

July 28, 2015

Consolidated First Quarter Earnings Report [IFRS]

For the Three Months Ended June 30, 2015



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 13, 2015
 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, 2015 (April 1, 2015 – June 30, 2015)

(1) Consolidated Operating Results (Cumulative)

(year-on-year change %)

	Revenues		Profit before tax		Net income		Net income attributable to owners of the parent		Comprehensive income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Three Months Ended June 30, 2015	90,785	4.4	12,660	34.9	8,826	38.1	8,548	38.3	15,457	115.0
Three Months Ended June 30, 2014	86,993	—	9,385	—	6,392	—	6,182	—	7,189	—

	Earnings per share (basic)	Earnings per share (diluted)	ROE
	¥	¥	%
Three Months Ended June 30, 2015	73.14	—	10.3
Three Months Ended June 30, 2014	52.90	—	8.2

(Ref.) Volume of business: Three Months Ended June 30, 2015: ¥569,879 million; Three Months Ended June 30, 2014: ¥483,074 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, 2015	3,098,467	348,337	336,513	10.9	2,878.97
As of March 31, 2015	2,952,471	336,830	325,223	11.0	2,782.37

2. Dividends

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year End	For the Year
	¥	¥	¥	¥	¥
Year ended March 31, 2015	—	27.00	—	33.00	60.00
Year ending March 31, 2016	—	—	—	—	—
Year ending March 31, 2016 (Forecast)	—	38.00	—	38.00	76.00

Note: Changes from the latest released dividend forecasts: None

3. Forecast for the Fiscal Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)

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

	Revenues		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	%	¥
Interim	183,400	—	21,500	—	15,500	—	15,150	—	129.61
Fiscal year	370,000	3.8	42,800	20.2	30,900	23.9	30,000	24.3	256.66

Note: Changes from the latest released performance forecasts: None

(Ref.) Volume of business: Interim: ¥1,061,000 million Fiscal year: ¥2,169,000 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: None

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

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

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

(iii) Changes to accounting estimates : None

(3) Number of outstanding shares (common shares)

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

As of June 30, 2015: 124,826,552 shares As of March 31, 2015: 124,826,552shares

(ii) Own shares at end of term

As of June 30, 2015: 7,939,754 shares As of March 31, 2015: 7,939,627 shares

(iii) Weighted average number of shares outstanding

Three months ended June 30, 2015: 116,886,893 shares Three months ended June 30, 2014: 116,887,343 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, 2015

(1) Explanation about Operating Results

1) Summary of operating results

Summarized results for the three months ended June 30, 2015 were as follows.

The Company adopted International Financial Reporting Standard (IFRS), the global accounting standard, voluntarily for its consolidated financial statements contained in the annual securities report for the fiscal year ended March 31, 2015, with an aim to broaden domestic and overseas shareholder and investor base and to diversify funding methods in global markets.

(¥ million, %)

	Three Months Ended June 30, 2014	Three Months Ended June 30, 2015	Y on Y Change
Volume of business	483,074	569,879	18.0
Revenues	86,993	90,785	4.4
Gross profit	28,330	32,881	16.1
Profit before tax	9,385	12,660	34.9
Net income attributable to owners of the parent	6,182	8,548	38.3

During the three months ended June 30, 2015, the global economy showed signs of slowdown due to factors including geopolitical risks and a decline in investments in China, despite solid economic growth in the U.S. and the U.K.

In Japan, on the other hand, the improvement of corporate earnings continued owing to the government's growth support policies and monetary easing policy and currency exchange impact as devaluation of the yen/lower crude oil price, and the Japanese economy showed signs of recovery such that lease transaction volume increased for two consecutive months up to May 2015 (compiled by Japan Leasing Association).

Under the "Mid-Term Management Plan" for the period ending in FY2015, the Group is working on the transformation into a "highly competitive management base" by focusing primarily on business structural reform through "transformation." While we aim to achieve growth strategies with the group common strategy for service business (collaboration with the Hitachi Group, vehicle solution, and key account solution) in addition to regional strategy in Japan and in four key management areas of Global Business (Europe, the Americas, China, and ASEAN), we are also working to strengthen our management base by maintaining sound financial structure, improving the quality of operations, enhancing risk managements, developing human resources, and reforming cost structure.

