

# FY3/2016 2nd Quarter Results

(Tokyo Stock Exchange / Nagoya Stock Exchange : 8593)

November 6, 2015

Mitsubishi UFJ Lease & Finance Company Limited

*Value Integrator*

**I****FY3/2016 2nd Quarter Results****II****Forecast for FY3/2016****III****Progress of  
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**I**

## **FY3/2016 2nd Quarter Results**

II

Forecast for FY3/2016

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Appendix

(billion yen)

	FY3/2016 2Q	YOY Change	YOY Change (%)	FY3/2015 2Q	Reference
Total Revenues	403.8	+35.7	+9.7%	368.0	
Gross Profit	80.0	+15.3	+23.7%	64.7	p.4, 5 (see p.6, 7 for Credit Cost)
Operating Income	45.4	+10.8	+31.6%	34.5	
Recurring Income	47.9	+10.6	+28.4%	37.3	
Net Income ※	28.9	+6.4	+28.4%	22.5	
New Transactions Volume	768.3	+139.4	+22.2%	628.8	p.8, 9
Interim Dividend	5.20 yen	+1.10 yen	-	4.10 yen	

※Net income attributable to parent company shareholders

(billion yen)

	FY3/2016 2Q	Change from FY3/2015	Change from FY3/2015(%)	FY3/2015	Reference
Total Equity	638.5	+17.2	+2.8%	621.3	
Total Assets	5,086.8	+51.1	+1.0%	5,035.6	
Total Operating Assets	4,578.5	+37.6	+0.8%	4,540.9	p.10, 11

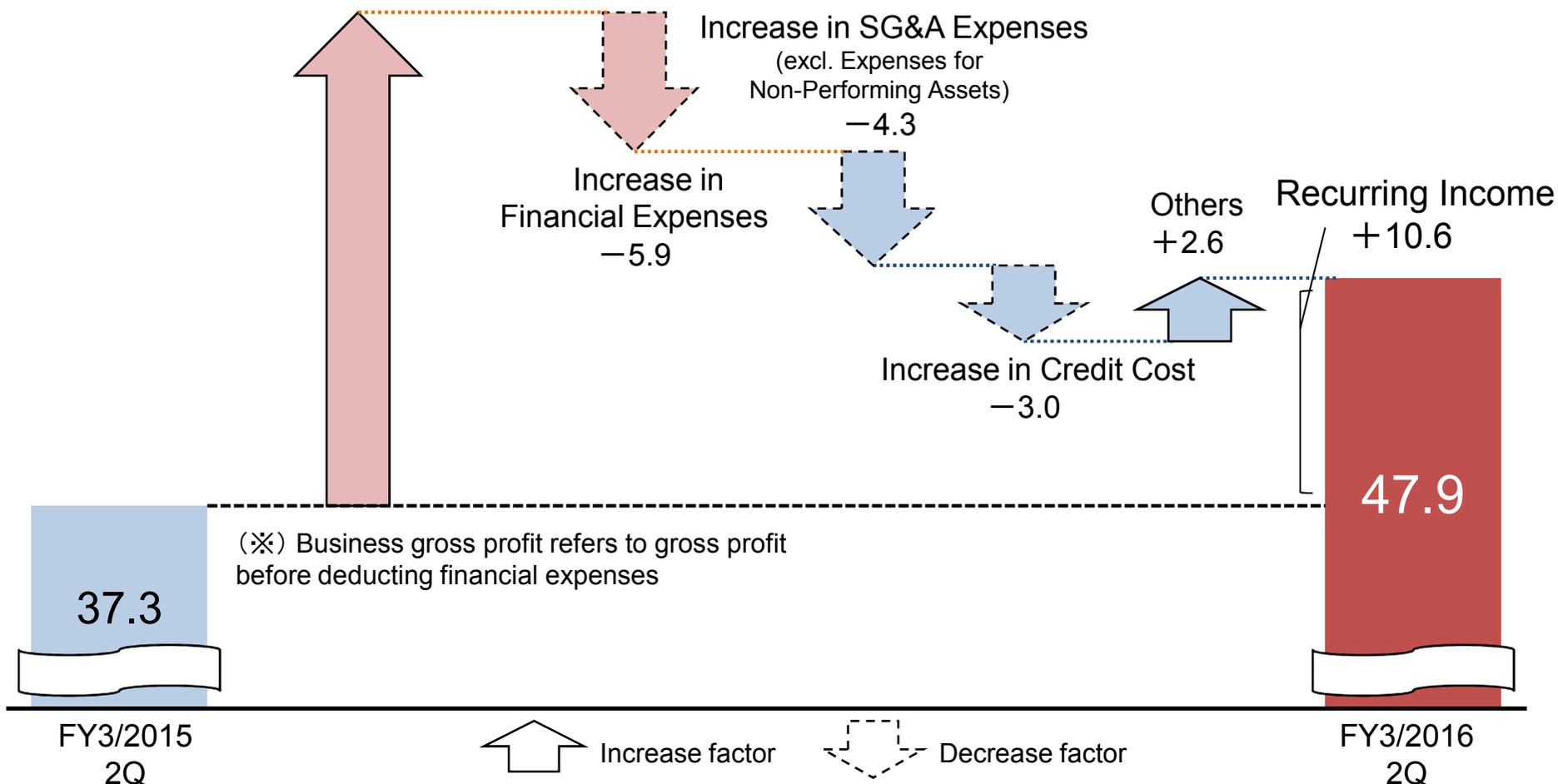
Increase in Gross Profit: +15.3

Increase in SG&A Expenses  
and other expenses: -4.7

(billion yen)

Increase in Business Gross Profit (※)

+21.3



(※) Business gross profit refers to gross profit before deducting financial expenses

FY3/2015  
2Q

FY3/2016  
2Q

(billion yen)

**Increase in Business Gross Profit  
for Leasing Business: +17.9**Business gross profit for leasing business  
= (Revenues of Leases) – (Leases, COR)

※see p.26

## ▪ Expansion of Aircraft Leasing Business (JSA ※1)

※1: Jackson Square Aviation

## ▪ Gain on Sales of Aircraft in the Aircraft Leasing Business

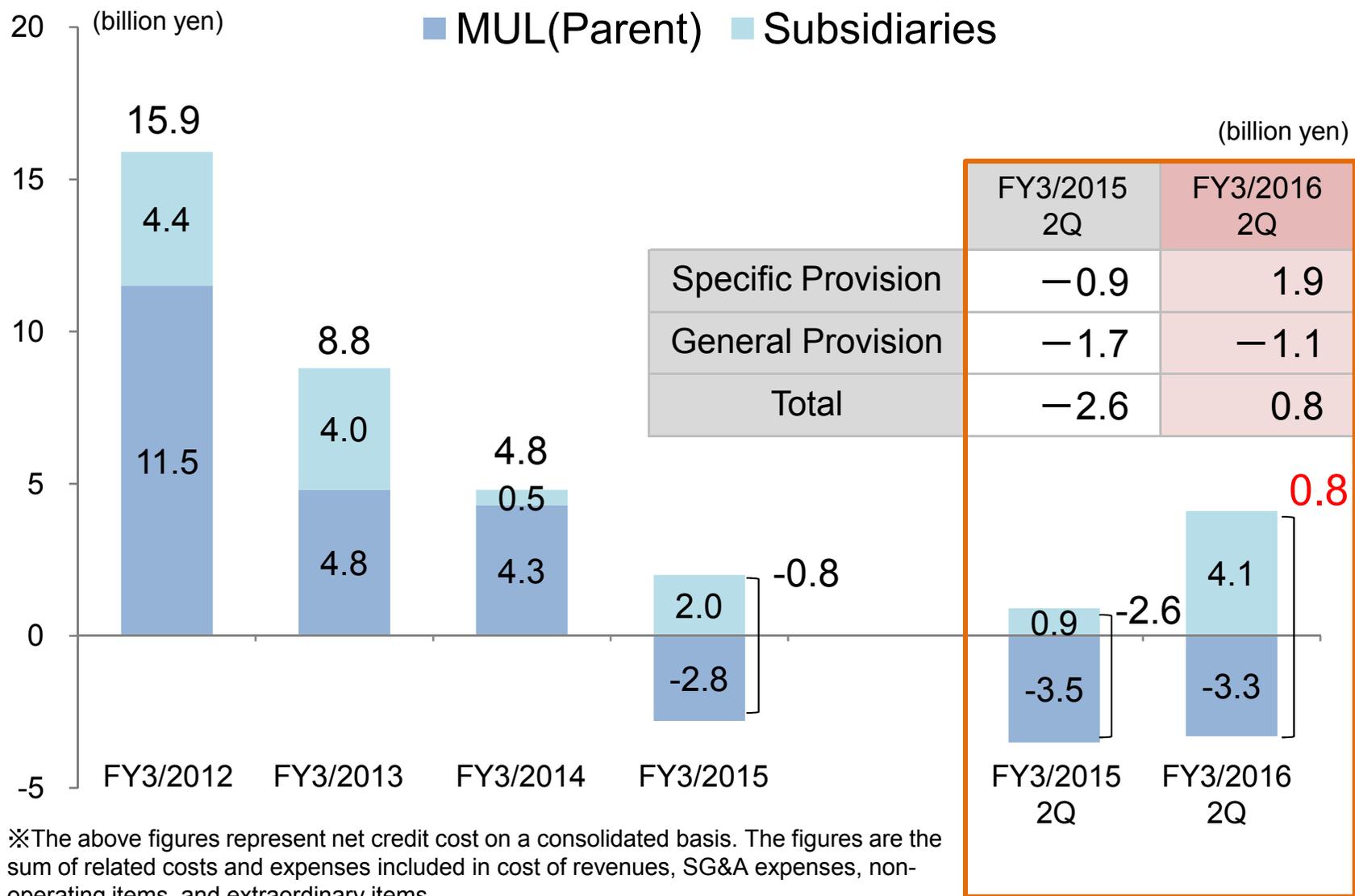
▪ Consolidation of Aircraft Engine Leasing Business (ELF ※2) and  
Container Leasing Business (BIL ※3)

