

Consolidated Third Quarter Earnings Report [Japan GAAP]

For the Nine Months Ended December 31, 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: February 13, 2014
 Scheduled commencement of dividend payment: –
 Preparation of supplementary material for quarterly financial results: Yes
 Holding of quarterly financial results meeting: None

(All amounts rounded down)

1. Consolidated Financial Results for the Third Quarter Ended December 31, 2013 (April 1, 2013–December 31, 2013)

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

	Revenues		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Nine Months Ended December 31, 2013	94,365	26.7	24,240	42.3	24,965	33.9	17,277	49.0
Nine Months Ended December 31, 2012	74,450	9.2	17,029	0.7	18,648	12.5	11,596	47.6

(Note) Comprehensive income: Nine Months Ended December 31, 2013: ¥28,201 million (87.4%); Nine Months Ended December 31, 2012: ¥15,045 million (151.1%)

	Net income per share	Diluted net income per share
	¥	¥
Nine Months Ended December 31, 2013	147.81	—
Nine Months Ended December 31, 2012	99.21	—

(Ref.) Volume of business: Nine Months Ended December 31, 2013: ¥ 1,408,967 million; Nine Months Ended December 31, 2012: ¥1,205,054 million

(2) Consolidated Financial Position

	Total assets	Net assets	Stockholders' equity ratio
	¥ million	¥ million	%
As of December 31, 2013	2,348,107	303,120	12.5
As of March 31, 2013	1,891,431	288,894	14.8

(Ref.) Stockholders' equity: As of December 31, 2013: ¥ 293,410 million; As of March 31, 2013: ¥279,427 million

2. Dividends

	Dividends 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 Ending March 31, 2014	—	23.00	—		
Year Ending March 31, 2014 (Forecast)				23.00	46.00

(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)

	Revenues		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Fiscal year	125,500	21.5	31,000	21.0	32,000	16.8	21,500	29.9	183.94

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

(Ref.) Volume of business: Fiscal year: ¥1,855,000 million

* Notes

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

- (1) Major changes in among subsidiaries in the consolidated cumulative period of the period under review: Yes
(Transfer of specific subsidiaries accompanying the change of scope of consolidation)
New: two companies: NBL Co., Ltd.; Hitachi Capital Factoring (China) 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 treasury stock)
As of December 31, 2013: 124,826,552 shares As of March 31, 2013: 124,826,552 shares
(ii) Treasury stock at end of term
As of December 31, 2013: 7,939,107 shares As of March 31, 2013: 7,938,899 shares
(iii) Weighted average number of shares outstanding
Nine months ended December 31, 2013: 116,887,583 shares Nine months ended December 31, 2012: 116,887,796 shares

* Information regarding the implementation of review procedures

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

* Explanation for proper use of the forecasts, etc.

Consolidated forecasts stated herein have been prepared using information available on the date of release. Accordingly, forecasts may differ significantly from actual results due to a variety of reasons. For the assumptions for forecasts and cautions regarding the use of the forecasts, please refer to "1. Qualitative Information concerning Financial Results for the Third Quarter Ended December 31, 2013 (3) Explanation on Future Forecast Information including Consolidated Earnings Forecast" on page 5.

Contents

1. Qualitative Information concerning Financial Results for the Third Quarter Ended December 31, 2013	2
(1) Explanation about Operating Results	2
(2) Explanation about Consolidated Financial Position	3
(3) Explanation on Future Forecast Information including Consolidated Earnings Forecast	5
(4) Basic Policy for Profit Sharing	6
2. Matters concerning Summary Information (Notes)	6
(1) Changes in Material Subsidiaries during the Period	6
(2) Application of Specific Accounting Treatments in Preparing the Quarterly Consolidated Financial Statements	6
(3) Changes in Accounting Policies and Estimates, and Restatements	6
3. Quarterly Consolidated Financial Statements	8
(1) Quarterly Consolidated Balance Sheets	8
(2) Quarterly Consolidated Statements of Income	10
(3) Quarterly Consolidated Statements of Cash Flows	12
4. Segmented Information	14
5. Supplementary Information	15
(1) Change in Quarterly Consolidated Performance	15
(2) Contract Segmented Information	16
(3) Segmented Information by Region	16
(4) Segmented Information by Business	17

1. Qualitative Information concerning Financial Results for the Third Quarter Ended December 31, 2013

(1) Explanation about Operating Results

1) Summary of operating results

Summarized results for the nine months ended December 31, 2013 were as follows:

