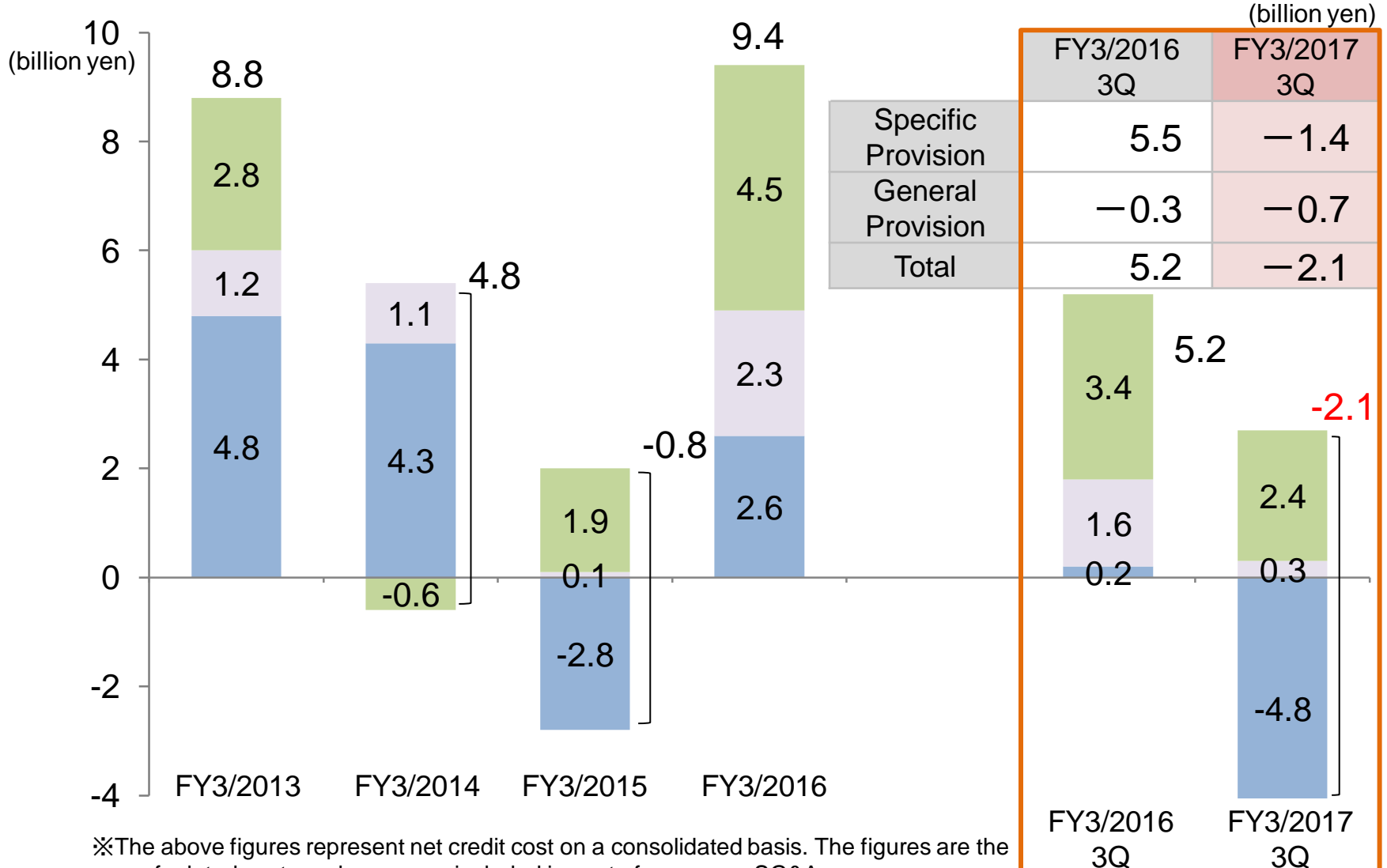


**【Topic】**

Became the first Japanese leasing company to issue 20-year corporate bonds in domestic market



■ MUL(Parent) ■ Subsidiaries(Domestic) ■ Subsidiaries(Overseas)



※The above figures represent net credit cost on a consolidated basis. The figures are the sum of related costs and expenses included in cost of revenues, SG&A expenses, non-operating items, and extraordinary items.

