



Consolidated Third Quarter Earnings Report [Japan GAAP]

For the Nine Months Ended December 31, 2012

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: February 14, 2013
 Scheduled commencement of dividend payment: —
 Preparation of supplementary material for quarterly financial results: None
 Holding of quarterly financial results meeting: None

(All amounts rounded down)

1. Consolidated Results for the Third Quarter Ended December 31, 2012 (April 1, 2012 – December 31, 2012)

(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, 2012	74,450	9.2	17,029	0.7	18,648	12.5	11,596	47.6
Nine Months Ended December 31, 2011	68,153	△0.7	16,913	29.9	16,575	25.8	7,854	0.7

Note: Comprehensive income:

Nine Months Ended December 31, 2012: 15,045¥million(151.1%) ; Nine Months Ended December 31, 2011: 5,990¥million(△15.1%)

	Net income per share	Diluted net income per share
	¥	¥
Nine Months Ended December 31, 2012	99.21	—
Nine Months Ended December 31, 2011	67.20	—

(Ref.) Volume of business Nine Months Ended December 31, 2012: ¥1,205,054 million Nine Months Ended December 31, 2011: ¥1,116,320 million

(2) Consolidated Financial Position

	Total assets	Total stockholders' equity	Stockholders' equity ratio
	¥ million	¥ million	%
As of December 31, 2012	1,861,702	281,554	14.6
As of March 31, 2012	1,757,241	270,404	14.9

(Ref.) Stockholders' equity As of December 31, 2012: ¥272,548million As of March 31, 2012: ¥262,266million

2. Dividends

Record date	Divided per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year End	For the Year
	¥	¥	¥	¥	¥
March, 2012	—	16.00	—	17.00	33.00
March, 2013	—	18.00	—	—	—
March, 2013 (Forecast)	—	—	—	18.00	36.00

(Note) Changes to the dividend forecast in the current quarter: None

3. Forecast for the Fiscal Year Ending March 31, 2013 (April 1, 2012 – March 31, 2013)

(% is year-on-year for the fiscal year or the interim period)

Fiscal year	Revenues		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
	102,000	9.7	24,800	11.5	26,900	18.8	16,200	27.7	138.59

(Note) Changes to the earnings forecast in the current quarter: Yes

(Ref.) Volume of business Fiscal year: ¥1,620,000 million

4. Others

- (1) Major changes in among subsidiaries in the consolidated cumulative period of the period under review : None
(Transfer of specific subsidiaries accompanying the change of scope of consolidation)
- (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 own shares) | | | |
| Nine months ended December 31, 2012 | : 124,826,552 shares | Year ended March 31, 2012: | 124,826,552 shares |
| (ii)Own shares at end of term | | | |
| Nine months ended December 31, 2012 | : 7,938,813 shares | Year ended March 31, 2012: | 7,938,761 shares |
| (iii) Weighted average number of shares outstanding | | | |
| Nine months ended December31, 2012 | : 116,887,796 shares | Nine months ended December 31, 2012: | 116,887,765 shares |

Note: 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.

Note: 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.

Qualitative Information Concerning Financial Results for the Third Quarter Ended December 31, 2012

1. Qualitative Information concerning Consolidated Operating Results

(1) Summary of operating results

Summarized results for the nine months ended December 31, 2012 were as follows:

(¥ million, %)

	Nine Months Ended December 31, 2011	Nine Months Ended December 31, 2012	YtoY Change
Volume of business	1,116,320	1,205,054	7.9
Revenues	68,153	74,450	9.2
Operating income	16,913	17,029	0.7
Ordinary income	16,575	18,648	12.5
Net income	7,854	11,596	47.6

In order to achieve the goals of the Mid-Term Management Plan ending at the end of this fiscal year, the Group has been striving for achievement of the growth strategies as well as enhancement of management base including financial strength, business quality, risk management, human resource cultivation and cost structures. In domestic businesses, our focus has been to “Create new businesses” and “Increase profitability in fundamental businesses” through a transformation from traditional finance businesses such as leasing and credit business to function-oriented service businesses, and in overseas businesses, our focus has been to “expand mainly in Asia.”

