April 25, 2013

Consolidated Earnings Report for the Year Ended March 31, 2013［Japan GAAP］

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, Executive Officer
Phone: (03)3503-2118
Date of ordinary general meeting of shareholders: June 26, 2013
Scheduled commencement of dividend payment: May 31, 2013
Scheduled date of submission of financial reports: June 27, 2013
Preparation of supplementary material for financial results: Yes
Holding of financial results meeting: Yes

(All amounts rounded down)

1. Consolidated Results for the Year Ended March 31, 2013 (April 1, 2012 – March 31, 2013)

(1) Consolidated Operating Results (Cumulative)

(year-on-year change %)

	Revenues		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Year ended March 31, 2013	103,304	11.1	25,620	15.2	27,401	21.0	16,546	30.4
Year ended March 31, 2012	92,994	1.1	22,238	27.4	22,637	28.4	12,687	103.5

Note: Comprehensive income: Year ended March 31, 2013: ¥22,379 million (71.4%) Year ended March 31, 2012: ¥13,053 million (111.7%)

	Net income per share	Diluted net income per share	Ratio of net income to stockholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to revenues
	¥	¥	%	%	%
Year ended March 31, 2013	141.56	–	6.1	1.5	24.8
Year ended March 31, 2012	108.54	–	4.9	1.4	23.9

(Ref.) Equity in earnings (losses) of affiliated companies: Year ended March 31, 2013: ¥1,753 million Year ended March 31, 2012: ¥188 million
Volume of business: Year ended March 31, 2013: ¥1,631,990 million Year ended March 31, 2012: ¥1,528,144 million

(2) Consolidated Financial Position

	Total assets	Total stockholders' equity	Stockholders' equity ratio	Stockholders' equity per share
	¥ million	¥ million	%	¥
Year ended March 31, 2013	1,891,431	288,894	14.8	2,390.56
Year ended March 31, 2012	1,757,241	270,404	14.9	2,243.75

(Ref.) Stockholders' equity: Year ended March 31, 2013: ¥279,427 million Year ended March 31, 2012: ¥262,266 million

(3) Consolidated Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalent at end of period
	¥ million	¥ million	¥ million	¥ million
Year ended March 31, 2013	△25,837	△37,476	64,463	132,756
Year ended March 31, 2012	△105,903	△20,306	157,723	129,828

Note: Receipts and settlements from acquisition of equipment for leases and liquidation of assets are included in operating activities.

2. Dividends

	Divided per share				
Record date	1st Quarter	2nd Quarter	3rd Quarter	Year End	For the Year
	¥	¥	¥	¥	¥
March, 2012	–	16.00	–	17.00	33.00
March, 2013	–	18.00	–	20.00	38.00
March, 2014 (Forecast)	–	21.00	–	21.00	42.00

3. Forecast for the Fiscal Year Ending March 31, 2014 (April 1, 2013 – March 31, 2014)

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

	Revenues		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Interim	58,900	20.1	13,200	11.5	13,600	3.3	8,700	3.6	74.43
Fiscal year	120,400	16.5	27,400	6.9	28,000	2.2	18,300	10.6	156.56

(Ref.) Volume of business: Interim: ￥853,000 million Fiscal year: ￥1,750,000 million

unaudited

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) 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

(3) Number of outstanding shares (common shares)

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

As of Year ended	March 31, 2013	: 124,826,552 shares	March 31, 2012:	124,826,552 shares

2) Own shares at end of term

As of Year ended	March 31, 2013	: 7,938,899 shares	March 31, 2012:	7,938,761 shares

3) Weighted average number of shares outstanding

As of Year ended	March 31, 2013	: 116,887,771 shares	March 31, 2012:	116,888,771 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.

Contents

1. Analysis of Business Results and Financial Position

(1) Analysis of Business Results

1) Summary of operating results

Summarized results for the year ended March 31, 2013 were as follows:

(¥ million, %)

	Year Ended March 31, 2012	Year Ended March 31, 2013	YtoY Change
Volume of business	1,528,144	1,631,990	6.8
Revenues	92,994	103,304	11.1
Operating income	22,238	25,620	15.2
Ordinary income	22,637	27,401	21.0
Net income	12,687	16,546	30.4

In accordance with the Mid-Term Management Plan ending at the end of this fiscal year, the Group has been striving for establishment of the base for sustainable growth through achievement of the growth strategies and enhancement of management base. Specifically, in order to achieve the growth strategies, we focused on "Create new businesses" and "Increase profitability in fundamental businesses" in domestic business by shifting from our traditional finance business such as leasing and credit business to function-oriented service business, and on "Business expansion in Asia" in overseas businesses. Also, we have been improving financial strength, business quality, risk management, human resource cultivation and cost structures to enhance the management base.

During the year ended March 31, 2013, domestic businesses have tried to build the revenue base 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, we obtained "DBJ Environmental Responsibility Rating" from the Development Bank of Japan Inc. and started finance business using the rating. Also, in April 2013, we made NBL Co., Ltd. our subsidiary and integrated vendor lease-related major businesses in order to enhance our business. In overseas business, 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. Also, for the 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, and Hitachi Capital America Corp. acquired retail factoring business from Hennessey Capital, LLC in November 2012. Also, we opened Hitachi Capital Corporation Vietnam Representative Office in December 2012 and Hitachi Capital Corporation Poland Representative Office in March 2013 to explore new business areas and opportunities.

Volume of domestic businesses for the year ended March 31, 2013 decreased 1.6% year to year to ¥1,155,126 million due to decrease in outsourcing of factoring systems and review of retail home mortgage despite the growth in information equipment business and housing CMS. Volume of overseas businesses increased 34.7% to ¥476,863 million as Asian business continued to expand and European &

North American business was also strong. As a result, consolidated volume of business increased 6.8% to ¥1,631,990 million. Revenues increased 11.1% to ¥103,304 million mainly due to strong overseas businesses both in Europe and North America and Asia. Operating expenses increased 9.8% to ¥77,683 million due to business expansion in overseas businesses. As a result, operating income increased 15.2% to ¥25,620 million, and ordinary income increased 21.0% to ¥27,401 million due to an increase in equity in earnings of affiliates, and net income increased 30.4% to ¥16,546 million.

2) Key management indicators

(%)

	Year Ended March 31, 2012	Year Ended March 31, 2013
ROE	4.9	6.1
ROA	1.4	1.5
Stockholders' equity ratio	14.9	14.8

3) Consolidated earnings forecasts for the year ending March 31, 2014

As for the business environment surrounding the Group, decelerating trend in emerging countries including China seems to be coming to an end and the North American economy started to show a sign of recovery as a result of aggressive monetary easing measures, but the European economy appears to remain stagnant under the fiscal austerity; and thus the outlook of the global economy remains uncertain. In Japan, the current administration's aggressive monetary easing policy aiming to break out of the deflation has created an expectation for improvement in business sentiment through correction of the yen appreciation and rising stock prices. However, it does not seem to lead to an immediate increase in capital investment, and as a result, business environment is expected to remain severe.

Under such environment, the Group intends to focus on understanding customers' needs and identify potential markets with our community- and customer-based business and provide finance service with combination of various functions of the Group, in order to ensure the achievement of the growth strategies. In addition, we intend to enhance management base for sustainable growth by reforming cost structure, further improving business quality, and further improving internal control through improvement of risk management and compliance. Forecasted performance for the next fiscal year is as follows:

(¥ million, %)

	Year Ended March 31, 2013	Year Ending March 31, 2014 (Forecast)	Change	
			Amount	%
Revenues	103,304	120,400	17,095	16.5
Operating income	25,620	27,400	1,779	6.9
Ordinary income	27,401	28,000	598	2.2
Net income	16,546	18,300	1,753	10.6
Net income per share	¥141.56	¥156.56	¥15.00	10.6

Consolidated earnings forecasts stated herein have been prepared based on the information available to the Company at the time this report was prepared. Actual results may differ from these forecasts due to changes in various factors.

(2) Analysis of Financial Position

1) Assets, liabilities and net assets

Financial position as of March 31, 2013 was as follows:

(¥ million, %)

	As of March 31, 2012	As of March 31, 2013	Change	
			Amount	%
Total assets	1,757,241	1,891,431	134,189	7.6
Interest-bearing debt	959,331	1,092,636	133,304	13.9
Net assets	270,404	288,894	18,490	6.8

i. Total assets

Total assets as of March 31, 2013 increased ¥134,189 million from March 31, 2012 to ¥1,891,431 million due to increases in trade receivables and investment in direct finance leases mostly in overseas.

ii. Interest-bearing debt

Interest-bearing debt as of March 31, 2013 increased ¥133,304 million from March 31, 2012 to ¥1,092,636 million mainly due to increases in bank loans and bonds mostly in overseas.

iii. Net assets

Net assets as of March 31, 2013 increased ¥18,490 million from March 31, 2012 to ¥288,894 million due to recording of ¥16,546 million of net income for the year and dividend payment of ¥4,091 million, as well as an increase in foreign currency translation adjustments caused by the weak yen.

