

January 27, 2015

**Consolidated Third Quarter Earnings Report [Japan GAAP]**

For the Nine Months Ended December 31, 2014



Corporate Name: **Hitachi Capital Corporation**  
 Stock Code: 8586 URL: <http://www.hitachi-capital.co.jp>  
 Stock Listing: Tokyo Stock Exchange  
 Representative Director: Kazuya Miura, President and CEO  
 Inquiries: Masao Nishida, Vice President and Executive Officer  
 Phone: (03)3503-2118  
 Scheduled date of submission of financial reports: February 13, 2015  
 Scheduled commencement of dividend payment: –  
 Preparation of supplementary material for quarterly financial results: Yes  
 Holding of quarterly financial results meeting: None

(All amounts rounded down)

## 1. Consolidated Financial Results for the Third Quarter Ended December 31, 2014 (April 1, 2014 – December 31, 2014)

## (1) Consolidated Operating Results (Cumulative)

(year-on-year change %)

	Revenues		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Nine Months Ended December 31, 2014	106,244	12.6	27,992	15.5	29,121	16.6	19,650	13.7
Nine Months Ended December 31, 2013	94,365	26.7	24,240	42.3	24,965	33.9	17,277	49.0

(Note) Comprehensive income: Nine Months Ended December 31, 2014: ¥31,020 million (10.0%); Nine Months Ended December 31, 2013: ¥28,201 million (87.4%)

	Net income per share	Diluted net income per share
	¥	¥
Nine Months Ended December 31, 2014	168.11	—
Nine Months Ended December 31, 2013	147.81	—

(Ref.) Volume of business: Nine Months Ended December 31, 2014: ¥1,533,693 million; Nine Months Ended December 31, 2013: ¥1,408,967 million

## (2) Consolidated Financial Position

	Total assets	Net assets	Stockholders' equity ratio
	¥ million	¥ million	%
As of December 31, 2014	2,802,598	332,248	11.5
As of March 31, 2014	2,390,601	307,005	12.4

(Ref.) Stockholders' equity: As of December 31, 2014: ¥321,315 million; As of March 31, 2014: ¥297,136 million

## 2. Dividends

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year End	For the Year
Year Ended March 31, 2014	—	23.00	—	25.00	48.00
Year Ending March 31, 2015	—	27.00	—		
Year Ending March 31, 2015 (Forecast)				27.00	54.00

(Note) Changes from the latest released dividend forecasts: None

## 3. Forecast for the Fiscal Year Ending March 31, 2015 (April 1, 2014 – March 31, 2015)

(% is year-on-year for the fiscal year)

	Revenues		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Fiscal year	142,800	11.6	37,600	15.3	39,200	16.6	24,800	11.7	212.17

(Note) Changes from the latest released performance forecasts: Yes

(Ref.) Volume of business: Fiscal year: ¥2,000,000 million

Unaudited

\* Notes

(For details, please refer to “2. Matters concerning Summary Information (Notes)” on page 6)

(1) Major changes in among subsidiaries in the consolidated cumulative period of the period under review: None

(2) Application of specified accounting treatment used in preparation of quarterly consolidated financial statements: Yes

(3) Changes to accounting policies; changes to accounting estimates; restatements

( i ) Changes to accounting policies due to revisions to accounting standards, etc.: None

( ii ) Other changes to accounting policies: None

( iii ) Changes to accounting estimates: None

( iv ) Restatements: None

(4) Number of outstanding shares (common shares)

( i ) Shares issued at end of term (including treasury stock)

As of December 31, 2014: 124,826,552 shares As of March 31, 2014: 124,826,552 shares

( ii ) Treasury stock at end of term

As of December 31, 2014: 7,939,391 shares As of March 31, 2014: 7,939,209 shares

( iii ) Weighted average number of shares outstanding

Nine months ended December 31, 2014: 116,887,266 shares Nine months ended December 31, 2013: 116,887,583 shares

\* Information regarding the implementation of quarterly review procedures

It is under the review procedure process based upon the Financial Instruments and Exchange Act at the time of disclosure of this report.

\* Explanation for proper use of the forecasts, etc.

Consolidated forecasts stated herein have been prepared using information available on the date of release.

Accordingly, forecasts may differ significantly from actual results due to a variety of reasons. For the assumptions for forecasts and cautions regarding the use of the forecasts, please refer to “(3) Explanation on Future Forecast Information including Consolidated Earnings Forecast” on page 5.