During the nine months ended December 31, 2012, domestic businesses have tried to build the revenue base not susceptible to rate competition by establishing No.1 business in certain niche sectors such as vendor lease or auto lease, expanding business area in growing sectors, providing high profitability services such as fee business, and providing function-oriented service businesses. In October 2012, the Company decided to make NBL Co., Ltd a subsidiary in April 2013 and integrate vendor lease-related major businesses, and also obtained “DBJ Environmental Responsibility Rating” provided by Development Bank of Japan Inc. and started financial service using the rating. In overseas businesses, we consider Asian business as a core of growth and proceed with business expansion mainly in China, and Indonesia and Malaysia, where we recently started business, and opened a representative office in Vietnam (Hitachi Capital Corporation Vietnam Representative Office) in December 2012 for a market survey purpose. Also, as part of business enhancement of our revenue base in Europe and the North America, we established Hitachi Capital Canada Corp. in Canada in October 2012 which provides financial services for commercial trucks. Also, Hitachi Capital America Corp. in the North America acquired retail factoring business from Hennessey Capital, LLC in November 2012.

Volume of domestic businesses for the nine months ended December 31, 2012 decreased 0.5% year to year to ¥861,538 million due to a decrease in consumer finance despite the growth in retail information equipment business (vendor lease business) in financial services and auto lease business in supply and sales services. Volume of overseas businesses increased 37.0% to ¥343,516 million as Asian business maintained high growth rate and European & North American business was also strong. As a result,

consolidated volume of business increased 7.9% to ¥1,205,054 million. Revenues increased 9.2% to ¥74,450 million mainly due to continued strong overseas businesses. Expenses increased 12.1% to ¥57,421 million due to business expansion in Asia. As a result, operating income increased 0.7% to ¥17,029 million, and ordinary income increased 12.5% to ¥18,648 million due to an increase in gain on allotment of stock, and net income increased 47.6% to ¥11,596 million.

(2) Key management indicators (annualized)

(%)

	Nine Months Ended December 31, 2011	Nine Months Ended December 31, 2012
ROE	4.1	5.8
ROA	1.4	1.4
Stockholders' equity ratio	15.5	14.6

2. Qualitative Information concerning Consolidated Financial Position

(1) Assets, liabilities and net assets

Financial position as of December 31, 2102 was as follows:

(¥ million, %)

	As of March 31, 2012	As of December 31, 2012	Change	
			Amount	%
Total assets	1,757,241	1,861,702	104,460	5.9
Interest-bearing debt	959,331	1,089,365	130,033	13.6
Net assets	270,404	281,554	11,150	4.1

i . Total assets

Total assets as of December 31, 2012 increased ¥104,460 million from March 31, 2012 to ¥1,861,702 million due to increases in trade receivables, investment in direct finance leases mostly in overseas.

ii . Interest-bearing debt

Interest-bearing debt as of December 31, 2012 increased ¥130,033 million from March 31, 2012 to ¥1,089,365 million mainly due to an increase in commercial paper.

iii . Net assets

Net assets as of December 31, 2012 increased ¥11,150 million from March 31, 2012 to ¥281,554 million due to recording of ¥11,596 million of net income for the nine months and dividend payment of ¥4,091 million.

(2) Cash flows

Cash and cash equivalents as of December 31, 2012 decreased ¥135 million from March 31, 2012 to ¥129,693 million.

Cash flows by activity were as follows:

	(¥ million)	
	Nine Months Ended December 31, 2011	Nine Months Ended December 31, 2012
Cash flows from operating activities	△73,697	△55,768
Cash flows from investing activities	△4,799	△33,064
Cash flows from financing activities	112,011	87,769

i . Cash flows from operating activities

Net cash used in operating activities was ¥55,768 million. This was primarily due to depreciation of ¥58,031 million, an increase in investment in direct finance leases of ¥69,961 million, and acquisition of equipment for lease of ¥62,579 million.

ii . Cash flows from investing activities

Net cash used in investing activities was ¥33,064 million mainly due to purchase of investment securities.

iii . Cash flows from financing activities

Net cash provided by financing activities was ¥87,769 million mainly due to net increase in commercial paper.

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 ¥88,833 million.

3. Qualitative Information concerning Consolidated Earnings Forecasts

Although still on a downward trend, the world economy started to show a sign of slight improvement; for example, credit uncertainty in Europe settled down, the downward trend in Chinese economy seems to be stopping, and the North America avoided the “financial cliff” and employment situation has been improving. In Japan, however, despite the weakening yen, severe business environment seems to continue for a little longer as there has not been much change in situations such as stagnant production activities caused by deflation and declining export and the trend of shifting capital expenditure overseas. Under such conditions, the Group is determined to achieve the goals of “Mid-Term Management Plan” and establish the base for next sustainable growth.