2) Cash flows

Cash and cash equivalents as of March 31, 2013 increased ¥2,928 million from March 31, 2012 to ¥132,756 million.

Cash flows by activity were as follows:

(¥ million)

	Year Ended March 31, 2012	Year Ended March 31, 2013	Change
Cash flows from operating activities	△105,903	△25,837	80,065
Cash flows from investing activities	△20,306	△37,476	△17,169
Cash flows from financing activities	157,723	64,463	△93,260

ⅰ. Cash flows from operating activities

Net cash used in operating activities was ¥25,837 million. This was primarily due to depreciation of ¥77,750 million, an increase in investment in direct finance leases of ¥72,583 million, and acquisition of equipment for lease of ¥88,182 million.

ⅱ. Cash flows from investing activities

Net cash used in investing activities was ¥37,476 million mainly due to purchase of investment securities.

ⅲ. Cash flows from financing activities

Net cash provided by financing activities was ¥64,463 million mainly due to proceeds from long-term borrowings.

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 ¥63,313 million.

(3) Basic Policy for Profit Sharing and Dividends for the Current and Next Fiscal Years

1) Basic Policy for Profit Sharing

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 (DOE) and gross dividend payout ratio.

2) Dividends for the Current and Next Fiscal Years

(¥, %)

	Year Ended March 31, 2013	Year Ending March 31, 2014 (Forecast)	Change	
			Amount	%
Annual dividend per share	38.00	42.00	4.00	10.5

(4) Business Risk

Possible risk factors inherent to the Group' s business include the followings.

1) Internal Control-Related Risk

The Hitachi Capital Group has established and maintained an internal control system based on the internal control resolutions, and ensures and evaluates the effectiveness of its internal controls under the supervision of the Internal Control Committee. Nevertheless, if internal controls fail to function effectively or unexpected problems arise, there could be an adverse impact on the Group' s business results.

2) Interest Rate Risk

The Group finances large amount of funds to provide financial services, including leasing and installment sales, and carries out thorough ALM through asset liquidation. A sharp rise in market interest rates, however, could cause a rise in funding costs and have an adverse impact on the Group' s business results.

3) Liquidity Risk

Although the Group works to appropriately manage its cash position, there are times it may be difficult to secure the funds required, including if the creditworthiness of the Group has declined, or due to turmoil in financial markets or changes in the market environment. Additionally, the Company may be forced to procure funds at the interest rates significantly higher than normal. Factors such as these could have an adverse impact on the Group' s business results.

4) Credit Risk

The Group is engaged in various kinds of business associated with providing credit, including leasing, credit guarantees and installment sales. During such business execution, the Group appropriately controls credit risk by conducting screening at the time of a contract and ascertaining such factors as the state of credit while a credit receivable is being collected. Nevertheless, an increase in corporate and personal bankruptcies due to a changing economic environment could result in an increased burden with respect to losses on receivables and bad debts expenses for lease transactions.

5) Laws and Regulations Changes Risk

Changes in laws and regulations related to Group business could also impact results. With total enforcement of the revised Money-Lending Business Control and Regulation Law and the revised Installment Sales Law, there could be additional costs associated with the changes, and customer demand may change. The Group has always complied with the Interest Limitation Law, so there is no direct risk of returning excess payments. In addition, there could be additional costs associated with the strengthening of obligations for waste disposal in line with the full-fledged implementation of the revised Waste Management and Public Cleansing Act.

6) Business Structure Reform Risk

The Group is reforming its business structure in order to achieve sustainable growth. However, a delay or failure to achieve these reforms, for any reason, could have an adverse impact on the Group' s business results.

7) Leased Assets Residual Value Risk

One of the Group's business strategies is to "provide financial services that focus on 'products'." To achieve this, we concentrate on operating leases in order to respond to changes in market demand accompanied by changes in accounting standards for finance leases.

We will continue to improve our abilities and expertise in evaluating "products" and the resale of leased assets as the Group's core skills. However, there is a possibility of a decline in actual disposal value from the initial estimated value of leased property due to such factors as unexpected changes in the market environment and technological innovations.

8) Administrative and System Risk

The Group carries out its business activities using various information systems. Any error, including administrative or accidental human errors as well as fraudulence by employees, unauthorized access to systems or a computer virus from outside the Group, a stoppage or breakdown of internal operating systems, or external leaks or illicit use of information concerning customers or affiliates due to similar causes may result in damage to the customers or affiliates and lead to loss of trust from society, and this could have an adverse impact on the Group's business results.

Also, natural disasters such as earthquakes could cause damage to our data centers. As countermeasures for such risks, we have set up and maintain backup systems at both domestic and overseas sites. However, disasters of an unforeseeable scale could have an adverse impact on the Group's business results.

9) Compliance Risk

Given that the Group offers a variety of financial services, it must comply with a number of laws and regulations, such as the Installment Sales Law, the Financial Instruments and Exchange Law and the Money-Lending Business Control and Regulation Law, as well as various consumer protection and waste disposal regulations.

The Company must also comply with a wide range of social rules, from internal regulations and voluntary industry rules to social ethics and norms. The Company established the Compliance Department at the headquarters and is working to develop its compliance structure. However, failure to comply with any of the applicable laws, regulations and social norms could have an adverse impact on the Group's business results due to criminal prosecution and loss of trust from society.

10) Human Resources Risk

The Group considers employees' abilities as our important assets and is implementing intensified recruitment, well-planned educational programs and improved training programs. However, there is a risk that the Group will not be able to secure the human resources required for business operations after the reforms in cases where employees of existing businesses cannot adapt to business structural reforms, where appropriate employee placement is not conducted or where new personnel cannot be hired.

Moreover, in case the critical business know-how such as screening and collection management know-how which the Group accumulated over the years are not properly passed on to new employees, it could have an adverse impact on the Group's business results.

11) Business Partners-Related Risk

The Group conducts business in cooperation with numerous business partners due to the characteristics of the business. Despite thorough screening of other companies before committing to collaboration, the Group may have to assume responsibility in case of bankruptcy or illegal activity by a business partner, which could have an adverse impact on the Group's business results.

12) Non-Life Insurance Risk

The Group is engaged in non-life insurance business and works to reduce risks related to insurance underwriting. However, a major disaster could have an adverse impact on the Group's business due to payment of insurance claims that exceed expectations.

13) Overseas Business Risk

The Hitachi Capital Group has identified business growth in overseas markets as one of its priority strategies. The Group provides a wide range of financial services to not only Japanese companies operating overseas, but also local companies and individuals. In this context, shifts in the Group's environment resulting from changes in the statutory, regulatory and taxation requirements of each country and region as well as fluctuations in economic conditions could have an adverse impact on the Group's business results.

2. The Hitachi Capital Group

(1) Hitachi Capital Group

The Group consists of the Company and its 23 consolidated subsidiaries and, together with Hitachi Ltd., the Company's parent, and the Hitachi Group companies engaging in manufacturing and sales, provides various types of financial services to consumers and corporations in each area.

(2) Description of Business

The Group's businesses consist of the followings.

1) Financial services

Financial services are based on "products" and include operating leases and credit with residual value besides finance leases.

2) Commission services

Commission services are focused on management and consignment of products and include services leveraging our goods management know-how acquired from lease transactions, as well as outsourcing business and credit guarantee business such as the collection of accounts receivable and settlement of accounts payable, focusing on the flow of goods and making extensive use of our credit and collection capabilities.