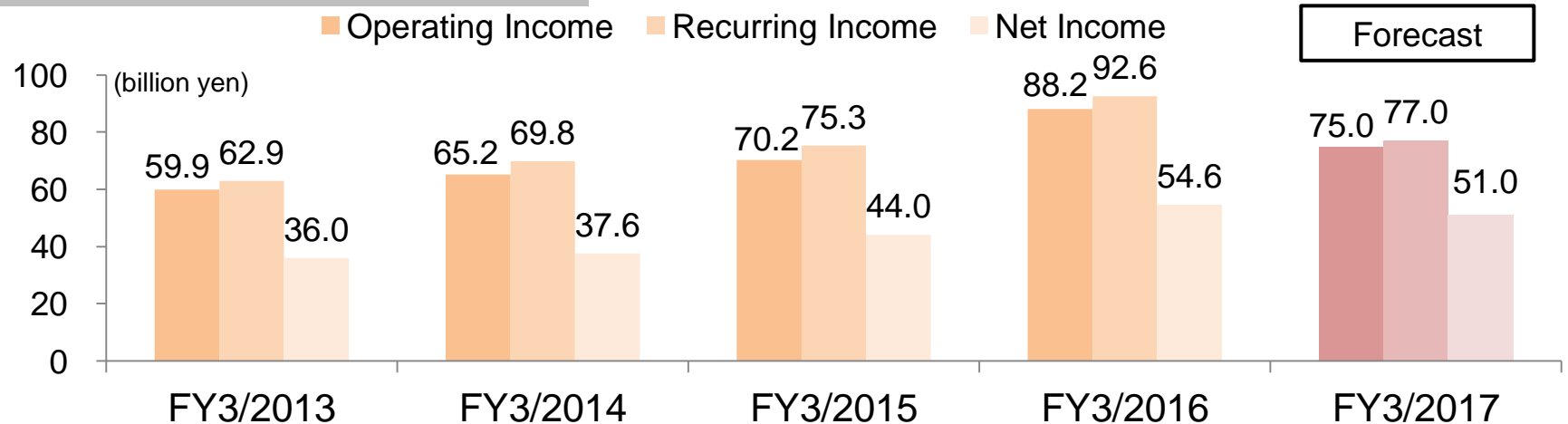
(billion yen)

	FY3/2017	YOY Change
Total Revenues	830.0	+0.5%
Gross Profit	152.0	-8.4%
Operating Income	75.0	-15.0%
Recurring Income	77.0	-16.9%
Net Income ※	51.0	-6.6%
Dividend per Share	12.50 yen	+0.20 yen

Consolidated forecast for FY3/2017 as of February 3, 2017

※Net Income attributable to parent company shareholders

## Consolidated Financial Performance





## **Inquiries:**

**Corporate Communications Department**

**Tel: 81+3-6865-3002**



## **Website**

**<http://www.lf.mufg.jp/english/>**



## FY3/2017 3rd Quarter Results



## Appendix

# Financial Performance – Profit & Loss Statement (1) *Value Integrator*

(million yen)

		FY3/2013 3Q	FY3/2014 3Q	FY3/2015 3Q	FY3/2016 3Q	FY3/2017 3Q
		12/4~12/12	13/4~13/12	14/4~14/12	15/4~15/12	16/4~16/12
1	<b>Total Revenues</b>	522,165	530,867	547,443	610,989	<b>615,141</b>
		-3.6%	+1.7%	+3.1%	+11.6%	<b>+0.7%</b>
2	Leases	408,834	431,062	444,173	497,988	<b>506,582</b>
		-2.2%	+5.4%	+3.0%	+12.1%	<b>+1.7%</b>
3	Installment Sales	63,809	61,373	62,462	64,080	<b>68,945</b>
		-9.0%	-3.8%	+1.8%	+2.6%	<b>+7.6%</b>
4	Loans	26,101	25,922	25,253	25,605	<b>25,157</b>
		-2.3%	-0.7%	-2.6%	+1.4%	<b>-1.7%</b>
5	Others	23,419	12,510	15,554	23,315	<b>14,455</b>
		-12.9%	-46.6%	+24.3%	+49.9%	<b>-38.0%</b>
6	<b>Cost of Revenues</b>	430,258	437,776	449,361	486,110	<b>502,946</b>
		-5.4%	+1.7%	+2.6%	+8.2%	<b>+3.5%</b>
7	<b>COR / Revenues</b>	82.4%	82.5%	82.1%	79.6%	<b>81.8%</b>
		-1.5P	+0.1P	-0.4P	-2.5P	<b>+2.2P</b>
8	Leases, COR	349,490	356,170	364,781	391,398	<b>405,319</b>
		-2.6%	+1.9%	+2.4%	+7.3%	<b>+3.6%</b>
9	Installment Sales, COR	57,878	55,937	57,104	59,003	<b>64,126</b>
		-9.1%	-3.4%	+2.1%	+3.3%	<b>+8.7%</b>
10	Financial expenses	12,972	18,542	19,459	28,839	<b>26,021</b>
		-3.7%	+42.9%	+4.9%	+48.2%	<b>-9.8%</b>
11	Others, COR	9,916	7,126	8,015	6,868	<b>7,479</b>
		-46.3%	-28.1%	+12.5%	-14.3%	<b>+8.9%</b>
12	<b>Gross Profit</b>	91,906	93,091	98,081	124,879	<b>112,194</b>
		+5.5%	+1.3%	+5.4%	+27.3%	<b>-10.2%</b>
13	<b>Gross Profit / Revenues</b>	17.6%	17.5%	17.9%	20.4%	<b>18.2%</b>
		+1.5P	-0.1P	+0.4P	+2.5P	<b>-2.2P</b>

