



Mitsubishi UFJ Lease & Finance

# **FY3-2016 1st Quarter Results**

**(Tokyo Stock Exchange / Nagoya Stock Exchange : 8593)**

**Results announcement date : July 31, 2015**

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***Value Integrator***

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*Mitsubishi UFJ Lease & Finance's statements contained in this material based on their current expectations are forward-looking statements subject to significant risks and uncertainties, and actual results may differ materially. Factors that could cause actual results to differ materially include, but are not limited to, changes in overall economic conditions, changes in market rates of interest and the effect of new legislation or government directives.*

## 1. Financial Summary FY3/2016-1Q (Consolidated)

(billion yen)

	<b>FY3/2016 1Q</b>	YOY Change	FY3/2015 1Q
Total Revenues	<b>198.9</b>	+8.1%	184.1
Gross Profit	<b>38.8</b>	+20.8%	32.1
Operating Profit	<b>20.4</b>	+23.9%	16.4
Recurring Profit	<b>21.7</b>	+26.4%	17.2
Net Income Attributable to Parent Company Shareholders	<b>12.7</b>	+21.4%	10.5
New Transactions Volume	<b>381.6</b>	+34.3%	284.2

(billion yen)

	<b>FY3/2016 1Q</b>	Change from FY3/2015	FY3/2015
Total Equity	<b>628.0</b>	+1.1%	621.3
Total Assets	<b>5,072.8</b>	+0.7%	5,035.6

In FY3/2016-1Q, Total Revenues increased year-on-year by 8.1% to 198.9bil yen.

Profit for each stage increased from the same period of previous fiscal year. Gross Profit increased by 20.8% to 38.8bil yen, Operating Profit increased by 23.9% to 20.4bil yen, Recurring Profit increased by 26.4% to 21.7bil yen and Net Income Attributable to Parent Company Shareholders increased by 21.4% to 12.7bil yen.

New Transactions Volume increased by 34.3% to 381.6bil yen.

Total Equity increased by 1.1% to 628.0bil yen. Total Assets increased by 0.7% to 5,072.8bil yen.