(¥ million, %)

	Nine Months Ended December 31, 2012	Nine Months Ended December 31, 2013	YonY Change
Volume of business	1,205,054	1,408,967	16.9
Revenues	74,450	94,365	26.7
Operating income	17,029	24,240	42.3
Ordinary income	18,648	24,965	33.9
Net income	11,596	17,277	49.0

In June 2013, the Group announced “Mid-Term Management Plan” for the period ending in FY2015. In response to the constantly changing business environment, we are currently working on the transformation into a “high-profit enterprise” by focusing primarily on business structural reform through “transformation.” While we carry out our growth strategies such as enhancement of solution capability with the concept of “One Hitachi,” improvement of profitability of Japan (domestic) business through business model reform and expansion of global (overseas) business, we are also working to strengthen our management base by maintaining sound financial structure, improving the quality of operations, and enhancing risk managements.

For the nine months ended December 31, 2013, Japan business worked on enhancement of profitability through business selection and concentration including expansion of the focused areas such as social infrastructure, renewable energy and vendor lease. In November 2013, we acquired the highest level of “DBJ Environmental Responsibility Rating” provided by the Development Bank of Japan Inc. as our measures based on our environmental policy were highly evaluated, and we were granted environmental responsibility rating loan. In global business, while enhancing the governance system of the Asian region in response to the changing business environment, we pursued enhancement of business alliances with business partners including Hitachi Group. Specifically, we established Hitachi Capital Factoring (China) Co., Ltd., a factoring company, in China as part of “offering optimal financial solutions.”

Volume of Japan businesses for the nine months ended December 31, 2013 increased 6.1% year on year to ¥913,932 million as a result of a growth in our focused areas in financial services business such as vendor lease and social infrastructure sector despite the decrease in revenues from commission service business, including personal loan business and outsourcing business. Volume of global businesses increased 44.1% year on year to ¥495,034 million as a result of an increase in European & North American business as well as the weak yen which stayed at a weaker level than originally expected. As a result, consolidated volume of business increased 16.9% to ¥1,408,967 million.

Revenues increased 26.7% to ¥94,365 million due to expansion of global business and consolidation of NBL Co., Ltd. as a subsidiary. Expenses increased 22.1% to ¥70,125 million due to business expansion. As a result, operating income increased 42.3% to ¥24,240 million, and ordinary income increased 33.9% to ¥24,965 million. Net income for the nine months increased 49.0% to 17,277 million due to recording extraordinary income arising from consolidation of NBL Co., Ltd.

2) Key management indicators (annualized)

(%)

	Nine Months Ended December 31, 2012	Nine Months Ended December 31, 2013
ROE	5.8	8.2
ROA	1.4	1.6
Stockholders' equity ratio	14.6	12.5

*Equity and total asset used for the calculation of ROE and ROA for the nine months ended December 31, 2013 are not the ending balance as of March 31, 2013 but the beginning balance of FY2013 reflecting the impact of early adoption of amended accounting standard for retirement benefits.

(2) Explanation about Consolidated Financial Position

1) Assets, liabilities and net assets

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

(¥ million, %)

	As of March 31, 2013	As of December 31, 2013	Change	
			Amount	%
Total assets	1,891,431	2,348,107	456,675	24.1
Interest-bearing debt	1,092,636	1,430,517	337,880	30.9
Net assets	288,894	303,120	14,226	4.9

i . Total assets

Total assets as of December 31, 2013 increased ¥456,675 million from March 31, 2013 to ¥2,348,107 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 December 31, 2013 increased ¥337,880 million from March 31, 2013 to ¥1,430,517 million due to increases in bank loans and bonds mainly in overseas.

iii . Net assets

Net assets as of December 31, 2013 increased ¥14,226 million from March 31, 2013 to ¥303,120 million, and major components consist of net income for the nine months ended December 31, 2013 of ¥17,277 million, dividend payment of ¥5,026 million, an increase in foreign currency translation

adjustments of ¥8,344 million due to weak yen, and accumulated adjustments related to retirement benefits of ¥△7,578 million due to early adoption of amended accounting standard for retirement benefits.

2) Cash flows

Cash and cash equivalents as of December 31, 2013 increased ¥8,011 million from March 31, 2013 to ¥140,767 million.

