



Mitsubishi UFJ Lease & Finance

FY3-2015 2nd Quarter Results

(Tokyo Stock Exchange / Nagoya Stock Exchange: 8593)

Results announcement date : November 5, 2014

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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 FY3/2015-2Q (Consolidated)

(billion yen)

	FY3/15 2Q	YOY Change	FY3/14 2Q
Total Revenues	368.0	+3.5%	355.7
Gross Profit	64.7	+2.5%	63.1
Operating Profit	34.5	+8.8%	31.7
Recurring Profit	37.3	+5.7%	35.3
Net Profit	22.5	+7.8%	20.8
New Transactions Volume	628.8	-14.9%	739.3

(billion yen)

	FY3/15 2Q	Change from FY3/14	FY3/14
Total Equity	551.4	+3.2%	534.2
Total Assets	4,479.6	-0.4%	4,497.5

In FY3/15-2Q, Total Revenues increased by 3.5% to 368.0bil yen.

Profit during the first two quarters recorded all time high at each stage. Gross Profit increased by 2.5% to 64.7bil yen, Operating Profit increased by 8.8% to 34.5bil yen, Recurring Profit increased by 5.7% to 37.3bil yen and Net Profit increased by 7.8% to 22.5bil yen.

New Transactions Volume decreased by 14.9% to 628.8bil yen.

Total Equity increased by 3.2% to 551.4bil yen. Total Assets decreased by 0.4% to 4,479.6bil yen.

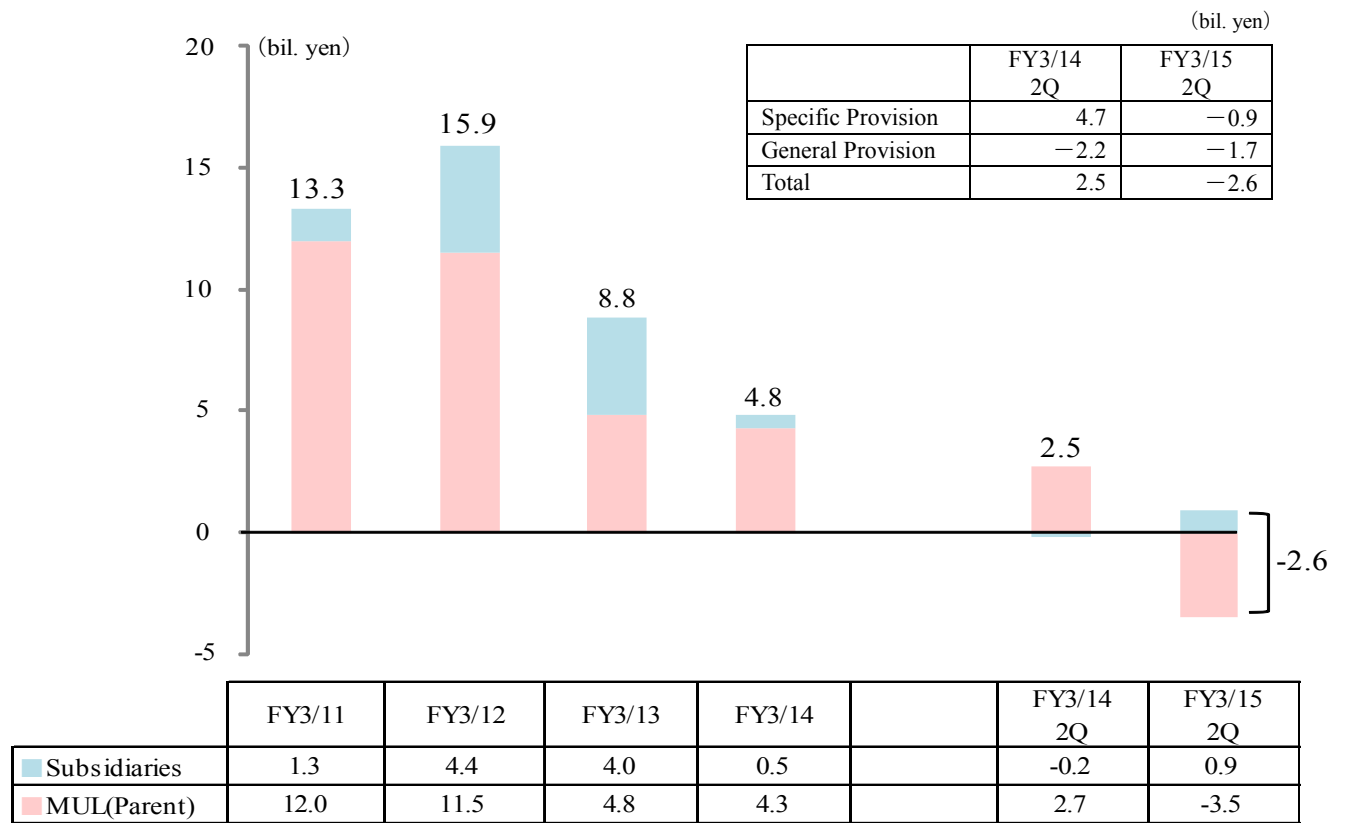
2. Financial Performance (Consolidated)

