

January 28, 2016

Consolidated Third Quarter Earnings Report [IFRS]

For the Nine Months Ended December 31, 2015



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 Scheduled date of submission of financial reports: February 12, 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 Third Quarter Ended December 31, 2015 (April 1, 2015 – December 31, 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	%
Nine Months Ended December 31, 2015	272,924	2.7	35,763	26.4	26,064	27.6	25,302	27.7	25,487	(19.2)
Nine Months Ended December 31, 2014	265,631	—	28,293	—	20,418	—	19,807	—	31,547	—

	Earnings per share (basic)	Earnings per share (diluted)	ROE
	¥	¥	%
Nine Months Ended December 31, 2015	216.47	—	10.1
Nine Months Ended December 31, 2014	169.46	—	8.5

(Ref.) Volume of business: Nine Months Ended December 31, 2015: ¥1,695,214 million; Nine Months Ended December 31, 2014: ¥1,533,693 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 December 31, 2015	3,176,430	353,466	341,324	10.7	2,920.14
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	—	42.00	—		
Year ending March 31, 2016 (Forecast)				42.00	84.00

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)

	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	%	¥
Fiscal year	370,000	3.8	46,500	30.6	33,400	33.9	32,500	34.6	278.05

Note: Changes from the latest released performance forecasts: None

(Ref.) Volume of business: Fiscal year: ¥2,240,000 million

* Notes

(For details, please refer to "2. Matters concerning Summary Information (Notes)" on page 10)

(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 treasury stock)

As of December 31, 2015: 124,826,552 shares As of March 31, 2015: 124,826,552 shares

(ii) Treasury stock at end of term

As of December 31, 2015: 7,939,999 shares As of March 31, 2015: 7,939,627 shares

(iii) Weighted average number of shares outstanding

Nine months ended December 31, 2015: 116,886,770 shares Nine months ended December 31, 2014: 116,887,266 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 9.

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1. Qualitative Information Concerning Financial Results for the Third Quarter Ended December 31, 2015

(1) Explanation about Operating Results

1) Summary of operating results

Summarized results for the nine months ended December 31, 2015 were as follows.

	(¥ million, %)		
	Nine Months Ended December 31, 2014	Nine Months Ended December 31, 2015	Y on Y Change
Volume of business	1,533,693	1,695,214	10.5
Revenues	265,631	272,924	2.7
Gross profit	88,548	98,171	10.9
Profit before tax	28,293	35,763	26.4
Net income attributable to owners of the parent	19,807	25,302	27.7

During the nine months ended December 31, 2015, while the economy showed solid growth in the U.S. and U.K, the global economy remained uncertain due to deceleration in economic growth in China and ASEAN and actualized geopolitical risks around the world. In Japan, there were signs of improvement in corporate earnings and economic recovery due to factors including monetary easing policy, economic policy, devaluation of yen, and lower crude oil price.

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 nine months ended December 31, 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 the environment and renewable energy sector, with the aim to expand the energy solution business of the Hitachi Group, 5MW downwind type power generation system was completed in September 2015, and we agreed to conduct wind power generation business in cooperation with Saibugas Co., Ltd. and Hitachi, Ltd., also in September 2015. In the agriculture sector, we have entered into an agreement to form a business alliance regarding agricultural business development with Seibukaihatsu-Nosan

Co., a leading Japanese agricultural production firm, in August 2015, in anticipation of the regulatory reform and 6th industrialization of agriculture in Japan. We have also started providing a financial service utilizing Internet of Things (IoT) in collaboration with Hitachi High-Technologies Group from January 2016.

In Global Business, we worked on “systematic globalization” with a further promotion of growth strategy and enhancement of governance in four key management areas. 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 August 2015, we also opened a new branch in Kuala Lumpur economic area to aim for further growth and business expansion in Malaysia.

As a result, consolidated volume of business for the nine months ended December 31, 2015 increased 10.5% year on year to ¥1,695,214 million as Global Business showed a growth primarily in the Americas (the U.S. and Canada) and Japan Business showed a steady performance in wholesale segment such as information equipment related sector.

Revenues increased 2.7% to ¥272,924 million and gross profit increased 10.9% to ¥98,171 million due to the expansion of Global Business primarily in the Americas. Profit before tax increased 26.4% to ¥35,763 million mainly due to an effect of business structural reform in Japan Business and the expansion of Global Business. As a result, net income attributable to owners of the parent for the nine months ended December 31, 2015 increased 27.7% to ¥25,302 million.