Cash flows by activity were as follows:

	(¥ million)	
	Nine Months Ended December 31, 2012	Nine Months Ended December 31, 2013
Cash flows from operating activities	△55,768	△122,997
Cash flows from investing activities	△33,064	△2,885
Cash flows from financing activities	87,769	132,011

i . Cash flows from operating activities

Net cash used in operating activities was ¥122,997 million. This was primarily due to increases in notes and accounts receivable-trade of ¥127,145 and investment in direct finance leases of ¥51,094 million, payments for acquisition of equipment for lease of ¥79,895 million and proceeds from sales of equipment for lease of ¥35,448 million.

ii . Cash flows from investing activities

Net cash used in investing activities was ¥2,885 million mainly due to payments related to solar power system business (purchase of equipment for company use).

iii . Cash flows from financing activities

Net cash provided by financing activities was ¥132,011 million mainly due to a net increase in long-term borrowings and bonds.

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 ¥125,883 million.

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

While the global economy has been showing signs of recovery such as the improvement of employment situation and increased housing investments in the U.S. and bottoming out in European economy, a sense of uncertainty is growing as the economic growth in certain emerging countries such as China and ASEAN countries is slowing down. In Japan, “Abenomics” effects contributed to improvement of business confidence and the rising appetite for capital investment, and the economy is expected to keep recovering gradually. 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.

Fiscal year consolidated earnings forecast based on the aforementioned situation is presented below, and there has been no change since the previous forecast announced on October 25, 2013.

	(¥ million)
	Fiscal year
Volume of business	1,855,000
Revenues	125,500
Operating income	31,000
Ordinary income	32,000
Net income	21,500
Net income per share	¥183.94

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.

During the three months ended December 31, 2013, capital of Hitachi Capital Factoring (China) Co., Ltd. was paid and the setup process was complete, and the company is now included in the scope of consolidation.

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

	As of March 31, 2013	As of December 31, 2013
(Assets)		
Current assets		
Cash on hand and at bank	22,561	32,311
Trade receivables	706,993	941,313
Investment in direct finance leases	608,376	807,020
Parent company deposit	114,793	117,060
Short-term investments	6,700	7,335
Advance payments-trade	9,247	19,117
Prepaid expenses	5,961	8,840
Deferred tax assets	10,674	12,111
Other	18,107	11,705
Allowance for losses on receivables	△ 13,699	△ 17,336
Total current assets	1,489,718	1,939,479
Fixed assets		
Property and equipment		
Equipment held for lease	204,051	226,930
Equipment for company use		
Building and structures (net)	717	2,004
Machinery, equipment and vehicles (net)	788	514
Furniture and fixtures (net)	1,522	1,596
Land	133	126
Construction in progress	—	4,317
Total own-used assets	3,161	8,558
Total property and equipment	207,213	235,489
Intangible fixed assets		
Equipment held for lease	39,811	35,416
Other intangible assets		
Goodwill	5,453	3,112
Other	6,140	6,620
Total other intangible assets	11,593	9,733
Total intangible fixed assets	51,405	45,150
Investments and other assets		
Investments in securities	104,908	91,034
Deferred tax assets	8,377	15,561
Other	29,813	21,397
Allowance for doubtful accounts	△ 5	△ 5
Total investments and other assets	143,093	127,988
Total fixed assets	401,713	408,627
Total assets	1,891,431	2,348,107

(¥ million)

	As of March 31, 2013	As of December 31, 2013
(Liabilities)		
Current liabilities		
Trade payables	256,226	267,201
Short-term bank loans	221,315	299,498
Commercial paper	138,626	213,442
Current portion of bonds	42,561	67,705
Current portion of long-term obligation for securitized lease receivables	53,731	73,902
Accrued Payable	41,915	38,705
Income taxes payable	3,517	6,422
Allowance for losses on guarantees	3,978	4,080
Asset retirement obligations	64	336
Other	49,542	59,087
Total current liabilities	811,479	1,030,382
Fixed liabilities		
Bonds	249,739	323,377
Long-term debt	440,393	526,493
Long-term obligation for securitized lease receivables	36,429	75,987
Deferred tax liabilities	3,762	4,384
Retirement and severance benefits	4,469	—
Retirement benefits for directors	185	186
Reserve for insurance contract	6,724	7,146
Liabilities related to retirement benefits	—	9,581
Asset retirement obligations	5,213	5,466
Other	44,140	61,979
Total fixed liabilities	791,057	1,014,603
Total liabilities	1,602,537	2,044,986
(Net Assets)		
Stockholders' equity		
Common stock	9,983	9,983
Capital surplus	45,972	45,972
Retained earnings	235,504	247,663
Treasury stock	△ 14,331	△ 14,332
Total stockholders' equity	277,128	289,287
Accumulated other comprehensive income		
Net unrealized holding gain on securities	6,556	6,362
Net unrealized loss on hedge accounting	△ 1,434	△ 181
Foreign currency translation adjustments	△ 2,823	5,521
Accumulated adjustments related to retirement benefits	—	△ 7,578
Total accumulated other comprehensive income	2,298	4,123
Minority interests	9,466	9,710
Total net assets	288,894	303,120
Total liabilities and net assets	1,891,431	2,348,107