During the three months ended June 30, 2015, Japan Business worked on a shift of resources primarily on focused six sectors (social infrastructure, environment and renewable energy, vendor finance, auto leasing, healthcare, and agriculture) and also enhancement of customer-oriented, key account sales by providing solutions through enhanced collaboration with partners including the Hitachi Group. We also pursued enhancement of profitability through business selection and concentration including downsizing consumer

business whose profitability had declined. In Global Business, we worked on “systematic globalization” with a further promotion of growth strategy and enhancement of governance in four key management areas (Europe, the Americas, China, and ASEAN). In Europe and the Americas, we promoted to expand consumer and corporate business in the U.K. and development of vehicle solution business in Poland and Canada. In ASEAN area, where mid- to long-term growth can be expected, we enhanced governance and business under the leadership of Regional Headquarters in Singapore. In April 2015, the Company and Srei Equipment Finance Pvt. Ltd. of the Republic of India (“India”), one of the leading leasing companies listed in India, entered into an agreement to form a business alliance regarding financial service collaboration. In terms of collaboration with the Hitachi Group, we promoted expansion of wind- and solar-power generation business and addressed demands related to social infrastructure in Japan, and in overseas, we promoted enhancement of support solution for energy cost reduction and factoring business and expansion of sales finance business through affiliation with external financial institutions.

Consolidated volume of business for the three months ended June 30, 2015 increased 18.0% year on year to ¥569,879 million as Global Business showed a growth primarily in the Americas and Europe, and Japan Business showed a steady performance in wholesale segment such as commercial logistics related.

Revenues increased 4.4% to ¥90,785 million and gross profit increased 16.1% to ¥32,881 million due to the expansion of Global Business primarily in the Americas and Europe. Profit before tax increased 34.9% to ¥12,660 million mainly due to an effect of business structural reform in Japan Business and the expansion of Global Business. As a result, net profit attributable to owners of the parent for the three months ended June 30, 2015 increased 38.3% to ¥8,548 million.

Results by segment for the three months ended June 30, 2015 were as follows.

(Account Solution)

Revenues increased 2.9% to ¥48,445 million due to a steady performance in focused sectors and fundamental businesses.

Profit before tax increased 42.4% to ¥5,146 million due to an increase in revenues and an effect of business structural reform.

(Vendor Solution)

Revenues decreased 10.1% to ¥5,124 million due to a decrease in business volume.

Profit before tax increased 31.4% to ¥1,041 million due to an effect of business structural reform, despite a decrease in revenues.

(Europe)

Revenues increased 4.5% to ¥24,620 million due to a steady performance in U.K. business and currency exchange impact as devaluation of the yen.

Profit before tax increased 20.1% to ¥4,607 million due to an increase in revenues.

(The Americas)

Revenues increased 83.1% to ¥2,903 million due to a strong performance in factoring business and vehicle

solution business in the U.S. and Canada.

Profit before tax increased 296.0% to ¥835 million due to an increase in revenues.

(China)

Revenues increased 16.7% to ¥4,209 million due to a solid performance of finance business in Hong Kong.

Profit before tax increased 67.4% to ¥1,667 million due to an increase in revenues and a decrease in bad debt expenses.

(ASEAN)

Revenues increased 25.9% to ¥3,097 million due to an increase in revenues in Singapore, Thailand, Malaysia, and Indonesia.

Profit before tax decreased 3.6% to ¥188 million, despite an increase in revenues, due to an increase in SG&A expenses caused by resource investments to reinforce business.

2) Key management indicators (Annualized)

(%)

	Three Months Ended June 30, 2014	Three Months Ended June 30, 2015
ROE	8.2	10.3
ROA	1.4	1.7
Equity attributable to owners of the parent ratio	11.3	10.9

(2) Explanation about Consolidated Financial Position

1) Assets, liabilities and net assets

Financial position as of June 30, 2015 was as follows:

(¥ million, %)

	As of March 31, 2015	As of June 30, 2015	Change	
			Amount	%
Total assets	2,952,471	3,098,467	145,995	4.9
Interest-bearing debt	2,149,103	2,281,400	132,297	6.2
Total equity	336,830	348,337	11,507	3.4

i . Total assets

Total assets as of June 30, 2015 increased ¥145,995 million from March 31, 2015 to ¥3,098,467 million due to an increase in trade and other receivables mainly in Europe and the Americas and an increase in cash and cash equivalents in Japan.

ii . Interest-bearing debt

Interest-bearing debt as of June 30, 2015 increased ¥132,297 million from March 31, 2015 to ¥2,281,400 million due to increases in short-term loans payable mainly in Japan and Europe.

iii. Total equity

Total equity as of June 30, 2015 increased ¥11,507 million from March 31, 2015 to ¥348,337 million, and major components consist of net income attributable to owners of the parent of ¥8,548 million, foreign currency translation adjustments of ¥5,027 million and cash dividends paid of ¥3,857 million

2) Cash flows

Cash and cash equivalents as of June 30, 2015 increased ¥33,488 million from March 31, 2015 to ¥152,803 million.