3) Supply and sales services

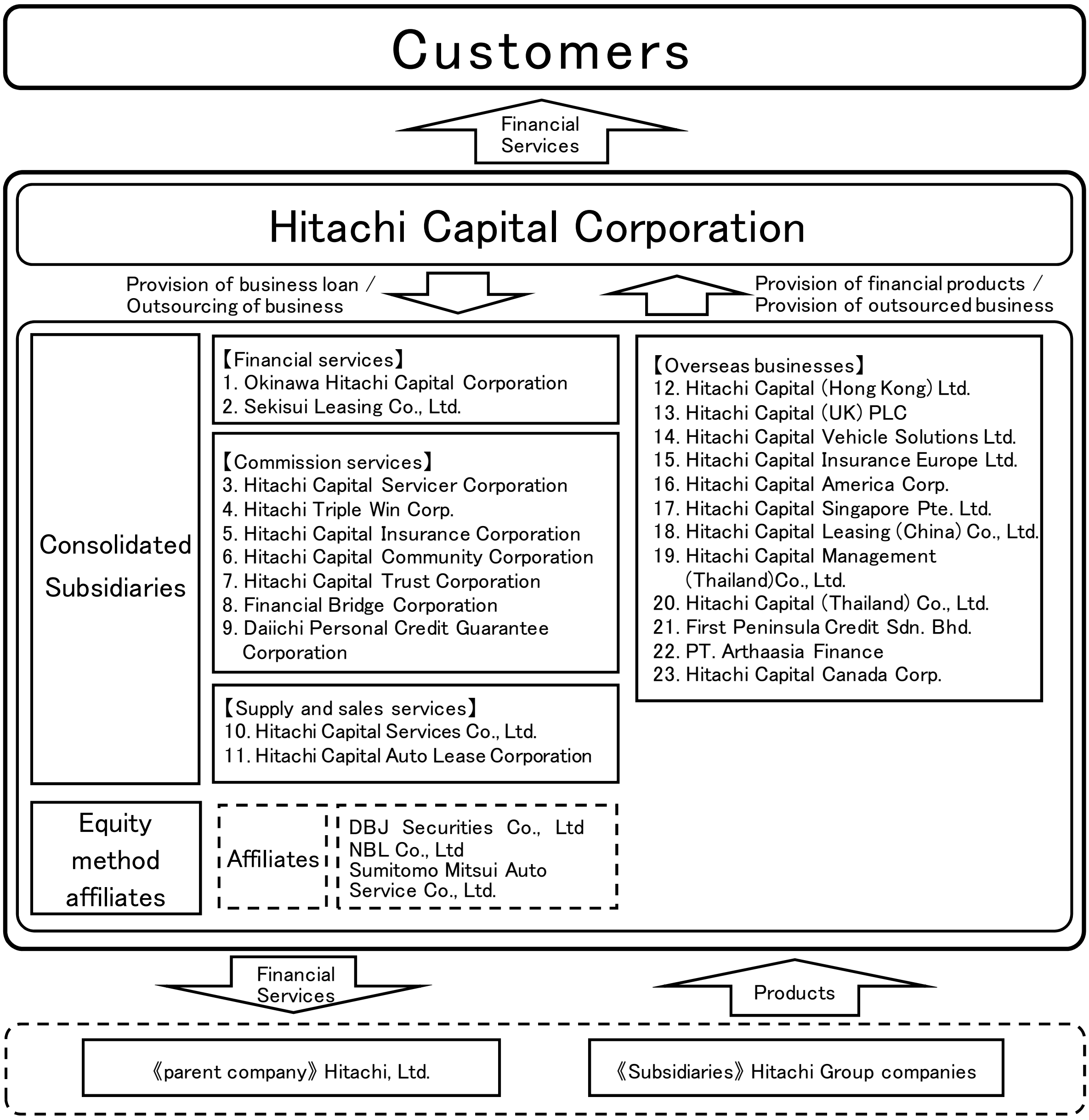
Supply and sales services are focused on the utility value and circulation of goods and include rental, auto lease and recycle and reuse transactions.

4) Overseas businesses

Overseas businesses include such businesses as finance leases and auto leases of overseas subsidiaries.

(3) Organization

The Group's businesses are organized as follows.



(Notes)

1. Hitachi Capital Invoice Finance Ltd. completed its voluntary liquidation process on April 12, 2012.

2. Hitachi Capital Canada Corp. was established on October 1, 2012.

3. Hitachi Capital Leasing (China) Co., Ltd. increased its capital from US$50,000 thousand to US$100,000 thousand through allotment to shareholders in December 2012.

4. Hitachi Capital Singapore Pte. Ltd. increased its capital from S$3,000 thousand to S$26,400 thousand through allotment to shareholders in February 2013.

5. Additional shares of Financial Bridge Corporation were acquired on March 29, 2013 and the ownership ratio increased from 60% to 90%.

6. The status of Daiichi Personal Credit Guarantee Corporation was changed from non-consolidated subsidiary to consolidated subsidiary.

(4) Group companies

(Parent company)

	Company name	Capital (¥ million)	Ownership ratio of voting rights (%)	Description of major business
1	Hitachi, Ltd.	458,790	60.66 (2.15)	Development, production, sales and provision of services of products related to information and telecommunication systems and power and industry systems

(Note) Figures in parenthesis represent indirect ownership ratio.

(Consolidated Subsidiaries)

	Company name	Capital (¥ million)	Ownership ratio of voting rights (%)	Description of major business
1	Okinawa Hitachi Capital Corporation	30	100.00	Leasing services for information communication equipment and medical equipment / Auto leasing and loan services / Loan services for home renovation / Credit services for home appliances
2	Hitachi Capital Servicer Corporation	500	100.00	Collection management of monetary claims under the servicer law / Loan purchase and factoring
3	Hitachi Capital Services Co., Ltd.	130	100.00	Leased asset management agency / Old property collection and recycling business / Prepaid television service
4	Hitachi Capital Auto Lease Corporation	300	51.00	Corporate auto leasing and vehicle management services / Auto leasing / Sales of property and casualty insurances
5	Hitachi Triple Win Corp.	50	100.00	Outsourcing of payroll calculation and accounting, treasury operations
6	Sekisui Leasing Co., Ltd.	100	90.00	General leasing business / Various types of loans
7	Hitachi Capital Insurance Corporation	6,200	79.36	Non-life insurance business / Agent service for other insurance companies and administrative operations / Guarantee of liabilities
8	Hitachi Capital Community Corporation	80	100.00	Development, operation and management of commercial facilities and residential facility
9	Hitachi Capital Trust Corporation	1,000	100.00	Trust services for monetary claims, movable estates, money, real estate, and securities / Sales of trust beneficiary rights
10	Financial Bridge Corporation	50	90.00	Provision of outsourcing services for "collective factoring service"
11	Daiichi Personal Credit Guarantee Corporation	10	100.00	Credit guarantee for consumer finance
12	Hitachi Capital (Hong Kong) Ltd.	HK$10,000 thousand	100.00	Leasing and credit services for information communication equipment, industrial equipment, and others / Credit services for automobiles, PCs, furniture, residential equipment, home appliances, and others

	Company name	Capital	Ownership ratio of voting rights (%)	Description of major business
13	Hitachi Capital (UK) PLC	£10,668 thousand	100.00	Leasing and credit services for industrial equipment / Invoice discounting and factoring / Credit service for PCs, furniture, and home appliances
14	Hitachi Capital Vehicle Solutions Ltd.	£1,700 thousand	100.00 (100.00)	Leasing for car and commercial vehicle / Fleet management
15	Hitachi Capital Insurance Europe Ltd.	€8,580 thousand	100.00 (100.00)	Underwriting of non-life insurance such as credit insurance / Underwriting of income indemnity insurance and product assurance insurance
16	Hitachi Capital America Corp.	US$13,000 thousand	100.00	Leasing services for information technology equipment, industrial equipment, commercial trucks, and others / Factoring
17	Hitachi Capital Singapore Pte. Ltd.	S$26,400 thousand	100.00	Leasing and credit services for information communication equipment, industrial equipment, and others / Credit services for PCs, furniture, residential equipment, home appliances / Car sales, auto leasing, car maintenance
18	Hitachi Capital Leasing (China) Co., Ltd.	US$100,000 thousand	90.00	Leasing services for medical equipment, industrial equipment, and others
19	Hitachi Capital Management (Thailand) Co., Ltd.	THB2,000 thousand	49.00 (24.50)	Consulting service for Hitachi Capital (Thailand) Co., Ltd.
20	Hitachi Capital (Thailand) Co., Ltd.	THB100,000 thousand	73.99 (49.49)	Leasing and credit services for information communication equipment, industrial equipment, and others
21	First Peninsula Credit Sdn. Bhd.	RM3,000 thousand	75.00	Finance for rebuilt trucks and insurance agent
22	PT. Arthaasia Finance	IDR 100,000,000 thousand	75.00	Financing for used commercial vehicles and insurance
23	Hitachi Capital Canada Corp.	C$5,000 thousand	100.00 (100.00)	Commercial truck finance / Inventory finance for dealers

(Note) Figures in parenthesis represent indirect ownership ratio.

3. Management Policies

(1) Basic Management Policy

[Management Philosophy]
The Hitachi Capital Group adopts the following management policy to "contribute to creating a better society through the cultivation of financial services needed by customers and society."

1. Sustainable growth
As a credibility-first financial service business, we will achieve sustainable growth backed by high-quality management.

2. Respect for human dignity
We will strive to increase our corporate strengths by improving ourselves as persons and treating each other with respect.