# Financial Performance – Profit & Loss Statement (2) *Value Integrator*

(million yen)

		FY3/2013 3Q	FY3/2014 3Q	FY3/2015 3Q	FY3/2016 3Q	FY3/2017 3Q
		12/4~12/12	13/4~13/12	14/4~14/12	15/4~15/12	16/4~16/12
14	<b>SG&amp;A Expenses</b>	44,653	47,027	44,604	56,413	<b>50,960</b>
		+8.5%	+5.3%	-5.2%	+26.5%	<b>-9.7%</b>
15	Personnel Expenses	17,580	19,787	20,535	24,384	<b>24,801</b>
		+2.0%	+12.6%	+3.8%	+18.7%	<b>+1.7%</b>
16	Non-Personnel Expense	19,491	22,084	22,877	25,823	<b>24,559</b>
		+3.7%	+13.3%	+3.6%	+12.9%	<b>-4.9%</b>
17	Expenses for Non-performing Assets	7,582	5,156	1,191	6,204	<b>1,599</b>
		+47.9%	-32.0%	-76.9%	+420.7%	<b>-74.2%</b>
18	<b>Overhead Ratio</b> (Overhead expenses divided by GP)	40.3%	45.0%	44.3%	40.2%	<b>44.0%</b>
		-1.0P	+4.7P	-0.7P	-4.1P	<b>+3.8P</b>
19	<b>Operating Income</b>	47,253	46,063	53,477	68,465	<b>61,234</b>
		+2.8%	-2.5%	+16.1%	+28.0%	<b>-10.6%</b>
20	<b>Operating Income / Revenues</b>	9.0%	8.7%	9.8%	11.2%	<b>10.0%</b>
		+0.5P	-0.3P	+1.1P	+1.4P	<b>-1.2P</b>
21	<b>Recurring Income</b>	49,952	49,119	55,505	71,677	<b>65,598</b>
		+2.8%	-1.7%	+13.0%	+29.1%	<b>-8.5%</b>
22	<b>Extraordinary Income</b>	250	83	820	98	<b>4,200</b>
		-56.2%	-66.6%	+880.3%	-88.0%	<b>+4,162.6%</b>
23	<b>Extraordinary Cost</b>	373	4	8	80	<b>9</b>
		-19.7%	-98.8%	+92.0%	+861.1%	<b>-88.0%</b>
24	<b>Net Income ※</b>	29,374	28,754	33,384	44,633	<b>43,410</b>
		+12.3%	-2.1%	+16.1%	+33.7%	<b>-2.7%</b>

※Net Income Attributable to Parent Company Shareholders

(million yen)