Cash flows by activity were as follows:

	(¥ million)	
	Three Months Ended June 30, 2014	Three Months Ended June 30, 2015
Cash flows from operating activities	(52,722)	(66,386)
Cash flows from investing activities	(3,783)	4,508
Cash flows from financing activities	56,262	94,938

i . Cash flows from operating activities

Net cash used in operating activities was ¥66,386 million. This was primarily due to an increase in trade and other receivables of ¥56,742 million, purchase of operating leased assets of ¥36,120 million, and proceeds from sale of operating leased assets of ¥7,101 million.

ii . Cash flows from investing activities

Net cash provided by investing activities was ¥4,508 million. This was primarily due to decrease in short-term loans receivable of ¥5,000 million.

iii . Cash flows from financing activities

Net cash provided by financing activities was ¥94,938 million mainly due to proceeds from long-term borrowings and bonds of ¥107,353 million, payments on long-term borrowings and bonds of ¥94,391 million, and increase in short-term borrowings of ¥85,916 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 ¥61,877 million.

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

The management environment surrounding the Group still remains unpredictable because of geopolitical risk in various countries, deceleration of China's growth due to a decline in investments and financial instability in Europe, despite economic recovery in the U.S. and continued solid growth in the U.K. In Japan, the government's growth support policies and monetary easing policy as well as an improvement of corporate earnings due to the currency exchange impact as devaluation of the yen and lower crude oil price are expected to contribute to an increase in capital investments, etc.

Under such circumstances, the Group strives to transform into "high-profit enterprise", independent of economic environment changes to achieve sustainable growth by accelerating business structural reform into a "highly competitive management base" through "Smart Transformation Project."

Consolidated earnings forecast based on the situations described above is presented below, which has not changed from the forecast announced on May 13, 2015.

(¥ million)

	Six Months Ending September 30, 2015	Fiscal Year Ending March 31, 2016
Revenues	183,400	370,000
Profit before tax	21,500	42,800
Net income	15,500	30,900
Net income attributable to owners of the parent	15,150	30,000
Basic earnings per share attributable to owners of the parent	¥129.61	¥256.66

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 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

Not applicable

(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, 2015	As of June 30, 2015
Assets		
Cash and cash equivalents	119,314	152,803
Trade and other receivables	1,367,886	1,470,039
Finance lease receivables	996,438	1,005,483
Other financial assets	54,830	41,106
Operating leased assets	302,765	317,920
Investments accounted for using the equity method	19,267	18,965
Other property, plant and equipment	16,150	16,665
Other intangible assets	12,735	13,100
Deferred tax assets	21,179	20,061
Other assets	41,903	42,322
Total assets	2,952,471	3,098,467
Liabilities		
Trade and other payables	273,036	258,110
Borrowings and bonds	2,149,103	2,281,400
Other payables	27,912	29,443
Other financial liabilities	89,844	102,033
Income tax payable	2,684	3,788
Retirement and severance benefits	6,285	5,982
Deferred tax liabilities	1,965	1,427
Other liabilities	64,809	67,943
Total liabilities	2,615,641	2,750,129
Equity		
Equity attributable to owners of the parent		
Common stock	9,983	9,983
Capital surplus	45,823	45,823
Retained earnings	265,152	269,843
Accumulated other comprehensive income	18,597	25,196
Treasury stock	(14,333)	(14,333)
Total equity attributable to owners of the parent	325,223	336,513
Non-controlling interests	11,607	11,824
Total equity	336,830	348,337
Total liabilities and equity	2,952,471	3,098,467

(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, 2014 (April 1, 2014 to June 30, 2014)	Three Months Ended June 30, 2015 (April 1, 2015 to June 30, 2015)
Revenues	86,993	90,785
Cost of sales	58,662	57,904
Gross profit	28,330	32,881
Selling, general and administrative expenses	19,439	20,748
Other income	6	32
Other expenses	17	39
Share of profits of investments accounted for using the equity method	505	536
Profit before tax	9,385	12,660
Income taxes	2,993	3,834
Net income	6,392	8,826
Net income attributable to:		
Owners of the parent	6,182	8,548
Non-controlling interests	209	277
Earnings per share		
Earnings per share attributable to owners of the parent (basic and diluted)	¥52.90	¥73.14