(2) Quarterly Consolidated Statements of Income

(¥ million)

	Nine Months Ended December 31, 2012 (April 1, 2012 to December 31, 2012)	Nine Months Ended December 31, 2013 (April 1, 2013 to December 31, 2013)
Revenues		
Operating revenues	73,907	93,616
Interest and dividend income	543	749
Total revenues	74,450	94,365
Expenses		
Selling, general and administrative expenses	45,494	55,849
Financing costs	11,927	14,276
Total expenses	57,421	70,125
Operating income	17,029	24,240
Non-operating revenues		
Gain on allotment of stock	1,534	774
Gain on sales of investment securities	88	45
Other	31	20
Total non-operating income	1,653	840
Non-operating expenses		
Loss on retirement of fixed assets	11	107
Loss on redemption of short-term investments	11	—
Loss on valuation of investment securities	3	—
Other	8	7
Total non-operating expenses	34	114
Ordinary income	18,648	24,965
Extraordinary income		
Amortization of negative goodwill	—	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	18,648	25,726
Income taxes	6,424	7,754
Income before minority interests	12,224	17,971
Minority interests	627	693
Net income	11,596	17,277

Quarterly Consolidated statements of Comprehensive Income

(¥ million)

	Nine Months Ended December 31, 2012 (April 1, 2012 to December 31, 2012)	Nine Months Ended December 31, 2013 (April 1, 2013 to December 31, 2013)
Income before minority interests	12,224	17,971
Other comprehensive income		
Net unrealized holding gains (losses) on securities	651	△ 226
Net unrealized gains (losses) on hedging derivatives	△ 340	1,252
Foreign currency translation adjustments	2,509	8,457
Accumulated adjustments related to retirement benefits	—	706
Share of other comprehensive income of affiliates accounted for by the equity method	0	39
Total other comprehensive income	<u>2,820</u>	<u>10,229</u>
Comprehensive income	<u>15,045</u>	<u>28,201</u>
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of Hitachi Capital Corporation	14,373	27,356
Comprehensive income attributable to minority interests	671	844

(3) Quarterly Consolidated Statements of Cash Flows

(¥ million)

	Nine Months Ended December 31, 2012 (April 1, 2012 to December 31, 2012)	Nine Months Ended December 31, 2013 (April 1, 2013 to December 31, 2013)
Cash flows from operating activities		
Income before income taxes and minority interests	18,648	25,726
Depreciation	58,031	64,866
Loss on step acquisitions (Δ represents gain)	—	1,011
Gain on negative goodwill	—	Δ 1,771
Depreciation of goodwill	908	2,268
Loss on investment in affiliates accounted for by the equity method (Δ represents gain)	Δ 1,534	Δ 774
Interest and dividend income	Δ 344	Δ 429
Interest expense	10,036	12,435
Increase (decrease) notes and accounts receivable-trade (Δ represents increase)	Δ 1,574	Δ 127,145
Increase in investment in direct finance leases (Δ represents increase)	Δ 69,961	Δ 51,094
Decrease (increase) in allowance for doubtful accounts(Δ represents decrease)	662	521
Increase in allowance for losses on loan guarantees (Δ represents decrease)	Δ 777	102
Gain on sale of equipment for lease (Δ represents gain)	Δ 1,661	Δ 670
Payments from acquisition of equipment for lease	Δ 62,579	Δ 79,895
Proceeds from sale of equipment for lease	37,633	35,448
Increase (decrease) in trade payables (Δ represents decrease)	Δ 6,891	10,780
Decrease in accounts payable of collection under securitized receivables (Δ represents decrease)	Δ 14,153	1,797
Increase (decrease) in retirement and severance benefits (Δ represents decrease)	92	—
Decrease in liabilities related to retirement benefits (Δ represents decrease)	—	Δ 660
Other	Δ 17,873	Δ 10,612
Subtotal	Δ 51,337	Δ 118,096
Income taxes paid	Δ 4,430	Δ 4,901
Net cash used in operating activities	Δ 55,768	Δ 122,997
Cash flows from investing activities		
Payments into time deposits	Δ 5,613	Δ 11,195
Proceeds from withdrawal of time deposits	5,185	7,456
Purchase of short-term investments	Δ 10,496	Δ 5,297
Proceeds from sales and repayment of investment securities	9,917	5,800
Purchase of investments in securities	Δ 42,668	Δ 1,244
Proceeds from sales and repayment of investment securities	13,288	4,110
Purchase of subsidiaries' shares resulting in changes in scope of consolidation	—	Δ 2,251
Payments of business transfer	Δ 1,381	—
Purchase of equipment for company use	Δ 780	Δ 5,541
Purchase of other intangible fixed assets	Δ 1,740	Δ 1,338
Interest and dividend received	1,205	1,537
Decrease in short-term loan receivable (Δ represents increase)	—	5,000
Other	18	78
Net cash used in investing activities	Δ 33,064	Δ 2,885