As indicated in the consolidated earnings forecasts below, revised forecast of operating income increased from the previous forecast (announced on October 29, 2012) by ¥1,400 million, and the revised forecast of ordinary income also increased ¥1,900 million due to an increase in equity in earnings of affiliates. Forecast of net income has not changed as extraordinary loss arising from implementation of the outside career change support program is expected to be recorded.

The outside career change support 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 to build a strong management base which can survive the severe business environment (Smart Transformation).

(¥ million, %)

Fiscal Year Ending March 31, 2013 (April 1, 2012 – March 31, 2013)	Previous forecast	Revised forecast	Change	
			Amount	%
Revenues	100,000	102,000	2,000	2.0
Operating income	23,400	24,800	1,400	6.0
Ordinary income	25,000	26,900	1,900	7.6
Net income	16,200	16,200	—	—
Net income per share	¥138.59	¥138.59	—	—

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.

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, 2012.

3. Changes in Accounting Policies and Estimates, and Restatements

Not applicable.

Quarterly Consolidated Financial Statements

1. Quarterly Consolidated Balance Sheets

	(Ref. As of March 31, 2012)	As of December 31, 2012
(¥ million)		
(Assets)		
Current assets		
Cash on hand and at bank	22,519	21,019
Trade receivables	658,965	685,631
Investment in direct finance leases	522,099	567,630
Parent company deposit	111,562	113,393
Short-term investments	5,648	6,432
Advance payments-trade	3,018	4,986
Prepaid expenses	4,976	7,110
Deferred tax assets	10,435	10,247
Other	10,176	9,458
Allowance for losses on receivables	△ 13,883	△ 14,877
Total current assets	<u>1,335,519</u>	<u>1,411,032</u>
Fixed assets		
Property and equipment		
Equipment held for lease	196,916	201,155
Equipment for company use		
Building and structures (net)	666	624
Machinery, equipment and vehicles (net)	905	833
Furniture and fixtures (net)	994	1,455
Land	120	120
Total own-used assets	<u>2,687</u>	<u>3,033</u>
Total property and equipment	<u>199,603</u>	<u>204,189</u>
Intangible fixed assets		
Equipment held for lease	40,487	37,254
Other intangible assets		
Goodwill	6,493	5,583
Other	5,008	5,129
Total other intangible assets	<u>11,502</u>	<u>10,713</u>
Total intangible fixed assets	<u>51,990</u>	<u>47,967</u>
Investments and other assets		
Investments in securities	134,236	162,870
Deferred tax assets	9,276	9,160
Other	26,621	26,488
Allowance for doubtful accounts	△ 5	△ 5
Total investments and other assets	<u>170,128</u>	<u>198,512</u>
Total fixed assets	<u>421,722</u>	<u>450,669</u>
Total assets	<u>1,757,241</u>	<u>1,861,702</u>

(¥ million)

	(Ref. As of March 31, 2012)	As of December 31, 2012
(Liabilities)		
Current liabilities		
Trade payables	269,993	259,790
Short-term bank loans	267,688	226,929
Commercial paper	105,534	177,509
Current portion of bonds	88,459	43,897
Current portion of long-term obligation for securitized lease receivables	56,146	49,196
Accrued Payable	49,096	34,196
Income taxes payable	1,932	4,026
Deferred tax liabilities	1,571	-
Allowance for losses on guarantees	4,903	4,124
Asset retirement obligations	115	70
Other	42,391	44,008
Total current liabilities	887,832	843,749
Fixed liabilities		
Bonds	179,807	238,954
Long-term debt	317,841	402,075
Long-term obligation for securitized lease receivables	44,179	34,465
Deferred tax liabilities	587	2,281
Retirement and severance benefits	4,614	4,704
Retirement benefits for directors	188	188
Reserve for insurance contract	6,827	7,026
Asset retirement obligations	4,875	5,178
Other	40,082	41,523
Total fixed liabilities	599,005	736,398
Total liabilities	1,486,837	1,580,147
(Net Assets)		
Stockholders' equity		
Common stock	9,983	9,983
Capital surplus	45,972	45,972
Retained earnings	223,048	230,554
Treasury stock	△ 14,331	△ 14,331
Total stockholders' equity	264,673	272,178
Accumulated other comprehensive income		
Net unrealized holding gain on securities	7,080	7,729
Net unrealized loss on hedge accounting	△ 1,144	△ 1,485
Foreign currency translation adjustments	△ 8,341	△ 5,874
Total accumulated other comprehensive income	△ 2,406	370
Minority interests	8,137	9,005
Total net assets	270,404	281,554
Total liabilities and net assets	1,757,241	1,861,702