3. Implementation of corporate ethics
We will voluntarily act in accordance with laws and ethics and contribute to the development of a wholesome society.

(2) Mid- to Long-Term Management Strategies and Issues to be Addressed

Overseas economy is expected to continue to show modest growth as the decelerating trend in emerging countries is coming to an end, and domestic business sentiment is also expected to improve due to the current administration's aggressive monetary easing policy. However, it does not seem to lead to an immediate increase in capital investment, and as a result, business environment surrounding the Group is expected to remain severe.

Under such environment, the Group intends to ensure the achievement of the growth strategies and enhancement of management base, with the Smart Transformation Project as the driving force, and will seek sustainable growth through a transition to the growth stage and transformation to "high profitability business." Measures by service are as follows:

1) Financial services
Businesses based on "products" such as finance lease remain as the Group's key business and our revenue base. However, as significant expansion of the market can no longer be expected in the future, we intend to value the marketability, sort out, shift management resources and improve cost structure by improving operation efficiency, in order to reform business structure promptly and ensure profitability.

2) Commission services
As the basis for revenue growth of the Group, we focus on collection and guarantee business and also intend to devote management resources to establish new businesses and further expand function-oriented service business.

3) Supply and sales services
We will focus on the use, utility value and circulation of "products" in rental, auto lease and recycle/reuse transactions, and develop our business by specializing in focused products and high added value products.

4) Overseas businesses
Under the leadership of International Business Division, overseas business intends to enhance information

gathering and transmission and human resource cultivation in Hong Kong HQ, Tokyo sub office and Singapore sub office. Also, measures to be taken to ensure the achievement of the growth strategies include development of finance service business focusing on quality, development of locally-based business in Europe, North America and Asia, and enhancement of product development power to match the market, primarily in base business such as finance lease and auto lease.

(3) Target Management Indicator

The Group considers "ROE" and "ROA" as important management indicators from a perspective of shareholder-oriented business, profitability and business efficiency.
The Group aims to improve these indicators by ensuring to achieve management strategies and address issues.

Consolidated Financial Statements

1. Consolidated Balance Sheets

(¥ million)

	As of March 31, 2012	As of March 31, 2013
(Assets)		
Current assets		
Cash on hand and at bank	22,519	22,561
Trade receivables	658,965	706,993
Investment in direct finance leases	522,099	608,376
Parent company deposit	111,562	114,793
Short-term investments	5,648	6,700
Advance payments-trade	3,018	9,247
Prepaid expenses	4,976	5,961
Deferred tax assets	10,435	10,674
Other	10,176	18,107
Allowance for doubtful accounts	△ 13,883	△ 13,699
Total current assets	1,335,519	1,489,718
Fixed assets		
Property and equipment		
Equipment held for lease	196,916	204,051
Equipment for company use		
Building and structures (net)	666	717
Machinery, equipment and vehicles (net)	905	788
Furniture and fixtures (net)	994	1,522
Land	120	133
Total own-used assets	2,687	3,161
Total property and equipment	199,603	207,213
Intangible fixed assets		
Equipment held for lease	40,487	39,811
Other intangible assets		
Goodwill	6,493	5,453
Other	5,008	6,140
Total other intangible assets	11,502	11,593
Total intangible fixed assets	51,990	51,405
Investments and other assets		
Investments in securities	134,236	104,908
Deferred tax assets	9,276	8,377
Other	26,621	29,813
Allowance for doubtful accounts	△ 5	△ 5
Total investments and other assets	170,128	143,093
Total fixed assets	421,722	401,713
Total assets	1,757,241	1,891,431

unaudited

(¥ million)

	As of March 31, 2012	As of March 31, 2013
(Liabilities)		
Current liabilities		
Trade payables	269,993	256,226
Short-term bank loans	267,688	221,315
Commercial paper	105,534	138,626
Current portion of bonds	88,459	42,561
Current portion of long-term obligation for securitized lease receivables	56,146	53,731
Accrued Payable	49,096	41,915
Income taxes payable	1,932	3,517
Deferred tax liabilities	1,571	—
Allowance for losses on guarantees	4,903	3,978
Asset retirement obligations	115	64
Other	42,391	49,542
Total current liabilities	887,832	811,479
Fixed liabilities		
Bonds	179,807	249,739
Long-term debt	317,841	440,393
Long-term obligation for securitized lease receivables	44,179	36,429
Deferred tax liabilities	587	3,762
Retirement and severance benefits	4,614	4,469
Retirement benefits for directors	188	185
Reserve for insurance contract	6,827	6,724
Asset retirement obligations	4,875	5,213
Other	40,082	44,140
Total fixed liabilities	599,005	791,057
Total liabilities	1,486,837	1,602,537
(Net Assets)		
Stockholders' equity		
Common stock	9,983	9,983
Capital surplus	45,972	45,972
Retained earnings	223,048	235,504
Treasury stock	△ 14,331	△ 14,331
Total stockholders' equity	264,673	277,128
Accumulated other comprehensive income		
Net unrealized holding gain on securities	7,080	6,556
Net unrealized loss on hedge accounting	△ 1,144	△ 1,434
Foreign currency translation adjustments	△ 8,341	△ 2,823
Total accumulated other comprehensive income	△ 2,406	2,298
Minority interests	8,137	9,466
Total net assets	270,404	288,894
Total liabilities and net assets	1,757,241	1,891,431

unaudited

2.Consolidated Statements of Income

(¥ million)

	For the Year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	For the Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)
Revenues		
Operating revenues	92,164	102,392
Interest and dividend income	830	912
Total revenues	92,994	103,304
Expenses		
Selling, general and administrative expenses	57,168	61,335
Financing costs	13,588	16,347
Total expenses	70,756	77,683
Operating income	22,238	25,620
Non-operating revenues		
Gain on equity of affiliated companies	188	1,753
Gain on sales of investment securities	100	88
Gain on sales of noncurrent assets	455	0
Amortization of negative good will	128	—
Subsidy revenue	121	—
Other	9	34
Total non-operating income	1,004	1,875
Non-operating expenses		
Loss on retirement of fixed assets	67	54
Loss on valuation of investment securities	—	12
Loss on redemption of securities	—	11
Impairment loss	376	3
Loss on sales of investment securities	119	1
Other	42	10
Total non-operating expenses	605	94
Ordinary income	22,637	27,401
Extraordinary income		
Gain on reversal of provision for disaster	2,674	—
Total extraordinary income	2,674	—
Extraordinary losses		
Loss on valuation of investments securities	974	—
Extra retirement payments	—	2,019
Total extraordinary losses	974	2,019
Income before income taxes and minority interests	24,337	25,382
Income taxes	7,129	5,456
Differed income taxes	4,328	2,467
Total income taxes	11,457	7,923
Income before minority interests	12,879	17,458
Minority interests	192	911
Net income	12,687	16,546

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Consolidated statement of Comprehensive Income

(¥ million)

	For the Year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	For the Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)
Income before minority interests	12,879	17,458
Other comprehensive income		
Net unrealized losses on other securities	608	△ 554
Net deferred losses on hedges	△ 756	△ 289
Foreign currency translation adjustments	321	5,731
Share of other comprehensive income of affiliates accounted for by the equity method	—	32
Total other comprehensive income	173	4,920
Comprehensive income	13,053	22,379
（Comprehensive income attributable to）		
Comprehensive income attributable to shareholders of the parent	12,817	21,252
Comprehensive income attributable to minority interests	236	1,126

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3.Consolidated Changes in Stockholders' Equity, etc.