Results by segment for the nine months ended December 31, 2015 were as follows.

(Account Solution)

Revenues increased 3.7% to ¥146,278 million due to a steady performance in focused sectors and fundamental businesses.

Profit before tax increased 27.2% to ¥14,832 million due to an increase in revenues and an effect of business structural reform.

(Vendor Solution)

Revenues decreased 8.6% to ¥14,785 million due to a decrease in operating assets.

Profit before tax decreased 4.9% to ¥2,226 million due to a decrease in revenues.

(Europe)

Revenues increased 0.9% to ¥74,567 million due to a steady performance in U.K.

Profit before tax increased 17.3% to ¥13,213 million due to an increase in revenues.

(The Americas)

Revenues increased 53.0% to ¥9,243 million due to a strong performance of vehicle solution business and factoring business in the U.S. and Canada.

Profit before tax increased 104.2% to ¥2,733 million due to an increase in revenues.

(China)

Revenues increased 9.0 % to ¥12,827 million due to a solid performance of leasing business in China and finance business in Hong Kong.

Profit before tax increased 30.8% to ¥5,255 million due to an increase in revenues and a decrease in bad debt expenses.

(ASEAN)

Revenues increased 10.1% to ¥8,892 million due to an increase in revenues in Singapore and Thailand.

Profit before tax decreased 0.8% to ¥266 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)

	(%)	
	Nine Months Ended December 31, 2014	Nine Months Ended December 31, 2015
ROE	8.5	10.1
ROA	1.3	1.6
Equity attributable to owners of the parent ratio	10.7	10.7

(2) Explanation about Consolidated Financial Position

1) Assets, liabilities and net assets

Financial position as of December 31, 2015 was as follows:

	As of March 31, 2015	As of December 31, 2015	Change	
			Amount	%
Total assets	2,952,471	3,176,430	223,958	7.6
Interest-bearing debt	2,149,103	2,394,304	245,201	11.4
Total equity	336,830	353,466	16,636	4.9

i . Total assets

Total assets as of December 31, 2015 increased ¥223,958 million from March 31, 2015 to ¥3,176,430 million due to an increase in trade and other receivables mainly in Europe and the Americas.

ii . Interest-bearing debt

Interest-bearing debt as of December 31, 2015 increased ¥245,201 million from March 31, 2015 to ¥2,394,304 million due to increases in long-term borrowings mainly in Europe and the Americas.

iii . Total equity

Total equity as of December 31, 2015 increased ¥16,636 million from March 31, 2015 to ¥353,466 million, and major components consist of net income attributable to owners of the parent of ¥25,302 million and cash dividends paid of ¥8,766 million.

2) Cash flows

Cash and cash equivalents as of December 31, 2015 increased ¥44,785 million from March 31, 2015 to ¥164,100 million.

Cash flows by activity were as follows:

	(¥ million)	
	Nine Months Ended December 31, 2014	Nine Months Ended December 31, 2015
Cash flows from operating activities	(211,638)	(186,489)
Cash flows from investing activities	(3,962)	229
Cash flows from financing activities	234,628	231,704

i . Cash flows from operating activities

Net cash used in operating activities was ¥186,489 million. This was primarily due to an increase in trade and other receivables of ¥107,934 million, a purchase of operating leased assets of ¥101,001 million, and proceeds from sale of operating leased assets of ¥24,999 million.

ii . Cash flows from investing activities

Net cash provided by investing activities was ¥229 million. This was primarily due to proceeds from sale and redemption of investments in securities and withdrawal of time deposits of ¥6,685 million and purchase of other property, plant and equipment of ¥5,689 million.

iii . Cash flows from financing activities

Net cash provided by financing activities was ¥231,704 million mainly due to proceeds from long-term borrowings and bonds of ¥487,552 million, payments on long-term borrowings and bonds of ¥298,888 million, and increase in short-term borrowings of ¥51,873 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 ¥186,259 million.

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

The management environment surrounding the Group still remains unpredictable because of the deceleration of economic growth in China and ASEAN and increasing geopolitical risks in various countries, etc. despite continued solid economic growth in the U.S. and the U.K. In Japan, although the government's growth support policies and monetary easing policy contributed to improvement of corporate earnings, the expansion of capital investment has been limited due to the unstable business environment, and the situation remains uncertain despite a gradual recovery trend.

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 October 27, 2015.