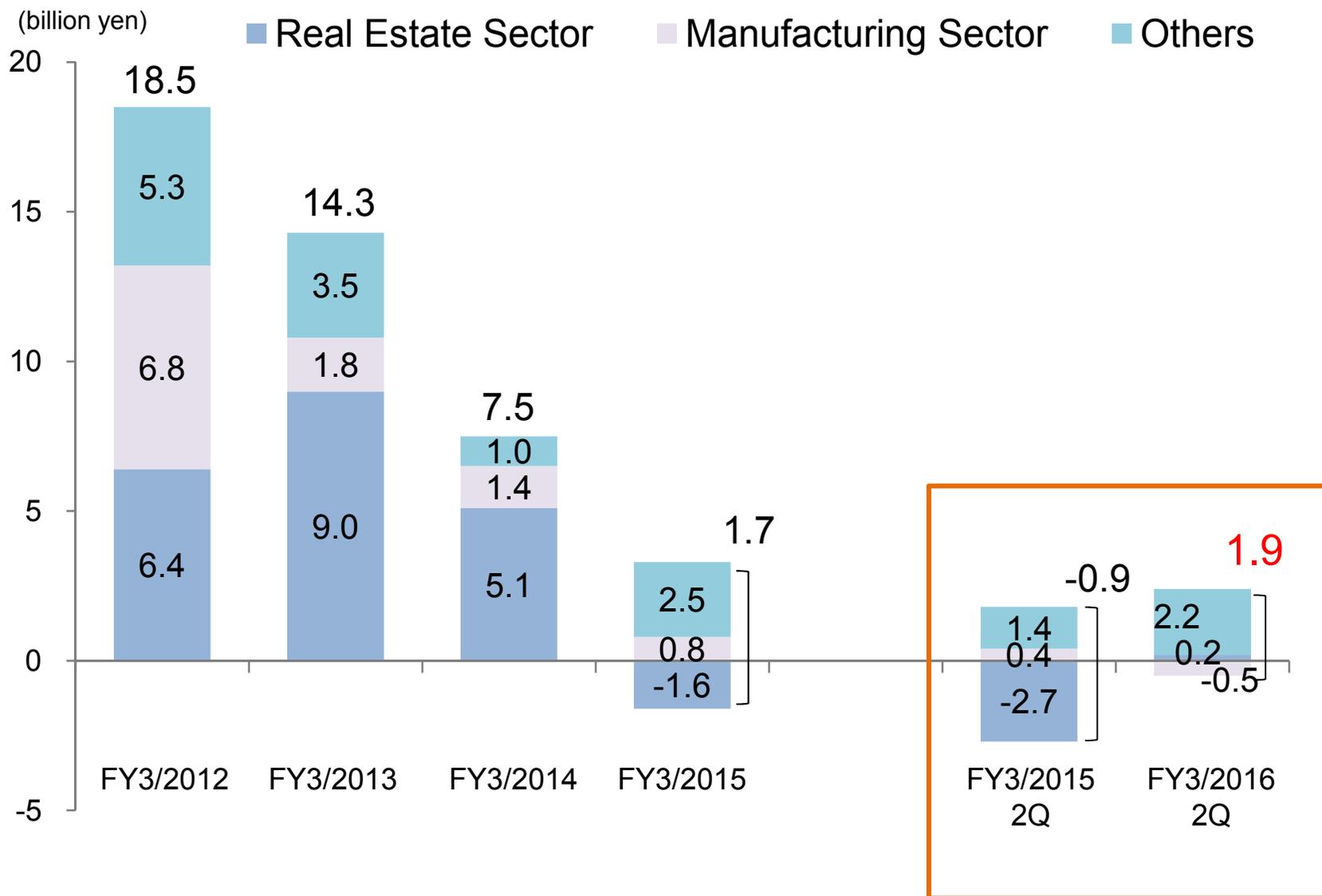
※2: Engine Lease Finance, ※3: Beacon Intermodal Leasing

**Increase in Business Gross Profit  
for Other Business : +3.7**Business gross profit for other business  
= (Revenues of Others) – (Others, COR)

