

Consolidated First Quarter Earnings Report [IFRS]

For the Three Months Ended June 30, 2016



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 Scheduled date of submission of financial reports: August 9, 2016
 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 First Quarter Ended June 30, 2016 (April 1, 2016 – June 30, 2016)

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

	Revenues		Operating income		Profit before tax		Net income		Net income attributable to owners of the parent		Comprehensive income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Three Months Ended June 30, 2016	89,285	(1.7)	10,753	(11.4)	11,222	(11.4)	7,640	(13.4)	7,347	(14.1)	(7,499)	—
Three Months Ended June 30, 2015	90,785	4.4	12,132	36.4	12,660	34.9	8,826	38.1	8,548	38.3	15,457	115.0

【Important】 "Operating income" on this page represents "Adjusted operating income" which Hitachi Capital uses as an indicator for its consolidated operating results. "Adjusted operating income" is presented as revenues less cost of sales as well as selling, general and administrative expenses. On other pages, "Operating income" is presented as "Adjusted operating income."

	Earnings per share (basic)	Earnings per share (diluted)	ROE
Three Months Ended June 30, 2016	¥ 62.86	¥ —	8.9%
Three Months Ended June 30, 2015	¥ 73.14	¥ —	10.3%

(Ref.) Volume of business: Three Months Ended June 30, 2016: ¥563,364 million; Three Months Ended June 30, 2015: ¥569,879 million

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the parent	Equity attributable to owners of the parent ratio	Equity per share attributable to owners of the parent
	¥ million	¥ million	¥ million	%	¥
As of June 30, 2016	3,026,298	334,993	323,052	10.7	2,763.81
As of March 31, 2016	3,081,201	347,559	335,503	10.9	2,870.33

2. Dividends

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year End	For the Year
	¥	¥	¥	¥	¥
Year ended March 31, 2016	—	42.00	—	42.00	84.00
Year ending March 31, 2017	—	—	—	—	—
Year ending March 31, 2017 (Forecast)	—	43.00	—	43.00	86.00

Note: Changes from the latest released dividend forecasts: None

3. Forecast for the Fiscal Year Ending March 31, 2017 (April 1, 2016 – March 31, 2017)

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

	Revenues		Operating income		Profit before tax		Net income		Net income attributable to owners of the parent		Earnings per share attributable to owners of the parent (basic)
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Interim	176,400	(2.7)	21,500	(8.8)	22,500	(8.3)	16,400	(8.3)	15,800	(9.1)	135.17
Fiscal year	370,000	1.3	45,300	0.2	47,000	0.7	34,500	2.6	33,000	0.9	282.32

Note: Changes from the latest released performance forecasts: None

(Ref.) Volume of business: Interim: ¥1,042,000 million Fiscal year: ¥2,105,000 million

* Notes

(For details, please refer to "2. Matters concerning Summary Information (Notes)" on page 9)

(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: one company: Hitachi Capital Management (China) Ltd.

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

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

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

(iii) Changes to accounting estimates : None

(3) Number of outstanding shares (common shares)

(i) Shares issued at end of term (including treasury stock)

As of June 30, 2016: 124,826,552 shares As of March 31, 2016: 124,826,552 shares

(ii) Treasury stock at end of term

As of June 30, 2016: 7,940,006 shares As of March 31, 2016: 7,939,936 shares

(iii) Weighted average number of shares outstanding

Three months ended June 30, 2016: 116,886,563 shares Three months ended June 30, 2015: 116,886,893 shares

* Information regarding the implementation of quarterly review procedures

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

* Explanation for proper use of the forecasts, etc.

Consolidated forecasts stated herein have been prepared using information available on the date of release. Accordingly, forecasts may differ significantly from actual results due to a variety of reasons. For the assumptions for forecasts and cautions regarding the use of the forecasts, please refer to "(3) Explanation on Future Forecast Information including Consolidated Earnings Forecast" on page 8.

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1. Qualitative Information Concerning Financial Results for the First Quarter Ended June 30, 2016

(1) Explanation about Operating Results

1) Summary of operating results

Summarized results for the three months ended June 30, 2016 were as follows.