Summary of Quarterly Consolidated Statement Comprehensive Income

	(¥ million)	
	Three Months Ended June 30, 2014 (April 1, 2014 to June 30, 2014)	Three Months Ended June 30, 2015 (April 1, 2015 to June 30, 2015)
Net income	6,392	8,826
Other comprehensive income		
Items not to be reclassified to net income		
Financial assets measured at fair value through other comprehensive income	261	541
Share of other comprehensive income of investments accounted for using the equity method	13	(14)
Total items not to be reclassified to net income	274	526
Items that can be reclassified to net income		
Foreign currency translation adjustments	27	5,059
Cash flow hedges	494	1,045
Total items that can be reclassified to net income	522	6,104
Other comprehensive income	796	6,631
Comprehensive income	7,189	15,457
Comprehensive income attributable to:		
Owners of the parent	7,031	15,148
Non-controlling interests	157	309

(3) Summary of Quarterly Consolidated Statements of Changes in Equity
For the Three Months Ended June 30, 2014 (April 1, 2014 - June 30, 2014)

(¥ 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, 2014	9,983	45,823	246,364	10,449	(14,332)	298,288	10,402	308,690
Changes in equity								
Net income			6,182			6,182	209	6,392
Other comprehensive income				848		848	(52)	796
Comprehensive income for the period			6,182	848		7,031	157	7,189
Dividends to equity owners of the parent			(2,922)			(2,922)		(2,922)
Dividends to non-controlling interests							(68)	(68)
Transfer to retained earnings				(316)		(316)		(316)
Transfer from accumulated other comprehensive income			316			316		316
Total changes in equity	—	—	3,576	532	—	4,109	88	4,198
As of June 30, 2014	9,983	45,823	249,941	10,982	(14,332)	302,398	10,491	312,889

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	Common 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

(4) Summary of Quarterly Consolidated Statement of Cash Flows

(¥ million)

	Three Months Ended June 30, 2014 (April 1, 2014 to June 30, 2014)	Three Months Ended June 30, 2015 (April 1, 2015 to June 30, 2015)
Cash flows from operating activities		
Net income	6,392	8,826
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	21,691	23,208
Income taxes	2,993	3,834
Share of profits of investments accounted for using the equity method	(505)	(536)
(Increase) decrease in trade and other receivables	(30,866)	(56,742)
(Increase) decrease in finance lease receivables	(9,924)	(9,077)
Purchase of operating leased assets	(26,158)	(36,120)
Proceeds from sale of operating leased assets	10,982	7,101
Increase (decrease) in trade and other payables	(17,958)	(9,263)
Increase (decrease) in payable due to collection of securitized receivables	262	6,286
Other	(5,683)	(1,537)
Subtotal	(48,772)	(64,020)
Income taxes paid	(3,949)	(2,366)
Net cash provided by (used in) operating activities	(52,722)	(66,386)
Cash flows from investing activities		
Purchase of other property, plant and equipment	(2,337)	(792)
Purchase of other intangible assets	(292)	(604)
Purchase of investments in securities and payments to time deposits	(6,360)	(1,843)
Proceeds from sale and redemption of investments in securities and withdrawal of time deposits	7,219	2,623
Payment for from acquisition of subsidiary's shares resulting in changes in scope of consolidation	(7,019)	—
Decrease (increase) in short-term loans receivable	5,000	5,000
Other	6	124
Net cash provided by (used in) investing activities	(3,783)	4,508
Cash flows from financing activities		
Net increase (decrease) increase in short-term borrowings	(19,271)	85,916
Proceeds from long-term borrowings and bonds	147,076	107,353
Payments on long-term borrowings and bonds	(68,559)	(94,391)
Dividends paid to owners of the parent	(2,914)	(3,847)
Dividends paid to non-controlling interests	(68)	(92)
Other	—	(0)
Net cash provided by (used in) financing activities	56,262	94,938
Effect of exchange rate changes on cash and cash equivalents	(194)	427
Net increase (decrease) in cash and cash equivalents	(436)	33,488
Cash and cash equivalents at beginning of period	150,480	119,314
Cash and cash equivalents at end of period	150,043	152,803

(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, 2014 (April 1, 2014 - June 30, 2014)

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

(¥ million)