(1) Profit & Loss Statement

		million yen				
		FY3/11-2Q	FY3/12-2Q	FY3/13-2Q	FY3/14-2Q	FY3/15-2Q
		10/4~10/9	11/4~11/9	12/4~12/9	13/4~13/9	14/4~14/9
1	Revenues	365,481	361,248	352,889	355,762	368,040
	Changes	-1.9%	-1.2%	-2.3%	+0.8%	+3.5%
2	Leases	281,303	280,055	273,854	288,876	298,749
	Changes	+0.6%	-0.4%	-2.2%	+5.5%	+3.4%
3	Installment Sales	51,339	46,633	42,704	40,945	42,276
	Changes	-16.5%	-9.2%	-8.4%	-4.1%	+3.3%
4	Loans	18,665	17,682	17,278	17,373	17,382
	Changes	-3.7%	-5.3%	-2.3%	+0.5%	+0.1%
5	Others	14,172	16,876	19,052	8,566	9,630
	Changes	+16.2%	+19.1%	+12.9%	-55.0%	+12.4%
6	Cost of Revenues	305,813	302,900	288,195	292,579	303,307
	Changes	-4.1%	-1.0%	-4.9%	+1.5%	+3.7%
7	COR / Revenues	83.7%	83.8%	81.7%	82.2%	82.4%
	Changes	-1.9P	+0.1P	-2.1P	+0.5P	+0.2P
8	Leases, COR	240,267	239,893	233,437	237,987	245,812
	Changes	-1.1%	-0.2%	-2.7%	+1.9%	+3.3%
9	Installment Sales, COR	46,691	42,356	38,694	37,261	38,674
	Changes	-17.0%	-9.3%	-8.6%	-3.7%	+3.8%
10	Financial expenses	10,915	9,183	8,706	12,350	13,224
	Changes	-25.0%	-15.9%	-5.2%	+41.9%	+7.1%
11	Others, COR	7,939	11,466	7,357	4,979	5,595
	Changes	+47.0%	+44.4%	-35.8%	-32.3%	+12.4%
12	Gross Profit	59,667	58,348	64,693	63,183	64,732
	Changes	+11.4%	-2.2%	+10.9%	-2.3%	+2.5%
13	Gross Profit / Revenues	16.3%	16.2%	18.3%	17.8%	17.6%
	Changes	+1.9P	-0.1P	+2.1P	-0.5P	-0.2P
14	Employees	2,268	2,288	2,386	2,439	2,628
15	GP per employee (Annualized ×2)	52.6	51.0	54.2	51.8	49.3
	Changes	+10.8%	-3.1%	+6.3%	-4.4%	-4.9%
16	SG&A Expenses	31,960	27,560	31,537	31,452	30,204
	Changes	-20.3%	-13.8%	+14.4%	-0.3%	-4.0%
17	Personnel Expenses	10,996	11,332	11,596	13,055	13,589
	Changes	+3.9%	+3.1%	+2.3%	+12.6%	+4.1%
18	Non-Personnel Expenses	11,945	12,356	12,837	14,720	15,380
	Changes	+3.1%	+3.4%	+3.9%	+14.7%	+4.5%
19	Expenses for Non-performing assets	9,019	3,871	7,103	3,676	1,234
	Changes	-49.7%	-57.1%	+83.5%	-48.2%	-66.4%
20	Overhead Ratio (Overhead expenses divided by GP)	38.4%	40.6%	37.8%	44.0%	44.8%
	Changes	-3.0P	+2.1P	-2.8P	+6.2P	+0.8P
21	Operating Profit	27,707	30,787	33,156	31,730	34,528
	Changes	+105.9%	+11.1%	+7.7%	-4.3%	+8.8%
22	OP / Revenues	7.6%	8.5%	9.4%	8.9%	9.4%
	Changes	+4.0P	+0.9P	+0.9P	-0.5P	+0.5P
23	Recurring Profit	28,626	33,332	36,720	35,336	37,357
	Changes	+101.6%	+16.4%	+10.2%	-3.8%	+5.7%
24	Extraordinary Profit	925	60	234	83	805
	Changes	-88.3%	-93.4%	+284.3%	-64.2%	+861.6%
25	Extraordinary Cost	3,799	305	382	4	4
	Changes	+155.9%	-92.0%	+25.0%	-98.9%	+1.6%
26	Net Profit	13,496	18,443	21,198	20,892	22,523
	Changes	+27.7%	+36.7%	+14.9%	-1.4%	+7.8%