(¥ million, %)

	Three Months Ended June 30, 2015	Three Months Ended June 30, 2016	Y on Y Change
Volume of business	569,879	563,364	(1.1)
Revenues	90,785	89,285	(1.7)
Gross profit	32,881	31,408	(4.5)
Adjusted operating income	12,132	10,753	(11.4)
Profit before tax	12,660	11,222	(11.4)
Net income attributable to owners of the parent	8,548	7,347	(14.1)

During the three months ended June 30, 2016, while the economy showed solid growth in the U.S. and U.K, British pound significantly weakened due to the Brexit vote in the U.K., and economic and political uncertainties prevailed across the world. In Japan, recovery of corporate earnings and capital investment outlook remained uncertain due to the appreciation of the yen and unstable business environment around the world.

Hitachi Capital entered into a Memorandum of Understanding regarding capital and business alliance with Mitsubishi UFJ Financial Group, Inc. ("MUFG") and Mitsubishi UFJ Lease & Finance Company Limited ("MUL") in May 2016 for the purpose of strengthening the Company's financial functions and ability to provide solutions toward the Company's sustainable growth. Our shares will be transferred from Hitachi, Ltd. to MUFG and MUL after October 2016, after relevant regulations and clearance and approval are taken care of. The execution of the final agreement on the business alliance scheduled to be in August 2016 is currently under discussion among parties involved.

Under the FY2016-FY2018 Mid-Term Management Plan (2018 Mid-Term Management Plan) announced in June 2016, the Company is aiming to achieve ROE of 10% through ROA improvement, with Global Business (Europe, the Americas, China, ASEAN) maintaining high and systematic growth (continuing a double-digit growth) and with Japan Business improving profitability (challenging 2% ROA) by focusing on growing sectors and improving operational efficiency. We will also execute strategic investment in M&A, IT and human resources to support business growth. Hitachi Capital aims to achieve the target through "Change" and "Growth" insusceptible to the business environment and fulfill our Mission "We will be conscientious of the global environment and aim to become a Social Value Creating Company that provides social development and richer life for people."

During the three months ended June 30, 2016, Japan Business reviewed focused sectors under the 2018 Mid-Term Management Plan and redefined Social infrastructure, Eco- and energy- related, Vehicle, Local governments/public as Growing sectors to be enhanced and Food, Security and BPO as Sprout sectors to be

developed, and promoted those sectors.

In Europe, U.K. referendum resulted the exit from EU in June 2016, however our U.K. business has established stable business foundation that would not be significantly impacted by economic downturns; 1. The business is localized and responds to the U.K.'s domestic needs. 2. Thorough financial risk management 3. Strong credit risk management, diverse business and dispersion of assets into small tickets. In the Americas, as part of our strategic investment, the Company entered into an agreement with CreekrIDGE Capital LLC to acquire its vendor finance service in healthcare and IT sector in May 2016 in order to enhance those functions of the Company. In China, we established Hitachi Capital Management (China) Ltd. in Hong Kong in June 2016 to build a high quality portfolio by increasing public projects through a strategic alliance with state-owned enterprises in Xian and Qingdao.

As a result, consolidated volume of business for the three months ended June 30, 2016 decreased 1.1% year on year to ¥563,364 million as Japanese Business decreased due to the closing of factoring business despite the growth of Global Business mainly in the Americas and solid performance of Europe business on a local currency basis.

Revenues decreased 1.7% year on year to ¥89,285 million and gross profit decreased 4.5% year on year to ¥31,408 million, due mainly to the appreciation of yen. Profit before tax decreased 11.4% year on year to ¥11,222 million due mainly to the appreciation of yen. As a result, net income attributable to owners of the parent decreased 14.1% to ¥7,347 million.

Comprehensive income for the three months ended June 30, 2016 decreased ¥7,499 million due to translation differences related to the financial statements of overseas subsidiaries arising from the appreciation of yen.

Results by segment for the three months ended June 30, 2016 were as follows.