## Contents

1. Qualitative Information Concerning Financial Results for the Third Quarter Ended December 31, 2014	2
(1) Explanation about Operating Results	2
(2) Explanation about Consolidated Financial Position	3
(3) Explanation on Future Forecast Information including Consolidated Earnings Forecast	5
(4) Basic Policy for Profit Sharing	6
2. Matters concerning Summary Information (Notes)	6
(1) Changes in Material Subsidiaries during the Period	6
(2) Application of Specific Accounting Treatments in Preparing the Quarterly Consolidated Financial Statements	6
(3) Changes in Accounting Policies and Estimates, and Restatements	6
3. Quarterly Consolidated Financial Statements	7
(1) Quarterly Consolidated Balance Sheets	7
(2) Quarterly Consolidated Statements of Income (Consolidated Third Quarter)	9
(3) Quarterly Consolidated Cash Flows	11
(4) Notes on Quarterly Consolidated Financial Statements	12
4. Supplementary Information	15
(1) Change in Quarterly Consolidated Performance	15
(2) Contract Segment Information	16
(3) Segmented Information by Business	17

## 1. Qualitative Information Concerning Financial Results for the Third Quarter Ended December 31, 2014

### (1) Explanation about Operating Results

#### 1) Summary of operating results

Summarized results for the nine months ended December 31, 2014 were as follows:

(¥ million, %)

	Nine Months Ended December 31, 2013	Nine Months Ended December 31, 2014	Change
Volume of business	1,408,967	1,533,693	8.9
Revenues	94,365	106,244	12.6
Operating income	24,240	27,992	15.5
Ordinary income	24,965	29,121	16.6
Net income	17,277	19,650	13.7

Under the “Mid-Term Management Plan” for the period ending in FY2015, the Group is working on the transformation into a “highly competitive management base” by focusing primarily on business structural reform through “transformation.” While we aim to achieve growth strategies with the group common strategy for service business (collaboration with the Hitachi Group, vehicle solution, and key account sales) in addition to regional strategy in Japan and in four centers of Global Business (Europe, the Americas, China, and ASEAN), we are also working to strengthen our management base by maintaining sound financial structure, improving the quality of operations, enhancing risk managements, developing “human resources,” and reforming cost structure.

During the nine months ended December 31, 2014, Japan Business worked on a shift of resources primarily on focused six sectors (social infrastructure, environment and renewable energy, vendor finance, auto leasing, healthcare, and agriculture) and also enhancement of customer-oriented, key account sales by providing solutions through enhanced collaboration with partners including the Hitachi Group. We also pursued enhancement of profitability through business selection and concentration including downsizing consumer business whose profitability had declined. In Global Business, we worked on “systematic globalization” with a further promotion of growth strategy and enhancement of governance in four centers (Europe, the Americas, China, and ASEAN). In Europe and the Americas, we aimed at expansion of consumer and corporate business in the U.K. and development of vehicle solution business in Poland and Canada. In ASEAN area, where mid- to long-term growth can be expected, we enhanced governance and business under the leadership of Regional Headquarters of Asia-Pacific (in-house company) in Singapore. In Indonesia, we established PT. Hitachi Capital Finance Indonesia, and focused on setting up finance business for corporate customers including real estate lease from October 2014. In terms of collaboration with the Hitachi Group, we promoted expansion of wind- and solar-power generation business and addressed demands related to social infrastructure in Japan, and in overseas, we promoted enhancement of support solution for energy cost reduction and factoring business and expansion of sales finance business through affiliation with external financial institutions.

Consolidated volume of business for the nine months ended December 31, 2014 increased

Unaudited

8.9% year on year to ¥1,533,693 million as Global Business showed a strong growth primarily in Europe and the Americas despite downsizing of consumer business and factoring business and decrease in demand due to a backlash after the last-minute rise in demand before the consumption tax increase in Japan Business.

Revenues increased 12.6% to ¥106,244 million and operating income increased 15.5% to ¥27,992 million due to strong Global Business primarily in Europe. Ordinary income increased 16.6% to ¥29,121 million mainly due to an increase in gain on allotment of stock in addition to an increase in operating income. As a result, net income for the nine months increased 13.7% to ¥19,650 million.

## 2) Key management indicators (annualized)

	(%)	
	Nine Months Ended December 31, 2013	Nine Months Ended December 31, 2014
ROE	8.2	8.5
ROA	1.6	1.5
Stockholders' equity ratio	12.5	11.5

## (2) Explanation about Consolidated Financial Position

### 1) Assets, liabilities and net assets

Financial position as of December 31, 2014 was as follows:

	As of March 31, 2014	As of December 31, 2014	Change	
			Amount	%
Total assets	2,390,601	2,802,598	411,996	17.2
Interest-bearing debt	1,444,830	1,829,216	384,385	26.6
Net assets	307,005	332,248	25,243	8.2

#### i . Total assets

Total assets as of December 31, 2014 increased ¥411,996 million from March 31, 2014 to ¥2,802,598 million due to increases in trade receivables mainly in Europe and the Americas.

#### ii . Interest-bearing debt

Interest-bearing debt as of December 31, 2014 increased ¥384,385 million from March 31, 2014 to ¥1,829,216 million due to increases in bonds mainly in Japan and Europe.

#### iii . Net assets

Net assets as of December 31, 2014 increased ¥25,243 million from March 31, 2014 to ¥332,248 million, and major components consist of net income for the nine months of ¥19,650 million, dividend payment of ¥6,078 million and an increase in foreign currency translation adjustments of ¥12,138 million due to weakening yen.