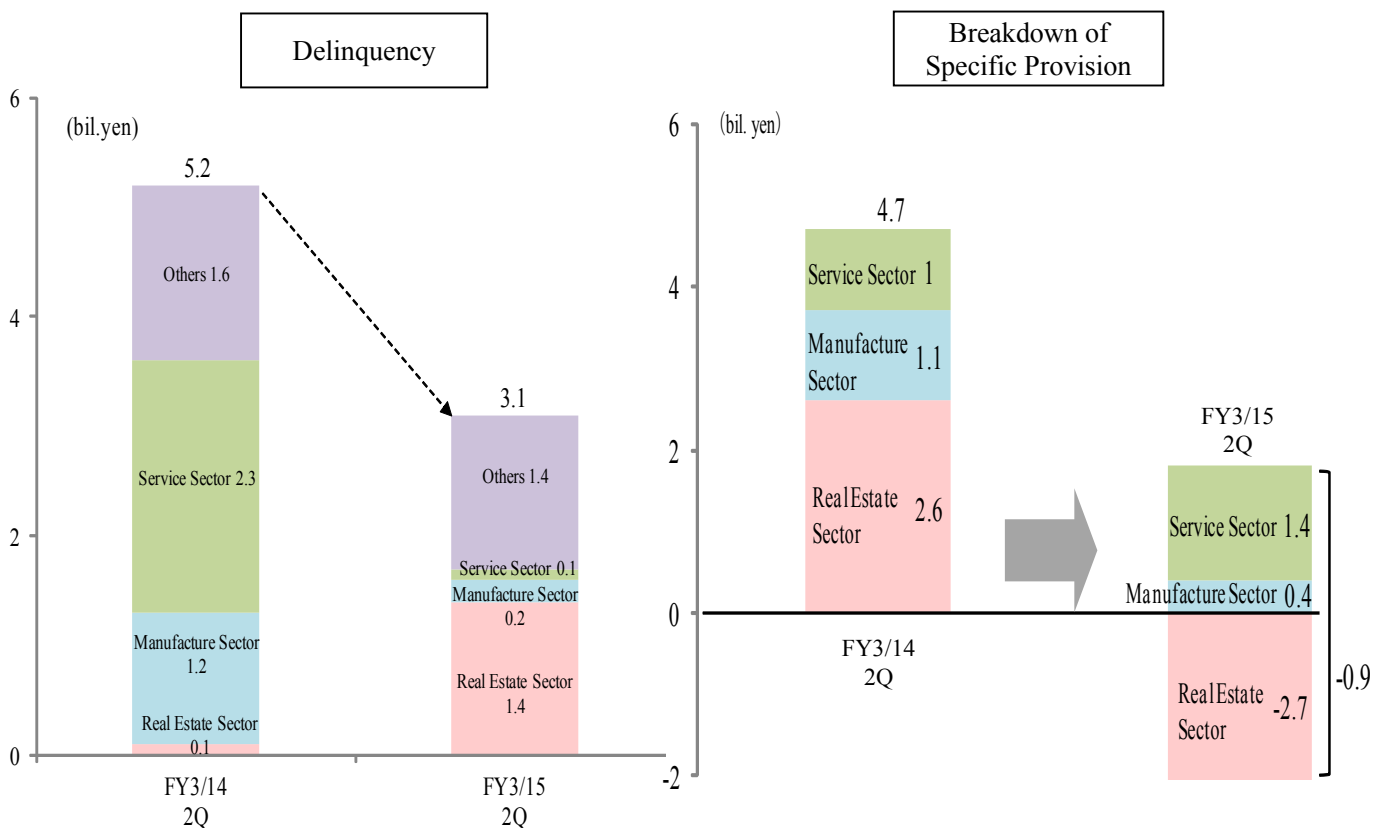
1. Net Credit Cost

(1) 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.

(2) Breakdown of Delinquency and Specific Provision by Segment

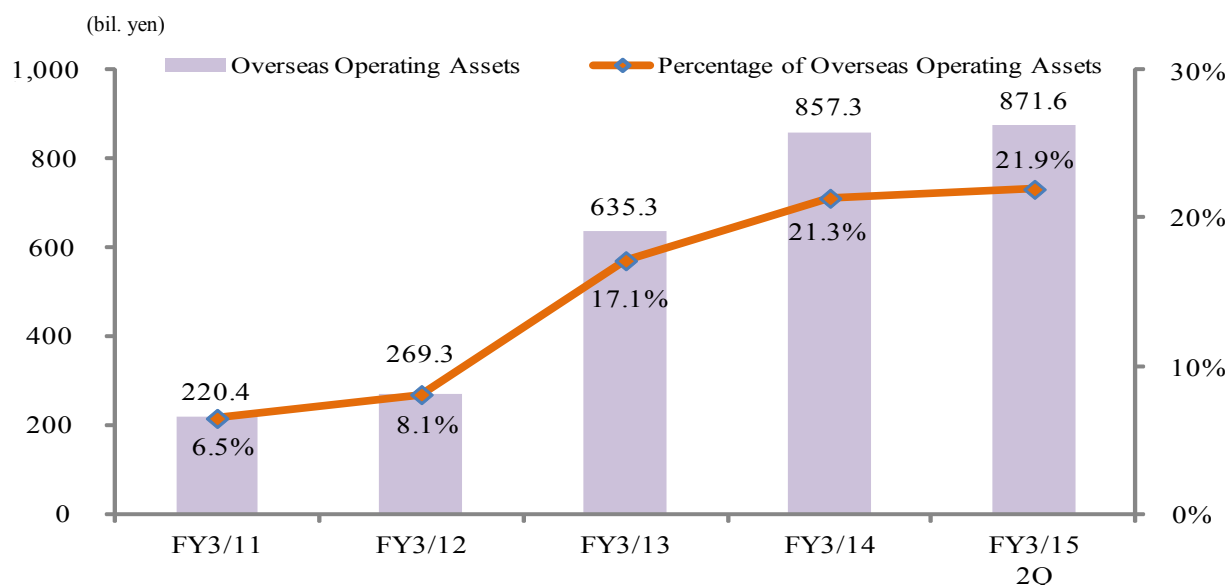


(2) Balance Sheet

million yen

		FY3/2011	FY3/2012	FY3/2013	FY3/2014	FY3/2015 2Q
1	Net Assets	389,802	420,864	468,061	534,250	551,464
	Changes	+6.2%	+8.0%	+11.2%	+14.1%	+3.2%
2	Total Assets	3,721,136	3,682,299	4,177,784	4,497,502	4,479,685
	Changes	-4.2%	-1.0%	+13.5%	+7.7%	-0.4%
3	Operating Assets	3,393,547	3,335,620	3,713,972	4,017,419	3,975,979
	Changes	-3.5%	-1.7%	+11.3%	+8.2%	-1.0%
4	Lease	1,673,572	1,667,454	2,053,955	2,357,220	2,367,680
	Changes	-0.2%	-0.4%	+23.2%	+14.8%	+0.4%
5	Installment Sales	242,147	222,433	216,700	227,318	222,118
	Changes	-18.5%	-8.1%	-2.6%	+4.9%	-2.3%
6	Loans	1,174,661	1,193,607	1,256,032	1,288,819	1,253,859
	Changes	-3.9%	+1.6%	+5.2%	+2.6%	-2.7%
7	Others	303,167	252,124	187,285	144,061	132,320
	Changes	-5.6%	-16.8%	-25.7%	-23.1%	-8.2%
8	Impaired Assets	40,921	49,451	46,066	33,223	32,734
	Changes	-11.7%	+20.8%	-6.8%	-27.9%	-1.5%
9	Allowance	9,335	15,533	15,921	12,494	13,335
10	Net Balance of Impaired Assets	31,586	33,918	30,145	20,729	19,399
	Changes	-16.6%	+7.4%	-11.1%	-31.2%	-6.4%
11	Equity Ratio	10.0%	10.9%	10.7%	11.4%	11.8%
	Changes	+0.9P	+0.9P	-0.2P	+0.7P	+0.4P
12	ROE (Annualized)	7.1%	8.9%	8.5%	7.9%	-
	Changes	+1.0P	+1.8P	-0.4P	-0.6P	-
13	ROA (Annualized)	0.7%	0.9%	0.9%	0.9%	-
	Changes	+0.2P	+0.2P	-0.0P	-0.0P	-
14	Total Funding	2,961,470	2,893,504	3,315,294	3,484,480	3,496,083
	Changes	-6.0%	-2.3%	+14.6%	+5.1%	+0.3%
15	Indirect Funding	1,614,526	1,631,959	1,892,132	1,952,985	1,885,944
	Changes	-7.3%	+1.1%	+15.9%	+3.2%	-3.4%
16	Direct Funding	1,346,944	1,261,545	1,423,162	1,531,494	1,610,138
	Changes	-4.3%	-6.3%	+12.8%	+7.6%	+5.1%
17	CP	866,000	719,300	806,200	762,300	767,900
	Changes	-0.7%	-16.9%	+12.1%	-5.4%	+0.7%
18	Securitization (Lease Receivables)	101,944	104,215	139,644	164,413	162,842
	Changes	-33.0%	+2.2%	+34.0%	+17.7%	-1.0%
19	Corporate Bond	379,000	438,030	477,317	604,781	679,396
	Changes	-1.1%	+15.6%	+9.0%	+26.7%	+12.3%
20	Direct Funding Ratio	45.5%	43.6%	42.9%	44.0%	46.1%
	Changes	+0.8P	-1.9P	-0.7P	+1.1P	+2.1P