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

(¥ million)

	Nine Months Ended December 31, 2011 (April 1, 2011 to December 31, 2011)	Nine Months Ended December 31, 2012 (April 1, 2012 to December 31, 2012)
Revenues		
Operating revenues	67,665	73,907
Interest and dividend income	488	543
Total revenues	68,153	74,450
Expenses		
Selling, general and administrative expenses	41,338	45,494
Financing costs	9,902	11,927
Total expenses	51,240	57,421
Operating income	16,913	17,029
Non-operating revenues		
Gain on allotment of stock	—	1,534
Gain on sales of investment securities	2	88
Gain on sales of noncurrent assets	4	2
Amortization of negative good will	128	—
Subsidy revenue	77	—
Other	3	28
Total non-operating income	216	1,653
Non-operating expenses		
Loss on redemption of short-term investments	—	11
Loss on retirement of fixed assets	14	11
Loss on valuation of investment securities	—	3
Impairment loss	376	—
Loss on sales of investment securities	112	—
Loss on equity of affiliated companies	40	—
Other	11	8
Total non-operating expenses	554	34
Ordinary income	16,575	18,648
Extraordinary income	—	—
Extraordinary loss		
Loss on valuation of investment securities	974	—
Total extraordinary losses	974	—
Income before income taxes and minority interests	15,601	18,648
Income taxes	7,594	6,424
Income before minority interests	8,006	12,224
Minority interests	152	627
Net income	7,854	11,596

3. Quarterly Consolidated statements of Comprehensive Income(Consolidated Third Quarter)

(¥ million)

	Nine Months Ended December 31, 2011 (April 1, 2011 to December 31, 2011)	Nine Months Ended December 31, 2012 (April 1, 2012 to December 31, 2012)
Income before minority interests	8,006	12,224
Other comprehensive income		
Valuation difference on available-for-sale securities	521	651
Net deferred gains or losses on hedges	△ 276	△ 340
Foreign currency translation adjustments	△ 2,261	2,509
Share of other comprehensive income of affiliates accounted for by the equity method	—	0
Total other comprehensive income	△ 2,015	2,820
Comprehensive income	5,990	15,045
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of the parent	5,837	14,373
Comprehensive income attributable to minority interests	152	671

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4. Quarterly Consolidated Cash Flows

(¥ million)

	Nine Months Ended December 31, 2011 (April 1, 2011 to December 31, 2011)	Nine Months Ended December 31, 2012 (April 1, 2012 to December 31, 2012)
Cash flows from operating activities		
Income before income taxes and minority interests	15,601	18,648
Depreciation	57,525	58,031
Loss on valuation of investment securities(Δ represents gain)	974	3
Depreciation of goodwill	529	908
Amortization of negative good will	Δ 128	—
Loss on redemption of short-term investments(Δ represents gain)	40	Δ 1,534
Interest and dividend income	Δ 310	Δ 344
Interest expense	8,337	10,036
Increase (decrease) in trade receivables (Δ represents increase)	Δ 93,811	Δ 1,574
Increase in investment in direct finance lease (Δ represents increase)	Δ 30,404	Δ 69,961
Decrease (increase) in allowance for doubtful accounts(Δ represents decrease)	Δ 646	662
Increase in allowance for losses on loan guarantees (Δ represents decrease)	243	Δ 777
Gain on disposal of equipment for leases (Δ represents gain)	Δ 570	Δ 1,661
Gain on sale of equipment for lease	33,373	37,633
Acquisition of equipment for lease	Δ 61,105	Δ 62,579
Increase (decrease) in trade payable (Δ represents decrease)	41,007	Δ 6,891
Decrease in trade payable of collection under fluidity receivables (Δ represents decrease)	Δ 37,760	Δ 14,153
Increase (decrease) in retirement and severance benefits (Δ represents decrease)	46	92
Other	11,049	Δ 17,876
Subtotal	Δ 56,010	Δ 51,337
Income taxes paid	Δ 17,687	Δ 4,430
Net cash provided by operating activities	Δ 73,697	Δ 55,768
Cash flows from investing activities		
Payments into time deposits	Δ 2,677	Δ 5,613
Proceeds from withdrawal of time deposits	2,500	5,185
Purchase from sale of short-term investments	Δ 7,199	Δ 10,496
Proceeds from sales and repayment of securities	6,050	9,917
Purchase of investments in securities	Δ 806	Δ 42,668
Proceeds from sales and repayment of investment securities	748	13,288
Purchase of investments in subsidiaries resulting in change in scope of consolidation	Δ 1,582	—
Revenues from sales of subsidiary stock with the change of scope of consolidation	660	—
Purchase of investments of affiliated companies	Δ 1,600	—
Payments for transfer of business	—	Δ 1,381
Purchase of equipment for company use	Δ 399	Δ 780
Purchase of other intangible fixed assets	Δ 907	Δ 1,740
Interest and dividends received	434	1,205
Other	Δ 20	18
Net cash used in investing activities	Δ 4,799	Δ 33,064