(Account Solution)

Revenues increased 5.7% to ¥51,204 million due to steady performance in information equipment related business for local governments/public sector which is positioned as growing sector in the 2018 Mid-Term Management Plan.

Profit before tax decreased 5.1% year on year to ¥4,886 million due to a decline in gains on sales but still managed to exceed the plan.

(Vendor Solution)

Revenues decreased 8.8% to ¥4,673 million due to a decrease in operating assets.

Profit before tax decreased 33.9% to ¥687 million due to a decrease in revenues but still managed to exceed the plan.

(Europe)

Revenues decreased 13.2% to ¥21,366 million and profit before tax decreased 10.4% to ¥4,129 due to the appreciation of yen although U.K. business showed solid performance and its revenues increased on a local currency basis, but still managed to exceed the plan.

(The Americas)

Revenues increased 24.7% to ¥3,620 million due to a strong performance in factoring business and truck business.

Profit before tax decreased 25.4% to ¥622 million due to an increase in cost related to business expansion and the appreciation of yen.

(China)

Revenues decreased 5.7% to ¥3,971 million due to the appreciation of yen although the business in mainland China showed a steady growth and its revenues increased on a local currency basis.

Profit before tax increased 10.7% to ¥1,844 million due to a decrease in bad debt expenses and exceeded the plan.

(ASEAN)

Revenues increased 3.9% to ¥3,218 million due to an increase in volume of business.

Profit before tax decreased 24.6% to ¥142 million due to the appreciation of yen, but still managed to exceed the plan.

2) Key management indicators (Annualized)

	(%)	
	Three Months Ended June 30, 2015	Three Months Ended June 30, 2016
ROE	10.3	8.9
ROA	1.7	1.5
Equity attributable to owners of the parent ratio	10.9	10.7

(2) Explanation about Consolidated Financial Position

1) Assets, liabilities and net assets

Financial position as of June 30, 2016 was as follows:

	As of March 31, 2016	As of June 30, 2016	(¥ million, %)	
			Change	
			Amount	%
Total assets	3,081,201	3,026,298	(54,903)	(1.8)
Interest-bearing debt	2,341,683	2,352,514	10,830	0.5
Total equity	347,559	334,993	(12,566)	(3.6)

i . Total assets

Total assets as of June 30, 2016 decreased ¥54,903 million from March 31, 2016 to ¥3,026,298 million due to a decrease in trade and other receivables as a result of the appreciation of yen mainly in Europe.

ii . Interest-bearing debt

Interest-bearing debt as of June 30, 2016 increased ¥10,830 million from March 31, 2016 to ¥2,352,514 million due mainly to issuance of corporate bond in Japan.

iii .Total equity

Total equity as of June 30, 2016 decreased ¥12,566 million from March 31, 2016 to ¥334,993 million, and major components consist of net income attributable to owners of the parent of ¥7,347 million, decrease in foreign currency translation adjustments of ¥14,353 million and cash dividends paid of ¥4,909 million

2) Cash flows

Cash flows during three months ended June 30, 2016 were as follows:

(¥ million)

	Three Months Ended June 30, 2015	Three Months Ended June 30, 2016	Change
Cash flows from operating activities	(66,386)	(77,211)	(10,825)
Cash flows from investing activities	4,508	(8,080)	(12,588)
Cash flows from financing activities	94,938	93,095	(1,843)
Free cash flow	(61,877)	(85,291)	(23,413)

i . Cash flows from operating activities

Net cash used in operating activities was ¥77,211 million. This was primarily due to an increase in trade and other receivables of ¥31,811 million, purchase of operating leased assets of ¥35,640 million, decrease in trade and other payables of ¥36,594 million, and proceeds from sale of operating leased assets of ¥8,871 million.

ii . Cash flows from investing activities

Net cash used in investing activities was ¥8,080 million. This was primarily due to payments for acquisition of businesses of ¥9,790 million.

iii . Cash flows from financing activities

Net cash provided by financing activities was ¥93,095 million mainly due to proceeds from long-term borrowings and bonds of ¥117,582 million, payments on long-term borrowings and bonds of ¥116,395 million, and increase in short-term borrowings of ¥96,967 million.