(¥ million)

	Nine Months Ended December 31, 2012 (April 1, 2012 to December 31, 2012)	Nine Months Ended December 31, 2013 (April 1, 2013 to December 31, 2013)
Cash flows from financing activities		
Increase (Decrease) in short-term bank loans, net (Δ represents decrease)	Δ 14,093	Δ 22,515
Increase (Decrease) in commercial paper, net (Δ represents decrease)	70,751	Δ 42,465
Proceeds from long-term borrowings	126,746	184,016
Payment of long-term borrowings	Δ 89,700	Δ 56,162
Issuance of bond	89,411	125,500
Redemption of bond	Δ 81,766	Δ 39,227
Interest paid	Δ 9,696	Δ 11,885
Proceeds from minority shareholders	412	—
Dividends paid to stockholders	Δ 4,078	Δ 5,023
Other	Δ 216	Δ 226
Net cash provided by financing activities	87,769	132,011
Effect of exchange rate changes on cash and cash equivalents	928	1,883
Net increase (decrease) in cash and cash equivalents (Δ represents decrease)	Δ 135	8,011
Cash and cash equivalents at beginning of period	129,828	132,756
Cash and cash equivalents at end of period	129,693	140,767

4. Segmented information

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

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

(¥ million)

	Reporting segments					Others (Note 1)	Total	Adjustment (Note 2)	Quarterly Consolidated statements of income (Note 3)
	Financial services	Commission services	Supply and sales services	Global businesses	Subtotal				
Revenues									
Revenues from third parties	27,254	10,656	8,231	27,976	74,119	331	74,450	—	74,450
Intersegment revenues									
Revenues and transfers	1,112	824	564	—	2,501	—	2,501	(2,501)	—
Total	28,367	11,481	8,796	27,976	76,620	331	76,952	(2,501)	74,450
Segment profit	7,533	1,319	2,654	8,933	20,440	331	20,772	(3,743)	17,029

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

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

(¥ million)

	Reporting segments					Others (Note 1)	Total	Adjustment (Note 2)	Quarterly Consolidated statements of income (Note 3)
	Financial services	Commission services	Supply and sales services	Global businesses	Subtotal				
Revenues									
Revenues from third parties	34,976	10,480	8,397	40,091	93,945	420	94,365	—	94,365
Intersegment revenues									
Revenues and transfers	1,018	716	416	1	2,153	—	2,153	(2,153)	—
Total	35,995	11,196	8,814	40,092	96,098	420	96,519	(2,153)	94,365
Segment profit	12,877	1,106	2,539	11,574	28,098	420	28,519	(4,279)	24,240

- (Note) 1. "Others" section represents the financial revenue of headquarters management division that does not belong to reporting segments.
2. Adjustment of segment profit (4,279) million yen includes the amount (510) million yen as elimination of intra-segment transaction and elimination of transaction of dividends with consolidated subsidiaries and the amount (3,768) million yen as company-wide expense that is not allocated in respective reporting segments. The company-wide expense mainly means general and administrative expense that does not belong to reporting segments.
3. The segment profit is adjusted with the operating income of quarterly consolidated statements of income.
4. During the nine months ended December 31, 2013, "Overseas businesses" was renamed to "Global businesses."