※see p. 26

## ▪ Gain from Real Estate-related Dividend Income

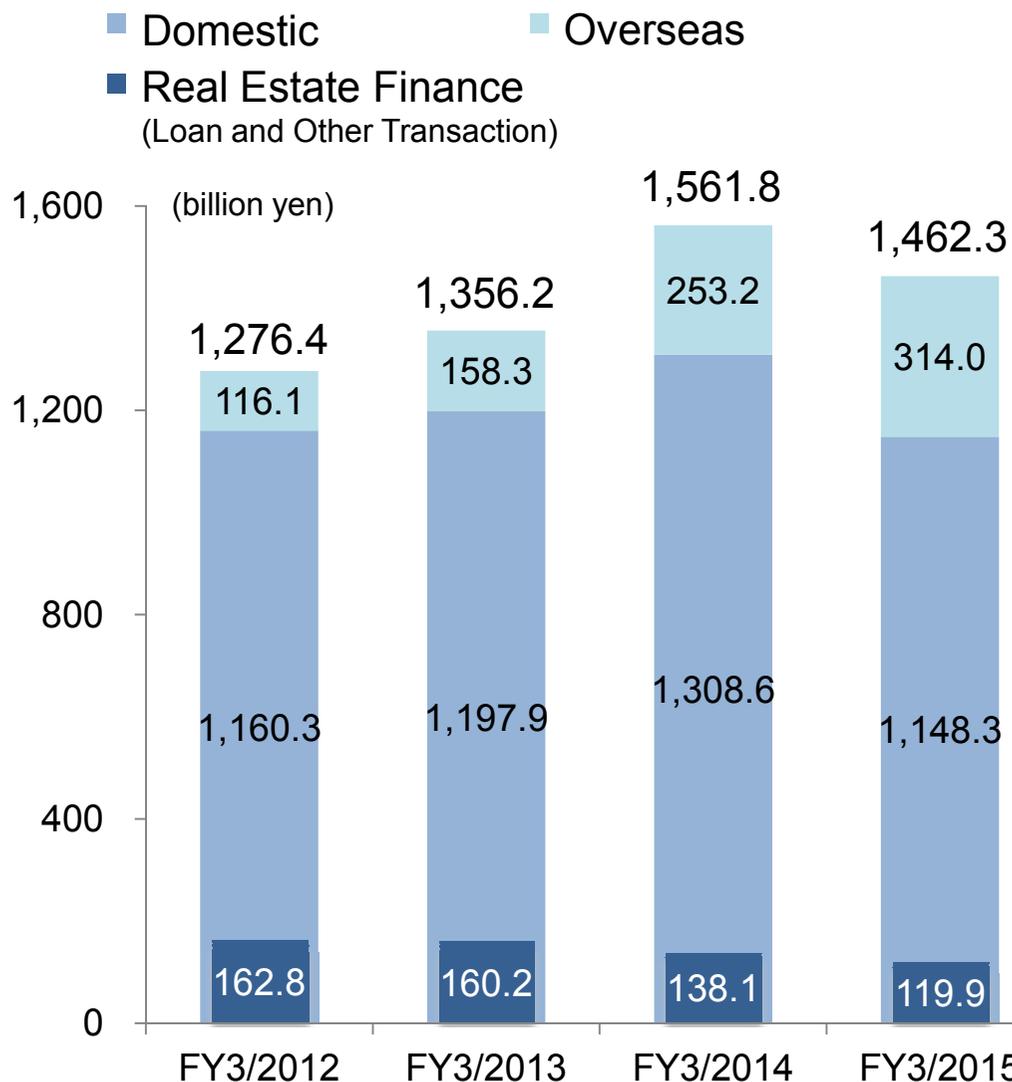




## New Transactions Volume by Transaction Type

(billion yen)

	FY3/2015 2Q	FY3/2016 2Q	YOY Change(%)	Comments
<b>1. Lease Transactions Volume</b>	<b>300.4</b>	<b>392.2</b>	<b>+30.6%</b>	➤ Transactions of Medical, Commercial and Service Equipment, etc., increased due to a recovery in domestic demand after the impact of the consumption tax hike diminished.
IT / Office Equipment	51.2	67.6	+32.0%	
Industrial Machinery	54.7	55.9	+2.2%	
Civil Eng. & Construction Machinery	13.9	13.4	-3.9%	
Transportation Equipment	83.7	134.6	+60.8%	
Medical Equipment	17.6	25.9	+47.5%	
Commercial & Service Equipment	34.8	40.0	+15.0%	
Others	44.2	54.5	+23.3%	➤ A reactionary fall in new transactions of IT Equipment following the end of support for Windows XP diminished.
<b>2. Installment Sales Volume</b>	<b>34.3</b>	<b>45.4</b>	<b>+32.2%</b>	
IT / Office Equipment	0.8	1.9	+121.7%	➤ Transactions of Transportation Equipment increased due to an increase in the volume of new aircraft leasing transactions and contribution of overseas subsidiaries acquired in FY2014.
Industrial Machinery	4.5	5.1	+14.6%	
Civil Eng. & Construction Machinery	9.7	11.9	+22.4%	
Transportation Equipment	1.9	2.2	+18.5%	
Medical Equipment	2.5	4.7	+84.6%	
Commercial & Service Equipment	7.4	11.0	+49.0%	
Others	7.3	8.3	+14.1%	
<b>3. Loan and Other Transaction Volume</b>	<b>294.0</b>	<b>330.6</b>	<b>+12.4%</b>	➤ The volume of Real Estate Finance transactions has continued to decline.
Factoring	104.8	112.0	+6.9%	
Real Estate Finance	50.8	45.7	-10.0%	
Others	138.4	172.8	+24.9%	
<b>Volume of All New Transactions</b>	<b>628.8</b>	<b>768.3</b>	<b>+22.2%</b>	

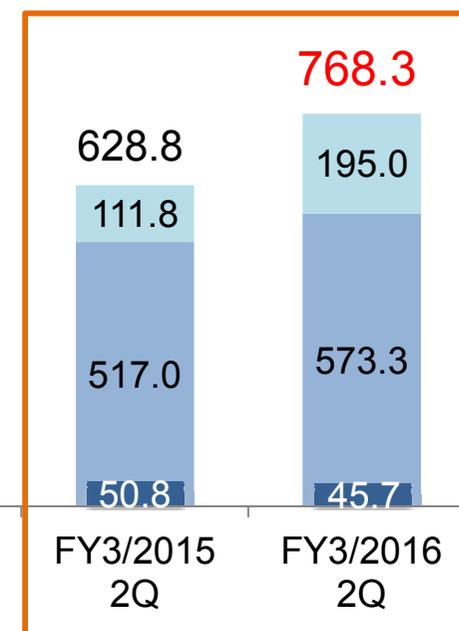


<Domestic>

- The volume of new domestic leasing transactions has leveled with the 1st half of FY2013.
- Large-volume transactions increased year on year.

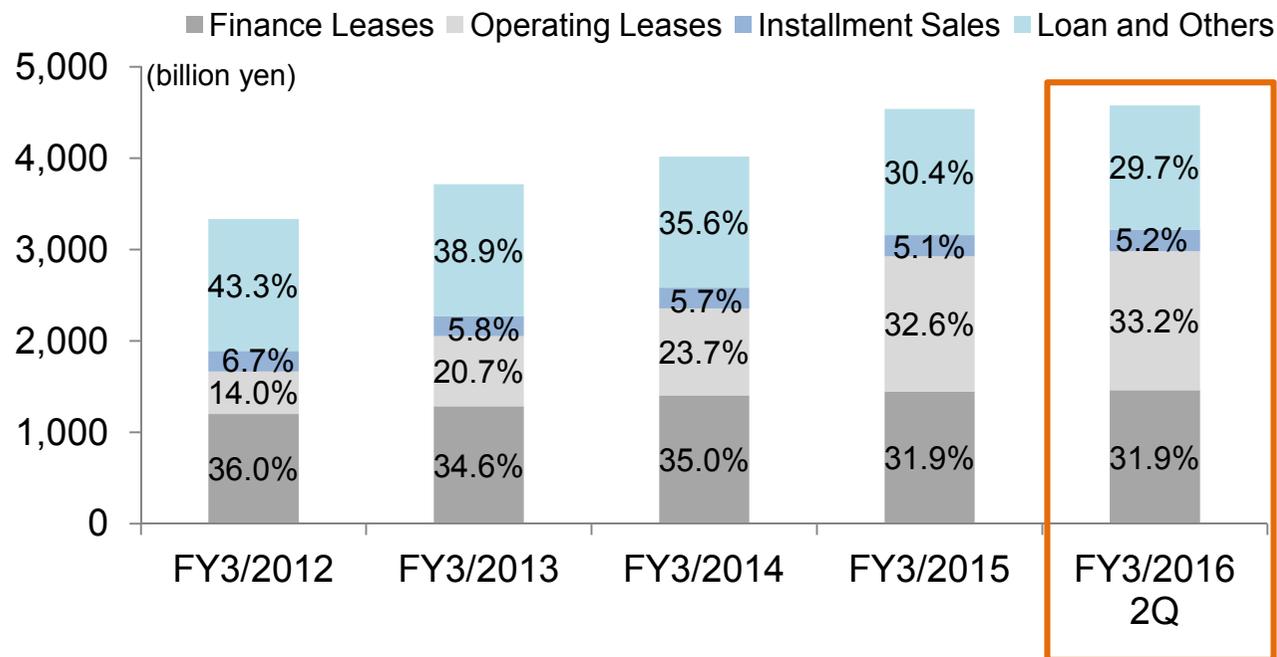
<Overseas>

- In addition to increases in new aircraft leasing transactions, consolidation of overseas subsidiaries acquired in FY2014 contributed to the growth.
- There was an increase in new transactions supporting capital investment mainly for Japanese companies expanding abroad.