		FY3/2013	FY3/2014	FY3/2015	FY3/2016	FY3/2017 3Q
1	<b>Total Equity</b>	468,061	534,250	621,344	642,366	<b>640,233</b>
		+11.2%	+14.1%	+16.3%	+3.4%	<b>-0.3%</b>
2	<b>Total Assets</b>	4,177,784	4,497,502	5,035,676	5,121,253	<b>5,156,593</b>
		+13.5%	+7.7%	+12.0%	+1.7%	<b>+0.7%</b>
3	<b>Operating Assets</b>	3,713,972	4,017,419	4,540,920	4,626,455	<b>4,532,523</b>
		+11.3%	+8.2%	+13.0%	+1.9%	<b>-2.0%</b>
4	Leases	2,053,955	2,357,220	2,925,880	3,040,849	<b>2,964,930</b>
		+23.2%	+14.8%	+24.1%	+3.9%	<b>-2.5%</b>
5	Installment Sales	216,700	227,318	234,023	245,882	<b>247,085</b>
		-2.6%	+4.9%	+2.9%	+5.1%	<b>+0.5%</b>
6	Loans	1,256,032	1,288,819	1,257,593	1,241,831	<b>1,224,226</b>
		+5.2%	+2.6%	-2.4%	-1.3%	<b>-1.4%</b>
7	Others	187,285	144,061	123,423	97,892	<b>96,280</b>
		-25.7%	-23.1%	-14.3%	-20.7%	<b>-1.6%</b>
8	<b>Impaired Assets</b>	46,066	33,223	33,434	27,921	<b>29,188</b>
		-6.8%	-27.9%	+0.6%	-16.5%	<b>+4.5%</b>
9	<b>Allowance</b>	15,921	12,494	14,134	16,302	<b>15,266</b>
10	<b>Net Balance of Impaired Assets</b>	30,145	20,729	19,300	11,618	<b>13,921</b>
		+7.4%	-11.1%	-31.2%	-39.8%	<b>+19.8%</b>

(million yen)

		FY3/2013	FY3/2014	FY3/2015	FY3/2016	FY3/2017 3Q
11	<b>Equity Ratio</b>	10.7%	11.4%	11.8%	12.0%	<b>11.9%</b>
		-0.2P	+0.7P	+0.4P	+0.2P	<b>-0.1P</b>
12	<b>ROE</b>	8.5%	7.9%	8.0%	9.0%	-
		-0.4P	-0.6P	+0.1P	+1.0P	-
13	<b>ROA</b>	0.9%	0.9%	0.9%	1.1%	-
		-0.0P	-0.0P	+0.0P	+0.2P	-
14	<b>Total Funding</b>	3,315,294	3,484,480	3,910,324	3,908,736	<b>4,011,169</b>
		+14.6%	+5.1%	+12.2%	-0.0%	<b>+2.6%</b>
15	Indirect Funding	1,892,132	1,952,985	2,218,009	2,169,456	<b>2,273,795</b>
		+15.9%	+3.2%	+13.6%	-2.2%	<b>+4.8%</b>
16	Direct Funding	1,423,162	1,531,494	1,692,314	1,739,279	<b>1,737,374</b>
		+12.8%	+7.6%	+10.5%	+2.8%	<b>-0.1%</b>
17	CP	806,200	762,300	830,000	853,600	<b>818,800</b>
		+12.1%	-5.4%	+8.9%	+2.8%	<b>-4.1%</b>
18	Securitization (Lease Receivables)	139,644	164,413	173,539	168,869	<b>134,316</b>
		+34.0%	+17.7%	+5.6%	-2.7%	<b>-20.5%</b>
19	Corporate Bond	477,317	604,781	688,774	716,809	<b>784,258</b>
		+9.0%	+26.7%	+13.9%	+4.1%	<b>+9.4%</b>
20	<b>Direct Funding Ratio</b>	42.9%	44.0%	43.3%	44.5%	<b>43.3%</b>
		-0.7P	+1.1P	-0.7P	+1.2P	<b>-1.2P</b>



# Overview of Principal Consolidated Companies (1) *Value Integrator*

(million yen)

FY3/2017 3Q	Mitsubishi UFJ Lease & Finance (Parent)		Japan Medical Lease MUL's Share : 100%		DFL Lease MUL's Share : 95%	
	Amount	YOY Change	Amount	YOY Change	Amount	YOY Change
Revenues	359,382	+2.4%	27,386	-0.8%	14,954	+5.4%
Gross Profit	48,574	-14.9%	2,174	-3.9%	1,294	+5.8%
Operating Income	25,432	-17.6%	621	-	628	-1.7%
Recurring Income	23,948	-15.8%	661	-	636	-2.3%
Net Income	19,262	+1.7%	425	-	434	+1.4%
FY3/2017 3Q	Amount	Change from FY3/2016	Amount	Change from FY3/2016	Amount	Change from FY3/2016
Operating Assets	2,945,779	+1.4%	98,927	-2.2%	63,685	+8.9%
Total Assets	3,826,819	+2.0%	101,676	-2.7%	65,675	+8.7%
Total Equity	421,702	-1.5%	13,795	+3.2%	11,363	+4.0%