(¥ million)

	Nine Months Ended December 31, 2011 (April 1, 2011 to December 31, 2011)	Nine Months Ended December 31, 2012 (April 1, 2012 to December 31, 2012)
Cash flows from financing activities		
Increase (decrease) in short-term loans(Δrepresents decrease)	Δ 350	Δ 14,093
Increase (decrease) in commercial paper(Δrepresents decrease)	76,168	70,751
Proceeds from long-term borrowings	132,140	126,746
Payment of long-term borrowings	Δ 80,444	Δ 89,700
Issuance of bonds	55,018	89,411
Redemption of bonds	Δ 58,411	Δ 81,766
Interest paid	Δ 8,364	Δ 9,696
Proceeds from stock issuance to minority shareholder	—	412
Dividends paid to stockholders	Δ 3,730	Δ 4,078
Other	Δ 13	Δ 216
Net cash used in financing activities	112,011	87,769
Effect of exchange rate changes on cash and cash equivalents	Δ 260	928
Net increase (decrease) in cash and cash equivalents(Δrepresents decrease)	33,253	Δ 135
Cash and cash equivalents at beginning of period	98,190	129,828
Cash and cash equivalents at end of period	131,443	129,693

5. Segmented information

Information on sales revenue and income and loss for the respective reportable segments

(1) For the Nine Months Ended December 31, 2011 (April 1, 2011 - December 31, 2011)

(¥ million)

	Reportable segment					Others (Note 1)	Total	Adjustment (Note 2)	Quarterly Consolidated statements of income (Note 3)
	Financial services	Commission services	Supply and sales services	Overseas business	Total				
Sales revenue									
Sales revenue for external customers	27,617	10,988	8,498	20,757	67,861	291	68,153	—	68,153
Internal sales revenue or transfer between segments	1,138	1,143	610	0	2,892	—	2,892	(2,892)	—
Total	28,756	12,131	9,108	20,757	70,753	291	71,045	(2,892)	68,153
Segment income	7,060	1,445	3,008	7,283	18,797	291	19,089	(2,176)	16,913

- (Note) 1. "Others" section represents the financial revenue of headquarters management division that does not belong to the reportable segment.
2. Adjustment of segment income (2,176) million yen includes the amount (166) million yen as elimination of intra-segment transaction and elimination of transaction of dividends with consolidated subsidiaries and the amount (2,010) million yen as company-wide expense that is not allocated in respective reportable segments. The company-wide expense mainly means general and administrative expense that does not belong to the reportable segments.
3. The segment income is adjusted with the sales income of quarterly consolidated income statement .

(2) For the Nine Months Ended December 31, 2012 (April 1, 2012 - December 31, 2012)

(¥ million)

	Reportable segment					Others (Note 1)	Total	Adjustment (Note 2)	Quarterly Consolidated statements of income (Note 3)
	Financial services	Commission services	Supply and sales services	Overseas business	Total				
Sales revenue									
Sales revenue for external customers	27,254	10,656	8,231	27,976	74,119	331	74,450	—	74,450
Internal sales revenue or transfer between segments	1,112	824	564	—	2,501	—	2,501	(2,501)	—
Total	28,367	11,481	8,796	27,976	76,620	331	76,952	(2,501)	74,450
Segment income	7,533	1,319	2,654	8,933	20,440	331	20,772	(3,743)	17,029

- (Note) 1. "Others" section represents the financial revenue of headquarters management division that does not belong to the reportable segment.
2. Adjustment of segment income (3,743) million yen includes the amount (255) million yen as elimination of intra-segment transaction and elimination of transaction of dividends with consolidated subsidiaries and the amount (3,487) million yen as company-wide expense that is not allocated in respective reportable segments. The company-wide expense mainly means general and administrative expense that does not belong to the reportable segments.
3. The segment income is adjusted with the sales income of quarterly consolidated income statement .