(¥ million)

	For the Year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	For the Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	9,983	9,983
Changes of items during the period		
Total changes of items during the period	―	―
Balance at the end of current period	9,983	9,983
Capital surplus		
Balance at the end of previous period	45,972	45,972
Changes of items during the period		
Total changes of items during the period	―	―
Balance at the end of current period	45,972	45,972
Retained earnings		
Balance at the end of previous period	214,101	223,048
Changes of items during the period		
Cash dividends	△ 3,740	△ 4,091
Net income	12,687	16,546
Disposal of treasury stock	△ 0	△ 0
Total changes of items during the period	8,946	12,455
Balance at the end of current period	223,048	235,504
Treasury stock		
Balance at the end of previous period	△ 14,331	△ 14,331
Changes of items during the period		
Purchase of treasury stock	△ 0	△ 0
Disposal of treasury stock	0	0
Total changes of items during the period	0	△ 0
Balance at the end of current period	△ 14,331	△ 14,331
Total stockholder's equity		
Balance at the end of previous period	255,726	264,673
Changes of items during the period		
Cash dividends	△ 3,740	△ 4,091
Net income	12,687	16,546
Purchase of treasury stock	△ 0	△ 0
Disposal of treasury stock	0	0
Total changes of items during the period	8,946	12,455
Balance at the end of current period	264,673	277,128

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(¥ million)

	For the Year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	For the Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)
Accumulated other comprehensive income		
Net unrealized holding gain/loss on other securities		
Balance at the end of previous period	6,474	7,080
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	605	△ 523
Total changes of items during the period	605	△ 523
Balance at the end of current period	7,080	6,556
Net unrealized gain on hedging derivatives		
Balance at the end of previous period	△ 388	△ 1,144
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	△ 756	△ 289
Total changes of items during the period	△ 756	△ 289
Balance at the end of current period	△ 1,144	△ 1,434
Foreign currency translation adjustments		
Balance at the end of previous period	△ 8,623	△ 8,341
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	281	5,518
Total changes of items during the period	281	5,518
Balance at the end of current period	△ 8,341	△ 2,823
Total accumulated other comprehensive income		
Balance at the end of previous period	△ 2,536	△ 2,406
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	130	4,705
Total changes of items during the period	130	4,705
Balance at the end of current period	△ 2,406	2,298
Minority interests		
Balance at the end of previous period	1,608	8,137
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	6,529	1,329
Total changes of items during the period	6,529	1,329
Balance at the end of current period	8,137	9,466
Total net assets		
Balance at the end of previous period	254,797	270,404
Changes of items during the period		
Cash dividends	△ 3,740	△ 4,091
Net income	12,687	16,546
Purchase of treasury stock	△ 0	△ 0
Disposal of treasury stock	0	0
Net changes of items other than shareholders' equity during the period	6,659	6,034
Total changes of items during the period	15,606	18,490
Balance at the end of previous period	270,404	288,894

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4. Consolidated Cash Flows

(¥ million)

	For the Year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	For the Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)
Cash flow from operating activities		
Income before income taxes and minority interests	24,337	25,382
Depreciation	77,248	77,750
Loss on valuation of investment securities(△ represents gain)	974	12
Impairment loss	376	3
Gain on reversal of provision for disaster	△ 2,674	—
Extra retirement payments	—	2,019
Depreciation of goodwill	1,017	1,306
Amortization of negative good will	△ 128	—
Equity in earnings of affiliates(△ represents gain)	△ 188	△ 1,753
Interest and dividend income	△ 524	△ 582
Interest expense	11,548	13,941
Increase (decrease) in trade receivables (△ represents increase)	△ 138,059	△ 5,890
Increase in investment in direct finance lease (△ represents increase)	△ 49,959	△ 72,583
Decrease (increase) in allowance for doubtful accounts (△ represents decrease)	△ 374	△ 936
Increase in allowance for losses on loan guarantees (△ represents decrease)	△ 1,661	△ 923
Gain on disposal of equipment for leases (△ represents gain)	△ 874	△ 1,488
Acquisition of equipment for lease	△ 90,589	△ 88,182
Gain on sale of equipment for lease	43,050	51,621
Increase (decrease) in trade payable (△ represents decrease)	48,974	△ 13,054
Decrease in trade payable of collection under fluidity receivables (△ represents decrease)	△ 33,901	△ 10,211
Increase (decrease) in retirement and severance benefits (△ represents decrease)	60	△ 153
Other	23,820	3,492
Subtotal	△ 87,527	△ 20,230
Income taxes paid	△ 18,375	△ 5,607
Net cash provided by operating activities	△ 105,903	△ 25,837
Cash flows from investing activities		
Payments into time deposits	△ 4,881	△ 8,002
Proceeds from withdrawal of time deposits	2,921	7,712
Purchase from sale of short-term investments	△ 9,098	△ 13,495
Proceeds from sales and repayment of short-term investments	7,850	12,649
Purchase of investments in securities	△ 806	△ 42,700
Proceeds from sales and repayment of investment securities	941	15,600
Purchase of investments in subsidiaries resulting in change in scope of consolidation	△ 4,712	—
Revenues from sales of subsidiary stock with the change of scope of consolidation	660	—
Purchase of investments in subsidiaries	—	△ 35
Proceeds from sales of investments in subsidiaries	6,163	—
Purchase of investments of affiliated companies	△ 18,903	—
Payments for transfer of business	—	△ 1,373
Purchase of equipment for company use	△ 690	△ 1,020
Purchase of other intangible fixed assets	△ 1,465	△ 3,100
Interest and dividends received	503	1,281
Increase in short-term loans receivable (△ represents increase)	—	△ 5,000
Other	1,211	8
Net cash used in investing activities	△ 20,306	△ 37,476

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	For the Year ended March 31, 2012 (April 1, 2011 to March 31, 2012)	For the Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)
		(¥ million)
Cash flows from financing activities		
Increase (decrease) in short-term loans(△represents decrease)	21,825	△ 13,689
Increase (decrease) in commercial paper(△represents decrease)	60,272	30,643
Proceeds from long-term borrowings	177,436	186,945
Payment of long-term borrowings	△ 98,995	△ 137,297
Issuance of bonds	72,711	103,625
Redemption of bonds	△ 60,214	△ 88,095
Interest paid	△ 11,556	△ 13,773
Acquisition of treasury stock(△ represents increase)	0	△ 0
Proceeds from stock issuance to minority shareholders	—	412
Dividends paid to stockholders	△ 3,740	△ 4,091
Dividends paid to minority stockholders of subsidiaries	△ 13	△ 216
Net cash used in financing activities	157,723	64,463
Effect of exchange rate changes on cash and cash equivalents	123	1,778
Net increase (decrease) in cash and cash equivalents(△represents decrease)	31,638	2,928
Cash and cash equivalents at beginning of year	98,190	129,828
Cash and cash equivalents at end of year	129,828	132,756

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(5) Notes to the Consolidated Financial Statements

(Significant Basis for Preparation of the Consolidated Financial Statements)

1 Scope of consolidation

All subsidiaries are consolidated.

Number of consolidated subsidiaries: 23

Names of the consolidated subsidiaries are not disclosed here as they are listed in "2. The Hitachi Capital Group (4) Group companies."

During the year ended March 31, 2013, Hitachi Capital Invoice Finance Ltd. completed its voluntary liquidation process and was excluded from the scope of the consolidation. Also, newly established Hitachi Capital Canada Corp. and Daiichi Personal Credit Guarantee Corporation, which was previously a non-consolidated subsidiary accounted for using the equity method, were included in the scope of consolidation.

2 Application of the equity method

Number of affiliates accounted for using the equity method: 3

3 Fiscal year of consolidated subsidiaries

The fiscal year-ends of the consolidated subsidiaries which differ from that of the Company were as follows:

Company name	Fiscal year-end
Hitachi Capital Leasing (China) Co., Ltd.	December 31 *1
PT. Arthaasia Finance	December 31 *2

*1: The Company used the preliminary financial statements of the company as of the consolidated fiscal year-end.

*2: The Company used the financial statements of the company as of its fiscal year-end for the consolidated financial statements for the year ended March 31, 2012, but used the preliminary financial statements of the company as of the consolidated fiscal year-end for the consolidated financial statements for the year ended March 31, 2013 in order to ensure more appropriate disclosure of the consolidated financial statements. As a result, profit and loss of the company for the period of 15 months from January 1, 2012 to March 31, 2013 was included in the consolidated statements of income for the year ended March 31, 2013. The impact of this change on earnings is insignificant.

4 Accounting policies

(1) Valuation basis and method for major assets

1) Securities

Debt securities held to maturity

Debt securities held to maturity are stated at amortized cost.

Available-for-sale securities

With fair value:

Securities with fair value are marked to market based on the market value at the consolidated fiscal year-end (Unrealized gains and losses are directly recorded in net assets and cost of securities sold is calculated using the moving-average method).

Without fair value:

Securities without fair value are stated at cost based on the moving–average method.

2) Derivative: Marked to market

(2) Depreciation method for major depreciable assets

1) Assets for rent

Assets for rent are depreciated using the straight line method over the lease term.

2) Property and equipment other than equipment held for lease

Property and equipment other than equipment held for lease are depreciated using the straight line method.

3) Intangible fixed assets other than equipment held for lease

Intangible fixed assets other than equipment held for lease are depreciated using the straight line method.

Software is amortized using the straight line method over the internal useful life of five years.

(3) Accounting for major allowances

1) Allowance for doubtful accounts

Trade receivables are classified into five categories based on the historical data of collection: performing, special mention, possible bankrupt, substantially bankrupt, and legally bankrupt. The unrecoverable amount for each category is estimated as follows:

(i) Allowance for performing receivables is provided for the estimated uncollectible amount calculated using the actual loss ratio taking into consideration the business characteristics such as collection term.

(ii) Allowance for special mention receivables is provided at the rate of 10% to 50% depending on the status of the receivable.