## 2. Financial Performance (Consolidated)

### (1) Profit & Loss Statement

		million yen				
		Consolidated				
		FY3/2012	FY3/2013	FY3/2014	FY3/2015	FY3/2016
		1Q	1Q	1Q	1Q	1Q
		11/4~11/6	12/4~12/6	13/4~13/6	14/4~14/6	15/4~15/6
1	<b>Total Revenues</b>	179,567	181,308	178,634	184,120	<b>198,985</b>
	Changes	-1.7%	+1.0%	-1.5%	+3.1%	<b>+8.1%</b>
2	Leases	139,864	139,227	144,638	149,439	<b>164,194</b>
	Changes	-0.6%	-0.5%	+3.9%	+3.3%	<b>+9.9%</b>
3	Installment Sales	23,049	20,749	21,132	22,206	<b>21,031</b>
	Changes	-12.9%	-10.0%	+1.8%	+5.1%	<b>-5.3%</b>
4	Loans	8,752	8,728	8,614	8,594	<b>8,439</b>
	Changes	-6.7%	-0.3%	-1.3%	-0.2%	<b>-1.8%</b>
5	Others	7,900	12,603	4,248	3,880	<b>5,320</b>
	Changes	+28.6%	+59.5%	-66.3%	-8.7%	<b>+37.1%</b>
6	<b>Cost of Revenues</b>	149,372	144,574	147,755	151,940	<b>160,103</b>
	Changes	-2.5%	-3.2%	+2.2%	+2.8%	<b>+5.4%</b>
7	<b>COR / Revenues</b>	83.2%	79.7%	82.7%	82.5%	<b>80.5%</b>
	Changes	-0.6P	-3.5P	+3.0P	-0.2P	<b>-2.0P</b>
8	Leases, COR	119,090	118,141	119,808	122,912	<b>129,749</b>
	Changes	-0.7%	-0.8%	+1.4%	+2.6%	<b>+5.6%</b>
9	Installment Sales, COR	20,844	18,700	19,258	20,359	<b>19,341</b>
	Changes	-13.5%	-10.3%	+3.0%	+5.7%	<b>-5.0%</b>
10	Financial expenses	4,707	4,493	6,049	6,616	<b>8,911</b>
	Changes	-16.6%	-4.5%	+34.6%	+9.4%	<b>+34.7%</b>
11	Others, COR	4,730	3,238	2,638	2,051	<b>2,100</b>
	Changes	+38.8%	-31.5%	-18.5%	-22.2%	<b>+2.4%</b>
12	<b>Gross Profit</b>	30,194	36,734	30,879	32,180	<b>38,882</b>
	Changes	+2.1%	+21.7%	-15.9%	+4.2%	<b>+20.8%</b>
13	<b>Gross Profit / Revenues</b>	16.8%	20.3%	17.3%	17.5%	<b>19.5%</b>
	Changes	+0.6P	+3.5P	-3.0P	+0.2P	<b>+2.0P</b>
14	<b>SG&amp;A Expenses</b>	13,519	15,293	16,830	15,686	<b>18,451</b>
	Changes	-8.0%	+13.1%	+10.1%	-6.8%	<b>+17.6%</b>
15	Personnel Expenses	5,711	5,836	6,552	6,863	<b>7,950</b>
	Changes	+3.2%	+2.2%	+12.3%	+4.7%	<b>+15.8%</b>
16	Non-Personnel Expenses	6,222	6,543	7,266	7,604	<b>8,613</b>
	Changes	+1.7%	+5.1%	+11.0%	+4.7%	<b>+13.3%</b>
17	Expenses for Non-performing assets	1,584	2,913	3,011	1,218	<b>1,887</b>
	Changes	-47.9%	+83.9%	+3.4%	-59.5%	<b>+54.8%</b>
18	<b>Overhead Ratio</b> (Overhead expenses divided by GP)	39.5%	33.7%	44.7%	45.0%	<b>42.6%</b>
	Changes	+0.1P	-5.8P	+11.0P	+0.3P	<b>-2.4P</b>
19	<b>Operating Profit</b>	16,675	21,440	14,048	16,493	<b>20,431</b>
	Changes	+12.1%	+28.6%	-34.5%	+17.4%	<b>+23.9%</b>
20	<b>OP / Revenues</b>	9.3%	11.8%	7.9%	9.0%	<b>10.3%</b>
	Changes	+1.1P	+2.5P	-4.0P	+1.1P	<b>+1.3P</b>
21	<b>Recurring Profit</b>	18,195	23,829	16,273	17,214	<b>21,767</b>
	Changes	+19.7%	+31.0%	-31.7%	+5.8%	<b>+26.4%</b>
22	<b>Extraordinary Profit</b>	48	34	46	748	<b>0</b>
	Changes	-88.8%	-28.6%	+31.8%	+1,524.3%	<b>-</b>
23	<b>Extraordinary Cost</b>	464	298	3	0	<b>0</b>
	Changes	-49.6%	-35.8%	-98.8%	-	<b>-</b>
24	<b>Net Income Attributable to Parent Company Shareholders</b>	10,419	13,870	9,513	10,510	<b>12,765</b>
	Changes	+32.0%	+33.1%	-31.4%	+10.5%	<b>+21.4%</b>

※ Percentage ("%") and Point ("P") in the lower line represent yoy change.