6. Material Subsequent Events

(Implementation of the outside career change support program)

In January 2013, 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 to build a strong management base which can survive the severe business environment (Smart Transformation).

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, 2013 with five or more years of service.

Period: From January 10, 2013 to March 31, 2013

Resignation date: March 31, 2013

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, 2013.

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<Supplementary Information >

1. Change in Quarterly Consolidated Performance

Consolidated Results for the Year Ending March 31, 2013

(¥ million)

Item	Quarter		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Nine Months Cumulative
	No.		(April 1, 2012 - June 30, 2012)	(July 1, 2012 - September 30, 2012)	(October 1, 2012 - December 31, 2012)	(January 1, 2013 - March 31, 2013)	(April 1, 2012 - December 31, 2012)
Revenues	1		24,729	24,324	25,396		74,450
Operating revenues	2		24,569	24,118	25,219		73,907
Interest and dividend income	3		160	205	177		543
Expenses	4		18,410	18,804	20,206		57,421
Selling, general and administrative expenses	5		14,578	15,058	15,857		45,494
Financing costs	6		3,831	3,746	4,349		11,927
Operating income	7		6,319	5,520	5,189		17,029
Non-operating revenues	8		390	971	291		1,653
Non-operating expenses	9		13	16	4		34
Ordinary income	10		6,696	6,475	5,477		18,648
Extraordinary gains/losses	11		—	—	—		—
Income before income taxes and minority interests	12		6,696	6,475	5,477		18,648
Income taxes	13		2,606	1,795	2,021		6,424
Income before minority interests	14		4,089	4,679	3,455		12,224
Minority interests	15		180	193	253		627
Net income	16		3,908	4,485	3,202		11,596

Consolidated Results for the Year Ended March 31, 2012

(¥ million)

Item	Quarter		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual Cumulative
	No.		(April 1, 2011 - June 30, 2011)	(July 1, 2011 - September 30, 2011)	(October 1, 2011 - December 31, 2011)	(January 1, 2012 - March 31, 2012)	(April 1, 2011 - March 31, 2012)
Revenues	1		23,506	23,384	21,262	24,841	92,994
Operating revenues	2		23,349	23,210	21,106	24,498	92,164
Interest and dividend income	3		157	174	156	342	830
Expenses	4		17,994	16,929	16,316	19,515	70,756
Selling, general and administrative expenses	5		14,596	13,620	13,120	15,829	57,168
Financing costs	6		3,397	3,308	3,195	3,686	13,588
Operating income	7		5,512	6,454	4,946	5,325	22,238
Non-operating revenues	8		29	131	55	827	1,004
Non-operating expenses	9		104	93	356	91	605
Ordinary income	10		5,436	6,492	4,646	6,061	22,637
Extraordinary gains/losses	11		—	△ 974	—	2,674	1,700
Income before income taxes and minority interests	12		5,436	5,518	4,646	8,736	24,337
Income taxes	13		2,104	2,087	3,403	3,863	11,457
Income before minority interests	14		3,332	3,430	1,243	4,873	12,879
Minority interests	15		54	12	85	40	192
Net income	16		3,278	3,418	1,157	4,832	12,687

2. Contract Segmented Information

(1) For the Nine Months Ended December 31, 2012 (April 1, 2012 - December 31, 2012)

(¥ million, %)

	No	Domestic consolidated				Overseas consolidated			Consolidated Total
		Lease	Guarantees	Installments and others	Total	Lease	Installments and others	Total	
Revenues	1	31,318	3,812	11,343	46,474	10,834	17,141	27,976	74,450
(Composition %)		(42)	(5)	(15)	(62)	(15)	(23)	(38)	(100)
(Y toY Change %)		(Δ1)	(Δ17)	(2)	(Δ2)	(39)	(32)	(35)	(9)
Volume of business	2	279,172	78,464	503,901	861,538	105,123	238,392	343,516	1,205,054
(Composition %)		(23)	(7)	(41)	(71)	(9)	(20)	(29)	(100)
(Y toY Change %)		(Δ9)	(Δ11)	(7)	(Δ0)	(60)	(29)	(37)	(8)
Trade receivables, loan guarantees and leases	3	1,050,222	403,361	592,779	2,046,363	186,351	384,551	570,903	2,617,266
(Composition %)		(40)	(15)	(23)	(78)	(7)	(15)	(22)	(100)
(Y toY Change %)		(Δ7)	(Δ4)	(Δ9)	(Δ7)	(64)	(47)	(52)	(2)

