

October 27, 2015

Consolidated Second Quarter Earnings Report [IFRS]

For the Six Months Ended September 30, 2015

Corporate Name: **Hitachi Capital Corporation**Stock Code: 8586 URL: <http://www.hitachi-capital.co.jp>

Stock Listing: Tokyo Stock Exchange

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Scheduled date of submission of financial reports: November 13, 2015

Scheduled commencement of dividend payment: November 30, 2015

Preparation of supplementary material for quarterly financial results: Yes

Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(All amounts rounded down)

1. Consolidated Financial Results for the Second Quarter Ended September 30, 2015 (April 1, 2015 – September 30, 2015)

(1) Consolidated Operating Results (Cumulative)

(year-on-year change %)

	Revenues		Profit before tax		Net income		Net income attributable to owners of the parent		Comprehensive income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Six Months Ended September 30, 2015	181,261	3.7	24,549	26.5	17,886	27.5	17,378	26.9	17,509	(8.2)
Six Months Ended September 30, 2014	174,748	—	19,404	—	14,030	—	13,695	—	19,074	—

	Earnings per share (basic)	Earnings per share (diluted)	ROE
	¥	¥	%
Six Months Ended September 30, 2015	148.68	—	10.5
Six Months Ended September 30, 2014	117.17	—	8.9

(Ref.) Volume of business: Six Months Ended September 30, 2015: ¥1,138,933 million; Six Months Ended September 30, 2014: ¥991,142million

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the parent	Equity attributable to owners of the parent ratio	Equity per share attributable to owners of the parent
	¥ million	¥ million	¥ million	%	¥
As of September 30, 2015	3,065,297	350,226	338,489	11.0	2,895.87
As of March 31, 2015	2,952,471	336,830	325,223	11.0	2,782.37

2. Dividends

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year End	For the Year
	¥	¥	¥	¥	¥
Year ended March 31, 2015	—	27.00	—	33.00	60.00
Year ending March 31, 2016	—	42.00	—	—	—
Year ending March 31, 2016 (Forecast)	—	—	—	42.00	84.00

Note: Changes from the latest released dividend forecasts: Yes

3. Forecast for the Fiscal Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)

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

	Revenues		Profit before tax		Net income		Net income attributable to owners of the parent		Earnings per share attributable to owners of the parent (basic)
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Fiscal year	370,000	3.8	46,500	30.6	33,400	33.9	32,500	34.6	278.05

Note: Changes from the latest released performance forecasts: Yes

(Ref.) Volume of business: Fiscal year: ¥2,240,000 million

* Notes

(For details, please refer to "2. Matters concerning Summary Information (Notes)" on page 10)

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

(2) Changes to accounting policies; changes to accounting estimates

(i) Changes to accounting policies required by IFRS : None

(ii) Changes other than (a) above : None

(iii) Changes to accounting estimates : None

(3) Number of outstanding shares (common shares)

(i) Shares issued at end of term (including own shares)

As of September 30, 2015: 124,826,552 shares As of March 31, 2015: 124,826,552 shares

(ii) Own shares at end of term

As of September 30, 2015: 7,939,823 shares As of March 31, 2015: 7,939,627 shares

(iii) Weighted average number of shares outstanding

Six months ended September 30, 2015: 116,886,825 shares Six months ended September 30, 2014: 116,887,293 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 9.

Hitachi Capital Corporation will have the quarterly financial results meeting to report the financial results for the second quarter ended September 30, 2015 for institutional investors and financial analysts on October 27, 2015.

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1. Qualitative Information Concerning Financial Results for the Second Quarter Ended September 30, 2015

(1) Explanation about Operating Results

1) Summary of operating results

Summarized results for the six months ended September 30, 2015 were as follows.