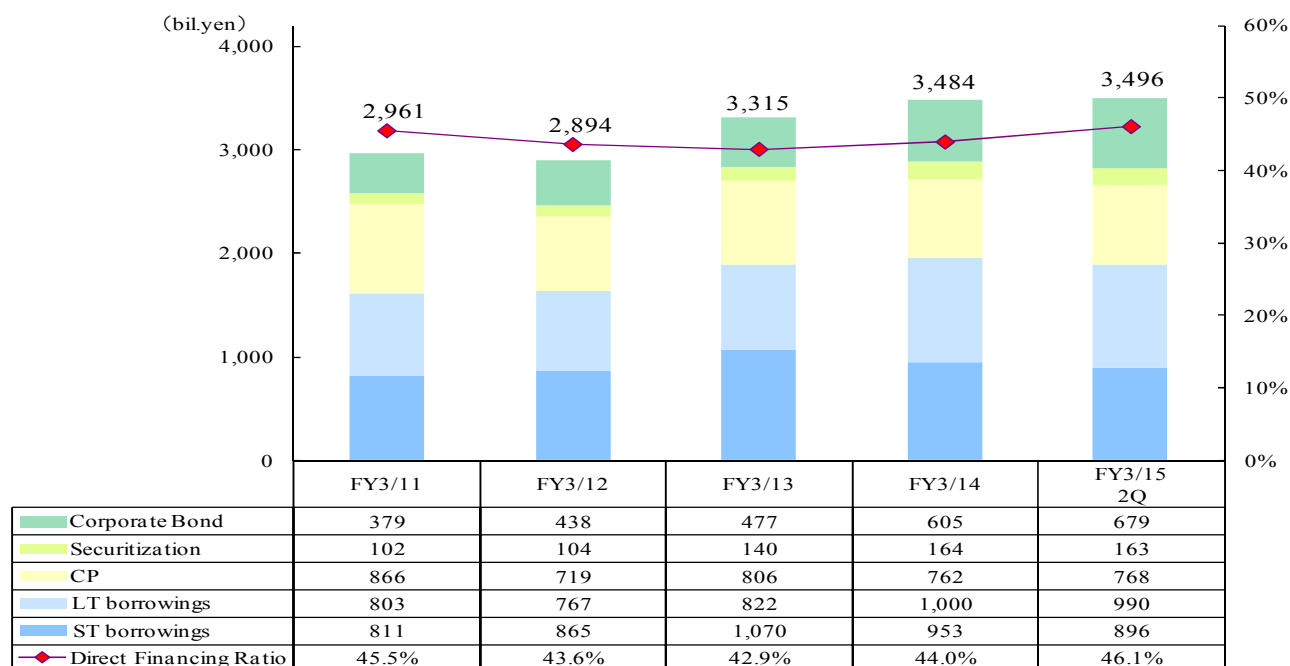
1. Volume of Overseas Operating Assets



※Percentage of Overseas Operating Assets is the portion of operating assets booked by overseas subsidiaries to the total operating assets on a consolidated basis.

2. Funding

(1) Funding Structure



(2) Issued Straight Bonds

●Recent Issued Domestic Straight Bonds

Issued Date	Amount	Term	Interest Rate p.a.	Spread	
				SWAP plus	JGB plus
Feb-2014	10bil Yen	7yr	0.508%	-5.2bp	+17.0bp
Jun-2014	10bil Yen	3yr	0.172%	-8.7bp	+7.0bp
Jun-2014	30bil Yen	5yr	0.304%	-5.8bp	+12.0bp
Aug-2014	20bil Yen	7yr	0.426%	-3.0bp	+16.0bp
Oct-2014	10bil Yen	5yr	0.238%	-5.1bp	+11.0bp
Oct-2014	10bil Yen	10yr	0.695%	+2.8bp	+21.0bp