## 2) Cash flows

Cash and cash equivalents as of December 31, 2014 increased ¥22,916 million from March 31, 2014 to ¥161,066 million.

Cash flows by activity were as follows:

	(¥ million)	
	Nine Months Ended December 31, 2013	Nine Months Ended December 31, 2014
Cash flows from operating activities	Δ122,997	Δ243,345
Cash flows from investing activities	Δ2,885	593
Cash flows from financing activities	132,011	261,750

### i . Cash flows from operating activities

Net cash used in operating activities was ¥243,345 million. This was primarily due to an increase in trade receivables of ¥205,265 million, an increase in investment in direct finance leases of ¥66,797 million, acquisition of equipment for lease of ¥84,953 million, and gain on sale of equipment for lease of ¥34,598 million.

### ii . Cash flows from investing activities

Net cash provided by investing activities was ¥593 million mainly due to proceeds from sales and repayment of investment securities of ¥5,285 million, purchase of investments in subsidiaries resulting in change in scope of consolidation of ¥7,019 million, purchase of equipment for company use mainly for renewable energy business of ¥4,931 million and collection of short-term loans receivable of ¥5,000 million.

### iii . Cash flows from financing activities

Net cash provided by financing activities was ¥261,750 million mainly due to issuance of bonds of ¥223,425 million.

As a result of the above, free cash flows, a sum of cash flows from operating activities and investing activities, resulted in an outflow of ¥242,751 million.

### (3) Explanation on Future Forecast Information including Consolidated Earnings Forecast

The global economy is in unpredictable situation despite of accelerated economic recovery in the U.S. and continued solid growth in the U.K. because of geopolitical risk in various countries and deceleration of growth due to a decline in investments in China. In Japan, the government's growth support policies and easy monetary policy are expected to contribute to an increase in capital investments, etc., but a full-scale economic recovery is believed to take a little longer.

Under such circumstances, the Group strives to transform into "high-profit enterprise", independent of economic environment changes to achieve sustainable growth by accelerating business structural reform into a "highly competitive management base" through "Smart Transformation Project."

Consolidated earnings forecast presented below has changed from the previous forecast announced on October 27, 2014, taking account of the strong growth in Global Business primarily in Europe and continued weak yen. Forecast of net income, however, has not changed due to recording extraordinary losses associated with partial change of the new main system development project aiming at further enhancement of business competitiveness and planned implementation of the outside career change support program.

(¥ million)

FY Ending March 31, 2015 (April 1, 2014 – March 31, 2015)	Previous forecast	Revised forecast	Change	
			Amount	%
Volume of business	1,962,000	2,000,000	38,000	1.9
Revenues	139,300	142,800	3,500	2.5
Operating income	35,000	37,600	2,600	7.4
Ordinary income	36,600	39,200	2,600	7.1
Net income	24,800	24,800	—	—
Net income per share	¥212.17	¥212.17	—	—

Consolidated earnings forecasts stated herein have been prepared based on the information available to the Company at the time this report was prepared, and contain certain potential risks and uncertainties. Accordingly, it should be noted that the actual results may differ from these forecasts due to changes in various factors.

#### (4) Basic Policy for Profit Sharing

##### 1) Cash dividends

Returning profits to the shareholders is one of the most important management measures for the Company. And as a fundamental policy, we seek to maintain a stable distribution of dividends linked to business performance, while ensuring a sound financial position and securing internal reserves necessary for sustainable growth and to cope with the changing operating environment.

Also, the following policies were taken into consideration for distribution.

- i . Secure own capital necessary to execute business as a financial service company
- ii . Determine the amount of dividends based on the dividend on equity ratio and gross dividend payout ratio

##### 2) Acquisition of treasury stock

The Group acquires treasury stock as a supplementary measure to dividends in returning profit to shareholders to the extent that is in line with the dividend policy, based on the comprehensive consideration about capital needs to maintain financial position and carry out business plans and the market environment.

## **2. Matters concerning Summary Information (Notes)**

### (1) Changes in Material Subsidiaries during the Period

Not applicable

### (2) Application of Specific Accounting Treatments in Preparing the Quarterly Consolidated Financial Statements

Tax expenses are calculated as income before income taxes and minority interests for the quarter multiplied by the estimated effective tax rate. The effective tax rate is reasonably estimated taking into consideration deferred tax accounting as the rate applicable to income before income taxes and minority interests for the consolidated fiscal year including the quarter ended December 31, 2014.