	Six Months Ended September 30, 2014	Six Months Ended September 30, 2015	Y on Y Change
Volume of business	991,142	1,138,933	14.9
Revenues	174,748	181,261	3.7
Gross profit	57,013	65,421	14.7
Profit before tax	19,404	24,549	26.5
Net income attributable to owners of the parent	13,695	17,378	26.9

(¥ million, %)

During the six months ended September 30, 2015, while the economy showed solid growth in the U.S. and U.K, there were concerns over deceleration in economic growth in China and ASEAN and geopolitical risks around the world. In Japan, the improvement of corporate earnings continued owing to the government's growth support policies, monetary easing policy and currency exchange impact as devaluation of the yen/lower crude oil price, and the Japanese economy showed signs of recovery such that lease transaction volume increased mainly in information communication equipment and industrial machines for the months up to August 2015 (compiled by Japan Leasing Association).

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 solution) in addition to regional strategy in Japan and in four key management areas 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 six months ended September 30, 2015, 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 the environment and renewable energy sector, with the aim to expand the energy solution business of the Hitachi Group, the Kashima Harbor Fukashiba wind power plant (Kamisu City, Ibaraki) with 5MW downwind type power generation system was completed in September 2015,

and we agreed to conduct wind power generation business in cooperation with Saibugas and Hitachi, Ltd., also in September 2015. In the agriculture sector, we have entered into an agreement to form a business alliance regarding agricultural business development with Seibukaihatsu-Nosan, a leading Japanese agricultural production firm, in August 2015, in anticipation of the regulatory reform and 6th industrialization of agriculture in Japan. In Global Business, we worked on “systematic globalization” with a further promotion of growth strategy and enhancement of governance in four key management areas (Europe, the Americas, China, and ASEAN). In Europe and the Americas, we promoted to expand 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 in Singapore. In April 2015, the Company and Srei Equipment Finance Pvt. Ltd. of the Republic of India (“India”), one of the leading leasing companies listed in India, entered into an agreement to form a business alliance regarding financial service collaboration. In August 2015, we also opened a new branch in Kuala Lumpur economic area to aim for further growth and business expansion in Malaysia.

Consolidated volume of business for the six months ended September 30, 2015 increased 14.9% year on year to ¥1,138,933 million as Global Business showed a growth primarily in the Americas (the U.S. and Canada) and Japan Business showed a steady performance in wholesale segment such as commercial logistics related.

Revenues increased 3.7% to ¥181,261 million and gross profit increased 14.7% to ¥65,421 million due to the expansion of Global Business primarily in the Americas. Profit before tax increased 26.5% to ¥24,549 million mainly due to an effect of business structural reform in Japan Business and the expansion of Global Business. As a result, net profit attributable to owners of the parent for the six months ended September 30, 2015 increased 26.9 % to ¥ 17,378 million.

Results by segment for the six months ended September 30, 2015 were as follows.

(Account Solution)

Revenues increased 3.1% to ¥96,639 million due to a steady performance in focused sectors and fundamental businesses.

Profit before tax increased 42.0% to ¥9,997 million due to an increase in revenues and an effect of business structural reform.

(Vendor Solution)

Revenues decreased 9.3% to ¥9,939 million due to a decrease in operating assets.

Profit before tax increased 33.4% to ¥2,070 million due to an effect of business structural reform, despite a decrease in revenues.

(Europe)

Revenues increased 3.4% to ¥49,715 million due to a steady performance in U.K. business and currency exchange impact as devaluation of the yen.

Profit before tax increased 14.2% to ¥8,808 million due to an increase in revenues.

(The Americas)

Revenues increased 63.8% to ¥5,970 million due to a strong performance in factoring business and vehicle solution business in the U.S. and Canada.

Profit before tax increased 159.0% to ¥1,806 million due to an increase in revenues.

(China)

Revenues increased 13.3% to ¥8,403 million due to a solid performance of finance business in Hong Kong.

Profit before tax increased 44.6% to ¥3,422 million due to an increase in revenues and a decrease in bad debt expenses.

(ASEAN)

Revenues increased 21.6% to ¥6,242 million due to an increase in revenues in Singapore and Thailand.

Profit before tax decreased 52.9% to ¥156 million, despite an increase in revenues, due to an increase in SG&A expenses caused by resource investments to reinforce business.