●Recent Issued Foreign Currency Bonds

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

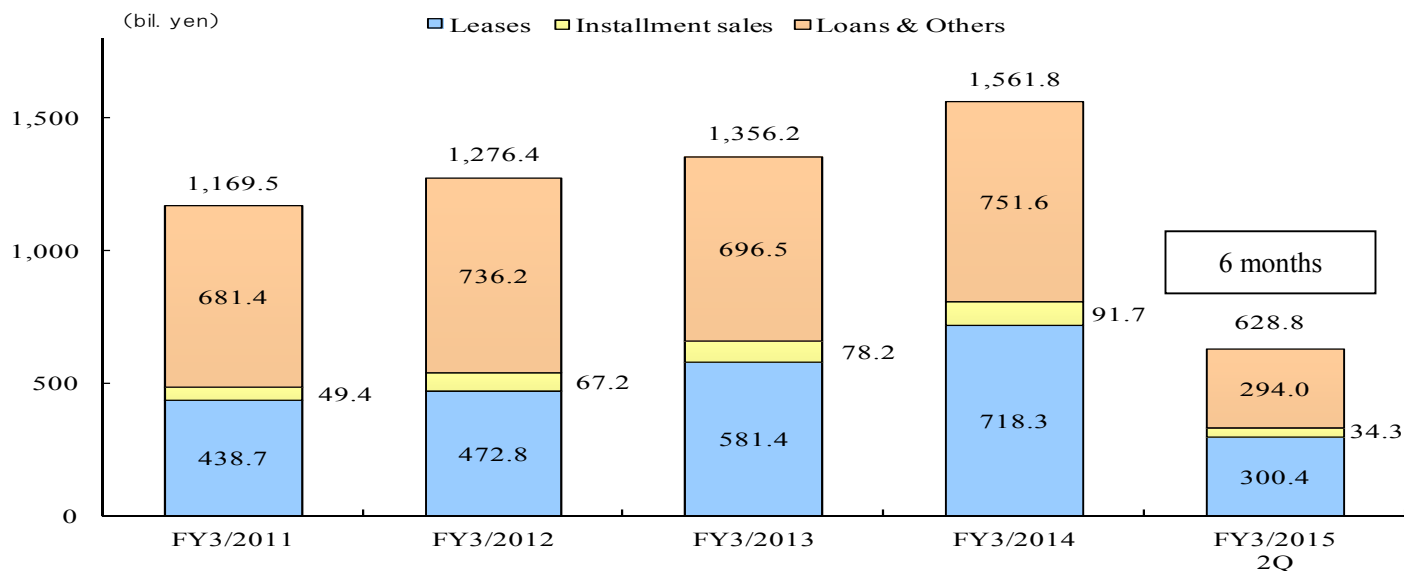
●Credit Ratings (as of November 5, 2014)

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

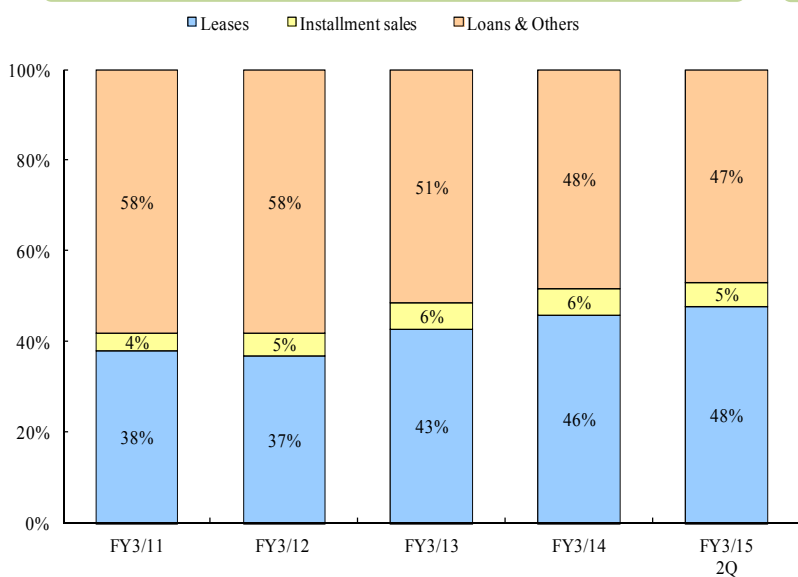
3. New Transactions

New transactions volume on a consolidated basis for FY3/15-2Q decreased by 14.9% (year-on-year) to 628.8 billion Yen. By segment, lease volume decreased by 4.9%, installment sales decreased by 18.8%, and loans and other business decreased by 22.8%. Breakdown by transaction type: Lease 48%, Installment sales 5%, Loan and Others 47%.

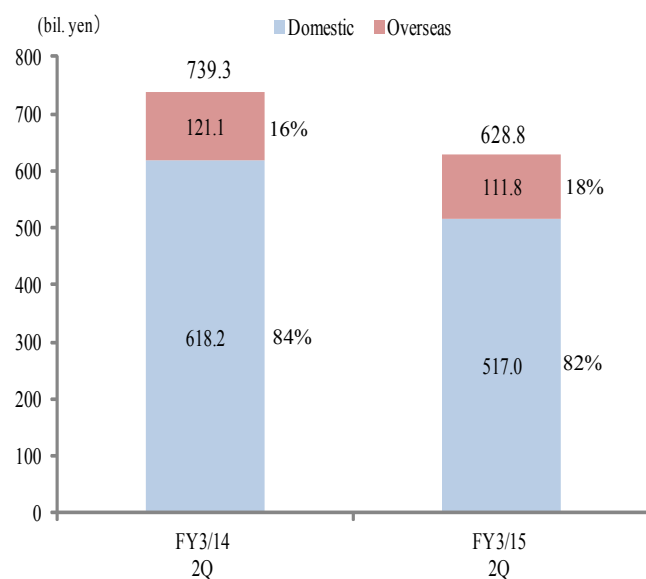
Trends of New Transactions Volume by Type



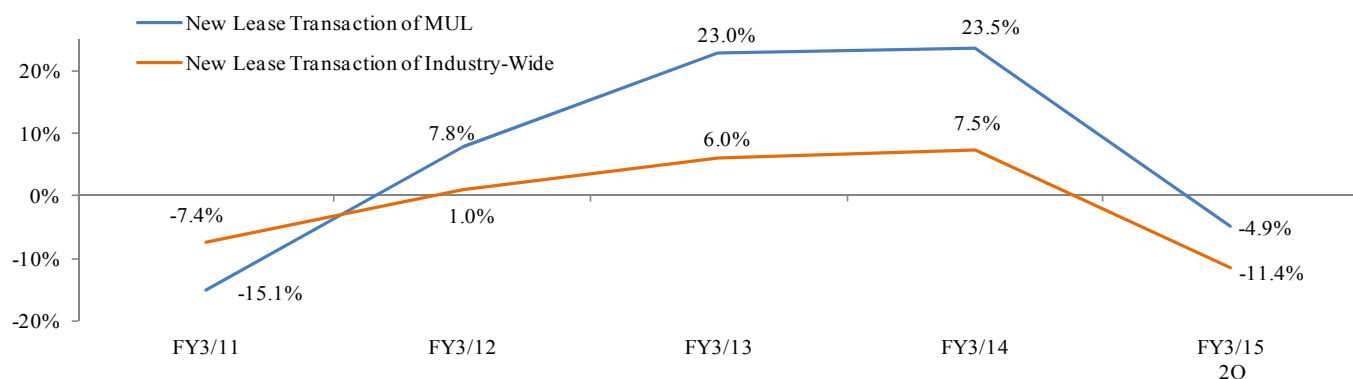
Trends of New Transactions Component by Type



Trends of New Transactions by Region (Domestic / Overseas)



New Lease Transaction of MUL and Lease Industry-Wide (announced by Japan Leasing Association) – Year on Year Change



New Lease Transaction of Lease Industry-Wide of FY3/15 2Q is the preliminary figures announced by Japan Leasing Association on October 29, 2014.