### (3) Changes in Accounting Policies and Estimates, and Restatements

Not applicable



### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheets

(¥ million)

	As of March 31, 2014	As of December 31, 2014
<b>(Assets)</b>		
Current assets		
Cash on hand and at bank	31,023	54,561
Trade receivables	955,301	1,236,312
Investment in direct finance leases	827,641	924,460
Parent company deposit	117,602	117,464
Short-term investments	7,033	3,802
Advance payments-trade	17,471	13,580
Prepaid expenses	6,280	9,311
Deferred tax assets	11,066	11,394
Other	18,227	16,390
Allowance for losses on receivables	△16,086	△18,980
<b>Total current assets</b>	<b>1,975,561</b>	<b>2,368,298</b>
Fixed assets		
Property and equipment		
Equipment held for lease	230,131	248,277
Equipment for company use		
Building and structures (net)	2,305	2,255
Machinery, equipment and vehicles (net)	3,122	9,409
Furniture and fixtures (net)	1,503	2,171
Land	129	118
Construction in progress	4,199	1,905
<b>Total own-used assets</b>	<b>11,260</b>	<b>15,860</b>
<b>Total property and equipment</b>	<b>241,391</b>	<b>264,137</b>
Intangible fixed assets		
Equipment held for lease	40,012	34,851
Other intangible assets		
Goodwill	3,028	6,582
Other	6,295	5,668
<b>Total other intangible assets</b>	<b>9,323</b>	<b>12,250</b>
<b>Total intangible fixed assets</b>	<b>49,336</b>	<b>47,102</b>
Investments and other assets		
Investments in securities	89,499	84,631
Net defined benefit asset	722	808
Deferred tax assets	12,298	12,641
Other	21,796	24,982
Allowance for doubtful accounts	△5	△5
<b>Total investments and other assets</b>	<b>124,311</b>	<b>123,059</b>
<b>Total fixed assets</b>	<b>415,040</b>	<b>434,299</b>
<b>Total assets</b>	<b>2,390,601</b>	<b>2,802,598</b>

Unaudited

(¥ million)

	As of March 31, 2014	As of December 31, 2014
<b>(Liabilities)</b>		
Current liabilities		
Trade payables	276,349	289,827
Short-term bank loans	319,639	422,333
Commercial paper	171,220	218,608
Current portion of bonds	106,757	121,368
Current portion of long-term obligation for securitized lease receivables	81,183	68,122
Accrued Payable	40,322	39,876
Income taxes payable	4,730	5,101
Allowance for losses on guarantees	3,500	2,800
Asset retirement obligations	556	463
Other	58,592	77,642
<b>Total current liabilities</b>	<b>1,062,852</b>	<b>1,246,143</b>
Fixed liabilities		
Bonds	314,720	480,480
Long-term debt	532,491	586,426
Long-term obligation for securitized lease receivables	89,123	71,667
Deferred tax liabilities	2,929	3,687
Retirement benefits for directors	168	132
Reserve for insurance contract	7,228	7,098
Net defined benefit liability	7,766	6,869
Asset retirement obligations	5,761	5,844
Other	60,551	61,999
<b>Total fixed liabilities</b>	<b>1,020,743</b>	<b>1,224,205</b>
<b>Total liabilities</b>	<b>2,083,595</b>	<b>2,470,349</b>
<b>(Net Assets)</b>		
Stockholders' equity		
Common stock	9,983	9,983
Capital surplus	45,972	45,972
Retained earnings	252,581	266,315
Treasury stock	△14,332	△14,332
<b>Total stockholders' equity</b>	<b>294,205</b>	<b>307,938</b>
Accumulated other comprehensive income		
Net unrealized holding gain on securities	5,870	5,528
Net unrealized loss on hedging derivatives	△354	△2,381
Foreign currency translation adjustments	3,702	15,841
Remeasurements of defined benefit plans	△6,288	△5,612
<b>Total accumulated other comprehensive income</b>	<b>2,930</b>	<b>13,376</b>
Minority interests	9,869	10,933
<b>Total net assets</b>	<b>307,005</b>	<b>332,248</b>
<b>Total liabilities and net assets</b>	<b>2,390,601</b>	<b>2,802,598</b>

## (2) Quarterly Consolidated Statements of Income (Consolidated Third Quarter)

(¥ million)

	Nine Months Ended December 31, 2013 (April 1, 2013 to December 31, 2013)	Nine Months Ended December 31, 2014 (April 1, 2014 to December 31, 2014)
<b>Revenues</b>		
Operating revenues	93,616	105,339
Interest and dividend income	749	905
Total revenues	94,365	106,244
<b>Expenses</b>		
Selling, general and administrative expenses	55,849	61,169
Financing costs	14,276	17,082
Total expenses	70,125	78,252
Operating income	24,240	27,992
<b>Non-operating revenues</b>		
Gain on allotment of stock	774	1,083
Gain on sales of fixed assets	0	70
Gain on sales of investment securities	45	—
Other	20	10
Total non-operating income	840	1,164
<b>Non-operating expenses</b>		
Loss on retirement of fixed assets	107	25
Other	7	9
Total non-operating expenses	114	35
Ordinary income	24,965	29,121
<b>Extraordinary income</b>		
Gain on sales of investment securities	—	1,131
Amortization of negative goodwill	1,771	—
Total extraordinary income	1,771	1,131
<b>Extraordinary losses</b>		
Impairment loss	—	1,674
Loss on step acquisitions	1,011	—
Total extraordinary losses	1,011	1,674
Income before income taxes and minority interests	25,726	28,578
Income taxes	7,754	8,327
Income before minority interests	17,971	20,251
Minority interests	693	601
Net income	17,277	19,650