2) Key management indicators (Annualized)

	(%)	
	Six Months Ended September 30, 2014	Six Months Ended September 30, 2015
ROE	8.9	10.5
ROA	1.4	1.6
Equity attributable to owners of the parent ratio	11.2	11.0

(2) Explanation about Consolidated Financial Position

1) Assets, liabilities and net assets

Financial position as of September 30, 2015 was as follows:

	As of March 31, 2015	As of September 30, 2015	Change	
			Amount	%
Total assets	2,952,471	3,065,297	112,825	3.8
Interest-bearing debt	2,149,103	2,272,856	123,752	5.8
Total equity	336,830	350,226	13,395	4.0

i . Total assets

Total assets as of September 30, 2015 increased ¥112,825 million from March 31, 2015 to ¥3,065,297 million due to an increase in trade and other receivables mainly in Europe and the Americas and an increase in cash and cash equivalents in Japan.

ii . Interest-bearing debt

Interest-bearing debt as of September 30, 2015 increased ¥123,752 million from March 31, 2015 to ¥2,272,856 million due to increases in short-term loans payable mainly in Europe and the Americas.

iii . Total equity

Total equity as of September 30, 2015 increased ¥13,395 million from March 31, 2015 to ¥350,226 million, and major components consist of net income attributable to owners of the parent of ¥17,378 million and cash dividends paid of ¥3,857 million.

2) Cash flows

Cash and cash equivalents as of September 30, 2015 increased ¥39,114 million from March 31, 2015 to ¥158,429 million.

Cash flows by activity were as follows:

	(¥ million)	
	Six Months Ended September 30, 2014	Six Months Ended September 30, 2015
Cash flows from operating activities	(107,035)	(77,911)
Cash flows from investing activities	(7,346)	(3,323)
Cash flows from financing activities	134,052	120,933

i . Cash flows from operating activities

Net cash used in operating activities was ¥77,911 million. This was primarily due to purchase of operating leased assets of ¥67,901 million, an increase in finance lease receivables of ¥46,100 million, and proceeds from sale of operating leased assets of ¥15,103 million.

ii . Cash flows from investing activities

Net cash used in investing activities was ¥3,323 million. This was primarily due to purchase of other property, plant and equipment of ¥4,539 million.

iii . Cash flows from financing activities

Net cash provided by financing activities was ¥120,933 million mainly due to proceeds from long-term borrowings and bonds of ¥309,303 million, payments on long-term borrowings and bonds of ¥164,198 million, and decrease in short-term borrowings of ¥20,059 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 ¥81,235 million.

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

The management environment surrounding the Group still remains unpredictable because of the deceleration of economic growth in China and ASEAN and increasing geopolitical risks in various countries, etc. despite continued solid economic growth in the U.S. and the U.K. In Japan, although the government's growth support policies and monetary easing policy continue to contribute to improvement of corporate earnings, the situation remains uncertain with weak recovery in capital investments.

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 for the year ending March 31, 2016 is presented below and has changed from the previous forecast announced on July 28, 2015, in expectation of positive effects from the promotion of "Smart Transformation Project" in Japan Business, and the stable growth in Europe and the business expansion in the Americas in Global Business.

(¥ million)

Fiscal Year Ending March 31, 2016	Previous forecast	Revised forecast	Change	
			Amount	%
Volume of business	2,169,000	2,240,000	71,000	3.3
Revenues	370,000	370,000	—	—
Profit before tax	42,800	46,500	3,700	8.6
Net income	30,900	33,400	2,500	8.1
Net income attributable to owners of the parent	30,000	32,500	2,500	8.3
Basic earnings per share attributable to owners of the parent	¥256.66	¥278.05	—	—

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 business circumstances.

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) Changes to Accounting Policies and Estimates

Not applicable

3. Summary of Quarterly Consolidated Financial Statements
(1) Summary of Quarterly Consolidated Statements of Financial Position

