

Consolidated First Quarter Earnings Report [Japan GAAP]

For the Three Months Ended June 30, 2013



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: August 12, 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 Financial Results for the First Quarter Ended June 30, 2013 (April 1, 2013 – June 30, 2013)

(1) Consolidated Operating Results (Cumulative) (year-on-year change %)

	Revenues		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Three Months Ended June 30, 2013	30,990	25.3	7,752	22.7	8,160	21.9	5,511	41.0
Three Months Ended June 30, 2012	24,729	5.2	6,319	14.6	6,696	23.2	3,908	19.2

Note: Comprehensive income: Three Months Ended June 30, 2013: 8,218¥million(227.4%) ; Three Months Ended June 30, 2012: 2,509¥million(△6.9%)

	Net income per share	Diluted net income per share
	¥	¥
Three Months Ended June 30, 2013	47.15	—
Three Months Ended June 30, 2012	33.44	—

(Ref.) Volume of business: Three Months Ended June 30, 2013: 474,179¥million ; Three Months Ended June 30, 2012: 412,790¥million

(2) Consolidated Financial Position

	Total assets	Net assets	Stockholders' equity ratio
	¥ million	¥ million	%
As of June 30, 2013	2,206,362	285,946	12.5
As of March 31, 2013	1,891,431	288,894	14.8

(Ref.) Stockholders' equity : As of June 30, 2013 : 276,578 ¥million ; As of March 31, 2012 : 279,427 ¥million

2. Dividends

	Divided per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year End	For the Year
	¥	¥	¥	¥	¥
Year Ended March 31, 2013	—	18.00	—	20.00	38.00
Year Ended March 31, 2014	—	—	—	—	—
Year Ending March 31, 2014 (Forecast)	—	21.00	—	21.00	42.00

Note: Changes from the latest released dividend forecasts: None

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	%	Yen
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

Note: Changes from the latest released performance forecasts: None

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

4. Others

(1) Major changes in among subsidiaries in the consolidated cumulative period of the period under review : Yes
(Transfer of specific subsidiaries accompanying the change of scope of consolidation)

New: 1 NBL Co., Ltd.

(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 : Yes

(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)

Three months ended June 30, 2013	: 124,826,552 shares	Year ended March 31, 2012:	124,826,552 shares
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(ii)Own shares at end of term

Three months ended June 30, 2013	: 7,938,931 shares	Year ended March 31, 2012:	7,938,899 shares
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(iii) Weighted average number of shares outstanding

Three months ended June 30, 2013	: 116,887,648 shares	Three months ended June 30, 2012:	116,887,791 shares
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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.

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1. Qualitative Information Concerning Financial Results for the First Quarter Ended June 30, 2013

(1) Explanation about Operating Results

1) Summary of operating results

Summarized results for the three months ended June 30, 2013 were as follows:

(¥ million, %)

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2013	YtoY Change
Volume of business	412,790	474,179	14.9
Revenues	24,729	30,990	25.3
Operating income	6,319	7,752	22.7
Ordinary income	6,696	8,160	21.9
Net income	3,908	5,511	41.0

On June 4, 2013, the Group announced “Mid-Term Management Plan” for the three-year period between FY2013 to FY2015. In response to the constantly changing business environment, we aim to achieve growth strategies as well as to improve quality of operations, enhance risk management, transition to the growth stage, and transform into a “high-profit enterprise” to form the foundation of sustainable growth by focusing primarily on business structural reform through “transformation” into “competitive management base” as well as on enhancement of solution capability with the concept of “One Hitachi,” improvement of profitability of Japan business through business model reform, and expansion of global business.

For the year ending March 31, 2014, the first year of the Mid-Term Management Plan, the goals for Japan (domestic) business are to enhance functions including business investment and BPO with the market-led approach, and also to improve profitability through expansion of the growing areas such as social infrastructure and renewable energy, establishment of No.1 position in certain niche areas such as vendor lease and auto lease. In April 2013, we consolidated NBL Co., Ltd. as a subsidiary and integrated the vendor lease business in order to enhance competitiveness of the vendor lease business. In global (overseas) business, we added business alliance with Hitachi Group as a new growth driver to our existing driver of business localization. And while enhancing the governance system, we intend to focus on expansion of our business in Europe and the North America, which is our revenue base, and Asian business which is expected to grow in the medium- to long-term for the aim of making contribution to local society. In addition, we are currently working on expansion of financial service functions in China and establishment of a factoring company as part of “offering optimal financial solutions” to Japanese companies in China including Hitachi Group and Chinese companies.