## (2) Balance Sheet

million yen

		Consolidated				
		FY3/2012	FY3/2013	FY3/2014	FY3/2015	FY3/2016 1Q
1	<b>Total Equity</b>	420,864	468,061	534,250	621,344	<b>628,066</b>
	Changes	+8.0%	+11.2%	+14.1%	+16.3%	+1.1%
2	<b>Total Assets</b>	3,682,299	4,177,784	4,497,502	5,035,676	<b>5,072,842</b>
	Changes	-1.0%	+13.5%	+7.7%	+12.0%	+0.7%
3	<b>Operating Assets</b>	3,335,620	3,713,972	4,017,419	4,540,920	<b>4,544,694</b>
	Changes	-1.7%	+11.3%	+8.2%	+13.0%	+0.1%
4	Lease	1,667,454	2,053,955	2,357,220	2,925,880	<b>2,946,599</b>
	Changes	-0.4%	+23.2%	+14.8%	+24.1%	+0.7%
5	Installment Sales	222,433	216,700	227,318	234,023	<b>233,980</b>
	Changes	-8.1%	-2.6%	+4.9%	+2.9%	-0.0%
6	Loans	1,193,607	1,256,032	1,288,819	1,257,593	<b>1,248,756</b>
	Changes	+1.6%	+5.2%	+2.6%	-2.4%	-0.7%
7	Others	252,124	187,285	144,061	123,423	<b>115,397</b>
	Changes	-16.8%	-25.7%	-23.1%	-14.3%	-6.5%
8	<b>Impaired Assets</b>	49,451	46,066	33,223	33,434	<b>33,525</b>
	Changes	+20.8%	-6.8%	-27.9%	+0.6%	+0.3%
9	<b>Allowance</b>	15,533	15,921	12,494	14,134	<b>15,255</b>
10	<b>Net Balance of Impaired Assets</b>	33,918	30,145	20,729	19,300	<b>18,269</b>
	Changes	+7.4%	-11.1%	-31.2%	-6.9%	-5.3%
11	<b>Equity Ratio</b>	10.9%	10.7%	11.4%	11.8%	<b>11.9%</b>
	Changes	+0.9P	-0.2P	+0.7P	+0.4P	+0.1P
12	<b>Total Funding</b>	2,893,504	3,315,294	3,484,480	3,910,324	<b>3,991,148</b>
	Changes	-2.3%	+14.6%	+5.1%	+12.2%	+2.1%
13	Indirect Funding	1,631,959	1,892,132	1,952,985	2,218,009	<b>2,246,044</b>
	Changes	+1.1%	+15.9%	+3.2%	+13.6%	+1.3%
14	Direct Funding	1,261,545	1,423,162	1,531,494	1,692,314	<b>1,745,104</b>
	Changes	-6.3%	+12.8%	+7.6%	+10.5%	+3.1%
15	CP	719,300	806,200	762,300	830,000	<b>891,100</b>
	Changes	-16.9%	+12.1%	-5.4%	+8.9%	+7.4%
16	Securitization (Lease Receivables)	104,215	139,644	164,413	173,539	<b>159,251</b>
	Changes	+2.2%	+34.0%	+17.7%	+5.6%	-8.2%
17	Corporate Bond	438,030	477,317	604,781	688,774	<b>694,752</b>
	Changes	+15.6%	+9.0%	+26.7%	+13.9%	+0.9%
18	<b>Direct Funding Ratio</b>	43.6%	42.9%	44.0%	43.3%	<b>43.7%</b>
	Changes	-1.9P	-0.7P	+1.1P	-0.7P	+0.4P

### 3. Overview of Principal Consolidated Companies

million yen

	Mitsubishi UFJ Lease & Finance (Parent)		Japan Medical Lease MUL's Share: 100%		DFL Lease MUL's Share: 95%	
	Amounts	YOY Change	Amounts	YOY Change	Amounts	YOY Change
<b>Revenues</b>	115,438	-0.1%	9,167	-0.4%	4,732	+10.3%
<b>Gross Profit</b>	17,411	+11.2%	770	-7.3%	409	+4.7%
<b>Operating Profit</b>	10,380	+53.9%	-116	-133.6%	211	+6.3%
<b>Recurring Profit</b>	9,850	+21.9%	-97	-125.0%	216	-4.8%
<b>Net Profit</b>	6,397	+10.2%	-62	-125.6%	142	+2.6%

	Amounts	Change from FY3/2015	Amounts	Change from FY3/2015	Amounts	Change from FY3/2015
<b>Operating Assets</b>	2,921,162	+1.3%	101,920	+0.3%	55,463	+3.7%
<b>Total Assets</b>	3,733,047	+1.7%	106,272	+1.1%	57,209	+2.9%
<b>Total Equity</b>	402,226	-0.2%	13,260	-0.4%	10,464	+1.4%

million yen

	Shinko Lease MUL's Share: 80%		Casio Lease MUL's Share: 80%		Hirogin Lease MUL's Share: 80%	
	Amounts	YOY Change	Amounts	YOY Change	Amounts	YOY Change
<b>Revenues</b>	6,207	-18.5%	2,758	+0.3%	3,995	-4.5%
<b>Gross Profit</b>	532	-20.8%	252	-12.1%	469	-9.0%
<b>Operating Profit</b>	191	-39.9%	32	-64.6%	249	-9.2%
<b>Recurring Profit</b>	202	-39.4%	50	-54.9%	263	-9.5%
<b>Net Profit</b>	126	-35.1%	32	-52.5%	173	-5.6%

	Amounts	Change from FY3/2015	Amounts	Change from FY3/2015	Amounts	Change from FY3/2015
<b>Operating Assets</b>	86,907	-11.0%	32,292	+5.0%	57,158	-2.3%
<b>Total Assets</b>	91,490	-10.4%	33,307	+4.9%	59,650	-2.6%
<b>Total Equity</b>	7,951	+1.2%	11,669	+0.3%	10,936	+1.8%

million yen

	Shutoken Leasing MUL's Share : 76%		Chukyo General Lease MUL's Share : 70%		MMC Diamond Finance MUL's Share : 50%	
	Amounts	YOY Change	Amounts	YOY Change	Amounts	YOY Change
<b>Revenues</b>	6,870	+5.1%	1,637	-1.7%	6,408	+17.6%
<b>Gross Profit</b>	884	+5.5%	141	-12.7%	2,598	+1.0%
<b>Operating Profit</b>	418	-0.9%	41	-46.0%	902	+4.9%
<b>Recurring Profit</b>	442	+0.7%	52	-39.2%	1,078	+2.2%
<b>Net Profit</b>	294	+4.9%	34	-37.1%	710	+5.8%