(iii) Allowance for possible bankrupt receivables is provided for the full amount of the receivable.

(iv) No allowance for substantially and legally bankrupt receivables is provided as the entire amount of such receivable are expensed as credit loss.

2) Allowance for losses on guarantees

Allowance for losses on guarantees is provided for the estimated uncollectible amount calculated using the same criteria as allowance for doubtful accounts.

3) Retirement and severance benefits

Allowance for retirement and severance benefits is provided for the amount payable as of the current consolidated fiscal year–end based on the projected retirement benefits obligation and pension assets as of the current consolidated fiscal year–end.

Actuarial gains and losses are amortized using the straight line method over the employees' average remaining service years at the time of occurrence from the following year of occurrence.

Prior service costs are amortized using the straight line method over the employees' average remaining service years at the time of occurrence.

4) Retirement benefits for directors

As of March 31, 2008, retirement benefits for director were terminated.

The remaining balance as of March 31, 2013 will be reversed when the directors retire and the amount of retirement benefits is determined.

(4) Revenue recognition

1) Finance lease

Interest income is recorded during each fiscal period as operating revenues mainly by the interest method.

For finance lease transactions that do not transfer ownership which commenced prior to the application of accounting standard for lease transactions on April 1, 2008, the total amount equivalent to interest is allocated and recognized in equal amounts over the lease term.

2) Operating lease

Lease revenue is recognized over the lease term when lease payments become due.

3) Loan guarantee arrangements

The fees from customers are recognized at the inception of loans when the customers pay total commissions. The amount of the guarantee commissions received from the financial institutions is recognized by the interest method.

4) Purchase of installment receivables

Interest income is recorded as operating revenue by the interest method and allocated to each fiscal period.

5) Installment sales

Interest income on installment sales is recognized as operating revenue by the interest method and allocated to each fiscal period.

(5) Accounting for material hedge transactions

1) Method of hedge accounting

Deferred hedge method is used.

Special accounting method is used for interest rate swaps which meet certain requirements.

2) Hedge instruments and hedged items

Hedge instruments: Interest rate swaps, currency swaps and forward exchange contracts

Hedged items: Receivables, payables and forecasted transactions

3) Hedge policy

Derivative transactions are used to hedge interest rate and currency risk arising from financing activities.

Counterparties to derivative transactions are limited to financial institutions with a high credit rating.

4) Evaluation method for hedge effectiveness

Hedge effectiveness is evaluated by comparing the accumulated changes in quoted price of or cash flows from the hedged items and the accumulated changes in quoted price of or cash flows from the hedging instruments and analyzing their rate of variability.

(6) Amortization method and period of goodwill

Goodwill is generally amortized in equal amount over five years. Hitachi Capital (UK) PLC, a wholly-owned subsidiary, amortizes goodwill in equal amount over 20 years.

(7) Scope of cash and cash equivalent on the consolidated statement of cash flows

Cash and cash equivalent consist of cash on hand, demand deposit, deposit, and short-term investments with an original maturity of three months or less that are readily convertible to cash and subject to insignificant risk of changes in value.

(8) Other significant matters for preparation of the consolidated financial statements

1) Accounting for consumption taxes

Consumption taxes for domestic companies are accounted for using the tax exclusive method.

2) Application of consolidated tax payment system

The Group applies the consolidated tax payment system.

(Consolidated Balance Sheet)

(￥ million)

	Previous Fiscal Year	Current Fiscal Year
1. Accumulated depreciation of property and equipment	1,361,618	1,323,914
2. Accumulated reduction entry of property and equipment	609	571
3. Outstanding balance of guarantee obligation	412,881	416,944

(Consolidated Statement of Changes in Shareholders' Equity)

Previous consolidated fiscal year (from April 1, 2011 to March 31, 2012)

1 Class and number of shares issued and outstanding and class and number of treasury stock

	Number of shares at April 1, 2011	Increase	Decrease	Number of shares at March 31, 2012
Shares issued and outstanding				
Common stock (shares)	124,826,552	—	—	124,826,552
Total	124,826,552	—	—	124,826,552
Treasury stock				
Common stock (shares)	7,938,770	33	42	7,938,761
Total	7,938,770	33	42	7,938,761

(Summary of changes)

Number of treasury stock increased due to the following reason:

Purchase of treasury stock 33 shares

Number of treasury stock decreased due to the following reason:

Disposal of treasury stock 42 shares

2 Subscription rights to new shares and treasury subscription rights to shares

Not applicable

3 Dividends

(1) Dividends paid

(Resolution)	Class of shares	Total dividends paid (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors Meeting on May 23, 2011	Common stock	1,870	16.00	March 31, 2011	May 27, 2011
Board of Directors Meeting on October 27, 2011	Common stock	1,870	16.00	September 30, 2011	November 30, 2011

(2) Dividends with a record date belonging to the current consolidated fiscal year but to be effective in the following fiscal year

(Resolution)	Class of shares	Total dividends paid (Millions of yen)	Source	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting on May 25, 2012	Common stock	1,987	Retained earnings	17.00	March 31, 2012	May 30, 2012

Current consolidated fiscal year (From April 1, 2012 to March 31, 2013)

1 Class and number of shares issued and outstanding and class and number of treasury stock

	Number of shares at April 1, 2012	Increase	Decrease	Number of shares at March 31, 2013
Shares issued and outstanding				
Common stock (shares)	124,826,552	—	—	124,826,552
Total	124,826,552	—	—	124,826,552
Treasury stock				
Common stock (shares)	7,938,761	176	38	7,938,899
Total	7,938,761	176	38	7,938,899

(Summary of changes)

Number of treasury stock increased due to the following reason:

Purchase of treasury stock 176 shares

Number of treasury stock decreased due to the following reason:

Disposal of treasury stock 38 shares

2 Subscription rights to new shares and treasury subscription rights to shares

Not applicable

3 Dividends

(1) Dividends paid

(Resolution)	Class of shares	Total dividends paid (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors Meeting on May 25, 2012	Common stock	1,987	17.00	March 31, 2012	May 30, 2012
Board of Directors Meeting on October 29, 2012	Common stock	2,103	18.00	September 30, 2012	November 28, 2012

(2) Dividends with a record date belonging to the current consolidated fiscal year but to be effective in the following fiscal year

The following dividend is expected to be approved.

(Resolution)	Class of shares	Total dividends paid (Millions of yen)	Source	Dividend per share (Yen)	Record date	Effective date
Board of Directors Meeting on May 30, 2013	Common stock	2,337	Retained earnings	20.00	March 31, 2013	May 31, 2013

(Consolidated Statement of Cash Flows)

A reconciliation of cash and cash equivalent and the account balance on the consolidated balance sheet

(¥ million)

	Previous Consolidated Fiscal Year (From April 1, 2011 to March 31, 2012)	Current Consolidated Fiscal Year (From April 1, 2012 to March 31, 2013)
Cash and deposits	22,519	22,561
Parent company deposits	111,562	114,793
Total	134,082	137,355
Time deposits with a maturity of more than three months	△4,254	△4,598
Cash and cash equivalent	129,828	132,756

(Segment Information)

【Segment information】

1 Overview of reportable segments

The Company's reportable segments are components of the Company for which separate financial information is available that are reviewed by the Board of Directors regularly to make decisions regarding the allocation of management resources and evaluate operating performance.

The Hitachi Capital Group provides a wide range of financial services and systems that focus on "products" aimed at meeting our customers' needs while also deepening ties with affiliated companies.

The Group has four reportable segments: Financial services based on "products"; Commission services that leverage management knowhow about "products"; Supply and sales services that concentrate on the use, utility value and circulation of "products"; and overseas businesses such as finance lease transactions in different countries.

Financial services provide finance business based on "products" including finance leases.

Commission services include services leveraging management knowhow about "products" as well as outsourcing business and credit guarantee business that focus on the flow of "products" and make extensive use of our credit and collection capabilities, such as collection of accounts receivable and settlement of accounts payable.

Supply and sales services focus on the use, utility value and circulation of "products" and include rental, auto lease and recycling and reuse-based transactions.

Overseas businesses include finance leases at each overseas site.

2 Calculation methods of revenues, income or loss by reportable segments

Accounting policies for the reportable business segments are consistent with those described in "Significant Basis for Preparation of the Consolidated Financial Statements."

Inter-segment revenues and transfers are based on market prices.