Volume of Japan businesses for the three months ended June 30, 2013 remained the same level year to year and amounted to ¥301,742 million as a result of decreases in securitization business and outsourcing business and reassessment of consumer business despite increases in revenues from information equipment related and commercial logistics related businesses. Volume of global businesses increased 55.5% year to year to ¥172,437 million as Asian business continued to grow and European &

North American business was also strong. As a result, consolidated volume of business increased 14.9% to ¥474,179 million. Revenues increased 25.3% to ¥30,990 million mainly due to consolidation of NBL Co., Ltd. as a subsidiary and strong global business. Expenses increased 26.2% to ¥23,238 million due to expansion of global business. As a result, operating income increased 22.7% to ¥7,752 million, and ordinary income increased 21.9% to ¥8,160 million. Net income for the quarter increased 41.0% to ¥5,511 million due to recording extraordinary gains and losses associated with consolidation of NBL Co., Ltd.

2) Key management indicators (annualized)

(%)

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2013
ROE	6.0	8.1
ROA	1.5	1.6
Stockholders' equity ratio	14.9	12.5

(2) Explanation about Consolidated Financial Position

1) Assets, liabilities and net assets

Financial position as of June 30, 2013 was as follows:

(¥ million, %)

	As of March 31, 2013	As of June 30, 2013	Change	
			Amount	%
Total assets	1,891,431	2,206,362	314,930	16.7
Interest-bearing debt	1,092,636	1,368,292	275,655	25.2
Net assets	288,894	285,946	△2,947	△1.0

i . Total assets

Total assets as of June 30, 2013 increased ¥314,930 million from March 31, 2013 to ¥2,206,362 million due to increases in investment in direct finance leases as a result of consolidating NBL Co., Ltd. and in notes and trade receivables mainly in overseas.

ii . Interest-bearing debt

Interest-bearing debt as of June 30, 2013 increased ¥275,655 million from March 31, 2013 to ¥1,368,292 million due to increases in commercial paper as a result of consolidating NBL Co., Ltd. and in bank loans and bonds mainly in overseas.

iii . Net assets

Net assets as of June 30, 2013 decreased ¥2,947 million from March 31, 2013 to ¥285,946 million, and major components consist of net income for the three months of ¥5,511 million, dividend payment of ¥2,337 million, an increase in foreign currency translation adjustments due to weak yen, accumulated

adjustments related to retirement benefits of ¥△8,049 million due to early adoption of amended accounting standard for retirement benefits.

2) Cash flows

Cash and cash equivalents as of June 30, 2013 increased ¥2,197 million from March 31, 2013 to ¥134,953 million.

Cash flows by activity were as follows:

	(¥ million)	
	Three Months Ended June 30, 2012	Three Months Ended June 30, 2013
Cash flows from operating activities	△28,226	△121,831
Cash flows from investing activities	192	2,824
Cash flows from financing activities	29,783	120,583

i . Cash flows from operating activities

Net cash used in operating activities was ¥121,831 million. This was primarily due to an increase in trade receivables of ¥53,716 million, an increase in investment in direct finance leases of ¥41,940 million, and payments for acquisition of equipment for lease of ¥37,013 million.

ii . Cash flows from investing activities

Net cash provided by investing activities was ¥2,824 million mainly due to a decrease in short-term loans.

iii . Cash flows from financing activities

Net cash provided by financing activities was ¥120,583 million mainly due to net increase in commercial paper of ¥54,239 million and proceeds from long-term borrowings of ¥67,115 million.

As a result of the above, free cash flows, a sum of cash flows from operating activities and investing activities, resulted in an outflow of ¥119,007 million.

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

While the U.S. economy is slightly recovering as a result of improvement in employment situation and recovery in residential market, the prolonged economic slump in Europe and a temporary rise in short-term interest rates in China continue to constitute factors for uncertainties about the future of global economy. In Japan, “Abenomics” by the current administration contributed to improvement of business confidence primarily in large manufacturers, but it seems to take a while to really get out of deflation and see economic growth. Under such circumstances, the Group will steadily carry out “Mid-Term Management Plan” in order to transform into “high-profit enterprise” to achieve sustainable growth.