	Amounts	Change from FY3/2015	Amounts	Change from FY3/2015	Amounts	Change from FY3/2015
<b>Operating Assets</b>	113,879	-0.1%	18,985	-0.8%	265,942	-2.3%
<b>Total Assets</b>	117,764	+0.0%	20,180	-0.9%	292,181	-2.1%
<b>Total Equity</b>	13,449	+1.6%	5,559	+0.2%	19,853	+3.7%

million yen

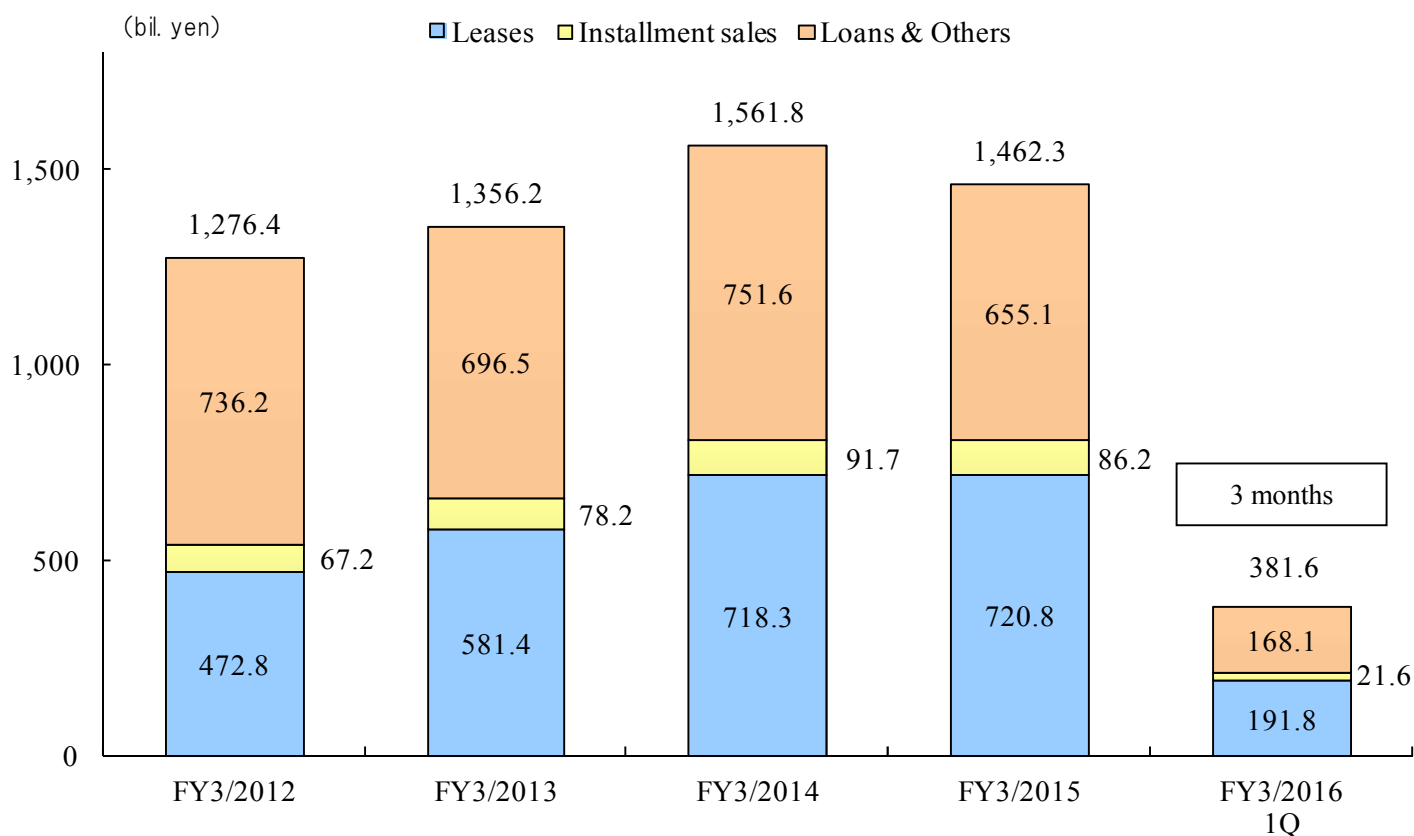
	Diamond Rental System MUL's Share : 100%		Diamond Asset Finance MUL's Share : 100%		Miyuki Building MUL's Share : 98%	
	Amounts	YOY Change	Amounts	YOY Change	Amounts	YOY Change
<b>Revenues</b>	6,822	-0.0%	1,661	-11.2%	1,606	+4.3%
<b>Gross Profit</b>	566	-4.0%	1,175	+8.5%	783	-8.4%
<b>Operating Profit</b>	157	-12.5%	843	+10.8%	662	-9.4%
<b>Recurring Profit</b>	157	-12.3%	859	+8.7%	553	-10.2%
<b>Net Profit</b>	102	-10.0%	573	+13.7%	359	-7.7%