3　Information on revenues and income and loss by reportable segments

Previous consolidated fiscal year (From April 1, 2011 to March 31, 2012)

(¥ million)

	Reportable segment					Others (Note 1)	Total	Adjust-ments (Note 2)	Consolidated statements of income (Note 3)
	Financial services	Commission services	Supply and sales services	Overseas business	Total				
Revenues									
Revenues from external customers	38,157	14,617	11,234	28,489	92,498	496	92,994	—	92,994
Inter-segment revenues or transfers	1,432	1,399	805	△0	3,636	—	3,636	(3,636)	—
Total	39,590	16,016	12,039	28,489	96,135	496	96,631	(3,636)	92,994
Segment income	9,988	1,793	3,789	9,433	25,005	496	25,501	(3,262)	22,238

(Notes) 1 "Others" section represents financial revenue of headquarters management division that does not belong to reportable segments.

2 Adjustments of segment income of (3,262) million yen include elimination of intra-segment transactions and transactions such as dividends with consolidated subsidiaries of (451) million yen and company-wide expense that is not allocated to reportable segments of (2,811) million yen. The company-wide expense mainly represents general and administrative expense that does not belong to reportable segments.

3 Segment income is reconciled to operating income on the consolidated statements of income.

4 Goodwill and assets are not allocated to reporting segments. Goodwill was recorded through the acquisition of subsidiaries. 6,493 million yen remains unamortized while 1,017 million yen was amortized.

Current consolidated fiscal year (From April 1, 2012 to March 31, 2013)

(¥ million)

	Reportable segment					Others (Note 1)	Total	Adjust-ments (Note 2)	Consolidated statements of income (Note 3)
	Financial services	Commission services	Supply and sales services	Overseas business	Total				
Revenues									
Revenues from external customers	36,646	14,971	11,072	40,080	102,771	533	103,304	—	103,304
Inter-segment revenues or transfers	1,697	1,039	658	—	3,395	—	3,395	(3,395)	—
Total	38,344	16,011	11,731	40,080	106,166	533	106,700	(3,395)	103,304
Segment income	11,947	1,698	3,435	12,221	29,302	533	29,835	(4,214)	25,620

(Note) 1 "Others" section represents the financial revenue of headquarters management division that does not belong to reportable segments.

2 Adjustments of segment income of (4,214) million yen include elimination of intra-segment transactions and transactions such as dividends with consolidated subsidiaries of (432) million yen and company-wide expense that is not allocated to reportable segments of (3,781) million yen. The company-wide expense mainly represents general and administrative expense that does not belong to reportable segments.

3 Segment income is reconciled to operating income on the consolidated statements of income.

4 Goodwill and assets are not allocated to reporting segments. Goodwill was recorded through the acquisition of subsidiaries. 5,453 million yen remains unamortized while 1,306 million yen was amortized.

(Per Share Information)

Basis for calculation of net assets per share and earnings per share are as follows.

Items	Previous Consolidated Fiscal Year-End (March 31, 2012)	Current Consolidated Fiscal Year-End (March 31, 2013)
(1) Net assets per share	2,243.75 Yen	2,390.56 Yen
(Basis for calculation)		
Total net assets (¥ million)	270,404	288,894
Exclusion from total net assets (¥ million)	8,137	9,466
(Of which, minority interests) (¥ million)	(8,137)	(9,466)
Net assets attributable to common stock at March 31 (¥ million)	262,266	279,427
Number of common stock used in calculation of net assets per share at year-end	116,887,791	116,887,653

Items	Previous Consolidated Fiscal Year (From April 1, 2011 to March 31, 2012)	Current Consolidated Fiscal Year (From April 1, 2012 to March 31, 2013)
(2) Earnings per share	108.54 Yen	141.56 Yen
(Basis for calculation)		
Net income on Consolidated statements of income	12,687	16,546
Net income attributable to common stock (¥ million)	12,687	16,546
Amount not attributable to common stockholders (¥ million)	—	—
Weighted average number of common stock during the year	116,887,771	116,887,771

(Note) Diluted earnings per share is not disclosed as the Company has no dilutive shares.

(Significant Subsequent Events)

Current consolidated fiscal year (From April 1, 2012 to March 31, 2013)

1. The Company acquired shares of NBL Co., Ltd. owned by the Bank of Tokyo-Mitsubishi UFJ, Ltd. as described below and made it a wholly-owned subsidiary on April 1, 2013.

(1) Purpose of the acquisition

To enhance fundamental business through the integration of vendor lease-related major businesses with NBL Co., Ltd.

(2) Name of the transferor

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

(3) Name, type of business and size of the acquired company

Name : NBL Co., Ltd.

Type of Business : General leasing business

Size : Fiscal year ended March 31, 2012

Capital:	¥10,000 million
Total Assets:	¥190,219 million
Revenue:	¥62,352 million
Ordinary Income:	¥2,982 million
Net Income:	¥612 million

(4) Acquisition date

April 1, 2013

(5) Number of acquired shares, acquisition price and ownership ratio before and after the acquisition

Number of acquired shares :	12,000,000 shares
Acquisition price :	¥2,400 million
Ownership ratio before the acquisition:	40%
Ownership ratio after the acquisition:	100%

2. The Company determined to issue its 46th and 47th unsecured straight bonds (with limited interbond pari passu clause) on March 28, 2013 and issued with terms and conditions described below:

	46th	47th
(1) Total issue amount	¥20 billion	¥15 billion
(2) Issue price	¥100 per ¥100 bond face value	
(3) Payment date	April 23, 2013	
(4) Redemption date	The principal of the bond will be redeemed in full on June 20, 2018.	The principal of the bond will be redeemed in full on March 20, 2023.
(5) Interest rate	0.447% per annum	0.874% per annum
(6) Purpose of use of the proceeds	To fund redemption of short-term bonds	

6. Segment information

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

For the Year Ended March 31, 2012 (April 1, 2011 - March 31, 2012)

(¥ million)

	Reportable segment					Others (Note 1)	Total	Adjustment (Note 2)	Consolidated statement of income (Note 3)
	Financial services	Commission services	Supply and sales services	Overseas business	Total				
Sales revenue									
Sales revenue for external customers	38,157	14,617	11,234	28,489	92,498	496	92,994	―	92,994
Internal sales revenue or transfer between segments	1,432	1,399	805	△ 0	3,636	―	3,636	(3,636)	―
Total	39,590	16,016	12,039	28,489	96,135	496	96,631	(3,636)	92,994
Segment income	9,988	1,793	3,789	9,433	25,005	496	25,501	(3,262)	22,238

(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 (3,262) million yen includes the amount (451) million yen as elimination of intra-segment transaction and elimination of transaction of dividends with consolidated subsidiaries and the amount (2,811) 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 consolidated statements of income.
4. Goodwill and assets are not allocated to individual segments.Goodwill arose from the acquisition of a subsidiary. Of this amount 1,017 million yen has been amortized, and an unamortized balance of 6,493 million yen remains.

For the Year Ended March 31, 2013 (April 1, 2012 - March 31, 2013)

(¥ million)

	Reportable segment					Others (Note 1)	Total	Adjustment (Note 2)	Consolidated statement of income (Note 3)
	Financial services	Commission services	Supply and sales services	Overseas business	Total				
Sales revenue									
Sales revenue for external customers	36,646	14,971	11,072	40,080	102,771	533	103,304	―	103,304
Internal sales revenue or transfer between segments	1,697	1,039	658	―	3,395	―	3,395	(3,395)	―
Total	38,344	16,011	11,731	40,080	106,166	533	106,700	(3,395)	103,304
Segment income	11,947	1,698	3,435	12,221	29,302	533	29,835	(4,214)	25,620

(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 (4,214) million yen includes the amount (432) million yen as elimination of intra-segment transaction and elimination of transaction of dividends with consolidated subsidiaries and the amount (3,781) 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 consolidated statements of income.
4. Goodwill and assets are not allocated to individual segments.Goodwill arose from the acquisition of a subsidiary. Of this amount 1,306 million yen has been amortized, and an unamortized balance of 5,453 million yen remains.