Breakdown of New Lease Transactions

(bil.yen)

	FY3/14 2Q	FY3/15 2Q	yoy change
IT / Office Equip.	62.0	51.2	-17.4%
Industrial Machinery	58.1	54.7	-6.0%
Civil Eng. & Construction Machinery	20.9	13.9	-33.3%
Transport Equip.	63.5	83.7	+31.7%
Medical Equip.	28.2	17.6	-37.7%
Commercial & Service Equip.	38.3	34.8	-9.2%
Others	44.6	44.2	-0.9%
Total	316.0	300.4	-4.9%

Breakdown of New Installment Sales Transactions

(bil.yen)

	FY3/14 2Q	FY3/15 2Q	yoy change
IT / Office Equip.	2.5	0.8	-66.9%
Industrial Machinery	4.8	4.5	-6.6%
Civil Eng. & Construction Machinery	11.2	9.7	-13.1%
Transport Equip.	1.6	1.9	+18.2%
Medical Equip.	3.9	2.5	-35.3%
Commercial & Service Equip.	9.9	7.4	-25.7%
Others	8.1	7.3	-9.9%
Total	42.3	34.3	-18.8%

Breakdown of New Loan and other business Transactions

(bil.yen)

	FY3/14 2Q	FY3/15 2Q	yoy change
Factoring	96.4	104.8	+8.7%
Real estate financing	72.3	50.8	-29.7%
Others	212.1	138.4	-34.7%
Total	380.8	294.0	-22.8%

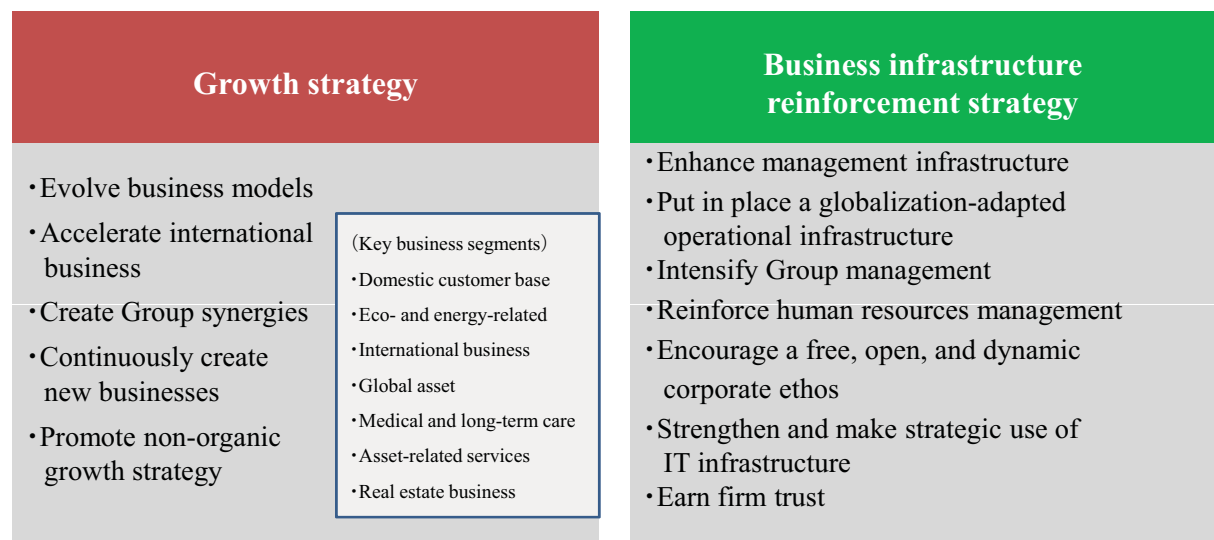
Volume of All New Transactions

(bil.yen)

	FY3/14 2Q	FY3/15 2Q	yoy change
Total	739.3	628.8	-14.9%

4. Medium-Term Management Plan “Limitless Evolution”

1. Outline of “Limitless Evolution”



◆ Year ending March 31, 2017 (Target)