	Amounts	Change from FY3/2015	Amounts	Change from FY3/2015	Amounts	Change from FY3/2015
<b>Operating Assets</b>	63,182	+2.4%	203,622	-0.7%	61,378	-0.6%
<b>Total Assets</b>	65,581	+2.4%	206,747	-0.6%	64,742	+0.1%
<b>Total Equity</b>	5,395	+1.9%	25,537	+2.3%	23,074	+1.4%

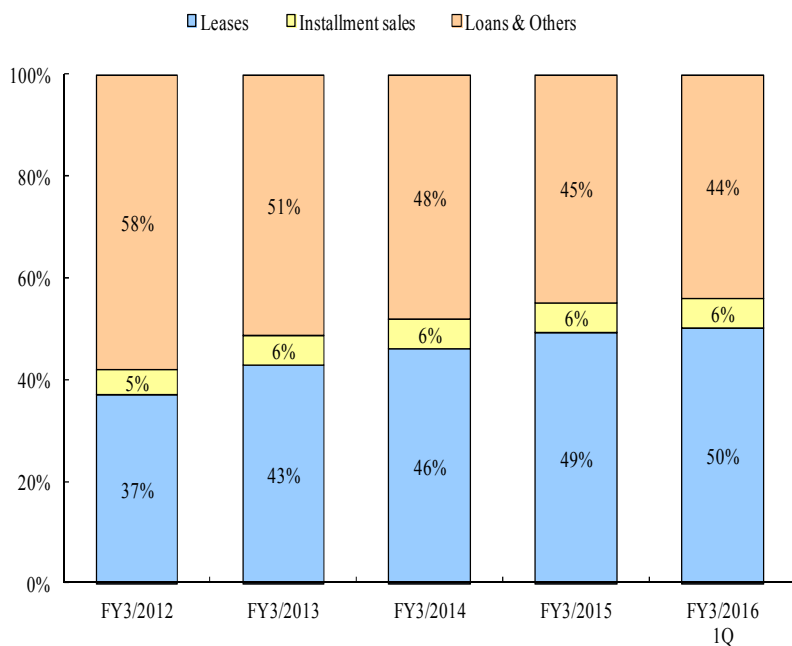
## 4. New Transactions

New transactions volume on a consolidated basis for FY3/16-1Q increased by 34.3% (year-on-year) to 381.6bil yen. By segment, lease volume increased by 47.1%, installment sales increased by 53.2%, and loans and other business increased by 20.3%. Breakdown by transaction type: Leases 50%, Installment sales 6%, Loans and Others 44%.

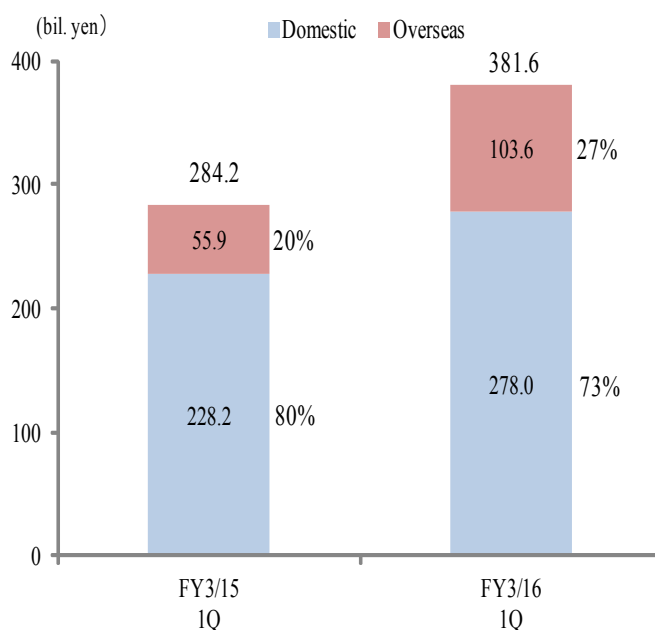
### Trends of New Transactions Volume by Type