Quarterly Consolidated Statements of Comprehensive Income (Consolidated Third Quarter)

(¥ million)

	Nine Months Ended December 31, 2013 (April 1, 2013 to December 31, 2013)	Nine Months Ended December 31, 2014 (April 1, 2014 to December 31, 2014)
Income before minority interests	17,971	20,251
Other comprehensive income		
Net unrealized holding gains (losses) on securities	△226	△401
Net unrealized gains (losses) on hedging derivatives	1,252	△2,026
Foreign currency translation adjustments	8,457	12,428
Remeasurements of defined benefit plans	706	703
Share of other comprehensive income of affiliates accounted for by the equity method	39	66
Total other comprehensive income	10,229	10,769
Comprehensive income	28,201	31,020
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of Hitachi Capital Corporation	27,356	30,095
Comprehensive income attributable to minority interests	844	925

## (3) Quarterly Consolidated Cash Flows

(¥ million)

	Nine Months Ended December 31, 2013 (April 1, 2013 to December 31, 2013)	Nine Months Ended December 31, 2014 (April 1, 2014 to December 31, 2014)
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	25,726	28,578
Depreciation	64,866	66,056
Gain on sales of investment securities ( $\Delta$ represents gain)	$\Delta$ 45	$\Delta$ 1,131
Gain on negative goodwill	$\Delta$ 1,771	—
Impairment loss	—	1,674
Loss on step acquisitions ( $\Delta$ represents gain)	1,011	—
Depreciation of goodwill	2,268	787
Equity in earnings of affiliates ( $\Delta$ represents gain)	$\Delta$ 774	$\Delta$ 1,083
Interest and dividend income	$\Delta$ 429	$\Delta$ 624
Interest expense	12,435	15,125
Increase (decrease) in trade receivables ( $\Delta$ represents increase)	$\Delta$ 127,145	$\Delta$ 205,265
Increase in investment in direct finance leases ( $\Delta$ represents increase)	$\Delta$ 51,094	$\Delta$ 66,797
Decrease (increase) in allowance for doubtful accounts ( $\Delta$ represents decrease)	521	1,336
Increase in allowance for losses on loan guarantees ( $\Delta$ represents decrease)	102	$\Delta$ 700
Gain on disposal of equipment for leases ( $\Delta$ represents gain)	$\Delta$ 670	$\Delta$ 2,101
Acquisition of equipment for lease	$\Delta$ 79,895	$\Delta$ 84,953
Gain on sale of equipment for lease	35,448	34,598
Increase (decrease) in trade payable ( $\Delta$ represents decrease)	10,780	13,370
Decrease in trade payable of collection under fluidity receivables ( $\Delta$ represents decrease)	1,797	$\Delta$ 506
Decrease in liabilities for retirement benefits ( $\Delta$ represents decrease)	$\Delta$ 660	$\Delta$ 913
Other	$\Delta$ 10,567	$\Delta$ 32,700
Subtotal	$\Delta$ 118,096	$\Delta$ 235,249
Income taxes paid	$\Delta$ 4,901	$\Delta$ 8,095
Net cash used in operating activities	$\Delta$ 122,997	$\Delta$ 243,345
<b>Cash flows from investing activities</b>		
Payments into time deposits	$\Delta$ 11,195	$\Delta$ 16,113
Proceeds from withdrawal of time deposits	7,456	15,908
Purchase of short-term investments	$\Delta$ 5,297	$\Delta$ 2,301
Proceeds from sales and repayment of investment securities	5,800	4,700
Purchase of investments in securities	$\Delta$ 1,244	$\Delta$ 411
Proceeds from sales and repayment of investment securities	4,110	5,285
Purchase of investments in subsidiaries resulting in change in scope of consolidation	$\Delta$ 2,251	$\Delta$ 7,019
Proceeds from sales of stocks of subsidiaries and affiliates	—	113
Purchase of equipment for company use	$\Delta$ 5,541	$\Delta$ 4,931
Purchase of other intangible fixed assets	$\Delta$ 1,338	$\Delta$ 1,086
Interest and dividends received	1,537	1,477
Decrease in short-term loans receivable ( $\Delta$ represents increase)	5,000	5,000
Other	78	$\Delta$ 27
Net cash used in investing activities	$\Delta$ 2,885	593

Unaudited

(¥ million)

	Nine Months Ended December 31, 2013 (April 1, 2013 to December 31, 2013)	Nine Months Ended December 31, 2014 (April 1, 2014 to December 31, 2014)
Cash flows from financing activities		
Increase (decrease) in short-term loans ( $\Delta$ represents decrease)	$\Delta$ 22,515	55,944
Increase (decrease) in commercial paper ( $\Delta$ represents decrease)	$\Delta$ 42,465	36,749
Proceeds from long-term borrowings	184,016	152,453
Payment of long-term borrowings	$\Delta$ 56,162	$\Delta$ 123,160
Issuance of bonds	125,500	223,425
Redemption of bonds	$\Delta$ 39,227	$\Delta$ 62,933
Interest paid	$\Delta$ 11,885	$\Delta$ 14,779
Proceeds from stock issuance to minority shareholders	—	267
Dividends paid to stockholders	$\Delta$ 5,023	$\Delta$ 6,074
Other	$\Delta$ 226	$\Delta$ 141
Net cash provided by financing activities	132,011	261,750
Effect of exchange rate changes on cash and cash equivalents	1,883	3,917
Net increase (decrease) in cash and cash equivalents ( $\Delta$ represents decrease)	8,011	22,916
Cash and cash equivalents at beginning of period	132,756	138,150
Cash and cash equivalents at end of period	140,767	161,066