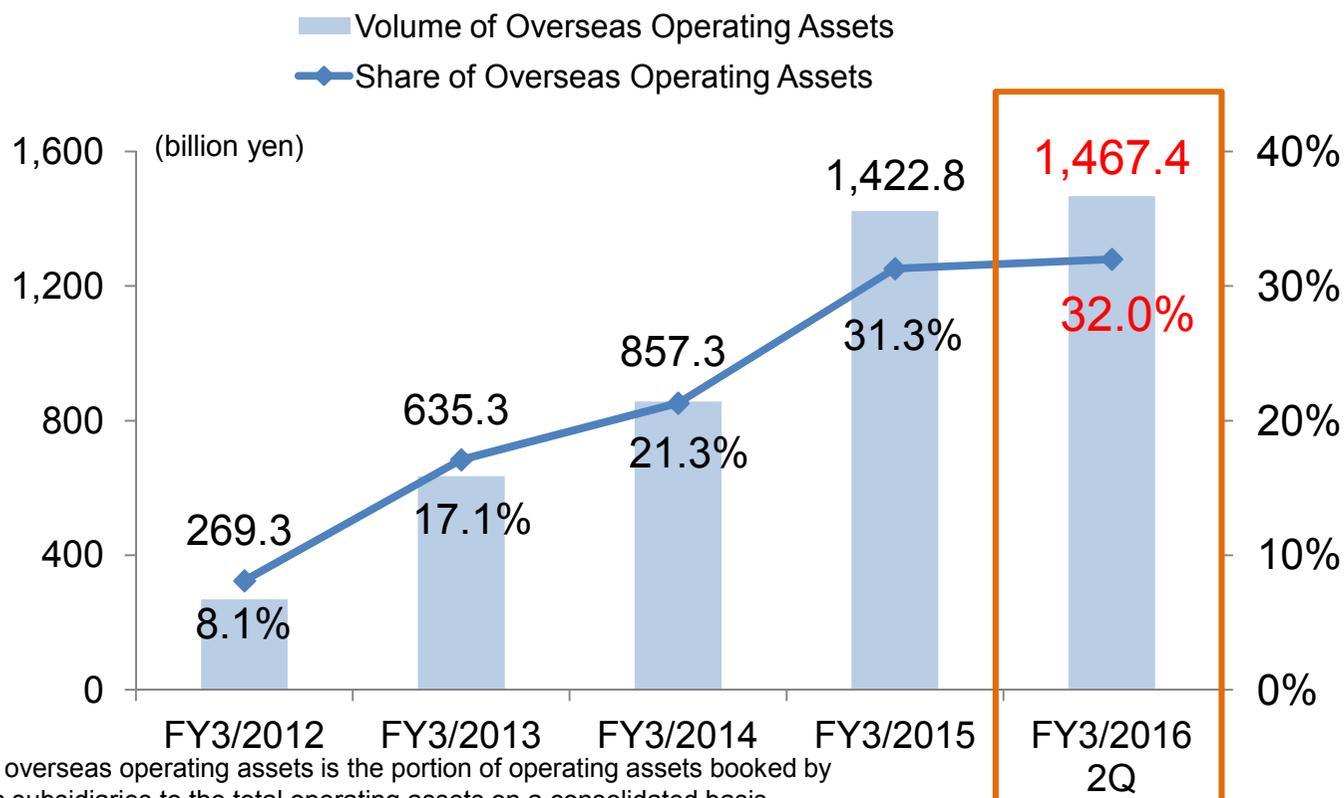


(billion yen)

	FY3/2012	FY3/2013	FY3/2014	FY3/2015	FY3/2016 2Q	Change from FY3/2015
Finance Leases	1,199.4	1,286.1	1,405.7	1,447.6	1,460.7	+0.9%
Operating Leases	467.9	767.8	951.5	1,478.2	1,522.3	+3.0%
Installment Sales	222.4	216.7	227.3	234.0	236.6	+1.1%
Loan and Others	1,445.7	1,443.3	1,432.8	1,381.0	1,358.7	-1.6%
<b>Total Operating Assets</b>	<b>3,335.6</b>	<b>3,713.9</b>	<b>4,017.4</b>	<b>4,540.9</b>	<b>4,578.5</b>	<b>+0.8%</b>



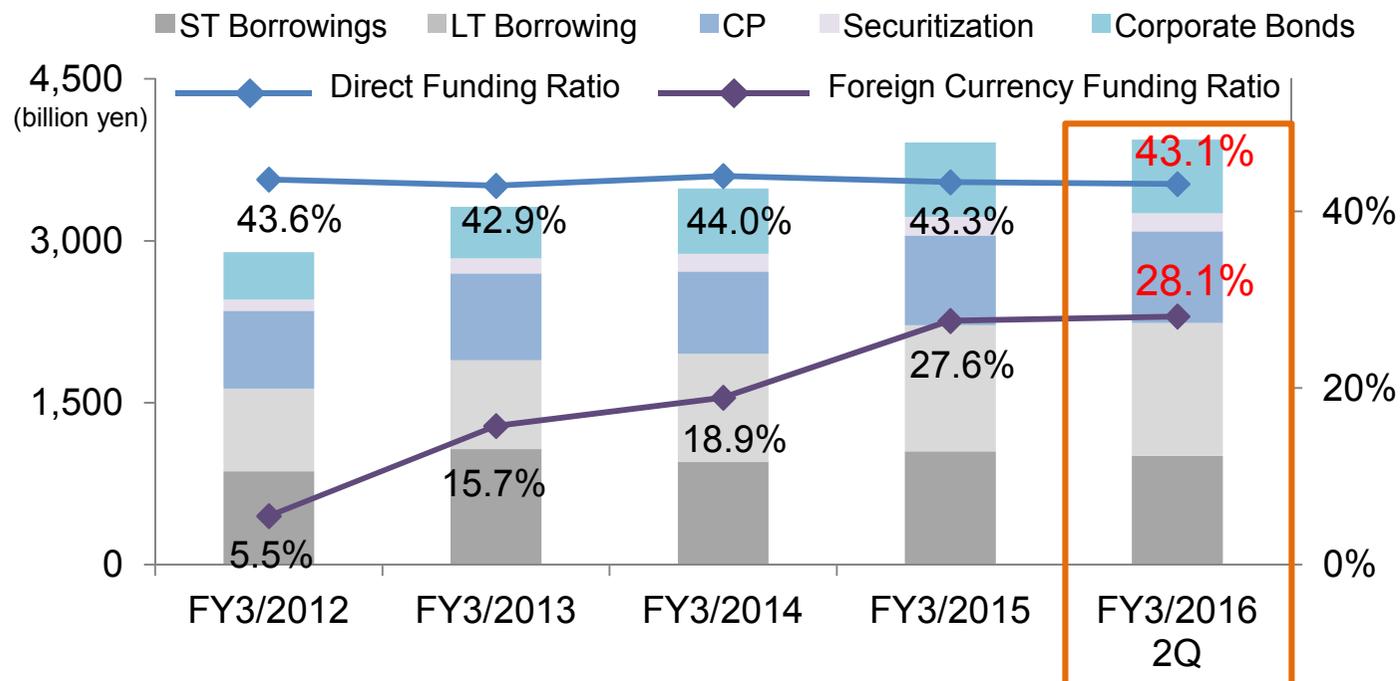
	FY3/2012	FY3/2013	FY3/2014	FY3/2015	FY3/2016 2Q	Change from FY3/2015
Domestic Operating Assets	3,066.3	3,078.6	3,160.1	3,118.1	3,111.1	-0.2%
Overseas Operating Assets	269.3	635.3	857.3	1,422.8	1,467.4	+3.1%
Total Operating Assets	3,335.6	3,713.9	4,017.4	4,540.9	4,578.5	+0.8%



Share of overseas operating assets is the portion of operating assets booked by overseas subsidiaries to the total operating assets on a consolidated basis

(billion yen)

	FY3/2012	FY3/2013	FY3/2014	FY3/2015	FY3/2016 2Q	Change from FY3/2015
ST Borrowing	865.3	1,069.9	953.2	1,049.7	1,008.1	-4.0%
LT Borrowing	766.6	822.1	999.6	1,168.3	1,231.2	+5.4%
CP	719.3	806.2	762.3	830.0	849.1	+2.3%
Securitization	104.2	139.6	164.4	173.5	166.0	-4.3%
Corporate Bonds	438.0	477.3	604.7	688.7	683.6	-0.7%
<b>Total Funding</b>	<b>2,893.5</b>	<b>3,315.2</b>	<b>3,484.4</b>	<b>3,910.3</b>	<b>3,938.2</b>	<b>+0.7%</b>



◆ Domestic Straight Bonds (Issued after 2014)