(2) For the Nine Months Ended December 31, 2011 (April 1, 2011 - December 31, 2011)

(¥ million, %)

	No	Domestic consolidated				Overseas consolidated			Consolidated Total
		Lease	Guarantees	Installments and others	Total	Lease	Installments and others	Total	
Revenues	1	31,737	4,578	11,080	47,396	7,812	12,944	20,757	68,153
(Composition %)		(47)	(7)	(16)	(70)	(11)	(19)	(30)	(100)
(Y toY Change %)		(Δ3)	(Δ12)	(4)	(Δ2)	(6)	(0)	(2)	(Δ1)
Volume of business	2	305,324	87,810	472,464	865,599	65,503	185,217	250,721	1,116,320
(Composition %)		(27)	(8)	(43)	(78)	(6)	(16)	(22)	(100)
(Y toY Change %)		(Δ8)	(Δ22)	(Δ1)	(Δ6)	(18)	(8)	(10)	(Δ3)
Trade receivables, loan guarantees and leases	3	1,130,612	418,023	647,873	2,196,509	113,950	260,791	374,741	2,571,251
(Composition %)		(44)	(16)	(25)	(85)	(5)	(10)	(15)	(100)
(Y toY Change %)		(Δ8)	(Δ10)	(Δ3)	(Δ7)	(13)	(5)	(8)	(Δ5)

Notes:

- "Trade receivables, loan guarantees and leases" include off-balance sheet assets.
- "Lease" includes lease rentals, auto leases and other items.
- "Guarantees" include loan sales through alliances and other items.
- "Installments and others" include installment sales, business loans (including home loans), card services and other items.

3. Segmented Information by Region

(1) For the Nine Months Ended December 31, 2012 (April 1, 2012 - December 31, 2012)

(¥ million, %)

	No	Japan	Europe and North America	Asia	Total	Adjustment	Consolidated total
Revenues	1	46,143	18,250	9,725	74,119	331	74,450
Operating income	2	11,507	6,366	2,566	20,440	Δ3,411	17,029

(2) For the Nine Months Ended December 31, 2011 (April 1, 2011 - December 31, 2011)

(¥ million, %)

	No	Japan	Europe and North America	Asia	Total	Adjustment	Consolidated total
Revenues	1	47,104	16,032	4,724	67,861	291	68,153
Operating income	2	11,514	5,522	1,761	18,797	Δ1,884	16,913

Notes:

- The classification of country or region is based on similarities in economic activities.
- Principal countries and regions in each category are as follows.
 - Europe and North America: Britain, Ireland, and United States, Canada
 - Asia: Singapore, China, Thailand, Malaysia, Indonesia

4. Segmented Information by Business

(Consolidated Revenues)

(¥ million, %)

	No	Nine Months Ended December 31, 2011		Nine Months Ended December 31, 2012		Y to Y change
			Composition		Composition	
Financial services	1	28,756	42.2	28,367	38.1	△ 1.4
Farms, agricultural corporations, medical and nursing service providers	2	4,792	7.0	4,788	6.4	△ 0.1
Corporate	3	22,449	33.0	22,193	29.8	△ 1.1
Consumers	4	1,510	2.2	1,370	1.9	△ 9.3
Financial revenue, and others	5	3	0.0	15	0.0	286.5
Commission services	6	12,131	17.8	11,481	15.4	△ 5.4
Farms, agricultural corporations, medical and nursing service providers	7	1,148	1.7	1,040	1.4	△ 9.4
Corporate	8	7,893	11.5	8,089	10.8	2.5
Consumers	9	3,520	5.2	2,803	3.8	△ 20.4
Financial revenue, and others	10	△ 430	△ 0.6	△ 452	△ 0.6	—
Supply and sales services	11	9,108	13.3	8,796	11.8	△ 3.4
Corporate	12	9,025	13.2	8,782	11.8	△ 2.7
Financial revenue, and others	13	83	0.1	14	0.0	△ 83.2
Overseas business	14	20,757	30.5	27,976	37.6	34.8
Total of reportable segments	15	70,753	103.8	76,620	102.9	8.3
Others	16	291	0.4	331	0.4	13.4
Adjustment	17	△ 2,892	△ 4.2	△ 2,501	△ 3.3	—
Consolidated Revenues	18	68,153	100.0	74,450	100.0	9.2