## (4) Notes on Quarterly Consolidated Financial Statements

(Notes on Premise of Going Concern)

Not applicable

(Notes on Significant Changes in Stockholders' Equity)

Not applicable

## (Segmented information)

## I For the Nine Months Ended December 31, 2013 (April 1, 2013 - December 31, 2013)

Information on revenues and income or loss for the respective reporting segments

(¥ million)

	Reporting segments							Others (Note 1)	Total	Adjustment (Note 2) (Note 3)	Quarterly consolidated statement of income
	Japan		Europe	The Americas	China	ASEAN	Subtotal				
	Account Solution	Vendor Solution									
Revenues											
Revenues from third parties	34,783	12,367	22,189	3,375	9,234	5,290	87,240	9,094	96,335	(1,969)	94,365
Intersegment revenues											
Revenues and transfers	1,514	(26)	—	—	—	—	1,488	1,288	2,776	(2,776)	—
Total	36,297	12,341	22,189	3,375	9,234	5,290	88,729	10,383	99,112	(4,746)	94,365
Segment profit or loss (represents loss)	11,159	2,590	8,186	861	2,593	(67)	25,323	1,610	26,933	(2,693)	24,240

## (Notes)

1. "Others" includes business segments not included in any other reporting segments and includes companies to transform the structure through development and revitalization of business.
2. Adjustment of segment revenues of (1,969) million yen includes revenues associated with liquidation of receivables that are not allocated to any reporting segments.
3. Adjustment of segment profit of (2,693) million yen includes 2,089 million yen as elimination of intersegment transaction and elimination of transactions with consolidated subsidiaries (e.g. dividends) and (4,782) million yen as company-wide expense that is not allocated to any reporting segments. The company-wide expense mainly means general and administrative expense that is not attributable to reporting segments.
4. The segment profit is reconciled to operating income of consolidated statements of income.

## II For the Nine Months Ended December 31, 2014 (April 1, 2014 - December 31, 2014)

Information on revenues and income or loss for the respective reporting segments

(¥ million)

	Reporting segments							Others (Note 1)	Total	Adjustment (Note 2) (Note 3)	Quarterly consolidated statement of income
	Japan		Europe	The Americas	China	ASEAN	Subtotal				
	Account Solution	Account Solution									
Revenues											
Revenues from third parties	34,088	11,734	30,854	6,041	10,708	6,139	99,567	8,843	108,411	(2,166)	106,244
Intersegment revenues											
Revenues and transfers	1,925	39	—	—	—	—	1,964	1,099	3,063	(3,063)	—
Total	36,013	11,774	30,854	6,041	10,708	6,139	101,532	9,942	111,474	(5,230)	106,244
Segment profit or loss (represents loss)	11,273	2,285	11,198	1,348	4,001	186	30,294	1,259	31,554	(3,562)	27,992

## (Notes)

1. "Others" includes business segments not included in any other reporting segments and includes companies to transform the structure through development and revitalization of business.
2. Adjustment of segment revenues of (2,166) million yen includes revenues associated with liquidation of receivables that are not allocated to any reporting segments.
3. Adjustment of segment profit of (3,562) million yen includes 1,458 million yen as elimination of intersegment transaction and elimination of transactions with consolidated subsidiaries (e.g. dividends) and (5,020) million yen as company-wide expense that is not allocated to any reporting segments. The company-wide expense mainly means general and administrative expense that is not attributable to reporting segments.
4. The segment profit is reconciled to operating income of consolidated statements of income.

Unaudited

## 2. Impairment losses on fixed assets and goodwill by reporting segment

(Major impairment losses on fixed assets)

During the nine months ended December 31, 2014, part of the new main system development project was changed, and the part which is not expected to be used in the future in the carrying amount of 1,674 million yen is recognized as impairment loss in extraordinary losses.

Impairment losses are not allocated to reporting segments.

(Major changes in goodwill)

During the three months ended June 30, 2014, Corpo Flota Sp. z o.o., CLE Canadian Leasing Enterprises Ltd. and its three subsidiaries were included in the scope of consolidation as a result of share acquisition. The preliminary goodwill amount arising from the transactions, pending allocation of the acquisition cost, is 3,683 million yen.

Goodwill is not allocated to reporting segments.

## 3. Introduction of New Segment System

Based on the review of business execution system performed on April 1, 2014, business segmentation was changed from the previous four segments of "Financial services," "Commission services," "Supply and sales services," and "Global Business" to the following six segments, effective April 1, 2014.