	(¥ million)	
	As of March 31, 2015	As of September 30, 2015
Assets		
Cash and cash equivalents	119,314	158,429
Trade and other receivables	1,367,886	1,399,678
Finance lease receivables	996,438	1,028,206
Other financial assets	54,830	49,743
Operating leased assets	302,765	317,496
Investments accounted for using the equity method	19,267	19,510
Other property, plant and equipment	16,150	19,822
Other intangible assets	12,735	12,950
Deferred tax assets	21,179	20,010
Other assets	41,903	39,449
Total assets	2,952,471	3,065,297
Liabilities		
Trade and other payables	273,036	250,821
Borrowings and bonds	2,149,103	2,272,856
Other payables	27,912	22,884
Other financial liabilities	89,844	84,205
Income tax payable	2,684	5,440
Retirement and severance benefits	6,285	6,030
Deferred tax liabilities	1,965	1,217
Other liabilities	64,809	71,614
Total liabilities	2,615,641	2,715,071
Equity		
Equity attributable to owners of the parent		
Common stock	9,983	9,983
Capital surplus	45,823	45,828
Retained earnings	265,152	278,673
Accumulated other comprehensive income	18,597	18,337
Treasury stock	(14,333)	(14,334)
Total equity attributable to owners of the parent	325,223	338,489
Non-controlling interests	11,607	11,736
Total equity	336,830	350,226
Total liabilities and equity	2,952,471	3,065,297

(2) Summary of Quarterly Consolidated Statement of Profit or Loss and Comprehensive Income

Summary of Quarterly Consolidated Statement of Profit or Loss

(¥ million)

	Six Months Ended September 30, 2014 (April 1, 2014 to September 30, 2014)	Six Months Ended September 30, 2015 (April 1, 2015 to September 30, 2015)
Revenues	174,748	181,261
Cost of sales	117,734	115,839
Gross profit	57,013	65,421
Selling, general and administrative expenses	38,543	41,852
Other income	8	40
Other expenses	23	80
Share of profits of investments accounted for using the equity method	949	1,019
Profit before tax	19,404	24,549
Income taxes	5,373	6,663
Net income	14,030	17,886
Net income attributable to:		
Owners of the parent	13,695	17,378
Non-controlling interests	334	507
Earnings per share		
Earnings per share attributable to owners of the parent (basic and diluted)	¥117.17	¥148.68

Summary of Quarterly Consolidated Statement Comprehensive Income

(¥ million)

	Six Months Ended September 30, 2014 (April 1, 2014 to September 30, 2014)	Six Months Ended September 30, 2015 (April 1, 2015 to September 30, 2015)
Net income	14,030	17,886
Other comprehensive income		
Items not to be reclassified to net income		
Financial assets measured at fair value through other comprehensive income	264	126
Share of other comprehensive income of investments accounted for using the equity method	43	12
Total items not to be reclassified to net income	307	139
Items that can be reclassified to net income		
Foreign currency translation adjustments	5,046	(1,014)
Cash flow hedges	(309)	498
Total items that can be reclassified to net income	4,736	(516)
Other comprehensive income	5,044	(377)
Comprehensive income	19,074	17,509
Comprehensive income attributable to:		
Owners of the parent	18,650	17,124
Non-controlling interests	424	384

(3) Summary of Quarterly Consolidated Statements of Changes in Equity
For the Six Months Ended September 30, 2014 (April 1, 2014 - September 30, 2014)

(¥ million)

	Equity attributable to equity holders of the parent					Total equity attributable to equity owners of the parent	Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock			
As of April 1, 2014	9,983	45,823	246,364	10,449	(14,332)	298,288	10,402	308,690
Changes in equity								
Net income			13,695			13,695	334	14,030
Other comprehensive income				4,954		4,954	89	5,044
Comprehensive income for the period			13,695	4,954		18,650	424	19,074
Dividends to equity owners of the parent			(2,922)			(2,922)		(2,922)
Dividends to non-controlling interests							(68)	(68)
Acquisition of treasury stock					(0)	(0)		(0)
Transfer to retained earnings				(316)		(316)		(316)
Transfer from accumulated other comprehensive income			316			316		316
Changes in other non-controlling interests							279	279
Total changes in equity	—	—	11,089	4,638	(0)	15,727	634	16,362
As of September 30, 2014	9,983	45,823	257,454	15,088	(14,332)	314,016	11,037	325,053

For the Six Months Ended September 30, 2015 (April 1, 2015 - September 30, 2015)

(¥ million)