Consolidated earnings forecast based on the situations described above is presented below, with no change from the forecast announced on April 25, 2013.

(¥ million)

	Interim	Fiscal year
Revenues	58,900	120,400
Operating income	13,200	27,400
Ordinary income	13,600	28,000
Net income	8,700	18,300
Net income per share	¥74.43	¥156.56

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

(4) Basic Policy for Profit Sharing

1) Cash dividends

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

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

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

2) Acquisition of treasury stock

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

2. Matters concerning Summary Information (Notes)

(1) Changes in Material Subsidiaries during the Period

During the three months ended June 30, 2013, the Company acquired additional shares of NBL Co., Ltd. previously accounted for using the equity method and consolidated the company as a subsidiary.

(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 June 30, 2013.

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

As Accounting Standards Board of Japan (“ASBJ”) Statement No. 26, “Accounting Standard for Retirement Benefits” (May 17, 2012) and ASBJ Guidance No. 25, “Guidance on Accounting Standard for Retirement Benefits” (May 17, 2012) (collectively, “Standards”) became effective from the year beginning on or after April 1, 2013, the Group adopted the Standards from the three months ended June 30, 2013, adopted the method to record the difference between retirement benefit obligations and pension assets as liabilities related to retirement benefits, and recorded unrecognized actuarial differences and unrecognized prior service costs as liabilities related to retirement benefits. Also, the Group reviewed the method to record retirement benefit obligations and service costs, and changed the method of attributing expected retirement benefits from straight-line basis to benefit formula basis.

In adopting the Standards, the effect of recording the difference between retirement benefit obligations and pension assets as liabilities related to retirement benefits is included in accumulated adjustments related to retirement benefits in accumulated other comprehensive income on April 1, 2013 in accordance with the transitional treatment set forth in Article 37 of the Accounting Standard for Retirement Benefits. Also, the effect of changing calculation method of retirement benefit obligations and service costs is included mainly in retained earnings.

As a result, accumulated other comprehensive income as of April 1, 2013 decreased by ¥8,254 million, retained earnings decreased by ¥92 million and minority interests decreased by ¥375 million. The impact on consolidated earnings is insignificant.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(¥ million)

	(Ref. As of March 31, 2013)	As of June 30, 2013
(Assets)		
Current assets		
Cash on hand and at bank	22,561	24,196
Trade receivables	706,993	816,105
Investment in direct finance leases	608,376	794,402
Parent company deposit	114,793	115,972
Short-term investments	6,700	6,999
Advance payments-trade	9,247	11,429
Prepaid expenses	5,961	14,695
Deferred tax assets	10,674	11,958
Other	18,107	13,748
Allowance for losses on receivables	△ 13,699	△ 17,272
Total current assets	1,489,718	1,792,235
Fixed assets		
Property and equipment		
Equipment held for lease	204,051	220,876
Equipment for company use		
Building and structures (net)	717	1,494
Machinery, equipment and vehicles (net)	788	761
Furniture and fixtures (net)	1,522	1,490
Land	133	134
Total own-used assets	3,161	3,880
Total property and equipment	207,213	224,757
Intangible fixed assets		
Equipment held for lease	39,811	38,804
Other intangible assets		
Goodwill	5,453	5,206
Other	6,140	7,211
Total other intangible assets	11,593	12,418
Total intangible fixed assets	51,405	51,222
Investments and other assets		
Investments in securities	104,908	99,386
Deferred tax assets	8,377	16,524
Other	29,813	22,241
Allowance for doubtful accounts	△ 5	△ 5
Total investments and other assets	143,093	138,147
Total fixed assets	401,713	414,126
Total assets	1,891,431	2,206,362

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(¥ million)