(Significant Subsequent Events)

Not applicable

5. Supplementary Information

(1) Change in Quarterly Consolidated Performance

Consolidated Results for the Year Ending March 31, 2014

(¥ million)

Item	Quarter	No.	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Nine Months Cumulative
			(April 1, 2013 - June 30, 2013)	(July 1, 2013 - September 30, 2013)	(October 1, 2013 - December 31, 2013)	(January 1, 2014 - March 31, 2014)	(April 1, 2013 - December 31, 2013)
Revenues		1	30,990	31,553	31,821		94,365
Operating revenues		2	30,745	31,311	31,559		93,616
Interest and dividend income		3	245	241	262		749
Expenses		4	23,238	23,442	23,444		70,125
Selling, general and administrative expenses		5	18,699	18,673	18,476		55,849
Financing costs		6	4,538	4,769	4,968		14,276
Operating income		7	7,752	8,110	8,377		24,240
Non-operating revenues		8	420	282	136		840
Non-operating expenses		9	12	59	42		114
Ordinary income		10	8,160	8,333	8,471		24,965
Extraordinary gains/losses		11	760	—	—		760
Income before income taxes and minority interests		12	8,920	8,333	8,471		25,726
Income taxes		13	3,116	1,786	2,852		7,754
Income before minority interests		14	5,803	6,547	5,619		17,971
Minority interests		15	292	252	148		693
Net income		16	5,511	6,295	5,470		17,277

Consolidated Results for the Year Ended March 31, 2013

(¥ million)

Item	Quarter	No.	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual Cumulative
			(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 Nine Months Ended December 31, 2013 (April 1, 2013—December 31, 2013)

(¥ million, %)

	No.	Domestic consolidated				Overseas consolidated			Consolidated Total
		Lease	Guarantees	Installments and others	Total	Lease	Installments and others	Total	
Revenues	1	38,504	3,336	12,434	54,274	16,566	23,525	40,091	94,365
(Composition %)		(41)	(4)	(13)	(58)	(17)	(25)	(42)	(100)
(Y on Y Change %)		(23)	(Δ12)	(10)	(17)	(53)	(37)	(43)	(27)
Volume of business	2	356,746	47,419	509,767	913,932	128,768	366,266	495,034	1,408,967
(Composition %)		(26)	(3)	(36)	(65)	(9)	(26)	(35)	(100)
(Y on Y Change %)		(28)	(Δ40)	(1)	(6)	(22)	(54)	(44)	(17)
Total accounts receivable	3	1,233,525	323,396	599,198	2,156,120	266,729	611,669	878,399	3,034,519
(Composition %)		(40)	(11)	(20)	(71)	(9)	(20)	(29)	(100)
(Y on Y Change %)		(17)	(Δ20)	(1)	(5)	(43)	(59)	(54)	(16)

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

(¥ million, %)

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

Notes:

1. Total accounts receivable 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 Nine Months Ended December 31, 2013 (April 1, 2013—December 31, 2013)

(¥ million, %)

	No.	Japan	Europe and North America	Asia	Total	Adjustment	Consolidated Total
Revenues	1	53,853	25,565	14,525	93,945	420	94,365
Operating income	2	16,523	9,048	2,526	28,098	Δ 3,858	24,240

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

(¥ million, %)

	No.	Japan	Europe and North America	Asia	Total	Adjustment	Consolidated Total
Revenues	1	46,143	18,250	9,725	74,119	331	74,450
Operating income	2	11,507	6,366	2,566	20,440	Δ 3,411	17,029

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, and Indonesia
3. The above are the revenues and operating income from external customers.

(4) Segmented Information by Business

(Consolidated Revenues)

(¥ million, %)