	Equity attributable to equity holders of the parent					Total equity attributable to equity owners of the parent	Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock			
As of April 1, 2015	9,983	45,823	265,152	18,597	(14,333)	325,223	11,607	336,830
Changes in equity								
Net income			17,378			17,378	507	17,886
Other comprehensive income				(253)		(253)	(123)	(377)
Comprehensive income for the period			17,378	(253)		17,124	384	17,509
Dividends to equity owners of the parent			(3,857)			(3,857)		(3,857)
Dividends to non-controlling interests							(92)	(92)
Acquisition of treasury stock					(0)	(0)		(0)
Changes in non-controlling interests		5		(6)		(0)	(161)	(162)
Total changes in equity	—	5	13,520	(259)	(0)	13,265	129	13,395
As of September 30, 2015	9,983	45,828	278,673	18,337	(14,334)	338,489	11,736	350,226

(4) Summary of Quarterly Consolidated Statement of Cash Flows

(¥ million)

	Six Months Ended September 30, 2014 (April 1, 2014 to September 30, 2014)	Six Months Ended September 30, 2015 (April 1, 2015 to September 30, 2015)
Cash flows from operating activities		
Net income	14,030	17,886
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	43,790	47,409
Income taxes	5,373	6,663
Share of profits of investments accounted for using the equity method	(949)	(1,019)
(Increase) decrease in trade and other receivables	(60,514)	(30,471)
(Increase) decrease in finance lease receivables	(42,918)	(46,100)
Purchase of operating leased assets	(54,112)	(67,901)
Proceeds from sale of operating leased assets	20,816	15,103
Increase (decrease) in trade and other payables	(19,031)	(17,054)
Increase (decrease) in payable due to collection of securitized receivables	(607)	(2,706)
Other	(7,660)	3,536
Subtotal	(101,783)	(74,656)
Income taxes paid	(5,252)	(3,254)
Net cash provided by (used in) operating activities	(107,035)	(77,911)
Cash flows from investing activities		
Purchase of other property, plant and equipment	(4,108)	(4,539)
Purchase of other intangible assets	(618)	(1,375)
Purchase of investments in securities and payments to time deposits	(13,785)	(2,047)
Proceeds from sale and redemption of investments in securities and withdrawal of time deposits	18,065	4,523
Payment for from acquisition of subsidiary's shares resulting in changes in scope of consolidation	(7,019)	—
Purchase of investments accounted for using the equity method	—	(34)
Other	120	148
Net cash provided by (used in) investing activities	(7,346)	(3,323)
Cash flows from financing activities		
Net increase (decrease) increase in short-term borrowings	21,345	(20,059)
Proceeds from long-term borrowings and bonds	325,681	309,303
Payments on long-term borrowings and bonds	(210,262)	(164,198)
Proceeds from payments from non-controlling interests	279	—
Dividends paid to owners of the parent	(2,922)	(3,856)
Dividends paid to non-controlling interests	(68)	(92)
Purchase of shares of consolidated subsidiaries from non-controlling interests	—	(162)
Other	(0)	(0)
Net cash provided by (used in) financing activities	134,052	120,933
Effect of exchange rate changes on cash and cash equivalents	1,365	(583)
Net increase (decrease) in cash and cash equivalents	21,036	39,114
Cash and cash equivalents at beginning of period	150,480	119,314
Cash and cash equivalents at end of period	171,516	158,429

(5) Summary of Notes to the Quarterly Consolidated Financial Statements

(Notes concerning going concern)

Not applicable

(Segment information)

I For the Six Months Ended September 30, 2014 (April 1, 2014 - September 30, 2014)

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

(¥ million)

	Reportable segments							Other	Total	Adjustments	Consolidated statement of profit or loss
	Japan		Europe	The Americas	China	ASEAN	Total				
	Account Solution	Vendor Solution									
Revenues											
External customers	93,198	10,933	48,084	3,645	7,416	5,133	168,411	7,174	175,586	(838)	174,748
Intersegment	542	25	—	—	—	—	568	1,620	2,188	(2,188)	—
Total	93,740	10,959	48,084	3,645	7,416	5,133	168,980	8,795	177,775	(3,027)	174,748
Profit before tax	7,040	1,551	7,711	697	2,366	332	19,700	1,116	20,817	(1,412)	19,404

(Notes)

1. "Other" includes business segments not included in any other reportable segments and includes companies transforming its business structure through business development and revitalization.
2. Adjustment of profit before tax represents company-wide expense that is not allocated to any reportable segments. The company-wide expense mainly comprises general and administrative expenses that are not allocated to reportable segments.
3. The Group does not allocate assets and liabilities to the reportable segment used by the chief operating decision maker.
4. Inter-segment transactions are executed on an arm's length basis.