	(Ref. As of March 31, 2013)	As of June 30, 2013
(Liabilities)		
Current liabilities		
Trade payables	256,226	254,190
Short-term bank loans	221,315	239,996
Commercial paper	138,626	304,576
Current portion of bonds	42,561	25,655
Current portion of long-term obligation for securitized lease receivables	53,731	70,187
Accrued Payable	41,915	31,917
Income taxes payable	3,517	5,314
Allowance for losses on guarantees	3,978	3,855
Asset retirement obligations	64	148
Other	49,542	54,862
Total current liabilities	811,479	990,704
Fixed liabilities		
Bonds	249,739	299,125
Long-term debt	440,393	498,937
Long-term obligation for securitized lease receivables	36,429	59,950
Deferred tax liabilities	3,762	3,834
Retirement and severance benefits	4,469	—
Retirement benefits for directors	185	186
Reserve for insurance contract	6,724	6,717
Liabilities related to retirement benefits	—	10,157
Asset retirement obligations	5,213	5,192
Other	44,140	45,609
Total fixed liabilities	791,057	929,710
Total liabilities	1,602,537	1,920,415
(Net Assets)		
Stockholders' equity		
Common stock	9,983	9,983
Capital surplus	45,972	45,972
Retained earnings	235,504	238,585
Treasury stock	△ 14,331	△ 14,331
Total stockholders' equity	277,128	280,209
Accumulated other comprehensive income		
Net unrealized holding gain on securities	6,556	5,602
Net unrealized loss on hedge accounting	△ 1,434	△ 739
Foreign currency translation adjustments	△ 2,823	△ 444
Accumulated adjustments related to retirement benefits	—	△ 8,049
Total accumulated other comprehensive income	2,298	△ 3,631
Minority interests	9,466	9,368
Total net assets	288,894	285,946
Total liabilities and net assets	1,891,431	2,206,362

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(2) Quarterly Consolidated Statements of Income (Consolidated First Quarter)

(¥ million)

	Three Months Ended June 30, 2012 (April 1, 2012 to June 30, 2012)	Three Months Ended June 30, 2013 (April 1, 2013 to June 30, 2013)
Revenues		
Operating revenues	24,569	30,745
Interest and dividend income	160	245
Total revenues	24,729	30,990
Expenses		
Selling, general and administrative expenses	14,578	18,699
Financing costs	3,831	4,538
Total expenses	18,410	23,238
Operating income	6,319	7,752
Non-operating revenues		
Gain on allotment of stock	376	376
Other	13	43
Total non-operating income	390	420
Non-operating expenses		
Loss on retirement of fixed assets	3	10
Loss on redemption of short-term investments	4	—
Loss on valuation of investment securities	3	—
Other	2	2
Total non-operating expenses	13	12
Ordinary income	6,696	8,160
Extraordinary income		
Amortization of negative good will	—	1,771
Total extraordinary income	—	1,771
Extraordinary losses		
Loss on step acquisitions	—	1,011
Total extraordinary losses	—	1,011
Income before income taxes and minority interests	6,696	8,920
Income taxes	2,606	3,116
Income before minority interests	4,089	5,803
Minority interests	180	292
Net income	3,908	5,511

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Quarterly Consolidated statements of Comprehensive Income (Consolidated First Quarter)

(¥ million)

	Three Months Ended June 30, 2012 (April 1, 2012 to June 30, 2012)	Three Months Ended June 30, 2013 (April 1, 2013 to June 30, 2013)
Income before minority interests	4,089	5,803
Other comprehensive income		
Valuation difference on available-for-sale securities	79	△ 962
Net deferred gains or losses on hedges	△ 114	694
Foreign currency translation adjustments	△ 1,535	2,459
Accumulated adjustments related to retirement benefits	—	213
Share of other comprehensive income of affiliates accounted for by the equity method	△ 8	9
Total other comprehensive income	△ 1,579	2,414
Comprehensive income	2,509	8,218
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of the parent	2,333	7,835
Comprehensive income attributable to minority interests	176	382

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(3) Quarterly Consolidated Cash Flows

(¥ million)