＜Supplementary Information ＞

1. Change in Quarterly Consolidated Performance

Consolidated Results for the Year Ended March 31, 2013

(¥ million)

Item \ Quarter	No.	1st Quarter (April 1, 2012 - June 30, 2012)	2nd Quarter (July 1, 2012 - September 30, 2012)	3rd Quarter (October 1, 2012 - December 31, 2012)	4th Quarter (January 1, 2013 - March 31, 2013)	Annual Cumulative (April 1, 2012– March 31, 2013)
Revenues	1	24,729	24,324	25,396	28,853	103,304
Operating revenues	2	24,569	24,118	25,219	28,485	102,392
Interest and dividend income	3	160	205	177	368	912
Expenses	4	18,410	18,804	20,206	20,262	77,683
Selling, general and administrative expenses	5	14,578	15,058	15,857	15,841	61,335
Financing costs	6	3,831	3,746	4,349	4,420	16,347
Operating income	7	6,319	5,520	5,189	8,591	25,620
Non-operating revenues	8	390	971	291	222	1,875
Non-operating expenses	9	13	16	4	60	94
Ordinary income	10	6,696	6,475	5,477	8,753	27,401
Extraordinary gains/losses	11	–	–	–	△ 2,019	△ 2,019
Income before income taxes and minority interests	12	6,696	6,475	5,477	6,733	25,382
Income taxes	13	2,606	1,795	2,021	1,499	7,923
Income before minority interests	14	4,089	4,679	3,455	5,234	17,458
Minority interests	15	180	193	253	284	911
Net income	16	3,908	4,485	3,202	4,950	16,546

Consolidated Results for the Year Ended March 31, 2012

(¥ million)

Item \ Quarter	No.	1st Quarter (April 1, 2011 - June 30, 2011)	2nd Quarter (July 1, 2011 - September 30, 2011)	3rd Quarter (October 1, 2011 - December 31, 2011)	4th Quarter (January 1, 2012 - March 31, 2012)	Annual Cumulative (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

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2. Contract Segment Information

(1) For the Year Ended March 31, 2013 (April 1, 2012 - March 31, 2013)

(¥ million, %)

	No	Domestic consolidated			Total	Overseas consolidated		Total	Consolidated Total
		Lease	Guarantees	Installments and others		Lease	Installments and others		
Revenues		42,052	5,318	15,853	63,224	15,206	24,873	40,080	103,304
(Composition %)	1	(41)	(5)	(15)	(61)	(15)	(24)	(39)	(100)
(Y toY Change %)		(△3)	(△11)	(4)	(△2)	(35)	(45)	(41)	(11)
Volume of business		384,780	101,044	669,301	1,155,126	142,261	334,602	476,863	1,631,990
(Composition %)	2	(24)	(6)	(41)	(71)	(9)	(20)	(29)	(100)
(Y toY Change %)		(△8)	(△17)	(5)	(△2)	(45)	(31)	(35)	(7)
Trade receivables, loan guarantees and leases		1,046,381	371,928	597,888	2,016,198	217,297	428,534	645,832	2,662,030
(Composition %)	3	(39)	(14)	(23)	(76)	(8)	(16)	(24)	(100)
(Y toY Change %)		(△7)	(△10)	(△7)	(△7)	(62)	(40)	(46)	(2)

(2) For the Year Ended March 31, 2012 (April 1, 2011 - March 31,2012)

(¥ million, %)

	No	Domestic consolidated			Total	Overseas consolidated		Total	Consolidated Total
		Lease	Guarantees	Installments and others		Lease	Installments and others		
Revenues		43,258	5,981	15,265	64,505	11,302	17,187	28,489	92,994
(Composition %)	1	(47)	(6)	(16)	(69)	(12)	(19)	(31)	(100)
(Y toY Change %)		(0)	(△12)	(1)	(△1)	(14)	(0)	(5)	(1)
Volume of business		417,007	121,215	635,950	1,174,173	97,869	256,101	353,971	1,528,144
(Composition %)	2	(27)	(8)	(42)	(77)	(6)	(17)	(23)	(100)
(Y toY Change %)		(△7)	(△15)	(△2)	(△5)	(33)	(14)	(19)	(△0)
Trade receivables, loan guarantees and leases		1,119,936	412,929	641,265	2,174,131	134,535	307,033	441,569	2,615,700
(Composition %)	3	(43)	(16)	(24)	(83)	(5)	(12)	(17)	(100)
(Y toY Change %)		(△7)	(△8)	(4)	(△5)	(27)	(19)	(21)	(△1)

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

3. Segmented Information by Region

(1) For the Year Ended March 31, 2013 (April 1, 2012 - March 31, 2013)

(¥ million, %)

	No	Japan	Europe and North America	Asia	Total	Adjustment	Consolidated total
Revenues	1	62,690	25,245	14,834	102,771	533	103,304
Operating income	2	17,081	8,293	3,927	29,302	△ 3,681	25,620

(2) For the Year Ended March 31, 2012 (April 1, 2011 - March 31,2012)

(¥ million, %)

	No	Japan	Europe and North America	Asia	Total	Adjustment	Consolidated total
Revenues	1	64,009	21,281	7,207	92,498	496	92,994
Operating income	2	15,571	6,885	2,547	25,005	△ 2,766	22,238

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

4. Segmented Information by Business

(Consolidated Revenues) (￥ million, %)

	No	Year Ended March 31, 2012	Composition	Year Ended March 31, 2012	Composition	Y to Y change
Financial services	1	39,590	42.6	38,344	37.1	△ 3.1
Agriculture, medical and nursing service providers	2	6,373	6.9	6,215	6.0	△ 2.5
Corporate	3	30,992	33.3	30,003	29.1	△ 3.2
Consumers	4	2,217	2.4	2,109	2.0	△ 4.9
Financial revenue, and others	5	6	0.0	15	0.0	115.4
Commission services	6	16,016	17.3	16,011	15.5	0.0
Agriculture, medical and nursing service providers	7	1,442	1.6	1,366	1.3	△ 5.3
Corporate	8	10,317	11.1	11,305	11.0	9.6
Consumers	9	4,621	5.0	3,919	3.8	△ 15.2
Financial revenue, and others	10	△ 365	△ 0.4	△ 579	△ 0.6	―
Supply and sales services	11	12,039	12.9	11,731	11.4	△ 2.6
Corporate	12	12,019	12.9	11,712	11.4	△ 2.6
Financial revenue, and others	13	20	0.0	18	0.0	△ 7.8
Overseas business	14	28,489	30.6	40,080	38.8	40.7
Total of reportable segments	15	96,135	103.4	106,166	102.8	10.4
Others	16	496	0.5	533	0.5	7.7
Adjustment	17	△ 3,636	△ 3.9	△ 3,395	△ 3.3	―
Consolidated Revenues	18	92,994	100.0	103,304	100.0	11.1

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	Year Ended March 31, 2012		Year Ended March 31, 2013		Y to Y change
			Composition		Composition	
Financial services	1	477,204	31.2	499,327	30.6	4.6
Agriculture	2	13,368	0.9	13,840	0.8	3.5
medical and nursing service providers	3	44,655	2.9	38,530	2.4	△ 13.7
Corporate	4	411,395	26.9	440,312	27.0	7.0
Information equipment related	5	178,523	11.7	197,155	12.1	10.4
Industrial construction machinery	6	52,872	3.5	49,386	3.0	△ 6.6
Commercial logistics	7	44,724	2.9	37,756	2.3	△ 15.6
Residential CMS	8	76,362	5.0	94,052	5.8	23.2
Others	9	58,911	3.8	61,962	3.8	5.2
Consumers	10	10,797	0.7	7,881	0.5	△ 27.0
Elimination and others	11	△ 3,013	△ 0.2	△ 1,237	△ 0.1	—
Commission services	12	637,787	41.7	593,845	36.4	△ 6.9
Agriculture	13	23,912	1.6	22,739	1.4	△ 4.9
medical and nursing service providers	14	3,488	0.2	3,005	0.2	△ 13.8
Corporate	15	531,042	34.7	504,200	30.9	△ 5.1
Card business	16	47,671	3.1	48,491	3.0	1.7
Non-life insurance business	17	4,002	0.3	3,918	0.2	△ 2.1
Securitization business	18	134,588	8.8	125,036	7.7	△ 7.1
Outsourcing business	19	327,216	21.4	312,626	19.1	△ 4.5
Information equipment related and others	20	17,563	1.1	14,128	0.9	△ 19.6
Consumers	21	95,902	6.3	77,093	4.7	△ 19.6
Automobile loans and credit	22	65,551	4.3	61,542	3.8	△ 6.1
Home appliances and home refurbishment	23	11,804	0.8	11,198	0.7	△ 5.1
Home loans	24	18,545	1.2	4,352	0.2	△ 76.5
Elimination and others	25	△ 16,558	△ 1.1	△ 13,193	△ 0.8	—
Supply and sales services	26	59,181	3.9	61,953	3.8	4.7
Corporate	27	61,398	4.0	64,104	3.9	4.4
Information equipment related and others	28	4,985	0.3	5,434	0.3	9.0
Automobile leases	29	49,513	3.2	51,920	3.2	4.9
Outsourcing business	30	6,899	0.5	6,748	0.4	△ 2.2
Elimination and others	31	△ 2,217	△ 0.1	△ 2,151	△ 0.1	—
Domestic consolidated business volume	32	1,174,173	76.8	1,155,126	70.8	△ 1.6
Overseas consolidated business volume	33	353,971	23.2	476,863	29.2	34.7
Consolidated business volume	34	1,528,144	100.0	1,631,990	100.0	6.8

(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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