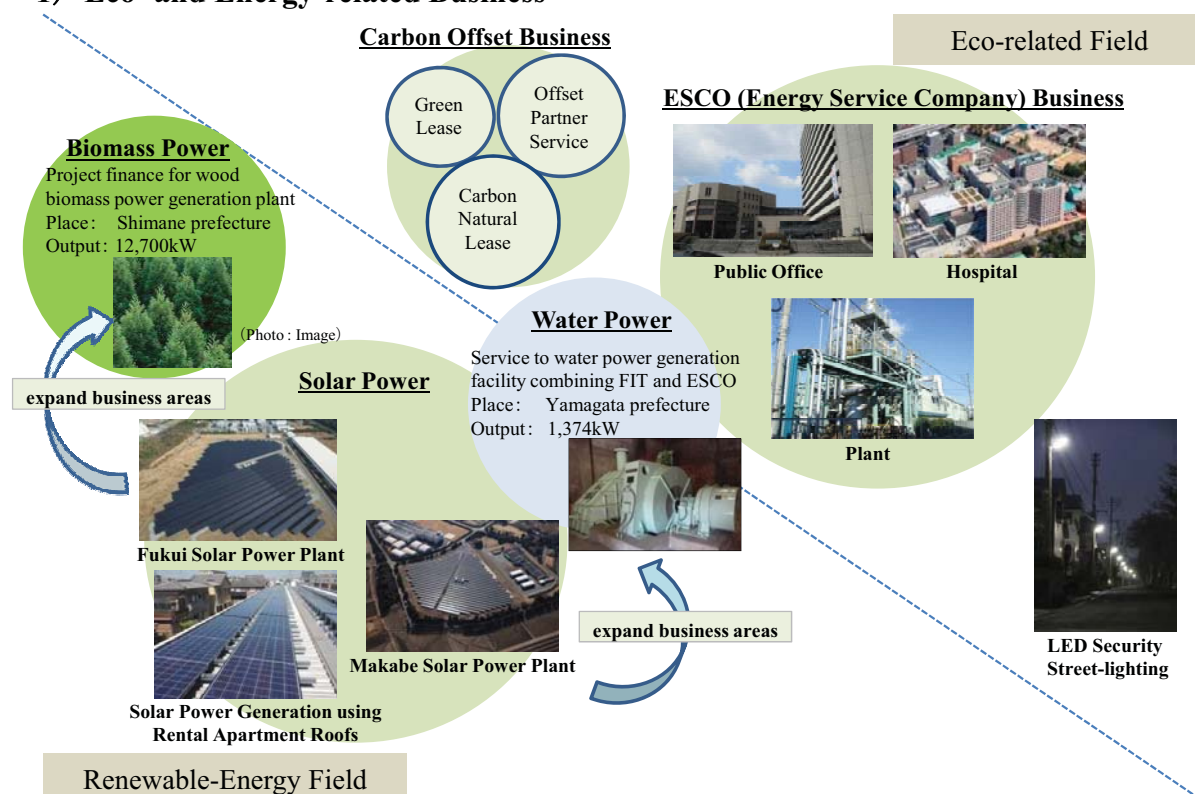
Consolidated Net Income
Over ¥45billion

Share of Overseas Operating Assets*
30%

*Share of operating assets of overseas consolidated subsidiaries as a proportion of consolidated operating assets.

2. Progress of “Limitless Evolution” in key business segments

1) Eco- and Energy-related Business



2) Global Asset and International Business



3) Main Topics among the Global Business

Launch of Asset Management Service in Overseas Market

We have begun operating “*e-Leasing Direct Platinum*” in Indonesia. It offers a one-stop management system for both leased property as well as assets held by the customer. This system supports our customers with asset management globally.



e-Leasing Direct Platinum

Overseas Network Expansion

Our Indonesian subsidiary, MULI, has opened its Surabaya branch. Indonesia is expected a high economic growth among the ASEAN nations.



MULI provides various types of services to both local and Japanese companies.

Diversification of Funding Sources

We are taking steps to diversify our funding methods. We will periodically issue bonds in currency other than Yen to sustainably expand our international business.

- Issue of bonds in Renminbi (from 2011)
- Issue of bonds in U.S. dollars (from 2013)
- Issue of bonds in Baht (from 2013)

Reinforcement of Global Infrastructure

- Set up International Operations Department to reinforce management on global operations.
- Develop human resources who can function in the global context.
- Build up and strengthen a globalization-adapted IT infrastructure.

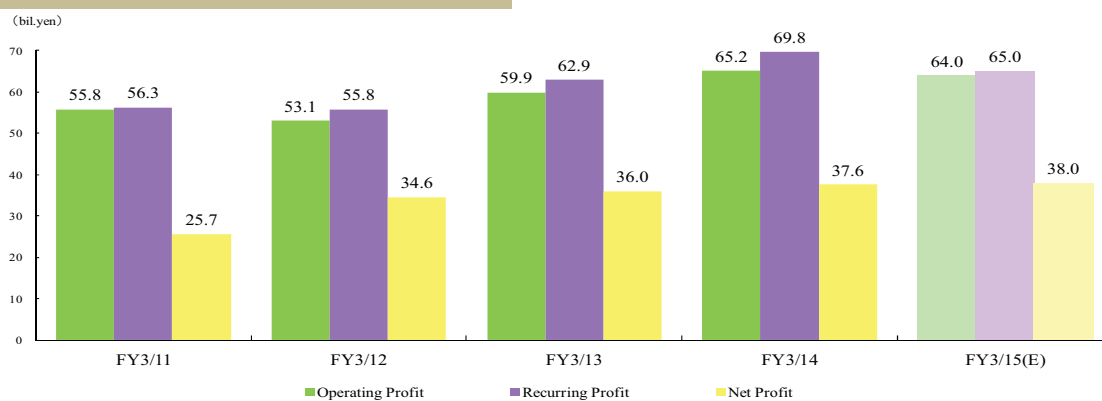
5. Forecast for FY3/2015

Forecast for FY3/2015

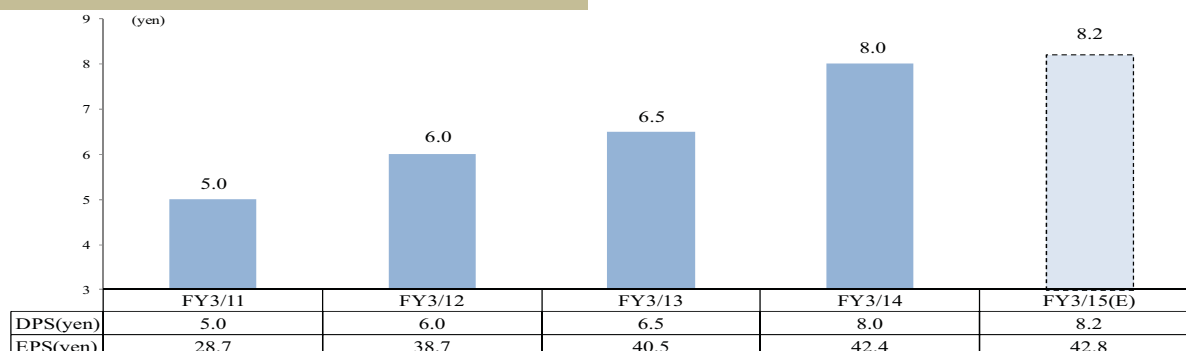
	Consolidated	
	Amount (bil. yen)	Year on Year Change
Revenues	740.0	+3.1%
Gross Profit	130.0	+1.0%
Operating Profit	64.0	-2.0%
Recurring Profit	65.0	-6.9%
Net Profit	38.0	+0.9%
Dividend per Share	8.20 yen	+0.2 yen

Consolidated Forecast for FY3/15 as of November 5, 2014.