### Trends of New Transactions Component by Type



### Trends of New Transactions by Region (Domestic / Overseas)





#### Breakdown of New Lease Transactions

(bil.yen)

	FY3/15 1Q	FY3/16 1Q	yoy change
IT / Office Equip.	23.0	35.5	+54.3%
Industrial Machinery	22.8	28.6	+24.9%
Civil Eng. & Construction Machinery	7.0	5.6	-20.1%
Transport Equip.	33.3	70.7	+112.3%
Medical Equip.	6.1	12.7	+107.2%
Commercial & Service Equip.	15.7	17.4	+10.6%
Others	22.2	21.1	-4.7%
<b>Total</b>	<b>130.3</b>	<b>191.8</b>	<b>+47.1%</b>

#### Breakdown of New Installment Sales Transactions

(bil.yen)

	FY3/15 1Q	FY3/16 1Q	yoy change
IT / Office Equip.	0.3	0.4	+22.9%
Industrial Machinery	1.5	2.5	+63.4%
Civil Eng. & Construction Machinery	3.3	6.2	+90.0%
Transport Equip.	0.7	0.9	+25.4%
Medical Equip.	0.9	1.4	+46.0%
Commercial & Service Equip.	3.5	6.2	+76.6%
Others	3.5	3.6	+3.0%
<b>Total</b>	<b>14.1</b>	<b>21.6</b>	<b>+53.2%</b>

#### Breakdown of New Loan and other business Transactions

(bil.yen)

	FY3/15 1Q	FY3/16 1Q	yoy change
Factoring	48.7	54.7	+12.4%
Real estate financing	15.3	20.9	+37.0%
Others	75.7	92.4	+22.1%
<b>Total</b>	<b>139.7</b>	<b>168.1</b>	<b>+20.3%</b>