(million yen)

FY3/2017 3Q	Shinko Lease MUL's Share : 80%		Casio Lease MUL's Share : 80%		Hirogin Lease MUL's Share : 80%	
	Amount	YOY Change	Amount	YOY Change	Amount	YOY Change
Revenues	21,976	+10.9%	8,312	-0.8%	12,521	+4.1%
Gross Profit	1,510	-5.6%	687	-7.4%	1,331	+0.2%
Operating Income	502	-18.7%	113	-10.2%	696	+9.1%
Recurring Income	549	-14.5%	144	-26.8%	720	+7.9%
Net Income	380	-2.9%	92	-27.0%	492	+12.2%
FY3/2017 3Q	Amount	Change from FY3/2016	Amount	Change from FY3/2016	Amount	Change from FY3/2016
Operating Assets	90,339	+0.3%	31,751	-2.7%	58,853	-1.1%
Total Assets	95,383	+0.6%	32,625	-3.0%	61,718	-0.7%
Total Equity	8,622	+3.9%	11,914	+0.8%	11,547	+4.8%

# Overview of Principal Consolidated Companies (2) *Value Integrator*

(million yen)

FY3/2017 3Q	Shutoken Leasing MUL's Share : 76%		Chukyo General Lease MUL's Share : 70%		MMC Diamond Finance MUL's Share : 50%	
	Amount	YOY Change	Amount	YOY Change	Amount	YOY Change
Revenues	21,507	+4.2%	5,321	+6.5%	15,358	-15.7%
Gross Profit	2,495	+2.1%	446	+4.3%	7,524	-3.1%
Operating Income	1,305	+9.5%	150	+11.7%	2,989	+4.6%
Recurring Income	1,372	+11.1%	165	+0.7%	3,385	+4.2%
Net Income	976	+19.3%	110	+1.5%	2,317	+7.9%
FY3/2017 3Q	Amount	Change from FY3/2016	Amount	Change from FY3/2016	Amount	Change from FY3/2016
Operating Assets	132,893	+6.6%	19,057	-4.2%	246,206	-7.6%
Total Assets	137,293	+6.6%	20,040	-5.4%	268,116	-7.8%
Total Equity	15,057	+7.0%	5,750	+2.0%	24,295	+10.5%

(million yen)

FY3/2017 3Q	DRS MUL's Share : 100%		Diamond Asset Finance MUL's Share : 100%		Miyuki Building MUL's Share : 98%		MUL Property MUL's Share : 100%	
	Amount	YOY Change	Amount	YOY Change	Amount	YOY Change	Amount	YOY Change
Revenues	20,296	-1.3%	5,948	-12.5%	5,140	+4.8%	11,491	+9.8%
Gross Profit	1,744	-0.3%	3,239	-12.0%	2,672	+11.9%	2,434	+11.3%
Operating Income	408	-21.2%	2,070	-22.2%	2,274	+13.3%	1,912	+7.9%
Recurring Income	413	-20.0%	2,180	-20.6%	2,045	+20.6%	1,940	+7.9%
Net Income	280	-17.4%	1,493	-18.5%	1,339	+21.6%	1,356	+11.9%
FY3/2017 3Q	Amount	Change from FY3/2016	Amount	Change from FY3/2016	Amount	Change from FY3/2016	Amount	Change from FY3/2016
Operating Assets	51,664	-9.7%	201,084	-5.4%	62,720	-1.0%	104,173	+4.2%
Total Assets	53,967	-9.3%	203,448	-5.4%	66,732	+1.0%	152,932	+3.3%
Total Equity	6,065	+4.9%	29,019	+5.4%	25,440	+5.4%	10,532	+14.8%

This document contains forward-looking statements that are based on our opinions and information available to us at the time of publication. Mitsubishi UFJ Lease & Finance does not guarantee the accuracy or completeness of the information. The information is subject to change without notice. Actual results may differ significantly from those in the forward-looking statements due to various factors.



**Mitsubishi UFJ Lease & Finance**