As a result, cash and cash equivalent as of June 30, 2016 increased ¥6,093 million from March

31, 2016 to ¥163,184 million. Free cash flow, a sum of cash flows from operating and investing activities, resulted in cash outflows of ¥85,291 million, an increase of ¥23,413 million from the three months ended June 30, 2015.

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

While all segments generally showed steady performance for the three months ended June 30, 2016, the management environment surrounding the Company remains unpredictable because of significantly weakening British pound triggered by the U.K.'s Brexit vote and increasing geopolitical risks across the world. In Japan, recovery of corporate earnings and capital investment outlook remains uncertain due to the unstable business environment around the world and the appreciation of yen while the government implemented monetary easing policy including implementation of negative interest rates.

Consolidated earnings forecast based on the situations described above is presented below, which has not changed from the forecast announced on April 28, 2016.

(¥ million)

	Six Months Ending September 30, 2016	Fiscal Year Ending March 31, 2017
Revenues	176,400	370,000
Adjusted operating income	21,500	45,300
Profit before tax	22,500	47,000
Net income	16,400	34,500
Net income attributable to owners of the parent	15,800	33,000
Basic earnings per share attributable to owners of the parent	¥135.17	¥282.32

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

(4) Basic Policy for Profit Sharing

1) Cash dividends

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

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

- i . Secure own capital necessary to execute business as a financial service company
- ii . Determine the amount of dividends based on the dividend on equity attributable to owners of the parent 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

From the three months ended June 30, 2016, Hitachi Capital Management (China) Ltd., which was newly established, was included in the scope of consolidation.

(2) Changes to Accounting Policies and Estimates

Not applicable

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

	(¥ million)	
	As of March 31, 2016	As of June 30, 2016
Assets		
Cash and cash equivalents	157,091	163,184
Trade and other receivables	1,358,973	1,278,781
Finance lease receivables	1,054,180	1,059,019
Other financial assets	61,601	72,799
Operating leased assets	341,296	333,417
Investments accounted for using the equity method	20,254	20,248
Other property, plant and equipment	20,162	18,468
Other intangible assets	12,165	17,493
Deferred tax assets	17,950	18,083
Other assets	37,524	44,800
Total assets	3,081,201	3,026,298
Liabilities		
Trade and other payables	228,989	188,919
Borrowings and bonds	2,341,683	2,352,514
Other payables	20,492	20,113
Other financial liabilities	58,724	51,093
Income tax payable	4,494	3,039
Retirement and severance benefits	9,540	9,364
Deferred tax liabilities	1,839	1,797
Other liabilities	67,878	64,462
Total liabilities	2,733,641	2,691,305
Equity		
Equity attributable to owners of the parent		
Common stock	9,983	9,983
Capital surplus	45,828	45,828
Retained earnings	289,745	292,183
Accumulated other comprehensive income	4,280	(10,608)
Treasury stock	(14,334)	(14,334)
Total equity attributable to owners of the parent	335,503	323,052
Non-controlling interests	12,056	11,940
Total equity	347,559	334,993
Total liabilities and equity	3,081,201	3,026,298

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

Summary of Quarterly Consolidated Statement of Profit or Loss

	(¥ million)	
	Three Months Ended June 30, 2015 (April 1, 2015 to June 30, 2015)	Three Months Ended June 30, 2016 (April 1, 2016 to June 30, 2016)
Revenues	90,785	89,285
Cost of sales	57,904	57,876
Gross profit	32,881	31,408
Selling, general and administrative expenses	20,748	20,654
Adjusted operating income	12,132	10,753
Other income	32	15
Other expenses	39	63
Share of profits of investments accounted for using the equity method	536	516
Profit before tax	12,660	11,222
Income taxes	3,834	3,581
Net income	8,826	7,640
Net income attributable to:		
Owners of the parent	8,548	7,347
Non-controlling interests	277	293
Earnings per share		
Earnings per share attributable to owners of the parent (basic and diluted)	¥73.14	¥62.86