In Japan Business, as a result of our business model transformation in response to the environmental changes in recent years, we classified our business into the following two segments: "Account Solution" which provides financial services that meet diversifying needs of customers (accounts) and "Vendor Solution" which provides financial services that meet associated vendors' needs including sales promotion. In Global Business, with an aim to achieve both promotion of growth strategy and strengthening of governance, we introduced a new position in charge of business execution in each area and classified our business into the following four segments: "Europe," "the Americas," "China," and "ASEAN."

Segment information for the nine months ended December 31, 2013 is based on the new segment system.

(Significant subsequent events)

(Implementation of the outside career change support program)

In January 2015, the Company decided to implement the outside career change support program as described below.

### 1. Purpose for implementation of the outside career change support program

The program is to provide the employees with wider range of career development options and support challenges to their new career as well as to achieve a structural reform ("transformation") to build a "strong management base" independent of market changes.

### 2. Outline of the outside career change support program

Eligible employees: Employees of the Company and certain domestic consolidated subsidiaries who are between 40 and 60 years old as of March 31, 2015 with ten or more years of service.

Period: From January 19, 2015 to March 31, 2015

Resignation date: March 31, 2015

Preferential treatment: Lump-sum benefit for the outside career change will be paid in addition to the regular retirement payment. Also, the re-employment support by external outplacement service companies will be provided upon request.

### 3. Loss on implementation of the outside career change support program

Loss incurred as a result of implementation of the outside career change support program will be recorded as extraordinary loss for the fourth quarter ending March 31, 2015, but the impact on profit or loss cannot be estimated as the number of applicants, etc. is uncertain at this point.



#### 4. Supplementary Information

##### (1) Change in Quarterly Consolidated Performance

Consolidated Results for the Year Ending March 31, 2015

(¥ million)

Item	Quarter		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Nine Months Cumulative
	No.		(April 1, 2014 - June 30, 2014)	(July 1, 2014 - September 30, 2014)	(October 1, 2014 - December 31, 2014)	(January 1, 2015 - March 31, 2015)	(April 1, 2014 - December 31, 2014)
Revenues	1		34,500	34,374	37,369		106,244
Operating revenues	2		34,227	34,032	37,079		105,339
Interest and dividend income	3		273	341	290		905
Expenses	4		25,343	25,260	27,648		78,252
Selling, general and administrative expenses	5		19,804	19,672	21,692		61,169
Financing costs	6		5,539	5,587	5,956		17,082
Operating income	7		9,157	9,114	9,720		27,992
Non-operating revenues	8		460	394	309		1,164
Non-operating expenses	9		17	6	10		35
Ordinary income	10		9,599	9,501	10,019		29,121
Extraordinary gains/losses	11		489	—	△1,032		△542
Income before income taxes and minority interests	12		10,089	9,501	8,986		28,578
Income taxes	13		3,304	2,320	2,702		8,327
Income before minority interests	14		6,785	7,181	6,284		20,251
Minority interests	15		205	135	260		601
Net income	16		6,579	7,045	6,024		19,650

Consolidated Results for the Year Ended March 31, 2014

(¥ million)

Item	Quarter		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual Cumulative
	No.		(April 1, 2013 - June 30, 2013)	(July 1, 2013 - September 30, 2013)	(October 1, 2013 - December 31, 2013)	(January 1, 2014 - March 31, 2014)	(April 1, 2013 - March 31, 2014)
Revenues	1		30,990	31,553	31,821	33,613	127,979
Operating revenues	2		30,745	31,311	31,559	33,311	126,927
Interest and dividend income	3		245	241	262	302	1,051
Expenses	4		23,238	23,442	23,444	25,255	95,380
Selling, general and administrative expenses	5		18,699	18,673	18,476	19,395	75,244
Financing costs	6		4,538	4,769	4,968	5,859	20,135
Operating income	7		7,752	8,110	8,377	8,358	32,598
Non-operating revenues	8		420	282	136	340	1,180
Non-operating expenses	9		12	59	42	44	159
Ordinary income	10		8,160	8,333	8,471	8,653	33,619
Extraordinary gains/losses	11		760	—	—	—	760
Income before income taxes and minority interests	12		8,920	8,333	8,471	8,653	34,380
Income taxes	13		3,116	1,786	2,852	3,704	11,459
Income before minority interests	14		5,803	6,547	5,619	4,949	22,920
Minority interests	15		292	252	148	31	724
Net income	16		5,511	6,295	5,470	4,918	22,195

## (2) Contract Segment Information

1. For the Nine Months Ended December 31, 2014 (April 1, 2014 - December 31, 2014)

(¥ million, %)