	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	46,824	5,687	23,561	1,585	3,608	2,460	83,727	3,675	87,403	(410)	86,993
Intersegment	265	14	-	-	-	-	280	855	1,135	(1,135)	-
Total	47,090	5,702	23,561	1,585	3,608	2,460	84,008	4,531	88,539	(1,546)	86,993
Profit before tax	3,614	792	3,835	210	995	195	9,644	680	10,325	(939)	9,385

(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, 2015 (April 1, 2015 - June 30, 2015)

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

(¥ million)

	Reportable segments							Other	Total	Adjustments	Consolidated statement of profit or loss
	Japan		Europe	The Americas	China	ASEAN	Total				
	Account Solution	Account 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

(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)

Based on a comprehensive resolution to issue bonds passed on March 26, 2015, the Company decided to issue its 59th unsecured straight bonds (with limited interbond pari passu clause). The details of the bonds are as follows.

(1)	Total issue amount	¥30 billion
(2)	Issue price	¥100 per ¥100 bond face value
(3)	Payment date	July 21, 2015
(4)	Redemption date	The principal of the bond will be redeemed in full on March 20, 2018.
(5)	Interest rate	0.150% per annum
(6)	Purpose of use of the proceeds	To fund redemption of short-term bonds

4. Supplementary Information

(1) Change in Quarterly Consolidated Performance

Consolidated Results for the Year Ending March 31, 2016

(¥ million, %)

	No.	Three Months Ended June 30, 2015 (Results)	Three Months Ended June 30, 2016 (Results)	Y on Y change
Revenues	1	86,993	90,785	4.4
Cost of sales	2	58,662	57,904	(1.3)
Gross profit	3	28,330	32,881	16.1
Selling, general and administrative expenses	4	19,439	20,748	6.7
Other income	5	6	32	402.3
Other expenses	6	17	39	123.9
Share of profits of investments accounted for using the equity method	7	505	536	6.1
Profit before tax	8	9,385	12,660	34.9
Income taxes	9	2,993	3,834	28.1
Net income	10	6,392	8,826	38.1
Net income attributable to:	11			
Owners of the parent	12	6,182	8,548	38.3
Non-controlling interests	13	209	277	32.4
Earnings per share	14			
Earnings per share attributable to owners of the parent (basic and diluted)	15	52.90	73.14	38.3

(2) Contract Segment Information

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

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

(¥ 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	113,398 (23) (-11)	106,269 (22) (-12)	58,976 (12) (10)	278,644 (58) (-8)	47,557 (10) (-11)	102,668 (21) (35)	54,204 (11) (26)	204,430 (42) (19)	483,074 (100) (2)
Operating assets (Composition %) (Y on Y Change %)	2	1,012,453 (37) (0)	413,940 (15) (-10)	444,566 (16) (-14)	1,870,959 (68) (-6)	299,743 (11) (23)	349,914 (13) (42)	243,413 (8) (44)	893,071 (32) (35)	2,764,030 (100) (4)

(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, 2014		Three Months Ended June 30, 2015		Y on Y change
				Composition		Composition	
Japan	Account Solution	1	238,566	49.4	267,225	46.9	12.0
	Wholesale	2	185,281	38.4	213,218	37.4	15.1
	Information equipment related	3	54,485	11.3	44,088	7.7	(19.1)
	Industrial construction machinery related	4	15,257	3.2	15,532	2.7	1.8
	Commercial logistics related	5	11,672	2.4	30,253	5.3	159.2
	Factoring	6	76,935	15.9	78,435	13.8	2.0
	Card	7	13,904	2.9	14,687	2.6	5.6
	Others	8	13,026	2.7	30,221	5.3	132.0
	Agriculture	9	8,004	1.6	9,505	1.7	18.8
	Healthcare	10	6,589	1.4	7,668	1.4	16.4
	Vehicle	11	15,000	3.1	11,532	2.0	(23.1)
	Residential CMS	12	23,596	4.9	25,217	4.4	6.9
	Others	13	95	0.0	82	0.0	(13.4)
	Vendor Solution	14	36,795	7.6	36,508	6.4	(0.8)
Europe	15	117,238	24.3	135,729	23.8	15.8	
The Americas	16	28,759	5.9	49,811	8.7	73.2	
China	17	40,543	8.4	53,662	9.4	32.4	
ASEAN	18	17,889	3.7	23,847	4.2	33.3	
Others	19	4,487	0.9	3,910	0.7	(12.9)	
Elimination and others	20	(1,205)	(0.2)	(816)	(0.1)	-	
Consolidated business volume	21	483,074	100.0	569,879	100.0	18.0	

(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.