II For the Six Months Ended September 30, 2015 (April 1, 2015 - September 30, 2015)

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

(¥ million)

	Reportable segments							Other	Total	Adjustments	Consolidated statement of profit or loss
	Japan		Europe	The Americas	China	ASEAN	Total				
	Account Solution	Vendor Solution									
Revenues											
External customers	95,992	9,907	49,715	5,970	8,403	6,242	176,232	6,186	182,419	(1,157)	181,261
Intersegment	646	31	—	—	—	—	678	1,413	2,091	(2,091)	—
Total	96,639	9,939	49,715	5,970	8,403	6,242	176,910	7,599	184,510	(3,249)	181,261
Profit before tax	9,997	2,070	8,808	1,806	3,422	156	26,262	841	27,103	(2,554)	24,549

(Notes)

1. "Other" includes business segments not included in any other reportable segments and includes companies transforming its business structure through business development and revitalization.
2. Adjustment of profit before tax represents company-wide expense that is not allocated to any reportable segments. The company-wide expense mainly comprises general and administrative expenses that are not allocated to reportable segments.
3. The Group does not allocate assets and liabilities to the reportable segment used by the chief operating decision maker.
4. Inter-segment transactions are executed on an arm's length basis.

(Significant subsequent events)

Based on a comprehensive resolution to issue bonds passed on September 25, 2015, the Company decided to issue its 60th unsecured straight bonds (with limited interbond pari passu clause). The details of the bonds are as follows.

- | | | |
|-----|--------------------------------|---|
| (1) | Total issue amount | ¥30 billion |
| (2) | Issue price | ¥100 per ¥100 bond face value |
| (3) | Payment date | October 26, 2015 |
| (4) | Redemption date | The principal of the bond will be redeemed in full on October 19, 2018. |
| (5) | Interest rate | 0.160% per annum |
| (6) | Purpose of use of the proceeds | To fund redemption of short-term bonds and repayment of borrowings |

4. Supplementary Information

(1) Change in Quarterly Consolidated Performance

Consolidated Results for the Year Ending March 31, 2016

(¥ million, %)

	No.	Fiscal Year Ended March 31, 2015		Fiscal Year Ending March 31, 2016			
		Second Quarter (Results)	Six Months Ended September 30, 2015 (Results)	Second Quarter (July to September)		Six Months Ended September 30, 2015 (April to September)	
				(Results)	Y on Y	(Results)	Y on Y
Revenues	1	87,755	174,748	90,475	3.1	181,261	3.7
Cost of sales	2	59,072	117,734	57,935	(1.9)	115,839	(1.6)
Gross profit	3	28,682	57,013	32,540	13.4	65,421	14.7
Selling, general and administrative expenses	4	19,103	38,543	21,103	10.5	41,852	8.6
Other income	5	1	8	8	422.0	40	406.2
Other expenses	6	5	23	40	591.6	80	239.7
Share of profits of investments accounted for using the equity method	7	444	949	483	8.9	1,019	7.4
Profit before tax	8	10,018	19,404	11,888	18.7	24,549	26.5
Income taxes	9	2,380	5,373	2,828	18.8	6,663	24.0
Net income	10	7,637	14,030	9,059	18.6	17,886	27.5
Net income attributable to:	11						
Owners of the parent	12	7,512	13,695	8,829	17.5	17,378	26.9
Non-controlling interests	13	124	334	230	84.2	507	51.7
Earnings per share	14						
Earnings per share attributable to owners of the parent (basic and diluted)	15	64.28	117.17	75.54	17.5	148.68	26.9