Issued Date	Amount	Term	Interest Rate p.a.	Spread	
				SWAP plus	JGB plus
Feb-2014	10 bil.yen	7yr	0.508%	-5.2bps	+17.0bps
Jun-2014	10 bil.yen	3yr	0.172%	-8.7bps	+7.0bps
Jun-2014	30 bil.yen	5yr	0.304%	-5.8bps	+12.0bps
Aug-2014	20 bil.yen	7yr	0.426%	-3.0bps	+16.0bps
Oct-2014	10 bil.yen	5yr	0.238%	-5.1bps	+11.0bps
Oct-2014	10 bil.yen	10yr	0.695%	+2.8bps	+21.0bps
May-2015	20 bil.yen	5yr	0.297%	-0.6bps	+20.0bps
Aug-2015	15 bil.yen	5yr	0.301%	+1.9bps	+21.0bps

• Credit Ratings (as of Nov 6, 2015)

Agency	Long-Term	Short-Term
Moody's	A3	-
S&P	A	-
JCR	AA-	J-1+
R&I	A+	a-1

JCR: Japan Credit Rating Agency  
R&I: Rating and Investment Information

◆ Foreign Currency Bonds (Issued after 2014)

Issued Date	Amount	Term	Interest Rate p.a.	Spread
Feb-2014	300mil US Dollar	5yr	Floating Rate	3M USD Libor+92.5bps
Feb-2014	500mil RMB	3yr	3.280%	—
Jul-2014	500mil US Dollar	5yr	Floating Rate	3M USD Libor+77.5bps
Mar-2015	500mil US Dollar	5yr	2.500%	—
Oct-2015	500mil US Dollar	5yr	2.750%	—

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Upward revisions were made for the forecast of FY3/2016 (billion yen)

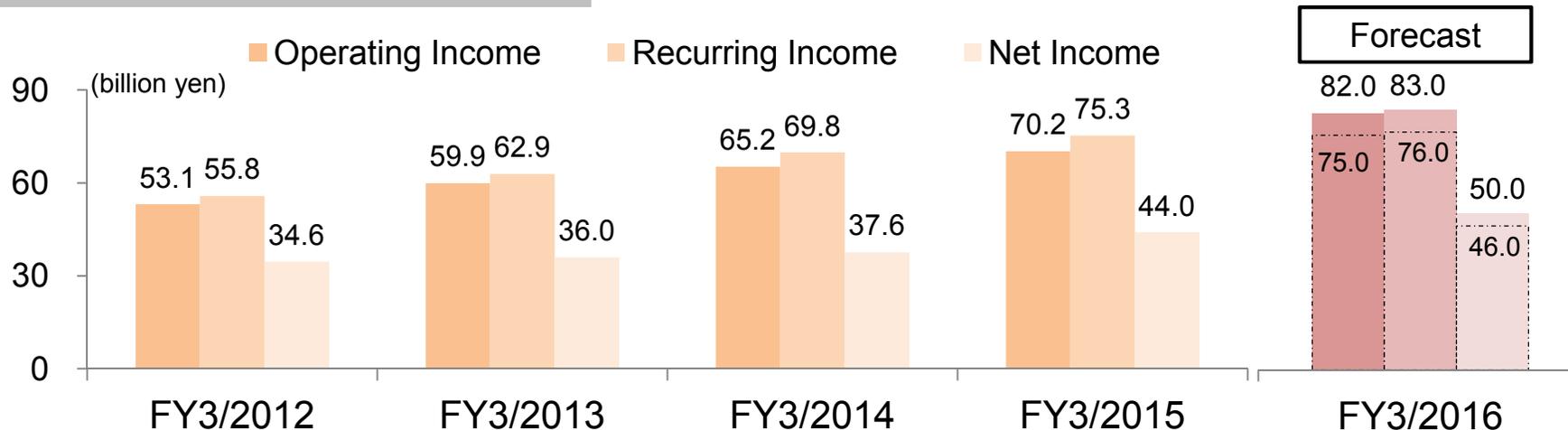
	FY3/2016 ※2	YOY Change	Change from Previous Forecast	(Reference) ※3 Previous Forecast
Total Revenues	800.0	+7.8%	—	800.0
Gross Profit	154.0	+15.5%	+4.8%	147.0
Operating Income	82.0	+16.7%	+9.3%	75.0
Recurring Income	83.0	+10.1%	+9.2%	76.0
Net Income ※1	50.0	+13.5%	+8.7%	46.0
Dividend per Share	10.40 yen	+0.90 yen	—	10.40 yen

※1: Net Income attributable to parent company shareholders

※2: Revised forecast for FY3/2016 announced on November 6, 2015

※3: Previous forecast for FY3/2016 announced on May 15, 2015 (in dotted line below)

## Consolidated Financial Performance



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# Mid-Term Management Plan “Limitless Evolution” *Value Integrator*

We aim to achieve sustainable growth through the implementation of 5-point growth strategy and 7-point business infrastructure reinforcement strategy

## Growth strategy

1. Evolve business models
  2. Accelerate international business
- (key business segments)
- |   |   |
|---|---|
| Domestic customer base               | Eco- and energy- related business  |
| International business               | Global asset business              |
| Medical and long-term care business  | Asset-related services             |
| Real estate business                 |   |
3. Create Group synergies
  4. Continuously create new business
  5. Promote non-organic growth strategy

## Business infrastructure reinforcement strategy

1. Enhance management infrastructure
2. Put in place a globalization-adapted operational infrastructure
3. Intensify Group management
4. Reinforce human resource management
5. Encourage a free, open and dynamic corporate ethos
6. Strengthen and make strategic use of IT infrastructure
7. Earn firm trust

Numerical Targets of “Limitless Evolution” (Target at FY3/2017)

**Consolidated Net Income : Over 45 bil.yen**

Net income attributable to parent company shareholders

**Share of Overseas Operating Assets : 30%**

The portion of operating assets booked by overseas subsidiaries to the total operating assets on a consolidated basis.

Status

- Domestic business remains flat due to weak capital investment and pressure from tightening margins
  - ➔ New business models are essential to achieve further growth
- The global asset business is expanding steadily, contributing greatly to consolidated financial results
  - ➔ Preparations for changes in the business environment is necessary

## Domestic

(Core strategy) Evolve business models

Accelerate a shift from the existing finance and finance-related service business model, based on capital investment and financing needs, to a business model that “integrates finance and business”

(main key business segments)

Eco- and energy-related business 

Medical and long-term care business 

Real Estate business 

## Overseas

(Core strategy) Accelerate international business

Apply expertise and knowledge gained in domestic business to overseas

Improve asset efficiency through origination and distribution of assets and taking in ancillary business

(main key business segments)

International business 

Global asset business 

Measures

Future Direction

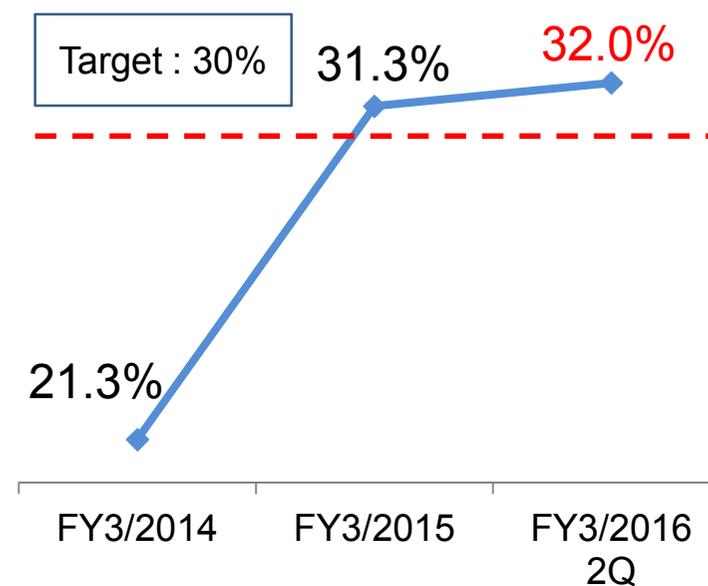
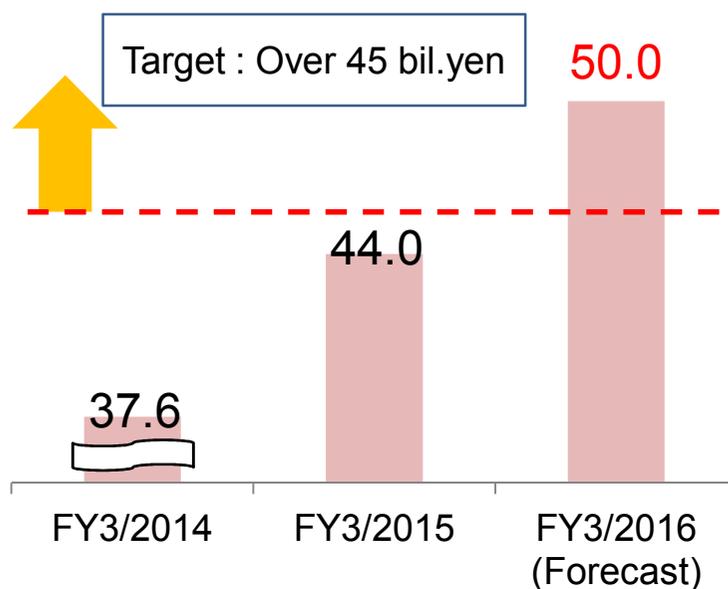
- Create and develop business that will be the future core of the Group
- Create a portfolio immune to capital investment trends and changes in the economic environment