Summary of Quarterly Consolidated Statement Comprehensive Income

	(¥ million)	
	Three Months Ended June 30, 2015 (April 1, 2015 to June 30, 2015)	Three Months Ended June 30, 2016 (April 1, 2016 to June 30, 2016)
Net income	8,826	7,640
Other comprehensive income		
Items not to be reclassified to net income		
Financial assets measured at fair value through other comprehensive income	541	42
Share of other comprehensive income of investments accounted for using the equity method	(14)	(9)
Total items not to be reclassified to net income	526	33
Items that can be reclassified to net income		
Foreign currency translation adjustments	5,059	(14,571)
Cash flow hedges	1,045	(569)
Share of other comprehensive income of investments accounted for using the equity method	—	(32)
Total items that can be reclassified to net income	6,104	(15,172)
Other comprehensive income	6,631	(15,139)
Comprehensive income	15,457	(7,499)
Comprehensive income attributable to:		
Owners of the parent	15,148	(7,542)
Non-controlling interests	309	43

(3) Summary of Quarterly Consolidated Statements of Changes in Equity
For the Three Months Ended June 30, 2015 (April 1, 2015 - June 30, 2015)

(¥ million)

	Equity attributable to equity holders of the parent					Total equity attributable to equity owners of the parent	Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock			
As of April 1, 2015	9,983	45,823	265,152	18,597	(14,333)	325,223	11,607	336,830
Changes in equity								
Net income			8,548			8,548	277	8,826
Other comprehensive income				6,599		6,599	31	6,631
Comprehensive income for the period			8,548	6,599		15,148	309	15,457
Dividends to equity owners of the parent			(3,857)			(3,857)		(3,857)
Dividends to non-controlling interests							(92)	(92)
Acquisition of treasury stock					(0)	(0)		(0)
Total changes in equity	—	—	4,691	6,599	(0)	11,290	217	11,507
As of June 30, 2015	9,983	45,823	269,843	25,196	(14,333)	336,513	11,824	348,337

For the Three Months Ended June 30, 2016 (April 1, 2016 - June 30, 2016)

(¥ million)

	Equity attributable to equity holders of the parent					Total equity attributable to equity owners of the parent	Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock			
As of April 1, 2016	9,983	45,828	289,745	4,280	(14,334)	335,503	12,056	347,559
Changes in equity								
Net income			7,347			7,347	293	7,640
Other comprehensive income				(14,889)		(14,889)	(250)	(15,139)
Comprehensive income for the period			7,347	(14,889)		(7,542)	43	(7,499)
Dividends to equity owners of the parent			(4,909)			(4,909)		(4,909)
Dividends to non-controlling interests							(179)	(179)
Acquisition of treasury stock					(0)	(0)		(0)
Equity transactions with non-controlling interests		0		0		0	20	21
Total changes in equity	—	0	2,438	(14,889)	(0)	(12,451)	(115)	(12,566)
As of June 30, 2016	9,983	45,828	292,183	(10,608)	(14,334)	323,052	11,940	334,993

(4) Summary of Quarterly Consolidated Statement of Cash Flows

(¥ million)