	Three Months Ended June 30, 2012 (April 1, 2012 to June 30, 2012)	Three Months Ended June 30, 2013 (April 1, 2013 to June 30, 2013)
Cash flows from operating activities		
Income before income taxes and minority interests	6,696	8,920
Depreciation	18,931	21,516
Loss on step acquisitions (Δ represents gain)	—	1,011
Amortization of negative good will	—	Δ 1,771
Depreciation of goodwill	277	308
Loss on redemption of short-term investments(Δ represents gain)	Δ 376	Δ 376
Interest and dividend income	Δ 117	Δ 134
Interest expense	3,154	3,895
Increase (decrease) in trade receivables (Δ represents increase)	Δ 17,695	Δ 53,716
Increase in investment in direct finance lease (Δ represents increase)	Δ 15,579	Δ 41,940
Decrease (increase) in allowance for doubtful accounts(Δ represents decrease)	752	1,074
Increase in allowance for losses on loan guarantees (Δ represents decrease)	Δ 304	Δ 123
Gain on disposal of equipment for leases (Δ represents gain)	Δ 635	Δ 167
Acquisition of equipment for lease	Δ 21,390	Δ 37,013
Gain on sale of equipment for lease	17,798	13,797
Increase (decrease) in trade payable (Δ represents decrease)	Δ 7,557	Δ 774
Decrease in trade payable of collection under fluidity receivables (Δ represents decrease)	Δ 1,309	Δ 4,977
Increase (decrease) in retirement and severance benefits (Δ represents decrease)	22	—
Decrease in liabilities related to retirement benefits	—	Δ 110
Other	Δ 9,083	Δ 29,156
Subtotal	Δ 26,418	Δ 119,738
Income taxes paid	Δ 1,807	Δ 2,092
Net cash provided by operating activities	Δ 28,226	Δ 121,831
Cash flows from investing activities		
Payments into time deposits	Δ 1,619	Δ 2,240
Proceeds from withdrawal of time deposits	1,032	1,648
Purchase from sale of short-term investments	Δ 3,998	Δ 2,398
Proceeds from sales and repayment of securities	4,317	2,100
Purchase from sale of short-term investments	—	Δ 609
Proceeds from sales and repayment of investment securities	100	1,156
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	Δ 2,251
Purchase of equipment for company use	Δ 139	Δ 386
Purchase of other intangible fixed assets	Δ 388	Δ 456
Interest and dividends received	961	1,236
Increase in short-term loans receivable (Δ represents increase)	—	5,000
Other	Δ 73	24
Net cash used in investing activities	192	2,824

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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)
Cash flows from financing activities		
Increase (decrease) in short-term loans (Δ represents decrease)	Δ 27,312	Δ 14,125
Increase (decrease) in commercial paper (Δ represents decrease)	37,325	54,239
Proceeds from long-term borrowings	42,843	67,115
Payment of long-term borrowings	Δ 39,536	Δ 9,958
Issuance of bonds	49,742	61,230
Redemption of bonds	Δ 28,221	Δ 32,152
Interest paid	Δ 3,062	Δ 3,331
Dividends paid to stockholders	Δ 1,976	Δ 2,327
Other	Δ 18	Δ 106
Net cash used in financing activities	29,783	120,583
Effect of exchange rate changes on cash and cash equivalents	Δ 273	621
Net increase (decrease) in cash and cash equivalents (Δ represents decrease)	1,477	2,197
Cash and cash equivalents at beginning of period	129,828	132,756
Cash and cash equivalents at end of period	131,305	134,953

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4. Segmented information

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

1. For the Three Months Ended June 30, 2012 (April 1, 2012 - June 30, 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	9,975	3,344	2,756	8,557	24,634	95	24,729	—	24,729
Internal sales revenue or transfer between segments	367	236	228	—	832	—	832	(832)	—
Total	10,342	3,581	2,985	8,557	25,466	95	25,561	(832)	24,729
Segment income	3,077	354	933	2,795	7,160	95	7,255	(936)	6,319

- (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 (936) million yen includes the amount (4) million yen as elimination of intra-segment transaction and elimination of transaction of dividends with consolidated subsidiaries and the amount (931) 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 Three Months Ended June 30, 2013 (April 1, 2013 - June 30, 2013)

(¥ 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	11,533	3,671	2,846	12,800	30,852	138	30,990	—	30,990
Internal sales revenue or transfer between segments	447	160	191	0	799	—	799	(799)	—
Total	11,981	3,832	3,037	12,800	31,651	138	31,789	(799)	30,990
Segment income	3,706	542	1,015	3,486	8,751	138	8,890	(1,137)	7,752

- (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 (1,137) million yen includes the amount 19 million yen as elimination of intra-segment transaction and elimination of transaction of dividends with consolidated subsidiaries and the amount (1,157) 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.