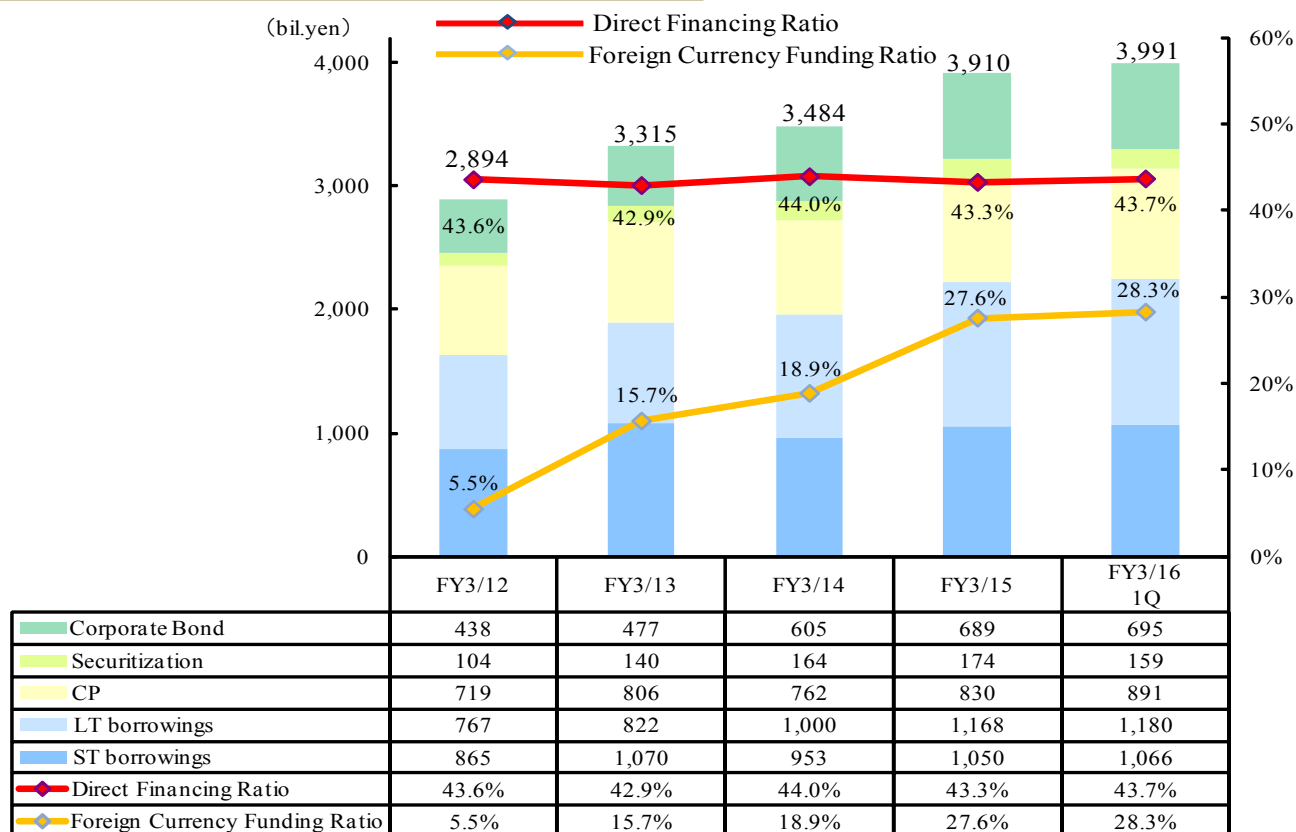
#### Volume of All New Transactions

(bil.yen)

	FY3/15 1Q	FY3/16 1Q	yoy change
<b>Total</b>	<b>284.2</b>	<b>381.6</b>	<b>+34.3%</b>