	Three Months Ended June 30, 2015 (April 1, 2015 to June 30, 2015)	Three Months Ended June 30, 2016 (April 1, 2016 to June 30, 2016)
Cash flows from operating activities		
Net income	8,826	7,640
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	23,208	23,657
Income taxes	3,834	3,581
Share of profits of investments accounted for using the equity method	(536)	(516)
(Increase) decrease in trade and other receivables	(56,742)	(31,811)
(Increase) decrease in finance lease receivables	(9,077)	(7,282)
Purchase of operating leased assets	(36,120)	(35,640)
Proceeds from sale of operating leased assets	7,101	8,871
Increase (decrease) in trade and other payables	(9,263)	(36,594)
Increase (decrease) in payable due to collection of securitized receivables	6,286	518
Other	(1,537)	(5,134)
Subtotal	(64,020)	(72,711)
Income taxes paid	(2,366)	(4,500)
Net cash provided by (used in) operating activities	(66,386)	(77,211)
Cash flows from investing activities		
Purchase of other property, plant and equipment	(792)	(690)
Purchase of other intangible assets	(604)	(468)
Purchase of investments in securities and payments to time deposits	(1,843)	(2,309)
Proceeds from sale and redemption of investments in securities and withdrawal of time deposits	2,623	658
Purchase of investments accounted for using the equity method	—	(494)
Payments for transfer of business	—	(9,790)
Net decrease (increase) in short-term loans receivable	5,000	5,000
Other	124	15
Net cash provided by (used in) investing activities	4,508	(8,080)
Cash flows from financing activities		
Net increase (decrease) increase in short-term borrowings	85,916	96,967
Proceeds from long-term borrowings and bonds	107,353	117,582
Payments on long-term borrowings and bonds	(94,391)	(116,395)
Proceeds from payments from non-controlling interests	—	20
Dividends paid to owners of the parent	(3,847)	(4,899)
Dividends paid to non-controlling interests	(92)	(179)
Other	(0)	(0)
Net cash provided by (used in) financing activities	94,938	93,095
Effect of exchange rate changes on cash and cash equivalents	427	(1,709)
Net increase (decrease) in cash and cash equivalents	33,488	6,093
Cash and cash equivalents at beginning of period	119,314	157,091
Cash and cash equivalents at end of period	152,803	163,184

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

(Notes concerning going concern)

Not applicable

(Segment information)

I For the Three Months Ended June 30, 2015 (April 1, 2015 - June 30, 2015)

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

	Reportable segments							Other	Total	Adjustments	Consolidated statement of profit or loss
	Japan		Europe	The Americas	China	ASEAN	Total				
	Account Solution	Vendor Solution									
Revenues											
External customers	48,129	5,108	24,620	2,903	4,209	3,097	88,069	3,315	91,384	(599)	90,785
Intersegment	316	16	—	—	—	—	332	710	1,042	(1,042)	—
Total	48,445	5,124	24,620	2,903	4,209	3,097	88,401	4,026	92,427	(1,642)	90,785
Profit before tax	5,146	1,041	4,607	835	1,667	188	13,486	585	14,072	(1,411)	12,660

(¥ million)

(Notes)

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

II For the Three Months Ended June 30, 2016 (April 1, 2016 - June 30, 2016)

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

	Reportable segments							Other	Total	Adjustments	Consolidated statement of profit or loss
	Japan		Europe	The Americas	China	ASEAN	Total				
	Account Solution	Vendor Solution									
Revenues											
External customers	50,908	4,657	21,366	3,620	3,971	3,218	87,744	3,022	90,766	(1,481)	89,285
Intersegment	295	16	—	—	—	—	311	256	568	(568)	—
Total	51,204	4,673	21,366	3,620	3,971	3,218	88,055	3,279	91,334	(2,049)	89,285
Profit before tax	4,886	687	4,129	622	1,844	142	12,312	310	12,623	(1,401)	11,222

(¥ million)

(Notes)

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

(Significant subsequent events)
Not applicable

4. Supplementary Information

(1) Change in Quarterly Consolidated Performance

Consolidated Results for the Year Ending March 31, 2017

(¥ million, %)

	No.	Three Months Ended June 30, 2015 (Results)	Three Months Ended June 30, 2016 (Results)	Y on Y change
Revenues	1	90,785	89,285	(1.7)
Cost of sales	2	57,904	57,876	(0.0)
Gross profit	3	32,881	31,408	(4.5)
Selling, general and administrative expenses	4	20,748	20,654	(0.5)
Adjusted operating income	5	12,132	10,753	(11.4)
Other income	6	32	15	(51.7)
Other expenses	7	39	63	60.5
Share of profits of investments accounted for using the equity method	8	536	516	(3.6)
Profit before tax	9	12,660	11,222	(11.4)
Income taxes	10	3,834	3,581	(6.6)
Net income	11	8,826	7,640	(13.4)
Net income attributable to:				
Owners of the parent	12	8,548	7,347	(14.1)
Non-controlling interests	13	277	293	5.7
Earnings per share				
Earnings per share attributable to owners of the parent (basic and diluted)	14	¥73.14	¥62.86	(14.1)