5. Supplementary Information

(1) Change in Quarterly Consolidated Performance

Consolidated Results for the Year Ending March 31, 2014

(¥ million)

Item	Quarter		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Three Months
	No.		(April 1, 2013 - June 30, 2013)	(July 1, 2013 - September 30, 2013)	(October 1, 2013 - December 31, 2013)	(January 1, 2014 - March 31, 2014)	Cumulative (April 1, 2013 - June 30, 2014)
Revenues	1		30,990				30,990
Operating revenues	2		30,745				30,745
Interest and dividend income	3		245				245
Expenses	4		23,238				23,238
Selling, general and administrative expenses	5		18,699				18,699
Financing costs	6		4,538				4,538
Operating income	7		7,752				7,752
Non-operating revenues	8		420				420
Non-operating expenses	9		12				12
Ordinary income	10		8,160				8,160
Extraordinary gains/losses	11		760				760
Income before income taxes and minority interests	12		8,920				8,920
Income taxes	13		3,116				3,116
Income before minority interests	14		5,803				5,803
Minority interests	15		292				292
Net income	16		5,511				5,511

Consolidated Results for the Year Ended March 31, 2013

(¥ million)

Item	Quarter		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual 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 - 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

(2) Contract Segmented Information

1. For the Three Months Ended June 30, 2013 (April 1, 2013 - June 30, 2013)

(¥ million, %)

	No	Domestic consolidated				Overseas consolidated			Consolidated Total
		Lease	Guarantees	Installments and others	Total	Lease	Installments and others	Total	
Revenues	1	12,912	1,185	4,093	18,190	5,180	7,619	12,800	30,990
(Composition %)		(42)	(4)	(13)	(59)	(17)	(24)	(41)	(100)
(Y toY Change %)		(13)	(Δ9)	(18)	(12)	(62)	(42)	(50)	(25)
Volume of business	2	127,260	18,862	155,618	301,742	53,335	119,101	172,437	474,179
(Composition %)		(27)	(4)	(33)	(64)	(11)	(25)	(36)	(100)
(Y toY Change %)		(32)	(Δ35)	(Δ12)	(Δ0)	(66)	(51)	(55)	(15)
Trade receivables, loan guarantees and leases	3	1,247,558	361,752	601,556	2,210,867	234,363	486,273	720,636	2,931,504
(Composition %)		(43)	(12)	(20)	(75)	(8)	(17)	(25)	(100)
(Y toY Change %)		(15)	(Δ12)	(Δ3)	(4)	(67)	(56)	(60)	(14)

2. For the Three Months Ended June 30, 2012 (April 1, 2012 - June 30, 2012)

(¥ million, %)

	No	Domestic consolidated				Overseas consolidated			Consolidated Total
		Lease	Guarantees	Installments and others	Total	Lease	Installments and others	Total	
Revenues	1	11,405	1,301	3,464	16,171	3,196	5,361	8,557	24,729
(Composition %)		(46)	(5)	(14)	(65)	(13)	(22)	(35)	(100)
(Y toY Change %)		(1)	(Δ11)	(Δ9)	(Δ3)	(23)	(25)	(24)	(5)
Volume of business	2	96,172	29,099	176,592	301,864	32,139	78,786	110,925	412,790
(Composition %)		(23)	(7)	(43)	(73)	(8)	(19)	(27)	(100)
(Y toY Change %)		(Δ5)	(11)	(21)	(10)	(62)	(31)	(39)	(17)
Trade receivables, loan guarantees and leases	3	1,087,703	411,473	621,795	2,120,972	140,088	311,038	451,126	2,572,099
(Composition %)		(42)	(16)	(24)	(82)	(6)	(12)	(18)	(100)
(Y toY Change %)		(Δ7)	(Δ7)	(4)	(Δ4)	(32)	(22)	(25)	(0)

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 Three Months Ended June 30, 2013 (April 1, 2013 - June 30, 2013)

(¥ million, %)

	No	Japan	Europe and North America	Asia	Total	Adjustment	Consolidated total
Revenues	1	18,051	8,084	4,716	30,852	138	30,990
Operating income	2	5,265	2,866	619	8,751	Δ 999	7,752

2. For the Three Months Ended June 30, 2012 (April 1, 2012 - June 30, 2012)

(¥ million, %)

	No	Japan	Europe and North America	Asia	Total	Adjustment	Consolidated total
Revenues	1	16,076	5,739	2,817	24,634	95	24,729
Operating income	2	4,364	2,158	637	7,160	Δ 841	6,319

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, United States, and Canada
 - Asia: Singapore, China, Thailand, Malaysia, Indonesia
- The above are the revenues and operating income from external customers.