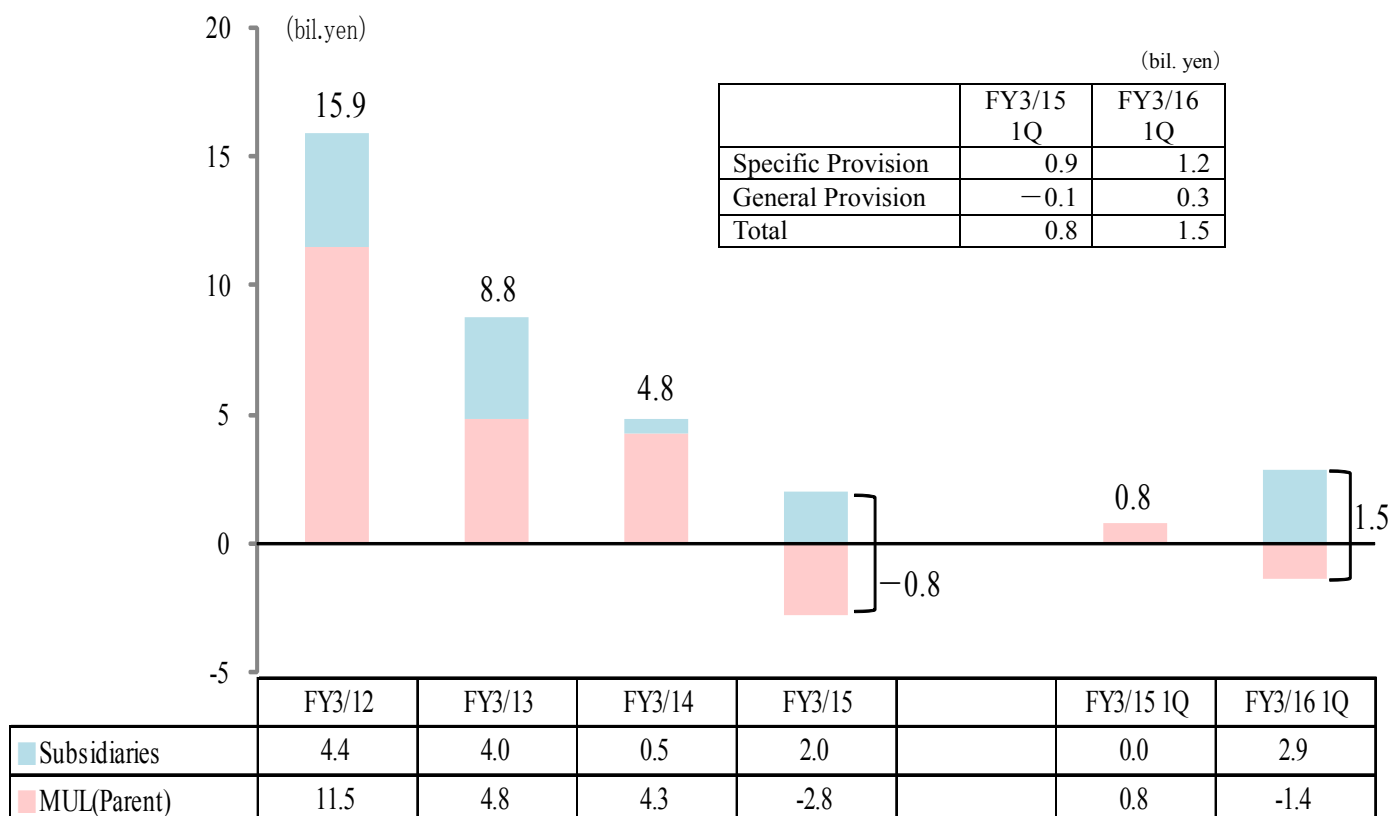
## 5. Funding

### Funding Structure



## 6. Net Credit Cost

### Net Credit Cost Historical Chart



The above figures represent consolidated total net credit cost on a consolidated basis. It consists of all related cost, including Cost of Revenue, SG&A expenses, Other income and Extraordinary items.

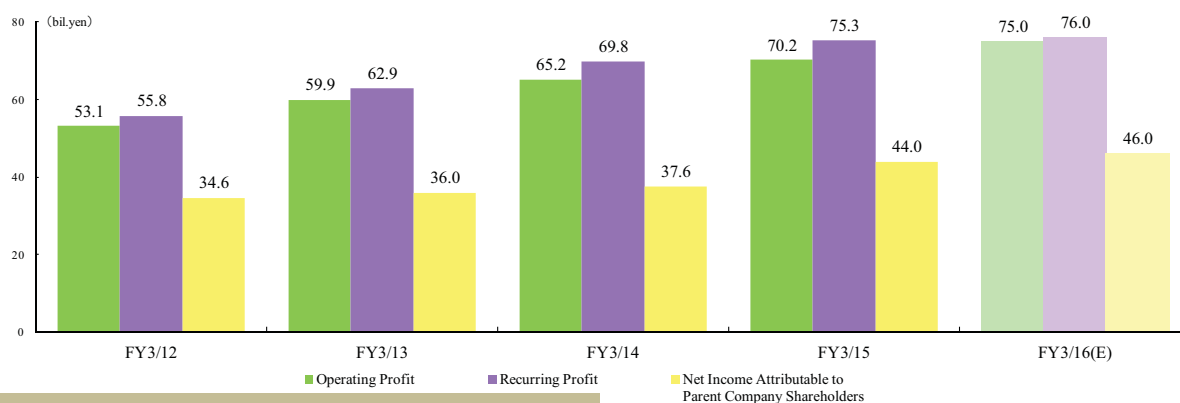
## 7. Forecast for FY3/2016

### Forecast for FY3/2016

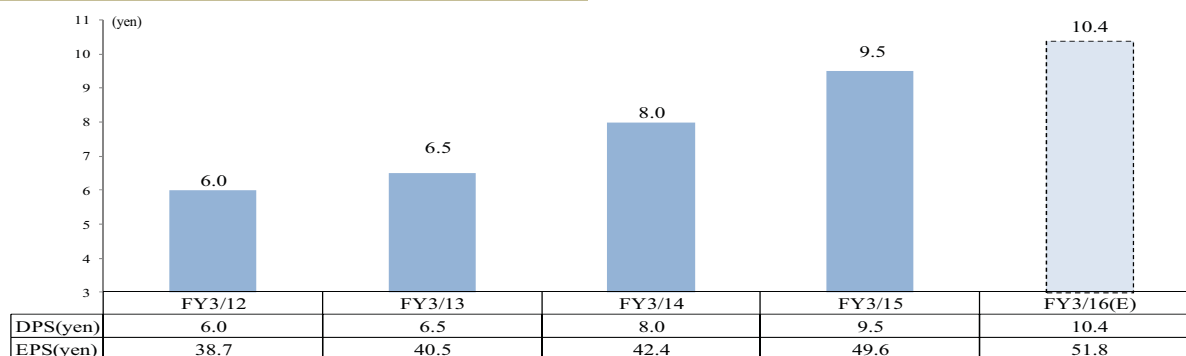
	Consolidated	
	Amount (bil. yen)	Year on Year Change
Revenues	800.0	+7.8%
Gross Profit	147.0	+10.3%
Operating Profit	75.0	+6.8%
Recurring Profit	76.0	+0.8%
Net Income Attributable to Parent Company Shareholders	46.0	+4.4%
Dividend per Share	10.40 yen	+0.9 yen

Consolidated Forecast for FY3/2016 as of May 15, 2015.

### Consolidated Financial Performance



### Dividend



On April 1, 2013, MUL split each share of its common stock, which were held by shareholders stated or recorded in the register of shareholders as of March 31, 2013, into ten (10) shares. "DPS" and "EPS" have been retrospectively adjusted to reflect the stock split for all periods presented.



*Value Integrator*