- Provide high-value-added services developed in Japan on a global basis
- Create a high-quality and risk-diversified portfolio

# Progress in Numerical Targets

Surpassed the target for share of overseas operating assets,  
and expect to achieve the target for consolidated net income in FY3/2016

	Consolidated Net Income <small>※Net income attributable to parent company shareholders</small>	Share of Overseas Operating Assets <small>※The portion of operating assets booked by overseas subsidiaries to the total operating assets on a consolidated basis</small>
Target (FY3/2017)	Over 45 bil.yen	30%
Progress	<u>Expected to be achieved</u> (FY3/2016)	<u>Achieved</u>
Actual / Forecast	FY3/2015 actual : 44.0 bil.yen FY3/2016 forecast : 50.0 bil.yen	FY3/2015 actual : 31.3% FY3/2016 2Q actual : 32.0%



Evolving from finance and provision of finance-related services to  
“integration of finance and business”

FY2014

FY2015

Domestic



Promotion of joint business in the long-term care field

<April 2014>

Established a joint company with Misawa Homes (Medical and long-term care)



Start of investment in renewal of aging real estates

<December 2014>

Invested in SPC engaging in environment-friendly upgrading projects with Re-Seed (※)  
(Real estate/Eco- and energy-related)



(※) Real Estate Sustainability & Energy-Efficiency Diffusion

Participation in agriculture field

<April 2015>

Shutoken Leasing established a tea production company



Expansion of business domains in the renewable-energy field (Eco- and energy-related)

<September 2014>

(Hydropower)

Provided a service combining FIT and ESCO business



<October 2014>

(Biomass)

Arranged project finance for biomass power generation project



(Solar power)

Participated in solar power generation projects with partner companies



Established an asset management company “MUL Energy Investment” in the energy-related field (see p.22)



MUL Energy Investment

Expanding the business domains by applying expertise developed domestically to overseas and through facilitation of acquisitions and business alliances

FY2014

FY2015

Overseas



Full entry in the U.S. freight car leasing business

<May 2014>

Formed strategic alliance with GLC (※1) (Global asset business)



※1: Greenbrier Leasing Company



Expansion of business base in Indonesia

<October 2014>

Opened a branch office in Surabaya (International business)



Consolidation of aircraft engine leasing business and marine container leasing business

<November 2014>

Acquired ELF / BIL (※2, 3) (Global asset business)



©Boeing



※2: Engine Lease Finance  
※3: Beacon Intermodal Leasing



Entry in the ESCO business in China

<August 2015>

Established a joint company with local partner companies (International / Eco- and energy-related)



Expansion of asset management services in Thailand

Launched “e-Leasing Direct Platinum” in Thailand following Indonesia (International / Asset-related services)

Established an asset management company in the energy-related field

## Finance / Finance-related services

### Lease and Financing

Leasing of eco- and energy-related equipment

Project finance

(Photo) Biomass power generation facility which we provide finance for



### Service Provision

ESCO service

Emissions credit-related service

(Photo) Equipment introduced through our ESCO service



### Business Participation

Participation in power generation projects

Renewal of aging real estate

(Photo) Solar power generation project that we have participated in



## Integration of finance and business

### Asset management

(Environment surrounding solar power fields)

- Changes in the environment surrounding the solar power business
- Growing needs for management of the existing facilities and projects



Acceleration of selling and purchasing of power generation projects and rights in the secondary market



## MUL Energy Investment

### Mitsubishi UFJ Lease & Finance

Networks with energy-related companies

High expertise

Existing solar power-related lease assets

Utilize

**Management and maintenance of solar power assets**

Diagnostic support for repair and maintenance

**Acquisition, selling/purchasing, and intermediation**

Utilizing MUL's solar power-related assets

**Establishment and management of energy funds**

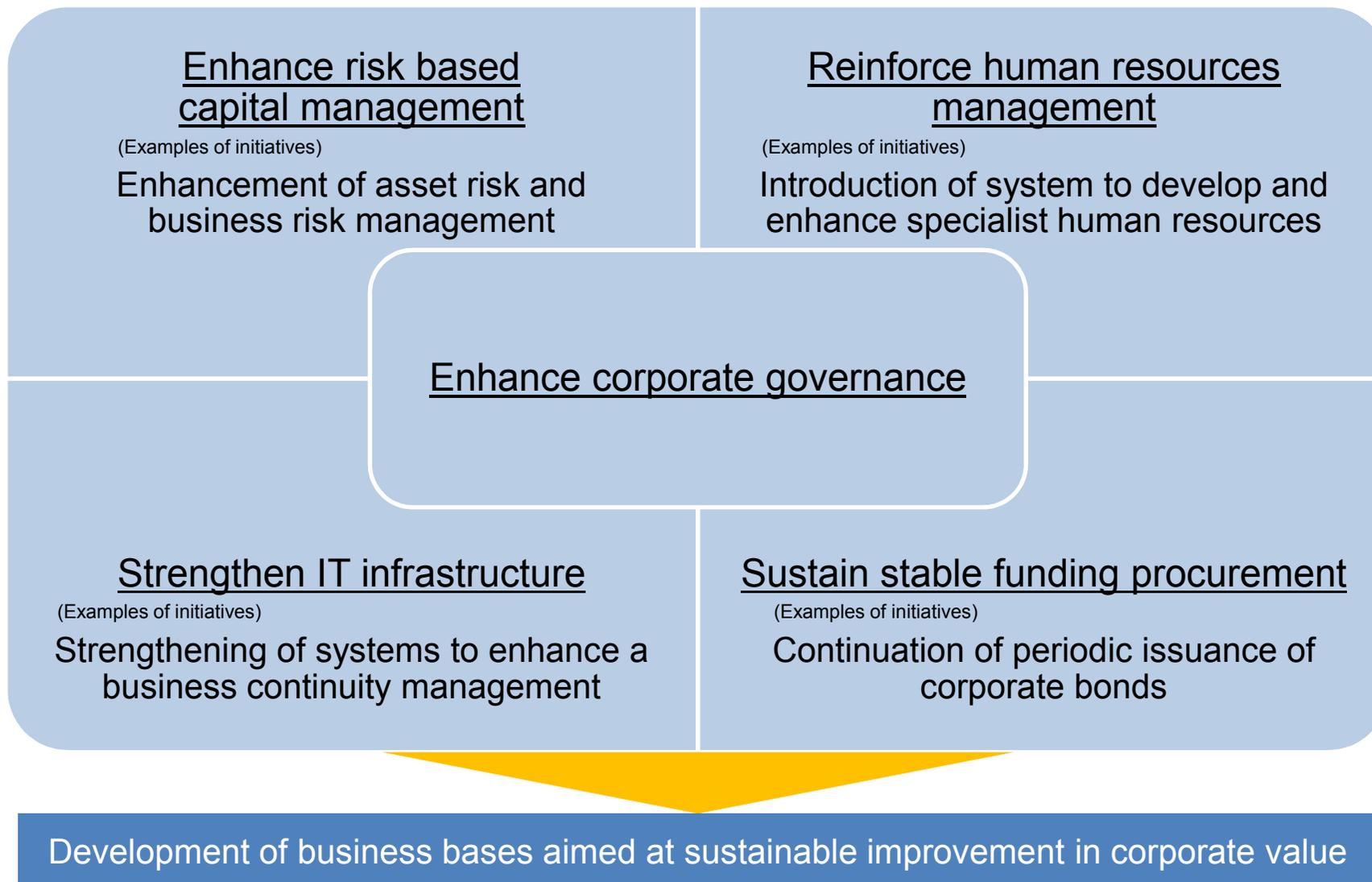
Scheduled to start in 2016

Target of accumulated asset volume of tens of billion yens by March 2018

Expand services to energy infrastructure sectors in addition to solar power

# Initiatives of Business Infrastructure Reinforcement *Value Integrator*

Implementation of measures to strengthen governance and risk management practices