(2) Contract Segment Information

1. For the Six Months Ended September 30, 2015 (April 1, 2015 - September 30, 2015)

(¥ million, %)

	No.	Domestic consolidated				Overseas consolidated				Consolidated Total
		Lease	Factoring and loans	Installments and others	Total	Lease	Factoring and loans	Installments and others	Total	
Volume of business (Composition %) (Y on Y Change %)	1	268,959 (24) (14)	237,624 (21) (8)	99,766 (9) (-10)	606,350 (54) (7)	129,939 (11) (28)	263,916 (23) (28)	138,728 (12) (20)	532,583 (46) (26)	1,138,933 (100) (15)
Operating assets (Composition %) (Y on Y Change %)	2	1,026,319 (34) (1)	368,545 (12) (-7)	342,805 (12) (-19)	1,737,671 (58) (-5)	390,841 (13) (20)	490,681 (16) (27)	390,932 (13) (37)	1,272,455 (42) (27)	3,010,126 (100) (6)

2. For the Six Months Ended September 30, 2014 (April 1, 2014 - September 30, 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	
Volume of business (Composition %) (Y on Y Change %)	1	236,954 (24) (-3)	220,588 (22) (-12)	110,356 (11) (-2)	567,899 (57) (-7)	101,717 (10) (11)	205,480 (21) (37)	116,046 (12) (36)	423,243 (43) (30)	991,142 (100) (6)
Operating assets (Composition %) (Y on Y Change %)	2	1,011,293 (36) (1)	394,537 (14) (-2)	422,644 (15) (-17)	1,828,476 (65) (-5)	326,763 (12) (29)	386,584 (14) (45)	285,612 (9) (56)	998,960 (35) (42)	2,827,436 (100) (8)

(Notes)

1. "Lease" includes lease rentals, auto leases and other items.
2. "Factoring and loans" includes factoring, business loans (including home loans).
3. "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.	Six Months Ended September 30, 2014		Six Months Ended September 30, 2015		Y on Y change
				Composition		Composition	
Japan	Account Solution	1	490,533	49.5	530,273	46.6	8.1
	Wholesale	2	377,241	38.1	406,372	35.7	7.7
	Information equipment related	3	97,042	9.8	97,441	8.6	0.4
	Industrial construction machinery related	4	32,957	3.3	33,678	3.0	2.2
	Commercial logistics related	5	37,503	3.8	52,676	4.6	40.5
	Factoring	6	153,821	15.5	142,763	12.5	(7.2)
	Card	7	28,013	2.9	29,106	2.5	3.9
	Others	8	27,902	2.8	50,704	4.5	81.7
	Agriculture	9	15,968	1.6	20,450	1.8	28.1
	Healthcare	10	14,345	1.5	16,616	1.5	15.8
	Vehicle	11	30,174	3.0	25,859	2.3	(14.3)
	Residential CMS	12	52,604	5.3	60,831	5.3	15.6
	Others	13	198	0.0	142	0.0	(28.2)
	Vendor Solution	14	70,692	7.1	70,551	6.2	(0.2)
Europe	15	236,848	23.9	270,770	23.8	14.3	
The Americas	16	64,622	6.5	97,986	8.6	51.6	
China	17	86,244	8.7	118,190	10.4	37.0	
ASEAN	18	35,527	3.6	45,634	4.0	28.4	
Others	19	8,763	0.9	7,201	0.6	(17.8)	
Elimination and others	20	(2,089)	(0.2)	(1,676)	(0.2)	-	
Consolidated business volume	21	991,142	100.0	1,138,933	100.0	14.9	

(Notes)

1. Account Solution: Provide solutions to meet diversifying needs of customers such as corporates, public offices, agriculture and medical services by combining our various functions such as lease, factoring, installments, insurance and trust, and in collaboration with partners, including the Hitachi Group.
2. Vendor Solution: Provide solutions to meet associated vendors' needs for sales promotion with the Group's financial services, mainly lease and installments.
3. Europe, the Americas, China, ASEAN: Provide solutions to customers and vendors in each area with the Group's wide range of financial services, and in collaboration with partners, including the Hitachi Group.