(2) Contract Segment Information

1. For the Three Months Ended June 30, 2016 (April 1, 2016 - June 30, 2016)

(¥ million, %)

	No.	Domestic consolidated				Overseas consolidated				Consolidated Total
		Lease	Factoring and loans	Installments and others	Total	Lease	Factoring and loans	Installments and others	Total	
Volume of business (Composition %) (Y on Y Change %)	1	118,752 (21) (-16)	78,334 (14) (-35)	47,967 (9) (7)	245,054 (44) (-20)	59,110 (10) (1)	192,568 (34) (41)	66,630 (12) (-1)	318,309 (56) (21)	563,364 (100) (-1)
Operating assets (Composition %) (Y on Y Change %)	2	1,055,576 (37) (3)	278,972 (10) (-32)	289,306 (10) (-17)	1,623,855 (57) (-9)	385,795 (14) (-1)	429,324 (15) (-15)	390,708 (14) (2)	1,205,828 (43) (-6)	2,829,683 (100) (-8)

2. For the Three Months Ended June 30, 2015 (April 1, 2014 - June 30, 2015)

(¥ million, %)

	No.	Domestic consolidated				Overseas consolidated				Consolidated Total
		Lease	Factoring and loans	Installments and others	Total	Lease	Factoring and loans	Installments and others	Total	
Volume of business (Composition %) (Y on Y Change %)	1	141,262 (25) (25)	120,574 (21) (13)	44,991 (8) (-24)	306,829 (54) (10)	58,739 (10) (24)	136,900 (24) (33)	67,409 (12) (24)	263,050 (46) (29)	569,879 (100) (18)
Operating assets (Composition %) (Y on Y Change %)	2	1,023,962 (33) (1)	409,425 (13) (-1)	350,415 (12) (-21)	1,783,803 (58) (-5)	388,905 (13) (30)	504,050 (16) (44)	383,137 (13) (57)	1,276,093 (42) (43)	3,059,897 (100) (11)

(Notes)

1. "Lease" includes lease rentals, auto leases and other items.
2. "Factoring and loans" includes factoring, business loans (including home loans).
3. "Installments and others" include installment sales, loan sales through alliances, card services and other items.

(3) Segmented Information by Business

(Consolidated Business Volume)

(¥ million, %)

	No.	Three Months Ended June 30, 2015		Three Months Ended June 30, 2016		Y on Y change	
			Composition		Composition		
Japan	Account Solution	1	267,225	46.9	205,867	36.5	(23.0)
	Wholesale	2	213,218	37.4	151,908	26.9	(28.8)
	Information equipment related	3	44,088	7.7	55,360	9.8	25.6
	Industrial construction machinery related	4	15,532	2.7	12,637	2.2	(18.6)
	Commercial logistics related	5	30,253	5.3	7,590	1.3	(74.9)
	Factoring	6	78,435	13.8	41,606	7.4	(47.0)
	Card	7	14,687	2.6	15,472	2.8	5.3
	Others	8	30,221	5.3	19,241	3.4	(36.3)
	Agriculture	9	9,505	1.7	5,885	1.0	(38.1)
	Healthcare	10	7,668	1.4	9,944	1.8	29.7
	Vehicle	11	11,532	2.0	12,709	2.3	10.2
	Residential CMS	12	25,217	4.4	24,811	4.4	(1.6)
	Others	13	82	0.0	609	0.1	638.7
	Vendor Solution	14	36,508	6.4	36,916	6.6	1.1
Europe	15	135,729	23.8	122,542	21.8	(9.7)	
The Americas	16	49,811	8.7	123,865	22.0	148.7	
China	17	53,662	9.4	45,757	8.1	(14.7)	
ASEAN	18	23,847	4.2	26,144	4.6	9.6	
Others	19	3,910	0.7	2,637	0.5	(32.6)	
Elimination and others	20	(816)	(0.1)	(367)	(0.1)	-	
Consolidated business volume	21	569,879	100.0	563,364	100.0	(1.1)	

(Notes)

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