	(¥ million)
	Fiscal Year Ending March 31, 2016
Revenues	370,000
Profit before tax	46,500
Net income	33,400
Net income attributable to owners of the parent	32,500
Basic earnings per share attributable to owners of the parent	¥278.05

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 December 31, 2015
Assets		
Cash and cash equivalents	119,314	164,100
Trade and other receivables	1,367,886	1,471,092
Finance lease receivables	996,438	1,051,869
Other financial assets	54,830	50,759
Operating leased assets	302,765	320,626
Investments accounted for using the equity method	19,267	19,878
Other property, plant and equipment	16,150	20,492
Other intangible assets	12,735	12,802
Deferred tax assets	21,179	19,195
Other assets	41,903	45,612
Total assets	2,952,471	3,176,430
Liabilities		
Trade and other payables	273,036	249,861
Borrowings and bonds	2,149,103	2,394,304
Other payables	27,912	24,747
Other financial liabilities	89,844	68,654
Income tax payable	2,684	6,049
Retirement and severance benefits	6,285	6,112
Deferred tax liabilities	1,965	1,818
Other liabilities	64,809	71,414
Total liabilities	2,615,641	2,822,963
Equity		
Equity attributable to owners of the parent		
Common stock	9,983	9,983
Capital surplus	45,823	45,828
Retained earnings	265,152	282,016
Accumulated other comprehensive income	18,597	17,830
Treasury stock	(14,333)	(14,334)
Total equity attributable to owners of the parent	325,223	341,324
Non-controlling interests	11,607	12,141
Total equity	336,830	353,466
Total liabilities and equity	2,952,471	3,176,430

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

Summary of Quarterly Consolidated Statement of Profit or Loss

	(¥ million)	
	Nine Months Ended December 31, 2014 (April 1, 2014 to December 31, 2014)	Nine Months Ended December 31, 2015 (April 1, 2015 to December 31, 2015)
Revenues	265,631	272,924
Cost of sales	177,083	174,752
Gross profit	88,548	98,171
Selling, general and administrative expenses	59,864	63,715
Other income	80	58
Other expenses	1,709	103
Share of profits of investments accounted for using the equity method	1,237	1,352
Profit before tax	28,293	35,763
Income taxes	7,874	9,699
Net income	20,418	26,064
Net income attributable to:		
Owners of the parent	19,807	25,302
Non-controlling interests	611	761
Earnings per share		
Earnings per share attributable to owners of the parent (basic and diluted)	¥169.46	¥216.47

Summary of Quarterly Consolidated Statement Comprehensive Income

	(¥ million)	
	Nine Months Ended December 31, 2014 (April 1, 2014 to December 31, 2014)	Nine Months Ended December 31, 2015 (April 1, 2015 to December 31, 2015)
Net income	20,418	26,064
Other comprehensive income		
Items not to be reclassified to net income		
Financial assets measured at fair value through other comprehensive income	544	466
Share of other comprehensive income of investments accounted for using the equity method	62	47
Total items not to be reclassified to net income	606	513
Items that can be reclassified to net income		
Foreign currency translation adjustments	12,597	(2,404)
Cash flow hedges	(2,075)	1,314
Total items that can be reclassified to net income	10,521	(1,090)
Other comprehensive income	11,128	(576)
Comprehensive income	31,547	25,487
Comprehensive income attributable to:		
Owners of the parent	30,645	24,870
Non-controlling interests	901	617

(3) Summary of Quarterly Consolidated Statements of Changes in Equity
For the Nine Months Ended December 31, 2014 (April 1, 2014 - December 31, 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			19,807			19,807	611	20,418
Other comprehensive income				10,837		10,837	290	11,128
Comprehensive income for the period			19,807	10,837		30,645	901	31,547
Dividends to equity owners of the parent			(6,078)			(6,078)		(6,078)
Dividends to non-controlling interests							(141)	(141)
Acquisition of treasury stock					(0)	(0)		(0)
Transfer to retained earnings				(730)		(730)		(730)
Transfer from accumulated other comprehensive income			730			730		730
Changes in other non-controlling interests							279	279
Total changes in equity	—	—	14,459	10,107	(0)	24,566	1,039	25,606
As of December 31, 2014	9,983	45,823	260,824	20,557	(14,332)	322,855	11,441	334,297