Notes:

1. Financial services is based on "products," and includes operating leases and credit with residual value, besides finance leases.
2. Commission services is focused on management and consignment of products, and includes services leveraging our goods management know-how acquired from lease transactions as well as outsourcing business and credit guarantee business, such as collection of accounts receivable and settlement of accounts payable, focusing on the flow of products and making extensive use of our credit and collection capabilities.
3. Supply and sales services is focused on the utility value and circulation of products, and includes rental, auto lease and recycle/reuse transactions.
4. Overseas business includes such businesses as financial leases and auto leases of overseas subsidiaries.

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(Consolidated Business Volume)

(¥ million, %)

	No	Nine Months Ended December 31, 2011		Nine Months Ended December 31, 2012		Y to Y change
			Composition		Composition	
Financial services	1	358,453	32.1	356,483	29.6	△ 0.5
Agriculture	2	10,796	0.9	10,311	0.9	△ 4.5
medical and nursing service providers	3	33,170	3.0	29,299	2.4	△ 11.7
Corporate	4	309,278	27.7	311,550	25.9	0.7
Information equipment related	5	128,244	11.5	143,589	11.9	12.0
Industrial construction machinery	6	41,058	3.7	28,847	2.4	△ 29.7
Commercial logistics	7	37,048	3.3	27,910	2.3	△ 24.7
Residential CMS	8	57,499	5.1	63,814	5.3	11.0
Others	9	45,427	4.1	47,388	4.0	4.3
Consumers	10	7,977	0.7	6,219	0.5	△ 22.0
Elimination and others	11	△ 2,771	△ 0.2	△ 897	△ 0.1	-
Commission services	12	462,934	41.4	457,995	38.0	△ 1.1
Agriculture	13	19,715	1.8	18,738	1.6	△ 5.0
medical and nursing service providers	14	2,523	0.2	2,410	0.2	△ 4.5
Corporate	15	385,794	34.5	388,471	32.2	0.7
Card business	16	35,717	3.2	36,309	3.0	1.7
Non-life insurance business	17	2,619	0.2	2,688	0.2	2.6
Securitization business	18	93,216	8.3	100,762	8.4	8.1
Outsourcing business	19	240,878	21.6	237,543	19.7	△ 1.4
Information equipment related and others	20	13,361	1.2	11,167	0.9	△ 16.4
Consumers	21	67,409	6.0	58,816	4.9	△ 12.7
Automobile loans and credit	22	44,678	4.0	46,039	3.8	3.0
Home appliances and home refurbishment	23	9,119	0.8	8,888	0.8	△ 2.5
Home loans	24	13,611	1.2	3,888	0.3	△ 71.4
Elimination and others	25	△ 12,507	△ 1.1	△ 10,441	△ 0.9	-
Supply and sales services	26	44,211	4.0	47,058	3.9	6.4
Corporate	27	45,877	4.1	48,686	4.0	6.1
Information equipment related and others	28	3,919	0.3	3,888	0.3	△ 0.8
Automobile leases	29	36,701	3.3	39,748	3.3	8.3
Outsourcing business	30	5,256	0.5	5,049	0.4	△ 3.9
Elimination and others	31	△ 1,665	△ 0.1	△ 1,628	△ 0.1	-
Domestic consolidated business volume	32	865,599	77.5	861,538	71.5	△ 0.5
Overseas consolidated business volume	33	250,721	22.5	343,516	28.5	37.0
Consolidated business volume	34	1,116,320	100.0	1,205,054	100.0	7.9

Notes:

1. Financial services is based on "products," and includes operating leases and credit with residual value, besides finance leases.
2. Commission services is focused on management and consignment of products, and includes services leveraging our goods management know-how acquired from lease transactions as well as outsourcing business and credit guarantee business, such as collection of accounts receivable and settlement of accounts payable, focusing on the flow of products and making extensive use of our credit and collection capabilities.
3. Supply and sales services is focused on the utility value and circulation of products, and includes rental, auto lease and recycle/reuse transactions.
4. Others shown under Corporate in Financial services includes commercial facilities, scientific instruments, maintenance services, and other items.

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