(4) Segmented Information by Business

(Consolidated Revenues)

(¥ million, %)

	No	Three Months Ended June 30, 2012		Three Months Ended June 30, 2013		Y to Y change
			Composition		Composition	
Financial services	1	10,342	41.8	11,981	38.6	15.8
Farms, agricultural corporations, medical and nursing service providers	2	1,708	6.9	1,493	4.8	△ 12.6
Corporate	3	8,285	33.5	10,120	32.6	22.1
Consumers	4	344	1.4	309	1.0	△ 10.1
Financial revenue, and others	5	4	0.0	57	0.2	1,161.2
Commission services	6	3,581	14.5	3,832	12.4	7.0
Farms, agricultural corporations, medical and nursing service providers	7	355	1.4	340	1.1	△ 4.2
Corporate	8	2,516	10.3	2,881	9.3	14.5
Consumers	9	945	3.8	821	2.7	△ 13.1
Financial revenue, and others	10	△ 236	△ 1.0	△ 210	△ 0.7	—
Supply and sales services	11	2,985	12.1	3,037	9.8	1.8
Corporate	12	2,981	12.1	3,035	9.8	1.8
Financial revenue, and others	13	4	0.0	2	0.0	△ 47.5
Overseas business	14	8,557	34.6	12,800	41.3	49.6
Total of reportable segments	15	25,466	103.0	31,651	102.1	24.3
Others	16	95	0.4	138	0.4	45.9
Adjustment	17	△ 832	△ 3.4	△ 799	△ 2.5	—
Consolidated Revenues	18	24,729	100.0	30,990	100.0	25.3

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	Three Months Ended June 30, 2012		Three Months Ended June 30, 2013		Y to Y change
			Composition		Composition	
Financial services	1	109,699	26.6	153,957	32.5	40.3
Agriculture	2	3,419	0.8	3,988	0.9	16.6
medical and nursing service providers	3	11,237	2.7	11,010	2.3	△ 2.0
Corporate	4	93,003	22.6	140,580	29.7	51.2
Information equipment related	5	43,898	10.6	70,042	14.8	59.6
Industrial construction machinery	6	9,647	2.4	10,358	2.2	7.4
Commercial logistics related	7	6,609	1.6	20,411	4.3	208.8
Residential CMS	8	15,466	3.8	22,879	4.8	47.9
Others	9	17,381	4.2	16,888	3.6	△ 2.8
Consumers	10	2,419	0.6	1,541	0.3	△ 36.3
Elimination and others	11	△ 380	△ 0.1	△ 3,162	△ 0.7	—
Commission services	12	176,243	42.7	132,948	28.0	△ 24.6
Agriculture	13	6,176	1.5	5,394	1.1	△ 12.7
medical and nursing service providers	14	921	0.2	576	0.1	△ 37.4
Corporate	15	150,642	36.5	116,664	24.6	△ 22.6
Card business	16	11,877	2.9	13,012	2.7	9.6
Non-life insurance business	17	951	0.2	877	0.2	△ 7.8
Securitization business	18	50,271	12.2	26,927	5.7	△ 46.4
Outsourcing business	19	83,455	20.2	72,696	15.3	△ 12.9
Information equipment related and others	20	4,086	1.0	3,151	0.7	△ 22.9
Consumers	21	22,365	5.4	13,209	2.8	△ 40.9
Automobile loans and credit	22	17,019	4.1	11,564	2.4	△ 32.1
Home appliances and home refurbishment	23	3,122	0.8	1,624	0.4	△ 48.0
Home loans	24	2,223	0.5	21	0.0	△ 99.0
Elimination and others	25	△ 3,861	△ 0.9	△ 2,896	△ 0.6	—
Supply and sales services	26	15,920	3.8	14,836	3.1	△ 6.8
Corporate	27	16,509	4.0	15,432	3.2	△ 6.5
Information equipment related and others	28	1,318	0.3	1,383	0.3	5.0
Automobile leases	29	13,475	3.3	12,338	2.6	△ 8.4
Outsourcing business	30	1,715	0.4	1,710	0.3	△ 0.3
Elimination and others	31	△ 588	△ 0.2	△ 595	△ 0.1	—
Domestic consolidated business volume	32	301,864	73.1	301,742	63.6	0.0
Overseas consolidated business volume	33	110,925	26.9	172,437	36.4	55.5
Consolidated business volume	34	412,790	100.0	474,179	100.0	14.9

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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