For the Nine Months Ended December 31, 2015 (April 1, 2015 - December 31, 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			25,302			25,302	761	26,064
Other comprehensive income				(432)		(432)	(144)	(576)
Comprehensive income for the period			25,302	(432)		24,870	617	25,487
Dividends to equity owners of the parent			(8,766)			(8,766)		(8,766)
Dividends to non-controlling interests							(209)	(209)
Acquisition of treasury stock					(1)	(1)		(1)
Transfer to retained earnings				(328)		(328)		(328)
Transfer from accumulated other comprehensive income			328			328		328
Equity transactions with non-controlling interests		5		(6)		(1)	126	125
Total changes in equity	—	5	16,864	(766)	(1)	16,101	534	16,636
As of December 31, 2015	9,983	45,828	282,016	17,830	(14,334)	341,324	12,141	353,466

(4) Summary of Quarterly Consolidated Statement of Cash Flows

(¥ million)

	Nine Months Ended December 31, 2014 (April 1, 2014 to December 31, 2014)	Nine Months Ended December 31, 2015 (April 1, 2015 to December 31, 2015)
Cash flows from operating activities		
Net income	20,418	26,064
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	66,542	71,579
Income taxes	7,874	9,699
Share of profits of investments accounted for using the equity method	(1,237)	(1,352)
(Increase) decrease in trade and other receivables	(181,089)	(107,934)
(Increase) decrease in finance lease receivables	(66,518)	(77,896)
Purchase of operating leased assets	(84,953)	(101,001)
Proceeds from sale of operating leased assets	28,840	24,999
Increase (decrease) in trade and other payables	13,375	(16,849)
Increase (decrease) in payable due to collection of securitized receivables	(2,124)	1,818
Other	(4,671)	(10,993)
Subtotal	(203,543)	(181,866)
Income taxes paid	(8,095)	(4,622)
Net cash provided by (used in) operating activities	(211,638)	(186,489)
Cash flows from investing activities		
Purchase of other property, plant and equipment	(4,931)	(5,689)
Purchase of other intangible assets	(1,086)	(2,203)
Purchase of investments in securities and payments to time deposits	(18,827)	(3,747)
Proceeds from sale and redemption of investments in securities and withdrawal of time deposits	22,816	6,685
Payment for from acquisition of subsidiary's shares resulting in changes in scope of consolidation	(7,019)	—
Purchase of investments accounted for using the equity method	—	(34)
Net decrease (increase) in short-term loans	5,000	5,000
Other	85	219
Net cash provided by (used in) investing activities	(3,962)	229
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	88,784	51,873
Proceeds from long-term borrowings and bonds	441,094	487,552
Payments on long-term borrowings and bonds	(289,313)	(298,888)
Proceeds from payments from non-controlling interests	279	—
Dividends paid to owners of the parent	(6,074)	(8,761)
Dividends paid to non-controlling interests	(141)	(209)
Purchase of shares of consolidated subsidiaries from non-controlling interests	—	(163)
Proceeds from sales of shares of consolidated subsidiaries to non-controlling interests	—	301
Other	(0)	(1)
Net cash provided by (used in) financing activities	234,628	231,704
Effect of exchange rate changes on cash and cash equivalents	3,917	(658)
Net increase (decrease) in cash and cash equivalents	22,944	44,785
Cash and cash equivalents at beginning of period	150,480	119,314
Cash and cash equivalents at end of period	173,424	164,100

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

(Notes concerning going concern)

Not applicable

(Segment information)

I For the Nine Months Ended December 31, 2014 (April 1, 2014 - December 31, 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	139,948	16,133	73,900	6,041	11,773	8,077	255,875	10,838	266,713	(1,081)	265,631
Intersegment	1,060	39	—	—	—	—	1,099	2,324	3,424	(3,424)	—
Total	141,008	16,173	73,900	6,041	11,773	8,077	256,975	13,163	270,138	(4,506)	265,631
Profit before tax	11,658	2,341	11,264	1,338	4,018	268	30,889	1,735	32,625	(4,332)	28,293

(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 Nine Months Ended December 31, 2015 (April 1, 2015 - December 31, 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	Vendor Solution									
Revenues											
External customers	145,132	14,736	74,567	9,243	12,827	8,892	265,400	9,165	274,566	(1,641)	272,924
Intersegment	1,146	48	—	—	—	—	1,194	1,880	3,074	(3,074)	—
Total	146,278	14,785	74,567	9,243	12,827	8,892	266,594	11,046	277,640	(4,716)	272,924
Profit before tax	14,832	2,226	13,213	2,733	5,255	266	38,528	1,090	39,618	(3,855)	35,763

(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.