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## **Website**

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

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

(million yen)

		FY3/2012 2Q	FY3/2013 2Q	FY3/2014 2Q	FY3/2015 2Q	FY3/2016 2Q
		11/4~11/9	12/4~12/9	13/4~13/9	14/4~14/9	15/4~15/9
1	<b>Total Revenues</b>	361,248	352,889	355,762	368,040	<b>403,832</b>
		-1.2%	-2.3%	+0.8%	+3.5%	<b>+9.7%</b>
2	Leases	280,055	273,854	288,876	298,749	<b>332,186</b>
		-0.4%	-2.2%	+5.5%	+3.4%	<b>+11.2%</b>
3	Installment Sales	46,633	42,704	40,945	42,276	<b>42,060</b>
		-9.2%	-8.4%	-4.1%	+3.3%	<b>-0.5%</b>
4	Loans	17,682	17,278	17,373	17,382	<b>17,249</b>
		-5.3%	-2.3%	+0.5%	+0.1%	<b>-0.8%</b>
5	Others	16,876	19,052	8,566	9,630	<b>12,335</b>
		+19.1%	+12.9%	-55.0%	+12.4%	<b>+28.1%</b>
6	<b>Cost of Revenues</b>	302,900	288,195	292,579	303,307	<b>323,759</b>
		-1.0%	-4.9%	+1.5%	+3.7%	<b>+6.7%</b>
7	<b>COR / Revenues</b>	83.8%	81.7%	82.2%	82.4%	<b>80.2%</b>
		+0.1P	-2.1P	+0.5P	+0.2P	<b>-2.2P</b>
8	Leases, COR	239,893	233,437	237,987	245,812	<b>261,306</b>
		-0.2%	-2.7%	+1.9%	+3.3%	<b>+6.3%</b>
9	Installment Sales, COR	42,356	38,694	37,261	38,674	<b>38,732</b>
		-9.3%	-8.6%	-3.7%	+3.8%	<b>+0.2%</b>
10	Financial expenses	9,183	8,706	12,350	13,224	<b>19,199</b>
		-15.9%	-5.2%	+41.9%	+7.1%	<b>+45.2%</b>
11	Others, COR	11,466	7,357	4,979	5,595	<b>4,520</b>
		+44.4%	-35.8%	-32.3%	+12.4%	<b>-19.2%</b>
12	<b>Gross Profit</b>	58,348	64,693	63,183	64,732	<b>80,072</b>
		-2.2%	+10.9%	-2.3%	+2.5%	<b>+23.7%</b>
13	<b>Gross Profit / Revenues</b>	16.2%	18.3%	17.8%	17.6%	<b>19.8%</b>
		-0.1P	+2.1P	-0.5P	-0.2P	<b>+2.2P</b>

(million yen)

		FY3/2012 2Q	FY3/2013 2Q	FY3/2014 2Q	FY3/2015 2Q	FY3/2016 2Q
		11/4~11/9	12/4~12/9	13/4~13/9	14/4~14/9	15/4~15/9
14	<b>Number of Employees</b>	2,288	2,386	2,439	2,628	<b>2,825</b>
15	<b>GP per Employee</b> (Annualized... × 2)	51.0	54.2	51.8	49.3	<b>56.7</b>
		-3.1%	+6.3%	-4.4%	-4.9%	<b>+15.1%</b>
16	<b>SG&amp;A Expenses</b>	27,560	31,537	31,452	30,204	<b>34,649</b>
		-13.8%	+14.4%	-0.3%	-4.0%	<b>+14.7%</b>
17	Personnel Expenses	11,332	11,596	13,055	13,589	<b>15,867</b>
		+3.1%	+2.3%	+12.6%	+4.1%	<b>+16.8%</b>
18	Non-Personnel Expense	12,356	12,837	14,720	15,380	<b>17,405</b>
		+3.4%	+3.9%	+14.7%	+4.5%	<b>+13.2%</b>
19	Expenses for Non-performing Assets	3,871	7,103	3,676	1,234	<b>1,375</b>
		-57.1%	+83.5%	-48.2%	-66.4%	<b>+11.5%</b>
20	<b>Overhead Ratio</b> (Overhead expenses divided by GP)	40.6%	37.8%	44.0%	44.8%	<b>41.6%</b>
		+2.1P	-2.8P	+6.2P	+0.8P	<b>-3.2P</b>
21	<b>Operating Income</b>	30,787	33,156	31,730	34,528	<b>45,423</b>
		+11.1%	+7.7%	-4.3%	+8.8%	<b>+31.6%</b>
22	<b>OP / Revenues</b>	8.5%	9.4%	8.9%	9.4%	<b>11.2%</b>
		+0.9P	+0.9P	-0.5P	+0.5P	<b>+1.8P</b>
23	<b>Recurring Income</b>	33,332	36,720	35,336	37,357	<b>47,961</b>
		+16.4%	+10.2%	-3.8%	+5.7%	<b>+28.4%</b>
24	<b>Extraordinary Income</b>	60	234	83	805	<b>98</b>
		-93.4%	+284.3%	-64.2%	+861.6%	<b>-87.8%</b>
25	<b>Extraordinary Cost</b>	305	382	4	4	<b>-</b>
		-92.0%	+25.0%	-98.9%	+1.6%	<b>-</b>
26	<b>Net Income ※</b>	18,443	21,198	20,892	22,523	<b>28,930</b>
		+36.7%	+14.9%	-1.4%	+7.8%	<b>+28.4%</b>

※Net Income Attributable to Parent Company Shareholders

(million yen)

		FY3/2012	FY3/2013	FY3/2014	FY3/2015	FY3/2016 2Q
1	<b>Total Equity</b>	420,864	468,061	534,250	621,344	<b>638,598</b>
		+8.0%	+11.2%	+14.1%	+16.3%	<b>+2.8%</b>
2	<b>Total Assets</b>	3,682,299	4,177,784	4,497,502	5,035,676	<b>5,086,858</b>
		-1.0%	+13.5%	+7.7%	+12.0%	<b>+1.0%</b>
3	<b>Operating Assets</b>	3,335,620	3,713,972	4,017,419	4,540,920	<b>4,578,558</b>
		-1.7%	+11.3%	+8.2%	+13.0%	<b>+0.8%</b>
4	Leases	1,667,454	2,053,955	2,357,220	2,925,880	<b>2,983,138</b>
		-0.4%	+23.2%	+14.8%	+24.1%	<b>+2.0%</b>
5	Installment Sales	222,433	216,700	227,318	234,023	<b>236,668</b>
		-8.1%	-2.6%	+4.9%	+2.9%	<b>+1.1%</b>
6	Loans	1,193,607	1,256,032	1,288,819	1,257,593	<b>1,248,386</b>
		+1.6%	+5.2%	+2.6%	-2.4%	<b>-0.7%</b>
7	Others	252,124	187,285	144,061	123,423	<b>110,365</b>
		-16.8%	-25.7%	-23.1%	-14.3%	<b>-10.6%</b>
8	<b>Impaired Assets</b>	49,451	46,066	33,223	33,434	<b>31,750</b>
		+20.8%	-6.8%	-27.9%	+0.6%	<b>-5.0%</b>
9	<b>Allowance</b>	15,533	15,921	12,494	14,134	<b>14,600</b>
10	<b>Net Balance of Impaired Assets</b>	33,918	30,145	20,729	19,300	<b>17,150</b>
		+7.4%	-11.1%	-31.2%	-6.9%	<b>-11.1%</b>

(million yen)