	No.	Nine Months Ended December 31, 2012		Nine Months Ended December 31, 2013		Y on Y change
			Composition		Composition	
Financial services	1	28,367	38.1	35,995	38.1	26.9
Farms, agricultural corporations, medical and nursing service providers	2	4,788	6.4	4,734	5.0	△ 1.1
Corporate	3	22,193	29.8	30,104	31.9	35.6
Consumers	4	1,370	1.9	1,157	1.2	△ 15.5
Financial revenue, and others	5	15	0.0	△ 1	△ 0.0	—
Commission services	6	11,481	15.4	11,196	11.9	△ 2.5
Farms, agricultural corporations, medical and nursing service providers	7	1,040	1.4	941	1.0	△ 9.6
Corporate	8	8,089	10.8	8,319	8.8	2.9
Consumers	9	2,803	3.8	2,349	2.5	△ 16.2
Financial revenue, and others	10	△ 452	△ 0.6	△ 413	△ 0.4	—
Supply and sales services	11	8,796	11.8	8,814	9.3	0.2
Corporate	12	8,782	11.8	8,806	9.3	0.3
Financial revenue, and others	13	14	0.0	7	0.0	△ 43.8
Global businesses	14	27,976	37.6	40,092	42.5	43.3
Total of reporting segments	15	76,620	102.9	96,098	101.8	25.4
Others	16	331	0.4	420	0.4	27.1
Adjustment	17	△ 2,501	△ 3.3	△ 2,153	△ 2.2	—
Consolidated Revenues	18	74,450	100.0	94,365	100.0	26.7

Notes:

1. Financial services are based on "products," and include operating leases and credit with residual value, besides finance leases.
2. 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 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 are focused on the utility value and circulation of products, and include rental, auto lease and recycle/reuse transactions.
4. Global businesses include such businesses as financial leases and auto leases of overseas subsidiaries.

(Consolidated Business Volume)

(¥ million, %)

	No.	Nine Months Ended December 31, 2012		Nine Months Ended December 31, 2013		Y on Y change
			Composition		Composition	
Financial services	1	356,483	29.6	460,316	32.7	29.1
Agriculture	2	10,311	0.9	20,474	1.5	98.6
Medical and nursing service providers	3	29,299	2.4	28,943	2.1	△ 1.2
Corporate	4	311,550	25.9	409,008	29.0	31.3
Information equipment related	5	143,589	11.9	202,526	14.4	41.0
Industrial construction machinery	6	28,847	2.4	39,200	2.8	35.9
Commercial logistics related	7	27,910	2.3	43,512	3.1	55.9
Residential CMS	8	63,814	5.3	79,083	5.6	23.9
Others	9	47,388	4.0	44,684	3.1	△ 5.7
Consumers	10	6,219	0.5	5,605	0.4	△ 9.9
Elimination and others	11	△ 897	△ 0.1	△ 3,715	△ 0.3	—
Commission services	12	457,995	38.0	407,792	28.9	△ 11.0
Agriculture	13	18,738	1.6	13,827	1.0	△ 26.2
Medical and nursing service providers	14	2,410	0.2	1,397	0.1	△ 42.0
Corporate	15	388,471	32.2	366,648	26.0	△ 5.6
Card business	16	36,309	3.0	40,378	2.9	11.2
Non-life insurance business	17	2,688	0.2	2,648	0.2	△ 1.5
Securitization business	18	100,762	8.4	93,216	6.6	△ 7.5
Outsourcing business	19	237,543	19.7	221,670	15.7	△ 6.7
Information equipment related and others	20	11,167	0.9	8,734	0.6	△ 21.8
Consumers	21	58,816	4.9	33,902	2.4	△ 42.4
Automobile loans and credit	22	46,039	3.8	28,890	2.0	△ 37.2
Home appliances and home refurbishment	23	8,888	0.8	4,990	0.4	△ 43.9
Home loans	24	3,888	0.3	21	0.0	△ 99.4
Elimination and others	25	△ 10,441	△ 0.9	△ 7,983	△ 0.6	—
Supply and sales services	26	47,058	3.9	45,823	3.3	△ 2.6
Corporate	27	48,686	4.0	47,467	3.4	△ 2.5
Information equipment related and others	28	3,888	0.3	5,173	0.4	33.1
Automobile leases	29	39,748	3.3	37,282	2.6	△ 6.2
Outsourcing business	30	5,049	0.4	5,011	0.4	△ 0.8
Elimination and others	31	△ 1,628	△ 0.1	△ 1,644	△ 0.1	—
Domestic consolidated business volume	32	861,538	71.5	913,932	64.9	6.1
Overseas consolidated business volume	33	343,516	28.5	495,034	35.1	44.1
Consolidated business volume	34	1,205,054	100.0	1,408,967	100.0	16.9

Notes:

1. Financial services are based on "products," and include operating leases and credit with residual value, besides finance leases.
2. 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 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 are focused on the utility value and circulation of products, and include rental, auto lease and recycle/reuse transactions.
4. Others shown under Corporate in Financial services include commercial facilities, scientific instruments, maintenance services, and other items.