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.

Appendix

(1) Overview of Principal Consolidated Companies (FY3/15 2Q)

million yen

	Mitsubishi UFJ Lease & Finance (Parent)		Japan Medical Lease MUL's Share: 100%		DFL Lease MUL's Share: 95%		Shinko Lease MUL's Share: 80%	
	Amounts	YOY Change	Amounts	YOY Change	Amounts	YOY Change	Amounts	YOY Change
Revenues	230,207	+0.8%	18,150	+2.2%	9,109	+4.5%	13,943	+12.1%
Gross Profit	32,342	-0.7%	1,656	-7.6%	862	-5.4%	1,218	+17.2%
Operating Profit	17,109	+26.1%	638	-25.5%	500	-16.8%	579	+83.7%
Recurring Profit	19,885	+29.9%	707	-19.6%	530	-14.8%	597	+70.3%
Net Profit	13,284	+45.1%	440	-16.3%	344	-12.4%	349	+71.5%

	Amounts	Change from FY3/2014	Amounts	Change from FY3/2014	Amounts	Change from FY3/2014	Amounts	Change from FY3/2014
Operating Assets	2,827,040	+0.6%	99,726	-2.4%	51,975	+5.8%	107,493	+0.3%
Total Assets	3,329,839	+0.6%	103,023	-2.8%	53,699	+6.0%	112,029	+0.5%
Total Equity	403,419	+3.5%	12,915	+3.5%	10,036	+3.6%	7,588	+5.3%

million yen

	Casio Lease MUL's Share: 80%		Hirogin Lease MUL's Share: 80%		Shutoken Leasing MUL's Share: 76%		Chukyo General Lease MUL's Share: 70%	
	Amounts	YOY Change	Amounts	YOY Change	Amounts	YOY Change	Amounts	YOY Change
Revenues	5,616	+5.4%	8,302	-6.1%	13,423	+3.8%	3,307	-4.5%
Gross Profit	555	-3.2%	943	-9.0%	1,704	-1.8%	322	-11.6%
Operating Profit	188	-8.2%	586	-12.5%	912	+19.9%	159	-36.4%
Recurring Profit	216	-4.6%	603	-33.7%	943	-1.9%	187	-33.3%
Net Profit	135	-5.3%	418	-35.1%	601	+2.8%	119	-31.0%

	Amounts	Change from FY3/2014	Amounts	Change from FY3/2014	Amounts	Change from FY3/2014	Amounts	Change from FY3/2014
Operating Assets	31,029	-0.2%	54,989	-3.1%	106,708	-0.9%	18,933	-2.0%
Total Assets	32,114	-0.7%	57,986	-2.3%	110,189	-0.8%	20,088	-1.7%
Total Equity	11,516	+1.2%	10,491	+4.4%	12,620	+5.0%	5,455	+2.3%

million yen

	MMC Diamond Finance MUL's Share: 50%		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	Amounts	YOY Change
Revenues	11,168	+6.9%	13,507	+9.2%	4,971	+26.2%	3,125	-3.5%
Gross Profit	5,127	+8.1%	1,156	+18.4%	2,199	-0.1%	1,578	-7.5%
Operating Profit	1,640	+14.8%	317	+72.3%	1,490	-2.4%	1,319	-9.4%
Recurring Profit	1,941	+14.5%	316	+70.5%	2,125	+22.6%	1,106	+6.0%
Net Profit	1,232	+16.8%	201	+77.7%	1,362	-20.6%	699	+10.1%

	Amounts	Change from FY3/2014	Amounts	Change from FY3/2014	Amounts	Change from FY3/2014	Amounts	Change from FY3/2014
Operating Assets	272,639	+0.2%	64,091	-5.0%	199,307	+4.3%	59,786	-0.5%
Total Assets	299,601	+0.6%	66,045	-5.5%	202,599	+4.2%	63,460	-1.1%
Total Equity	17,916	+7.4%	5,046	+4.1%	22,850	+6.3%	22,177	+3.1%

(2) Business Performance

1) Operating Lease : Outstanding (bil. yen)

	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15 2Q
Outstanding	478.8	468.0	767.8	951.5	985.0
Industrial Machinery	245.4	224.1	177.4	177.9	170.3
Property	153.4	151.7	175.3	184.3	185.8
Transport Equip.	49.7	62.9	384.8	558.7	599.3
IT Equip.	30.3	29.3	30.3	30.5	29.6

2) Real Estate Finance : Outstanding (bil. yen)

	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15 2Q
Outstanding	675.4	593.5	520.2	402.8	376.2
MUL	555.4	465.4	386.8	263.3	233.2
Diamond Asset Finance	120.0	128.1	133.3	139.5	143.0

● Property Breakdown and Distribution of LTV (MUL Portion)

Property Type	Office	Commercial	Logistics	Residence	Others
	30%	29%	24%	11%	6%

Geographical Chart	Greater Tokyo	Greater Osaka	Greater Nagoya	Others
	74%	14%	6%	6%

Distribution of LTV	~70%	~80%	~90%	90%~
	67%	19%	9%	5%

3) Symphony (Real Estate Lease) : Outstanding (bil. yen)

	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15 2Q
Outstanding	189.6	178.3	180.8	186.2	184.6

4) PFI : Cumulative Number of Projects by MUL

	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15 2Q
Cumulative Number	44	47	50	53	54

5) e-Leasing Direct : Outstanding (bil. yen)

	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15 2Q
Outstanding	326.2	358.0	405.1	444.7	455.9

6) Factoring : Average Outstanding of Receivable Factoring (bil. yen)

	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15 2Q
Outstanding	67.6	68.7	67.1	73.5	82.8

7) ESCO (Energy Service Company) : Outstanding (bil. yen)

	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15 2Q
Outstanding	47.0	42.9	39.5	34.7	35.6

8) Auto Lease : Number of Vehicles Operated by MUL Group (thousand)

	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15 2Q
Operating Vehicles	277	279	279	289	296



Value Integrator