		FY3/2012	FY3/2013	FY3/2014	FY3/2015	FY3/2016 2Q
11	<b>Equity Ratio</b>	10.9%	10.7%	11.4%	11.8%	<b>12.0%</b>
		+0.9P	-0.2P	+0.7P	+0.4P	<b>+0.2P</b>
12	<b>ROE</b>	8.9%	8.5%	7.9%	8.0%	-
		+1.8P	-0.4P	-0.6P	+0.1P	-
13	<b>ROA</b>	0.9%	0.9%	0.9%	0.9%	-
		+0.2P	-0.0P	-0.0P	+0.0P	-
14	<b>Total Funding</b>	2,893,504	3,315,294	3,484,480	3,910,324	<b>3,938,239</b>
		-2.3%	+14.6%	+5.1%	+12.2%	<b>+0.7%</b>
15	Indirect Funding	1,631,959	1,892,132	1,952,985	2,218,009	<b>2,239,437</b>
		+1.1%	+15.9%	+3.2%	+13.6%	<b>+1.0%</b>
16	Direct Funding	1,261,545	1,423,162	1,531,494	1,692,314	<b>1,698,802</b>
		-6.3%	+12.8%	+7.6%	+10.5%	<b>+0.4%</b>
17	CP	719,300	806,200	762,300	830,000	<b>849,100</b>
		-16.9%	+12.1%	-5.4%	+8.9%	<b>+2.3%</b>
18	Securitization (Lease Receivables)	104,215	139,644	164,413	173,539	<b>166,070</b>
		+2.2%	+34.0%	+17.7%	+5.6%	<b>-4.3%</b>
19	Corporate Bond	438,030	477,317	604,781	688,774	<b>683,632</b>
		+15.6%	+9.0%	+26.7%	+13.9%	<b>-0.7%</b>
20	<b>Direct Funding Ratio</b>	43.6%	42.9%	44.0%	43.3%	<b>43.1%</b>
		-1.9P	-0.7P	+1.1P	-0.7P	<b>-0.2P</b>

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

(million yen)

FY3/2016 2Q	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	230,078	-0.1%	18,312	+0.9%	9,474	+4.0%
Gross Profit	35,418	+9.5%	1,517	-8.4%	828	-4.0%
Operating Income	22,154	+29.5%	131	-79.4%	437	-12.5%
Recurring Income	21,469	+8.0%	160	-77.4%	445	-16.0%
Net Income	14,053	+5.8%	112	-74.4%	293	-14.6%
FY3/2016 2Q	Amount	Change from FY3/2015	Amount	Change from FY3/2015	Amount	Change from FY3/2015
Operating Assets	2,889,425	+0.2%	102,172	+0.5%	57,601	+7.7%
Total Assets	3,702,952	+0.9%	105,953	+0.8%	59,530	+7.1%
Total Equity	407,249	+1.1%	13,429	+0.8%	10,616	+2.9%

(million yen)

FY3/2016 2Q	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	12,893	-7.5%	5,588	-0.5%	8,125	-2.1%
Gross Profit	1,065	-12.6%	505	-9.0%	883	-6.3%
Operating Income	426	-26.4%	67	-64.2%	480	-18.2%
Recurring Income	449	-24.8%	97	-55.0%	502	-16.6%
Net Income	271	-22.3%	62	-54.0%	332	-20.5%
FY3/2016 2Q	Amount	Change from FY3/2015	Amount	Change from FY3/2015	Amount	Change from FY3/2015
Operating Assets	87,419	-10.4%	32,196	+4.7%	56,603	-3.3%
Total Assets	92,005	-9.9%	33,287	+4.8%	59,312	-3.1%
Total Equity	8,061	+2.7%	11,699	+0.5%	11,083	+3.1%

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

(million yen)

FY3/2016 2Q	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	13,681	+1.9%	3,293	-0.4%	13,003	+16.4%
Gross Profit	1,608	-5.6%	282	-12.6%	5,151	+0.5%
Operating Income	744	-18.4%	72	-54.8%	1,702	+3.8%
Recurring Income	776	-17.7%	93	-50.1%	2,013	+3.7%
Net Income	513	-14.6%	61	-48.6%	1,322	+7.3%
FY3/2016 2Q	Amount	Change from FY3/2015	Amount	Change from FY3/2015	Amount	Change from FY3/2015
Operating Assets	119,209	+4.6%	19,168	+0.2%	266,242	-2.1%
Total Assets	123,262	+4.7%	20,335	-0.1%	292,052	-2.1%
Total Equity	13,572	+2.5%	5,575	+0.5%	20,465	+6.9%

(million yen)

FY3/2016 2Q	Diamond Rental System MUL's Share : 100%		Diamond Asset Finance MUL's Share : 100%		Miyuki Building MUL's Share : 98%	
	Amount	YOY Change	Amount	YOY Change	Amount	YOY Change
Revenues	13,733	+1.7%	5,085	+2.3%	3,270	+4.6%
Gross Profit	1,169	+1.1%	2,615	+18.9%	1,546	-2.0%
Operating Income	383	+20.8%	1,960	+31.6%	1,295	-1.8%
Recurring Income	383	+21.0%	2,028	-4.6%	1,085	-1.9%
Net Income	252	+25.6%	1,354	-0.6%	704	+0.8%
FY3/2016 2Q	Amount	Change from FY3/2015	Amount	Change from FY3/2015	Amount	Change from FY3/2015
Operating Assets	61,005	-1.1%	208,375	+1.6%	61,059	-1.1%
Total Assets	63,462	-0.9%	210,945	+1.4%	64,515	-0.2%
Total Equity	5,545	+4.8%	26,317	+5.4%	23,413	+2.9%

## ◆ Operating Lease : Outstanding

(billion yen)

	FY3/2012	FY3/2013	FY3/2014	FY3/2015	FY3/2016 2Q
Total Outstanding	468.0	767.8	951.5	1,478.3	<b>1,522.3</b>
Industrial Machinery	224.1	177.4	177.9	174.8	<b>175.1</b>
Real Estate	151.7	175.3	184.3	193.4	<b>198.0</b>
Transportation Equip.	62.9	384.8	558.7	1,082.5	<b>1,122.9</b>
IT Equip.	29.3	30.3	30.5	27.6	<b>26.2</b>

## ◆ Real Estate Finance : Outstanding

(billion yen)

	FY3/2012	FY3/2013	FY3/2014	FY3/2015	FY3/2016 2Q
Total Outstanding	593.5	520.2	402.8	325.4	<b>295.9</b>
MUL	465.4	386.8	263.3	176.1	<b>140.7</b>
Diamond Asset Finance	128.1	133.3	139.5	149.3	<b>155.3</b>

## Property Breakdown / Distribution of LTV (MUL portion)

Property Type	Commercial 32%	Office 30%	Logistics 22%	Residence 13%	Others 3%
Geographical	Greater Tokyo 69%	Greater Osaka 19%	Greater Nagoya 6%	Others 6%	
Distribution of LTV	~70% 81%	~80% 10%	~90% 6%	90%~ 3%	

## ◆Symphony (Real Estate Lease) : Outstanding

(billion yen)

	FY3/2012	FY3/2013	FY3/2014	FY3/2015	FY3/2016 2Q
Total Outstanding	178.3	180.8	186.2	201.0	<b>208.8</b>

## ◆PFI : Cumulative Number of Projects by MUL

	FY3/2012	FY3/2013	FY3/2014	FY3/2015	FY3/2016 2Q
Number of Projects	47	50	53	55	<b>57</b>

## ◆e-Leasing Direct : Outstanding

(billion yen)

	FY3/2012	FY3/2013	FY3/2014	FY3/2015	FY3/2016 2Q
Total Outstanding	358.0	405.1	444.7	487.1	<b>486.5</b>

## ◆Factoring : Average Outstanding of Receivable Factoring

(billion yen)

	FY3/2012	FY3/2013	FY3/2014	FY3/2015	FY3/2016 2Q
Average Outstanding	68.7	67.1	73.5	83.4	<b>67.2</b>

## ◆ESCO: Outstanding and Cumulative Number of Projects

(billion yen)

	FY3/2012	FY3/2013	FY3/2014	FY3/2015	FY3/2016 2Q
Total Outstanding	42.9	39.5	34.7	34.7	<b>33.2</b>
Number of Projects	398	414	430	441	<b>447</b>

## ◆Auto Lease : Number of Vehicles Operated by MUL Group

(thousand)

	FY3/2012	FY3/2013	FY3/2014	FY3/2015	FY3/2016 2Q
Operating Vehicles	279	279	289	300	<b>304</b>

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