4. Supplementary Information

(1) Change in Quarterly Consolidated Performance

Consolidated Results for the Year Ending March 31, 2016

(¥ million, %)

	No.	Fiscal Year Ended March 31, 2015		Fiscal Year Ending March 31, 2016			
		Third Quarter (Results)	Nine Months Ended December 31, 2014 (Results)	Third Quarter (October to December)		Nine Months Ended December 31, 2015 (April to December)	
				(Results)	Y on Y	(Results)	Y on Y
Revenues	1	90,883	265,631	91,662	0.9	272,924	2.7
Cost of sales	2	59,348	177,083	58,912	(0.7)	174,752	(1.3)
Gross profit	3	31,535	88,548	32,750	3.9	98,171	10.9
Selling, general and administrative expenses	4	21,321	59,864	21,863	2.5	63,715	6.4
Other income	5	72	80	17	(76.1)	58	(28.1)
Other expenses	6	1,685	1,709	23	(98.6)	103	(93.9)
Share of profits of investments accounted for using the equity method	7	288	1,237	332	15.5	1,352	9.3
Profit before tax	8	8,888	28,293	11,214	26.2	35,763	26.4
Income taxes	9	2,500	7,874	3,035	21.4	9,699	23.2
Net income	10	6,388	20,418	8,178	28.0	26,064	27.6
Net income attributable to:							
Owners of the parent	11	6,111	19,807	7,924	29.7	25,302	27.7
Non-controlling interests	12	276	611	253	(8.3)	761	24.6
Earnings per share							
Earnings per share attributable to owners of the parent (basic and diluted)	13	52.29	169.46	67.79	29.6	216.47	27.7

(2) Contract Segment Information

1. For the Nine Months Ended December 31, 2015 (April 1, 2015 - December 31, 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	382,528 (23) (9)	346,500 (20) (1)	151,095 (9) (-5)	880,125 (52) (3)	210,658 (12) (27)	401,923 (24) (20)	202,506 (12) (13)	815,088 (48) (20)	1,695,214 (100) (11)
Operating assets (Composition %) (Y on Y Change %)	2	1,024,942 (34) (2)	375,222 (12) (-16)	321,580 (10) (-19)	1,721,746 (56) (-7)	406,854 (13) (12)	505,546 (17) (15)	415,487 (14) (22)	1,327,888 (44) (16)	3,049,634 (100) (2)

2. For the Nine Months Ended December 31, 2014 (April 1, 2014 - December 31, 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	351,587 (23) (-1)	342,431 (22) (-12)	159,248 (11) (-6)	853,267 (56) (-7)	165,789 (11) (29)	335,749 (22) (43)	178,888 (11) (36)	680,426 (44) (37)	1,533,693 (100) (9)
Operating assets (Composition %) (Y on Y Change %)	2	1,006,403 (34) (1)	447,999 (15) (-2)	394,835 (13) (-17)	1,849,239 (62) (-4)	364,195 (12) (31)	440,502 (15) (42)	341,887 (11) (59)	1,146,585 (38) (43)	2,995,825 (100) (10)

(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.	Nine Months Ended December 31, 2014		Nine Months Ended December 31, 2015		Y on Y change
				Composition		Composition	
Japan	Account Solution	1	742,713	48.4	771,174	45.5	3.8
	Wholesale	2	571,486	37.3	587,765	34.7	2.8
	Information equipment related	3	138,166	9.0	151,700	9.0	9.8
	Industrial construction machinery related	4	45,780	3.1	52,353	3.1	14.4
	Commercial logistics related	5	57,334	3.7	56,437	3.3	(1.6)
	Factoring	6	235,896	15.4	203,932	12.0	(13.5)
	Card	7	43,406	2.8	45,352	2.7	4.5
	Others	8	50,902	3.3	77,986	4.6	53.2
	Agriculture	9	25,961	1.7	30,800	1.8	18.6
	Healthcare	10	22,580	1.5	24,347	1.4	7.8
	Vehicle	11	45,064	2.9	39,305	2.3	(12.8)
	Residential CMS	12	77,346	5.0	88,777	5.3	14.8
	Others	13	273	0.0	177	0.0	(35.1)
	Vendor Solution	14	100,084	6.5	101,007	6.0	0.9
Europe	15	361,111	23.5	398,790	23.5	10.4	
The Americas	16	118,863	7.8	158,019	9.3	32.9	
China	17	144,874	9.5	191,324	11.3	32.1	
ASEAN	18	55,577	3.6	66,954	3.9	20.5	
Others	19	13,343	0.9	10,218	0.6	(23.4)	
Elimination and others	20	(2,874)	(0.2)	(2,275)	(0.1)	-	
Consolidated business volume	21	1,533,693	100.0	1,695,214	100	10.5	

(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.