	No	Domestic consolidated				Overseas consolidated				Consolidated Total
		Lease	Factoring and loans	Installments and others	Total	Lease	Factoring and loans	Installments and others	Total	
Revenues	1	36,147	2,193	14,158	52,500	21,107	21,277	11,358	53,743	106,244
(Composition %)		(34)	(2)	(12)	(48)	(20)	(20)	(12)	(52)	(100)
(Y on Y Change %)		(△6)	(△4)	(5)	(△3)	(27)	(37)	(42)	(34)	(13)
Volume of business	2	351,587	342,431	159,248	853,267	165,789	335,749	178,888	680,426	1,533,693
(Composition %)		(23)	(22)	(11)	(56)	(11)	(22)	(11)	(44)	(100)
(Y on Y Change %)		(△1)	(△12)	(△6)	(△7)	(29)	(43)	(36)	(37)	(9)
Total accounts receivable	3	1,293,687	456,210	366,445	2,116,344	368,620	525,093	367,641	1,261,355	3,377,699
(Composition %)		(38)	(14)	(11)	(63)	(11)	(16)	(10)	(37)	(100)
(Y on Y Change %)		(5)	(△1)	(△21)	(△2)	(38)	(39)	(56)	(44)	(11)

2. For the Nine Months Ended December 31, 2013 (April 1, 2013 - December 31, 2013)

(¥ million, %)

	No	Domestic consolidated				Overseas consolidated				Consolidated Total
		Lease	Factoring and loans	Installments and others	Total	Lease	Factoring and loans	Installments and others	Total	
Revenues	1	38,504	2,276	13,493	54,274	16,566	15,542	7,982	40,091	94,365
(Composition %)		(41)	(2)	(15)	(58)	(17)	(16)	(9)	(42)	(100)
(Y on Y Change %)		(23)	(△9)	(7)	(17)	(53)	(41)	(30)	(43)	(27)
Volume of business	2	356,746	387,971	169,215	913,932	128,768	234,835	131,431	495,034	1,408,967
(Composition %)		(26)	(28)	(11)	(65)	(9)	(17)	(9)	(35)	(100)
(Y on Y Change %)		(28)	(△2)	(△9)	(6)	(22)	(40)	(87)	(44)	(17)
Total accounts receivable	3	1,233,525	460,517	462,076	2,156,120	266,729	376,720	234,949	878,399	3,034,519
(Composition %)		(40)	(15)	(16)	(71)	(9)	(12)	(8)	(29)	(100)
(Y on Y Change %)		(17)	(△4)	(△10)	(5)	(43)	(52)	(71)	(54)	(16)

(Notes)

1. Total accounts receivable include off-balance sheet assets.
2. "Lease" includes lease rentals, auto leases and other items.
3. "Factoring and loans" includes factoring, business loans (including home loans).
4. "Installments and others" include installment sales, loan sales through alliances, card services and other items.

### (3) Segmented Information by Business

(Consolidated Business Volume)

(¥ million, %)

	No	Nine Months Ended December 31, 2013		Nine Months Ended December 31, 2014		Y on Y change	
			Composition		Composition		
Japan	Account Solution	1	775,309	55.0	742,713	48.4	△4.2
	Wholesale	2	576,016	40.9	571,486	37.3	△0.8
	Information equipment related	3	121,047	8.6	138,166	9.0	14.1
	Industrial construction machinery related	4	47,885	3.4	45,780	3.1	△4.4
	Commercial logistics related	5	40,683	2.9	57,334	3.7	40.9
	Factoring	6	306,450	21.7	235,896	15.4	△23.0
	Card	7	40,377	2.9	43,406	2.8	7.5
	Others	8	19,572	1.4	50,902	3.3	160.1
	Agriculture	9	34,293	2.4	25,961	1.7	△24.3
	Healthcare	10	30,118	2.2	22,580	1.5	△25.0
	Vehicle	11	55,371	3.9	45,064	2.9	△18.6
	Residential CMS	12	79,083	5.6	77,346	5.0	△2.2
	Others	13	425	0.0	273	0.0	△35.7
	Vendor Solution	14	109,044	7.7	100,084	6.5	△8.2
Europe	15	289,385	20.5	361,111	23.5	24.8	
The Americas	16	55,572	4.0	118,863	7.8	113.9	
China	17	105,001	7.5	144,874	9.5	38.0	
ASEAN	18	45,126	3.2	55,577	3.6	23.2	
Others	19	32,419	2.3	13,343	0.9	△58.8	
Elimination and others	20	△2,892	△0.2	△2,874	△0.2	—	
Consolidated business volume	21	1,408,967	100.0	1,533,693	100.0	8.9	

#### (Notes)

As described in (Segmented information), new business segmentation was introduced effective April 1, 2014, and presentation of consolidated business volume was also changed accordingly. Segment information for the nine months ended December 31, 2013 is prepared based on the new segment system.

1. Account Solution: Meet various customers' needs by combining our functions such as lease, insurance and trust and financial services in collaboration with the Hitachi Group in Japan Business
2. Vendor Solution: Meet vendors' needs for sales promotion by financial services including lease and Installments in Japan Business
3. Europe, the Americas, China, ASEAN: Provide customers and vendors in each area with wide range of financial services that meet their needs and financial services in collaboration with the Hitachi Group in Global Business